



## ***EQUIPMENT DISPOSITION REQUIREMENTS***

If a contractor or their subcontractor has no further need in its emergency food program for equipment purchased in part or in full with Food Assistance (FA) funds, disposition shall be made as follows:

### **Equipment/Personal Property with an Original Purchase Price UNDER \$5,000:**

- Contractors may sell or trade-in equipment purchased with FA funds without prior approval at their discretion, if the original purchase price was less than \$5,000 per unit.
  - Contractor and their subcontractors shall follow the contractor's equipment purchase and disposition policies.
  - When requesting reimbursement for equipment purchases of any value, contractor shall categorize expenditures as equipment with the exception of computers costing under \$5,000, which shall be categorized as supplies and reported as either administration or operations.

WSDA encourages the contractor, if the equipment is in good working condition, to see if another emergency food provider can use it.

### **Equipment/Personal Property with an Original Purchase Price of \$5,000 and OVER:**

- For equipment with an original purchase price of \$5,000 or more per unit, the contractor (and on behalf of their subcontractors) must submit the FA Equipment Disposal Request / Approval Form (AGR-2203) to WSDA for prior approval. Disposition may not occur until authorization is obtained from WSDA.
- Upon approval, the disposition status must be updated on the FA Annual Inventory Report (AGR-2201) that the contractor maintains and provides to WSDA annually.
- Disposition is at the state's discretion and is dependent upon the value, condition, and whether the equipment can be used to further service other programs. FA staff determine the best method of disposition on a case-by-case basis, must be approved by FA staff and may include:
  - Replacement of Equipment: The agency may use the equipment to replace, trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment.

- Sale of Equipment: The agency may sell the equipment and compensate WSDA by applying the percentage of WSDA's contribution towards the original purchase price to the current fair market value of the equipment.
  - Contractor may keep \$500 from WSDA's share or 10 percent of the proceeds; whichever is less, for costs involved in selling the equipment if not using it for the purchase of another piece of equipment for use in an eligible program.
- When determining the method of disposition, the following questions could be used for disposition consideration by WSDA or by contractors with subcontractors:
  - What is the best interest for all parties?
  - Who, if anyone, can make the best use of the equipment in serving clients or continuing the service?
  - How serviceable is the equipment?
  - How much residual value does the equipment actually have based upon an appraisal by a disinterested party?

***Please return the Food Assistance Equipment Disposal Request / Approval Form (AGR-2203) to WSDA Food Assistance prior to disposition of the item.***

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