

Policy on Equipment	Effective Date: July 15, 2014
Related Policies and Procedures:	

I. GENERAL STATEMENT

This Policy sets forth the requirements for acquisition, stewardship and disposal of equipment purchased with sponsored projects funds, as well as equipment owned by the Federal government and in the University's possession for use on a sponsored project. The Policy applies to all Principal Investigators (PIs), co-PIs, and any other person with a role or responsibility in the application for, receipt of, or administration of sponsored projects.

II. DEFINITIONS

- A. Equipment: Tangible nonexpendable personal property that has a useful life of more than one year and an acquisition cost of \$5000 or more per unit.
- B. Exempt Property: Tangible personal property acquired in whole or in part with Federal funds, where the Federal awarding agency has statutory authority to vest title in the recipient without further obligation to the Federal government.
- C. Government-Furnished Property: Property the Federal government provides to the University in order to fulfill the terms and conditions of a sponsored project. Title to all such government-furnished property remains vested in the Federal government. Such property may only be used for the specific purposes set forth in the provisions of the grant or contract.
- D. OMB Circular A-110: The document published by the federal government's Office of Management and Budget establishing uniform administrative requirements for grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations.
- E. Principal Investigator: The individual designated by the University as responsible for the scientific or technical direction of the sponsored project. The Principal Investigator is also part of the University team responsible for a sponsored project's financial and administrative compliance.

III. PROCEDURE

A. Title

Purchased Equipment. Title to equipment acquired using Federal funds shall generally vest in the University, subject to the sponsor's regulations implementing OMB Circular A-110 and the terms and conditions of the award.

With respect to "exempt property," when statutory authority exists, a Federal awarding agency has the option to vest title to property acquired with Federal funds in the recipient without further obligation to the Federal government and under conditions the Federal awarding agency considers appropriate. Should a Federal awarding agency not establish such conditions, title to exempt property shall vest in the recipient upon acquisition of the property without further obligation to the federal government. NIH may require transfer of exempt property to the Federal government or an eligible third party within 120 days of project completion or termination, or within 120 of receiving of a final project inventory, whichever is later.

Transferred Equipment. Subject to sponsor regulations and the terms and conditions of the sponsored project, title to transferred equipment shall vest in the University upon receipt. If the equipment was purchased with Federal funds, it will be subject to the property management requirements of the sponsor's regulations implementing OMB Circular A-110.

If an investigator is transferring items of equipment from another institution to UDC, he/she must provide the Office of Facilities and Real Estate with a list of all such equipment, proof of the equipment's release from the other institution, and, if applicable the grant or contract that paid for the item(s).

Government-Furnished Property: It is sometimes necessary or desirable for the Federal government to provide property to the University in order to fulfill the terms and conditions of a sponsored project. Title to all such government-furnished property remains vested in the Federal government. Government-furnished property may only be used for the specific purposes set forth in the provisions of the grant or contract.

Equipment owned by the Federal government shall be identified to indicate Federal ownership.

B. Equipment Records

UDC will maintain accurate and timely records of all equipment acquired with sponsored project funds or used for any sponsored project, as well as

government–furnished property. The equipment records will contain the following information:

1. A description of the equipment;
2. Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number;
3. Source of the equipment, including the award number;
4. Whether title vests in the recipient or the Federal government (items owned by the Federal government shall be tagged to identify Federal ownership);
5. Acquisition date (or date received, if the equipment was furnished by the Federal government) and cost;
6. Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal government);
7. Location and condition of the equipment and the date the information was reported;
8. Unit acquisition cost; and
9. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

C. Physical Inventory of Equipment

At least once every two years, Facilities and Real Estate will conduct a physical inventory of all equipment and reconcile the results of the physical inventory with the equipment records described in Section B of this Policy. Departments are responsible for notifying Facilities and Real Estate of any relocation of equipment between inventories. The University will investigate any differences between the quantities of equipment found in the physical inventory and the quantities of equipment in the University's equipment records to determine the cause of the difference. UDC shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

D. Disposal of Equipment

The University shall use the equipment in the sponsored project for which it was acquired as long as needed. If the equipment was purchased with Federal funds, the University shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the University shall use any non-exempt equipment in connection with its other Federally-sponsored activities, in the following order of priority: (i) activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.

If the University no longer needs the non-exempt equipment for either of the aforementioned priorities, the equipment may then be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5000 or more, the University may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original sponsored project to the current fair market value of the equipment. If the University does not wish to keep the equipment, the University shall request disposition instructions from the Federal awarding agency. The University should then dispose of the non-exempt equipment in accordance with the Federal awarding agency's instructions and procedures set forth in OMB Circular A-110.

If the University is authorized or required to sell the non-exempt equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

E. Transferring Equipment to Other Institutions

When a PI moves to another institution and transfers a grant or contract to the new institution, he/she may request to transfer equipment purchased under the transferring grant or contract to the new institution. To initiate any equipment transfer, the PI must submit a list of the equipment he/she wishes to transfer to Facilities and Real Estate. The equipment transfer request should include the following information:

1. Description of each item of equipment;
2. The tag number of each item; and
3. Description of the source of funds used to purchase the equipment.

When reviewing the equipment transfer request, Facilities and Real Estate should consider if the loss of the equipment would jeopardize the research or scholarly activities of the University. If the equipment the PI wishes to transfer was purchased from unrestricted funds or from a grant or contract that has expired and the University has clear title, the University may consider sale of the equipment to the PI's new institution at fair market value.

F. Failure to Comply with Equipment Policy

Failure to comply with the Policy set forth above may result in disciplinary action up to and including termination of employment.

IV. EMPLOYEES OF OTHER DISTRICT OF COLUMBIA AGENCIES

To the extent the foregoing Policy is relevant to employees of District of Columbia agencies over whom the University lacks personnel authority, the University will work in good faith with those employees to effectuate adherence to the Policy.

V. CONTACTS

University Office of Sponsored Programs
University Office of Facilities and Real Estate

VI. COMMITTEES REVIEWING/APPROVING PROCEDURE:

Sponsored Programs Policy Committee
Audit, Administration and Governance Committee of the Board of Trustees
Board of Trustees of the University of the District of Columbia

HISTORY/REVISION DATES

Last Amended Date: July 10, 2014

Next Review Date: