

Management of Equipment Acquired Under Federal Agreements

POLICY

All equipment acquired under federal grants and contracts must be properly identified, recorded, maintained, and disposed of. The department chair, equipment coordinator, and principal investigator share responsibility for care, maintenance, safeguarding, and use of federal equipment in their custody.

Property Requirements

OMB

Such property is managed in accordance with OMB Circular A-110. To view the circular, go to:

<http://www.whitehouse.gov/omb/circulars>

Select OMB Circular A-110.
Select Sections 30-37 to view property standards.

FAR

Federal Acquisition Regulations (FAR) provide additional federal requirements for property management on contracts. NOTE: Most of the regulations used by the University are located in FAR Part 45.

To view the FAR, go to:

<https://www.acquisition.gov/far/>

DFAR

Defense Federal Acquisition Regulations (DFAR) provide additional requirements for property management on federal defense contracts.

To view the DFAR, go to:

<http://farsite.hill.af.mil/VFDFARA.htm>

NASA Grants Handbook

NASA Grants Handbook sections 1260.130 through 1260.137 provide uniform standards governing management and disposition of property charged to projects supported by National Aeronautics and Space Administration (NASA) grants and cooperative agreements.

Award Conditions

Various funding agencies may reference other specific property management requirements in the award documents.

PROPERTY INVENTORY

Departments are to tag and inventory newly-acquired (i.e., purchased, leased, borrowed, or fabricated) equipment in accordance with procedures in 20.50.

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PROPERTY REPORTING Sponsored Programs Services, with the assistance of the department administrator or principal investigator, provides property reports in accordance with the award terms and governing federal regulations.

Annual Property Reports

Department of Defense (DoD) Contracts DoD Form 1662 is used to report government-furnished property and property acquired on Department of Defense (DoD) contracts.

Government-titled property held by the University under DoD contracts, regardless of value, must be reported annually by October 31. If WSU no longer holds property under a DoD contract, an annual report is not required unless held property was indicated in the previous annual report.

NASA Contracts NASA Form 1018 is used to report government-furnished property and property acquired on NASA contracts.

Government-titled property held by the University under NASA contracts, regardless of value, must be reported annually by October 15. If WSU no longer holds property under a NASA contract, the University is required to submit an annual report indicating that no property is held.

DoD and NASA Grants and Cooperative Agreements A listing of government-titled property held by the University under grants or cooperative agreements must be reported annually by October 31. If WSU no longer holds property under a grant or cooperative agreement, an annual report is not required unless held property was indicated in the previous annual report.

DoD Property Reports Property reports for DoD grants and cooperative agreements other than contracts are to be submitted in narrative format by letter, fax, or e-mail to the DoD property administrator.

NASA Property Reports Property reports for NASA grants and cooperative agreements other than contracts are to be submitted in narrative format by letter, fax, or e-mail to the government property administrator or DoD property administrator, the NASA Industrial Property Officer (IPO), and the NASA Deputy Chief Financial Officer (CFO).

Final Property Reports

DoD Contracts Immediately upon termination or completion of a DoD contract, the University must perform and require each subcontractor to perform a physical inventory of all property acquired under the contract.

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DoD Contracts (cont.)	A final report on DoD Form 1662 must be submitted to the cognizant DoD agency immediately upon final disposition of all property acquired under the contract.
NASA Contracts	A final report on NASA Form 1018 must be submitted to NASA within 30 days after disposition of all property acquired under the NASA contract.
DoD Grants and Cooperative Agreements	<p>A report must be submitted to the cognizant DoD agency within 90 days after a grant or cooperative agreement is terminated.</p> <p>Property reports for grants and cooperative agreements are to be submitted in narrative format by letter, fax, or e-mail to the cognizant DoD property administrator.</p>
NASA Grants and Cooperative Agreements	<p>A report must be submitted to NASA within 60 days after a grant or cooperative agreement is terminated.</p> <p>Property reports for grants and cooperative agreements are to be submitted in narrative format by letter, fax, or e-mail to the government property administrator or DoD property administrator, the NASA Industrial Property Officer (IPO), and the NASA Deputy Chief Financial Officer (CFO).</p>

PROPERTY CLOSEOUT

At award closeout equipment must be processed and reported in accordance with:

- OMB Circular A-110 SUBPART D - After-the-Award Requirements (section 71 Closeout Procedures) (71f), and
- FAR Part 45 - Government Property,
- Any special terms and conditions included in the award, and
- Funding agency regulations/policies.
- University requirements. See below.

University Requirements

Sponsored Programs Services takes the following actions to process and report government property at award closeout:

- For closeout of a DoD or NASA contract, Sponsored Programs Services completes a draft property report on an agency-designated form, e.g., DoD Form 1662, NASA Form 1018. See 40.13.2-3 for information concerning final reports.

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University Requirements (cont.)

- For closeout of a contract, grant, or cooperative agreement which does not require a specific agency form, Sponsored Programs Services completes a draft property report using a spreadsheet format. The report is to include the following information:

Manufacturer/description
WSU tag number
Model/serial number
Date acquired
Purchase order number or vendor order number
Cost to project
Disposition requested

Some agencies also require the following additional information:

Condition of equipment
Location/custodian

- If appropriate, Sponsored Programs Services faxes or e-mails the draft report to the departmental representative for review and verification of information.
- Upon return of the draft, Sponsored Programs Services makes any necessary corrections. Sponsored Programs Services mails, e-mails, or faxes the completed report to the appropriate government representatives, as indicated in the award documentation or governing agency guidelines. See also 40.13.2-3 for information concerning final reports.

Contracts require that annual reports continue to be submitted until the University receives final disposition instructions. See 40.13.2 for information concerning annual reports.

- Upon receipt of disposition instructions from the government representative, Sponsored Programs Services ensures that the departmental administrator complete an Inventory Control Report to update the WSU's property inventory records accordingly. See 20.50.

For property acquired under a grant or cooperative agreement, if title is granted to WSU, or if the property is abandoned in place, no further reports are required.

For property acquired under a contract, a terminating report must be submitted to indicate final disposition if the previous report indicated that the University held contracted property. See 40.13.2-3 for information concerning contract reports.

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**LOANS, TRANSFERS
AND DISPOSALS**

Loans

WSU-Owned Departments holding equipment that is no longer used are encouraged to explore opportunities to loan or exchange with other departments prior to arranging for disposal or sale. Inform Property Inventory of the loan by completing an Inventory Control Report according to instructions in 20.50. Indicate only a change in location if the ownership remains with the loaning department.

Federally-Owned Federal regulations encourage loan or transfer of government-owned equipment to other federally-supported projects when no longer needed on the original project. Request authorization from Sponsored Programs Services prior to transfer.

When the transfer occurs, initiate an Inventory Control Report in accordance with 20.50. Check the ***Federally Owned*** box on the Inventory Control Report. Property Inventory works with Sponsored Programs Services to ensure that federal officials are notified of the change.

See 20.78 for transfer of federal excess equipment.

Title Transfer

Transfer to WSU from the Federal Government On many contracts title is transferred from the federal agency to WSU partway through or at the end of a project period. Transfer procedures are handled by Sponsored Programs Services.

Transfer to Another Institution See 40.16 and 20.50.

Sale or Transfer to Other WSU Departments Follow procedures for surplus equipment in 20.76 and 20.80.

Disposal of Federally-Funded WSU-Owned Equipment The item may be subject to a specified accountability period, which must expire before the University may sell the item. Contact Sponsored Programs Services for information.

Cost of \$5,000 or More When any accountability period has expired which applies to an item with a cost of \$5,000 or more, WSU may either:

- Keep the item and pay the federal agency its share of the market value, or
- Request instructions from the agency. Instructions from the agency may be:

Sell it and pay the agency its share of the proceeds.

Ship it elsewhere.

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Disposal of Federal Excess Property

See 20.78.

MAINTENANCE AND USE

Departments are responsible for the care, maintenance and use of all equipment in their custody. For equipment acquired under grants and contracts, the principal investigator shares this responsibility with the department.

Accountability

Department management is responsible for properly documenting equipment receipt, storage, preservation, recordkeeping, physical control, inventory, and disposal.

Security

Principal investigators and departmental personnel are responsible for keeping equipment in a reasonably secure location.

Insurance

WSU-owned equipment is usually not insured unless obtained under an agreement that permits the sponsor to pay insurance premiums. Risk Management Services purchases all insurance for University equipment and property. See EP6.

Care and Maintenance

Care and maintenance includes periodic inspection, regularly scheduled lubrication, protection from exposure, and proper cleaning prior to storage. The goal is to maintain the efficiency and usefulness of the equipment for as long as possible.

Departments should keep records of maintenance, major repair, and deficiencies revealed during periodic inspection. (Principal investigators are responsible for ensuring that any special equipment care and maintenance requirements required by grants and contracts are implemented.)

Utilization

The equipment clause in most current contracts requires that federal equipment be used only for the contract for which it was acquired unless otherwise provided or approved by the cognizant federal agency contract administrator. The principal investigator is responsible for ensuring compliance with this requirement.

The principal investigator is also responsible for notifying Sponsored Programs Services when there is no further reason for retaining an equipment item acquired under a federal agreement.

Subcontractor Control

Subcontract Requirements

Before a subcontractor under a federal contract may take temporary possession of federal equipment furnished by the University, the subcontract must include:

- Provisions authorizing transfer, loan, or temporary reassignment of the equipment.

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Subcontract Requirements (cont.)

- Federal flow-down provisions. Flow-down provisions are defined as requirements from the funding federal agency which apply to all entities operating under the award contract, e.g., contracting institutions, subcontractors.
- Special terms and conditions.
- Provisions requiring certification that the subcontractor has a property control system that is either federally-approved or meets federal property regulations, unless exempted by the special terms and conditions.
- Periods for which the subcontractor must submit property reports to WSU. When feasible, the subcontract is to include the subcontracting agency form numbers and applicable web site addresses for obtaining the forms.
- Other reporting requirements specified in the prime award.

ORSO

Notify the Office of Research Support and Operations (ORSO) during subcontract development to ensure that the subcontract also includes provisions for:

- Conditions of use
- Control of equipment
- Period of use
- Return of equipment
- Location of use
- Shipping costs
- Insurance
- Loss, damage, or destruction
- Liability
- Maintenance

In addition, ORSO may request a copy of the subcontractor's federally-approved property control system or a copy of its property control policies.

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Sponsored Programs Services Sponsored Programs Services is responsible for ensuring that the subcontractor submits property reports for the reporting periods specified in the subcontract.

Sponsored Programs Services also takes action at award closure in cases where the subcontractor holds the title to the property. See 40.13.3-4 for property closeout requirements.

Inventory Control Report Upon approval of the subcontract, the responsible WSU department or principal investigator or equipment coordinator must complete an Inventory Control Report indicating a change of location. See 20.50.