



## ***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 FAP funds, disposition shall be made as follows:

### **Equipment/Personal Property that has a current market value that is UNDER \$ 5,000:**

- For equipment with a current fair market value of less than \$5,000 per unit, the Contractor (and on behalf of Subcontractors) determines the disposition and updates the FAP Annual Inventory Report (AGR Form 609-2201) to reflect final disposition status in the disposition section of the report. Contractor shall maintain applicable documentation.
- If current fair market value is under \$5,000, 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 that has a current market value OVER \$ 5,000:**

- For equipment with a current fair market value of \$5,000 or more per unit, the Contractor (and on behalf of their Subcontractors) must submit the FAP Equipment Disposal Request / Approval Form (AGR Form 609-2203) to WSDA for **prior** approval. Disposition may not occur until authorization is obtained from WSDA.
- Disposition status will be updated on the FAP Annual Inventory Report (AGR Form 609-2201) that the Contractor provides to WSDA annually as part of the WSDA FAP Closeout Report.
- When acquiring replacement equipment, the agency may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment without pre-approval from WSDA. Contractors must still list the disposition on the FAP Annual Inventory Report Form (AGR Form 609-2201).
- 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. The method of disposition is determined on a case-by-case basis which may include:
  - Contractor compensates WSDA by applying the percentage of WSDA's contribution towards the original purchase price of the item to the current fair market value of the equipment if WSDA determines that the Contractor or Subcontractor is not keeping the equipment to use in an eligible program or using as a trade-in.
  - Contractor compensates WSDA by applying the above same formula to the selling price of the item if the Contractor or Subcontractor sells the equipment. Contractor may keep \$500 from WSDA's share or ten 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. In the latter case, Contractor or Subcontractor may use the entire proceeds of the sale for the new purchase.

- 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?
  - How serviceable is the equipment?
  - Who, if anyone, can make the best use of the equipment in serving clients or continuing the service?
  - How much residual value does the equipment actually have based upon an appraisal by a disinterested party?

**Please return the Food Assistance Programs Equipment Disposal Request / Approval Form (AGR Form 609-2203) to the WSDA Food Assistance Programs prior to disposition of the item.**

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