



Information Bulletin: IB 18.G002

To:

All District Coordinators

All Emergency Management Directors

All IDHS Sub-Recipients

From: Indiana Department of Homeland Security Grants Management

Date: August 14, 2018

Subject: Equipment Inventory for IDHS Grants

Purpose

The purpose of this information bulletin is to provide updated information and guidance regarding the Equipment Inventory requirements and guidelines for Federal Grants. Sub-recipients of federal funding are required to keep an inventory of the property/equipment that is purchased in whole or in part with federal funds managed by the Indiana Department of Homeland Security (IDHS).

Applicability

The requirements outlined in this Information Bulletin are applicable to property/equipment purchased, in whole or in part, using federal grant funds from the Emergency Management Performance Grant Program (EMPG), Hazardous Materials Emergency Preparedness Grant Program (HMEP) and the Homeland Security Grant Program (HSGP), which includes the State Homeland Security Program (SHSP), Urban Areas Security Initiative (UASI), and Nonprofit Security Grant Program (NSGP).

This Information Bulletin provides guidance for certain federal and state requirements and does not include **ALL** of the federal and state requirements that are applicable to property/equipment purchased with grant funds. This Information Bulletin should be used to supplement information previously distributed to the sub-recipient. Furthermore, sub-recipients are expected to comply with all such requirements outlined by the Fully Executed Agreement (FEA) (i.e. grant agreement) with IDHS. In case of any ambiguity, conflict or inconsistency between this Information Bulletin and the Fully Executed Agreement between IDHS and the sub-recipient, the provisions of the FEA take precedence.

Inventory Requirements

The Indiana Grants Management System (iGMS) equipment tracking module is a systematic way to track inventory for the purposes of satisfying the obligations of inventory recordkeeping. The State of Indiana identifies equipment or property as "tangible, non-expendable property having a useful life of more than one year and an acquisition cost of \$500 or more per unit acquired in whole or in part with grant funds". This definition includes software and software licenses.

Sub-recipients should maintain records to include the following:

- A description of the property
- Manufacturer's model number
- Manufacturer's serial number or other identification number

- Vendor or other source of the property
- Identification of the title holder of the property
- Acquisition date
- State Award/Agreement number
- Federal award identification number or FAIN
- Percentage of federal participation in the cost of the property
- Cost of the property
- Physical location of the property
- If the property was assigned to an individual, the name and title of the individual to whom the property was assigned
- Use of the property
- Condition of the property
- The ultimate disposition of the property, including the date of disposal how and to what entity property was disposed, and sale price of the property

All equipment purchased in full or in part with federal funds from a Fully Executed Agreement (FEA) with fair market value of \$500 or more, is required to be documented in the equipment inventory module in iGMS.

All sub-recipients will use the tracking tool in iGMS to track equipment purchased with federal preparedness funding, the person to whom equipment was assigned, and reconciled items. Sub-recipients are required to comply and enter the data required within the iGMS equipment inventory module. Failure to do so will increase the sub-recipients risk assessment score and may disqualify for future receipt of IDHS funding.

Conducting an Annual Physical Equipment Inventory

Annually, the sub-recipient shall take a physical inventory of the property and the result reconciled with the property records. Any differences between quantities determined by the physical inspection and those in the accounting records shall be investigated to determine the cause of the difference. The sub-recipient shall, in connection with the inventory, verify the existence, current utilization, current location, and continued need for the property. The sub-recipient shall enter and maintain this inventory information using the equipment inventory module of iGMS. The required annual data shall be entered into iGMS by the deadline established by the state.

Equipment Marking

The HSGP and EMPG grant guidance requires any equipment purchased with federal grant funding to be marked prominently with the following phrase "Purchased with funds provided by the U.S. Department of Homeland Security" when practical. Equipment purchased with HMEP funds must state "Purchased with funds provided by the U.S. Department of Transportation".

Implementing Safeguards to Prevent Loss, Damage or Theft of Equipment

Indiana State Policy requires that a control system shall be developed and implemented to ensure adequate safeguards to prevent loss, damage, or theft of the property. The control system must include records of equipment ID numbers, location, and yearly physical inventory. The sub-recipient should have on file a description of its control system and may be requested by the state. Any loss, damage, or theft shall be investigated and fully documented and made a part of the official project records. A copy of such documentation shall be promptly submitted to the state every year no later than September 30th.

Reconciliation of Equipment Lists

Indiana Department of Homeland Security Grants Management requires reconciled equipment lists to be updated in iGMS for compliance from all counties annually by September 30th of each year for all open grants. The sub-recipient shall enter and maintain this inventory information using the equipment inventory module of iGMS.

Disposition of Equipment Purchased with Federal Funding

When original equipment purchased with grant funding is no longer deemed usable, the sub-recipient must

request instructions from the state, which will request instructions from the federal awarding agency, for the proper disposition of the property pursuant to 2 CFR 200.313.

For all property having an acquisition cost of **over \$5,000**, acquired in whole or in part with funds provided under the Fully Executed Agreement, the sub-recipient **must also comply** with the **applicable federal requirements pertaining to equipment in 2 CFR 200.313**.

When any such **property is no longer needed** for the original project or program or for other activities currently or previously supported by the federal awarding agency, the **sub recipient must request instructions from the state**, which will request instructions from the federal awarding agency, for the **proper disposition of the property pursuant to 2 CFR 200.313**.

Items that are **under \$500** in value or are at the **end of their useful life shall be disposed of following state policy***. Notification must be given for all items that will be disposed. All records must be updated accordingly with disposition details. Records must be maintained per instructions in 2 CFR 200.313.

*Indiana state policy is more restrictive than federal policy and is therefore the appropriate policy to follow regarding inventory and disposal of equipment.

If you have any further questions or comments please feel free to contact your district coordinator, or Grants Management at grants@dhs.in.gov.