Office of College and Career Readiness
Guidelines for the Purchase, Inventory, and Disposition of Equipment

These guidelines provide procedures for the purchase/use, inventory, disposition, and transfer of equipment for all programs within the Office of College and Career Readiness.

Purchase/Use Guidelines

All equipment purchased with Federal/State funds must be in accordance with the regulations of the funding source. The equipment purchased must be reasonable and necessary to effectively operate the program.

Equipment must be used by the LEA in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal/State funds.

During the time that equipment is used on the project or program for which it was acquired, the LEA must also make equipment available for use on other projects or programs currently or previously supported by the Federal government/State department, provided that such use will not interfere with the work on the projects or program for which it was originally acquired.

The LEA must not use equipment acquired with Federal/State funds to provide services for a fee that is less than private companies charge for equivalent services.

Inventory Guidelines

The following items are subject to the inventory management and control requirements: 1) equipment items with an acquisition cost of $1,000 or more per unit, and 2) items with an acquisition cost under $1,000 per unit which are considered attractive or easily pilfered. These “sensitive” items may include audio-visual equipment, PDAs, digital cameras, laptops, television sets, DVD players, power tools, iPads, cell phones, computers and accessories, etc.

The inventory management and control requirements are as follows:

1. Inventory must be current and available for review and audit.
2. The following information must be included in the LEA’s equipment inventory records:
   - Description of the equipment
   - Serial number or other identification number
   - Source of funding for the equipment
   - Federal Award Identification Number (FAIN)
   - Who holds title, if applicable
   - Acquisition date
   - Cost of the equipment
   - Percentage of Federal participation in the cost of the equipment
   - Location of the equipment
   - Use and condition of the equipment
   - Ultimate disposition data including the date of disposal and sale price of the equipment
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the equipment.
4. Adequate maintenance procedures must be developed to keep the equipment in good condition.
5. A physical inventory of the equipment must be taken and the results reconciled with the inventory records at least once every two years.
Disposition Guidelines

Equipment Purchased With State Funds
When original or replacement equipment acquired with State funds is no longer needed for the original project or program, the equipment may be retained, sold or disposed, if it is not needed in any other State sponsored project or program. The following are the disposition procedures:

- Items of 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 the State. The disposition of such items should be noted on the equipment inventory maintained by the LEA.

- Items of equipment with a current per unit fair market value in **excess of $5,000** may be retained by the LEA or sold. The State is entitled to an amount calculated by multiplying the current market value or proceeds from the sale by the State’s percentage of participation in the cost of the original purchase. If the equipment is sold, the State may permit the LEA to deduct and retain from the State’s share $500 or 10% of the proceeds, whichever is less, for the LEA’s selling and handling expenses. The LEA must forward a check made payable to the Treasurer, State of Missouri in the amount of the State’s share to the Department of Elementary and Secondary Education. The amount is then returned to the General Revenue Fund of the State. The disposition of such items should be noted on the equipment inventory maintained by the LEA. The LEA should include the date of disposal and sales price or the method used to determine current fair market value if the LEA compensates the State.

Equipment Purchased With Federal Funds
When original or replacement equipment acquired with Federal funds is no longer needed for the original project or program, the equipment may be retained, sold or disposed, if it is not needed in any other Federal sponsored project or program. The following are the disposition procedures:

- Items of 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 the Federal awarding agency. The disposition of such items should be noted on the equipment inventory maintained by the LEA.

- Items of equipment with a current per unit fair market value in **excess of $5,000** may be retained by the LEA or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from the sale by the Federal awarding agency’s percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the LEA to deduct and retain from the Federal share $500 or 10% of the proceeds, whichever is less, for the LEA’s selling and handling expenses. The LEA must forward a check made payable to the Treasurer, State of Missouri in the amount of the Federal agency’s share to the Department of Elementary and Secondary Education. The amount is then returned to the appropriate Federal grant. The disposition of such items should be noted on the equipment inventory maintained by the LEA. The LEA should include the date of disposal and sales price or the method used to determine current fair market value if the LEA compensates the Federal awarding agency.

Transfer Guidelines
When original or replacement equipment acquired with Federal/State funds is no longer needed for the original project or program, the equipment may be transferred and used in other projects or programs currently or
previously funded by the Federal awarding agency or the State. The transfer of such items should be noted on the equipment inventory maintained by the LEA.

**Miscellaneous Guidelines**

When acquiring replacement equipment, the LEA may use the equipment to be replaced as a trade-in or sell the equipment and use the proceeds to offset the cost of the replacement equipment. The trade-in or sale of the equipment should be noted on the equipment inventory maintained by the LEA.

If an item of equipment has been damaged, destroyed, lost, or stolen, an official investigation by the proper authority must be conducted and fully documented. A copy of this report must be maintained by the LEA, and information should be noted on the equipment inventory regarding the damaged, destroyed, lost, or stolen property. The LEA is responsible for replacing destroyed, lost, or stolen equipment and repairing damaged equipment.

**Definitions**

**Equipment** is defined as tangible personal property having a useful life of more than one year and an acquisition cost of $1,000 or more per unit.

**Acquisition cost** is defined as the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the purpose for which it was acquired. Other ancillary charges such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost.