

## **LAWRENCE UNIVERSITY ADMINISTRATIVE PROCEDURE FOR MANAGING FEDERALLY FUNDED EQUIPMENT**

Federal regulations such as 2 CFR 200.313 require Lawrence University to implement specific management and documentation procedures for equipment purchased in whole or part with federal funds. Federally funded equipment is defined as “tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.” Lawrence University capitalizes equipment at \$1,000, so this procedure applies to any federally funded equipment costing \$1,000 or more.

### **Equipment Inventory**

- a. Equipment inventory records at Lawrence University shall be maintained accurately with data provided by the Principal Investigators (PIs) or their administrative staff to the Financial Services Department and shall include the following:
  1. Description of the equipment
  2. The manufacturer's model number, serial number or other identification number
  3. Federally Funded Equipment inventory asset tag number/barcode sticker
  4. Vendor/Manufacturer name
  5. Item acquisition date and acquisition cost
  6. Funding source(s), including Federal award/contract number
  7. Lawrence University fund number
  8. Percentage of Federal participation in the cost of the project for which the property was acquired
  9. Location and condition of equipment and date the information was last reported
  10. The ultimate disposition data, including the date of disposal
- b. A physical inventory of all federally funded equipment will be taken and results reconciled with equipment records at least once every two years. A Financial Services representative will schedule the physical inventory with the departmental administrative staff.
  1. Any differences between physical inspection and accounting records will be pursued by the PI's department's administrative staff to determine the causes of the difference and reported back to the Financial Services Department.
  2. The PI or their administrative staff must report any change in the equipment's location.

### **Use of Federally-Funded Equipment**

- a. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
- b. During the time the equipment is being used for the project or program for which it was acquired, the equipment may also be used for other purposes *provided* that other uses do

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not interfere with the project or program for which the equipment was acquired. Other uses are subject to the following:

1. Lawrence *must* make the equipment available for other projects currently or previously funded by the same Federal agency that funded the equipment purchase.
  2. Lawrence *must* make the equipment available for projects currently or previously funded by other Federal agencies.
  3. Lawrence *may* make the equipment available for use in projects not supported by federal funds.
- c. The PI is responsible for working with their department and the Provost to ensure that the equipment is properly maintained.
- d. If equipment is lost, damaged, or stolen, an investigation must occur and the awarding agency may need to be contacted. Work with the Corporate, Foundation and Sponsored Research Support office to initiate an investigation.
- e. After the equipment is no longer needed for the project or program for which it was originally acquired, it may continue to be used for other federally funded projects, subject to the following order of priority:
1. Activities under other projects funded by the same Federal agency that funded the equipment purchase.
  2. Activities under for projects funded by other Federal agencies.
  3. If the equipment will no longer be used for activities under *any* Federal award but Lawrence wants to keep the equipment and use it for other purposes, this is considered “disposal” and is subject to the Disposition section below.

### **Disposition**

Once the equipment is no longer needed for the original project or program nor for other federally funded projects or programs, the PI or their administrative staff must consult with the Corporate, Foundation, and Sponsored Research Support office to determine what disposition procedures may be required by the terms and conditions of the award that supported the equipment purchase or by the grant administration policies of the awarding Agency. Lawrence may be required to seek disposition instructions from the awarding Agency to determine whether and under what terms the equipment may be retained by Lawrence and used for other purposes, or sold, or title transferred to the Federal Government.

- See: 2 CFR 200.33 (Definition: Equipment)  
2 CFR 200.312 (Post Award Requirements: Federally owned and exempt property)  
2 CFR 200.313 (Post Award Requirements: Equipment)  
2 CFR 200.439 (Cost Principles: Equipment and other capital expenditures)