



★ VIRGINIA ★
DEPARTMENT *of* ELECTIONS

GREB Handbook

Chapter 22 Fiscal Operations June 2016

22. FISCAL OPERATIONS.....	3
22.1 ACT REIMBURSEMENTS TO LOCALITIES – GENERAL ASSEMBLY APPROPRIATION.....	3
22.2 GRANT EXPENDITURES GUIDANCE	4
22.2.1 EXPENDITURES MUST BE FOR GRANT PURPOSE.....	4
22.2.2 EXPENDITURES THAT CONTINUE ESTABLISHED PROGRAMS	4
22.2.3 ACCESSIBILITY	4
22.3 MANAGEMENT OF ASSETS	4
22.4 RECORDS RETENTION AND MAINTENANCE.....	6

22. Fiscal Operations

22.1 ACT REIMBURSEMENTS TO LOCALITIES – GENERAL ASSEMBLY APPROPRIATION

The Department of Elections is required to reimburse local governments for compensation for the general registrar and the three electoral board members, as appropriated by the General Assembly.¹

The annual compensation for the registrars and the board members is set forth in the Appropriations Act.

The Department of Elections Business Manager annually establishes the authorized salaries of all general registrars and local electoral board members based on the local population salary levels and criteria stated in the Appropriations Act.²

At the beginning of each fiscal year, authorized salary levels for the upcoming fiscal year are communicated to local finance offices and general registrars by way of a formal letter from the Department of Elections Business Manager. To initiate the reimbursement process, the Department of Elections Business Manager sends an application for reimbursement form to each county/city fiscal department **before but no later than May of the subsequent year**. The appropriate Local Fiscal Official completes and submits the completed application to the Department of Elections Fiscal Office.

As Department of Elections remains responsible for the use of these funds in compliance with any grant, it must create a record sufficient to justify any expense.

As funding opportunities are released, general registrars and electoral board members are encouraged to follow the instructions provided by the Department of Elections to ensure a timely and complete application for reimbursement.

Any material variances are investigated and resolved. Once resolved, the Department of Elections Business Manager approves the application and forwards it to the Department of Elections Fiscal Tech for entry into the Commonwealth Accounting and Reporting System (CARS). Any funds not needed for reimbursement at the end of the year revert back to the General Fund for the Commonwealth of Virginia.

¹ §§ 24.2-111, 24.2-108.

² Contact fiscal@elections.virginia.gov.



22.2 GRANT EXPENDITURES GUIDANCE

From time to time, Department of Elections will announce grant funded programs available to the localities to assist with improving the administration of elections. As these programs become available, Department of Elections will announce the funding that is available and the instructions for localities to follow to assist them in obtaining grant funds.

22.2.1 Expenditures Must Be for Grant Purpose

Localities must certify that assets purchased solely with grant funds are to be used exclusively for grant intended purposes. For expenditures that only partially benefit grant programs, only that portion which is allowable under grant regulations may be funded with grant funds.

22.2.2 Expenditures that Continue Established Programs

Unless it is determined that funds may be used on programs that are already being funded by localities, the grant cannot be used to fund any program that the locality was already funding prior to the receipt of the grant funds. If the cost of the program increases because of new grant requirements, then the locality shall continue to assume its previous funding level for the program. The grant can fund only the amount of the increase.

22.2.3 Accessibility

The Department of Elections has applied for and received funding through various grant programs. The Department of Elections will continue to use funds obtained in prior years to assist localities with accessible related issues. The grants have certain restrictions. For example, the funds cannot be used for construction or capital improvements unless extensive approval is received from the U.S. Department of Health and Human Services (DHHS). This funding is still currently available to assist localities and to ensure that all polling places in Virginia are accessible to individuals with disabilities, the aging population and language minorities. In addition to ensuring the accessibility of polling places in Virginia, grant funding is available to educate individuals with disabilities on their right to vote in a private and independent manner. If a locality has questions or would like to apply for reimbursement under these grants, please contact Department of Elections' accessibility coordinator.³

22.3 MANAGEMENT OF ASSETS

- Asset inventory must be maintained by the locality:

³ See GREB 16 for more details on accessibility.



- For the intended purposes and as long as needed, whether or not the grant system continues to be supported by additional grant funds.
- When no longer needed for the original project, the asset may be used according to federal and state regulations.
- When disposed of, the asset must be disposed of according to federal and state laws and regulations.
- Record of inventory including controllable assets (*valued at \$4,999 or less*), e.g. laptop computers, Electronic Poll Books (EPB), flash drives, or any Information Technology asset that has a hard drive/memory as well as assets classified as equipment (*valued at \$5,000 or more*), e.g. voting machines must be maintained and must include the following information:
 - Description of the asset
 - Serial number or other identification number
 - Acquisition date
 - Cost of the asset
 - Percentage of federal, state and local participation in the cost of the asset
 - Location of the asset
 - Use of the asset
 - Condition of the asset
 - Disposition/Surplus/Transfer information, including
 - Date of disposal, and
 - Sale price of the asset
 - To whom disposed, surplus or transferred
- A physical inventory of assets purchased with grant funds must be taken and the results reconciled with the *“Inventory Record for Grant Funded Assets”* at least once every two years. This includes controllable I.T. assets with hard drives/memory and capital assets.
 - For all other controllable I.T. assets with hard drives/memory and capital assets purchased with grant funds, please use the *“Inventory Record for Grant Funded Assets.”*
 - A locality may use a separate form as long as all required information is present, and accompanied by a signed, original *“Inventory Record for Grant Funded Assets”* that states “See attached.”
- When an asset acquired under a federal or state grant is no longer needed for federal or state grant program purposes, disposition of the equipment shall be made as follows:



- Controllable I.T. assets with hard drives/memory with a current per-unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the Department of Elections except that the disposition of the asset must be reported to the Department of Elections.⁴
- Items of capital assets/equipment with a current per-unit fair market value equal to or greater than \$5,000 may be retained, sold, or otherwise disposed of by the locality and the federal government or the Department of Elections may have a right to the proceeds resulting from the sale or the disposition of the asset. In addition, the disposition of the asset must be reported to the Department of Elections.
- For more detailed guidance regarding the disposition of grant funded assets, especially Information Technology assets, e.g. computers, E-Poll books, flash drives, etc., each locality is responsible for the “*Procedure for the Disposal of Grant Funded Assets*” and the “*Checklist for the Disposal of Grant Funded Assets*.”⁵

22.4 RECORDS RETENTION AND MAINTENANCE

In all cases, localities are to maintain detailed records of all receipts, invoices, and documents related to the expenditure for a period as specified by the Library of Virginia, and make them available to Department of Elections or to state or federal auditors when requested. The Library of Virginia (LVA) has the authority to issue regulations governing the retention and disposition of state and local public records.⁶ In keeping with the *Code's* mandate, LVA has developed Records Retention & Disposition Schedules outlining the disposition of public records.

⁴ See *Surplus & Disposition Report for Grant Funded Assets* in the [Forms Warehouse](#).

⁵ These forms can be accessed through the [Forms Warehouse](#).

⁶ Va. Code [§ 42.1-85](#).



Locality Name:

Locality Code:

Sequential No.	Asset Description	Cost	% Federal Funds Used to Fund Asset	Serial #
		Asset Location		Purchase Date
(Example) #	HP computer for use with VERIS system	\$1,000	90%	123-456-789
		Registrar's office, Room 126		03/01/13

I certify that the items described on this document or attached document(s) have been obtained, managed, and used in accordance with all relevant Federal, State and Local laws and regulations for each grant program as appropriate.

AUTHORIZED LOCALITY SIGNATURE

DATE

PRINTED NAME

POSITION



*The Department of Elections has adopted a procedure on the disposal of assets obtained with grant funds. Grant funded assets are NOT to be disposed of without **PRIOR** submission and approval of this form by the Department of Elections Business Manager or the Business Manager’s designee.*

*Please provide the required information for the disposal of the asset. A locality may use a separate inventory list as long as all required information as shown below is included for each asset, and **accompanied by this signed, original form that states “See attached.”** Indicate “N/A” (Not Available) where the federally required information (41 CFR § 105-71.132) is not available and document why it is not available.*

<p>The _____ (county/city) electoral board have asset(s) that are no longer needed and request that we be allowed to dispose of the asset(s) in accordance with federal and state policies and procedures.</p>	
<p>1. Scheduled Date of Disposition:</p>	<p>2. Current Physical Location of Item to be Disposed:</p>
<p>3. Action To Be Taken: (X) the appropriate field.</p>	
<p><input type="checkbox"/> Surplus (Commonwealth Accounting Policies and Procedures (CAPP) Manual 30700 - Surplus Property)</p> <p><input type="checkbox"/> Disposal (CAPP Manual 30800 - Asset Disposal)</p> <p><input type="checkbox"/> Transfer (CAPP Manual 30800 Asset Disposal p. 7 & 8; 20400 - Inter- and Intra-Agency Transactions)</p>	
<p>4. Person recommending action:</p>	
<p>5. Description of Item:</p>	
<p>6. Serial number:</p>	



7. Model number:				
8. Acquisition date:				
9. Total acquisition cost:	\$	10. Total grant funds & percentage used for acquisition:	\$	%
11. Fair Market Value at disposal:	\$	12. Sale Price at disposal:	\$	
13. Will computer hard drives be sanitized or destroyed?		14. Provide details to secure privacy of data on hard drives.		
15. Moved FROM:		16. Moved TO:		
17. Condition of item: (X) the appropriate field.				
<input type="checkbox"/>	Stolen: Provide law enforcement report.	<input type="checkbox"/>	Cannibalized: Document explanation.	
<input type="checkbox"/>	Casualty loss: Document event.	<input type="checkbox"/>	Good condition, but obsolete.	
<input type="checkbox"/>	Other reason for disposal: Document below.	<input type="checkbox"/>	No longer operable/poor condition.	

Locality: Responsibility for the Maintenance of Records.
The locality must maintain accurate records of all equipment and controllable I.T. assets, e.g. computers, poll books, flash drives, etc. that have a hard drive/memory disposed of in the event of audits, claims, litigation, negotiations, or other proceedings regarding the disposal of equipment and controllable assets originally purchased with grant funding.
Locality: Responsibility for Program Income & the Sale of Property.



Program income is defined as gross income received by the locality directly generated by a grant supported activity, i.e. acquired or performed with grant funds, or earned only as a result of the grant agreement during the grant period. The only appropriate treatment for program income is for the locality to dedicate the income to uses permitted under grant policies and procedures to improve the administration of the grant. For example, program income may be used to pay for on-going costs to operate and maintain equipment such as license fees, maintenance, equipment upgrades and replacement, training of election staff and poll workers, storage, etc. **Proceeds from the sale of equipment will be handled in accordance with the requirements of 41 CFR §105–71.132.⁷**

Locality: Responsible for “Procedure for the Disposal of Grant Funded Assets.”

18. PRINTED Name - General Registrar (GR)	19. GR Signature	Date
Department of Elections USE ONLY		
The Department of Elections has approved the disposition of the above listed property.		
20. PRINTED Name - Approving Officer (Department of Elections)	21. Department of Elections Signature	Date

- I. Purpose:** To provide guidance in the management of the disposal of capital, 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 controllable I.T. assets, e.g. computers, poll books, flash drives, etc. that have a hard drive/memory as well as any asset valued at \$5,000 or more. This does NOT include controllable I.T. assets like scanners or printers.)

⁷ See 41 CFR § 105-71.132.



- 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 prevent 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: Print the “*Checklist for the Disposal of Grant Funded Assets.*” Complete, sign, and date the *Checklist*.

Submit the Checklist with the “*Surplus and Disposition Report for Grant Funded Assets.*”

Step 2: **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* by the Department of



Elections Business Manager or the Business Manager’s designee.⁸

Step 3:

Report - Provide the required information for the disposal of the equipment as requested on the *Report*. A locality must maintain an inventory of assets purchased with grant funds.⁹ 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 for an asset is not available and document why it is not available.¹⁰

Step 4:

Physical Security – If applicable, establish internal processes to identify and ensure the physical security of I.T. equipment with hard drives/memory that may be awaiting disposal.

Step 5:

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*

⁸ See GREB 22.4 “Report” for more information.

⁹ See “*Inventory Record for Grant Funded Assets*” in the [Forms Warehouse](#).

¹⁰ [41 CFR § 105-71.132](#).



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.*

Step 6:

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:

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

6.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.



6.c. - Be retained, sold or otherwise disposed of when an asset has a current per-unit fair market value of *less than \$5,000* with no further obligation to the Department of Elections, except when an I.T. controllable asset that has a hard drive/memory, e.g. computers, poll books, flash drives, etc.. In that case, the locality must complete the *Surplus and Disposition Report for Grant Funded Assets*.¹¹

6.d. - Be retained, sold or otherwise disposed of when the equipment has a current per-unit fair market value *equal to or in excess of \$5,000*. However, the Department of Elections 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. Department of Elections provided 90% of the funding for the Voting Machine; the Department of Elections 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*.¹²

Note: Department of Elections does not necessarily intend to demand or require the proceeds from the sale of the asset. It is the policy of Department of Elections to allow for use of funds for replacement or additional funding for the HAVA program.

6.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. The Department of Elections 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 7:

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.¹³

¹¹ The "Surplus and Disposition Report for Grant Funded Assets" can be found in the [Forms Warehouse](#) under Local Administration and Fiscal.

¹² [41 C.F.R. Subpart § 105-71.132 \(e\)\(2\)](#).

¹³ <http://www.lva.virginia.gov/agencies/records/retention.asp>



VI. LAWS, STANDARDS, POLICIES & PROCEDURES:

The Department of Elections 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.¹⁴

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. 2006.¹⁵

UNITED STATES CODE - Title 52 – The Public Health and Welfare, Chapter 146— Election Administration Improvement

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 Standard¹⁶**COMMONWEALTH OF VIRGINIA: IT Information Security Standard¹⁷**

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

VIRGINIA ELECTION LAWS: Code of Virginia

The locality is accountable for the voting equipment security.¹⁸

Records Retention/Disposition: Commonwealth Accounting Policies and Procedures (CAPP) Manual - **21000**¹⁹

Under *Code of Virginia* [§ 42.1-85](#), the Library of Virginia (LVA) has the authority to

¹⁴ See http://www.eac.gov/assets/1/workflow_staging/Page/41.PDF for more information.

¹⁵ See 52 USC [20961](#), [21083](#).

¹⁶ See [SEC 514-04](#).

¹⁷ See [SEC 501-09](#).

¹⁸ See Va. Code §§ [24.2-625](#) and [24.2-625.1](#)

¹⁹ For more information on the CAPP Manual, see the [DOA website](#), and the [Library of Virginia website](#).



issue regulations governing the retention and disposition of state and local public records.

Program Income : Code of Federal Regulations (CFR)

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.²⁰ “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 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:

(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.²¹

Controllable Assets: Commonwealth Accounting Policies and Procedures (CAPP)
Manual – 30305

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

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.

²⁰ See [41 CFR 105-71.125](#).

²¹ [41 CFR § 105-71.132](#).



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 -

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.

-
- Review the “*Procedure for the Disposal of Grant Funded Assets*”²²
-
- Attach “*Grant Asset Inventory Record*” if necessary to “Report.”²³ (A locality may use a separate form as long as all required information is present, and accompanied by a signed, original “*Grant Asset Inventory Record*” that states, “See attached.”)
-
- Complete “*Surplus and Disposal Report for Grant Funded Assets*”²⁴
-
- Submit **Report** to Department of Elections Business Manager or Designee via scan and e-mail (preferable) to **Fiscal@Elections.Virginia.gov** or by fax at: **(804) 786-1484**.
-
- Receive approved “**Report**” from Department of Elections Business Manager or Designee to dispose of equipment.
-
- Ensure physical security of I.T. grant funded asset to be disposed.
-
- Ensure that the I.T. grant funded asset is cleaned of all personal or confidential data.
-

Choose Method of Disposal:

²² This form can be accessed on the [Forms Warehouse](#).

²³ See [Forms Warehouse](#).

²⁴ This form is available on the [Forms Warehouse](#).



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- Use the asset or IT piece of equipment for other activities by a federal agency.
 - Trade in or sell the properly and use the proceeds to offset cost of a replacement.
 - When an asset has a fair market value of *less than \$5,000*, there is no further obligation to Department of Elections, except to fill out the “Report” and submit “Report” to the Department of Elections for approval.
-

You must be aware that Federal Regulations require that when asset has a fair market value equal to or greater than \$5,000, the Department of Elections may have a right to the proceeds from the sale, dependent upon the percentage of value provided at the initial purchase. For example, if the Department of Elections provided 90% of funding for the asset, Department of Elections shall have a right to 90% of proceeds from the sale. **Note:** Department of Elections does not necessarily intend to demand or require the proceeds from the sale of the asset. It is the policy of Department of Elections to allow for use of funds for replacement. The “Report” must be submitted for approval.

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- Properly dispose of assets.
 - Update your locality Asset Management and Disposal Records.
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