

721.4 – Equipment Standards Policy

I. Purpose

The purpose of this policy is to ensure compliance with the requirements of the federal Uniform Grant Guidance regulations by establishing uniform administrative requirements, cost principles, and audit requirements for federal grant awards received by the school district.

II. General Statement of Policy

The Park Rapids Area Schools may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to the general property and equipment policies of the Park Rapids Area Schools, equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by the Park Rapids Area Schools.

All purchases of "equipment" with federal funds shall be approved in advance in writing by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Any equipment that is owned by the Federal government and given to the Park Rapids Area Schools for use in a program shall be marked as such.
2. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
3. Equipment will be used 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 award, and Park Rapids Area Schools will not encumber the property without prior approval of the Federal awarding agency.
4. Property records will be maintained that include the following:
 - a. a description of the property,
 - b. a serial number or other identification number,
 - c. the source of funding for the property (including the FAIN),
 - d. who holds title,
 - e. the acquisition date,
 - f. and cost of the property,
 - g. percentage of Federal participation in the project costs for the Federal award under which the property was acquired,
 - h. the location, use and condition of the property,
 - i. any ultimate disposition data including the date of disposal and sale price of the property.
5. A physical inventory of the property will be taken and the results reconciled with the property records at least once every two years.
6. A control system will be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
7. Maintenance procedures will be in effect to keep the property in good condition.

8. When no longer needed for the original program or project, equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:
 - (i) Activities under a Federal award from the Federal awarding agency which funded the original program or project, then
 - (ii) Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.
9. When equipment is no longer needed, Park Rapids Area Schools will request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:
 - a. 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.
 - b. Items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from 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 Park Rapids Area Schools to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

Adopted: 2/17

Revised: 2/17

Reviewed: 5/24

Legal References:

- 2 C.F.R. § 200.12 (Capital Assets)
- 2 C.F.R. § 200.112 (Conflict of Interest)
- 2 C.F.R. § 200.113 (Mandatory Disclosures)
- 2 C.F.R. § 200.205(d) (Federal Awarding Agency Review of Risk Posed by Applicants)
- 2 C.F.R. § 200.212 (Suspension and Debarment)
- 2 C.F.R. § 200.300(b) (Statutory and National Policy Requirements)
- 2 C.F.R. § 200.302 (Financial Management)
- 2 C.F.R. § 200.303 (Internal Controls)
- 2 C.F.R. § 200.305(b)(1) (Payment)
- 2 C.F.R. § 200.310 (Insurance Coverage)
- 2 C.F.R. § 200.311 (Real Property)
- 2 C.F.R. § 200.313(d) (Equipment)
- 2 C.F.R. § 200.314 (Supplies)
- 2 C.F.R. § 200.315 (Intangible Property)
- 2 C.F.R. § 200.318 (General Procurement Standards)
- 2 C.F.R. § 200.319(c) (Competition)
- 2 C.F.R. § 200.320 (Methods of Procurement to be Followed)
- 2 C.F.R. § 200.321 (Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms)
- 2 C.F.R. § 200.328 (Monitoring and Reporting Program Performance)
- 2 C.F.R. § 200.338 (Remedies for Noncompliance)
- 2 C.F.R. § 200.403(c) (Factors Affecting Allowability of Costs)

2 C.F.R. § 200.430 (Compensation — Personal Services)
2 C.F.R. § 200.431 (Compensation Fringe Benefits)
2 C.F.R. § 200.447 (Insurance and Indemnification)
2 C.F.R. § 200.463 (Recruiting Costs)
2 C.F.R. § 200.464 (Relocation Costs of Employees)
2 C.F.R. § 200.473 (Transportation Costs)
2 C.F.R. § 200.474 (Travel Costs)

Cross References: MSBA/MASA Model Policy 208 (Development, Adoption, and Implementation of Policies)
MSBA/MASA Model Policy 210 (Conflict of Interest — School Board Members)
MSBA/MASA Model Policy 210.1 (Conflict of Interest — Charter School Board Members)
MSBA/MASA Model Policy 412 (Expense Reimbursement) MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)
MSBA/MASA Model Policy 701.1 (Modification of School District Budget)
MSBA/MASA Model Policy 702 (Accounting)
MSBA/MASA Model Policy 703 (Annual Audit)