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Cc: [Edwards, Kevin B](#)
Subject: Important IMD Asset Disposition Update and Reminder
Date: Friday, January 10, 2025 3:30:46 PM
Attachments: [image001.png](#)

Good Morning Transit Agencies,

In the November Transit Call, I explained how our Asset Disposition process would work and included a recent change in the rules moving the amount of retainage up to \$10,000 along with other changes effective October 1st, 2024. However, I did not update the language on the email sent out. For clarification, please see the rules and process below. Depending on when your asset (vehicle or major capital purchase) was disposed, you will need to follow the rules accordingly.

You should have received emails from SmartSheets by now asking for specific information and documentation on vehicles and assets your agency have disposed of since November 15, 2021. That is the effective date of the new rule for transit asset disposition according to the FTA, see here - <https://www.transit.dot.gov/funding/grants/bipartisan-infrastructure-law-disposition-requirements-frequently-asked-questions>. Thank you to all who have responded to us and are working on completing this with us. If you have not received this, please check your spam folder or contact Kevin Edwards.

From 11/15/2021 to 09/30/2024, the formula states that the agency can retain the first \$5,000 plus a percentage of what is left according to its local share of the original award. NCDOT is allowing the agency to also retain the state's portion, which together should equal 20% in most cases.

We will handle these transactions in the following way:

- NCDOT-IMD will contact transit agency directors for NCDOT-IMD subrecipients through a SmartSheet Update Request to submit information about how you disposed of your vehicle or asset. **All information requested is required.** This information requested will include the following:
 - Confirmation of the VIN # for the disposed vehicle and the VIN # of the replacement vehicle,
 - The Year, Model, Date in and then out of Revenue Service for the vehicle,
 - The Date of Disposition, Type and Method of Disposition,
 - The Odometer Reading at the Time of Disposition,
 - The Buyer or Transferee Type and Name,
 - Sales Amount,
 - If you paid for any selling or handling fees for the sale.
 - You will also need to attach any documentation for selling and handling fees, the sales receipt (which should include the name of buyer, amount sold for and date of sale).
- Once that has been fully completed, you will receive a confirmation letter restating what you

submitted for you to certify by Docusign. The letter will also include the amount your agency must return to the FTA, if any and instructions on how to do it.

- All funds must be returned to a specific WBS# that has been setup and can be returned by either electronic or paper means.
- The same method will apply to Sales, Transfers and Casualty Losses.

Kevin B Edwards, Safety, Education and Compliance Manager, is managing this process and is the contact on this going forward. **He will approve all Transfers and Casualty Losses** as well.

Dispositions that took place between 11/15/21 and 06/02/24: These went out first and need to be acted on quickly. Please have these completed by **January 29, 2025**. We understand that many agencies have had significant impacts from Helene. We will be reaching out to each of the impacted agencies to develop a plan to accommodate their individual needs. If this applies, please contact Kevin Edwards to discuss your options.

Dispositions that took place between 06/03/24 and 09/30/2024: These dispositions follow the same formula as above. Once we receive the New Vehicle Inspection Form for a new vehicle being delivered, Kevin will release the Lien Title. He will then send the request to you. At the same time, the clock will start on your disposing of the asset. You will have **180 days** to dispose of the asset and submit your results. You will need to save that email (or request a new one) until you dispose officially.

Dispositions that take place on 10/01/2024 and going forward: These dispositions will use the new formula the FTA released on 09/27/2024 that states assets that “are **sold for \$10,000 or less, the recipient may retain the full proceeds** from the disposition. If the **proceeds are greater than \$10,000**, then per 49 U.S.C. 5334(h)(4)(B) the recipient may retain **\$5,000 and the percentage of the local share** in the original Award of the remaining proceeds, with the remaining federal share returned to FTA. In either case, **selling and handling expenses are not permitted to be deducted from the amount** returned or in determining the sale proceeds.” Again, every year IMD will add vehicles that will be replaced in an application period into the IMD Official Asset Disposition Tracker. Once we receive the New Vehicle Inspection Form for a new vehicle being delivered, Kevin will release the Lien Title. He will then send the request to you. At the same time, the clock will start on your disposing of the asset. You will have **180 days** to dispose of the asset and submit your results. You will need to save that email (or request a new one) until you dispose officially.

You can also review this in the **Business Guide** here -

<https://connect.ncdot.gov/business/Transit/Pages/BusinessGuide.aspx?Method=IMD-400-409> and our new “Asset Disposition” webpage here: <https://connect.ncdot.gov/business/Transit/Pages/Asset-Disposition.aspx> (should be updated by 4pm on 01/10/25).

If you have any questions, please contact Kevin Edwards at kbedwards2@ncdot.gov or 919-707-4695 or myself.

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