

Federal Award Property Management Guide for Subrecipients

This guide outlines the rules for subrecipients regarding the ownership, management, and disposition of property purchased with federal funds. If using federal funds to acquire property (equipment and supplies), a subrecipient is responsible for ensuring that the property is used only for its intended and approved purpose; taking care of the property and monitoring it throughout its useful life; and following instructions from Restore America's Estuaries on how to dispose of the property.

Definitions

- Equipment** is a fixed or movable tangible asset (including information technology systems) to be used for operations, the benefits of which extend beyond one year from date of receipt or when placed into service. The acquisition cost is equal to or greater than \$5,000.00. Examples: furniture, fixtures, machinery, and vehicles. [2 CFR §200.313]
- Supplies** are consumable and tangible property which can be categorized as reusable or single use. Examples: office supplies (paper, pens), cell phones, software, and laptops. When there is an aggregate residual inventory of unused supplies exceeding \$5,000, management and disposition must be determined by RAE. The aggregate value of unused supplies consists of all supply types, not just like-item supplies. For example, five \$1,000 laptops and two deep freezers worth \$3,500 each are considered to have an aggregate value of \$12,000. [2 CFR §200.314]
- Property** is the term used throughout this Guide to describe both equipment and supplies.
- Property to be Inventoried** includes all tangible property that meet the following criteria:
 1. Moveable, not attached as a permanent part of a building or structure;
 2. Life expectancy through normal use of more than one year;
 3. Categorized as reusable; and
 4. Acquisition cost of equal to or greater than \$500.00 (USD).

Property Management

There are several key guidelines you must follow regarding federally funded property:

- Acquire property only for the specific purpose as defined in your agreement and approved by Restore America's Estuaries.
- Use the property only for its approved purpose.
- Keep accurate records for all property (e.g., purchase date, ownership documents, price, location, physical description, maintenance history and condition, and other inventory types of data).
- Dispose of the property according to the written guidance from Restore America's Estuaries.

ACQUISITION:

When purchasing property using federal funds, the subrecipient must adhere to all applicable rules, regulations, requirements, and standards set forth in your agreement with Restore America's Estuaries, organizational policies, federal and state regulations, the Code of Federal Regulations (CFR), OMB Circulars, and Executive Orders as applicable.

Generally, if property is purchased with federal funds but not designated as federally owned property under an award agreement, title is conditionally vested in your organization. The Federal Government, however, retains an interest in, and therefore restricts the use and disposition of, this property. Restore America's Estuaries and its subrecipients are precluded from encumbering the property without the prior authorization of the federal awarding agency.

USE:

Your organization must use property purchased with federal funds only for approved activities on Restore America's Estuaries program or project. When no longer needed for Restore America's Estuaries funded program, contact your RAE programmatic contact for instructions on further use and/or disposition.

RAE prohibits your organization from using federally acquired property to provide services for a fee that competes unfairly with private companies that provide equivalent services unless specifically authorized by Federal statute.

INVENTORY, STORAGE, & DISPOSITION:

For property (including replacement property) you have acquired in whole or in part with federal funds, you must have procedures and control systems in place to tag & track property, keep adequate property records, conduct regular inventories, and ensure the property is maintained and safeguarded from theft and damage throughout its useful lifecycle. It is recommended to have a Property Management System or Property Log to maintain accurate records, assist with conducting regular inventories, and provide adequate maintenance and control.

Insurance:

Your organization must, at a minimum, provide insurance coverage for equipment acquired or improved with federal funds equivalent to that provided to property owned by the subrecipient.

Tagging & Tracking:

Your organization must tag and record all property meeting the definition of Items of Property to be Inventoried (see definition above). Tagging assets with a physical decal establishes ownership, facilitates current and accurate inventory, and helps safeguard equipment.

The following data elements should be recorded for each item, as applicable:

Data Elements for Record	Example
Equipment ID: Identifying number assigned to the asset or if available, the manufacturer's serial number, model number, federal stock number, or national stock number.	D0Y7N13
Description of the Property	Dell Latitude 7400 Laptop
Funding Source: Fund program number, Federal award number, and Percentage of federal participation in the project costs for the federal award under which the property was acquired.	Fund #: 41401 Award #: 5 NU38OT000288-04-04 % Funded: 100%
Unit Acquisition Cost	\$1,832.00
Acquisition Date: Date of purchase of the item	02/10/2021
Location: Building where the property is stored, employee who it is assigned to, and/or the current location of the property	Assigned to employee Pat Dunn, Irving Texas
Condition of the Property and the Date the Information was Last Reported. (New, Good, Poor, Broken)	Good 02/01/2022
Final Disposition Record: Record of final disposition; transaction # from NetSuite; Agreement of Sale # from Salesforce; and/or Location of asset if no longer in use and awaiting final disposition.	Laptop returned on 5/31/2022 to RAE warehouse for storage until final disposition during award closeout.

Property-related records should be retained for a period of seven (7) years from the date of submission of the final report to Restore America's Estuaries, unless otherwise specified.

Inventory:

Your organization must maintain an active inventory of all property meeting the definition of Property to be Inventoried, assuring items are recorded and their status accurately reflected in your records. Conduct a physical inventory of the property no less often than every two (2) years, with a reconciliation of the inventory with the property records.

Storage:

Property should be stored to protect it from damage, loss, and theft. Considerations for proper storage, include:

- Security: the ability to lock the storage facility and restrict access to the property to authorized personnel;
- Environmental: ensuring climate control & protection from environmental elements, if necessary;
- Tenure of Storage: identifying locations for property to be stored before disbursement and before disposition; and
- Space Constraints: provide enough space for property to be stored in an orderly fashion for ease in disbursement, inventory & audits, and disposition.

Disposition:

Property purchased using federal funds should only be used for the project for which it was acquired. When the property is no longer needed and/or the project under which it was purchased has concluded, please contact your RAE programmatic contact for disposition instructions.

Federal Compliance Monitoring

As part of Restore America's Estuaries' annual Federal Compliance Monitoring program, RAE staff may review inventory records and overall management of property purchased with federal funds. Restore America's Estuaries staff will use the requirements of 2 CFR 200.313 when completing such reviews. This review may occur as part of a regular scheduled compliance monitoring activity (Compliance Desk Review, Compliance Fiscal Virtual Site Visit, etc.) or as a stand-alone event. The review may include, but is not limited to, review of property management policies, property inventory log, and/or examination (virtual or in-person) examination of the property.

Tools & Guidance

While we endeavor to keep this information up to date and correct, we make no guarantee as to the completeness or accuracy of the information contained herein. Subrecipient should continue to comply with the requirements as set forth in the CFR.

This guide focuses only on equipment and supplies and does not cover management of real or intellectual property. For information regarding management of real or intellectual property or for additional information regarding the federal requirements for federally funded property, see [2 CFR 200 Subpart D, Property Standards](#).

If you do not already have a property tracking system, RAE will provide, on request, Excel tracking sheet is designed to assist you in recording & tracking your federally funded property.