



INFORMATIONAL REPORT

DATE ISSUED: August 4, 2008
REPORT NO: HCR 08 - 77
SUBJECT: Disposition of Assets

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

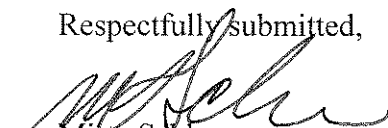
A bi-annual review of the San Diego Housing Commission capitalized fixed assets, computer equipment and high risk items was completed in June 2008. The review process included identification and physical verification of all capitalized fixed assets and high risk items. The results of the review determined that 100% of the capitalized and high risk assets (Attachment 1) were located and are in service.

DISCUSSION

A Board action to transfer equipment and supplies purchased with Public Housing Funds to Local Funds was approved on June 6, 2008 (Attachment 2). This was a result of the Housing Commission opting out of the Federal Public Housing Program.

There were no items disposed of during the period covered by this report. The next physical asset inventory is scheduled for completion by December 31, 2008.

Respectfully submitted,


Mirta Schloss
Senior Program Analyst
Procurement Office

Approved by,


Carrol Vaughan
Interim President & Chief Executive Officer

Attachment 1 - Administrative Regulation – Definition of Capitalized Assets and Expendable Equipment.
2 – San Diego Housing Commission Board Report # HCR08-51 – Transfer of Equipment and Supplies

San Diego Housing Commission
ADMINISTRATIVE REGULATION

Subject: **DEFINITION OF CAPITALIZED ASSETS AND EXPENDABLE EQUIPMENT**

Number: **AR000.001**

Effective Date: February 24, 1995

Page 1 of 2

1. PURPOSE

The purpose of this administrative regulation is to clearly define the capitalization threshold of the San Diego Housing Commission and how expendable equipment shall be monitored.

2. SCOPE

This administrative regulation applies to all tangible assets procured by the San Diego Housing Commission. The Manager of Financial Services shall ensure that an inventory of all capitalized and High Risk Assets is maintained.

3. DEFINITIONS

- A. Fixed Asset is defined as any asset procured, by any method or exchange, by the San Diego Housing Commission, which has a useful life in excess of 1 year and has a unit cost equal to or in excess of \$5,000.
- B. Capitalized Equipment is defined as moveable equipment owned by the San Diego Housing Commission, which has a useful life of greater than one year and a unit cost value of over \$5,000. In determining the cost of an asset, expenses necessary to place the asset into service are considered a part of the asset. For example, freight, taxes and set-up charges are added to the cost of the asset, but are not included in determination of capitalized vs. non-capitalized.
- C. Expendable Equipment is defined as all other moveable equipment that does not meet the definition of capitalized equipment above.
- D. Dwelling Equipment is defined as expendable equipment that is used by tenants of the San Diego Housing Commission and is typically located in the dwelling units or common areas of the Commissions property.
- E. High Risk Asset is defined as an asset which has a higher than normal risk of theft. These items are small relative to their value, therefore making them an ideal candidate for theft. High Risk Assets are specifically defined as follows:

Cameras
 Televisions
 VCRs / DVD Players
 Computer Equipment; including PDA's
 Video Cameras
 Projection Equipment

It is acknowledged that all assets are susceptible to theft. However, the cost / benefit of control methods necessary to track and inventory all assets is unfeasible.

History: Adopted 2/24/95

Revised 03/18/02; Revised 04/2/07

Approved by:

Carrol M. Vaughan
 Chief Operating Officer

REPORT

DATE ISSUED: April 10, 2008 REPORT NO: HCR08-51

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of June 6, 2008

SUBJECT: Transfer of Equipment and Supplies

REQUESTED ACTION:

Housing Commission approval of any equipment or supplies purchased for under Five Thousand Dollars (\$5,000) with Public Housing funds be transferred to the San Diego Housing Commission without reimbursement to Public Housing accounts.

STAFF RECOMMENDATION:

Staff recommends that the Housing Commission accept and approve the transfer of any equipment or supplies purchased for under the amount of Five Thousand Dollars (\$5,000) with the Public Housing fund to the San Diego Housing Commission with no reimbursement to Public Housing fund.

DISCUSSION:

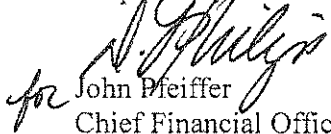
Title 24 Part 85.32e of the Code of Federal Regulations requires that when original or replacement equipment is acquired for public housing and is no longer needed for the original project, disposition of the equipment will be made as follows:

- Equipment with a current fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no obligation to the awarding agency. Types of equipment that will be transferred, for example, are depreciated computer servers, air conditioners, and scanners.
- Equipment over \$5,000 will be sold for fair market value and proceeds will go into the equity of the 36 remaining public housing units. Fair market value will be determined by appraisal, auctions, bids or blue book values.

ENVIRONMENTAL REVIEW:

For California Environmental Qualities Act (CEQA) purposes this action is not a project and is not subject to review. For National Environmental Protection Act (NEPA) purposes this activity is administrative and is exempt from NEPA review pursuant to the provisions of 24 CFR 58.34(a)(3).

Respectfully submitted,


John Pfeiffer
Chief Financial Officer

Approved by,


Carrol M. Vaughan
Interim President & Chief Executive Officer

Attachment: HUD title 24: 85.32