



**GDEM –SAA Information Bulletin
No. 3 August 31, 2006**

To: All Council of Governments
All Texas State Homeland Security Grant Program Points of Contact

From: Jack Colley
Chief, Division of Emergency Management

Subject: GDEM – SAA Homeland Security Grant Program (HSGP) Equipment
Management Guideline– Disposition of Grant-Purchased Equipment

1. Purpose. To provide clarification in the proper disposition of grant purchased equipment

The issue has been raised as to the disposition of equipment purchased with funds from the Office of Grants and Training (OGT). The Uniform Grants and Management Standards (UGMS) (June 2004), Part III, subpart C.32 (e) stated that “*when original or replacement equipment acquired under a grant or sub-grant is no longer needed for the original project or program for other activities currently or previously supported by a federal or state agency, disposition of the equipment will be made as follows:*”

2. 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 (in this case the SAA).

3. Items of equipment with a current per-unit fair market value of \$5,000 or more.

May be retained or sold and the SAA shall have a right to an amount calculated by using the following formula:

Current market Value (CMV) X SAA's percentage (%) share of the grant

4. Methods used to determine per-unit fair market value must be documented, kept on file and made available to the SAA upon request.

5. In the event the grantee is provided federally-or-state-owned equipment, the title to the equipment remain vested in the Federal or State government. The SAA may reserve the right to transfer title to the federal, state or third party organization/agency eligible under existing statutes, subject to the following standards:

The property shall be identified in the grant or otherwise made known to the grantee in writing.

The SAA shall issue disposition instruction within 120 calendar days after the end of the federal or state support of the project for which it was acquired. If the SAA fails to issue disposition instructions within the 120 calendar-day period, the grantee shall follow steps 1 through 4 of the above bulletin.

6. Retention period. Records must be retained for three (3) years from the starting date specified in UGMS Part III, Subpart C.42(c). For real property and equipment, starting date begins when the equipment is disposed, replaced or transferred at the direction of SAA.

7. Should you have any additional questions, please feel free to contact the Governor's Division of Emergency Management (GDEM)/State Administrative Agency (SAA) by phone at (512) 424-7802, by e-mail to Ben.Patterson@txdps.state.tx.us or by fax at (512) 424-7825.