

# New York University

## UNIVERSITY POLICIES

<b>Title:</b>	Managing Equipment Acquired with Federal Funding Policy
<b>Effective Date:</b>	December 1, 2017
<b>Supersedes:</b>	September 1, 2013
<b>Issuing Authority:</b>	Sponsored Programs Administration
<b>Responsible Officer:</b>	Assistant Vice President for Post-Award Administration

### Policy

It is the policy of New York University (NYU, “the University”) that equipment acquired with Federal funding is managed in accordance with Federal regulations, sponsor requirements and University policies. The management of equipment acquired with Federal funding at the University is an integral process supported by all Finance, Purchasing, Asset Management, departments, schools and units of NYU.

### Purpose of this Policy

The purpose of this policy is to provide guidance to Principal Investigators (PIs) and departments for managing Federally funded equipment. Equipment acquired with Sponsor funds must be managed in accordance with award terms and conditions, Federal regulations, if federally funded, sponsor requirements and University policies.

### Scope of this Policy

This policy is applicable to NYU equipment acquired with Federal funding. Equipment can be acquired through purchase, fabrication, donation or transfer from another institution.

### Procedures for Implementation

#### a. Roles and Responsibilities

- The PI will ensure the policy and procedures described in this document are followed. PIs will also ensure pre-acquisition screening of major equipment to avoid unnecessary purchases.
- The Asset Management Office oversees the equipment and property administration function at Washington Square, including writing policies, implementing processes, training staff, conducting physical inventory and maintaining the official equipment and property records.

Asset Management also tags and records property over the capitalization threshold (i.e., \$3,000) into the Fixed Asset Records and identifies the equipment with a unique NYU tag number to identify equipment acquired with Federal funding; and signs off on any property and equipment reports for Federally-owned property upon completion or termination of a grant or contract;

- Department Administrators (DA's) establish and maintain equipment and property records (including inventory reconciliations) for their assigned area in a timely, complete and accurate manner. This includes reporting any loss, damage or theft of equipment acquired with Federal funding to the Asset Management Office and the Office of Sponsored Programs (OSP);
- Asset Custodians and Users are any staff faculty or student using NYU or equipment acquired with Federal funding. They must provide accurate, timely and complete information regarding equipment/property status and use and maintain assets in a responsible manner, including taking security precautions to discourage loss and theft of assets.

**b. Identification: Tagging and Recording Equipment**

Tagging and recording of equipment is the responsibility of Asset Management which records property over the capitalization threshold (i.e., \$3,000) into the Fixed Asset Records and identifies the equipment with a unique NYU tag number to identify equipment acquired with Federal funding. A property/equipment record should be maintained accurately and include the following data elements:

- i. Asset tag number (identifying number assigned to the asset);
- ii. Description of equipment;
- iii. Manufacturer's serial number, model number, Federal stock number, national stock number or other identification number;
- iv. Source of equipment, including award/contract number;
- v. Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost;
- vi. Information noting the equipment was acquired using Federal funding;
- vii. Location (building and room location of asset) and condition of the equipment and the date the information was reported;
- viii. Unit acquisition cost;
- ix. Final disposition record, including the 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. Reporting Loss, Damage or Theft**

A DA must report to the Asset Management Office and the Office of Sponsored Programs (OSP) any loss, damage or theft of equipment acquired with Federal funding.

### **d. Physical Inventory**

#### **i. Biennial Inventory**

In accordance with Federal Office of Management and Budget Uniform Guidance ([OMB Uniform Guidance](#)) *Uniform Administrative Requirements for Grants and Agreements with Institutions*, NYU performs a physical inventory of equipment and reconciles with the inventory records every two years for each department. Asset Management will verify the following information for each asset:

- Location
- Status
- Condition
- Description
- Manufacturer
- Model No.
- Year manufactured
- Serial No.

Asset Management will prepare a report for each department. The inventory report shows the difference between quantities determined by the physical inventory and those shown in the inventory database. A typical report will include:

- A master list of all assets inventoried in departmental space by location (if requested);
- A list of all assets added to the Fixed Asset Records during the inventory, including assets found without tags and assets found with tags that are not listed in Fixed Assets Records;
- A list of assets found which belong to another department;
- A list of assets in the Fixed Asset Records, which were not located during the inventory.

The DA for each department is responsible for inventory reconciliation, which is to investigate and determine causes of the difference between the inventory report and the Fixed Asset Records. Inventory reconciliation should be reported back to the Asset Management Office within 60 days from the date of the physical inventory report. Do not move equipment acquired with Federal funds from the tagged location. If the equipment must be moved, be sure to notify the Asset Management Office and change the property record(s).

ii. Final Project Inventory

Upon completion or termination of a grant or contract, a physical inventory of all Federally-owned property shall be conducted. Sponsored Programs Administration (SPA) will conduct the final physical inventory and report the results to the sponsor.

**e. Ownership of Equipment Purchased with Federal Funding**

The title of ownership for equipment purchased on Federally-funded sponsored agreements typically rests with the University unless otherwise specified in the sponsor agreement.

During the award period, Federally sponsored or purchased equipment may not be used on another project without prior sponsor approval. It must be used for the awarded project or program until it is no longer needed. At such time, equipment may be made available for other programs funded by the same sponsor. If there are no other awards active from that sponsor equipment may be used by programs sponsored by other Federal agencies.

When a PI wishes to dispose of items of equipment funded by the Federal government, disposition restrictions must be researched and resolved by the department. The reselling of equipment purchase with sponsor funds is not permitted by NYU.

**f. Sharing of Equipment Purchased with Federal Funding**

As long as the Federal Government continues to support the project or program for which the equipment was purchased, the following rule must be followed:

- i. The PI may not provide the equipment for use on another project without the approval of the Federal awarding agency;
- ii. The equipment must be used in that project or program unless it no longer is needed for that project or program;
- iii. The equipment should not be used to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute;
- iv. The equipment may be used on other projects or programs if this use will not interfere with the work on the project or program for which the equipment was originally acquired. The equipment must be utilized in the following order of priority:
  - A. Activities sponsored by the Federal awarding agency which funded the original project; then
  - B. Activities sponsored by other Federal awarding agencies.

If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government must be authorized by the Federal awarding agency. User charges must be treated as program income.

## **g. Disposition**

When a PI wishes to dispose of items of equipment funded by the Federal government, disposition restrictions must be researched and resolved by SPA. Sponsor approval may be required prior to sale.

The department completes an NYU Asset Surplus Form to request authorization for disposal of any NYU Asset, and/or to report any surplus items.

For disposal of Federally funded equipment, an NYU Asset Surplus Form must be forwarded to SPA before Asset Management authorizes disposal of the item. Federally funded equipment may be vested in i) NYU or ii) the Federal government (i.e., government-owned property).

- i. When Title to Equipment Vests in NYU
  - A. When the original sponsored project that funded the equipment is ongoing, proceeds from the sale of the equipment will be credited back into the project and be treated as program income.
  - B. When the original sponsored project is terminated but a project(s) with the same sponsor who originally funded the equipment is ongoing, proceeds from the sale will be credited to another project with the same sponsor.
  - C. When the original sponsored project is terminated and there are no projects with the same sponsor, proceeds from the sale will be credited to other similar Federally sponsored research.
- ii. When Title to Equipment Vests in the Federal Government

SPA contacts the sponsoring agency for disposal instruction.

## **Policy Definitions**

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Acquisition Cost of Equipment	The price of the property including the cost of modifications, attachments, accessories or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as installation, transportation, taxes, duty, protective in-transit insurance, shall be included if these costs are listed on the same invoice.
Asset Tag	The number given to a piece of equipment that serves as the main unit of a system with numbered components.

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Equipment (also referred to as property or asset)	Tangible, non-expendable personal property having an anticipated useful life of one year or more with a unit acquisition cost of \$3,000 or greater.
Excess Property	Property under the control of any Federal awarding agency that is no longer required for its intended purpose. The Federal awarding agency approves the PI's recommendation to deem it "excess property."
Federally-owned Equipment	Equipment under the University's control to which Federal Government retains title (also called Government-owned Property).
Property	Within the context of the policy <i>Property Management for Federally Owned Equipment</i> , "property" primarily includes equipment. However, depending on regulatory or other contractual requirements, it may also include materials and supplies.
Supplies	Goods which are consumable, perishable or short lived, and are subject to material change or items of a durable nature with an anticipated useful life of less than one year or with a unit acquisition cost of less than \$3,000.

## Related Policies

- Asset Management Policies and Procedures Manual  
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/asset-management-policies-and-procedures.html>

## Federal Regulations

- OMB Uniform Guidance  
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/asset-management-policies-and-procedures.html>