

Equipment Purchased with Federal Grant Funds

In order to assure compliance with the subrecipient agreements and the Code of Federal Regulations regarding grant funding, the following information is provided.

Use - Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.

- Depending upon the year purchased, subsequent guidance applies.

Management – Property control records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property, who holds the title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

- A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- Adequate maintenance procedures must be developed to keep the property in good condition.

Disposition – When the equipment acquired under the award is no longer needed for the original project or program, disposition approval by AZDOHS or USDHS/FEMA may be required. **Updated Property Control Forms are required whenever final disposition of equipment (originally listed on the Property Control Form) occurs.**

- **FFY 2014 and Prior:**

Less than \$5,000 - Equipment with a current per-unit fair market value of less than \$5,000

- Items of equipment with a current per-unit fair market value of less than \$5,000 may be sold or otherwise disposed of with no further obligation to the State awarding agency (AZDOHS) except submission of an updated Property Control Form.
- **The subrecipient will provide to the State awarding agency (AZDOHS) a copy of an updated Property Control Form.**

\$5,000 Or More - Equipment with a current per-unit fair market value of \$5,000 or more

- **AZDOHS APPROVAL REQUIRED PRIOR TO DISPOSITION** (Form available at <https://azdohs.gov/grant-program-forms>)
- **The subrecipient will provide to the State awarding agency (AZDOHS) a copy of an updated Property Control Form.**

- **FFY 2015 & Forward:**

\$5,000 or less - Equipment with a current per-unit fair market value of \$5,000 or less

- Items of equipment with a current per-unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to the State awarding agency (AZDOHS) except submission of an updated Property Control Form.
- **The subrecipient will provide to the State awarding agency (AZDOHS) a copy of an updated Property Control Form.**

Excess of \$5,000 - Equipment with a current per-unit fair market value in excess of \$5,000

- **AZDOHS APPROVAL REQUIRED PRIOR TO DISPOSITION** (Form available at <https://azdohs.gov/grant-program-forms>)
- **The subrecipient will provide to the State awarding agency (AZDOHS) a copy of an updated Property Control Form.**

Marking

- FFY 2010 and prior
 - Equipment purchased is to be marked “Purchased with funds provided by the U.S. Department of Homeland Security”
- FFY 2011 – FFY 2016
 - No marking required
- FFY 2017 – > Operation Stonegarden ONLY
 - When practicable, equipment prominently marked “Purchased with DHS funds for Operation Stonegarden Use”
 - See marking guidance at <https://azdohs.gov/opsg>

Equipment Records

- Records for equipment acquired with grant funds **must be retained for 3 years after final disposition.**