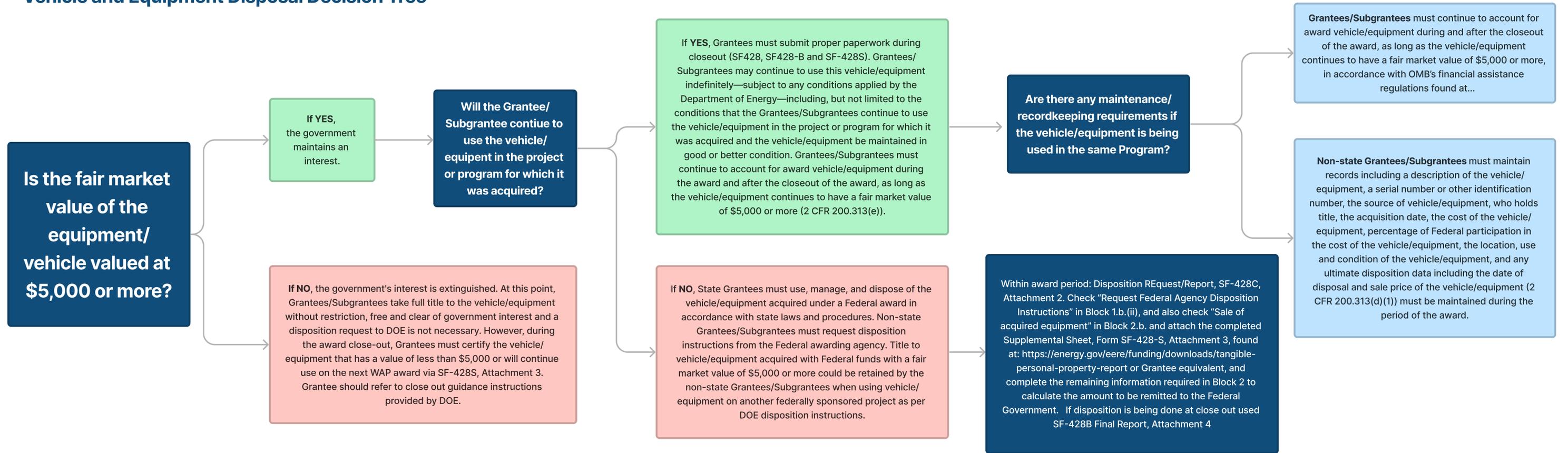


Weatherization Assistance Program | WPN Vehicle and Equipment Disposal Decision Tree



How should items purchased as equipment and later incorporated into "real property" be treated?

Under a traditional interpretation of generally accepted accounting principles and property law, once property (equipment) is installed, incorporated, or permanently attached to real property (land, structures, buildings), the asset loses its identity as property (equipment). As such, it is no longer reportable as an equipment item and records should be closed out as "**consumed by real property asset X**" or in accordance with the organization's property management procedures.

A piece of equipment is an individual unit if it has individual utility or can be sold as an individual unit. For example, a photovoltaic solar system contains other components including solar panels, racking systems, inverters, and associated wiring. For purposes of disposition, the system should be treated as individual units, such as the individual solar panels and individual inverters, not as a whole. If the system was purchased as individual units and can be sold as such, it should be disposed of as individual units. As a guide to making this determination, consider the way the equipment was purchased and break larger systems into their smallest individual components.

If disposing, is the fair market value of an inventory of unused supplies valued at \$5,000 or more?

The process for materials disposition for items in excess of \$5,000 will follow same pattern as equipment and vehicles valued at \$5,000 or more. DOE has no interest in supplies valued at less than \$5,000 and the title vests without restriction to the Grantee/Subgrantee (2 CFR 200.314).