

## Equipment Uses for Carl Perkins July 2016

### **Carl Perkins Law:**

#### **Perkins “SEC. 135. LOCAL USES OF FUNDS, “(c) PERMISSIVE**

(7) for leasing, purchasing, upgrading or adapting equipment, including instructional aids and publications (including support for library resources) designed to strengthen and support academic and technical skill achievement

#### **Perkins “SEC. 315. LIMITATION FOR CERTAIN STUDENTS**

No funds received under this Act may be used to provide career and technical education programs to students prior to the seventh grade, except that equipment and facilities purchased with funds under this Act may be used by such students.

**Equipment** is defined as property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. The school district/CESA serving as the fiscal agent may use its own definition of equipment provided that such definition would at least include the equipment defined in the previous sentence. [2 CFR §200.33]

### **Perkins Program Requirements for Purchasing Equipment:**

- The purchase must meet the five assumptions as outlined in the [Guidance for Carl Perkins Expenditures](#) document.
- The purchase must meet the requirements outlined in this document which reflect Uniform Grant Guidance [2 CFR §200.313 Equipment](#); [EDGAR, Sec. 75.618 Equipment and Supplies](#) and [2 CFR §200.405 Allocable Costs](#).
- It is important to note that if your Program of Study is only in the developmental stage of General Foundations, you cannot purchase equipment.

**Consortiums:** As noted in the *Carl Perkins Consortium Council Guidelines* Capital outlay must be purchased by the fiscal agent. Equipment purchased remains the property of the consortium. The fiscal agent will develop a plan for final disposition of equipment, facilities, and materials. This fiscal agent can lease a piece of equipment that is housed/used at one of the participating districts. Similar to final disposition of equipment, the fiscal agent will develop a plan for termination of leases for the consortium.

**Acquisition cost** means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for

software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices.

[2 CFR §200.2]

If the intention of the school district/CESA serving as the fiscal agent at time of purchase is to share **capital or non-capital** items, which includes equipment, with others programs (either federally funded or non-federally funded programs), the school district/CESA serving as the fiscal agent must determine the appropriate *percentage of use for each program*.

See [2 CFR §200.405 \(a\) \(2\)](#).

**Equipment Uses [2 CFR §200.313 (c)]:** Equipment must be used by the school district/CESA serving as the fiscal agent 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 federal funds. The school district/CESA serving as the fiscal agent must not encumber (acquire) the property without prior approval (i.e. an approved budget with DPI).

1. When no longer needed for the Carl Perkins program, the equipment may be used in other activities supported by federal funds, in the following order of priority: (1) other *federally funded* activities through the U.S. Department of Education (USDE); (2) other *federally funded* activities through another source (not USDE).
2. During the time that equipment is used for the Carl Perkins program, the school district/CESA serving as the fiscal agent must also make equipment available for use on other projects or programs *currently or previously supported by the federal funds*, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. Availability should follow the same order of priority as stated in #1.
3. It is permissible to share **capital or non-capital** items, which includes equipment, with other programs (either federally funded or non-federally funded programs). Please see information provided in this document under *Acquisition cost* or reference [2 CFR §200.405 \(a\) \(2\)](#).
4. The school district/CESA serving as the fiscal agent must not use equipment *acquired with federal funds* to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the federal funds retain an interest in the equipment. There are some exceptions to this as outlined in [2 CFR §200.307](#) explaining parameters of program income. Contact Roselynn Bittorf, CTE Grant Specialist at [roselynn.bittorf@dpi.wi.gov](mailto:roselynn.bittorf@dpi.wi.gov) for assistance.
5. When acquiring replacement equipment, the school district/CESA serving as the fiscal agent may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of Roselynn Bittorf, CTE Grant Specialist at [roselynn.bittorf@dpi.wi.gov](mailto:roselynn.bittorf@dpi.wi.gov).

**Management requirements [2 CFR §200.313 (d)]:** Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with federal funds, until disposition takes place will, as a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
4. Adequate maintenance procedures must be developed to keep the property in good condition.
5. If the school district/CESA serving as the fiscal agent is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

**Disposition** of equipment shall be made if the equipment is no longer to be used for the Carl Perkins program or another currently or previously federally funded program. Please reference Equipment Uses, #1 outlined in this document. [2 CFR §200.313 (e)]

1. 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.
2. Equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold. The federal government has a right to an amount calculated by multiplying the current market value or the proceeds from the sale by the federal share of the equipment. The federal share of equipment shall be the same percentage as the federal share of the LEAs total costs under the grant. When disposing of equipment, you need to contact Roselynn Bittorf, CTE Grant Specialist at [roselynn.bittorf@dpi.wi.gov](mailto:roselynn.bittorf@dpi.wi.gov).
3. When acquiring replacement equipment, please reference Equipment Uses, #5 outlined in this document.