



★ VIRGINIA ★  
DEPARTMENT *of* ELECTIONS

*Procedure for the Disposal of Grant Funded Assets*

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**I. Purpose:**

To provide guidance in the management of the disposal of capital, controllable or Information Technology (**I.T.**) assets (**equipment**) that have been purchased with grant funds and to provide an audit trail that documents and supports its ultimate removal from the registrar's office. (**Equipment** will include any controllable asset, I.T. asset, e.g. computers, poll books, flash drives, etc. as well as any asset valued for at least \$5,000.)

**II. Scope:**

The information provided in this procedure addresses the management and disposal of all grant funded equipment.

For the purpose of this Procedure, *disposal* refers to the process by which the general registrar office prepares Capital, controllable or IT assets for disposal, surplus, or transfer.

**III. Justification:**

State and federal legislation has been implemented to properly dispose of equipment as well as to protect the information of voters when disposing of I.T. equipment. It is common today to hear about instances of private or confidential data being found on computer hard drives and mobile storage devices that have been returned, donated, sold or disposed of. Permanently erasing the information from hard drives and mobile storage devices prevents the unauthorized retrieval of data and allows the media to be safely returned to the manufacturer or to be disposed of as required by law.

**IV. Overview:**

Equipment may be considered for disposal when it can no longer be used by the locality. The "**Laws, Standards, Policies & Procedures**" in **Section VI (Standards)** of this Procedure provide direction related to the identification of appropriate management and disposal of equipment. Consistent with the **Standards**, a step-by-step procedure for the disposal of equipment is provided in the "**Key Steps**" in **Section V** below.

**V. KEY STEPS IN THE DISPOSAL OF EQUIPMENT**

**Step 1:**

**Approval** - Grant funded equipment is **NOT** to be disposed of without **PRIOR** submission and approval of the Surplus and Disposition Report for Grant Funded Assets (Report) by the Department of Elections Business Manager or the Business Manager's designee.

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**Step 2:** **Report** - Provide the required information for the disposal of the equipment as requested on the **Report**. A locality may use a separate inventory list as long as all required information shown on the Report is included for each asset and is accompanied by the signed, original Report that states “see attached”.  
Indicate “N/A” (Not Available) on the Report where the federally required information (41 CFR § 105-71.132) is not available and document why it is not available.

**Step 3:** **Physical Security** – If applicable, establish internal processes to identify and ensure the physical security of any I.T. equipment that may be awaiting disposal.

**Step 4:** **Data Sanitization** – If applicable and prior to disposal, the general registrar is responsible for ensuring that I.T. equipment has been sanitized appropriately. All data stored in memory of I.T. equipment **must be removed**.

Data Sanitization is the process of removing data from a device in order to ensure that it cannot be recovered or reconstructed. There are four basic methods of data sanitization, each appropriate for different situations. Each provides varying levels of protection for the confidentiality for the information contained on the I.T. asset. Methods of data sanitation are listed below along with a description of each method.

**Type:**            *Description:*

**Disposal**        *Discarding media without sanitizing. Appropriate if a loss of confidentiality of the information would have no impact on the organization.*

**Clearing**        *Protects confidentiality of information against keyboard attack. Overwriting may not be sufficient to address the sensitivity of information containing devices that have been used to store databases of individual records.*

**Purging**        *Protects confidentiality of information against laboratory attack. Executing the secure erase firmware command on a disk drive and degaussing are acceptable methods of purging. Degaussing is not effective for optical media (e.g., CDs, DVDs).*

**Destroying**    *Intent is to completely destroy the media. Can be accomplished using a variety of methods including disintegration, incineration, pulverizing, shredding and melting. Optical media (e.g., CDs, DVDs) must be destroyed by pulverizing, shredding or incineration.*

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### **Step 5:**

**Disposal Mechanism** - Once security considerations have been addressed, equipment may be ready for disposal. At this point, general registrars must evaluate and determine the appropriate disposal mechanism. An effective disposal process is one that seeks to maximize reuse prior to considering recycling or waste options. Doing so may help to minimize disposal costs, benefit another organization and reduce waste in the landfills.

The general registrars may use the equipment in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds. When no longer needed for the original program or project, the equipment may:

**5.a.** - Be used in other activities currently or previously supported by a federal agency.

**5.b.** - Be used when acquiring replacement equipment, i.e. the locality may use the asset to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

**5.c.** - Be retained, sold or otherwise disposed of when the controllable asset has a current per-unit fair market value of less than \$5,000 with no further obligation to ELECT, except for completing the Surplus and Disposition Report for Grant Funded Assets (Report).

**5.d.** - Be retained, sold or otherwise disposed of when the equipment has a current per-unit fair market value in excess of \$5,000. However, ELECT shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the grant's share of the asset, e.g. ELECT provided 90% of the funding for the Voting Machine; the ELECT shall have a right to 90% of the price for which the machine is sold upon disposal as well as the completion of the **Report**. 41 C.F.R. Subpart § 105-71.132 (e)(2)

**5.e.** - Sell, trade, re-cycle, donate, or otherwise dispose of the equipment as the general registrar deems prudent once the sanitation of any I.T. equipment has been secured. ELECT emphasizes re-use as the preferred method of disposal, e.g. sell or transfer to other general registrar offices, schools, other local government offices, or non-profits. Recycling and finally, Electronic Waste are, also, mechanisms for disposal.

### **Step 6:**

**Disposal Records and Reporting** - It is the responsibility of federal and state agencies, as well as the general registrar's office to maintain an up-to-date asset management and financial system, in order to be able to respond to any reporting requirements regarding the disposal of any equipment.

In keeping with the Code of Virginia's mandate, the Library of Virginia has developed Records Retention & Disposition Schedules outlining the disposition of public records, including all records documenting the disposal of I.T. assets. <http://www.lva.virginia.gov/agencies/records/retention.asp>

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### **VI. LAWS, STANDARDS, POLICIES & PROCEDURES:**

ELECT directs the general registrars' offices to the following federal and state laws for more specific directives and guidance.

#### **HELP AMERICA VOTE ACT OF 2002 (HAVA-2002); Sections 221 and 303;**

This is the federal law that provided the original funding for assets, e.g. computers. Section 221 required the Development Committee to establish technical support guidelines. Section 303 holds the state and locality jointly accountable for voting equipment security.

[http://www.eac.gov/assets/1/workflow\\_staging/Page/41.PDF](http://www.eac.gov/assets/1/workflow_staging/Page/41.PDF)

#### **NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (NIST):**

The NIST established the technical support guidelines required by the HAVA-2002 with the issuance of the NIST Special Publication 800-88, "Guidelines for Media Sanitization" – Computer Security" Sept. 2006. [http://csrc.nist.gov/publications/nistpubs/800-88/NISTSP800-88\\_with-errata.pdf](http://csrc.nist.gov/publications/nistpubs/800-88/NISTSP800-88_with-errata.pdf)

#### **UNITED STATES CODE - Title 42 – The Public Health and Welfare, Chapter 146—Election Administration Improvement (§§ 15361 and 15483)**

The technical support provided shall include the security of computers, computer networks, and computer data storage used in voting systems, including the computerized list.

The appropriate State or local official shall provide adequate technological security measures to prevent the unauthorized access to the computerized list.

#### **COMMONWEALTH OF VIRGINIA: Removal of Commonwealth Data from Electronic Media Standard (SEC514-03)** <http://www.vita.virginia.gov/library/default.aspx?id=537>

#### **COMMONWEALTH OF VIRGINIA: IT Information Security Standard (SEC501-07.1)**

<http://www.vita.virginia.gov/library/default.aspx?id=537>

The Virginia Information Technologies Agency (VITA) established the standards based upon the Code of Virginia requirements.

#### **VIRGINIA ELECTION LAWS: Code of Virginia - §§ 24.2-625 and Section 24.2-625.1**

<http://leg1.state.va.us/000/src.htm>

The locality is accountable for the voting equipment security.

#### **Records Retention/Disposition: Commonwealth Accounting Policies and Procedures (CAPP)**

Manual - 21000 - <http://www.doa.virginia.gov>;

<http://www.lva.virginia.gov/agencies/records/retention.asp>

Under *Code of Virginia § 42.1-85*, the Library of Virginia (LVA) has the authority to issue regulations governing the retention and disposition of state and local public records.

#### **Program Income : Code of Federal Regulations (CFR) - 41 CFR 105-71.125 -**

<http://cfr.regstoday.com/41cfr105-71.aspx>

Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of

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principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.

**Equipment:** 41 C.F.R. Subpart § 105-71.132 - <http://cfr.regstoday.com/41cfr105-71.aspx>

(b) A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and sub-grantees will follow paragraphs (c) through (e) of this section.

**Controllable Assets:** Commonwealth Accounting Policies and Procedures (CAPP) Manual – 30305 - <http://www.doa.virginia.gov>

Tangible property that has an expected life of greater than one year and a value or cost less than \$5,000 at the date of acquisition may be considered controllable and may be entered in FAACS by all central users at the discretion of the agency to provide accountability and to help safeguard the asset.

**Fixed Asset and Lease Accounting:** CAPP Manual - 30000 - <http://www.doa.virginia.gov>

Surplus assets are those assets that are not currently in use. Assets that are no longer in use and remain in the possession of the agency are considered surplus property and not a disposal. Assets not in operable condition may also be classified as surplus.

Unless agency management considers assets useful by others in the organization at some future time, the assets may be considered disposable. A disposal action is appropriate only when certain conditions occur resulting in an asset no longer being in the possession of the agency.

Capital assets can be disposed of in one of six ways: sale or trade-In, abandonment, lost or stolen, transfer, casualty loss, or cannibalization.

Only when the asset is no longer in the possession of the agency because of one of the six conditions listed above is the disposal action appropriate. For an asset to be no longer under the control of the agency generally means that it is no longer at the agency. For example, it usually will have been either sold or auctioned for surplus or transferred to DGS to be sold or auctioned at a later date. It could have been lost or stolen. It could have been traded-in.

**Inter- and Intra- Agency Transactions:** CAPP Manual - 20400 - <http://www.doa.virginia.gov>

Each locality must properly account for the transfer of the assets, e.g. computers. Therefore, if you transfer I.T. assets to other offices, please ensure that you do so keeping in mind what you must do upon your transfer of physical custody and reporting of the financial transaction, e.g. any funds received may need to be recorded.