



Humboldt County Association of Governments

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Surplus Property Disposal Policy

1. Purpose

The purpose of this policy is to establish procedures for the disposal of “personal property” owned by the Humboldt County Association of Governments (HCAOG) that is no longer needed for agency operations. This policy does not apply to intellectual property or real property (land, buildings, or other forms of real estate). In the context of this policy, personal property refers to furniture, computers, office supplies, etc. Throughout this document, the term “property” refers to “personal property.” This policy is intended to ensure that surplus property is disposed of in a manner that is efficient, economical, transparent, and in the public interest.

2. Applicability

This policy applies to HCAOG-owned property, including furniture, office equipment, electronics, supplies, and other tangible property.

Property purchased in whole or in part with federal, state, grant, or other restricted funds shall also be subject to any applicable requirements of the funding source. Where those requirements conflict with this policy, the funding requirements shall be followed.

3. Context

This information is provided for context. To the knowledge of all current staff, as of the drafting of this document, HCAOG has never owned a vehicle, heavy equipment, or any other similar items. HCAOG’s property ownership has been limited to furniture, office supplies, computers, maintenance equipment, and other electronic equipment.

HCAOG’s procurement policies require all purchases to be approved by the Executive Director. Purchases identified in a budget or work program previously approved by the Board do not require further Board action. The Executive Director has authority to make micro-purchases of \$5,000 or less using State or Federal funds and \$25,000 or less using local funds, within budgeted funds or unassigned fund balance, without separate Board approval.

4. Determination of Surplus Property

The Executive Director, or designee, may determine that HCAOG property is surplus when the property:

- Is no longer needed for HCAOG operations;
- Has become obsolete or outdated;
- Is damaged, worn, or no longer economical to repair or maintain;
- Has been replaced by other property; or
- Is otherwise no longer useful to HCAOG.

Before disposition, staff shall make a reasonable determination of the property's estimated fair market or resale value, taking into consideration its age, condition, usefulness, and the likely administrative cost of selling the property.

5. Methods of Disposition

The Executive Director, or designee, may select the method of disposition that is determined to be in HCAOG's best interest.

a. Property With No Significant Resale Value

Generally, “significant resale value” will mean that reselling the item will generate more revenue to HCAOG than the value of the staff time required to sell the item. For instance, a \$4.00 stapler that requires one hour of staff time to sell has no significant resale value. Property that is broken, obsolete, unusable, or determined to have no significant resale value may be recycled, discarded, or otherwise disposed of in an appropriate manner.

HCAOG will comply with Federal, State, and local laws when disposing of electronics, heavy equipment, vehicles, and other waste subject to special regulations.

b. Low-Value Surplus Property

When the estimated value of an individual item is \$1,000 or less, and the Executive Director determines that the anticipated proceeds from a sale would not justify the administrative cost of sale, or that another method of disposition would otherwise provide greater benefit to HCAOG or serve a public purpose, the property may be:

- Stored and combined with other surplus items for future sale when doing so is expected to make the sale more economical or efficient;
- Transferred or donated to another public agency;
- Donated to a nonprofit organization when the Executive Director determines that the donation serves a public purpose consistent with HCAOG's functions;
- Recycled; or
- Otherwise disposed of when the cost of storage, sale, or continued possession would be unreasonable in relation to the property's estimated value.

6. Property With Significant Resale Value

Property with an estimated value greater than \$1,000 should ordinarily be offered for sale through a commercially reasonable method intended to provide a fair opportunity for interested purchasers. Methods may include public auction, online auction or marketplace, sealed bids, publicly advertised sale, or another method approved by the Executive Director that provides reasonable competition. Surplus property may be sold in its current condition, “as-is,” without warranty, express or implied. If reasonable efforts to sell the property are unsuccessful, the Executive Director may subsequently dispose of the property pursuant to Section 5b.

7. Higher-Value Property

Disposition of an individual item or group of related items with an estimated fair market value greater than **\$25,000** requires approval of the HCAOG Board of Directors prior to sale, donation, or other disposition.

8. Grant-Funded and Restricted Property

Before disposing of property purchased with federal, state, grant, or other restricted funds, HCAOG staff shall determine whether the applicable funding agreement, grant conditions, regulations, or other requirements impose specific disposition procedures. HCAOG shall comply with all applicable funding-source requirements, including requirements concerning continued use, transfer, sale, reimbursement, crediting of proceeds, or approval by the funding agency.

9. Coordination with Member and Partner Agencies

When possible and appropriate, HCAOG will seek to dispose of property in coordination with member and partner agencies. Such efforts will emphasize efficiency of staff time, transparency, and the public interest.

10. Computers, Electronics, and Confidential Information

Before disposing of computers, electronic devices, storage media, or other equipment capable of containing HCAOG information, HCAOG shall ensure that confidential, sensitive, personally identifiable, or otherwise protected information has been securely removed or destroyed.

11. Employees, Officials, and Conflicts of Interest

HCAOG employees, Board members, and members of their immediate households shall not receive surplus HCAOG property through a preferential or nonpublic disposition. Such persons may acquire surplus property only when the property is made available through the same publicly

available sale or distribution process and on the same terms available to members of the general public. No person involved in determining property to be surplus or establishing its value or method of disposition shall use that position to obtain an improper personal benefit.

12. Documentation and Disclosure

HCAOG shall maintain a reasonable record of surplus-property dispositions. The record should include, as applicable:

- Description of the property;
- Approximate value;
- Reason for declaring the property surplus;
- Funding source, when known and relevant;
- Method of disposition;
- Amount received, if sold;
- Recipient or purchaser, when applicable; and
- Date of disposition.

Routine disposal of broken or valueless supplies and miscellaneous office materials does not require individual inventory records unless otherwise required by an applicable funding source.

During years in which surplus-property dispositions collectively exceed \$1,000, a report will be provided to the Board at the end of the fiscal year, typically provided as a consent item.

13. Sale Proceeds

Unless otherwise required by the funding source or applicable law, proceeds received from the sale of HCAOG property shall be deposited into the appropriate HCAOG fund. Typically, proceeds will be deposited into the HCAOG Administrative Fund, unless another fund is appropriate based on the original funding source or other applicable requirements.

14. Administration

The Executive Director is authorized to administer and implement this policy and to establish reasonable administrative procedures necessary to carry it out. The Executive Director may consult with HCAOG legal counsel when the appropriate disposition procedure is unclear or when property is subject to unusual funding, ownership, legal, or other restrictions.

15. Relationship to Other Requirements

This policy supplements HCAOG's Procurement Policies and Procedures Manual. Nothing in this policy authorizes a disposition that would conflict with applicable federal or state law, grant requirements, funding agreements, HCAOG's Joint Powers Agreement, or other HCAOG policies.