PROCEDURAL STATEMENT

Procedural Statement Title: Purchase of Computing Devices on Sponsored Projects

Functional Area: Research Administration

Related Policy: Cost Principles Policy

Effective Date: 7/1/2016 in accordance with Uniform Guidance regulations effective for new funding received after 12/26/2014

Approved by: Laura Ragin, AVC and Controller, CU Boulder

Responsible Office: Sponsored Projects Accounting (SPA), a division of the CU Boulder Campus Controller’s Office

Reason for Procedural Statement: To establish direct charging procedures for sponsored projects in like circumstances. To determine if an unlike circumstance exists, see: Direct Charging to Sponsored Projects in Like and Unlike Circumstances.

I. PROCEDURAL STATEMENT

This document is intended to serve as formal guidance for CU Boulder regarding the purchase of computing devices with funds from sponsored projects in like circumstances. The university is committed to ensuring costs incurred in support of sponsored research are allowable, reasonable, and allocable to a particular sponsored award, as defined by U.S. Office of Management and Budget’s Uniform Guidance (2 CFR §200.403-405); are in compliance with sponsor requirements; and are administered consistently across the campus for all sponsored research. Procedural statements support the CU Boulder Cost Principles Policy by providing definitions and processes for meeting those standards in like circumstances.

II. DEFINITIONS

Computing devices are defined in the U.S. Office of Management and Budget’s Uniform Guidance, 2 CFR 200.20 and 2 CFR 200.94 as:

> Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.

CU Boulder considers computing devices to incorporate computers and electronic devices including, but not limited to: desktop computers and laptop computers, tablets, iPads, smart phones, e-readers, printers, and external hard drives.

Due to the fact that these items are considered sensitive property by the U.S. General Services Administration 41 CFR 102-35.20, additional documentation is required to differentiate them from other general supplies.

III. PROCEDURES

A. Federal Awards

The Uniform Guidance states that computing devices are allowable as direct costs but do not need to be solely dedicated to a project, indicating that some non-project use is
acceptable, although the predominant use of the computing device should be on the project. However, 2 CFR 200.453(c) also states that "In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award".

Principal Investigators shall explain how computing devices fit the criteria of being essential and allocable to the performance of their Federal award because of the following reasons:

- Computing devices have the capability for providing non-project benefit, and
- Computing devices are considered sensitive property by the U.S. General Services Administration and, as such, require special control and accountability.

Note that while the new regulations allow these expenditures, it’s important to review each award’s terms and conditions, as written sponsor guidelines may prohibit the purchase of computing devices on certain sponsored awards.

B. Non-Federal Awards
Section 2 CFR 200.403(c) of the Uniform Guidance requires that we apply our policies and procedures uniformly to both federally-financed and other activities of the university. Therefore, CU Boulder’s Cost Principles Policy, and related procedural statements, are also applicable to non-Federal awards. The basic criteria for purchasing computing devices are similar for non-Federal sponsored projects but it is also important to be familiar with the particular requirements or restrictions of each non-Federal sponsor. When allowed by the non-Federal sponsor, a written justification for the inclusion of computing devices should be provided in order to explain why these are essential to fulfill the research objective of the project, and to ensure that the cost directly benefits the project being charged, even when the non-Federal sponsor may follow more flexible spending guidelines.

C. Process
   At Proposal
   The computing device can be listed under supplies in the itemized proposal budget, but should also be identified separately in the proposal budget justification as to why it is essential and allocable to the performance of the award. Inclusion in the budget justification is intended to enable the sponsor to review and concur with the need for the computing device. Written justification and approval is meant to prevent questions regarding the allowability of costs in the event of an audit.

   After an Award is Funded
   Not every cost can be anticipated at the time of proposal preparation. In the event that an unbudgeted computing device is required after an award is funded, the department can work directly with the assigned SPA Grant Accountant if questions arise about what is required to ensure that this purchase is properly documented. The purpose and benefit of the device to the specific project should be described in the justification and retained by the department for future reference should the expenditure be questioned at a later date. The justification may also be stored in an approved university procurement system with purchase documents.

   If the documentation was not obtained at time of purchase, the SPA Grant Accountant or Closeout Accountant may ask for the documentation at closeout or during a periodic review of expenditures.
D. Frequently Asked Questions

**Question:** Once my project is completed, can I keep the laptop purchased on this project for my own personal use or donate it to another individual or organization?

**Answer:** No. It does not become your personal property at the end of the project and its use must comply with university procedures regarding property.

**Question:** Once my project is completed, can I keep the laptop purchased on this project as my university work computer?

**Answer:** Maybe. If a computing device is purchased on a project that is governed by FAR 52.245-1, that device may be titled to the Government, so it is important to be familiar with the project's terms and conditions. When it is not titled to the Government or with the sponsor, the device is the property of the university and should be retained by the department after the end of the award for ongoing research activities, or for disposal in accordance with university policies. Contact ocgproperty@colorado.edu for more information.

**Question:** What if the computer purchased with my project funds is later considered an unallowable expense?

**Answer:** If a computing device expense is deemed unallowable at any time, the cost will revert back to the PI and the PI's department for recovery from a departmental account.

**Question:** My project ends in 75 days and I'd like to purchase a computer before the final end date, is this allowed?

**Answer:** Most sponsors will not allow a computer purchase at the end of the project. In fact, purchases made within six months of the project end date may be subject to more scrutiny from the sponsors. Check with your SPA Grant Accountant to see if this can be charged.

**Question:** What is an example of adequate justification for a computing device being purchased that wasn't included in the original proposal?

**Answer:** The justification need not be very long, just briefly describe the purpose and benefit of the device on the project. For example: “the computer being used for data analysis is no longer functioning and needs to be replaced to complete the research”.