UNITED STATES DEPARTMENT OF EDUCATION

Fact Sheet for Repurposing Federal Equipment and Supplies to Combat COVID-19

April 29, 2020

QUESTION: May U.S. Department of Education (Department) grantees and subgrantees repurpose, for temporary use to combat the impact of COVID-19 on the learning environment, equipment and supplies purchased with Federal funds that are not currently needed to carry out a Department grant program?

ANSWER: Yes.

ADDITIONAL DETAILS:

As our response to the national emergency caused by the novel Coronavirus Disease 2019 (COVID-19) continues to evolve, the Department has received questions regarding whether equipment[1] and supplies[2] purchased with Department grant funds currently not being used during the emergency may be used for purposes related to the emergency such as facilitating remote learning. Generally, equipment and supplies purchased with Federal funds may only be used to carry out the purposes of the Federal program for which they were purchased and for intended beneficiaries. *See* 2 C.F.R. § 200.403(a). Due to extensive school closures as a result of COVID-19, much of the equipment and supplies is expected to remain unused until the Federal programs for which they were purchased resume normal activities. In the meantime, the equipment and supplies could potentially be used to facilitate remote learning.

To assist grantees and subgrantees of Department programs in combatting the impact of COVID-19 on the learning environment, the Department is providing grantees and subgrantees an exception, as authorized by OMB Memorandum M-20-20[3] and under 2 C.F.R. § 200.102, to the allowable cost requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 2 C.F.R. § 200.403(a).

[1] "Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000. 2 C.F.R. § 200.33.
[2] "Supplies" means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5,000, regardless of the length of its useful life. 2 C.F.R. § 200.94.
[3] *See* Office of Management and Budget (OMB) Memorandum M-20-20, https://www.whitehouse.gov/wpcontent/uploads/2020/04/M-20-20.pdf.

For temporary use, grantees and subgrantees may repurpose federally purchased equipment and supplies that are not currently in use to carry out a Department grant program to meet the general education needs of students, including students with disabilities and English learners, and the instructional needs of teachers, related services providers, and other educational personnel during the national emergency caused by COVID-19. For example, a local educational agency (LEA) might distribute unused laptops that it purchased to provide academic enrichment in its paused before- and after-school program to assist students in accessing online instruction in their home. This authority is temporary during the national emergency caused by the COVID-19 pandemic. When the national emergency ends, schools reopen, and students once again begin attending schools in person, the equipment and supplies that are not consumed must be returned for use in the Department grant programs for which they were purchased.

To take advantage of this flexibility, grantees and subgrantees must clearly mark the equipment and supplies being repurposed with pertinent identifying information. In addition, grantees and subgrantees must maintain an inventory of the equipment and supplies being repurposed to facilitate proper return, including the following:

(1) a description and itemization of the type of equipment or supplies being temporarily repurposed.
(2) the source (Federal program(s) funds involved) from which the temporarily repurposed equipment or supplies were purchased and the amount of Federal funds used for the purchase.
(3) where the equipment or supplies are assigned for use during the duration of the COVID-19 national emergency.
(4) the date on which the equipment or non-consumed supplies are returned for Federal program purposes.

Grantees and subgrantees must maintain these records for a minimum of three years and until the resolution of any audit, monitoring, or oversight that is being conducted relative to the repurposed equipment or supplies, as required by 2 C.F.R. §§ 200.302 (financial management) and 200.333 (retention requirements for records). Equipment and non-consumable supplies that are lost or damaged must be replaced with non-Federal funds to ensure continued benefit to the Department grant program.

This authority does not permit grantees and subgrantees to use unobligated Department grant funds to purchase new equipment and supplies for purposes not aligned with the allowable activities of the program under which funds are available. The Department has invited States to request an extension of the period of availability of many Federal fiscal year 2018 funds to September 30, 2021, to enable grantees and subgrantees to use those funds to carry out the Federal programs when schools reopen and program services resume. Grantees and subgrantees should not assume additional funds will be available should the repurposing of equipment and supplies result in any type of shortage to a program.

The Department intends to follow up with grantees (and through them, subgrantees) regarding the repurposing of equipment and supplies that occurs during the COVID-19 national emergency. We plan on completing an information collection pursuant to the Paperwork Reduction Act of 1980, as amended, before requiring any covered disclosures to the Department.

If you have questions about this exception, please contact the Department program officer for your grant. If you have additional questions regarding how the Department can best support you as you respond to the challenges presented by COVID-19, please contact COVID19@ed.gov. The Department also encourages you to continue to monitor information regarding COVID-19 from the Centers for Disease Control and Prevention at www.cdc.gov/coronavirus/ and at our website: www.ed.gov/coronavirus.