



Office of Research & Sponsored Programs

Externally Funded Equipment & Property Management

Purpose:

This policy establishes guidelines for the management of equipment and supplies purchased with federal or non-federal funds in accordance with Office of Management and Budget (OMB) Uniform Guidance or 2 CFR 200 (UG) requirements and ICSUAM policy number 11003.13 – Externally Funded Equipment & Property Management.

Policy Statement:

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 to equipment acquired under a federal award vests with CSU Long Beach (CSULB). However, CSULB's title is conditional and subject to certain use, management and disposition requirements, including the following:

Equipment-USE:

Equipment purchased under a federal award must be used in the program or project supported by the award as long as needed, even when the project or program is no longer supported by the award. When the equipment is no longer needed by the original program or project, it may be used in other activities supported by the federal government in the following priority order:

1. Activities under an award from the same agency that funded the original program or project; then
2. Activities under an award from other federal awarding agencies.

Equipment-DISPOSITION:

CSULB must request disposition instructions from the awarding agency if required by the award terms and conditions or follow the agency's disposition instructions prescribed by the award terms and conditions prior to transferring, selling or otherwise disposing of federally-funded equipment.

Supplies - USE:

Supplies must be used with the following order of priority:

1. Title to supplies vests with CSULB 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 campus will 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 sponsoring agency retains an interest in the supplies, CSULB will not use supplies acquired under an 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:

Procedures for managing equipment, whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

Disposition

Depending upon the fair market value of the equipment (usually at the time the award terminates) and the federal awarding agency's instructions, disposition must occur following specific rules:

1. If the equipment has a unit fair market value of \$5,000 or less, it may be retained, sold or otherwise disposed with no further obligation to the Federal awarding agency.
2. If the equipment has a unit fair market value of more than \$5,000, CSULB must obtain disposition instructions from the agency. CSULB may be permitted to retain the equipment for use under other non-federally sponsored projects, but it may also be instructed to sell or transfer the equipment back to the agency or another entity.

*If instructed to sell the equipment, CSULB must remit to the Federal Agency its pro-rated share of the proceeds.

Disposition – PI Transfer:

Open Awards: If a PI moves to another institution with an open award, there is no change in policy; all equipment acquired under those awards will be transferred to the new institution, as instructed by the Agency.

Closed Awards: If a PI moves to another university and wishes to transfer equipment acquired under closed awards to the new institution, the sale process will vary according to the fair market value of the equipment:

1. If the equipment has a unit fair market value of \$5,000 or less, the sale to the new institution can proceed with no further obligation to the agency.
2. If the equipment has a unit fair market value greater than \$5,000, the sale can occur only if approved by the awarding agency.
3. If a sale to the new institution is approved, CSULB will need to return the proceeds (possibly minus handling costs) to the awarding agency. If a sale is not approved, CSULB may be required to return the equipment to the awarding agency or sell it and return the proceeds to the Agency

Definitions:

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000 (2 CFR 200.33).

Supplies means all tangible personal property other than those described in §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life (2 CFR 200.94).

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