



Property Management for Equipment and Major Supplies

Subrecipients must use procedures for managing **equipment** and **major supplies** acquired in whole or in part under the subaward until disposition takes place, which includes the following requirements:

1. Property records,
2. Inventory,
3. Maintenance procedures,
4. and a Control System.

“Major Supplies” are defined as tangible property with a per-item cost of less than \$5,000, including electronic devices, computers, and furniture. Consumable office supplies (pens, pencils, etc.) are not included in this definition. Detailed requirements for equipment management are listed in the [DOJ Financial Guide](#).

1. Property records must include the following:

- a. Description of the property
- b. Serial number or other identification number
- c. Source of the property (federal award ID number and DCJS grant number)
- d. Identification of the title holder
- e. Acquisition date
- f. Cost of the property
- g. Percentage of Federal participation in the cost of the property
- h. Location of the property
- i. Use and condition of the property
- j. Disposition information (see below)

2. Inventory

- a. A physical inventory of the property must be conducted and the results must be reconciled with property records at least once every 2 years.
- b. **Note:** Using a tracking spreadsheet and labeling grant funded property are effective tools to facilitate a complete and accurate inventory.

3. Maintenance procedures

- a. Regular maintenance procedures must be in place to ensure the property is in proper working condition.

4. Control System

- a. Promptly and properly investigate and fully document any loss, damage, or theft, and make the documentation part of the official project records. [2 C.F.R. § 200.313 \(d\)\(3\)](#).
- b. Notify DCJS of any loss, damage, or theft of equipment that will have an impact on the program.
- c. Provide at a minimum, the equivalent insurance coverage for equipment acquired with Federal funds that the recipient or subrecipient owns. Insurance is not required for Federally-owned property unless required by the award. [2.C.F.R. § 200.310](#).
- d. Recipients and subrecipients are responsible for replacing or repairing property that is willfully or negligently lost, stolen, damaged, or destroyed.

Disposition of Equipment and Major Supplies:

It is recommended for subrecipients to have a policy for disposing of equipment and major supplies once the property is no longer needed or usable to ensure adherence to grant requirements outlined below.

Items purchased with grant funds that have a fair market value of **more** than \$5,000 (or amount indicated in the guidelines for the funding opportunity):

- The item may be retained or sold, but the awarding DOJ agency will have a right to a specific dollar amount. Calculate this amount by multiplying the percentage of the DOJ agency's contribution towards the original purchase price by the current market value or proceeds from the sale. The seller is also eligible to retain \$1,000 of the proceeds to cover expenses associated with the selling and handling of the equipment.
- You must maintain a record of the disposition, including the date of disposal and sale price (if applicable).

Items purchased with grant funds that have a fair market value of **less** than \$5,000 (or amount indicated in the guidelines for the funding opportunity):

- You may use it for other activities without reimbursement to DCJS or the Federal government.
- You may sell the property and retain the proceeds.
- You may surplus or otherwise dispose of the property.
- You must maintain a record of the disposition, including the date of disposal and sale price (if applicable).

Monitoring Notes:

As part of an on-site monitoring visit, DCJS staff will:

- Request a list of property purchased with funds from the grants under review.
- Need to see the item to compare to property records.
- Review the property records to ensure adherence to grant requirements.
- Ensure the property was included in the approved budget.
- Request a copy of the property disposition policy and/or disposition procedures to ensure compliance with grant requirements.
- **Note:** Using a tracking spreadsheet and labeling grant funded property are effective tools to assist DCJS staff in efficient review and reconciliation of property purchased with grant funds.

Contact your DCJS Grant Monitor for questions and assistance.