

11005.00 | Externally Funded Equipment & Property Management

Effective Date: 6/16/2015 | Revised Date: 6/16/2015

POLICY OBJECTIVE

It is the policy of the California State University (CSU) that each campus shall have procedures for managing equipment acquired through grants and contracts in compliance with applicable regulations and/or grant or contract terms and conditions.

POLICY STATEMENT

The campus president or designee is responsible for ensuring that procedures are developed and maintained to comply with this policy. Equipment purchased with federal or non-federal funds, through an externally funded award (grant, contract, cooperative agreement or other agreement) shall be managed in accordance with institutional policies and subject to sponsoring agency restrictions.

This policy shall be fully implemented by campuses by October 1, 2015.

100 FEDERALLY FUNDED (GRANTS)

101 Equipment

When purchasing capitalized equipment with federal funds, it is the responsibility of the campus to comply with institutional policies related fixed asset management and with federal regulations contained in Code of Federal Regulations (2 CFR 200), Property Standards. Awardees purchasing equipment or equipment components with a purchase price of \$5,000 or greater under federally funded awards are required to comply with specific use, management and disposition requirements in compliance with Section 313 of 2 CFR 200.

A physical inventory shall be taken and the results reconciled with the equipment/fixed asset records at least once every two years for equipment with a per unit fair market value of \$5,000 or greater.

102 Supplies

Awardees are required to track supplies and materials (including cost of computing devices) purchased under federally funded grants with a total aggregate residual value of \$5,000 or greater at the end of the project period in accordance with Section 314 of 2 CFR 200.

200 FUNDING OTHER THAN FEDERAL GRANTS

When purchasing equipment with funds from a federal contract or non-federal grant or contract source, the campus shall follow institutional policies regarding equipment purchase and disposition or the guidelines in the sponsored agreement, whichever is more restrictive.

300 TRANSFER OF EXTERNALLY FUNDED EQUIPMENT FROM AN AUXILIARY ORGANIZATION TO THE UNIVERSITY

Any property transferred to the university from an auxiliary organization shall remain subject to the original funding source requirements and tracked accordingly in the university's fixed asset system.

**Office of the Executive Vice-Chancellor
Business and Finance**

Approved: June 16, 2015

Revision History

- December 1, 2011

Resources and Reference Materials

Useful Guidelines

Related Principles

[COGR Effective Management Practices](http://www.cogr.edu/) <http://www.cogr.edu/>

Sound Business Practices

Laws, State Codes, Regulations and Mandates

- [ICSUAM Policy 3150.01 Administration of University Property](#), including [CSU Administration of University Property – Equipment Procedures](#) (.pdf)
- Equipment funded by a state contract may contain language that requires the equipment title to vest with the sponsoring agency upon project completion, in accordance with the [State Contracting Manual \(SCM\)](#) Chapter 7.29.
- When applicable, for regulations under Federal contracts, refer to – [Federal Acquisition Register](#) (FAR) and [Defense Federal Acquisition Regulation Supplement](#) (DFARS).
- Federal regulations related to property/equipment management – [2 CFR 200](#): Property Standards, Sections 310 - 316

Federal Regulation Requirements (2 CFR 200.313-314) – Apply to capitalized equipment (with a purchase price greater than \$5,000) for its useful life or supplies with an aggregate total residual value greater than \$5,000 at the end of the federally funded project. Unless a statute specifically authorized the Federal agency to vest title with the campus without further obligation to the Federal government – and the Federal agency elected to do so – the title must be a conditional title. Therefore, title vests in the campus subject to the following conditions:

Use (Equipment):

Federally funded equipment must be used by the campus with the following order of priority:

1. The program or project for which it was acquired as long as needed, whether or not the project or program continues to be funded by a federal award;
2. Activities under a federal award from the federal agency that funded the original project;
3. Activities under a federal award from other federal agencies, including consolidated equipment for information technology systems.

Note: When acquiring replacement property, the campus should use the property to be replaced as a trade-in or sell the property and use the proceeds to offset the replacement property cost.

Use (Supplies):

1. Title to supplies vests in the University/Auxiliary upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in

the same manner as for equipment. (See §200.313 Equipment, paragraph (e)(2) for the calculation methodology.)

2. As long as the Federal Government retains an interest in the supplies, the non-Federal entity must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.

Management:

Equipment records shall be maintained accurately and shall include the following:

- A description of the equipment.
- Manufacturer's serial number or other identifying number.
- Source of the equipment, including the award number.¹
- Whether title vests in the recipient or the Federal Government.
- Acquisition date and cost.
- Percentage of Federal participation in the cost of the equipment.
- Location, use and condition of the property.
- Ultimate disposition data, including date of disposal and sales price of the property.

Disposition:

When equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency (as indicated above under "Use"), the campus must request disposition instructions from the federal awarding agency if required by the terms and conditions of the federal award. If the campus is authorized or required to sell the property by the federal agency, proper sales procedures must be followed to ensure the highest possible return. Refer to 2 CFR 200.313(e)(2).

Items of Equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. Refer to 2 CFR 200.313(e)(1).

¹ If using CFS Asset Management, the applicable Asset Subtype code should be used to identify the equipment as federally funded (*i.e.* "NONIN-FEDFUND" for Federally Funded/University Owned equipment or "NONIN_FED-CM" for equipment purchased as cost match for a federal award; for Federal Owned equipment, use "NONIN-FED-OWN"). This includes any equipment transferred or donated to the university from the auxiliary that was originally funded by a federal grant. A physical inventory is required every 2 years on equipment tagged as federally funded for the useful life of the equipment. The PeopleSoft Fund chartfield associated with the purchase of the equipment is also associated with the award information (including sponsor award number) contained in the Sponsored Programs module.

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