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| --- | --- | --- | --- |
| **Guide for Review of Equipment Management and Equipment Disposition** | | | |
| **Name of Recipient:** | | | |
| **Name of Subrecipient (if applicable):** | | | |
| **Name of Program(s) Monitored:** | | | |
| **Staff Consulted:** | | | |
| **Name(s) of Reviewer(s)** |  | **Date** |  |

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the recipient's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a **"finding.**"

**Instructions:** The Exhibit is designed to assist the HUD reviewer in determining the non-Federal entity’s compliance with the equipment management and disposition requirements at 2 CFR 200.310, 200.313 and 200.316, for any CPD program which is subject to 2 CFR part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. As defined in 2 CFR 200.33, “equipment” means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000. (See also definitions at 2 CFR 200.58, *Information technology systems*, and 200.94, *Supplies*.) The HUD reviewer should randomly select an appropriate sample (e.g., based on size of last grant, amount of time allocated for monitoring, results of pre-monitoring preparation) of equipment acquired with the Federal funds for the program(s) being monitored as a basis for completing this Exhibit. If the recipient’s accounting system includes information on equipment acquired with grant funds, the HUD reviewer may want to use this as a starting point for selecting the sample of equipment transactions. Use of this Exhibit assumes that the equipment purchase has already met federal cost allowability and allocability criteria as necessary and reasonable for the performance of the Federal award (see 2 CFR 200.403(a)).

Applicability: This Exhibit applies to the following programs:

* Community Development Block Grant (CDBG) Entitlement, Small Cities, Non-Entitlement CDBG Grants in Hawaii, and Insular Areas Programs;
* State CDBG Program: This Exhibit **is not applicable** to the State CDBG Program **unless** a State CDBG grantee has chosen to apply this portion of 2 CFR part 200 to satisfy the requirement for fiscal controls and accounting procedures pursuant to **24 CFR 570.489(d)**.
* Section 108 Loan Guarantee Program (follows the CDBG regulations);
* Disaster Recovery CDBG Supplemental Grants (follows the CDBG regulations);
* HOME Investment Partnerships Program (HOME);
* Housing Opportunities for Persons With AIDS (HOPWA):
* Emergency Solutions Grants (ESG) Program;
* Continuum of Care (CoC) Program (for grants awarded in FY 2015 competition and later);
* Appalachia Economic Development Initiative (AEDI);
* Border Community Capital Initiative (BCCI);
* Delta Community Capital Initiative (DCCI);
* Self-Help Homeownership Opportunity Program (SHOP);
* Rural Capacity Building for Community Development and Affordable Housing (RCB); and
* Capacity Building for Community Development and Affordable Housing (Section 4).

Effective Date: To ensure that the requirements are correctly applied, HUD reviewers will need to review Notice CPD-16-04 at (<http://portal.hud.gov/hudportal/documents/huddoc?id=16-04cpdn.pdf>). It is possible that reviewers will need to use both this Exhibit and a program-specific Equipment Management and Equipment Disposition Exhibit simultaneously if funds being monitored are covered under pre- and post-2 CFR part 200 requirements. Program-specific requirements to the Uniform Requirements are retained in each program Chapter; therefore, HUD reviewers will need to review program-specific Equipment Management and Equipment Disposition Exhibits to determine if their use is needed to ensure a complete review. Questions in this Exhibit that don’t apply to one of the programs listed above (pursuant to HUD’s conforming rule or governing NOFA) will have the exception noted above that question.

Program Citations: In addition to the citations for 2 CFR part 200, program-specific citations are included either on a question-by-question basis, or in a single reference, as noted below, depending on how the Uniform Requirements apply.

* HOPWA: All questions apply pursuant to the HOPWA regulation at 24 CFR 574.605.
* Appalachia Economic Development Initiative (AEDI): All questions apply pursuant to the FY 2014 AEDI Notice of Funding Availability (NOFA) and Grant Agreement, Article I.G.
* Border Community Capital Initiative (BCCI): All questions apply pursuant to the FY 2013 NOFA and Grant Agreement, Article I.E.
* Delta Community Capital Initiative (DCCI): All questions apply pursuant to the FY DCCI 2014 NOFA and Grant Agreement, Article I.F.6.
* Self-Help Homeownership Opportunity Program (SHOP): All questions apply pursuant to the FY 2014 SHOP NOFA and SHOP Grant Agreement, Article XVIII, B, C.
* Rural Capacity Building for Community Development and Affordable Housing (RCB): All questions apply pursuant to the NOFA, Section VI.B.4.
* Capacity Building for Community Development and Affordable Housing (Section 4): All questions apply pursuant to the NOFA, Section VI.B.4.

A Note on Findings: HUD reviewers need to ensure that, if deficiencies are identified, the monitoring Finding cites to both the relevant provision in 2 CFR part 200 and the program regulation/NOFA/Grant Agreement citation that incorporates the requirements (e.g., 24 CFR 92.505, or 24 CFR 570.502). However, as described in in Section 4.b of Notice CPD-16-04, HUD reviewers will not make findings of noncompliance with the Uniform Requirements (i.e., the part 200 requirements) if a grantee used CDBG, CDBG-DR, ESG, or HOME funds in accordance with comparable requirements under parts 84 or 85 (2013 edition) between December 26, 2014 and January 6, 2016.

Terminology: Note that the terminology used to reference the entities receiving the Federal awards mirrors the language in 2 CFR part 200 and uses “recipient” to mean the entity that directly received the Federal funds, e.g., program participant, Participating Jurisdiction, or grantee, and “subrecipient” to mean the entity that receives funds through a pass-through entity (see §§200.74, 200.86, and 200.93). The definition of “subrecipient” for certain programs, e.g., the CDBG and HOME programs, differs from the part 200 definitions. The reviewer must use the program definition, if it is different.) Where the question can pertain to both a recipient and a subrecipient, the term “non-Federal entity” is used (see§200.69).

Exhibit Structure: This Exhibit is divided into 3 sections: Sample; Equipment Use and Management; and Equipment Disposition.

**Questions:**

A. Sample

1.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Provide information on the selected sample of equipment transactions in the table below.  If additional rows are needed, please attach an additional sheet. | | | | | | |
| **Item** | **Date Acquired** | **Acquisition Cost** | **Amount of Other Federal $ Used (if any)** | **Disposition Date**  **(if applicable)** | **Method of Disposition (if applicable)** | **Program Income Amount** |
| 1. |  |  |  |  |  |  |
| 2. |  |  |  |  |  |  |
| 3. |  |  |  |  |  |  |
| 4. |  |  |  |  |  |  |
| 5. |  |  |  |  |  |  |
| 6. |  |  |  |  |  |  |
| 7. |  |  |  |  |  |  |
| 8. |  |  |  |  |  |  |

B. Equipment USE AND Management

2. QUESTION NOT APPLICABLE TO THE CDBG ENTITLEMENT PROGRAM.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If the non-Federal entity is a state, has an authorized official provided assurance (or does other evidence exist that demonstrates) that the equipment the non-Federal entity acquired under a HUD award was used, managed and disposed of in accordance with state laws and procedures?  **NOTE**: Other non-Federal entities must follow paragraphs (c) through (e) of 2 CFR 200.313.  [2 CFR 200.313(b); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

3.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. If the non-Federal entity is not a state, did entity use the equipment in the program or project for which it was acquired as long as needed, whether or not the project or program continued to be supported by the HUD award, and did the non-Federal entity obtain the prior approval of HUD if it encumbered the property?  [2 CFR 200.313(c)(1); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| b. If the non-Federal entity is not a state, if the equipment is no longer needed for the original program or project, was it used in other activities supported by HUD, in the following order of priority:  (i) Activities under another HUD award, then  (ii) Activities under Federal awards from other Federal awarding agencies?  (This includes consolidated equipment for information technology systems.)  [2 CFR 200.313(c)(1); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)]] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| c. During the time that equipment is used on the project or program for which it was acquired, a non-Federal entity that is not a state must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. Did the non-Federal entity give first preference for other use to other programs or projects supported by HUD awards and second preference to programs or projects under Federal awards from other Federal awarding agencies?  **NOTE**: Use for non-federally-funded programs or projects is also permissible and user fees should be considered if appropriate.  [2 CFR 200.313(c)(2); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)]] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| d. If the non-Federal entity is not a state and it used equipment acquired with a HUD award for non-Federally-funded projects or programs to provide services for a fee, was the fee at least equal to that charged by private companies for equivalent services (unless specifically authorized by Federal statute) for as long as the Federal Government retains an interest in the equipment?  [2 CFR 200.313(c)(3); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)]] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| e. If the non-Federal entity is not a state and it acquired replacement equipment and sold the equipment to be replaced (in lieu of using the property as a trade-in), and did not use the proceeds from the sale to offset the cost of the replacement property, were the proceeds treated as program income, if required by program requirements?  [2 CFR 200.313(c)(4); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)]] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

4.

|  |  |
| --- | --- |
| If the recipient is not a state, does it maintain property records which contain information regarding:  **NOTE:** Citations for the CoC Program are applicable depending on the fiscal year the of the awarded grant. For grants awarded under the FY 2015 CoC Program competition, use 24 CFR 578.103(a)(15). For grants awarded under the FY 2016 CoC Program competition or later, use 24 CFR 578.103(a)(16).  [2 CFR 200.313(d)(1); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c) and 24 CFR 576.500(s)(2); CoC: 24 CFR 578.99(e) and 24 CFR 578.103(a)(15) and 24 CFR 578.103(a)(16)] | |
| a. Property description and location? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| b. Serial number or other identification number? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| c. Funding source (including the Federal Award Identification Number, or FAIN)? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| d. Title holder? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| e. Acquisition date and cost? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| f. Percentage of Federal participation in original acquisition cost? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| g. Use and condition of equipment? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| h. If applicable, disposition data, such as date of disposal and sales price? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

5.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If the non-Federal entity is not a state, has a physical inventory of equipment been taken and the results reconciled with the property records within the last two years? What was the date of the last inventory and the results?  [2 CFR 200.313(d)(2); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

6.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. If the recipient is not a state, does it have a control system which adequately safeguards property to prevent loss, damage, or theft?  [2 CFR 200.313(d)(3); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| b. If the recipient is not a state and loss, damage, or theft of property acquired under the Federal award occurred, was it investigated?  [2 CFR 200.313(d)(3); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
| c. Does the non-Federal entity, at a minimum, provide the equivalent insurance coverage for equipment acquired or improved with Federal funds as that provided to property owned by the non-Federal entity?  **NOTE**: This question applies to all non-Federal entities (including states).  [2 CFR 200.310; CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

7.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If the recipient is not a state, does it have maintenance procedures adequate to keep property in good condition?  [2 CFR 200.313(d)(4); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

8.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| If the recipient is not a state and is authorized or required to sell property, has it established proper sales procedures to ensure the highest possible return?  [2 CFR 200.313(d)(5); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

C. Equipment Disposition

9.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| a. If the non-Federal entity is not a state and if required by the terms and conditions of a HUD award, did the non-Federal entity request disposition instructions when original or replacement equipment acquired under the HUD award is no longer needed for the original project or program or for other activities currently or previously supported by HUD?  [2 CFR 200.313(e); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| b. If the non-Federal entity requested disposition instructions under 9.a and HUD provided the requested instructions within 120 days, did the non-Federal entity follow the instructions?  [2 CFR 200.313(e); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |
| c. If the non-Federal entity is not a state and it was not required to request disposition instructions, or HUD failed to provide requested disposition instructions within 120 days, did the non-Federal entity dispose of the equipment as follows?  (i) Items of equipment with a current per unit fair market value of $5,000 or less may be retained, sold or otherwise disposed of with no further obligation to HUD.  (ii) Items of equipment with a current per unit fair market value in excess of $5,000 may be retained by the non-Federal entity or sold. HUD is entitled to an amount calculated by multiplying the current fair market value or proceeds from sale by HUD’s percentage of participation in the cost of the original purchase. If the equipment is sold, HUD may permit the non-Federal entity to deduct and retain from the HUD share $500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.  [2 CFR 200.313(e); CDBG Entitlement: 24 CFR 570.502(a)(6); HOME: 24 CFR 92.505; ESG: 24 CFR 576.407(c); CoC: 24 CFR 578.99(e)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |