Sponsored Projects Property Management Training

- Patricia Dodson
- Office of Contracts and Grants (OCG): Compliance Team
- May 18, 2017

University of Colorado Boulder

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**

University of Colorado Boulder

Part I: General Guidelines

University of Colorado
Boulder

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

University of Colorado
Boulder

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

Proposal 1113.11.2701B

- Submissions (2)
- Awards (3)
  - DE-SC0011459 / 17-Mar-2014
  - 02 / 14-Mar-2016
  - 03 / 04-Apr-2016
  - Summary
  - **Terms and Conditions**
  - Award AWD-1113.11.2701B
- Financials (2)
- Approvals (3)
- Related Proposals (0)
- Deliverables (4)
- Attachments (19)

Terms and Conditions

Add

Name	Edit	Delete
90 Day Pre-award Spending Allowed		

Description:

Name	Edit	Delete
Carry Forward Prior Approval Required		

Description:

Name	Edit	Delete
FFATA		

Description:

Name	Edit	Delete
Government Property		

Description: ProjectNum 1551388 -- DOE SF-428 applies for requesting disposition instructions and reporting.

UNIVERSITY OF COLORADO Boulder

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?

University of Colorado Boulder

9

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.

Part II: Kicking It Up

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 <u>integrated into the fabricated unit</u>; 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   Month ▾ Day ▾ Year ▾

☐ No specific return date.

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

University of Colorado Boulder

17

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:
    - ***<u>allowable</u>,***
    - ***<u>allocable</u>,***
    - ***<u>reasonable</u>***
    - ***<u>Necessary</u>***
  - Document, Document, Document

University of Colorado Boulder

Best Practices

- **Equipment Requisitions**
  - 2nd 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!**

Part III: Award Management

General Expectations

- **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

University of Colorado Boulder

General Expectations

- **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

University of Colorado Boulder

General Expectations

- **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

General Expectations

- **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

- ## <u>Before</u> 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 <u>integrated into the fabricated unit</u>
  - 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

University of Colorado
Boulder

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*

University of Colorado Boulder

Department Deliverables Report

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**
  www.colorado.edu/ocg

- **One-Page Guides**

- **Additional Trainings**
  ocgproperty@Colorado.edu