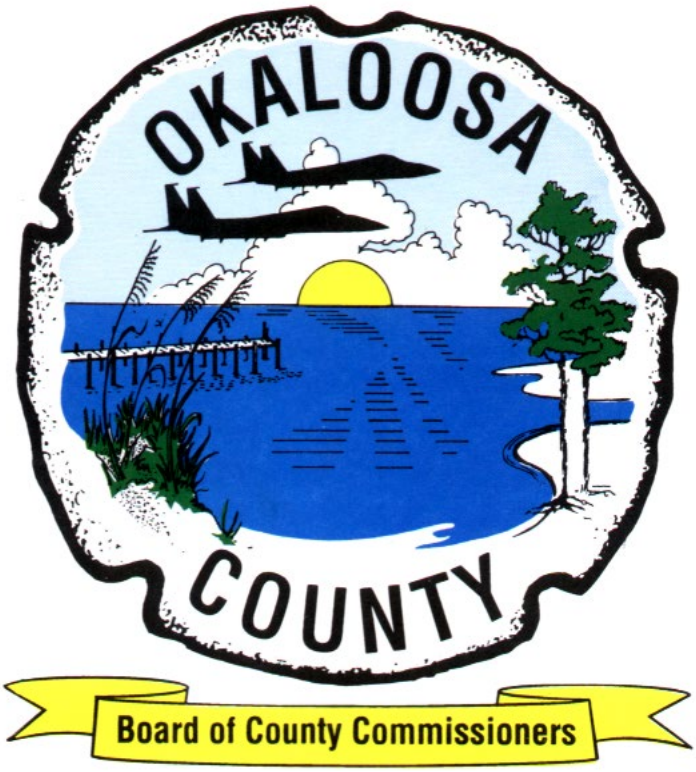
REAL PROPERTY

ACQUIRED WITH FEDERAL FUNDS

MANUAL



July 30, 2026

OKALOOSA COUNTY

REAL PROPERTY ACQUIRED WITH FEDERAL FUNDS

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SECTION 1

1. POLICY STATEMENT

The Board of County Commissioners of Okaloosa County, Florida, recognizing the constitutional and statutory duties of faithfully representing the citizens, and being desirous of adopting property control and accountability policies consistent with the laws of the United States of America for the acquisition, disposition, control and accountability of such property ***acquired with Federal funds***, do hereby adopt the policies and procedures put forth in this manual. These policies and procedures will remain in force until changed or amended by the Board of County Commissioners.

The requirements and procedures of Title 2 Code of Federal Regulations 200 as amended from time-to-time is hereby incorporated by reference as it pertains to the acquisition of real property.

2. DEFINITIONS

The words as used in this manual have the following meaning unless a different meaning is required in the context:

A. "2 C.F.R." means Title 2, Grants and Agreements - Code of Federal Regulations.

B. "Board" means The Board of County Commissioners of Okaloosa.

C. "County" means Okaloosa County, a political subdivision of the state of Florida.

D. "County Uniform Building Number" means the unique number assigned by the County to identify the respective property.

E. "FAIN" means Federal Award Identification Number. A FAIN is comprised of numbers and letters. For example, P375A081922.

F. "Federal Awarding Agency" means the Federal agency provides a Federal award directly to a non-Federal entity, such as the County.

G. "Grant Expense Department Number" means the 5+digit account code that begins with a 7xxxx.

H. "Non-Federal Entity" means a state, local government, Indian tribe, institution of higher education (IHE), or non-profit organization that carries out a Federal award as a recipient or subrecipient.

I. "Pass-Through Entity" means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

J. "Percentage of Federal Participation" means the percentage of the Federal portion of the Total award budget of the grant or cooperative agreement that is paid with Federal assistance.

K. "Real Property" means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

L. "Subaward" means an award provided by a pass-through entity to a subrecipient to carry out part of a Federal award received by the pass-through entity.

M. "Subrecipient" means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

N. "Title Holder" means the party that has vested ownership or title.

3. SEVERABILITY

If one or more of the provisions of this policy should be held contrary to any express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be deemed severable from the remaining provisions of this policy, that provision shall in no way affect the validity of all other provisions of this policy.

SECTION 2

PROPERTY RECORDS, ACQUISITION COST & USE

1. ESTABLISHING REAL PROPERTY INVENTORY RECORDS

A. The responsibilities of this section are assigned to the ***Property and Finance Manager in Public Works***.

B. An individual property record shall be established for each real property ***acquired with Federal funds*** and will reflect the following information:

(1) Parcel Number, if applicable
(2) Location/ Physical Address
(3) Use
(4) Date Acquired
(5) Total Cost (including closing costs)
(6) Expense Department Number and/or Account Number
(7) Purchased From
(8) County Department Point of Contact, if applicable
(9) County Uniform Building Number, if applicable
(10) Disposition Data Including Sales Price and Date Sold
(11) Any Additional Information as may be required to ensure efficient control and accountability.
(12) Additional Data when purchased from Grant funds:
    a. Granting Agency
    b. Grant Number or FAIN
    c. Grant Expense Department Number
    d. Percentage of Federal Participation
    e. Title Holder – Federal or County
    f. Pre-Disposition Instructions Required

2. REAL PROPERTY ACQUISITION COST

A. Acquisition cost is the purchase price plus closing cost.

B. Donations are to be valued at fair market value at the time of receipt or the assessed value provided by the Federal agency. See §200.502 (g).

3. TITLE HOLDER & USE RESTRICTION WHEN PURCHASED WITH FEDERAL FUNDS

A. Subject to the obligations and conditions set forth within 2 C.F.R. 200, title to real property acquired or improved under a Federal award will vest with the County.

B. Except as otherwise provided by Federal statutes or by the Federal awarding agency, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the County must not dispose of or encumber its title or other interests.

4. INSURANCE COVERAGE

The County must, at a minimum, provide equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the County. However, Federally-owned property need not be insured unless required by the terms and conditions of the Federal award. See 2 C.F.R. §200.310.

SECTION 3

REPORTING AND DISPOSITION

5. REPORTING ON REAL PROPERTY WHEN FEDERAL GOVERNMENT RETAINS AN INTEREST

The Federal awarding agency or pass-through entity ***must require annual reports*** **by the non-Federal entity to be** ***submitted on the status of the real property in which the Federal Government retains an interest, unless the Federal interest in the real property extends 15 years or longer.*** If 15 years or more, the Federal awarding agency or pass-through entity, at its option, may require reporting at various multi-year frequencies (e.g., every two years or every three years, not to exceed a five-year reporting period; or annual reporting for the first three years and thereafter every five years). See 2 C.F.R. §200.329.

6. DISPOSITION WHEN TITLE IS HELD BY THE COUNTY

When real property is no longer needed for the *originally authorized purpose*, the County must obtain disposition instructions from the Federal awarding agency or pass-through entity for the purchase of the real property.

The Property Custodian will complete an Acquisition or Disposition Report for a non- federally funded acquired property and forward it, with the property, to either the Central Disposal Holding Area (boneyard), Information Technology or Fleet Operations with a suspense copy to the Fixed Asset Coordinator.

When original or replacement property is purchased from a Federal award and is no longer needed, ***the Department Property Custodian in coordination with the t Department's Grant Program Manager, must first satisfy any grant specific disposition requirements. The Department Property Custodian shall then request written disposition instructions from the Federal awarding agency.***

The disposition instructions must provide for <u>one</u> of the following alternatives:

1. **<u>Retain title</u> after compensating the Federal awarding agency -** The amount paid will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where the County is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

2. **<u>Sell the property</u> and compensate the Federal awarding agency** - The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed-out, the net proceeds from sale may be offset against the original cost of the property. When the County is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.

3. **<u>Transfer title</u> to the Federal awarding agency or to a third party as designated/approved by the Federal awarding agency**- The County is entitled to be paid an amount calculated by applying the County's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property. See 2 C.F.R. §200.311(c).

7. ANNUAL REPORTING & DISPOSITION OF FEDERALLY-OWNED AND EXEMPT PROPERTY

1. Title to federally-owned property remains vested in the Federal Government. ***The County must submit annually an inventory listing of federally-owned property in its custody to the Federal awarding agency.*** Upon completion of the Federal award or when the property is no longer needed, the County must report the property to the Federal awarding agency for further Federal agency utilization.

2. If the Federal awarding agency has no further need for the property, it must declare the property excess and report it for disposal to the appropriate Federal disposal authority, unless the Federal awarding agency has statutory authority to dispose of the property by alternative methods. The Federal awarding agency must issue appropriate instructions to the County.

3. Exempt federally-owned property means property acquired under a Federal award where the Federal awarding agency has chosen to vest title to the property to the County without further obligation to the Federal Government, based upon the explicit terms and conditions of the Federal award. The Federal awarding agency may exercise this option when statutory authority exists. Absent statutory authority and specific terms and conditions of the Federal award, title to exempt federally-owned property acquired under the Federal award remains with the Federal Government. See 2 C.F.R. §200.312.

SECTION 4

RECORD RETENTION AND ACCESS

8. RECORD RETENTION AND ACCESS

1. Records for real property acquired with Federal funds must be retained for 3 years after final disposition. See 2 C.F.R. §200.333 (c).

2. The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, if applicable, or any of their authorized representatives, must have the right of access to any documents, papers, or other records which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to personnel for the purpose of interview and discussion related to such documents. See 2 C.F.R. §200.336 (a).

3. Expiration of right of access. The rights of access in this section are not limited to the required retention period but last as long as the records are retained. See 2 C.F.R. §200.336 (c).