SECTION 11 - PROPERTY AND EQUIPMENT MANAGEMENT

(Applies to all equipment purchased in whole or in part with federal or state funds)

11.1 Purpose

This section establishes procedures for the acquisition, tracking, safeguarding, inventory, use, and disposition of equipment purchased with grant funds in accordance with:

- 2 CFR §200.313 (Equipment)
- 2 CFR §200.314 (Supplies)
- 2 CFR §200.303 (Internal Controls)

11.2 Definitions

Equipment – Tangible personal property with:

- Useful life of more than one year, AND
- Per-unit acquisition cost ≥ $5,000
  (or lower capitalization threshold if required by Fiscal Agent policy)

Supplies – Tangible personal property with per-unit cost < $5,000.

11.3 Acquisition Requirements

Before equipment purchase:

1. Procurement standards (Section 10) must be followed.
2. Budget availability must be confirmed.
3. Executive Director approval required for equipment purchases.
4. Funding source must be identified.
5. Equipment must be necessary for grant purposes.

Equipment purchases must not be made solely to exhaust remaining funds.

11.4 Equipment Inventory Record Requirements

The following information must be recorded in an Equipment Inventory Log:

- Description of equipment
- Serial number or identifying number
- Funding source
- FAIN (if applicable)
- Acquisition date
- Acquisition cost
- Location
- Condition
- Custodian
- Percentage of federal participation (if applicable)
- Disposition data (if disposed)

Inventory records must be maintained by the Finance Manager or designee.

11.5 Tagging and Identification

All equipment meeting capitalization threshold must:

- Be tagged with a unique identifier.
- Be labeled as federally funded (if required).
- Be recorded in inventory within 10 business days of receipt.

11.6 Safeguarding of Equipment

NRMRWDACB shall:

- Protect equipment from loss, theft, or misuse.
- Restrict access to authorized staff.
- Maintain secure storage for portable items.
- Report missing equipment immediately.

Lost or stolen equipment must be:

1. Reported to Executive Director.
2. Documented in writing.
3. Investigated.
4. Reported to funder if required.

11.7 Physical Inventory

A physical inventory must be conducted:

- At least once every two years.
- By staff independent of daily custody where possible.
- Compared to inventory log.

Discrepancies must be:

- Investigated.
- Documented.
- Corrected within 30 days.

Executive Director must review and sign off on inventory certification.

11.8 Use of Equipment

Equipment must:

- Be used for its intended program purpose.
- Be used for the federal program as long as needed.
- Not be used for personal purposes.
- Not be transferred without approval.

If no longer needed for original program, equipment may be used in other federally supported activities before disposition.

11.9 Disposition of Equipment

When equipment is no longer needed:

If current fair market value > $5,000:

- Federal agency may be entitled to its proportionate share.
- Disposition must follow federal guidance.

If ≤ $5,000:

- Equipment may be retained, sold, or disposed without further obligation.

Disposition must be documented.

11.10 Supplies Management

Supplies must:

- Be used only for grant purposes.
- Be tracked if sensitive (e.g., laptops).
- Be reasonably safeguarded.

If unused supplies exceed $5,000 at closeout:

- Federal share must be calculated and handled per 2 CFR §200.314.

11.11 Internal Control Statement

Equipment controls ensure:

Procurement → Recording → Tagging → Safeguarding → Inventory → Disposition Documentation → Oversight

This satisfies 2 CFR §200.313 and internal control standards.