



COMMONWEALTH OF VIRGINIA
DEPARTMENT FOR AGING AND REHABILITATIVE SERVICES

JAMES A. ROTHROCK
Commissioner

DIVISION FOR THE AGING
1610 Forest Avenue, Suite 100
Henrico, VA 23229

Office (804) 662-9333
Toll free (800) 552-3402
TTY users dial 711
Fax (804) 662-9354

MEMORANDUM

TO: Executive Directors
Area Agencies on Aging

FROM: Tim Catherman

DATE: September 25, 2012

SUBJECT: Policy Update – Required Approval of Equipment Purchases

The OAA Title III and Title VII Area Plan Contract, section 10.27 states, the Area Agency shall obtain written approval from DARS before purchases of equipment and computers having an individual item costs of \$5,000 or more. This section defines equipment as tangible property having a useful life of more than 1 year.

This requirement follows federal protocol for approval of equipment. **For clarification, this requirement applies to equipment purchased by subcontractors.** The purpose is to comply with federal requirements of ownership of capital equipment after the contract has ended. This clarification will be made more clear in future contracts.

Related to equipment, please be aware section 10.14.2 states, the Area Agency shall have written policy and procedures for managing property and equipment to include:

- (i) accurate and complete property records,
- (ii) regular physical inventory of equipment,
- (iii) adequate maintenance procedures, and
- (iv) disposal of property and equipment.

The policies and procedures shall be approved by the governing board.

If you have any questions about this policy, please contact Jane Snead or me.