Contract & Grant Accounting Policy 11 Equipment Management

The University of North Carolina at Greensboro

Approved by Paul Forte, Interim AVC for Finance, August 4, 2021

Revised August 4, 2021

1. Purpose/Introduction

The purpose of this policy is to assist with determinations and procedures related to the management of equipment purchased with external (sponsored) funds and transfer of equipment for faculty and staff members who are relocating to another institution, campus, or department within the University, and to provide guidelines for making such requests for transfer. Fixed Assets, a part of the Office of Controller, in coordination with Contract and Grant Accounting, is responsible for establishing and maintaining accountability for equipment acquired under grants, contracts, and sub agreements in accordance with sponsoring agency directives and University policy.

2. Scope

This policy provides guidance for the management, transfer, and disposition of equipment purchased with sponsored award funds.

3. Definitions and Roles and Responsibilities

3.1 Definitions

*Grant Property* – Property that has been purchased by the University through its approved procurement methods and paid for using grant funds provided to the University by a sponsor agency.

*Grant Funds* – Funds provided to the University by a sponsor agency to be used in furthering the University’s mission and in accordance with the stipulations of the particular sponsor agreement.

*Equipment* – Equipment, for purposes of the Fixed Assets System, is defined as non-expendable property that costs $5,000 or more (including installation charges, delivery, and shipping), has a useful life of more than two years, is of non-expendable material, and is not consumed. Sponsor definitions of non-expendable equipment may vary according to their specific acquisition cost threshold. Maintenance agreements, service contracts, and extended warranties are not included in the equipment cost.
3.2 Roles and Responsibilities

The Principal Investigator is responsible for:

- Management of capital equipment under their sponsored awards
- Compliance with this policy and the terms and conditions of the sponsored award

The Procurement office is responsible for:

- Acquiring University assets
- Applying state procurement rules

Contract and Grant Accounting is responsible for:

- Confirming the grant fund used for the purchase and the proper ownership of the asset for all acquisitions made using sponsor funds

Fixed Assets is responsible for:

- Tagging, financial record keeping, and disposition of University assets
- Management of the annual inventory process

The North Carolina Surplus Property Office is responsible for:

- Reviewing and approving all requests to dispose of assets, including those received through gift or grant, if they are to be disposed in any manner other than through a surplus property auction

4. Policy

4.1 Equipment Acquisition

The Principal Investigator and/or departmental administrative personnel assisting in the acquisition of equipment must adhere to university procurement procedures (see Procurement Policy 1 Methods and Purchase, along with any restrictions imposed by the sponsor agreement. Contract and Grant Accounting will confirm the grant fund used for the purchase and the proper ownership of the asset. Prior approval is normally required from federal agencies prior to purchasing equipment if not listed in the approved proposal/budget. Contact your Grant Specialist in CGA for assistance in preparing the request.

Title to equipment purchased from sponsored funds vests in the University upon acquisition unless otherwise specified by the grant/contract terms. The University has an obligation to ensure that the equipment is used for the stated purpose of the project as long as the grant is active at this institution. When a project terminates, the University must use the equipment to support other research projects or dispose of it according to the established university Fixed Assets procedure (eDisposal).

When new faculty members will be transferring equipment to UNCG, the department
should promptly advise the Fixed Assets Office so that equipment can be tagged, placed on accountability records, and insured.

4.2 **Equipment Transfer**

Equipment with title vested in UNC Greensboro may not be transferred from the university equipment inventory without specific sponsor and state requirements being met. CGA will review all transfer requests for items purchased with sponsored funds to ensure compliance with State, University, and sponsor policies and terms and conditions. Contract and Grant Accounting will assist with the disposal process for any item purchased with sponsored funds to ensure all conditions are satisfied or met.

If an active contract or grant is being transferred to another academic institution, equipment purchased on that project may be transferred to the new institution in accordance with the terms and conditions of the contract or grant.

4.3 **Equipment Disposal**

Equipment purchased on a contract and grant fund project that is no longer needed shall be disposed of in accordance with the terms and conditions of the grant, utilizing the Fixed Assets eDisposal system, outlined in [Office of the Controller Policy 9 Fixed Assets](#).

For sponsored awards that provide for equipment title to remain in the federal government, prior written approval shall be received from the appropriate funding agency prior to the trade, transfer, or disposition of equipment.

4.4 **Negotiated Sale of Sponsored Equipment**

Sales of sponsored equipment to an organization outside the UNC system is referred to as a negotiated sale and requires a letter from UNC Greensboro stating that the benefit of the equipment is no longer needed and a letter from the acquiring university stating that the equipment will continue to be utilized for research purposes. The value of the equipment can be determined by either contacting the vendor, using our depreciated value, or using Ebay North American value. This process will be coordinated by Fixed Assets and CGA, with the request submitted to the NC Department of Administration for approval.

5. **Compliance and Enforcement**

Contract & Grant Accounting is responsible for ensuring compliance with this policy.
6. Additional Information

6.1 Supporting Documentation

2 CFR 200, Sections 310-316 (Property Standards
NIH 8.3.3 Property Management System Standards
NSF Property management Standards Chapter IX, D
NCGS 143-65.05 Surplus Property

6.2 Approval Authority

This policy will be approved by the Interim Associate Vice Chancellor for Finance.

6.3 Contacts for Additional Information

- Responsible Executive: William Walters, Director, Contract & Grant Accounting,
  (336)334-5824, wdwalter@uncg.edu