



COMMISSIONER SID MILLER

TEXAS DEPARTMENT OF AGRICULTURE

GRANT PROGRAMS

Equipment Tracking Requirements

Summary

In accordance with Texas Grant Management Standards (Version 2.1), the Texas Department of Agriculture (TDA) requires Grant recipients to follow specific tracking procedures for any equipment purchased with grant funds that exceeds \$10,000 in value.

Grant recipients must complete the following steps for each qualifying equipment purchase:

- 1) Equipment Acquisition
- 2) Annual Equipment Inventory
- 3) Equipment Disposition

Equipment Acquisition

All equipment purchases must be pre-approved by TDA and included in the approved award budget. Grant recipients are responsible for safeguarding equipment to prevent loss, damage, or theft, and should assign an inventory number to support tracking. Adequate maintenance procedures must also be in place to ensure the equipment remains in good working condition.

When requesting reimbursement for an equipment purchase, the grant recipient must submit a **TDA Equipment Acquisition Form**, which includes:

- Name of owner (must be grant recipient)
- Purchase date
- Total cost
- Physical location
- Description of the equipment
- Condition

- Intended use
- serial number
- Inventory number (if applicable)
- Percentage of grant funds used for purchase

Annual Equipment Inventory

Each August, TDA conducts an annual inventory review of all equipment purchased with grant funds. Grant recipients must submit the **Annual Property Report** by **August 31** each year, confirming:

- Physical location
- Condition
- Current value
- Pictures may also be required

Annual reporting continues until the equipment's value falls below \$10,000. Grant recipients determine the equipment's value using reasonable methods such as depreciation schedules or fair-market comparisons for similar items.

Equipment Disposition

Disposition is required when:

- The grant recipient no longer needs the equipment and wishes to sell or dispose of it, **or**
- The equipment's value drops below \$10,000 as reported in the annual inventory

If a grant recipient intends to dispose of equipment, they must request disposition approval from TDA. TDA will provide instructions within 120 days, including guidance on handling any proceeds from a sale.

If the equipment value falls below \$10,000, TDA will initiate the disposition process. Once completed, the grant recipient has no further tracking obligations and may continue to use or dispose of the equipment as they choose.

Equipment Tracking Forms

TDA will provide all required forms for:

- Equipment Acquisition

- Annual Equipment Inventory
- Equipment Disposition

Record Retention

Equipment records must be retained for **four years after project completion**, for the **lifetime of the equipment**, or until any related litigation is resolved—whichever period is longer. All records must be available to TDA or its designees upon request.

Common Errors and Audit Findings

The following are common audit findings related to equipment tracking documentation.

Frequent issues include:

- Insufficient documentation supporting equipment forms
- Failure to request disposition approval before selling equipment
- Unsupported equipment valuation
- Missing annual inventory submissions

Grant recipients should ensure full compliance with all tracking requirements to avoid questioned or disallowed costs.