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**21st Century Community Learning
Centers Disposition Procedures**

Wisconsin Department of Public Instruction
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21st Century Community Learning Centers Disposition Procedures

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Introduction

This guide refers to the disposition procedures of federal grant funded equipment and supplies upon completion and/or closure of program(s).

Federal Grant programs, such as the 21st Century Community Learning Centers (CCLC), that are either completed and/or closed must follow certain rules regarding the disposition of equipment and supplies purchased with federal funds. The following information outlines the procedures for disposition of equipment and supplies purchased with any federal funds.

EQUIPMENT

Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Disposition: When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

- (1) 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.*
- (2) Items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment [2 C.F.R. §200.313(e)].*

Upon closure of the program, federal regulations require the grantee to submit an inventory (see Appendix A) to the Wisconsin Department of Public Instruction (DPI) of all equipment with a current per-unit fair market value of \$5,000 or more purchased with any federal funds. This inventory shall be an itemized list which includes: (a) a description of the equipment; (b) the acquisition date(s); (c) the initial cost of the equipment; (d) the current per-unit fair market value; and (e) the source of the federal funds.

According to the federal regulations, the equipment could be used by "another school program" that currently receives federal funds as they are "activities currently or previously supported by a federal agency."

When original or replacement equipment with a current per-unit fair market value of \$5,000 or more acquired with any federal grant funds is no longer needed for the school or for other school programs, federal law requires this equipment to be disposed of either by:

1. The school retaining the equipment and compensating DPI in an amount equal to the current per-unit fair market value of the equipment; or
- 2 The school selling the equipment and remitting the proceeds from the sale to DPI.

Federal law also allows items of equipment with a current, per-unit fair market value of less than \$5,000 to be retained, sold or otherwise disposed of by the school with no further obligation to DPI.

SUPPLIES

Supplies means all tangible personal property other than equipment as defined in the previous section.

Disposition: If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share [2 C.F.R. §200.314(a)].

When a program ends or closes, the school's residual inventory of unused supplies purchased with any federal funds could be used by another school program that currently receives federal funds as they are "federally sponsored programs or projects."

However, if the residual inventory of unused supplies purchased with any federal funds exceeds \$5,000 in total aggregate fair market value, and if the supplies are not needed for any other federally sponsored programs or projects, the school shall compensate the DPI.

There is no requirement to report a residual inventory of unused supplies purchased with any federal funds that have a total aggregate fair market value of less than \$5,000.

RESPONSE REQUIRED

1. Within 30 days of receipt of this notification, please submit a written explanation of why the program has 'ended.' Select one or more of the following reasons for closure and provide details for each reason selected:
 - a) Financial;
 - b) Enrollment;
 - c) Academic; and/or
 - d) Other reasons (please specify the reasons).

Please provide additional details for each of the reasons you listed above, explaining why the program closed or ended. The information regarding the reason(s) for the closing of the program will be reported to the United States Department of Education.

2. Submit an inventory to the DPI of all equipment with a current per-unit fair market value of \$5,000 or more purchased with any federal funds. Submit an inventory of unused supplies with an aggregate fair market value of \$5,000 or more. This inventory shall be an itemized list which includes: (a) a description of the equipment/unused supply; (b) the acquisition date(s); (c) the initial cost of the equipment/unused supply; (d) the current per-unit fair market value; and (e) the source of the federal funds.

3. Describe how the equipment with a current per-unit fair market value of \$5,000 or more or the residual inventory of unused supplies with an aggregate fair market value of \$5,000 or more, purchased with any federal funds, will be used. **Please specify whether the equipment and unused supplies will be used by another school or school program that currently receives federal funds.**
4. If the equipment with a current per-unit fair market value of \$5,000 or more and the residual unused supplies with an aggregate fair market value of \$5,000 or more purchased with any federal funds will **not** be used by another school or school program, **please submit in writing, prior to sale, your intention to retain or sell the equipment and unused supplies with proceeds returned to the Department of Public Instruction.**
5. If **no** equipment with a current per-unit fair market value of \$5,000 or more or residual unused supplies with an aggregate fair market value of \$5,000 or more was purchased, please indicate this in your response.

Appendix A

SAMPLE EQUIPMENT INVENTORY AND DISPOSITION RECORDS

A sample inventory and disposition record for equipment including computer hardware and software:

Serial ID #	Item Description	Item Location	Purchase Price	Purchase Date	% of Federal Funds Used for Purchase	Current Per Unit Fair Market Value	Condition: Good, Fair, Poor	Disposition Status: Retained, Sold, Other	If Sold: Amount & Date Sold	If Transferred: Organization & Location of Transfer

****NOTE:** *1st check in with your business office to find out what policies or procedures your district or organization have in place to maintain inventory controls for equipment and/or supplies. What does your district or organization consider an appropriate threshold level used to determine an appropriate threshold?*