



# Equipment Requirements



# Definition

## **Equipment ([2 C.F.R. 200.1: Definitions](#))**

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.



# Requirements for Equipment

[2 C.F.R. 200.313: Equipment](#) outlines responsibilities, including:

- Equipment purchases must be pre-approved by IMLS
- Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project, whether or not the project or program continues to be supported by the Federal award.
- A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.



# Disposition

- 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 responsibility to the Federal awarding agency.
- Items of equipment with a current per-unit fair market value in excess of \$5,000, the grantee must request disposition approval and instructions from IMLS. Generally:
  - We encourage awardees to transfer the equipment to another institution that can use it in a similar fashion (Perhaps another library could use it?)
  - If the awardee would like to sell the equipment, include details of how the funds from the sale will be used. We encourage that the funds go toward another object of similar use.



## For single items under \$5,000

Use these items for the authorized purposes of the project during the period of performance, and if possible, afterward, until the property is no longer needed for the purposes of the project.

They may be re-used, sold, or disposed of without further responsibility to the Federal Agency.



# Coming Soon!

- The Office of Management and Budget (OMB) released 2 C.F.R. Part 200 updates in spring 2024 that will go into effect soon, including:
  - **§ 200.1 Definitions.** OMB increased the threshold from \$5,000 to \$10,000 for equipment.



Questions?