

Federal Government defines equipment as a unit acquisition with a useful life of one year or more and cost over \$5000. Those products with a unit acquisition with a cost of less than \$5000 and useful life of one year or less are considered "supplies."

When closing a federal program, the following steps must occur to ensure that federal property is justly accounted for.

1. Take an inventory of the supplies and equipment.
2. Determine the current value of the supplies and/or equipment. The standard federal property disposition rules permit the system to retain property assets whose net present value is less than \$5,000.
3. If aggregate value of supplies is \$5000 or more in total aggregate "fair market value" and the supplies can be used for another Federal Program, the supplies may be retained for that purpose.
4. Regarding equipment with a net aggregate fair market value of Tm[100150]nt,00,1 14 0 0 1 36rtt04 0 0 1 100