

New Mexico Higher Education Department  
Statutory Requirements for Property Dispositions

Abbreviations/Definitions

HED = Higher Education Department

SBF = State Board of Finance

OSA = Office of State Auditor

Constitutional Institutions: ENMU, NMHU, NMIMT, NMMI, NMSBVI, NMSD, NMSU, NNMC, UNM, and WNMU

Non-Constitutional Institutions: CCC, CNM, LCC, MCC, NMJC, SJC, SFCC, and SENMC

Disposition Approval Requirements for Constitutional Institutions

Dispositions of Tangible Personal Property

- Constitutional Institutions are exempt from having to obtain approval for dispositions of tangible personal property items regardless of the current resale value.
- Constitutional Institutions are still required to notify (provide written notification) the OSA when disposing of tangible personal property items that are deemed to be capital assets (original cost of item was greater than \$5,000).

Dispositions of Real Property

- Constitutional Institutions are exempt from having to obtain approval for dispositions of real property with a current resale value of \$5,000 or less.
- Constitutional Institutions are required to obtain HED (not SBF or OSA) approval when disposing of real property with a current resale value over \$5,000.

Disposition Approval Requirements for Non-Constitutional Institutions

Dispositions of Tangible Personal Property

- Non-Constitutional Institutions are exempt from having to obtain approval when disposing of tangible personal property items with a current resale value of \$5,000 or less.
- Non-Constitutional Institutions are required to obtain HED approval when disposing of tangible personal property items with a current resale value over \$5,000.
- Non-Constitutional Institutions are still required to notify (provide written notification) the OSA when disposing of tangible personal property items that are deemed to be capital assets (original cost of item was greater than \$5,000).

Dispositions of Real Property

- Non-Constitutional Institutions are exempt from having to obtain approval for dispositions of real property with a current resale value under \$5,000.
- Non-Constitutional Institutions are required to obtain HED (not SBF or OSA) approval when disposing of real property with a current resale value between \$5,000 and \$25,000.

- Non-Constitutional Institutions are required to obtain SBF (not HED or OSA) approval when disposing of real property with a current resale value exceeding \$25,000. Any buildings that are not portable and attached to land are considered real property (1.5.23 NMAC).

#### Key Points/Clarifications

- If personal property items did not meet the dollar threshold at the time of original purchase to be deemed inventory, then Institutions should follow their own disposition procedures.
- Dispositions of property whose method is found to be theft or embezzlement should be recorded in the inventory and financial accounts. Associated documentation such as police and insurance reports should be kept as part of the audit trail of the disposition.
- Prior approval is not required if the tangible personal property is to be used as a trade-in or exchange pursuant to the provisions of the Procurement Code (Sections 13-1-28 through 13-1-199 NMSA 1978).

#### Governing Authority Disposition Approval Procedures (Required of All Institutions)

- Designate a committee of at least three officials of the governing authority to approve and oversee dispositions.
- Give notification at least thirty days prior to its action making the deletion by sending a copy of its official findings and the proposed disposition to OSA, HED or SBF (depending on whether required by the disposition approval requirements defined here within).
- A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as public record subject to the Inspection of Public Records Act (Chapter 14, Article 2 NMSA 1978).

#### HED Contact

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