

## Session Training Goals

- Terms and Conditions → What you need to know
- Definitions for Property 

   Applicability to our work
- Examples for Discussion
- Understanding the intentions of "additional clarification" requests

## Part I: General Guidelines



### General – T&C

- University, Government or Sponsor titled
  - Sometimes conditional to CU
- Prior Approval Requirements
  - Vary by sponsor and award type (Grant vs Contract)
  - Requirements may not be specific to property but are still applicable. Examples:
    - Budget deviations or revisions
    - Changes to the scope of work
- Reporting or Inventory Requirements

### Federal Grants – T&C

#### Previously:

- OMB Circulars A-21, A-110 and A-133
- FDP Templates and Prior Approvals Matrix

#### Now:

- 2 CFR 200 "Uniform Guidance"
- Agency-Specific Terms, Conditions and Guidelines
- Federal-Wide Research Terms & Conditions

#### Federal interest

Specifically cited in more awards



### Contracts – T&C

#### Federal Acquisition Regulations (FAR)

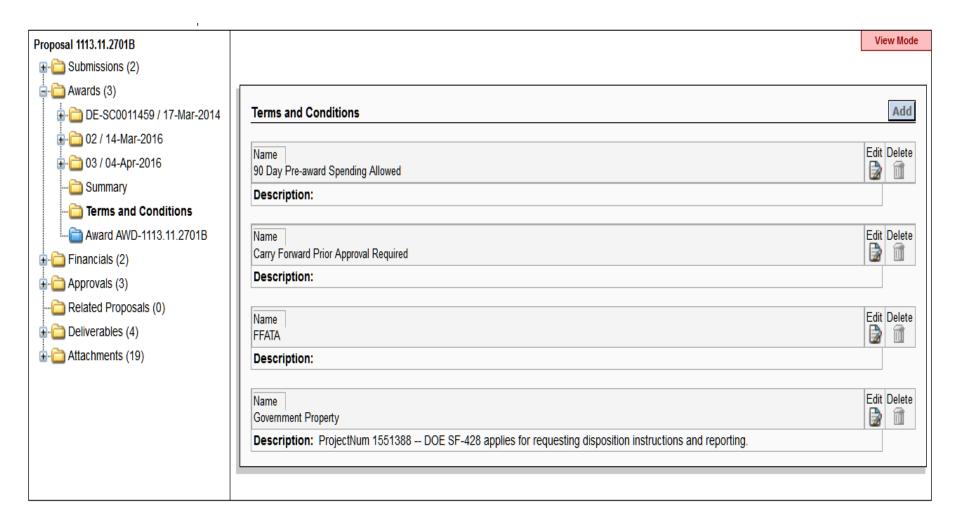
- Agency-Specific FAR terms
  - DFAR, NASA FAR Supplement, DODGAR, DEAR, etc.

#### Common Restrictions

- Property may be Government or sponsor titled.
- More rigid prior approval requirements.
- Deliverables can include both reports and physical hardware delivery.
- Flow-down provisions could apply.

## Help?

- How would you know what the restrictions are for your award?
  - InfoEd and the Award Terms and Conditions folder.
  - In narrative format, not just a checked box



## **Example 1: Terms and Conditions**

- What kind of award do you think these terms apply to?
- What restrictions are implied by these terms?
- How would these terms affect how property can be managed on this award?

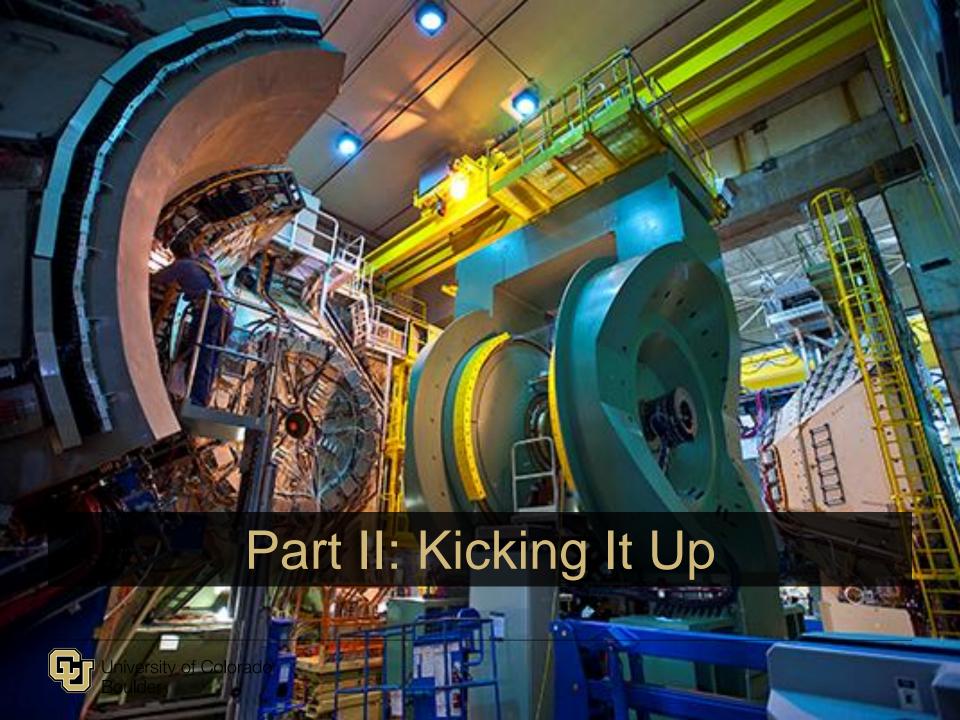
## Other Agreements

#### Other award mechanisms and sponsors

- Non-Federal grants and contracts
- Cooperative agreements

#### Bailment or Loan Agreements

- Property may be loaned either to or from CU.
- Agreement may or may not be associated with a specific sponsored award.



## **Definitions for Property**

#### Property

- Includes all items that are both tangible and intangible, such as materials, capital and non-capital equipment, computers and electronic devices
  - IP; data; instructional materials
- General vs. Special Purpose

### Capital (Permanent) Equipment/Fixed Assets

- Acquisition cost and useful life requirements
- Standalone Equipment
- Fabrication



## Fabrication – Specific Requirements

**Fabrication** is the *transformation* of components into a one-of-a-kind piece of equipment that meets a unique research need.

- Every component of a fabrication must be essential and necessary.
- Costs may include: materials and supplies that are integrated into the fabricated unit; freight, construction, installation, training or assembly labor.

What about items that are not "integrated" into the permanent unit?



## Types of Fabrications

**Deliverable Fabrication** is equipment being built for an external entity that will retain title to it

Fabrication Cluster is a multi-component item that is connected together so it acts as one unit

**Special Test Equipment** is equipment engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract

— Not considered permanent equipment. Why?



## **Definitions for Property**

#### Non-capital Equipment

 Tangible items that are non-consumable, but do not meet the capitalization rules.

#### Supplies

 Consumable items that are used up during the course of a sponsored project.

## Example 2: Property Leaving Campus

#### Who should be contacted to help facilitate this action?

- Can we ship equipment from sponsored projects overseas?
- Who needs to be informed?
- Why is this needed?
- What protection do these steps provide?
- Are 10 days sufficient time to achieve this?

### Off-Campus Equipment Agreement

All University equipment must have a CU tag affixed *prior* to going off-campus. If the equipment i to obtain a tag.

Select all that apply.
Equipment is leaving the USA
Equipment will be off-campus for more than 30 days
Equipment is being loaned to a non-CU entity
Equipment was purchased as part of a sponsored project
Off-Campus Start Date * Month ▼ Day ▼ Year ▼
Expected Return Date
No specific return date.

https://www.colorado.edu/ocg/campus-equipment-agreement.



## **Definitions for Property**

#### Upgrades

- May be capitalized:
  - meet the requirements (acquisition cost and useful life)
  - provide substantial increase in functionality, or
  - enhance equipment's performance beyond its original purpose

#### Repairs, Replacement Parts, or Refurbishments

- Not capitalizable.
- Restore or maintain the equipment at its original performance levels.

### **Best Practices**

#### Cost Principles

- Consider whether the equipment costs being proposed are:
  - · allowable,
  - <u>allocable</u>,
  - reasonable
  - Necessary
- Document, Document

### **Best Practices**

#### Equipment Requisitions

- 2<sup>nd</sup> tier approval = OCG
- Review:
  - Available funding
  - Listed in proposed budget/SOW
  - Adequate justification/research purpose
  - POP
  - Specific sponsor requirements
  - Purchased within 120 days of end date?
  - Any property restrictions?

### **Best Practices**

#### Cost Category

- Consider whether the proposed costs are categorized accurately
- Does the budget justification adequately support costs that seem a little "unusual"?

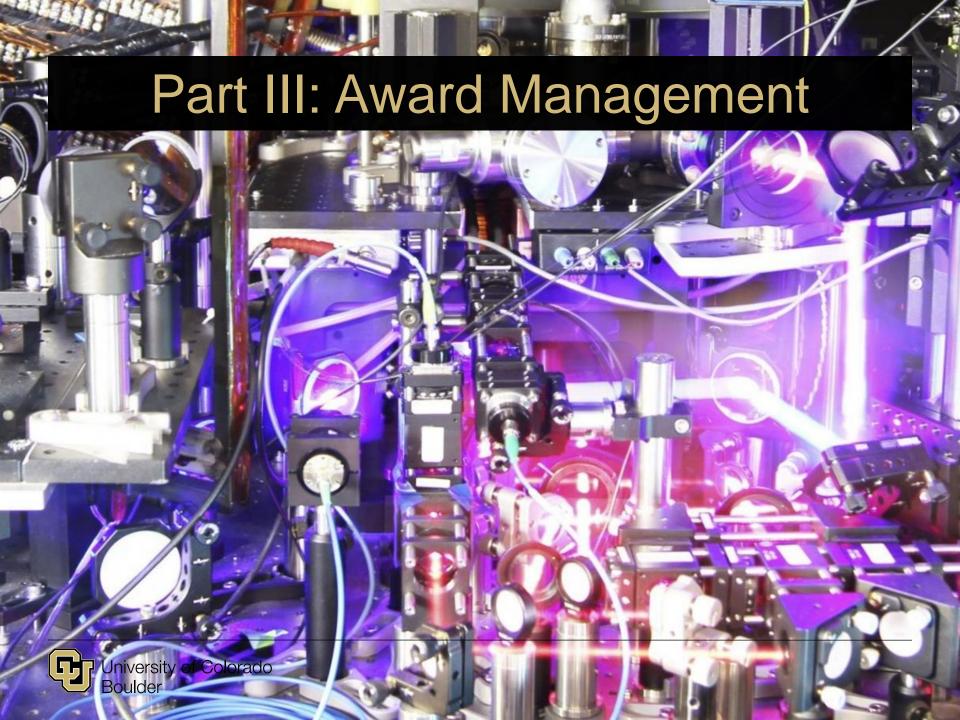
#### F&A Exempt Costs

– Do the equipment costs exempted from F&A make sense?

## Example 3: Buying a Car

- Does the PI explanation make sense? Does it adequately document the need for the car?
- What steps would need to be taken next?
  - Review of the award terms and conditions
  - Acquisition of the car
  - Closeout?

Let's take a break!



#### PIs

- Overall financial and programmatic award management
- Ex: Authorize expenditures necessary for the research; spend within funding limits

### Department Administrators and DPMs

- Provide guidance to PIs for acceptable purchasing, use, management and disposal of property.
- Ongoing award management and oversight
- Ex: ask questions; coach PI/dept about equipment regulations



#### · OCG

- Provide guidelines and other support based on department and PI needs.
- Liaise with sponsor regarding property
- Submit property reports, with input from DPM when needed
- Ex: Interpreting Terms and Conditions; assisting with purchase authorizations

#### Federal Requirements for Procurements and Use

- meet cost principles: allowable, allocable, reasonable, necessary.
- follow Federal policies
- follow university policies
- utilize equipment according to Federal regulations
- university maintains adequate internal controls: for acquisition, use, maintenance, inventory, reporting, disposal of property

#### FAR 52.245-1

- applies to Government titled property
- adds more stringent requirements
  - far more reporting & accountability
  - needs prior approval for purchases
  - won't necessarily get title to equipment

### **Fabrications**

### Before Purchasing Components:

- Review award terms, award budget, and the specific details of the fabrication:
  - Estimated cost and completion date
  - Final location and anticipated future use
- Request the fabrication ST from PAO

### **Fabrications**

### Managing the Expenditures

- Costs may include: materials and supplies that are integrated into the fabricated unit
- Ensure appropriate costs charged to right sub-class
- Notify PAO when placed into service
  - Will start depreciation
- Notify OCG when deliverable shipped out of CU

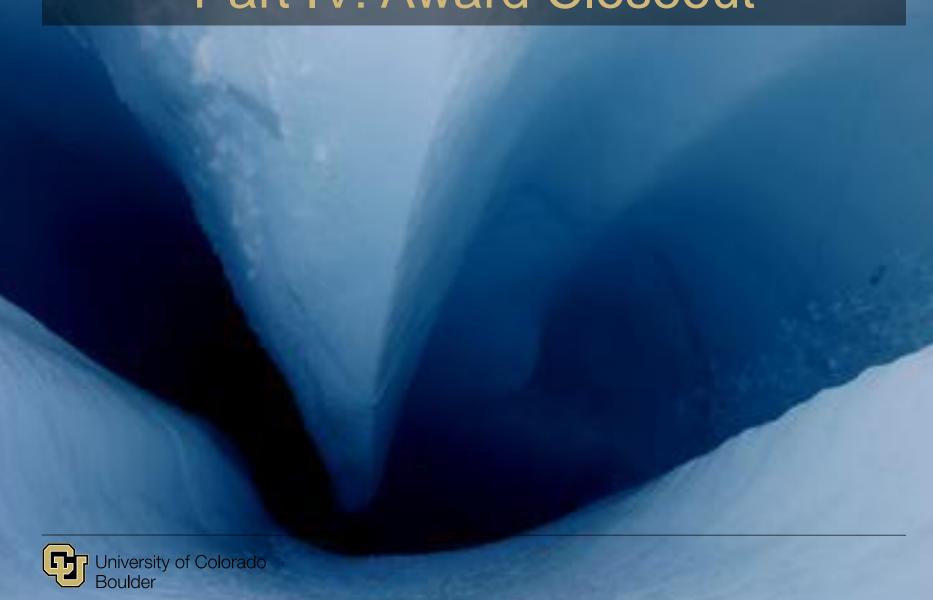
#### PAO = Annual Verification



## Example 4: Fabrication Expenditures

- Which of these costs should be charged to the fabrication SpeedType?
- Which of these costs belong in Other Operating Expense account codes?
- How would you know to sort these out on an expense report?

## Part IV: Award Closeout



## Department Closeout Property Report

### Purpose

- requirements from the Uniform Guidance:
  - Continued use on other Federally funded programs or projects.
  - Internal controls for the responsible use, management, disposal of property.
- timely reporting to the sponsor
- request disposition, when needed
- CU property records may need updating

## Department Closeout Property Report

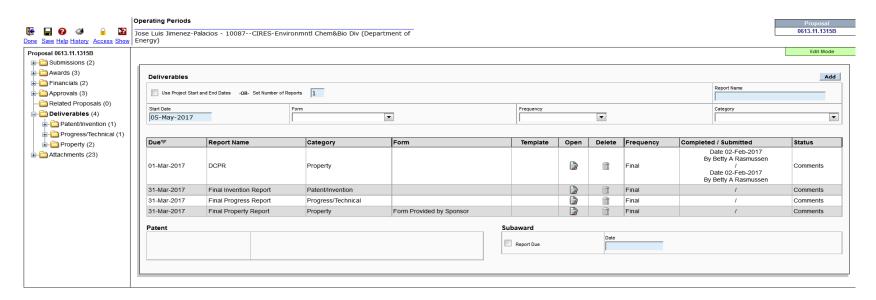
### Required Details

- Account for the permanent equipment acquired during the award
  - Continued use
  - No longer needed?
- Provide a status of the equipment at closeout
  - Fabrication complete?
  - Deliverable fabrication sent to sponsor?

## Department Closeout Property Report

- How to Know if DCPR is Needed
  - InfoEd:
    - Deliverables Folder (1st Level in the hierarchy)
    - Property listed in subfolder
  - Cognos Report:
    - eRA → CU Boulder → Proposal and Award Tracking → Deliverables Report

## Department Deliverables Report



#### **Deliverables Report**

Proposal#	Award No.	PI	Category	Due Date	Completed Date	Submitted Date	Last Name	First Name	Form	Frequency	Report Name	Sponsor	Department	Start Date
<u>0307.11.0503B</u>	DE-FG02-08ER54954	Parker, Scott	Property	04/01/2017			-	-		Final	DCPR	Department of Energy	10205CIPS	02/01/2008
0415.04.0873B	FGM111058A	Leinwand, Leslie	Progress/Technical	04/01/2017	04/03/2017	04/03/2017	Rasmussen	Betty		Annually (12 months)	Annual Progress Report	National Institute of General Medical Sciences/NIH/DHHS	10763-Biofrontiers Institute	06/01/2016
0513.12.0826B	1629-TRP	Zhai, Zhiqiang	Progress/Technical	04/01/2017	04/13/2017	04/13/2017	Rasmussen	Betty		Quarterly (3 months)	Quarterly Report	American Society of Heating, Refrigeration and Air Conditioning Engineering	10331—CivilEng- Civil,Env&Arch Engin	12/01/2013
0614.12.1539B	P14AC00979 / UCOB-106	Lekson, Steve	Progress/Technical	04/01/2017			-	-		Annually (12 months)	Annual Report	National Park Service/DOI	10112Museum- Administration	07/01/2014



### Other "Closeout" Issues

- What are the options for disposing of property when no longer needed?
  - Transfers
  - Surplus
  - Trade-In
- How are these types of disposals handled?
  - Can vary based on the circumstances...

## Example 5: Property Transfers

- What are the options for "closing" the equipment?
- Who has title to this equipment?
- What if the transferring PI wants to take equipment not associated with a relinquished award? Does that change the procedures?

# Part V: Additional Information



## Additional Information

### Government Titled Property

– What is it and who has it?

### Campus Self-Evaluation

- 2015-2016: Applicable to all departments with Government titled property
- Future?

### Department Property Management Plans

- Are departments working on developing these?
- Why are the necessary and what value do they provide?



### Resources

- Property Control Manual
- OCG Webpage <u>www.colorado.edu/ocg</u>
- One-Page Guides
- Additional Trainings ocgproperty@Colorado.edu

