

Policy 12 - Equipment Management

Equipment Definition

The Director of Accounting and Budgeting is responsible for establishing and maintaining accountability for equipment acquired under grants, contracts, and other agreements for sponsored projects in accordance with sponsoring agency regulations, sponsor guidelines and University policy. Equipment, for purposes of the Fixed Assets System, is defined as non-expendable property that costs \$5000 or more (including installation charges and freight), has a useful life of more than a year, is of non-expendable material and is not consumed. Sponsor definitions of non-expendable equipment may vary as to the acquisition cost threshold. Most federal sponsors will utilize the definition contained in OMB Circular A-21, i.e., an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the institution for financial statement purposes, or \$5,000.

Proposal Specifics

Proposals for awards should specify the type and quantities of equipment required (as sponsor agency prior approval policies vary, listing of equipment in an award does not necessarily provide approval to purchase the equipment). More specifically, budgeted equipment must be in compliance with the specific rules and regulations of the sponsoring agency and applicable to the Office of Management and Budget Circulars governing the expenditure of funds. Before requesting any new equipment, the principal investigator (P.I.) must determine that equipment available to the University will either not meet the project's property needs or is not available for use when required.

Condition of Equipment

The principal investigator assures that equipment received is as ordered and in good condition. Any discrepancies or damage should be immediately reported to the Director of Accounting and Budgeting or designee.

Physical Control of Equipment

Responsibility for maintaining physical control of all equipment acquired under an award and safeguarding it against loss, damage, or unauthorized use, rests with the principal investigator. The principal investigator should notify the Director of Accounting and Budgeting or designee of any major changes in the location of equipment. Subcontractors or subgrantees are also responsible for compliance with equipment policies and requirements and will be so instructed in sub-award documents.

Transfer of Equipment

Equipment owned by the federal government or other sponsors is subject to transfer to another institution when approved and directed by the sponsor agency. A request for transfer of such property can originate with a principal investigator transferring to another institution and requiring such property in the pursuit of continuing research, or with the sponsor agency itself. Subsequent to a principal investigator's decision to transfer to another institution, equipment purchases should be limited to those necessary to complete research at Missouri State University. Additional equipment necessary to continue research at the gaining institution should be purchased by that institution.

A transfer originated by a faculty member requires the advance approval of the unit supervisor appropriate department head, dean, sometimes a vice president, and the Vice President for Research and Economic Development and in some instances, the federal or sponsor agency. Agency-originated disposition or transfer instructions do not require such approval. However, if agency-directed or contemplated transfers are likely to impair continuing sponsored projects, such considerations should be promptly brought to the attention of the Vice President of Research and Economic Development in an attempt to dissuade the agency from making said transfer.

Specific requirements and procedures for obtaining the necessary approvals to effect the transfer of government or other sponsor property are contained in Procedure No. 10: Equipment Management.

When new faculty members will be transferring equipment to Missouri State University, the department should promptly advise the Director of Accounting and Budgeting or designee so that equipment can be decaled, place on accountability records, and insured.

Much of the property acquired through research or training grants/contracts becomes University (State) property upon acquisition or by subsequent vesting of title. Disposition or transfer of such property is subject to University policies and governmental regulations.

Sale of Property

Proceeds from the sale of equipment purchased in whole or part from federal funds should be credited to the federally sponsored project from which purchased or to an active grant/contract from that agency. Sponsors' regulations or policies relative to the disposition of such proceeds do vary and it is suggested that the Director of Accounting and Budgeting or designee be contacted for further guidance.