**Guidance Memorandum**

**To:** Social Service Block Grant Provider Agencies, DCF Contracting and Program Personnel

**From**: DCF Grants Management, Auditing and Records

**Date: April 30, 2015**

**Subject**: Guidance Memorandum on SSBG Funded Equipment Purchases, Equipment Retention, Property Management Standards and Equipment Disposition.

**Purpose:** This guidance memorandum is designed to guide providers and DCF contracting and program staff with respect to recordkeeping and subsequent use of equipment purchased with Sandy SSBG funding.

When SSBG Superstorm Sandy funds are used to purchase vehicles and or equipment (computers, copiers, etc.), the provider must segregate the equipment on its equipment inventory listing and present notice that it is federally owned. The items may be used for other federally funded projects once the program ends. A final inventory at the end of the SSBG Superstorm Sandy funded contract must list the equipment.

At the conclusion of the SSBG Superstorm Sandy funded contract, equipment purchased with Sandy SSBG funds may be used by a provider in support of any other federally funded projects it operates, whether or not the federal funds are awarded to the provider through a DCF contract. Every 2 years (even after the Sandy SSBG grant has concluded and for so long as the equipment is in use) the inventory must list the equipment and its use for federal purposes. As an example, if a computer has a useful life of 3 years, there is an obligation to continue to track its use through the third year by the provider. In addition, DCF contracting and program personnel have an obligation to check to ensure that the appropriate records are maintained.

**Inventory records are required to be kept while the Sandy SSBG project is ongoing and thereafter if the equipment is to be used by the provider for another federally funded program.**

**Inventory has to identify the equipment**. The Provider is required to maintain accurate records according to the guidelines stated below and the equipment records should include all of the following (See example of equipment log at Exhibit 1):

* A description of the equipment;
* Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number;
* Source of the equipment, including the award number;
* Whether title vests in the recipient or the Federal Government;
* Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost;
* Information from which one can calculate the percentage of the Federal Health and Human Services (HHS's) share in the cost of the equipment (not applicable to equipment furnished by the Federal Government);
* Location and condition of the equipment and the date the information was reported;
* Unit acquisition cost;
* Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the HHS awarding agency for its share.

**Every 2 years there MUST be a physical inventory.** The recipient should take a physical inventory of equipment and the results reconciled with the equipment records at least once every two years.

**Disposition of federally funded equipment at the conclusion of the SSBG program:**

The Federal Regulations; 45 CFR § 74.34 Equipment (a)I.(1 to 4) and (f).1(i) to (ix) and f.(3);

Equipment purchased with federal funds shall be used in the project or program as long as needed, whether or not the project or program continues to be supported by Federal funds and the Provider shall not encumber the property without approval of DCF and the HHS awarding agency.

**Extended use of federally funded equipment at the conclusion of the SSBG program:**

When the equipment is no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, if any, in the following order of priority:

1. Programs, projects, or activities sponsored by the HHS awarding agency;
2. Programs, projects, or activities sponsored by other HHS awarding agencies; then,
3. Programs, project, or activities sponsored by other Federal agencies

**Disposition of federally funded equipment at the conclusion of the SSBG program:**

When original or replacement equipment acquired under a grant or sub-grant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

1. Items of equipment 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 the awarding agency.
2. Items of equipment with a current per unit fair market value in excess of $5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

**Example:** If the person the agency hired to do additional Sandy work in domestic violence, street outreach, or rape prevention is no longer funded after the Sandy funding ends, that person’s computer may still have a one year useful life but there is no longer a SSBG person to cover the use of the computer. The provider must either identify other federal funding so that the computer may still be used if needed or return the balance of funding to DCF (and we must return it to HHS).

**Example:** If the street outreach program purchased a van and the van can be utilized in another federally funded program by the provider the van can continue to be used by the provider. If not and the provider wishes to keep the van the fair market value of the van must be returned to DCF (and we shall return the funds to HHS).