Session III: Department Property Management Training
November 11th 2014
OCG Compliance Team: Pat Dodson, Justin Mack and Rebecca Stossmeister
Each step counts

- Award Proposal
  - Budgeting Best Practices
  - Fabrication vs. Stand-alone

- Award Negotiation and Acceptance
  - Terms and Conditions
  - Ownership
  - Agency Specifics

- Award Management
  - Forms
  - Sponsor Requests
  - Purchases
  - Cost Transfers
  - Disposal

- Award Closeout
  - Reporting Requirements
  - In-service
  - Continued Use
BUDGETING BEST PRACTICES

Post-Award Implications
● Building a budget that saves lives
  o Daily responsibilities for property management

Determination of Ownership
● You don’t own me
  o CU / The Feds / The Sponsor
  o Conditionally -Titled

Strategic Budget Writing
● Risky Business
  o Anticipating Funding Mechanism (Intent of Award)
  o Capitalization Requirements
  o Planning for the future
Fabrication

Materials, supplies, and hardware that become a one-of-a-kind piece of equipment that meets a unique research need. Has a useful life of at least one year; total cost greater than $5K.

- Applicable costs are material components, non-consumable supplies, freight, labor*

Confirm any other costs when writing/reviewing proposed budget.

Stand-alone Equipment

Commercially available piece of equipment with a useful life of at least one year and a total cost greater than $5K.
Permanent equipment requested under this project consists of **measurement devices for use during the two field expeditions** that form the central components of the study, and drifting buoys to be left in the field to transmit data after the field experiments.

**Snow Microphotography setup** (total: $5500)

- High-resolution digital SLR camera body ($1500)
- Macro lens ($1000)
- Vibration–isolated stand ($500)
- Bellows and focusing rail ($500)
- High-speed digital flash equipment (2 x $500)
- Gridded backlit focusing stage and lighting ($1000)
AWARD NEGOTIATION AND ACCEPTANCE
OCG reviews award terms and conditions that may affect property management

- **Prior approval** requirements (purchases, transfers, disposals, etc.)
- **Reporting** Requirements (annual and final)

What does that review include?

- Previous interpretation of sponsor approval vs. upcoming guidance
- Intent of Award (*Grant* Vs. *Contract*, Deliverables, etc.)
- Security and Responsibility (Storage, Use, Reporting, etc.)
- When in doubt, check the Property Manual or email

Looking toward closeout responsibilities

- Planning for the end at the beginning
- Final property reporting to the Feds
PECULIARITIES AND PARTICULARITIES

Grants
- 2 C.F.R 200 Uniform Guidance
- Agency Specific applications
- Expanded Authorities-what does that mean?

Contracts
- Industry

- Federal Government Contracts
  - FAR Terms
    The Federal Government retains title to all tangible property acquired with award funds. *Alternate II* – CU may retain ownership for tangible property less than $5K, if granted prior approval to purchase.

Sponsors with Additional Terms
- NASA grants and contracts
- National Labs (Argonne, Sandia, NREL, Los Alamos, Brookhaven, JPL)
- Department of Energy, Space Telescope Science Institute, Interior US Geological Survey
<table>
<thead>
<tr>
<th>Property of:</th>
<th>Federal Government Property</th>
<th>University Property</th>
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<tbody>
<tr>
<td></td>
<td>Requires blue, Government “OF” tag number</td>
<td>Requires gold, CU tag number</td>
</tr>
<tr>
<td>1. <strong>Procurement</strong>:</td>
<td>Requires prior approval; OCG Property Officer must tag</td>
<td>“Property of CU” tags are also available to departments</td>
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<tr>
<td>2. <strong>Use/Maintenance</strong></td>
<td>Requirements</td>
<td></td>
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<tr>
<td>3. <strong>Inventory</strong>:</td>
<td>Annually completed with OCG Property Officer</td>
<td></td>
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<td>4. <strong>Closeout</strong>:</td>
<td>Must obtain disposal instructions from award Contracting Officer</td>
<td><strong>Closeout</strong>: Reporting to OCG</td>
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Department Property Management Plan:

- Written procedures
- Roles and responsibilities within Department
- Control systems for preventing property loss, damage, theft
- Maintenance procedures for sponsor-funded property

Federal Government Property

Department Plan must include *Preventative* and *Corrective* maintenance schedules (required under Federal Acquisition Regulation).

Work with OCG to notify sponsor of any property that is lost, damaged, etc. during the performance of the award.
**PROPERTY OF:**

**Private Titled Property**
- Sponsor Owned Property
- Identified as Deliverables in Contract

**Bailed and Loaned Property**
- Includes both property to/from CU

*If we receive property from a sponsor, contact OCG Compliance team.*

**Subcontractor Oversight** (RE: Property)
- Flow-down of appropriate terms (by OCG)
- Ensure expenses are appropriate (CU’s PI and Department Administrators)
LET'S TAKE A BREAK!
How to get Rebecca to stop emailing you.
# What Do We Really Do, Here?

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
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<tr>
<td>Principle Investigator</td>
<td>- Responsible for property purchases, use, and maintenance.</td>
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| Department Property Manager         | - Advises the department about campus equipment policy and standards
                                           - Liaison with OCG to ensure Government property is identified, tagged and correctly accounted for.
                                           - Processes property changes, transfers, and disposals.
                                           - Ensures deliverable equipment is shipped and received. |
| Department Administrator            | - Submits and/or approves property purchases and cost transfers.
                                           - Ensures that the department follows the standards for property management. |
| OCG                                | - Award Negotiation/Review.
                                           - Contact sponsor for pre-approval.
                                           - Final review for purchase and cost transfer requests.
                                           - Submits required property reports. |
| Procurement Service Center          | - Ensures compliance with University policies, Federal and state regulations for procurement. |
| Property Accounting Office          | - Handles all University property accounting.
                                           - Maintains asset management system (PSAM). |
| Facilities Management (Property Services) | - Responsible for physical property disposal and transfers. |
DAILY PROPERTY ACTIONS

- Forms
- Sponsor Requests
- Fabrications
- Marketplace Requisitions
- Journal Entries
- Budget Deviations
- Disposals and Transfers
NOT ANOTHER FORM!

- Property Working Group Recommendations
  - Sponsor-funded property is special
- Bearing the burden of additional information
- Edits to Forms
  - Clarifying the intent of the forms
  - What are we really asking for?
    - Evaluating whether the requested action is acceptable under the terms of the award and the agency-specific requirements.
    - Ensuring the requested action occurs according to University policies
    - Documentation

Available at: [Sponsored Projects Property Forms](#)
When is sponsor prior approval required?
- Award terms and conditions indicate the prior approval requirements in most cases.
  - Grants vs. Contracts
  - FAR 52.245-1 and FAR 52.245-1 (alternate II)

How will you know if sponsor prior approval is required?
- FileMaker Remarks and InfoEd

Who makes the request to the sponsor for prior approval?
- CU Title (Grant Officer or Contract Officer in OCG)
- Government Title (OCG Property Officer)
- After-the-Fact (Department and PI)
**Definition**

The transformation of materials, supplies, and hardware in a one-of-a-kind piece of equipment that meets a unique research need.

Total cost greater than $5000

Useful life of at least one year and an in-service date

Components are only items that are integral and essential to the entire operation. Removal of any component diminishes the function of the whole.

**Process**

1. Request made to Property Accounting Office.
2. Review by OCG Compliance.
3. SpeedType set up in PeopleSoft with sub-class identifier.
4. Costs are charged to 810-000 account codes.
5. Notification of in-service date.
**Marketplace Requisitions**

**Approval Process**
Tools in Marketplace that are helpful:

- Comments
- Internal Notes/Attachments
  - Sponsor Documents
  - Needs Statement within the Sole Source Justification
  - Vendor Quote
- Purchases within the last 90 days of the Period of Performance

**PI and Department**
- Submit requisition based upon project needs and scope
- Attaches substantiating documents

**Financial Approver**
- Ensure sufficient funding
- Ensure accuracy

**Research Admin. Approver**
- Review award terms/conditions
- Review POP
- Confirms accuracy

**PSC Approver**
- Review purchase details
- Solicits additional documentation
- Creates PO
COST TRANSFER CLARITY

- Approval Process
  - OCG reviews for allowability under the terms and conditions of the award.

- Requirements for Headers
  - Reference the tag number and purchase order number
  - Justifications for cost transfers: reasons of convenience are not sufficient.

Cost transfers may be problematic and are best if minimized on each award. Why?

Additional Resources:
http://www.colorado.edu/abs/sites/default/files/attached-files/apa_je_1.pdf
Research needs may change throughout the project: is it reasonable to deviate from the proposed budget to purchase capital equipment?

Maybe. But you will have extra work to do.

**Grants**
- Cost Principles for Deviations: reasonable, allowable, essential for the performance of the award
- Research Administration approval – what does it really mean?

**Contracts**
- Prior approval is typically required

Who is responsible for spending oversight?
**DISPOSAL AND TRANSFERS**

- **Excess** = Item is inoperable, obsolete and/or no longer needed.

- **Return to Manufacturer** = Item is returned to vendor for full or partial credit or new parts.

- **Return to Sponsor** = Under the terms of the award, the property is identified as deliverable or as furnished or loaned.

- **Cannibalization** = Item is disassembled for parts to use on other equipment

- **Transfers to Outside Institution**
  1. Department Chair
  2. OCG
  3. OVCR-in some cases
  4. Property Services
  5. Property Accounting Office and receiving institution

- **Transfers to Another CU Department**
  1. OCG
  2. Transferring Departments
  3. Property Accounting Office
Self-evaluation process: Required by Federal Acquisition Regulation

What will be involved?
Annual on-site examination
  ▪ Department level
  ▪ OCG’s internal system

Why are we doing this?
Purpose is to uncover deficiencies and correct them
  ▪ Reported annually to our cognitive Administrative Contract Officer
LET'S TAKE A BREAK!
WRAPPING IT ALL UP

- Property Certification/Internal Property Report
  - Ensuring continued use of property on Federal awards
  - Disposals/Transfers occurring as appropriate
  - Placing fabrications into service
  - OCG reporting to the Federal Awarding Agency

- Continued Use of Government Property
  - Disposition must be requested by OCG

- Subcontractor Oversight
  - Property terms of the Subaward
UNIFORM GUIDANCE

The future of Research Administration
WHAT CAN WE EXPECT?

- Internal Controls
  - Written procedures for property controls at the department level

- Conditional Title
  - Disposition Requests
  - Reimbursement of sponsor’s interest in property

- Prior Written Approval
  - Possibly dependent upon agency interpretation

- Computers and Supplies (what does this mean?)
- Property purchases within the last 90 days (Increased scrutiny)
- Closeout requirements (Need for efficiency)
THE WORLD IS A CHANGING...WHAT ELSE SHOULD I CONSIDER?

- PeopleSoft
  - Fall 2015

- Policies and Procedures
  - Impact of InfoEd in January 2015
RESOURCES — WHERE ELSE CAN I TURN TO?

- OCG’s Sponsored Project’s Property Control Manual and Sponsored Project Property forms are both available here:
  
  http://www.colorado.edu/vcr/ocg-sponsored-research/sponsored-projects-property

- Email OCG’s Compliance team for specific questions
  
  ocgproperty@Colorado.edu

- OCG Webpage with additional resources and tools available here:
  
  http://www.colorado.edu/vcr/ocg

- Property Compliance Roadshows/Trainings
  
  Let’s chat about it. Email or call Justin, Pat or Rebecca to coordinate.