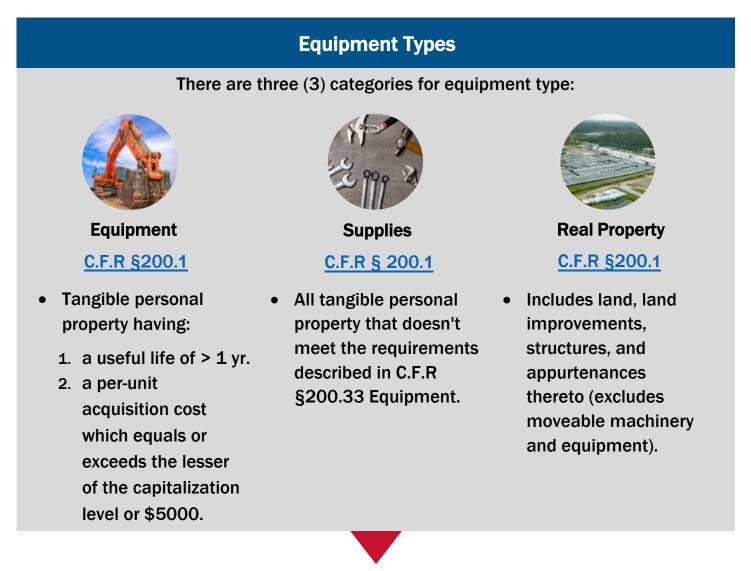
# Equipment Disposition Under a Federal Award

The following information provides guidance for the disposition of purchased equipment, supplies, and real property after they are no longer needed for federally funded projects.



## **Step 1: Request Disposal Instructions**



Entities should request disposition instructions from the federal awarding agency.

If the federal agency fails to respond with instructions *within 120 days*, the entity is absolved of the responsibility and can proceed with any action deemed appropriate. (C.F.R §200.313 Equipment(e)(2))

## Step 2: Determine the Current Fair Market Value\*



Entities must calculate the current fair market

# value of any unused residual supplies/materials for FEMA funded projects.

\*Fair market value is either the selling price or the advertised price for a similar item in a competitive market.

**Step 3: Eligible Actions Based on the Current Fair Market Value** 

Current per unit fair market
value is < <b>\$5,000</b>

Current per unit fair market

value is > **\$5,000** 

### Dispose

Entities may dispose of the equipment, supplies, or real property in any way it sees fit after receiving approval from FEMA.



### Sell

Entities may sell equipment, supplies, or real property.\*



#### Retain

Entities may retain (or transfer) equipment, supplies, or real property to be used for other federally funded programs or projects, after informing FEMA.\*

\*Per <u>C.F.R §200.313(e)</u>, <u>C.F.R §200.314(a)</u>, and <u>C.F.R §200.311(c)</u>, the federal

awarding agency is entitled to a portion of the value or proceeds



Entities should keep records of disposal for monitoring purposes. If the entity is unsure of what to do, they should seek guidance from their Program Specialist.