

Equipment Disposition Under a Federal Award

The following information provides guidance for the disposition of purchased equipment, supplies, and real property after they are no longer needed for federally funded projects.

Equipment Types

There are three (3) categories for equipment type:



Equipment

[C.F.R §200.1](#)

- Tangible personal property having:
 1. a useful life of > 1 yr.
 2. a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level or \$5000.



Supplies

[C.F.R § 200.1](#)

- All tangible personal property that doesn't meet the requirements described in C.F.R §200.33 Equipment.



Real Property

[C.F.R §200.1](#)

- Includes land, land improvements, structures, and appurtenances thereto (excludes moveable machinery and equipment).



Step 1: Request Disposal Instructions



Entities should request disposition instructions from the federal awarding agency.

*If the federal agency fails to respond with instructions **within 120 days**, the entity is absolved of the responsibility and can proceed with any action deemed appropriate.*

([C.F.R §200.313 Equipment\(e\)\(2\)](#))

Step 2: Determine the Current Fair Market Value*



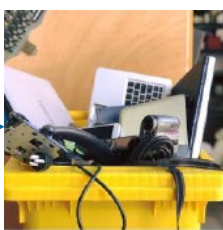
Entities must calculate the current fair market value of any unused residual supplies/materials for FEMA funded projects.

**Fair market value is either the selling price or the advertised price for a similar item in a competitive market.*

Step 3: Eligible Actions Based on the Current Fair Market Value

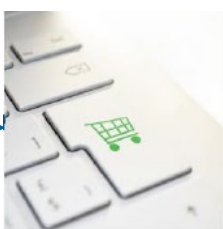
Current per unit fair market value is < \$5,000

Current per unit fair market value is > \$5,000



Dispose

Entities may dispose of the equipment, supplies, or real property in any way it sees fit after receiving approval from FEMA.



Sell

Entities may sell equipment, supplies, or real property.*



Retain

Entities may retain (or transfer) equipment, supplies, or real property to be used for other federally funded programs or projects, after informing FEMA.*

**Per [C.F.R §200.313\(e\)](#), [C.F.R §200.314\(a\)](#), and [C.F.R §200.311\(c\)](#), the federal awarding agency is entitled to a portion of the value or proceeds*