**Tangible Property Requirements**

1. The Provider must obtain written approval from the Contract Manager by submitting a fully completed and accurate Template 2 - Tangible Property Request Form before purchasing any property or making improvements to real property, even if it is included in the Approved Operating Budget.
2. "Property" includes equipment, fixtures, and other nonconsumable, nonexpendable items with an original acquisition cost or estimated fair market value of $5,000 or more and an expected lifespan of at least one year. This definition also encompasses all computers regardless of their value and any improvements to real property.
3. Any purchase or improvement to real property must be secured with a lien for at least five years from the date of purchase or completion of the improvements, or as otherwise mandated by law.
4. Property should be used solely for the program or project it was acquired for and must continue to be utilized as needed, even if the program or project is no longer supported by the Department.
5. Property records must include the following: identification number, serial number, year and/or make, model or manufacturer name, a description of the property, acquisition date, acquisition cost, funding source, the percentage of state and federal funding, location, use, condition, and class code (using state standard codes for capital assets). For grouped items, list the number and description of components. For automobiles, include the Vehicle Identification Number (VIN) and certificate number. If the original acquisition cost is not available during inventory, an estimated value agreed upon by both the Provider and the Department may be used.
6. Annually, by July 1st, the Provider must submit a complete inventory of all property, including computers, to the Department along with an expenditure report for the period in which the property was acquired, regardless of whether new purchases have been made.
7. The Provider may not dispose of any property purchased under the contract without prior written approval from the Contract Manager. The Contract Manager will provide instructions for property disposal during the contract term, at the end of the contract, or at the end of any continuation contract. If real property disposal is requested before the Department’s security lien is lifted, the Provider must refund the Department's pro-rata share of the initial investment.
8. When the Contract Manager approves the replacement or disposal of property, the Provider must provide accurate and complete information about the property in their annual inventory, including the date of disposal and the sale price.
9. Upon the completion or termination of the contract or any continuation contract, ownership and possession of all property purchased by the Provider will transfer to the Department unless disposition of property is provided or security lien is released.
10. A closeout inventory, which includes nonexpendable property and computers and contains the same details as the annual inventory, must be submitted to the Contract Manager for written approval no later than 30 days before the contract or any continuation contract ends.