

NEW YORK STATE EDUCATION DEPARTMENT

Grants Finance

Policy Advisory #01-05 Revised Grant Reporting Requirements for Equipment Purchases

Beginning with 2005-06 budgets for grants and grant contracts, the dollar threshold for classifying an item as equipment is raised from \$1,000 to \$5,000.

Therefore, items with a unit value of \$5,000 or more and having a useful life of more than one year must be reported as Equipment in Code 20 on the financial forms for grant programs. The financial forms are the Budget (FS-10), Budget Amendment (FS-10-A), and Final Expenditure Report (FS-10-F). Items with a unit value of less than \$5,000 must be reported as Supplies and Materials, Code 45.

For budget periods earlier than 2005-06, the dollar threshold for classifying an item as equipment will remain a unit value of \$1,000 or more, and these items must continue to be reported as Equipment in Code 20.

Definition

For the purposes of grant and grant contracts reporting only, equipment is defined as an item of nonexpendable tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more.

The definition above is limited to the reporting for grants and grant contracts administered by NYSED and has no direct effect on the definition of equipment established by your organization for any other purpose. Any change to an organization's policy on capitalization of assets may have an effect on the organization's financial position and should be made by the appropriate governing body.

Equipment Inventory

All organizations must maintain an inventory of capital assets. The inventory must include, but may not be limited to, all items included in the equipment category (Code 20) for grant programs. The inventory listing must contain the following:

- A description of the equipment, including manufacturer, model, and serial number.

- Identification of the grant under which the recipient agency acquired the equipment.
- Acquisition date and unit acquisition cost.
- Information on how the grant share of the cost was determined if the cost was shared by the recipient agency.
- Location, use, and condition of the equipment and the date this information was recorded.
- All pertinent information on the ultimate transfer, replacement, or disposition of the equipment.

Additional Guidance

All organizations should adhere to the cost and management principles for their respective organization detailed in the following Federal OMB Circulars or Code of Federal Regulations:

Organization	Cost Principles	Administrative Regulations
Government	A-87 	A-102 
Education	A-21 	A-110 
Not-for-Profit	A-122 	A-110 
For-Profit	48 CFR Part 31 	

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