**Section 1810.800 Requirements for Use and Disposition of Property**

a) Property acquired by an implementing entity wholly or in part with Trust Funds shall, consistent with the law and subject to the Council's approval, be used and managed to ensure that the property is used for purposes consistent with the Act. Title to the property will not be taken by the Council, but shall be vested in the implementing entity subject to the following restrictions on use and disposition of the property:

1) Use by an Implementing Entity. The implementing entity shall retain and use the property acquired with Trust Funds as long as there is a need for the property to accomplish the purpose of the program, whether or not the program continues to be supported by Trust Funds.

2) Disposition by a State Implementing Entity. If it is determined that a need still exists but the property originally acquired by a State agency to accomplish the purpose of the program is no longer capable of fulfilling this need or is no longer needed to accomplish the purpose of the program and must be sold, traded in or replaced, the State agency must notify the Council in writing of its proposed plans to dispose of the property 30 calendar days prior to selling, trading-in or replacing the property in conformance with requirements of the State Property Control Act [30 ILCS 605] and rules issued pursuant thereto. Replacement property shall be used to further purposes of the program. The Executive Director on behalf of the Council shall, upon receiving notice of the proposed disposition plans, inform the Director of the Department of Central Management Services as to the need for the property to accomplish the purpose of the program or the Act by another implementing entity and make appropriate recommendations as to the disposition of the property.

3) Disposition by an Implementing Entity other than a State Agency.

A) If it is determined that a need still exists but the property originally acquired by an implementing entity other than a State agency to accomplish the purpose of the program is no longer capable of fulfilling this need and must be traded-in or replaced, the implementing entity other than a State agency may use the property as a trade-in or may sell the property and use the proceeds to offset the cost of replacing the property, provided, for property with a value in excess of $1000, it notifies the Council in writing of its proposed plans to dispose of the property 30 calendar days prior to selling, trading-in or replacing the property and obtains the approval of the Executive Director on behalf of the Council. Replacement property shall be used to further purposes of the program.

B) When an implementing entity other than a State agency no longer needs the property to accomplish the purpose of the program, and the value of the property exceeds $1000, it shall notify the Council and request disposition instructions. The Council reserves the right to make a final determination whether the property is needed to accomplish the purpose of the program and to take possession and control of the property or to transfer or assign the property to any other implementing entity that has a need or use for the property.

C) If, at the expiration of the need for funded purposes, the total inventory of any unused expendable personal property exceeds $500 in value, the implementing entity other than a State agency may, with the approval of the Executive Director, retain the property or sell the property as long as the implementing entity compensates the Council for its share of the cost. However, if the value of the property is less than $500, the implementing entity other than a State agency may sell or dispose of the property in accordance with its own procedures without compensating the Council, provided it notifies the Council within seven calendar days of the transaction.

b) Property records shall include a current property inventory report which is updated as property is acquired or disposed of. Property records shall be maintained accurately and provide for: a description of the property; manufacturers serial number or other identification number; acquisition date and cost; source of property; percentage of Trust Funds used in the purchase of property; location, use, and condition of the property; and ultimate disposition information.

c) The property inventory report shall be updated by the implementing entity as property is acquired and maintained accordingly. In addition, a complete physical inventory of property shall be taken and the results reconciled with the property records at least annually to verify existence, current use, and continued need for the property.

d) The implementing entity shall employ a property control system to insure adequate safeguards to prevent loss, damage, or theft to the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented. Any loss, damage, or theft of items purchased with Trust Funds in excess of $500 shall be reported to the Executive Director within seven calendar days after the loss, damage, or theft.

e) The implementing entity shall employ adequate maintenance procedures to keep the property in good condition.

f) If the implementing entity is authorized or required by the Council to sell the property, proper sale procedures shall be established for unneeded property which would provide for competition to the extent practicable and result in the highest possible return.

g) Specific standards for control of intangible property are provided as follows:

1) If any program produces processes or inventions that could result in patents or patent rights, in the course of work aided by a Council-funded program, such fact shall be promptly and fully reported to the Executive Director, who shall determine whether protection of such invention or discovery shall be sought and how the rights in the invention or discovery (including rights under any patent issued thereon) shall be allocated and administered in order to protect the public interest.

2) Where the award agreement results in a book or other material which could be copyrighted, the author or implementing entity is free to copyright the work, but the Council reserves a royalty-free, nonexclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, the work for government purposes.

h) Records for property acquired with Trust Funds shall be retained for five years after the final disposition of the property.