



**HOUSING AUTHORITY OF NEW ORLEANS  
FIXED ASSETS POLICY AND  
PROCEDURES FOR DISPOSITION OF SURPLUS MOVEABLE  
PROPERTY**

**BOARD APPROVED FEBRUARY 2020**

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## **1.1 Introduction**

The Fixed Assets Policy and Procedures for Disposition of Surplus Moveable Property is intended as a reference guide to provide HANO departments and employees with the following:

- a.) Fixed Assets guidelines, and
- b.) Procedures for disposition of surplus moveable property.

Policies and procedures contained herein must be followed in order to promote consistency, accountability, and efficiency within the process.

Clarification of the roles and responsibilities of HANO departments and employees is an important component of this effort. HANO departments and employees are defined as those within HANO's Central Office and properties and/or programs directly managed by HANO.

The goal of this document is to provide information that offers HANO leadership, management, and employees with an understanding as to their degree of involvement for each step of the Fixed Assets process. This manual must be used by HANO employees involved in Fixed Assets processes from receiving, capitalizing, and managing an asset through disposal.

This manual is a living document, subject to future revisions and additions. As new or revised sections are developed, updates will be issued.

### **1.1.1 General Provisions**

#### **1.1.1.1 Purpose**

The purpose of this fixed asset policy and disposition of surplus property procedures manual is to establish a broad framework of policies and guidelines to ensure that HANO's Fixed Asset functions promote administrative flexibility; efficiency and standardization, while at the same time maintain prudent internal controls and compliance with applicable statutes and regulations.

#### **1.1.1.2 Scope**

This Fixed Asset Policy applies to all capitalized assets and inventoried items owned by HANO. It shall apply to all fixed assets purchased by HANO regardless of the source of funds, including Capital Fund Programs, HOPE VI Programs, Housing Choice Voucher Program Operating Subsidy, Public Housing Program Operating Subsidy and tenant revenue.

#### **1.1.1.3 Governing Laws and Regulations**

Applicable Laws and Regulations: In adopting these Fixed Assets Policies, the Board of Commissioners and HANO's Executive Director/CEO affirm that the policies are in compliance with all applicable federal, state, and local laws and regulations.

#### 1.1.1.4 Definitions

- **Accumulated Depreciation:** The total depreciation expense for an asset since acquisition.
- **Acquisition Cost/Value:** Value of an asset at the time it is acquired inclusive of cost incurred to put the asset in use. It is the invoice price or, if donated, the fair market value.
- **Additions:** Acquisitions of new assets, or modifications to existing assets that increase the useful life or the service potential of these existing assets. Examples include addition to a building or installation of a central air conditioning system in an office.
- **Appraisal:** a valuation of property by an authorized person. An appraisal is obtained to estimate the fair market value of a piece of property. After the appraisal is obtained, the fair market value of the property is best determined by a public offering “bid” to allow determined its actual market value.
- **Appraised Value:** The estimated value of an asset based on the expertise of a qualified independent appraiser.
- **Asset Management Property (AMP):** The property groupings as determined in PIC.
- **Book Value:** The difference between the acquisition cost and accumulated depreciation. At the time of the acquisition, book value equals acquisition cost; or for a gift, market value at the time it was donated. It is also referred to as recoverable cost.
- **Building:** Roofed facility intended for the permanent or temporary shelter of persons, animals, plants, or equipment.
- **Capital Assets:** An item that is permanent in nature, having a useful life of at least one year, is tangible, is held for purposes other than investment resale, with a value of \$5,000 or more. All Buildings, Land improvements, Vehicles and Equipment could be considered capital assets.
- **Capitalize:** To record the cost as an asset subject to depreciation over its estimated useful life, rather than as an expense over one period.
- **Depreciation:** A method for allocating the cost of buildings and equipment over time. Generally accepted accounting principles and federal regulations dictate that the value of fixed assets must be written off as an expense over the life of the asset. Refer to Section 1.2.3.1 for Depreciation Schedule

- Disposal: Final status of an asset (e.g., sale, scrap, or donation, etc.) when it is removed from the fixed asset registry.
- Expense: A charge incurred for the current fiscal period.
- Fair Market Value: An estimate of the [market value](#) of a [property](#), based on what a knowledgeable, willing, and unpressured [buyer](#) would probably pay to a knowledgeable willing, and unpressured [seller](#) in the [market](#).
- Fixed Asset: An item that is permanent in nature, having a useful life of at least one year, is tangible, is held for purposes other than investment or resale, with a value of \$5,000 or more. All computers are considered fixed assets regardless of value.
- Fixed Asset Registry: Documentation of HANO's fixed assets including name, asset description, asset number, purchase value, purchase date, location, quantity, unit, inventory location, serial/VIN number, make, and model.
- Fixed Equipment: Equipment permanently affixed to a building but separate from the building itself. Examples include light fixtures, wall-to-wall carpeting, and raised flooring.
- Fleet: HANO's road and off-road vehicles used for business purposes.
- Gift-in-Kind: A donation to HANO of a tangible or intangible asset other than cash or securities. The gift can be something consumable such as office equipment or supplies; or something with a longer duration, such as computer equipment, books, or artwork.
- Intangible Asset: An asset not having physical substance (e.g., a patent or goodwill).
- Inventory Item Number: A sequential number assigned to each fixed asset that is unique.
- Land: The solid part of the earth's surface whether improved or unimproved.
- Lease, Capital: An installment payment agreement to acquire fixed assets. Leases are considered capital leases if any one of the following criteria is met:
  - Ownership transfers to lessee at the end of the lease;
  - Lease contains bargain purchase option;
  - Lease period is at least 75% of its useful life;

- Present value of lease payment is at least 90% of fair market value.
- Lease, Operating: An installment payment agreement that does not meet the criteria of a capital lease. The lease is expensed.
- Library Materials: Books, journals, bound periodicals and microfilms purchased for and catalogued in the college library.
- Maintenance: Activities related to routine repairs (recurring or preventive) to buildings and other structures.
- Market Value: The cost to acquire an item in its current condition through an arm's-length transaction. Also referred to as fair market value.
- Movable Equipment: An item that is not permanently affixed to or part of a building. Examples include copiers, computers, fax machines, and printers.
- Moveable Property: A tangible and non-consumable thing/item.
- Obsolescence: A factor to consider when determining the disposition of assets. Assets are obsolete when they are no longer useful to HANO.
- Ownership: An identification to be affixed to equipment with an acquisition cost less than \$5,000. Equipment identified by an ownership is not subject to an annual physical inventory.
- Renovation: Construction activity that changes and/or improves the function of all or part of a facility. Renovations will be capitalized if they add useful space or extend the facility's useful life.
- Software: The entire set of programs, procedures, and related documentation associated with a computer system.
- Surplus Property: A tangible non-consumable movable property owned by a political subdivision that is no longer needed for public purposes.
- Useful Life: The period of time over which an asset is useful to HANO in performing the function for which it is purchased.

### **1.1.1.5 Responsibilities**

It is the responsibility of the HANO's Executive Director/CEO to approve all revisions to this policy and procedures manual.

### **1.1.1.6 Approval of Policies**

Executive Director/CEO – The Fixed Assets Policy and Procedures for Disposition of Surplus Moveable Property will be administered by the Executive Director/CEO or his/her designee. The Executive Director/CEO shall be responsible for the following:

- a) Compliance with applicable Federal, state and local guidelines regarding HANO's Fixed Assets policy, and all other related activity is conducted in the best interest of HANO.
- b) Provide recommended updates to the policy. All changes/updates must be approved by HANO's Board of Commissioners.
- c) Review and approve reasonable requests to transfer and/or dispose of HANO's assets/surplus property.

### **1.1.1.7 Approval of Procedures**

Chief Financial Officer – The Chief Financial Officer is responsible for the management of Fixed Assets for HANO, and shall hold Department Directors and other staff accountable for complying with these Fixed Assets Policies and related Procedures. The Chief Financial Officer shall be responsible for ensuring the following:

- a.) Compliance with these Policies and Procedures.
- b.) Update the policy on an annual basis for approval by the Executive Director/CEO and HANO's Board of Commissioners.
- c.) Review and approve reasonable requests to transfer and/or dispose of HANO's assets/surplus property.
- d.) Perform an annual physical inventory review of HANO's fixed assets.
- e.) Oversee and manage HANO's capital budget process.

## **1.2 Fixed Assets**

### **1.2.1 Fixed Asset Valuation**

A fixed asset is defined as tangible, non-consumable property, which is capitalized. A fixed asset has an acquisition cost of at least \$5,000 (\$300, for IT equipment, hardware, and software), has a useful life of at least one year, and is used to conduct HANO business. The cost of a fixed asset should include the purchase price plus all costs to acquire (shipping and handling, taxes, etc.), install, and prepare the equipment for its intended use.

### **1.2.1.1 Purchased Assets**

Asset Valuation: The purchase price, transportation costs, installation costs, value-received from trade-in (if applicable), and any other direct expenses incurred by HANO in obtaining the asset(s) must be included when determining asset value. If additional or replacement computer components valued at less than \$300 are purchased, they must be treated as expenses.

Special Rules for Grants and Contracts: If additional components valued under HANO's capital threshold for an existing piece of capital equipment funded by a sponsored agreement are subsequently purchased, they may be capitalized if the additional components are specifically budgeted in the grant or contract. Assets that are obtained under a grant or contract must comply with all contractual obligations set forth in the agreement.

### **1.2.1.2 Donated Assets**

The value recorded by HANO for a donated asset is the market value of the asset when it is received by HANO. To determine the market value of the asset, the appraisal price, the selling price to HANO for an equivalent item, and/or information on IRS Form 8283 may be used. In order to inform HANO's Finance and Accounting Department of the asset, a Gift Report should be completed. Unlike purchased assets, transportation and installation costs should not be included when valuing a donated asset.

In some cases, HANO may receive title(s) to an asset that was purchased with government or corporate funds and whose title was held by the funding agency. When title is transferred, HANO receives a gift-in-kind for the market value of the item on the date it was transferred, not for the amount for which the original funding agency acquired it.

The following special rules have been adopted for determining their market value:

- a) If the value of donated computer equipment has a list price equal to or less than \$300, the value of the gift at the list price.
- b) If the equipment has a list price greater than \$5,000 and is a standard item on the price list of the donating company, the value of the gift at list price.
- c) If the equipment has a list price greater than \$5,000 and is a unique item that is not on the standard company price listings, the value of the gift at the company's established price.

In all cases, to facilitate proper stewardship and to meet IRS requirements, gifts of fixed assets must be added to HANO's Fixed Asset Registry and communicated to the Department of Finance.

### **1.2.1.3 Leased Assets**

Leased Assets are assets purchased under a capital lease (*see Section 1.1.1.4 – Definitions*).

1. Assets purchased under a capital lease should be recorded when the asset is placed in use.
2. All capital leases should be valued at the current market value and should not include any interest.
3. If the current market value is unknown, use a present value calculation based on the monthly payments to determine the cost minus inputted interest.

### **1.2.1.4 Building Improvements/Renovations**

The value of an asset includes the total amount paid for acquiring or improving the asset, such as labor, materials, architectural and design fees, charges by brokers, agents, notaries, building permits, inspections, and filing costs. Also included is the cost of utilities while construction and landscaping related services are being performed to the building.

1. All HANO-owned facilities that are permanent structures must be recorded as capital assets.
2. Any alternations or renovations to an existing facility are included in the valuation of the asset, if:
  - a. Adds usable square footage of facility space as a fixed asset, regardless of cost; or
  - b. Extends the facility's useful life and is considered non-routine maintenance or repair must be recorded.
3. All constructed buildings, improvements, renovations, and related expenditures will be charged to the appropriate AMP property.

### **1.2.2 Recording a Fixed Asset**

HANO's financial accounting system will create a fixed asset inventory record for each transaction of a fixed asset expenditure account (e.g., capital account) upon invoicing.

### **1.2.3 Depreciating an Asset**

A provision for depreciation is recorded in HANO's financial accounting system to reflect the net asset value of land improvements, buildings, equipment, and other holdings during their useful lives.

### 1.2.3.1 Depreciation Schedule

Straight-line depreciation is to be used beginning in the month the asset is put into operation and ending no later than the month prior to disposition.

The table below defines the useful life of various asset categories:

Asset Category	Useful Life
Computers, software, and office machines	3 years
Furniture	5 years
Cars and vans	5 years
Trucks	5 years
Physical plant machinery and equipment	10 years
Land improvements, utilities	40 years
Buildings	27 1/2 years

### 1.2.4 Inventory

HANO will conduct a physical inventory of all movable property on an annual basis. The purpose of a physical inventory is to verify the existence and condition of equipment and ensure the accuracy of HANO's accounting records.

The basis for all inventory reports is the Fixed Asset Registry maintained by HANO's Department of Finance. The Fixed Asset Registry includes a comprehensive list of all HANO-owned assets, including assets assigned to HANO-managed site(s) as well as HANO-owned assets assigned to RMC(s), or third parties. Accurate information from this system is dependent upon completion of the appropriate forms for additions and equipment relocation to other departments.

All changes to the location of assets should be communicated to the Department of Finance throughout the year through completed original copies of the Asset Transfer and/or Disposal Form. The physical inventory will reveal any discrepancies between recorded data and fixed assets and provide an opportunity to make corrections.

#### 1.2.4.1 Required Information for Transfer or Disposal of an Asset

The following information must be provided on the Asset Transfer and/or Disposal Form:

1. Description of item(s)
2. Make and model (Vehicles only)
3. Serial Number (Vehicles only)
4. Date of purchase

5. Quantity
6. Unit
7. Inventory (Item(s) Location (Managing Department)
8. Assigned Staff Person (if applicable)
9. Location of Item(s) (Office, if applicable)
11. Warranty information (if applicable)
12. Insurance information (if applicable)

#### **1.2.4.2 Responsibility**

##### **Furniture, Fixtures, Equipment, and HANO Fleet Vehicles**

The Department of Finance will be responsible for conducting a physical inventory of HANO's assets on an annual basis. The IT Department and Procurement Department will assist the Finance Department with performing an inventory of HANO's assets.

A schedule will be established by the Department of Finance and disseminated to each department to ensure access is provided all areas within the department at the start of inventory.

##### **Information Technology**

It is the responsibility of HANO's Information Technology (IT) Department to track equipment obsolescence. Information regarding computer related equipment, including location and/or relocation of equipment must be provided to the Finance Department via an approved Asset Transfer and/or Disposal Form. All information included on the form will be updated and included on the Fixed Asset Registry.

### 1.2.4.3 Physical Inventory Process

The process for conducting a physical inventory of HANO's fixed asset(s) is outlined below:

Responsible Party	Process Step
Department of Finance	<ol style="list-style-type: none"> <li>1. Develop a schedule for each department to conduct an annual inventory of items (fixed assets).</li> <li>2. Distribute the schedule at least seven days prior to the start of the inventory review.</li> <li>3. An inventory count of all items shall be conducted in each department.</li> <li>4. Download the most current version of HANO's Fixed Asset Registry and compare it to the inventory count.</li> <li>5. Compare the Fixed Asset Registry to the inventory and reconcile the list.</li> <li>6. Compare all changes to the Fixed Asset Registry to approved Asset Transfer and/or Disposal Form to ensure all deviations from the Fixed Asset Registry were approved before making permanent updates.</li> <li>7. If forms are not available to document the change(s), contact the Managing Department to resolve the issue(s) and obtain a copy of the approved Asset Transfer and/or Disposal Form, or request the Department Head complete an Asset Transfer and/or Disposal Form and obtain the required approvals. The asset(s) shall remain in the department until the form has been properly executed.</li> <li>8. Work with each Department to reconcile items listed on the HANO registry that are not physically accounted after the review.</li> <li>9. Document any discrepancies between the physical inventory and the Fixed Asset Registry, and forward the list of items to HANO's Chief Financial Officer.</li> <li>10. Upon reconciliation of all HANO assets, the Fixed Asset Registry shall be updated.</li> </ol>

The IT Department shall use the above referenced process to conduct an annual inventory of all computer equipment and accessories.

The process for conducting a physical inventory of HANO's IT assets is outlined below:

Responsible Party	Process Step
IT Department	<ol style="list-style-type: none"> <li>1. See steps 1-6 of the above process.</li> <li>2. Once the asset list is reconciled, send all updates to HANO's Fixed Asset Registry to the Department of Finance and Accounting.</li> </ol>
Department of Finance	<ol style="list-style-type: none"> <li>3. Update the Fixed Asset Registry.</li> </ol>

#### 1.2.4.4 Required Documentation

A copy of the most current version of HANO's Fixed Asset Registry should be used to conduct a physical inventory.

#### 1.2.4.5 Required Reporting

Any irreconcilable discrepancies between the physical inventory review and the Fixed Asset Registry should be reported to HANO's Chief Financial Officer. An incident report should be created by the Managing Department and HANO security should be contacted to investigate any missing asset(s).

### 1.2.5 Transfer of Fixed Assets

All requests to move or transfer fixed assets from one department, user, or location to another must be completed and submitted for approval using HANO's Asset Transfer and/or Disposal Form.

#### 1.2.5.1 Approval Process

The Asset Transfer and/or Disposal Form can be completed by any member of HANO's personnel, and all required approval signatures must be obtained prior to an asset transfer, or management of an asset being transferred. The following individuals must sign-off on all Asset Transfer and Disposal Forms:

- Current Managing Department Director
- Future Managing Department Director
- Deputy Director
- Information Technology Director (transfer or disposal of IT assets only)
- Executive Director/CEO

### **1.2.5.2 Responsibilities**

#### **Furniture, Fixtures, and Equipment**

All approved transfers of furniture, fixtures, and equipment should be managed by the current Managing Department. It is the responsibility of the current Managing Department to collect all approval signatures for the transfer, as well as schedule and facilitate the delivery of the asset(s) to the future Managing Department.

It is the responsibility of the future Managing Department to forward the signed original copy of the Asset Transfer and/or Disposal Form to the Department of Finance to help ensure the Fixed Asset Registry is updated appropriately.

#### **Fleet**

The Asset Management Department shall complete an Asset Transfer and/or Disposal Form for disposition and/or transfer of fleet vehicles. Upon receipt of the approved form, the Procurement Department shall dispose of fleet vehicles in accordance with the one of the five methods of disposal as outlined in this policy.

#### **Information Technology**

All approved transfers of information technology equipment should be reported to HANO's Director of IT for processing. The IT Department will coordinate all transfers of IT assets from the current Managing Department (and user, if applicable) to the new Managing Department (and user).

### **1.2.6 Disposal of Fixed Assets**

All requests to dispose of fixed assets must be submitted for approval using the Asset Transfer and/or Disposal Form.

In accordance with "Article VII, §14 of the Louisiana Constitution, Donation, Loan, or Pledge of Public Credit, Section 14. (E) Surplus Property. A Political Subdivision may, "...pursuant to a written agreement, may donate or exchange movable surplus property between or among political subdivisions whose functions include public safety".

In accordance with the Louisiana Revised Statutes, 49:125, PART VI-A. Sale of Surplus Property", §125. Sale of surplus movable property at auction, "... any political subdivision of the state is hereby authorized to sell surplus movable property at public auction, in addition to the other methods provided by law for such sales".

### **1.2.6.1 Approval Process**

An Asset Transfer and/or Disposal Form must be completed prior to the transfer or sale of an asset. All forms must be authorized, and recommendations for the disposal of HANO assets must be approved by HANO's Board of Commissioners.

### **1.2.6.2 Disposal – Donation**

If it is determined that an asset has no remaining useful life, HANO may choose to donate fixed asset(s) including electronic devices approved for disposal in those instances where federal and state law allow for the donation of the asset. All donations must be approved by the Executive Director/CEO and final determination as to which organization will receive the donated assets will be decided by the Executive Director/CEO.

### **1.2.7 Disposal – Sale**

If it is determined that an asset has a remaining useful life, HANO may choose to auction fixed assets, including fleet vehicles, approved for disposal. All auctions/sales should be coordinated by the Procurement Department. Proceeds from auctions/sales should be deposited into HANO's General Fund, or COCC Unrestricted Funds Account.

#### **1.2.7.1 Procedures for Sale of Surplus Moveable Property**

The LA R.S. 49:125. Sale of Surplus Property, et. seq., describes five methods for disposal of surplus movable property. Pursuant to this statute, HANO shall obtain an appraisal for items to be sold as surplus property, and a public bid may be held to establish a "fair market value" for those items. The process must be documented, and include a value for the items to be sold. The five methods of disposal are outlined in detail below:

#### **1.2.7.2 Disposition of Surplus Moveable Property at Public Auction**

La. R.S. 49:125 authorizes HANO, as a public entity, to employ a qualified licensed auctioneer to handle the sale. The requirements are as follows:

- Sale must be advertised;
- No sale shall be at a price less than is required by law, with the public entity reserving the right to reject any and all bids and remove the item from the sale;
- Notice of the sale should be published at least once, at least 15 days prior to the sale, indicating the minimum bid of the appraised value of the item, and the entity's right to reject any and all bids; and
- The sale must be advertised and sealed bids submitted to the entity, with the property awarded to the highest bidder, provided the entity receives the property's fair market value.

### **1.2.7.3 Disposition of Surplus Movable Property Valued at Less Than \$5,000**

La. R.S. 33:4712 (F) authorizes a municipality to sell movable property that has an appraised value of \$5,000 or less at private sale provided that:

- (1) A resolution outlining the reason for the action on the part of the governing authority and fixing the minimum price and terms of the sale shall be adopted.
- (2) Notice of the resolution and proposed sale shall be published once at least fifteen days prior to the date of the sale in the official journal of the municipality.
- (3) The sale shall be made to the person with the highest bid.

### **1.2.7.4 Internet Sale of Movable Property**

HANO may, through Internet computer auction:

- (1) Sell surplus property through the use of electronic technology (including Internet websites that facilitate such sales).
- (2) Pay reasonable costs associated with the sale from the proceeds.
- (3) Sell surplus property through any form of electronic technology, including Internet websites created expressly for that purpose whether privately or publicly owned.

### **1.2.7.5 Disposition of Surplus Property - Local Services Law**

HANO may sell its surplus movable property to another public entity through an intergovernmental agreement (IGA) as provided by R.S. 33:1321 *et seq.*, the "Local Services Law." The "Local Services Law" provides for the purchase of surplus materials and supplies from one public entity to another without the requirement of a public auction. The transfer must be at a price commensurate with the value of the surplus property.

### **1.2.7.6 Disposition of Surplus Property - Transfer of Surplus Electronic Devices to Certified Nonprofit Entities in Return for the Performance of Services**

HANO may transfer surplus electronic devices to nonprofit entities certified by R2 Solutions, or by the E-Stewards Initiative in return for the performance of services by the nonprofit agency on behalf of HANO.

The services performed must be proportional to the value of the electronic devices transferred. The service may, at a minimum, include pickup and transfer of devices from HANO, and extraction/erasure of hard drive information and of memory of all electronic devices. A written cooperative endeavor agreement (CEA) if transferring Electronic Devices in accordance with LA R.S. 49:125.1.

### 1.2.7.7 Disposal of Lease Equipment

If a fixed asset has been leased by HANO, the asset should be returned to the Vendor at the end of the lease and a replacement should be obtained.

The process for disposing of a fixed asset(s) through a lease agreement is outlined below:

Responsible Party	Process Step
Managing Department	<ol style="list-style-type: none"> <li>1. Complete the Asset Transfer and/or Disposal of Form and obtains all necessary approval signatures.</li> <li>2. Forward the document to the Procurement Department denoting that the lease period has expired.</li> <li>3. Prepare the asset for disposal (e.g., wipe hard drive(s), remove HANO-specific data.</li> </ol>
Procurement Manager	<ol style="list-style-type: none"> <li>4. Review the lease contract to determine if a replacement asset can be obtained.</li> <li>5. If yes, contact the Vendor to schedule delivery of a replacement asset and the pick-up of the used asset.</li> <li>6. If no, initiate the procurement process to procure or lease a replacement asset. Coordinate the return of the used asset to the providing Vendor.</li> </ol>
Managing Department Director	<ol style="list-style-type: none"> <li>7. Submit a copy of the approved Asset Transfer and/or Disposal Form to HANO's Department of Finance and Accounting.</li> </ol>
Department of Finance	<ol style="list-style-type: none"> <li>8. Complete the asset's depreciation schedule.</li> <li>9. Removes the asset from HANO's Fixed Asset Registry.</li> </ol>

### 1.2.7.8 Disposal – Trash

If a Department determines that the best disposal method for disposal of a fixed asset(s) is via an approved disposal site or scrap yard, it is the responsibility of the Department Director to collect the receipts for disposal. Any payments collected must be immediately forwarded to the Finance Department. The funds will be deposited in HANO's General Fund Account or COCC Unrestricted Account.

The process for disposal of a fixed asset(s) via an approved disposal site and/or scrap yard is outlined below:

Responsible Party	Process Step
Managing Department	<ol style="list-style-type: none"> <li>1. Complete the Asset Transfer and/or Disposal of Surplus Form and obtains all necessary approval signatures.</li> <li>2. Determine a fixed asset(s) ready for disposal should be scrapped.</li> <li>3. Prepare the asset for disposal (e.g., , remove HANO-specific information</li> <li>4. Schedules delivery of the asset(s) to the scrap yard.</li> </ol>
Maintenance Department	<ol style="list-style-type: none"> <li>5. Deliver asset(s) to the scrap yard.</li> <li>6. Obtain delivery receipt and returns the receipt to the Managing Department's Director.</li> </ol>
Managing Department Director	<ol style="list-style-type: none"> <li>7. Collect asset disposal receipts from the scrap yard and submits the receipts to the scrap yard for payment.</li> <li>8. Receive a check from the scrap yard for the asset(s) delivered.</li> <li>9. Submit the check and a copy of the approved Asset Transfer and/or Disposal Form (including the date of the disposal) to HANO's Department of Finance and Accounting.</li> </ol>
Department of Finance	<ol style="list-style-type: none"> <li>10. Deposit the check into HANO's General Fund or COCC Unrestricted Fund.</li> <li>11. Complete the asset's depreciation schedule.</li> <li>12. Remove the asset from HANO's Fixed Asset Registry.</li> </ol>

Each Department is responsible for determining when the furniture, fixtures, equipment, and other similar assets have reached the end of their useful life, have no value, and have become trash. Each Department shall use a reasonable person standard in making the determination that furniture, fixtures, equipment, and other similar assets have reached the end of their useful life, have no value, and have become trash. Any furniture, fixtures, equipment, or other similar asset that a Department has determined to be trash may be disposed of by any lawfully acceptable method for the disposing or recycling of trash.

## 1.2.8 Special Circumstances

### 1.2.8.1 Equipment Used by Non-HANO Managed Property

Occasionally, it may be necessary to take Movable equipment off site for use at Non-HANO managed residential sites, i.e. RMCs and third party managed residential sites, to facilitate work-related projects.

If equipment is removed from HANO's Central Office or a HANO-managed residential facility, an Asset Transfer and/or Disposal Form must be completed (*see Section 1.2.5 – Transfer of Fixed Assets*). The Asset Transfer and/or Disposal Form must be completed and all approvals obtained before an asset can be moved to a Non-HANO managed property. A copy of the completed form should be provided to the Department of Finance, to ensure the Fixed Asset Registry is updated, and to the Managing Department's Director.

## **END OF POLICY AND PROCEDURES**