

# Homeless System Response:

## Disposition and Recordkeeping Requirements when using ESG-CV or ESG Funds to Purchase Furniture or Household Furnishings

ESG-CV and annual ESG funds used to prevent, prepare for, and respond to coronavirus may be used to buy furniture and household furnishings for use by program participants while they are receiving homelessness prevention and rapid re-housing assistance ([Notice CPD-21-08](#), III.E.3.i). Recipients and subrecipients must adhere to equipment disposition and recordkeeping requirements (found at [2 CFR 200.313](#)) related to the use of funds to buy furniture and household furnishings.

### Disposition Requirements

Minor fluctuations in day-to-day inventory need not be recorded in HMIS, and HMIS inventory records can be updated to reflect historical changes that weren't captured at the time. Use the instruction in the [HMIS Data Manual](#) for documenting inventory changes. Some examples of inventory changes that might occur in an infectious disease outbreak are listed below, with the preferred responses to Project Descriptor Data Elements (PDDE) in HMIS.

In most cases, furniture or household furnishings purchased with ESG-CV or annual ESG funds for use by rapid re-housing or homelessness prevention program participants must be retained by the recipient or subrecipient for continued use when the household exits the program. Requirements for disposition ([2 CFR 200.313\(e\)](#)) depend on whether the equipment is still needed for the original project or program, or for other activities supported by HUD, or for other federally-sponsored activities, and the value of the equipment.

If the recipient or subrecipient determines that the equipment is no longer needed for the purpose of the original project, the recipient or subrecipient may use the equipment in the following ways (in priority order), and disposition requirements would not be triggered:

- For activities funded under another HUD award, or
- For activities funded under awards from another federal agency.

When the furniture and household furnishings are no longer needed for the original project or program, or for other activities supported by HUD, or for other federally-sponsored activities, disposition requirements are determined based on their value:

- For equipment or assets with a current per-unit fair market value *under \$5,000*, the agency may dispose of the equipment as they see fit with no further obligation to HUD.
- For equipment or assets with a current per unit fair market value *in excess of \$5,000*, the recipient should request disposition instructions from your local HUD Field Office CPD Representative and further review the rules for disposition of equipment.

Determination of whether the equipment is no longer needed for the original project or program, or for other activities supported by HUD, must be made by the funding recipient. Recipients or subrecipients should have policies and procedures in place for making these determinations. The policies and procedures should include a rationale(s) to justify any determinations that the household furnishings have NOT retained sufficient value to continue to be used for the original project or program.

Examples include:

- If furniture could be sold or donated, you should assess whether it has retained sufficient value to continue to be used for the original project or program.
- For hygiene reasons, furnishings such as a mattress or bedding would likely not retain sufficient value to continue to be used for the original program.
- Furnishings that would not present hygiene issues, such as a bedframe, cookware, or tableware, should continue to be used for the original program.

Additionally, as explained below, recipients should have control systems in place to keep adequate equipment records, as well as policies and procedures for managing disposition.

## Recordkeeping Requirements

With regard to inventory and tracking, 2 CFR 200.313(d)(1) requires that recipients or subrecipients maintain records that include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

Recipients or subrecipients should also develop systems of control in order to ensure that adequate maintenance is provided for the equipment and to prevent loss, damage, or theft. For example, with regard to the subrecipient's responsibility for tracking furnishings that are loaned to program participants:

- For damaged furnishings, document the damage and dispose of the furnishings.
- For missing furnishings, document the furnishings that were not returned and the subrecipient's due diligence in attempting to recover the furnishings.