I. Background

Florida Atlantic University is required to comply with Property Standards in accordance with OMB Circular A-110.

II. Purpose

The purpose of this policy is to establish uniform guidelines for the management and disposition of equipment purchased with Federal funds. Equipment shall be defined as an article of nonexpendable tangible personal property. Florida Atlantic University’s policy defines capital equipment as equipment with an acquisition cost of $5,000 or more and a useful life of more than one year.

III. General Statement

Research Accounting and Property Management Department are available to answer questions and provide assistance regarding the requirements of this policy.

IV. Policy

The Property Management Department’s main mission is to provide cost effective controls to facilitate the safeguarding of university acquired assets in accordance with Federal and State regulations and University guidelines. This includes effective and efficient management of property records. The identification and recording of capital assets with a bar-coding system that provides permanent identification affixed to the asset creates a property record that provides pertinent information on all aspects, both financial and historical for a specific capital item.
In addition, the Property Management Department performs a comprehensive, centralized, annual inventory of all university fixed assets both grant funded and non-grant funded with a threshold purchase price value of $5,000, or more. The Property Management Department is charged with the disposition of all surplus equipment and fixed assets within the confines of appropriate state statutes and university policy.

Purchases of equipment are allowable in accordance with the terms and conditions of the sponsored agreement. However, purchases of equipment requested within 90 days of the end of a research project require a written justification from the Principal Investigator and prior approval from the sponsor.

Detailed Property Management Files for all Federally Acquired Equipment: All detailed Property Management Files for federally acquired equipment with a threshold purchase value of greater than $5,000 can be provided upon request.

Equipment availability for use on other projects during initial use: The University shall use the equipment in the project for which it was acquired as long as needed, whether or not the project continues to be supported by Federal funds, and shall not encumber the property without approval of the Federal awarding agency.

During the time that equipment is used on the project for which it was acquired, the University will make it available for use on other projects if such use does not interfere with the work on the project for which it was originally acquired.

1. The first preference for such use shall be given to projects funded by the Federal awarding agency that financed the equipment.
2. The second preference shall be given to projects funded by other Federal awarding agencies.

Principal Investigator and their designees are responsible for:
1. Negotiating the terms of use of equipment with the primary user, and
2. Using the equipment for other sponsored projects from the same Federal agency that purchased the equipment or for other federally-sponsored projects.

The Principal Investigator and their designees cannot use the Federal equipment to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services unless authorized by Federal statute.

The University has a list of all equipment acquired with Federal funds identified by Asset Description, FAU PTAG identification number, Investigator Name, Last Inventory Date, Current Location, Acquisition Date, Cost, Funding Source, Federal Agency Name, and Sponsor Award Number. This Federal Equipment Report list is available on the Division of Research website at http://www.fau.edu/research/docs/policies/research-accounting/Federal_Equipment_Report.pdf.
Reconciled physical inventory: The Property Management Department performs and reconciles an annual inventory which incorporates Federal funded equipment.

Moving and transfer of property:

1. The Property Management Department must be notified either with a Transfer Form (PROP-2) [http://www.fau.edu/controller/property/prop_forms.php](http://www.fau.edu/controller/property/prop_forms.php) or by phone at extension 7-2927 when property is physically moved from one location to another. These changes in location may be made on line by the Property Department without filing of paperwork as long as the asset has a current fiscal year inventory date.

2. When custodial accountability of property is transferred, a Property Transfer Form (PROP-2) must be submitted to Property Management. Transfers will not be completed until both required signatures have been affixed. The asset must have a current fiscal year inventory date.

System to prevent loss, theft, and damage: The University incorporates a security system throughout all campuses for the safeguarding of all state and federally acquired equipment. Equipment is bar-coded to insure asset identification; the serial number is recorded to identify equipment reported stolen and subsequently recoverable through a nationwide database accessed by the campus police. Research labs are secured. The university has a Survey Board which periodically is charged with reviewing the requested write off of stolen and lost equipment.

Notification to Federal awarding agency for any loss, damage or theft: Principal Investigators must notify Federal awarding agency and Research Accounting for any loss, theft or damage of equipment purchased with Federal funds. The Division of Research is notified of items that are presented and approved by the Survey Board for deletion.

Equipment no longer needed: Principal Investigators and their designees are responsible for processing a PROP-1 Form [http://www.fau.edu/controller/property/prop_forms.php](http://www.fau.edu/controller/property/prop_forms.php) certifying an item as excess or surplus. Federally funded equipment is segregated from other university property for possible utilization by other federal projects.

When Federal equipment is no longer needed for the original project, the University shall use the equipment in connection with its other federally-sponsored activities in the following order:

1. Activities sponsored by the Federal awarding agency which funded the original project, then
2. Activities sponsored by other Federal awarding agencies.

The Federal Equipment Report provides a list of equipment purchased with Federal funds that may be utilized by other Federal projects at FAU. Principal investigators may use equipment for Federal projects sponsored by the same Federal awarding agency which purchased the equipment or other Federal agencies.

Disposition request: If the equipment is no longer needed and has a fair market value of $5,000 or more, the Property Management Department will notify Research Accounting who will request final disposition instructions from the Federal awarding agency. Upon receipt of
disposition approval, the equipment will be disposed of according to Federal instructions, state regulations and university guidelines.

V. Annual Review of Procedures Manual

The Equipment Policy for Federal Sponsored Programs will be reviewed annually.

POLICY APPROVAL

Initiating Authority

Signature: ___________________________ Date: 9/27/12

Name: Barry T. Rosson, Vice President for Research