



LUCAS METROPOLITAN HOUSING AUTHORITY
DISPOSITION POLICY

435 Nebraska Avenue
Toledo, OH 43605

July 2018
November 2018

SURPLUS POLICY

TABLE OF CONTENTS

- I. PREFACE
- II. GENERAL PROVISIONS
- III. SURPLUS AUTHORITY AND ADMINISTRATION
- IV. SURPLUS DISPOSITION METHODS
- V. REFERENCE DOCUMENTS

I. PREFACE

This policy for the disposal of personal property (Surplus Policy) of the Lucas Metropolitan Housing Authority (LMHA) is established by the Board of Commissioners (Commission) to provide the LMHA staff with a policy for declaring assets as excess, obsolete or no longer needed and approved for disposition.

II. GENERAL PROVISIONS

A. GOAL OF THE SURPLUS POLICY

This Surplus Policy is established to provide for the fair and equitable disposition of assets that are no longer needed by LMHA. This policy will establish the guidelines for classifying supplies and equipment as surplus, both tangible and intangible. It will ensure the surplus personal property is disposed of efficiently, effectively and yields the highest possible return to LMHA. It will also establish and promote equal opportunity for the public to submit bids for surplus items and assure that the LMHA's surplus disposition process is in compliance with Federal standards, United States Department of Housing and Urban Development (HUD) regulations, and State and local laws.

B. APPLICATION

This Surplus Policy applies to all personal property and equipment owned by the LMHA (Personal Property). It will apply to all Personal Property unilaterally regardless of the source of funds that was used to acquire the Personal Property.

C. PUBLIC ACCESS TO INFORMATION RELATED TO SURPLUS PERSONAL PROPERTY

Any and all information on Personal Property declared to be surplus shall be considered a matter of public record to the extent provided in the Ohio Public Records Act.

D. AMENDING SURPLUS POLICY OR PROCEDURES

- i. The Surplus Policy of LMHA as stated within this document will only be amended by approval of the Commission.
- ii. The Surplus Procedures as defined below, may be amended at any time at the discretion of the President and CEO, and does not require Commission approval.
- iii. In the event an applicable law or regulation is midwived or eliminated, or if a new regulation is adopted, it shall, to the extent inconsistent with the Surplus Policy, automatically supersede the Surplus Policy.

E. SURPLUS PROPERTY DEFINED

Surplus Personal Property as used in the policy includes the following:

- i. Personal property no longer useful for LMHA or no longer fit for its intended purpose.
- ii. Usable material(s), equipment, or parts, including capitalized equipment that exceeds the normal maintenance, repair, and operating requirements of the department responsible for such material(s), equipment or parts.
- iii. Obsolete material(s) and equipment that cannot be used in the service for which it was purchased and cannot be utilized safely or economically for any other purpose.
- iv. LMHA has an MOU between it and Cleophas Fisher, a Section 3 business for the purpose of scavenging through LMHA's discarded waste for scrap metal ("scrap"). There is no term limit.
- v. Lost or abandoned personal property recovered from LMHA-owned or controlled property, which LMHA legal counsel has determined may be disposed of as provided under this Policy.
- vi. Personal property surrendered to LMHA, which LMHA legal counsel has determined may be disposed of as provided under this Policy.

III. SURPLUS LMHA AND ADMINISTRATION

A. AUTHORIZED OFFICER

The President and CEO has the authority to delegate to his/her designee to act on behalf of him/her in carrying out LMHA's program of disposing of surplus Personal Property.

B. PROCEDURES

LMHA will, if it believes appropriate, prepare operational procedures (Procedures) to implement this Surplus Policy, which shall be consistent with the Code of Federal Regulation: Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards; Property Standards for Equipment, Supplies and Intangible Property (2 CFR 200.313-200.315), HID's Handbook 7460.8 REV. 2, "Procurement Handbook for Public Housing Agencies", and the State of Ohio's Public Contract Code. This Procedure shall include a declaration of surplus Personal Property to the Commission that itemizes the Personal Property and shall be presented to the commission prior to disposition.

C. REVISIONS

This Surplus Policy and any later changes shall be submitted to the Commission for approval. The Commission appoints and delegates LMHA to the Chief Executive Officer and he/she is responsible for ensuring that any surplus policies adopted are appropriate for LMHA.

D. SURPLUS GUIDELINES

- i. LMHA shall comply with the requirements set forth in 2 CFR 200.313-200.315
 - a. Proper inventory records must be maintained.
 - b. Inventory must be taken every two (2) years.
 - c. A control system must be developed to ensure adequate safeguard for assets.
 - d. Adequate maintenance procedures must be developed to keep assets in good condition.
 - e. If LMHA is required to sell surplus Personal Property, proper sales procedures must be established to ensure highest possible return.
- ii. LMHA must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award, except as follows:
 - a. Items of equipment with a current per unit value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.
 - b. Except whereas provided in 2 CFR 200.312, Federally-owned and exempted property paragraph (b), or if the Federal awarding

agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained by the non-Federal entity or sold.

- c. The Federal awarding agency is entitled to a portion of the proceeds subject to its percentage of participation in the cost of the original purchase.
- d. If surplus Personal Property is sold, the Federal awarding agency may allow LMHA to deduct \$500 or 10% of the proceeds, whichever is less to cover administrative fees. LMHA also may if it chooses to access administrative fees as part of the cost of the item to the third party buyer.
- e. The LMHA may transfer title to the surplus Personal Property to the Federal Government or to an eligible third party provided that, in such cases, the LMHA must be entitled to compensation for its attributable percentage of the current fair market value of the surplus.
- f. In cases where the LMHA fails to take appropriate disposition actions, the Federal awarding agency may direct the LMHA to take disposition actions.

IV. SURPLUS DISPOSITION METHODS

One of the following disposition methods shall be chosen.

A. DISPOSAL

- i. Surplus Personal Property may be disposed in accordance to code without further action. However, if there is a cumulative fair market value for a defined “lot” of like surplus, reasonable effort shall be taken to sell the surplus.
- ii. If surplus Personal Property is damaged or the cost to repair exceeds reasonable costs for replacing, such surplus Personal Property may be disposed in accordance to code.

B. SALE

- i. Surplus Personal Property with a fair market value greater than \$5,000 must be disposed in accordance to code.
- ii. The sale of surplus Personal Property shall be through a public auction.

- iii. The starting bid for any surplus Personal Property shall be based on current fair market value.
- iv. Proceeds from the sale of any surplus Personal Property shall be allocated a required by code.

C. TRANSFER

- i. If permitted, surplus may be transferred to an authorized third party as defined in 2 CFR 200.313-200.315.
- ii. The LMHA shall recover allowable costs associated to the transfer of surplus to a third party.

V. REFERENCE DOCUMENTS

A. 2 CFR 200.313 – 200. 315 Website: <http://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200313.pdf>

B. HUD Handbook 7460.8 - Procurement Handbook for Public Housing Agencies
Website: <http://www.hud.gov/pih/publications/7460-8h/7460-8h.html>

C. Lucas Metropolitan Housing Authority's Procurement Policy