
To: WAP Subgrantees

Program Guidance: WAP-2023-09

From: Community Programs

Release Date: January 10, 2024

Effective Date: January 10, 2024

Subject: Equipment Disposition Guidance

Background

IHCDA's Weatherization Assistance Program requires supplement guidance on the disposition of equipment valued over \$5,000 and further clarification that meets the current needs of the program.

NEW GUIDANCE

Effective January 10, 2024, IHCDA will follow the below guidance:

IHCDA must approve and monitor all vehicle purchases by service providers of the state's Weatherization Assistance Program. Service providers are responsible for ensuring IHCDA's financial interest in equipment with purchase values of \$5,000 or more under IHCDA contracts. In order to sell inventory items such as a vehicle or equipment having a fair market value greater than \$5,000.00 that was purchased with Federal funds, the sub-grantee must contact IHCDA for further instructions. In order to sell a vehicle or equipment having a fair market value that is greater than \$5,000.00 that was purchased with LIHEAP funds, the grantee must document the following actions before the sale:

- Determine how your organization will sell the equipment/vehicle. This can be a public sale, a trade in with a dealer or a sale to another department of the sub-grantee.
- Research current market value for the equipment/vehicle (ex. Kelley Blue Book, local comparable prices through dealers) Keep copies of documented values.
- Advertise the sale of the equipment/vehicle via a public notice for at least 3 days in a local newspaper or list the item on govdeals.com. If possible, sub-grantees should use all available media outlets for publication, including websites and agency publications.
- The advertisement should include a minimum price and a reasonable time frame for offers to be accepted.
- There should be an open bidding process with the sale going to the highest offer. All vehicle sales must have at least two documented offers and must be sold at or above the highest offer. (If the vehicle is up for private sale or a sale to another department of the sub-grantee because the agency feels as though a better price can be achieved through private sale than through trade-in, the sale price may not be lower than the offered trade-in value)
- An email or letter must be written to IHCDA to request the release of the title. Include in your correspondence: your intent to either trade in or sell the equipment, your process, and documentation of the offer. The letter must be signed by the sub-grantee's Executive Director. It will take at least 14 business days for IHCDA to release the title and mail it back to buyer for the sale. (If the sale is to another department within the sub-grantee, an email to the iwx@ihcda.in.gov inbox is sufficient, or it can result in the transfer of the title to another IHCDA department).

Funds from the point of sale of equipment of \$5,000 or more conducted by a subgrantee must be used in Weatherization through LIHEAP Carryover or the award source that the purchase derived from. If IHCDCA conducts the sale of equipment of \$5,000 or more, IHCDCA will put the money back into the Weatherization program through LIHEAP Carryover or the award source that the purchase derived from. Upon subgrantee request and approval from IHCDCA, the funds from selling said equipment may be returned to the subgrantee's Weatherization program from which it was purchased. Equipment sales by non-profit entities purchased with Federal funds must follow 2 CFR 200.313.

Equipment Dispositions According to the federal regulations, items of equipment with a current fair market value of \$5,000 or less, may be retained, sold, or otherwise disposed of with no further obligation to the funding agency (2 CFR Part 200.313(e)(1)) 45 CFR Part 75.320(e)(1)]. If Weatherization purchased equipment valued at \$5,000 or more is no longer needed for operation of the weatherization program, the following disposition options are available:

- 1) Trade-in for new Weatherization equipment.
 - a. Submit written request to IHCDCA's Weatherization personnel for approval prior to trade-in.
 - b. If the vehicle/equipment is used as a trade-in for a replacement vehicle/equipment, the value of the trade-in is applied to the purchase price of the new replacement vehicle/equipment. Proceeds received from a trade-in shall keep their original federal identity.
- 2) Offer for transfer to other Subgrantees in the state WAP network.
 - a. Send an email to IHCDCA's Weatherization personnel notifying them of the availability of excess Weatherization equipment to be offered to the network.
 - b. Upon agreement of transfer, an agreement of the transfer must be signed by both agencies and an IHCDCA Weatherization Manager or IHCDCA Director.
- 3) Public auction
 - a. Submit a request to IHCDCA's Weatherization personnel for approval prior to organizing an auction.
 - b. The Subgrantee must ensure that proper public notice is given and that appropriate channels are used for the auction to avoid actual or implied conflict of interest.
 - c. All proceeds from auction should be used for purchase of replacement equipment or to offset future Weatherization expenses and will keep their federal identity.

Please direct all questions regarding this guidance to Ethan Scott at iwx@ihcda.in.gov.



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