

REAL PROPERTY POLICY:
Property Standards for Real Property, Equipment, and Supplies Acquired with
ARPA/CSLFRF

I. POLICY OVERVIEW

[Title 2 U.S. Code of Federal Regulations Part 200](#), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart D, details post award requirements related to property management of property acquired or updated, in whole or in part, with funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARPA/CSLFRF).

2 CFR 200.311 through 2 CFR 200.316 detail property standards related to the expenditure of ARPA/CLSFRRF funds. Guilford County shall adhere to all applicable property standards, as detailed below.

II. DEFINITIONS

The definitions in 2 CFR 200.1 apply to this policy, including the following:

Computing devices: machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. See also the definitions of supplies and information technology systems in this section.

Equipment: tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by Guilford County for financial statement purposes, or \$5,000.

Information technology systems: computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. See also the definitions of computing devices and equipment in this section.

Intangible property: property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

Personal property: property other than real property. It may be tangible, having physical existence, or intangible.

Property: real property or personal property.

Real property: land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

Supplies: all tangible personal property other than those described in the definition of equipment in this section. A computing device is a supply if the acquisition cost is less

than the lesser of the capitalization level established by the local government for financial statement purposes or \$5,000, regardless of the length of its useful life. See also the definitions of computing devices and equipment in this section.

III. REAL PROPERTY

Title to Real Property: Title to real property acquired or improved with ARPA/CSLFRF funds vests with Guilford County. 2 CFR 200.311(a).

Use of Real Property: Real property acquired or improved with ARPA/CSLFRF funds must be used for the originally authorized purpose as long as needed for that purpose, during which time Guilford County must not dispose of or encumber its title or other interests. 2 CFR 200.311(b).

Insurance of Real Property: Guilford County must provide the equivalent insurance coverage for real property acquired or improved with ARPA/CSLFRF funds as provided to property owned by Guilford County. 2 CFR 200.310.

Disposition of Real Property: When Guilford County no longer needs real property purchased with ARPA/CSLFRF for ARPA/CSLFRF purposes, Guilford County must obtain disposition instructions from US Treasury. The instructions must provide for one of the following alternatives:

1. Guilford County retains title after compensating US Treasury. The amount paid to US Treasury will be computed by applying US Treasury's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where Guilford County is disposing of real property acquired or improved with ARPA/CSLFRF funds and acquiring replacement real property under the ARPA/CSLFRF, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.
2. Guilford County sells the property and compensates US Treasury. The amount due to US Treasury will be calculated by applying US Treasury's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the ARPA/CSLFRF award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When Guilford County is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.
3. Guilford County transfers title to US Treasury or to a third party designated/approved by US Treasury. Guilford County is entitled to be paid an amount calculated by applying Guilford County's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property. 2 CFR 200.311(c).

IV. EQUIPMENT

Title to Equipment: Title to equipment acquired or improved with ARPA/CSLFRF funds vests with Guilford County. 2 CFR 200.313(a).

Use of Equipment: Guilford County must use equipment acquired with ARPA/CSLFRF funds for the project for which it was acquired as long as needed, whether or not the project continues to

be supported by the ARPA/CSLFRF award, and Guilford County must not encumber the property without prior approval of US Treasury. 2 CFR 200.313(a)(1)-(2).

When no longer needed for the original project, the equipment may be used in other activities supported by a Federal awarding agency, in the following order of priority:

1. Activities under a Federal award from the Federal awarding agency which funded the original project, then
2. Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems. 2 CFR 200.313(c)(1).

During the time that equipment is used on the project for which it was acquired, Guilford County must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the project for which it was originally acquired. First preference for other use must be given to other programs or projects supported by US Treasury and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally-funded programs or projects is also permissible. User fees should be considered if appropriate. 2 CFR 200.313(c)(2).

Noncompetition: Guilford County must not use equipment acquired with the ARPA/CSLFRF funds to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment. 2 CFR 200.313(c)(3).

Replacement Equipment: When acquiring replacement equipment, Guilford County 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. 2 CFR 200.313(c)(4).

Management of Equipment: Guilford County will manage equipment (including replacement equipment) acquired in whole or in part with ARPA/CSLFRF funds according to the following requirements.

1. Guilford County will maintain enough records that include
 - a) a description of the property,
 - b) a serial number or other identification number,
 - c) the source of funding for the property (including the Federal Award Identification Number (FAIN)),
 - d) who holds title,
 - e) the acquisition date,
 - f) cost of the property,
 - g) percentage of Federal participation in the project costs for the Federal award under which the property was acquired,
 - h) the location, use and condition of the property, and
 - i) any ultimate disposition data including the date of disposal and sale price of the property.
2. Guilford County will conduct a physical inventory of the property and reconcile results with its property records at least once every two years.

3. Guilford County will develop a control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft will be investigated by Guilford County.
4. Guilford County will develop and implement adequate maintenance procedures to keep the property in good condition.
5. If Guilford County is authorized or required to sell the property, it will establish proper sales procedures to ensure the highest possible return, in accordance with state and federal law.

Insurance of Equipment: Guilford County must provide the equivalent insurance coverage for equipment acquired or improved with ARPA/CSLFRF funds as provided to property owned by Guilford County. 2 CFR 200.310.

Disposition of Equipment: When the equipment is no longer needed for its original ARPA/CSLFRF purpose, Guilford County may either make the equipment available for use in other activities funded by a Federal agency, with priority given to activities funded by US Treasury, dispose of the equipment according to instructions from US Treasury, or follow the procedures below. 2 CFR 200.313(e).

1. Equipment with a per-item fair market value of less than \$5,000 may be retained, sold or transferred by Guilford County, in accordance with state law, with no additional responsibility to US Treasury;
2. If no disposal instructions are received from US Treasury, equipment with a per-item fair market value of greater than \$5,000 may be retained or sold by Guilford County. Guilford County must establish proper sales procedures, in accordance with state law, to ensure the highest possible return. Guilford County must reimburse US Treasury for its federal share. Specifically, US Treasury is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the ARPA/CSLFRF funding percentage of participation in the cost of the original purchase. If the equipment is sold, US Treasury may permit Guilford County to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
3. Equipment may be transferred to US Treasury or to a third-party designated by US Treasury in return for compensation to Guilford County for its attributable compensation for its attributable percentage of the current fair market value of the property.

V. SUPPLIES

Title to Supplies. Title to supplies acquired with ARPA/CSLFRF funds vests with Guilford County upon acquisition. 2 CFR 200.314(a).

Use and Disposition of Supplies: If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the ARPA/CSLFRF project and the supplies are not needed for any other Federal award, Guilford County must retain the supplies

for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as for equipment. 2 CFR 200.314(a).

Noncompetition. If the Federal Government retains an interest in the supplies, Guilford County must not use supplies acquired under the ARPA/CSLFRF to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute. 2 CFR 200.314(b).

VI. PROPERTY TRUST RELATIONSHIP

Real property, equipment, and intangible property, that are acquired or improved with ARPA/CSLFRF funds must be held in trust by Guilford County as trustee for the beneficiaries of the project or program under which the property was acquired or improved. US Treasury may require Guilford County to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with a Federal award and that use and disposition conditions apply to the property. 2 CFR 200.316.

VII. IMPLEMENTATION OF POLICY

The Pandemic Recovery Office shall adopt procedures to track all real property, equipment, and supplies (collectively, property) acquired or improved in whole or in part with ARPA/CLSFRRF funds. At a minimum, those procedures must address the following:

- Ensure proper insurance of property
- Document proper use of property
- Working with Amy Addington Policy Analyst in the Pandemic Recovery Office, record and maintain required data records for equipment
- Conduct periodic inventories of equipment, at least every two years
- Create processes for replacement and disposition of property
- Establish other internal controls to safeguard and properly maintain property