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ASSETS
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**NIAGARA FRONTIER TRANSPORTATION AUTHORITY
NIAGARA FRONTIER TRANSIT METRO SYSTEM, INC.**

**GUIDELINES FOR DISPOSITIONS AND TRANSFERS OF CAPITAL AND NON-CAPITAL
ASSETS**

I. PURPOSE

These Guidelines set forth the policies and procedures to be followed for the disposition of capital and non-capital assets for the Niagara Frontier Transportation Authority and the Niagara Frontier Transit Metro System, Inc. (collectively referred to as "NFTA"). The NFTA has also enacted Guidelines for the Acquisition and Disposition of Real Property that must be followed in conjunction with these Guidelines.

Definitions

Capital Assets include **Real Property** (consisting of land or buildings) and **Personal Property** (all property other than real property, primarily consisting of equipment, vehicles, furniture and fixtures).

Disposition is any transfer of title or any other beneficial interest in personal property.

Non-Capital Assets primarily include obsolete inventory items, scrap metals or fluids, and other items (including items which did not meet company guidelines for asset capitalization whereby cost was below minimum capitalization thresholds or items which ownership was not claimed as "lost and found").

II. COMPLIANCE

Any Disposition must be made in accordance with all applicable laws, including section 2824 and 2896 of the Public Authorities Law and the NFTA's enabling legislation, rules, regulations and grant agreements, including associated grant application and management guidelines. Dispositions of Personal Property having a book value in excess of \$100,000 require Board approval; Dispositions of Personal Property having a book value in excess of \$10,000 require the approval of the Executive Director; all other Dispositions require the approval of the Department's Director.

III. PROCEDURE

The Vice-President, Engineering and Facilities Management, or appointed representative, is the contracting officer responsible for Dispositions of Real Property in accordance with the Guidelines for Acquisitions and Dispositions of Real Property.

The Controller, Accounting Services, is the contracting officer responsible for the compliance of the disposition of Personal Property and enforcement of these Guidelines.

Dispositions of Capital and Non-Capital Assets will be managed in accordance with the following procedures:

Department Manager Guidelines

If a Department Manager possesses any obsolete or non-useful property, they should take action to dispose of such property as identified below.

A. Request to Dispose of a Capital Asset or Non-Capital Asset
The Department Manager must complete a form for "Request for Disposal of Capital and Non-Capital Assets" which is attached as Appendix A. The completed "Request for Disposal of Capital and Non-Capital Assets" form must be submitted to the Controller, Accounting Services, located at 181 Ellicott Street, Buffalo, New York. The Capital Project Accountant will notify the Department Manager of the logistics of where and when to deliver any Personal Property for eventual disposal.

B. Request to Transfer a Capital Asset
If a Department Manager is in possession of an asset that will be transferred to another division or department, the Department Manager must complete a "Request To Transfer A Capital Asset" form, which is attached as Appendix B.

The recipient Department Manager / Department Director must sign this form to acknowledge their approval and receipt of the transferred asset.

The completed "Request To Transfer A Capital Asset" form should be forwarded to the Controller, Accounting Services located at 181 Ellicott Street, Buffalo, New York.

C. Vehicle Title
The Niagara Frontier Transit Metro System, Inc. ("Metro") maintains vehicle title for all Metro buses and other vehicles. The Risk Management Department maintains vehicle title for all NFTA vehicles other than Metro vehicles.

Either Metro or the Risk Management Department will provide vehicle title for NFTA Metro and NFTA vehicles to the Capital Project Accountant. The Capital Project Accountant will coordinate release of titles to the appropriate party upon disposal.

Methods of Disposal (Managed by Accounting Services)

No employees (either directly or through relation or friendships) are allowed to acquire, for their own personal use, any disposed assets or any component parts of any asset unless such employee independently becomes a purchaser via participation in a Public Auction. Failure to abide with this policy can result in termination of employment and / or criminal penalties.

The following methods of disposal are allowable and may only be completed through Accounting Services:

1. Disposal by Bid - In general, all Dispositions shall be by bid conducted by the Manager, Procurement, in accordance with section 2897 of the Public Authorities Law.

2. Donation - Any Capital Asset or Non-Capital Asset which is life expired and of no further use to the NFTA may be donated to a charitable organization with the approval of the Executive Director through separate memorandum and completed disposition form. Further, FAA recommends life expired airport equipment be donated to reliever airports. Items will be listed for auction to determine fair market value. If auction bids are under \$15,000, they will be reviewed by the Director of Aviation and Chief Financial Officer for turnover to a reliever airport with a final memorandum approval from the Executive Director. Any such donations are at the discretion of the Authority.

3. Lost / Stolen / Damaged or Destroyed - The Department Manager must immediately report when any asset under their control is lost, stolen, damaged or destroyed to:

- the Director, Risk Management and Special Projects;
- the Chief of the Transit Police; and
- Controller, Accounting Services (see below)

The Department Manager must immediately complete a "Request for Disposal of Capital and Non-Capital Assets" form attached as Appendix A and forward the completed form to the Controller, Accounting Services. Each employee is responsible for the care and safekeeping of any NFTA assets. Administrative action and / or pecuniary liability may result due to proven negligence or misconduct that causes the loss of NFTA assets.

4. Public Auction - All Personal Property that has a fair market value of less than \$15,000 may be sold at a public auction. The contracted Auction services will be obtained through authorized procurement procedures whereby such award will be decided on a competitive basis.

5. Scrap Dealers - If the contracted Auctioneer declines to sell any Personal Property due to lack of value or marketability, the Capital Project Accountant must obtain a minimum of **three estimates** from reputable scrap dealers for the disposal of such Property if the value is estimated to be between \$2,500 and \$15,000. (The Manager, Procurement may provide assistance to the Capital Project Accountant in the solicitation of estimates). The three estimates should be attached to a "Request for Disposal of Capital and Non-Capital Assets" form, which is attached as Appendix A. (If scrap proceeds are less than \$2,500, only one estimate is required).

6. Trade-Ins - If Personal Property currently owned by the NFTA is contemplated as a trade-in towards the purchase of new Personal Property, the Department Manager must complete a "Request for Disposal of Capital and Non-Capital Assets" form, which is attached as Appendix A. If the trade-in value to be provided by the merchant is less than the current fair market value, the Department Manager should obtain approval from the Manager, Procurement, to complete the trade-in. The Manager, Procurement, may suggest the disposal of the existing property using either Bid or Public Auction services to attain a higher value. Otherwise, if the trade-in value exceeds the current fair market value, then the Department Manager may proceed with the trade- in towards their new property without any additional approvals other than those required by the Procurement Guidelines.

7. E-Waste Recycling - The NFTA is a named participant in an Agreement executed by Erie County on the disposal of E-Waste through a Certified Recycler (CR). As E-Waste is identified, the NFTA Department Manager must provide a list of items to be recycled which includes the following information regarding each item (Manufacturer, Model, Serial Number), along with a signed Disposal form to Accounting Services.

E-Waste items shall be accumulated at their location. Accounting Services (Capital Project Accountant) will coordinate with MIS to contact the CR and arrange for pickup. Absolutely, no items may be removed from our facilities prior to receiving the CFO's signature of approval.

Once the process of pickup by the CR is complete, a reconciliation of the recycling that has been certified by the CR and the internal listing of items that is attached to the Disposal form will be conducted. Final documentation will reside in Accounting Services.

8. None of the above - If Accounting Services intends to dispose of any Capital or Non-Capital Asset in a method other than any of the aforementioned circumstances, such disposal must be documented and approved by the Executive Director.

Proceeds from Disposal of Assets

All disposal proceeds should be provided to the Controller, Accounting Services. The Capital Project Accountant will remove the asset from current ledgers and record the appropriate gain or loss on disposal.

If any proceeds are for Capital Assets which were purchased using grant funds, the Capital Project Accountant will coordinate the return or refund of such proceeds to the proper grantor (Federal and/or New York State) agencies with the Grant Department. The Grants Department is required to provide notification to the original granting agency of the transaction.

Guidelines

The Guidelines shall be annually reviewed and approved by the Board. The Controller, Accounting Services, shall ensure that a copy of the Guidelines as reviewed and approved by the Board is reported as part of the Public Authorities Reporting Information System and is posted on the NFTA website.

Inventory and Reporting

The Controller, Accounting Services, is responsible for ensuring that the NFTA maintains adequate inventory controls and accountability systems of all Personal Property under its control. Personal Property with a fair market value of \$5,000 or more shall be inventoried periodically and recommendations made to the Department Manager for Disposition.

The Controller, Accounting Services, is responsible for preparing an annual report listing all Personal Property of the NFTA with a fair market value of \$5,000 or more disposed of during the previous year, a list and full description of the Personal Property, the price received by the NFTA and the name of the purchaser.