

## Process for Disposal of Grant Funded Equipment

**Question:** What is the process for disposing of grant-funded equipment when it is no longer needed for the program or project for which it was acquired?

a) Items **that are more than five (5) years old with a current per-unit fair market value of less than \$5,000** may be retained, sold, or otherwise disposed of with no further obligation to HSGD. *Document the disposal for monitoring purposes. Don't forget to follow your jurisdiction's protocol for disposal of inventory.*

b) Items **that are less than five (5) years old and regardless of the current per-unit fair market value**, require sub-recipients to request disposition of HSGP funded equipment, or state controlled assets. *Keep records of disposal for monitoring purposes. Don't forget to follow your jurisdiction's protocol for disposal of inventory.*

- Equipment with a current per-unit fair market value of \$5,000 or more may be retained with the order of preference as follows:
  - Retained and used in the program for which it was originally acquired, regardless of whether or not the program is still receiving federal grant funds; without receiving HSGD approval.
  - Retained and used in other activities currently or previously supported under a FEMA grant or sub-grant, without receiving HSGD approval.
  - Retained and used in other activities currently or previously supported under a federal grant or sub-grant. HSGD approval is required.
  - Retained and used in other activities not currently or previously supported under a federal grant or sub-grant. HSGD approval is required.
- Equipment with a current per-unit fair market value of \$5,000 or more may be sold with the order of preference as follows:
  - Traded-in or sold with proceeds used to off-set the cost of replacement equipment. HSGD approval is required.
  - Equipment may be sold with HSGD entitled to a share of the proceeds (calculated by multiplying the current market value or proceeds from sale by HSGD's share of the equipment). HSGD approval is required. *Note: HSGD strongly prefers the other disposition options outlined above.*
- The date of disposition and method of disposal (i.e. destroyed, transferred, sold, etc.) and fair market value or sale price should be annotated on the inventory log.
- Methods used to determine fair market value must be documented, kept on file, and made available upon request.
- If required, or if additional assistance is needed, sub-recipients should contact HSGD for further instructions prior to disposing of equipment.
- If an item is traded-in or sold and the proceeds are used to off-set the cost of replacement equipment, the equipment inventory list must also be updated to include the replacement equipment. The percent of federal participation would be calculated by dividing the trade-in value or sale price of the original item by the total cost of the replacement item.

**The process for disposing of grant-funded equipment is now done online.**

Sub-recipients requesting to dispose of equipment should complete the HSGD Disposition Request Form located at: [https://fs3.formsite.com/OOG\\_HSGD/EqDisp/index.html](https://fs3.formsite.com/OOG_HSGD/EqDisp/index.html)