

# Perkins Equipment Inventory and Disposal Requirements

## Required policy and procedure for Perkins Management

Policy sourced from Code of Federal Regulations eCFR 200.313

### Management requirements

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- Property records must be maintained
- A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures must be developed to keep the property in good condition.
- If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

### Property records must be maintained that include:

- Description of the property
- Serial number or other identification number
- Source of funding
- Who holds the title
- Acquisition date
- Cost of property
- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired
- Location
- Use and condition of the property
- Ultimate disposition data, including date of disposal and sale price of the property

### Disposition

eCFR 200.313: Disposition.

“Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:”

- 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 responsibility to the Federal awarding agency.
- The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property

### For Non-Capitalized Equipment

Up to date: November 21, 2024

Source: MUS Perkins Compliance 101 meeting and presentation October 4, 2024

1. Offer the equipment to other approved CTE programs, as appropriate for relevant purposes.
2. If no other program wants the non-capitalized equipment, they may surplus the non-capitalized equipment per campus disposition policies.

### **For Capitalized Equipment**

1. Offer the equipment to other approved CTE programs, as appropriate for relevant purposes.
2. Notify Perkins Program Manager of items to be surplus or sold.
  1. Perkins Program Manager will notify other campuses of the available equipment and determines who will receive the equipment.
  2. The receiving institution will cover shipping or other costs incurred in transferring the equipment.

### **For Capitalized Equipment - Sales**

If a campus wants to sell the property:

1. **Fair Market Value.** Fair market value must be determined and a Perkins Disposition Form must be completed. Fair market value is the value of the item on the open market. A copy of the sales receipt must be submitted with the disposition form.
2. **Calculate Federal Participation.** The federal participation percentage in the equipment is determined by the proportion of the federal share in the acquisition cost. The percentage of the federal share is then multiplied by the amount received by the sale to determine the federal participation. The federal participation must be used to purchase more Perkins-eligible equipment.
3. **Records.** Equipment inventory records must document the sale of the item(s) sold and new records created for items purchased with the federal interest.

### **Broken Equipment**

If equipment, either capitalized or noncapitalized, is broken and no longer usable, the campus must document the disposal and the condition of the item at the time of disposition on the equipment inventory form.

### **Closure of a Program**

Once notified of the closure of a CTE program that possesses Perkins-funded capitalized equipment, the Perkins Program manager will determine the time and method of disposition of the equipment.

### **Loss of Perkins Eligibility**

If a former Perkins eligible institution is no longer Perkins eligible by choice or by designation from OCHE, the institution must return all items with a current fair market value greater than \$5,000 to OCHE.

### **Equipment Inventory Process**

Blank equipment inventory reporting forms will be housed [online](#).

Perkins Coordinators will be provided a back-filled form from OCHE this month. Please ensure the last three years are accurately and completely filled.

### **Perkins Coordinators will be responsible for:**

Up to date: November 21, 2024

Source: MUS Perkins Compliance 101 meeting and presentation October 4, 2024

- Maintaining an up-to-date equipment inventory
- Adding purchases and required field to equipment inventory form as equipment is acquired
- Submitting the updated form with updated signatures with quarterly reports
- Effective beginning Q2

Up to date: November 21, 2024

Source: MUS Perkins Compliance 101 meeting and presentation October 4, 2024