

Administrative Guidance: Equipment Disposition and Record Retention

Grantees are expected to follow the Health and Human Services Administrative Requirements, Part 75- [Uniform Administrative Requirements, Cost Principles, and Audit Requirements](#) in implementing the Section 4 AT Act grant. The provisions that address equipment disposition and retention of records are summarized below for grantees.

Equipment (§75.320)

This rule reads as follows “When the recipient no longer needs the equipment, it may use the equipment for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original HHS awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of HHS's share in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions from the HHS awarding agency . . .”

While equipment with a per unit original cost of \$5,000 or more is inventoried, the rule for disposition of equipment is based on a current per unit fair market value of \$5000 or more. It is difficult if not impossible to imagine a piece of AT that is no longer useful to the State AT Program with a current fair market value of \$5,000 or more. Items with a current fair market value of less than \$5,000 can be used or disposed of by the grantee in any way determined appropriate. Grantees should also identify any state/agency regulations or policies that apply to their equipment disposition procedures.

Since all State AT Programs implement a reuse program of some kind, older AT devices are typically moved from the active inventory of equipment used for device loan and demonstration into the reuse program inventory where they can be reassigned or placed on open-ended loan. If equipment is sold, the State AT Program should advocate for the resulting funds to return to the State AT Program to be used to support authorized AT Act activities as a matter of principle.

Retention requirements for records (§75.361)

This rule reads as follows “Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report.” The rules also include some exceptions for litigation, audits, real property records and other atypical records.

As with equipment disposition, grantees should identify any state/agency regulations or policies that apply to their retention of records. Some grantees may administer or implement specific programs on behalf of agencies that impose record retention requirements that exceed the requirements of the HHS rules. All records should be stored securely and a record destruction schedule should be implemented to efficiently destroy records beyond the retention period.

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