

IOWA DEPARTMENT OF JUSTICE

ATTORNEY GENERAL  
BRENN A BIRD



## Chapter 12 Property and Equipment

Subrecipients are required to be prudent in the acquisition and management of property purchased with state or federal funds. All purchases must follow the Procurement Standards located in [Chapter XIV. Procurement of Goods and Services](#). Purchasing new property when suitable property is already available for the successful execution of the project is considered an unnecessary expenditure.

# Definitions

**Real Property:** typically includes land and buildings.

**Personal Property:** includes both tangible personal property, which is classified as either equipment or supplies; and intangible personal property, which includes things having no physical existence, like trademarks, copyrights, and patents.

**Equipment:** is a tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

**Sensitive Minor Equipment:** is defined as moveable, high-risk, sensitive property items purchased with a per unit cost between \$500.00 and \$5,000.00, such as computers (i.e., laptops, tablets), TVs, projectors, cell phones and cameras acquired, used and managed for criminal justice and victim service grant purposes.

**Intangible Property:** includes trademarks, copyrights, and patents.

**\*\*\*Real property and intangible property are unallowable expenses with CVAD funding.**

# Inventory Control

Due diligence should take place before purchasing property and equipment in order to ensure it is needed and is not already available within your organization.

Subrecipients must have and follow their property and equipment policy and maintain supporting documentation to avoid incurring property and equipment costs that are later disallowed (e.g., acquiring unreasonable, duplicative, or unnecessary property).

CVAD recommended inventory control include:

- Keep an up to date equipment inventory (For CVAD requirements see [Management and Oversight of Equipment](#))
- Employ effective management techniques for determining property/equipment is needed.
- Initiate a screening process to ensure effective controls are in place for property management.

# Documentation

Receipts or invoices with order dates are required on all equipment purchased with grant funds. Documentation of equipment purchased and supporting receipts should also be maintained to provide for easier documentation on the annual [Project Equipment Summary Report](#), which requires a listing of all equipment purchased via grant funds during the year. Save a copy of the completed report in the grant file.

Purchases with a unit cost greater than \$5,000 must have at least three written bids or quotes prior to purchase. The quotes or bids must be submitted to CVAD with reimbursement request if risk designation requires it, or at the discretion of CVAD. These quotes should be kept on file for audit purposes. The invoice copy or receipt must be submitted to CVAD with reimbursement, regardless of risk designation.

Subrecipients must retain records for equipment, non-expendable personal property, and real property for a period of 5 years from the date of disposition, replacement, or transfer at the discretion of the awarding agency. If any litigation, claim, or audit is started before the expiration of the 5-year period, a subrecipient must retain records until all litigation, claims, or audit findings involving the records have been resolved.

# Management and Oversight of Equipment

Equipment and sensitive minor equipment must be reported on the [Project Equipment Summary Report](#). This report is due every October 31 and sent via email to your CVAD contact person.

Agencies must have procedures for managing equipment and sensitive minor equipment (including replacement). Agency inventory records must identify the source(s) of funding used to purchase equipment and include at a minimum, the following:

Equipment and sensitive minor equipment records must include:

- Purchasing federal grant award number
- Description of the property
- Serial number or other identification number
- Identification of who holds the title
- Acquisition date
- Cost of the property
- Percentage of Federal participation in the cost of the property
- Location of property
- Use and condition of property
- Disposition data including the date of disposal and sale price and justification

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 exist to ensure adequate safeguards to prevent loss, damage or theft of property.

Subrecipients must notify CVAD within 30 business days of discovery when there is loss, damage or theft of equipment or sensitive minor equipment if grant funds paid for the equipment or minor equipment.

Any loss, damage, or theft shall be investigated by the subrecipient, as appropriate. Subrecipients are responsible for replacing or repairing property that is willfully or negligently lost, stolen, damaged, or destroyed. Any loss, damage, or theft of the property must be investigated and fully documented and made part of the official project records.

Adequate maintenance procedures must exist to keep the property in good condition.

If the subrecipient is authorized or required to sell the property, proper sales procedures must ensure the highest possible return; see [Disposition](#).

# Disposition

Whenever a subrecipient wishes to dispose of surplus equipment purchased with grant funds, or change its use, the equipment must be returned to CVAD or be disposed of within the guidelines of the program. 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 CVAD or Federal awarding agency. Equipment with a current per-unit fair-market value in excess of \$5,000 may be sold with the proceeds of the sale being multiplied by the awarding agency's share of the equipment, with that amount to be returned to the CVAD.

Any equipment (i.e. phones, tablets, laptops, etc.) containing personally identifying client information must be deleted in accordance with industry standards, from the device prior to destruction, or sale. For questions about how to meet this standard, please contact CVAD.

There is no time limit on this requirement. Contact CVAD for guidance when disposing of equipment purchased with grant funds.

In the event of the termination or grant closure of a CVAD grant prior to the end of the grant term, programs should contact VSS Program Staff for instructions regarding equipment disposition.

# Reporting Purchase

Subrecipients shall complete the [Project Equipment Summary Report](#) for all CVAD grants. This form is a list of equipment purchased during each fiscal year and is completed on an annual basis only if equipment is purchased with CVAD funds. This form is due to CVAD with the final claim of the annual contract period. Save a copy of the completed report in the grant file.

# Equipment Acquired with Specific Federal Formula Funds

Additional information and requirements for equipment acquired with federal formula funds administered by CVAD can be found in the [DOJ Grants Financial Guide](#). Information on specific federal formula funds can be found at the following links:

- [Sexual Assault Services Grants \(SASP\)](#)
- [STOP Violence Against Women Act Grants \(VAWA\)](#)
- [Victims of Crime Act Grants \(VOCA\)](#)
- [Family Violence Prevention and Services \(FVPSA\)](#)



