Federal Equipment Disposition Procedure

Federal Government defines equipment as a unit acquisition with a useful life of one year or more and cost over $5000. Those products with a unit acquisition with a cost of less than $5000 and useful life of one year or less are considered “supplies.”

When closing a federal program, the following steps must occur to ensure that federal property is justly accounted for.

1. Take an inventory of the supplies and equipment.
2. Determine the current value of the supplies and/or equipment. The standard federal property disposition rules permit the system to retain property assets whose net present value is less than $5,000.
3. If aggregate value of supplies is $5000 or more in total aggregate “fair market value” and the supplies can be used for another Federal Program, the supplies may be retained for that purpose.
4. Regarding equipment with a net aggregate fair market value of more than $5000, refer to OMB, CFR, or other Federal Guidelines and or original contract/agreement which apply to the fund source from which the supplies or equipment were purchased. Some examples:
   - Workforce Investment Act* funding: See WIA Directive WSD09-12, which includes references to 29 CFR Part 97 “Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments”

Check with Grants Manager for updated regulations by fund source.

*Note that the equipment approval for WIA funds for Clean Energy includes a clause “we understand you will continue to utilize this equipment after the current project ends.”