

Disposition of Supplies, Equipment and Real Estate under a Federal Award

The Maine Department of Education, as the pass-through entity for the Federal funds, has prepared information related to the requirements for the disposition of supplies, equipment and real property purchased, in whole or in part with federal funds. Subrecipients of any federal funds are solely responsible for meeting all applicable Federal regulations.

Disposition is the process of transferring, donating, or selling supplies, equipment, and/or real property that are no longer needed for federally funded project.

*Please refer to the [Electronic Code of Federal Regulations](#) (eCFR), continuously updated CFR, for additional information. The CFR is the official legal print publication containing the codification of the general and permanent rules published in the *Federal Register* by the departments and agencies of the Federal Government.

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Definition of Supplies, Equipment, and Real Property

In accordance to [2 CFR § 200.1](#); supplies, equipment and real property are defined as:

Supplies	Equipment	Real Property
Any tangible property that does not fall under the definition of equipment	Any tangible property, including information technology systems, having a: <ul style="list-style-type: none"> • useful life of more than one (1) year and; • per-unit acquisition cost that equals or exceeds \$10,000 	Land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment

Use of Supplies, Equipment, and Real Property

The following information describes how supplies, equipment and real property purchased, in whole or in part, with federal funds can be used.

Supplies	Equipment	Real Property
If the residual inventory of unused supplies is less than \$10,000 in total aggregate value, the supplies may be used:	Any tangible property may be used:	Real property can be used: <ul style="list-style-type: none">• for the authorized purpose of the project as long as it is needed, or• obtain written approval by the Federal awarding agency for the use in other federally-sponsored projects.
<ul style="list-style-type: none">• if they are needed whether or not the project continues to be supported by the Federal award,• for activities under another U.S. Department of Education Federal award, or• for activities under a federal award from other Federal awarding agencies.		
See 2 CFR § 200.314(a)	See 2 CFR § 200.313(c)	See 2 CFR § 200.311

Disposition of Supplies, Equipment, and Real Property

In accordance with the CFR, when the supplies, equipment or real property acquired with federal funding are no longer needed the steps below should be followed:

Step 1: Request Disposition Instructions

- Request disposition instructions from the United States Department of Education (USED) via the applicable team managing the federal program at the Maine Department of Education.
- If the Department fails to respond with instructions within 120 days, the subrecipient is absolved of the responsibility and can proceed with any action deemed appropriate.

Step 2: Calculate the Fair Market Value

- Subrecipient must calculate the current fair market value of any unused residual supplies to determine the aggregate total.
- Fair market value is either the selling price or the advertised price for a similar item in a competitive market.

Step 3: Disposition Options

Subrecipients may dispose of supplies, equipment, real property by using one of the following options based on the current per-unit fair market value.

If the current per-unit fair market value is:

	Retained	Sold	Disposed
Less than \$10,000 may be retained, sold, or otherwise disposed of with no further obligation.	Subrecipients may retain or transfer equipment, supplies, or real property to be used for other federally funded programs or projects.	Subrecipients may sell equipment, supplies, or real property but must, compensate the Federal awarding agency. *	Subrecipients may dispose of the equipment, supplies, or real property in any way it sees fit after receiving USED approval via the OFERP.
Greater than \$10,000 may be retained or sold.	<p>If property is transferred, subrecipient must be entitled to compensation for its attributable percentage of the current fair market value of the property.</p> <p>If a subrecipient chooses to retain or transfer the equipment, supplies, or real property, they must inform OFERP.</p>		

* See [§ 200.313 \(e\)\(2\)](#) for the compensation calculation methodology.

Except as provided in [§ 200.312\(b\)](#), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of \$10,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency (USED) may permit the non-Federal entity (LEA) to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

The disposition of all supplies, equipment and real property must be recorded in the central record keeping system maintained by the subrecipient.

Technical Assistance

Please feel free to contact Federal Program team members should you have any questions related to the contents of this document or the management of inventory acquired using Federal funds

Elementary & Secondary Education Act

Tyra Corson

ESEA Federal Programs

Tyra.Corson@maine.gov

Career & Technical Education

Dwight Littlefield

CTE - Perkins V

Dwight.A.Littlefield@maine.gov

Pre-K Expansion Grants

LeeAnne Larsen

Leeann.Larsen@maine.gov

IDEA & Local Entitlement

Barbara McGowen

Barbara.A.McGowen@maine.gov

Child Nutrition

Michele Bisbee

Michele.Bisbee@maine.gov

Adult Education & Family Literacy Act

Megan Dichter

AEFLA

Megan.Dichter@maine.gov

Elementary & Secondary School

Emergency Relief Fund

Shelly Chasse-Johndro

ESSER

Shelly.Chassejondro@maine.gov