

Policy #: 435.0
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TITLE: EQUIPMENT MANAGEMENT POLICY

I. POLICY OBJECTIVE

It is the policy of University Enterprises Corporation at CSUSB (UEC) to have a management system for equipment acquired from general fund resources or through grants, contracts, cooperative agreements, and other agreements, from both federal and non-federal sources.

II. TERMS AND 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 \$5,000, is not permanently attached to or incorporated in university buildings and grounds, and is used to conduct University Enterprises Corporation and/or Sponsored Programs Administration (SPA) business.

Capitalized Equipment means equipment and software valued at \$5,000 or more. Capitalization means to record a property in the accounting records as an asset. Detailed guidelines on capitalization of assets are in the Capital Assets Guide issued as part of the CSU GAAP Reporting Manual.

Capital expenditures means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Depreciation is the method for allocating the cost of fixed assets to periods benefitting from asset use.

General purpose equipment means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

Sensitive equipment is defined to include the following:

- university police firearms
- Vehicles – includes equipment that is self-propelled, whether or not registered by the DMV for street use. For details see General use mobile equipment per ICSUAM 5303-00 Commodities with Special Purchasing Requirements.
- laptop computers
- computer tablets and iPads
- computers

Sensitive equipment must be **tagged and inventoried** by CSUSB Property Management.

Special purpose equipment means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.

III. POLICY STATEMENTS

Title of equipment purchased with general funds or from Federal and/or non-Federal funds, through a grant, contract, cooperative agreement, or other agreement, is vested in UEC upon acquisition unless otherwise stated in the award document. All equipment is the property of UEC and is subject to the following statement of requirements.

IV. STATEMENT OF REQUIREMENTS

A. Equipment Purchased with General Funds

All equipment with an acquisition cost of \$5,000 or more will be tagged, recorded, and inventoried by CSUSB Property Management. UEC will also tag items under \$5,000 if classified as sensitive equipment in accordance with the following CSUSB guidelines:

- Firearms are tagged at any value
- Computers, portable projectors, and other equipment identified as “instructional” are tagged when their value is at least \$500 including tax and shipping
- Other equipment identified as “instructional” is tagged at \$2,500
- CSUSB Property Management will ensure the equipment is tagged, inventoried and updated in the CFS Asset Module
- A physical inventory of equipment will be conducted by CSUSB Property Management at least once every two years

B. Equipment Purchased with Funding Other than Federal Grants

When purchasing equipment with funds from a non-Federal grant source, Principal Investigators will follow the processes and procedures as set forth in this policy for Federally funded equipment, or the guidelines in the sponsored agreement, whichever is more restrictive.

C. Federally Funded Equipment (Grants)

When purchasing equipment with Federal funds, Principal Investigators will comply with UEC and CSUSB institutional policies related to fixed asset management and with Federal regulations contained in the Uniform Guidance, 2 CFR 200.313 Equipment, or OMB Circular A-110, Property Standards. These regulations require recipients of Federal funds to follow institutional policies and to minimally tag, track and inventory all equipment or equipment components with a purchase price of \$5,000 or greater. Equipment acquired under Federal awards received prior to December 26, 2014, is subject to OMB A-110, unless the awarding agency notifies SPA that the Uniform Guidance should apply. Equipment acquired under Federal awards received on or after December 26, 2014, is subject to 2 CFR § 200.

In order to comply with Uniform Guidance, 2 CFR § 200.313, equipment acquired under Federal awards shall be governed by the following requirements:

- 1) **Title.** Subject to the obligations and conditions set forth in 2 CFR § 200.313, title to equipment acquired under a Federal award will vest upon acquisition in UEC. Unless a statute specifically authorizes a Federal agency to vest title in UEC without further obligation to the Federal government, and the Federal agency elects to do so, the title must be a conditional title. Title must vest in UEC subject to the following conditions:
 - a) the equipment shall be used for the authorized purposes of the project until funding for the project ceases or until the property is no longer needed for the purposes of the project.
 - b) UEC shall not encumber the property without approval of the Federal awarding agency or pass-through entity.
 - c) the equipment shall be used and disposed of in accordance with paragraphs (2), (3) and (e) of this section.
- 2) **Pass-Through Awards.** Equipment acquired under a Federal or non-Federal award that passes through the State (UEC is a Subrecipient and the State is a pass-through agency) must be used, managed and disposed of, in accordance with State laws and procedures.
- 3) **Use of Equipment.**
 - a) Equipment must be used 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 the Federal award, and UEC must not encumber the property without prior approval of the Federal awarding agency. When no longer needed for the original program or project, the equipment may be used in other activities supported by the

Federal awarding agency, in the following order of priority:

- i) Activities under a Federal award from the Federal awarding agency which funded the original program or project, then (ii) Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.
- ii) During the time that equipment is used on a project or program for which it was acquired, UEC will also make equipment available for use on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non- Federally-funded programs or projects is also permissible. User fees will be considered if appropriate.
- iii) UEC will not use equipment acquired with a Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal government retains an interest in the equipment.
- iv) When acquiring replacement equipment, UEC may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

4) Management of Equipment.

Guidelines for the management of all types of equipment whether acquired in whole or in part under a Federal award, will meet the following minimum requirements:

- a) Property records will be maintained in the CFS Asset Module that include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal Award Identification Number, 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.
- b) A physical inventory of the property will be taken and the results reconciled with the property records at least once every two years.

- c) Some form of control system will be established to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft will be investigated.
 - d) Adequate maintenance procedures will be developed to keep the property in good condition.
 - e) The order of responsibility for custody and maintenance of equipment acquired for sponsored projects, and for which title is vested in UEC, shall be as follows:
 - (a) the Principal Investigator, (b) the Chair of Department, (c) the Dean of the School/Head of Unit.
 - f) Whenever possible, and as soon as it is allowable, UEC will seek the transfer of title to equipment to CSUSB in order to ensure management consistency with the Asset Management Policy of the University. Equipment transferred to CSUSB from UEC shall remain subject to the original funding source requirements and shall be tracked accordingly in the university's fixed asset system. The Dean of the School/Head of Unit will have ultimate custody and responsibility for equipment so transferred to CSUSB.
 - g) If authorized or required to sell the property UEC will work with the University Property Management Department to ensure the highest possible return.
- 5) **Disposition.** Please refer to *UEC Policy #430.0 Surplus Property Disposal Policy* for disposition guidelines.
- 6) **Capital Expenditures for Equipment.** The following rules of allowability will apply to capital expenditures for equipment:
- a) Capital expenditures for general purpose equipment are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.
 - b) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.
 - c) Capital expenditures for improvements to equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity.
- 7) **Rental of Equipment.** UEC may rent equipment for use in its projects provided the rental arrangements are consistent with the provisions 2 CFR 200.465 Rental costs of real property and equipment.

Authority

CSUSB Asset Management Standard Operating Policy

CSU Equipment Management Guidelines

PolicyStat ID 6597062: Sponsored Programs Externally Funded Equipment & Property(<https://calstate.policystat.com/policy/6597062/latest/>)

Uniform Guidance: 2 CFR §§ 200.12 Capital assets, 200.20 Computing devices, 200.33 Equipment, 200.48 General purpose equipment, 200.58 Information technology systems, 200.89 Special purpose equipment, 200.313 Equipment, and 200.439 Equipment and other capital expenditures

Approval:

Approved by the UEC Board of Directors