

Purchase and Disposition of Equipment

Equipment that is purchased with DPW funds administered through BETP must be accounted for when it is purchased, in use and upon replacement. The Information Memorandum included below defines equipment meeting this criterion and explains the process.

COMMONWEALTH OF PENNSYLVANIA
Department of Public Welfare

INFORMATION MEMORANDUM
Employment & Training

SUBJECT: Bureau of Employment and Training Programs (BETP) Equipment
TO: BETP Contractors
FROM: Bryon C. Noon, Ed.D.
Director
BETP

PURPOSE

To clarify procedures related to the purchase and replacement of BETP equipment.

DISCUSSION

Equipment is defined as an article of nonexpendable, tangible personal property having a useful life or more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-profit organization for financial statement purposes, or \$5000. Equipment approved in the contractor's budget falls under this policy.

BETP must approve the following regarding equipment purchased with BETP funding for use in the performance of the contract:

1. Purchasing equipment that is not approved in the contractor's budget;
2. Selling equipment;
3. Replacing equipment;
4. Plan for disposal of replaced equipment; and
5. Remaining values of equipment.

Title to all equipment, purchased with BETP funding, will remain with BETP. The contractor has title to all personal equipment, including purchase by lease/purchase agreement.

All contractors must follow and adhere to all applicable state and federal regulations that apply to the purchase and disposal of equipment.

If any BETP equipment needs replaced during the contract period, depreciation tables (Equipment Depreciation Form – Attachment 1) must be used to determine the value of the equipment and submitted to BETP for approval. If replacement is approved, the contractor must then submit a plan for disposal of replaced equipment to BETP for approval.

If the contractor's contract ends, the following applies:

- If the contractor wants to keep any equipment, depreciation tables (Equipment Depreciation Form – Attachment 1) must be completed to determine the value of the equipment and then submitted to BETP for approval. The contractor must reimburse BETP the amount determined from the tables. BETP can set a minimum sale price.
- The contractor and BETP may agree to transfer any equipment to another contractor designated by BETP. Cost of transportation will be paid by the contractor receiving the equipment. Title to all transferred equipment will stay within the receiving contractor.
- If first approved by BETP in writing, the contractor may sell the equipment and then must reimburse BETP for its share. Again, BETP can set a minimum sale price.

Attachment:

1. [Equipment Depreciation Form](#)

NEXT STEPS

- Review this memo with all appropriate staff.
2. Contact the Bureau of Employment and Training Programs, at 717-787-1302, if you have any questions.

Technical Issue

The Equipment Depreciation Form (Attachment 1 referenced above) is an Excel spreadsheet and is not included here. Please contact your program advisor, the BETP Division of Fiscal and Data Management or refer to the original issuance of the Information Memorandum and Rider 5 of the contract to obtain additional information.