

## HOPWA Inventory Policy and Equipment and Furnishings Inventory

Property Controls: The federal regulations regarding property controls in 24 CFR 84.34(f) are for the purpose of tracking the assets purchased with grant funds to ensure that they are properly maintained, secure and being used for authorized purposes. Agencies and funders should do a periodic physical inventory on these items to verify their existence, current utilization and continued need. For this reason, agencies using federal funds to purchase furnishings, vehicles or equipment for a project should keep accurate records including the following: a complete description of the item purchased, a serial or other identification number, the source of funds and grant contract number, the acquisition date and the cost. These items are federal property and cannot be disposed of without requesting permission and guidelines from HUD. If the recipient no longer needs the item for the grant project it may be used for other activities if the conditions of 24 CFR 84.34 (g) are met.

CFR 24 Section 84.34 outlines the federal regulations that apply to equipment purchased with grant monies. A summary of these requirements follows.

- ◆ The recipient will use the equipment in the project for which it was acquired as long as needed. When it is no longer needed for that project, it should be used for other federally-sponsored (particularly HUD) activities, unless compensation is made to HUD [CFR 24 Section 84.34(g)].
- ◆ The recipient will maintain accurate equipment records including:
  - ◆ Description
  - ◆ Serial number, model number, or identification number
  - ◆ Source of federal funds with which equipment was purchased
  - ◆ Date received
  - ◆ Cost
  - ◆ Location
  - ◆ Condition when acquired
  - ◆ Date of disposal, if expired
- ◆ A physical inventory of equipment should be taken every 2 years during which the recipient will verify the existence, current utilization and continued need for the equipment.
- ◆ Recipient is responsible to ensure that adequate maintenance procedures are implemented to keep the equipment in good condition.
- ◆ If the recipient is authorized to sell the equipment, federal sales procedures must be used [CFR 24 Section 84.34(g)].

### **Inventory Policy:**

*Equipment and furnishings purchased with federal funds shall be recorded on an inventory list for record keeping and reference if they meet HUD's definition of "tangible non-expendable property...having a useful life of more than one year..." [CFR Title 24, Part 84.2] and either:*

- *have an acquisition cost of \$500 or more, or*
- *can be defined as electronic equipment or a small appliance over \$200*

