**Vermont Homeland Security Unit**

**Equipment Management and Disposition Instructions**

**Overview**

According to federal guidelines and regulations, subrecipients are required to be prudent in the acquisition and management of property acquired with Federal funds. Subrecipients must also assure an effective system for property management exists; this assurance is signed for on the award agreement with the Department of Public Safety. A subrecipient must submit a Property Records List at the time of reimbursement.

# Definition

§200.33 Equipment.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a **per-unit** acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000.

The Homeland Security Unit also requires that all electronics and IT related items, purchased with federal funds are considered equipment.

Example: Night Vision Goggles with a per unit value of $6,500, quantity 2, with a cumulative acquisition price of $13,000 needs to be inventoried and reported as two separate items.

# Management Requirements from [§200.313 Equipment](https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=dac37b61e2a02639b890c5a029fe44f1&mc=true&n=pt2.1.200&r=PART&ty=HTML#_top).

1. Maintain Accurate Property and Equipment Records. Property records must be maintained that include:
   1. a description of the property,
   2. a serial number or other identification number,
   3. the source of funding for the property (including the FAIN),
   4. who holds title,
   5. the acquisition date,
   6. cost of the property,
   7. percentage of Federal participation in the project costs for the Federal award under which the property was acquired,
   8. the location, use and condition of the property,
   9. and any ultimate disposition data including the date of disposal and sale price of the property.

The Homeland Security Unit is able to provide a Homeland Security Unit (HSU) Property Records List template.

1. Conduct a Physical Equipment Inventory. A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.
2. Implement Safeguards to Prevent Loss, Damage or Theft of Equipment. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Subrecipients are responsible for replacing or repairing the property, which is willfully or negligently lost, stolen, damaged or destroyed. Any loss, damage or theft of the property must be investigated and fully documented and made part of the official project records.
3. Implement Equipment Maintenance Procedures. Adequate maintenance procedures must be developed to keep the property in good condition.
4. Disposition. A subrecipient shall dispose of the equipment when original or replacement equipment acquired under the grant award is no longer needed for the original project or program. Disposition of the equipment will be made as follows:
   1. Items of equipment with a current per unit fair market value of less than **$5,000** may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. DPS must be notified.
   2. Items of equipment with a current per-unit fair-market value in excess of **$5,000** may be retained by the non-Federal entity or sold with prior DPS approval.
      1. All dispositions shall be submitted in writing to DPS for approval and disposition instructions. Items should not be sold or disposed of until DPS has instructions from the federal awarding agency. The following must be completed:
         * Documentation must be provided to include the method used to determine current fair market value.
         * The subrecipient must complete and submit the following FEMA form (SF428C) to request federal disposition instructions.
           + DPS will submit this document to the federal awarding agency to request federal disposition instructions.

if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of $5,000 may be retained by the non-Federal entity or sold.



1. Records retention: §200.333 Retention requirements for records. (c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition

* Requires documentation of method used to determine fair market value
* All dispositions requests and documentation of fair market value determination shall be submitted in writing to DPS for approval and disposition instructions.
  + Once value is confirmed, DPS will instruct that equipment may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.
* Property Records List must be maintained for all equipment acquired at a value of $5,000 or above. The Homeland Security Unit also requires that all electronics and IT related items, purchased with federal funds are considered equipment.

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Fair market value of the equipment after (years):

Example #1: **Fair Market Value below $5,000**

* Requires documentation of method used to determine fair market value
* All disposition requests and documentation of fair market value determination shall be submitted in writing to DPS for approval and disposition instructions.
* Required submission of SF428C. DPS will submit this document to the federal awarding agency to request federal disposition instructions.
  + if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of $5,000 may be retained by the non-Federal entity or sold.
* Property Records List must be maintained for all equipment acquired at a value of $5,000 or above. The Homeland Security Unit also requires that all electronics and IT related items, purchased with federal funds are considered equipment.

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Fair market value of the equipment after (years):

Example #2: **Fair Market Value above $5,000**