



Property and Equipment Inventory Reports

Federal Code of Regulations
44 CFR, Emergency Management and Assistance
Alaska Division of Homeland Security and Emergency Management
Equipment Management and Disposition Policy

Overview

According to federal guidelines and regulations, subgrantees are required to be prudent in the acquisition and management of property acquired with Federal funds. Subgrantees must assure an effective system for property management exists; this assurance is signed for on the award agreement with the Division of Homeland Security and Emergency Management (DHS&EM). A subgrantee must submit a description of its property management system, either in its grant application or when otherwise requested by DHS&EM. If the subgrantee does not employ an adequate property management system, project costs association with the acquisition of the property may be disallowed.

Definition

Equipment - tangible, non-expendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more **per unit**.

Example: Radio Base-station 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 44 CFR Part 13.32

1. Maintain Accurate Property and Equipment Records. Property records shall include:
 - a. Description of the property (Include make and model)
 - b. Manufacturer's serial number or other identification number
 - c. Vendor (Source of the property)
 - d. Acquisition date
 - e. Cost of the property
 - f. Percentage of Federal participation in the cost of the property
 - g. Location of the equipment
 - h. Condition of the equipment as of the date the information is reported
 - i. Disposition data: Date of disposal and sale price

2. Conduct a Physical Equipment Inventory. DHS&EM's policy requires the subgrantee to conduct the inventory annually. Any discrepancies must be investigated to determine the cause. The jurisdiction shall submit its initial physical equipment inventory report to DHS&EM by January 20 in the first year of the award performance period, on a spreadsheet provided with the grant award agreement. In subsequent years, DHS&EM will distribute to each subgrantee a copy of its last physical equipment inventory report for subgrantee reconciliation and update. The reconciled and updated report shall be submitted to DHS&EM by January 20 each year until disposition of the property occurs. Thus, physical equipment inventory reports are required beyond the performance period of the grant agreement, continuing to the end of the equipment life cycle.

3. Implement Safeguards to Prevent Loss, Damage or Theft of Equipment. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. A subgrantee must submit a description of its control system either in its grant application or when otherwise requested by DHS&EM. Subgrantees 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. The investigation report and documentation shall be submitted with the annual physical equipment inventory report submitted to DHS&EM.

4. Implement Equipment Maintenance Procedures. Adequate maintenance procedures shall be implemented to keep the property in good condition. A subgrantee must submit a description of its equipment maintenance procedures either in its grant application or when otherwise requested by DHS&EM.

5. Disposition. A subgrantee 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:
 - a. Items with a fair market value of **less** than \$5000 may be retained, transferred, or otherwise disposed of with DHS&EM approval.
 - b. Items with a current per unit standard federal or fair market value in excess of \$5,000 may be retained, transferred, or otherwise disposed of with prior DHS&EM approval;
 1. Documentation must be provided to include the method used to determine current fair market value.
 2. All dispositions shall be submitted in writing to DHS&EM for approval and disposition instructions.

<u>Example #1: Standard Federal Value</u>	
Acquisition cost of a boat purchased in 2006:	\$50,000
Standard Federal value of boat at time of purchase:	\$11,650
<i><u>(Value equals 23.3% of unit cost, remains constant for life of property)</u></i>	
Annual inventory report required until value of property is less than \$5,000	

<u>Example #2: Fair Market Value</u> (Requires documentation of method used to determine fair market value, requires analysis)	
Fair market value of the boat in _____(year):	\$ TBD
Annual inventory report required until value of property is less than \$5,000	