

GENERAL POLICIES:

1. Grant funds may be expended for equipment purchases only as specified in the grant contract. Modifications must be approved in advance in writing.
2. A grantee must report to the Trust all equipment purchased in full or in part with grant funds on the Equipment Inventory Form (reverse side of this form). The grantee is responsible for maintaining the equipment in good repair. The grantee must be able to identify and locate such equipment for a representative of the Trust at any time during normal business hours. A sticker identifying the Trust as a funder of the project should be placed on all equipment purchased with Trust funds and will be provided by the Trust.
3. A grantee may not sell, lease, transfer, exchange, mortgage or encumber any piece of equipment purchased in full or in part with grant funds during the useful life of the equipment without the prior written permission of the Trust. (Useful life may be defined according to Nebraska Depreciation for personal property used in business tables).
4. The Trust Board maintains a policy on the transfer or sale of Trust-funded equipment. Any sale or transfer of equipment must abide by this policy regarding any proceeds.
5. A grantee must notify the Trust within 30 days when any equipment purchased in full or in part with grant funds is no longer serviceable during the useful life of the equipment.

BID POLICY: (For any purchase of personal property valued at \$1,000 or more)

1. A grantee is required to obtain at least 2 (two) bids for equipment unless:
 - a) a vendor was named in the grant application.
 - b) the grantee is a public subdivision with a different bidding policy. The grantee must submit a copy of their bidding policy to the Trust, in order to proceed according to their policy.
2. The grantee must accept the lowest reasonable bid when products are substantially equivalent. If the lowest bid is not accepted, the grantee must provide the rationale for accepting a higher bid.

INSURANCE:

A grantee is required to purchase and maintain property insurance at its own expense to insure all equipment valued at \$1,000 or more which is purchased in whole or in part with funds received from the Trust. This insurance shall include "all risk" insurance for physical loss or damage including theft, vandalism, and malicious mischief. Such insurance shall be maintained on all such equipment in an amount equal to the replacement value of the equipment for the useful life of the equipment. The grantee shall name the Trust as beneficiary of the policy and shall assure that proof of coverage be kept current. The Trust will request proof of current insurance coverage each year on or about the renewal date of such policy.

UCC FINANCING STATEMENT:

If the total of all equipment purchased with Trust grant funds is over \$25,000 the Trust will file a UCC Financing Statement with the Nebraska Secretary of State's Office to ensure first lien status on all equipment purchased in whole or in part with grant funds. The Trust will relinquish interest in the equipment once the expected service life date (as determined by the Trust) is reached.

OTHER:

File the Report on Equipment Bids and Purchases form as appropriate whenever equipment is purchased with Trust grant funds as described above. **The form is due with the first report following the date of purchase.**