Lead Agency Tangible Personal Property Requirements

1. Definitions.
   a. As used in this section, “property” includes:
      (1) Equipment, furniture, fixtures, motor vehicles, and other personal property of a non-
      consumable and non-expendable nature, the original acquisition cost or estimated fair
      market value of which is $1,000 or more, and the expected useful life of which at the
      time of transfer or purchase is one (1) year or more.
      (2) All computers with an expected useful life of which at the time of transfer or purchase is
      one (1) year or more.
   b. As used in this section, “motor vehicles” includes any automobile, truck, airplane, boat, or
      other mobile equipment used for transporting persons or cargo.
   c. As used in this section, “subcontractor” is an entity under contract with the provider funded
      from funds contained in this contract.

2. Property Items Purchased by Provider.
   a. If the provider purchases any property with funds provided by this contract, the provider shall
      inventory all such property, and on an annual basis, the provider shall submit a complete
      inventory of all such property to the department.
   b. The inventory shall include, at a minimum, a description of the property/unique identifier,
      manufacturer’s serial number, acquisition date, original acquisition cost, current location,
      condition, and clearly reflect any replacement or disposition of the property.
   c. The provider’s contract with a subcontractor funded from funds contained in this contract
      shall not permit the purchase of any motor vehicles. However, the provider may purchase a
      motor vehicle and subsequently enter into a lease agreement with the subcontractor for the
      use of the motor vehicle.

3. Property Items transferred from Former Department Contractors and Current Subcontractors.
   a. Property transferred to or purchased by former contractors through prior agreements with the
      department shall be inventoried, agreed upon and signed by the department and the former
      contractors. This property shall then be transferred from the department to the provider
      where the title will vest until this contract is terminated. The provider may not transfer title
      to any subcontractor. Any property transferred to or purchased by the provider and used by a
      subcontractor will be authorized through a lease agreement between the provider and the
      subcontractor. Under the lease agreement, the provider will hold the subcontractor
      responsible for all repairs, maintenance and insurance for said property. Any property
      purchased by the subcontractor must be maintained by the subcontractor and returned to the
      provider upon termination of the lease agreement. This property will be included on the
      provider’s inventory.
   b. All subcontractors, regardless of the method of payment in the contract, must provide an
      annual inventory of all property to the provider for inclusion in the provider’s annual
inventory report. The subcontractor’s inventory shall include all data elements described in 2.b. above.

4. Disposition.

a. If the provider replaces or disposes of property transferred to or purchased by the provider pursuant to this contract, the provider is required to provide accurate and complete information pertaining to replacement or disposition of the property on the provider’s annual inventory as required by paragraph 2.b.

b. If the subcontractor replaces or disposes of property transferred to or purchased by the subcontractor pursuant to that contract, the subcontractor is required to provide accurate and complete information pertaining to replacement or disposition of the property on the subcontractor’s annual inventory as required by paragraph 2.b.

5. Termination.

a. The provider shall furnish a closeout inventory no later than 30 days before the completion or termination of this contract. The closeout inventory shall include all property transferred to or purchased by the provider including any property leased by the provider to any subcontractor and all property purchased by any subcontractor.

b. The closeout inventory shall contain, at a minimum, the same annual inventory information required by paragraph 2.b.

c. Title (ownership) to and possession of all property transferred to or purchased by the provider pursuant to this contract shall be vested in the department upon completion or termination of this contract. Upon return to the department, all property must be in good working order. The department hereby agrees to pay the cost of transferring title to and possession of any property for which ownership is evidenced by a certificate of title. Property items purchased with funds from the federal Chafee Foster Care Independence Program and given to Chafee eligible youth shall remain with the client and shall not be vested in the department.

d. The provider shall be responsible for repaying to the department the replacement cost of any property inventoried and not returned to the department upon completion or termination of this contract.


a. All inventories required by these sections shall be updated and accurate to the date of inventory certification.

b. With the exception of lease agreements entered into as described in section 3.a. above, during the term of this contract, the provider is responsible for insuring all property included in its annual inventory report and maintaining such property in good working order.

c. The provider hereby agrees to indemnify the department against any claim or loss arising out of the operations of any motor vehicle transferred to or purchased by the provider pursuant to this contract.