AMLER Equipment Guidelines

1. Title. Subject to the requirements and conditions set forth in this section, title to equipment acquired under a Virginia Energy funding award will vest upon acquisition in the purchasing entity. Unless a statute specifically authorizes Virginia Energy to vest title in the purchasing party without further responsibility to the Commonwealth of Virginia, and Virginia Energy elects to do so, the title must be a conditional title. Title must vest in the purchasing entity subject to the following conditions:
   1. Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
   2. Not encumber the property without approval of the Virginia Energy.
   3. Use and dispose of the property in accordance with paragraphs (b), (c), and (e) of this section.
2. The purchasing entity must use, manage and dispose of equipment under Virginia Energy’s award as follows:
3. Use.
   1. Equipment must be used by the purchasing entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Virginia Energy award, and the purchasing entity must not encumber the property without prior approval of Virginia Energy. Virginia Energy may require the submission of the applicable common form for equipment. When no longer needed for the original program or project, the equipment may be used in other activities supported by Virginia Energy, in the following order of priority:
      1. Activities under a Virginia Energy award from Virginia Energy which funded the original program or project, then
      2. Activities under a Virginia Energy award from other Virginia awarding agencies. This includes consolidated equipment for information technology systems.
   2. During the time that equipment is used on the project or program for which it was acquired, the purchasing entity must also make equipment available for use on other projects or programs currently or previously supported by the Commonwealth of Virginia, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Virginia Energy who financed the equipment and second preference must be given to programs or projects under Virginia awards from other Virginia awarding agencies. Use for non- State-funded programs or projects is also permissible. User fees should be considered if appropriate.
   3. The purchasing entity must not use equipment acquired with the Virginia award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by State statute for as long as the Commonwealth of Virginia retains an interest in the equipment.
   4. When acquiring replacement equipment, the purchasing entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.
4. Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a State award, until disposition takes place will, as a minimum, meet the following requirements:
   1. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property, who holds title, the acquisition date, and cost of the property, percentage of State participation in the project costs for the Virginia award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
   2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
   3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
   4. Adequate maintenance procedures must be developed to keep the property in good condition.
   5. If the purchasing entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.
5. Disposition. When original or replacement equipment acquired under a Virginia Energy award is no longer needed for the original project or program or for other activities currently or previously supported by a Virginia awarding agency, except as otherwise provided in Virginia statutes, regulations, or Virginia Energy disposition instructions, the purchasing entity must request disposition instructions from Virginia Energy if required by the terms and conditions of the Virginia Energy award. Disposition of the equipment will be made as follows, in accordance Virginia Energy disposition instructions:
   1. Items of equipment with a current per unit fair market value of $10,000 or less may be retained, sold or otherwise disposed of with no further responsibility to Virginia Energy.
   2. If Virginia Energy fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of $5,000 may be retained by the purchasing entity or sold. Virginia Energy is entitled to an amount calculated by multiplying the current market value or proceeds from sale by Virginia Energy’s percentage of participation in the cost of the original purchase. If the equipment is sold, Virginia Energy may permit the purchasing entity to deduct and retain from the Virginia share $500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
   3. The purchasing entity may transfer title to the property to the Commonwealth of Virginia or to an eligible third party provided that, in such cases, the purchasing entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.
   4. In cases where a purchasing entity fails to take appropriate disposition actions, Virginia Energy may direct the purchasing entity to take disposition actions.