

# EQUIPMENT CONTROL HANDBOOK

## STATE OF ALASKA

### DEPARTMENT OF MILITARY AND VETERANS AFFAIRS DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT GRANT PROGRAM OFFICE

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## PREFACE

This *Equipment Control Handbook* is a guide for federal grant program jurisdictions receiving awards from the Division of Homeland Security and Emergency Management (DHS&EM). It describes responsibilities and authority in the management of federally funded equipment. It includes detailed information about particular property management procedures and issues.

This *Handbook* sets forth minimum requirements established by the Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA). Jurisdictions have authority to establish additional internal controls, and those policies and procedures must also be consulted.

## INTRODUCTION

Maintaining accountability for federally funded equipment is by far the most important responsibility of jurisdictions. With the help of jurisdictions, DHS&EM exercises this responsibility in a variety of ways, including:

EQUIPMENT CONTROL MANAGEMENT: Helping jurisdictions with accurate, effective equipment control management when equipment is acquired or requiring disposition;

ANNUAL INVENTORY: Establishing procedures for an annual inventory;

PROPERTY TRANSFERS: Overseeing jurisdiction equipment transfers;

FEDERALLY FUNDED EQUIPMENT DISPOSAL: Disposition of federally funded equipment which is excess to the needs of any jurisdiction.

Federally funded equipment disposal is the one function that most often causes jurisdictions to turn to DHS&EM for help. However, effective equipment control on an on-going basis is the best way for jurisdictions to fulfill their duty to account for federally funded equipment they use or control and for which they have an obligation to protect.

DHS&EM's goal is to assure that jurisdictions get the maximum benefit from the equipment within its control. Accordingly, priority is given to equipment management decisions that provide for the

re-use of federally funded equipment.

## **SECTION 1: EQUIPMENT CONTROL MANAGEMENT**

### **1-1. Overview**

DHS&EM has authority for directing all equipment transactions statewide and for maintaining accurate records of all federally funded equipment.

This handbook, along with the Code of Regulation (CFR) 44 Part 13, Office and Management and Budget (OMB) circulars, and state regulations are the major tools used by DHS&EM to implement its management responsibility with respect to equipment control management. Working through jurisdictions, DHS&EM staff maintains equipment records on its grants management database, conducts annual inventories, controls jurisdiction equipment transfers, directs the disposition of excess federally funded equipment.

### **1-2. DHS&EM Responsibilities**

DHS&EM implements the federally funded equipment control management program and are charged by federal and state regulations with full knowledge of all equipment transactions within their jurisdictions. Specific responsibilities include:

- Developing policies and procedures;
- Controlling and monitoring equipment accounting files;
- Providing data and technical assistance to their designated jurisdictions;
- Auditing receiving reports, equipment transfers, equipment disposition and physical inventories;
- Conducting field inventory audits.

### **1-3. Jurisdiction Responsibilities**

Jurisdictions help DHS&EM to fulfill their equipment control management responsibilities on a day-to-day basis. The duties of a jurisdiction vary depending upon the local government, but in general they include:

- Initiating transactions when equipment is purchased, loaned, borrowed, or transferred;
- Originating excess (disposition) equipment transactions;
- Completing an annual inventory of all equipment in their designated area.

DHS&EM can assist jurisdictions to understand the specific requirements of a particular procedure, but since jurisdictions may have additional requirements above the minimums set by DHS&EM, jurisdictions should work through their local government.

### **1-4. Property Identification**

It is important that a property decal be placed where it can be easily seen and that a property decal placement be uniform for ease in locating and reading, regardless of the property's location or placement. (If a property decal is hidden, it is recommended that "dymo" tape or other suitable material be used to show the property tag or decal in a visible location.) At minimum, when

practicable, any equipment purchased with federal grant funding shall be prominently marked as follows: “*Purchased with funds provided by the U.S. Department of Homeland Security*” or applicable federal agency based on award.

The assignment of a property decal is the responsibility of the local jurisdiction and questions about whether a property decal should be used to mark the property should be directed to DHS&EM.

Where necessary, DHS&EM may direct that a property decal be relocated or replaced.

## **SECTION 2: EQUIPMENT ACQUISITION**

### **2-1. New Equipment**

Equipment management and inventory control procedures should begin when a new item is purchased. The jurisdictions responsible individual who maintains the inventory records needs the number of the purchasing document as well as other information. The Property Inventory Form is used by DHS&EM and most jurisdictions to assure that all necessary information is available for reporting.

### **2-2. Used Equipment**

Jurisdictions may notify DHS&EM of their need for surplus items. If the items are not available immediately, their request will be entered on the "Want List" and they will be notified on a first-come, first-served basis when requested items become available.

### **2-3. Trade-ins**

Jurisdictions may replace or upgrade equipment as a trade-in to offset the cost of purchasing a like item. Trade-ins are required to be pre-approved in writing, in advance by DHS&EM. A trade-in will be approved only when DHS&EM has determined that it is in the best interests of the State.

Other jurisdiction needs will take priority over a trade-in request.

If the item is actually excess to the jurisdiction, DHS&EM may recommend a direct transfer to another jurisdiction or that the item become surplus.

A proposed trade-in is initiated by memorandum from the jurisdiction, through DHS&EM, and approved by DHS/FEMA. The memo must include:

1. Equipment description including serial number(s);
2. Equipment condition and current estimated value;
3. Statement of need and significant program impacts (if any) should the trade-in be denied;
4. Description of new equipment desired, including proposed method of purchase, estimated purchase price, and estimated trade-in allowance.

## **SECTION 3: INVENTORY REDUCTION**

### **3-1. Lost-Stolen-Damaged**

An item which is lost, stolen, damaged or destroyed must be reported by the jurisdiction in writing within 30 days to DHS&EM.

Jurisdictions have the authority to establish the degree of responsibility and liability, as well as appropriate punitive measures for negligence or misuse of federally funded equipment by an employee or individual.

Employees and individuals should be advised of any liability they might incur due to their custody of federally funded equipment and the procedures to follow when an item is being reported as lost, stolen, damaged or destroyed.

Suspected theft of equipment or supplies should be reported immediately to the appropriate law enforcement agency. Any law enforcement report should be included with the memorandum to DHS&EM.

### **3-2. Loaned Equipment**

Equipment may be loaned to another jurisdiction for a period less than six months without approval of DHS&EM. Equipment control management of items which are loaned remains with the "loaning" jurisdiction. (Such loans may be subject to approval by DHS&EM.)

An "Equipment Memorandum of Agreement (MOA) Form" allows the jurisdiction of the "loaning" entity to maintain a record of such items and is the only record acceptable to an auditor in documenting the location of items not physically present at the time of an audit. The Equipment MOA may be destroyed once all items on it have been returned.

Jurisdictions may also find this form useful in keeping track of items loaned as well as items "issued" for field use. If an item will be on loan for six months or more, a permanent transfer must be considered.

## **SECTION 4: EQUIPMENT TRANSFERS**

### **4-1. Transfers**

Equipment may be transferred to another jurisdiction only after approval by DHS&EM. The "releasing" jurisdiction and the "receiving" jurisdiction must agree on method of transfer and associated costs then forward the agreement in writing to DHS&EM for approval. The equipment may not actually be moved until the transfer has been approved by DHS&EM. The "Want List" maintained by DHS&EM can be helpful to jurisdictions with surplus property as well as those which need particular items.

## **SECTION 5: SURPLUS EQUIPMENT DISPOSITION**

### **5-1. Surplus Equipment Re-utilization**

Equipment in useful or serviceable condition, but surplus to actual need, must be reported in writing to DHS&EM. *Once an item is reported as surplus, it cannot be further used, cannibalized or moved from its reported location without prior written approval DHS&EM.*

**Prior to surplus of electronic media, all data must be removed/deleted from systems.**

- Computers, hard-drives, and personal digital assistants (PDAs): All programs without accompanying licenses must be deleted prior to surplus; all official/personnel files data files must be removed; if in doubt, remove it.
- Fax machines and copiers: All headers and history files must be deleted; remove and retain paper if it is letterhead.
- Phones and answer machines (cell, satellite, and system): Cancel cell/satellite service; remove numbers from speed dial, caller i.d., etc.; delete greetings and messages from answer machines.
- Bottom line-reconfigure or erase all functions, including electronic functions, of the equipment as necessary to prevent the equipment from producing indicators that the equipment, or a product generated by the equipment, is property of the jurisdiction, federal government or state.

DHS&EM compares equipment reported as available on inventory reports to the "Want List" it maintains on behalf of jurisdictions to determine whether it is in the State's best interest to transfer the excess equipment or dispose of it. The reuse of surplus equipment by other jurisdictions is DHS&EM highest priority. DHS&EM may recommend the requesting jurisdiction transfer surplus equipment directly to another jurisdiction rather than dispose of the equipment.

**5-2. Mandatory Transfer**

DHS&EM may initiate a mandatory transfer when it becomes apparent that a jurisdiction possesses items that appear to be in surplus of existing needs and a need exists in another jurisdiction. A *Report of Apparent Surplus*, prepared by DHS&EM, provides notice to the jurisdiction that a mandatory transfer is being considered and offers the jurisdiction who desires to retain the equipment an opportunity to offer information concerning the need for it.

**SECTION 6: ANNUAL INVENTORY**

Federal guidelines require DHS&EM to conduct a physical equipment inventory and the results reconciled at least every two years. DHS&EM requires jurisdictions to conduct a physical inventory every year and the results reconciled with DHS&EM records.

The jurisdiction has responsibility for planning and supervising the physical inventory consistent with the record keeping required by DHS&EM. The general procedure is for each jurisdiction to receive a computerized inventory print-out. Items on the current inventory must be located and the information on file verified or corrected. Information to be verified includes description of the equipment, serial number, who holds title, the acquisition date, cost of the property, percentage of federal participation in the cost of the equipment, the location, use and condition of the equipment, and any disposition data including the date of disposal. Items that are found but do not appear on the list should be noted on a Property Inventory Form. Lost-Stolen-Damaged reports should be prepared for any items that can not be located.