

# Sponsored Projects Property Management Training



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Office of Contracts and Grants (OCG): Compliance Team

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# Session Training Goals

- Terms and Conditions → How and When is Property Permitted
- Definitions for Property
- Acquisitions & Award Management
- Examples for Discussion

# Part I: Diverse Property Terms & Conditions



# T&C – General

- Terms & conditions driven by how title to property & equipment is vested
  - To University, exempt with no further obligations
  - Conditionally titled to University
    - Federal agency retains interest in the equipment until it is disposed or has a market value less than \$5,000
  - With the Government
    - Federal agency retains full interest in the equipment while in our possession
    - CU only has permission to use it as needed in the contract
  - With the non-government sponsor

# T&C – Government Titled

- Government titled is most restrictive
- Prior approval required
  - For all capital AND non-capital property purchases
  - Even if listed in budget
  - Gov't permission to return to manufacturer
    - for repair work
    - for trade-in
  - Prior approval for disposition

# T&C – Government Titled

- Federal Acquisition Regulations (FAR)
  - Agency-Specific FAR terms
    - DFAR, NASA, NFAR, DEAR, etc.
  - Contracts
    - all the National Labs
    - JPL, SwRI, flowdowns from prime
  - Strict reporting requirements
    - annual and final

# T&C – Conditional

- Conditional also restrictive
  - Vary by sponsor and award type
  - DoD, Program specific DoE
  - UG states must be conditional on grants & cooperative agreements,
    - ***Unless agency-specific requirements specify otherwise***
- Equipment/property sharing
  - Not tied to just one award
  - Expect usage on other federal awards

# T&C – Conditional

- Closeout reports required
  - For capital equipment
  - Disclose to agency other federal projects will now use the equipment
- University can retain until no longer useful
  - Sponsor approval before disposing or transferring if current market value is greater than \$5,000
  - Tagging CU property with CT in 6-digit numeric tags
- Accountability
  - Key point: Still accountable to federal agency long after project ends

# T&C – Conditional

- Conditionally titled usually requires sponsor prior approval
  - 2 CFR 200 “Uniform Guidance” (UG) states prior approval required for  $\geq$ \$5K items
  - Usually called out in award document
  - Requirement modified by Federal-Wide Research Terms & Conditions (2017)
    - 9 federal agencies participated
    - ***Unless otherwise specified in the Agency-Specific Requirements, prior approval is waived for those agencies***

# T&C – Unconditional to CU

- With grants/cooperative agreements
- Also some non-federal awards
- Governed by UG
  - Only NSF & NIH have authorization for it
  - **NOTE**: CU may have unconditional title
    - *but if we sub out to industry partner, equipment they purchase is govt titled*
    - *Governed by same restrictions as FAR 52.245-1*

# T&C – Unconditional to CU

- Equipment/property sharing
  - Although unconditionally titled, agencies expect usage on other federal awards
  - General nature of grant research work often provides overlap
- Agency-specific
  - Terms, Conditions and Guidelines can override UG
    - each agency's particulars

# T&C – Other

- Non-Federal grants and contracts
  - Foundations, Professional Associations
  - CO entities
  - Each are unique
- Receive loaned equipment
  - Formal Bailment Agreements
  - Special terms

# 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
  - New T&C screen with v.15 InfoEd

View Mode

**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 90 Day Pre-award Spending Allowed	Edit	Delete
<b>Description:</b>		
Name Carry Forward Prior Approval Required	Edit	Delete
<b>Description:</b>		
Name FFATA	Edit	Delete
<b>Description:</b>		
Name Government Property	Edit	Delete
<b>Description:</b> ProjectNum 1551388 -- DOE SF-428 applies for requesting disposition instructions and reporting.		

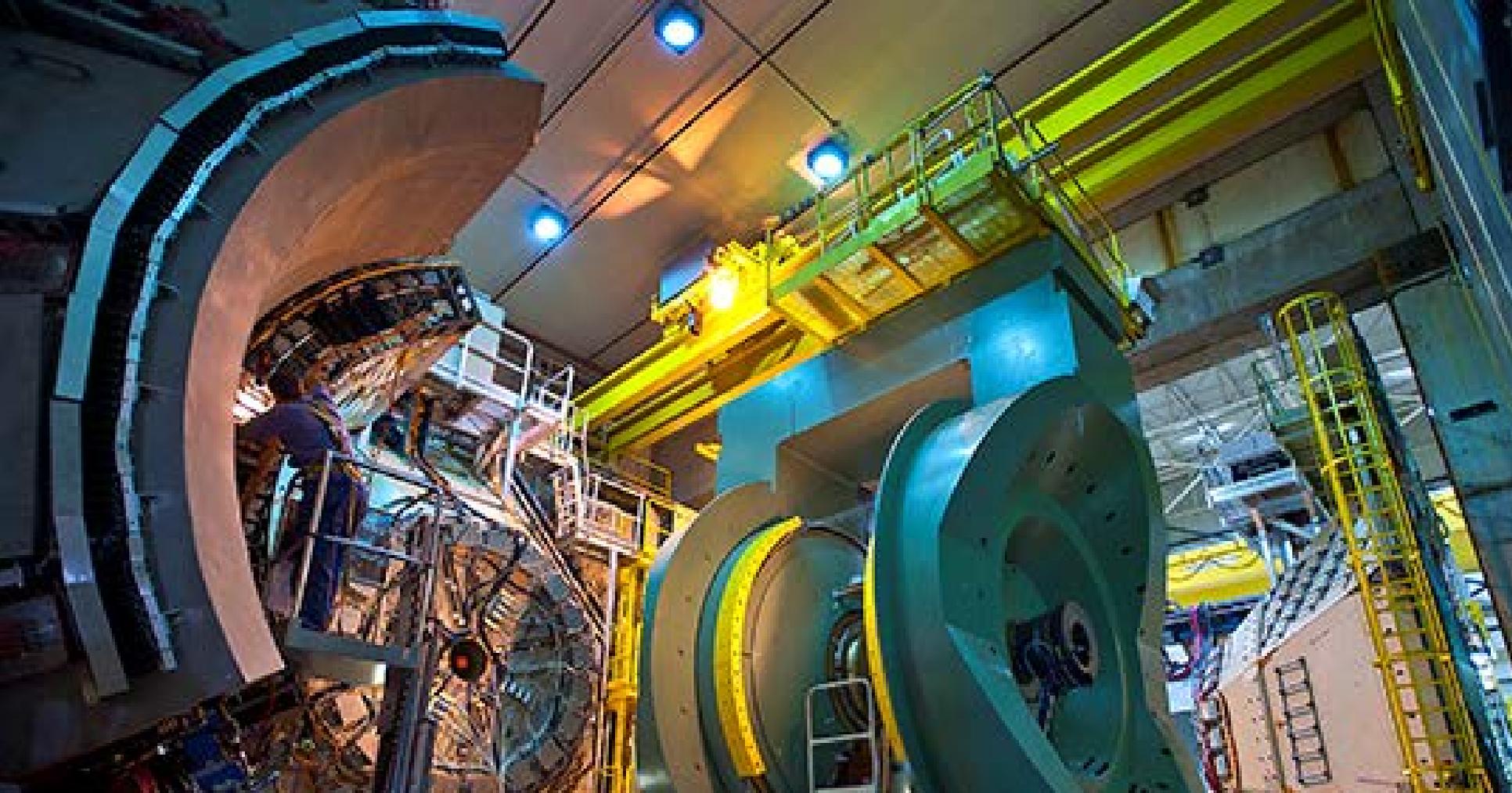
Property terms & conditions will be listed in this screen

# Case 1: Terms of the Award

- a. Title to equipment and supplies that you acquire (whether by purchase, construction or fabrication, development, or otherwise) under this award vests in you, the recipient.
- b. That title is a conditional title, subject to the terms and conditions in PROP Articles II-IV, Section D of PROP Article VI, and REP Article III of this award.
- c. There is a Federal interest in the property that you develop or produce under the award. We retain this Federal interest until final disposition of the property under PROP Article IV (for equipment), a period that in some cases may extend beyond closeout of this award.

# Discussion: Terms and Conditions

- Where does title vest given these terms?
  - What is some key language indicating that?
- What restrictions are implied by these terms?
- How would these terms affect how property can be managed on this award?



## Part II: Key Definitions



# Definitions – Property

- Property
  - Includes all items both tangible and intangible, such as materials, capital and non-capital equipment, computers and electronic devices
    - ***IP; data; instructional materials***
- General Purpose vs Special Purpose
  - General = not allowable as a direct charge
  - Special = allowable when necessary for the work

# Definitions – Property

- Capital (permanent) equipment/fixed assets
  - \$5K or more & useful life 1 yr or more
  - Standalone Equipment
  - Fabrication
- Threshold levels set by CU
  - \$5K is federal threshold for capital items
  - Sponsor may establish different threshold when requiring prior approval

# Definitions – Property

- Upgrades
  - May be capitalized IF:
    - 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 just because of cost
  - Restores or maintains the equipment at its original performance levels

# Definitions – Property

- Non-capital property
  - Tangible items that are non-consumable, but do not meet the capitalization rules.
    - computers, hard drives, specialized tables or storage racks
- Supplies
  - Consumable items that are used up during the course of a sponsored project.
    - lab or field supplies, gasses, compressed air, etc

# Definitions – Fabrication

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

- Specific requirements:
  - every component 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?

# Definitions – Types of Fabrication

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?

# Case 2: Equipment Upgrades

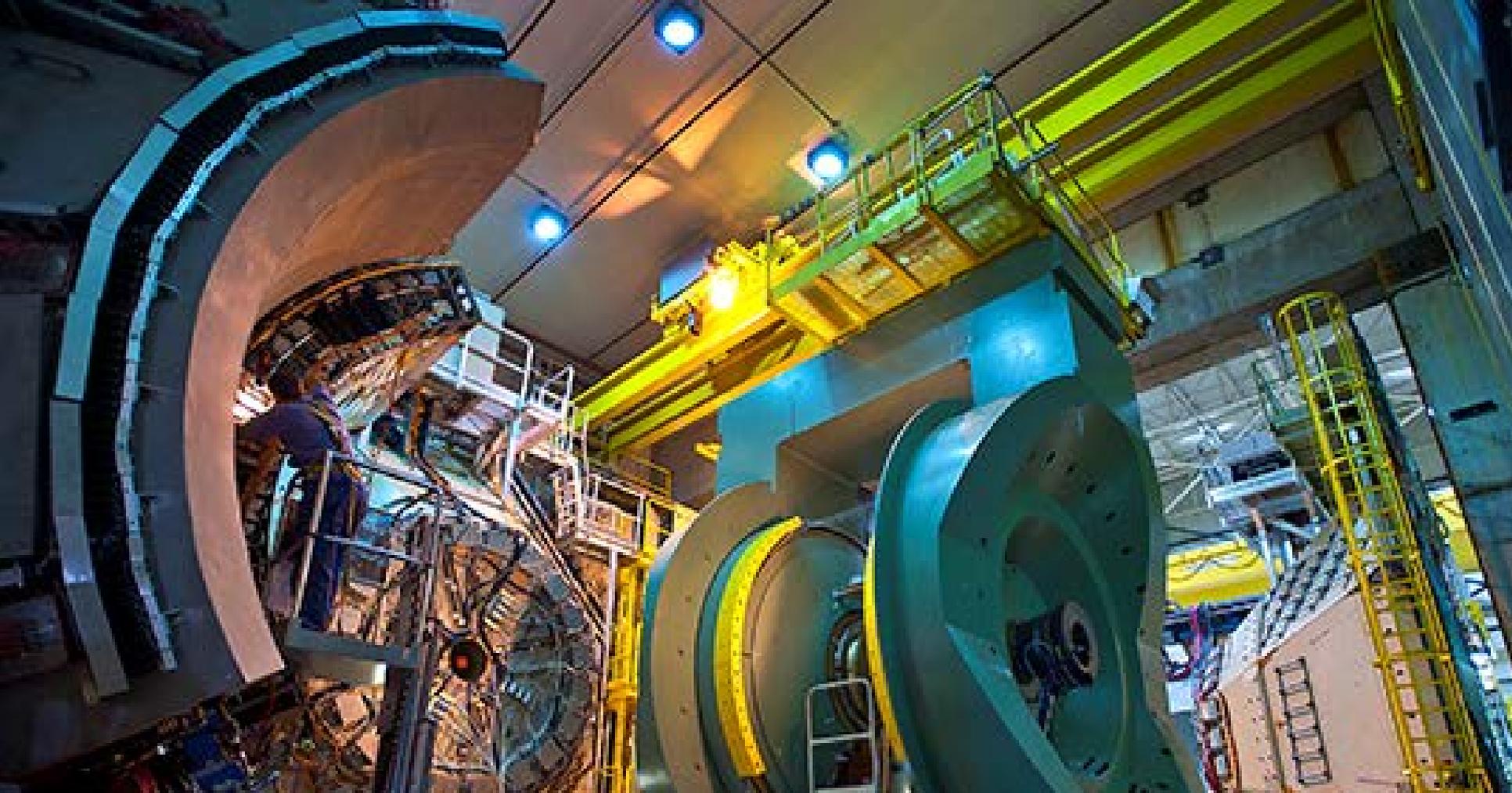
Dr. Wreck-It Ralph has an broken FTIR instrument that costed \$100k. In order for him to get the instrument back to working condition, he needs to replace the off-axis beam splitter (\$5,500) and anechoic chamber (\$12,000). The beam splitter and anechoic chamber are integral part of this FTIR instrument, necessary for it to function, and is of no value in itself.

-Dr. Ralph would like to charge the beam splitter and anechoic chamber as capital equipment to his NSF Grant. Is that appropriate?

# Discussion: Equipment Upgrades

What criteria needs to be met in order for a purchase to be considered a capital equipment upgrade?

What is the appropriate account code for the beam splitter and anechoic chamber?



## Part III: Acquisition



# Acquisition Procedures

- Equipment requisitions in marketplace
  - 2<sup>nd</sup> tier approval = OCG for requisitions totaling >\$10K
  - OCG review:
    - ***Available funding***
    - ***Listed in proposed budget/SOW?***
    - ***Adequate justification/research purpose***
    - ***Specific sponsor requirements***
      - Sponsor and/or ACO prior approval
    - ***Any property restrictions?***
    - ***POP***
    - ***Purchased within 90-120 days of end date?***

# Acquisition Procedures

- Cost category
  - Consider whether the proposed costs are categorized accurately
- Certify availability was checked
  - Statement required in the requisition:  
<http://www.colorado.edu/sharedinstrumentation/> and/or  
<https://buffsurplus.colorado.edu/> was checked for available property

# Acquisition Procedures

- Sponsor prior approval
  - Required for all government titled property
    - regardless of cost or if in proposed budget
  - Possibly with non-Federal sponsors
  - Property administered by ONR may require ACO approval
  - Should be uploaded as an attachment into Marketplace

# Acquisition Procedures

- Needs statement is always required
  - Equipment costs should be:
    - allowable,
    - allocable,
    - reasonable
    - necessary
  - Does budget justification adequately support property and equipment costs?
  - Justification for unbudgeted property purposes should be in Marketplace
  - Document, Document, Document

# Acquisition Procedures

- After the fact substantiation
  - Marketplace purchases \$5K-\$10K not pre-screened
  - OCG reviews requisitions sent to PSC
    - contacts dept/PI for needs statement when missing
    - or if sponsor prior approval not uploaded into requisition

# Case 3: Buying Equipment

You receive an email from Dr. Henry McCoy on August 1, 2018. He asked you to place an order ASAP for a new electron microscope that cost \$50,000 using funds from his NIH Grant that is ending in November. The electron microscope was not included in the awarded budget.

The T&Cs state:

- *[...] the recipient must obtain prior approval from the NIH awarding IC for a change in scope. A change in scope is a change in the direction, aims, objectives, purposes, or type of research training, identified in the approved project. The recipient must make the initial determination of the significance of a change and should consult with the GMO as necessary. Potential indicators of a change in scope include, but are not limited to, the following:*
  - *Purchase of a unit of equipment exceeding \$25,000.*

**Is this an allowable cost?**

# Discussion:

- What other information that you need before placing the order for the electron microscope:
  - Did the PI check Buff Surplus of CU Shared Instrumentation?
  - Justification from PI for the new electron microscope (including why he is buying it so close to the end date of the award)
  - Verification from the PI that the scope of work did not change.

# Let's Recap!

## Definitions

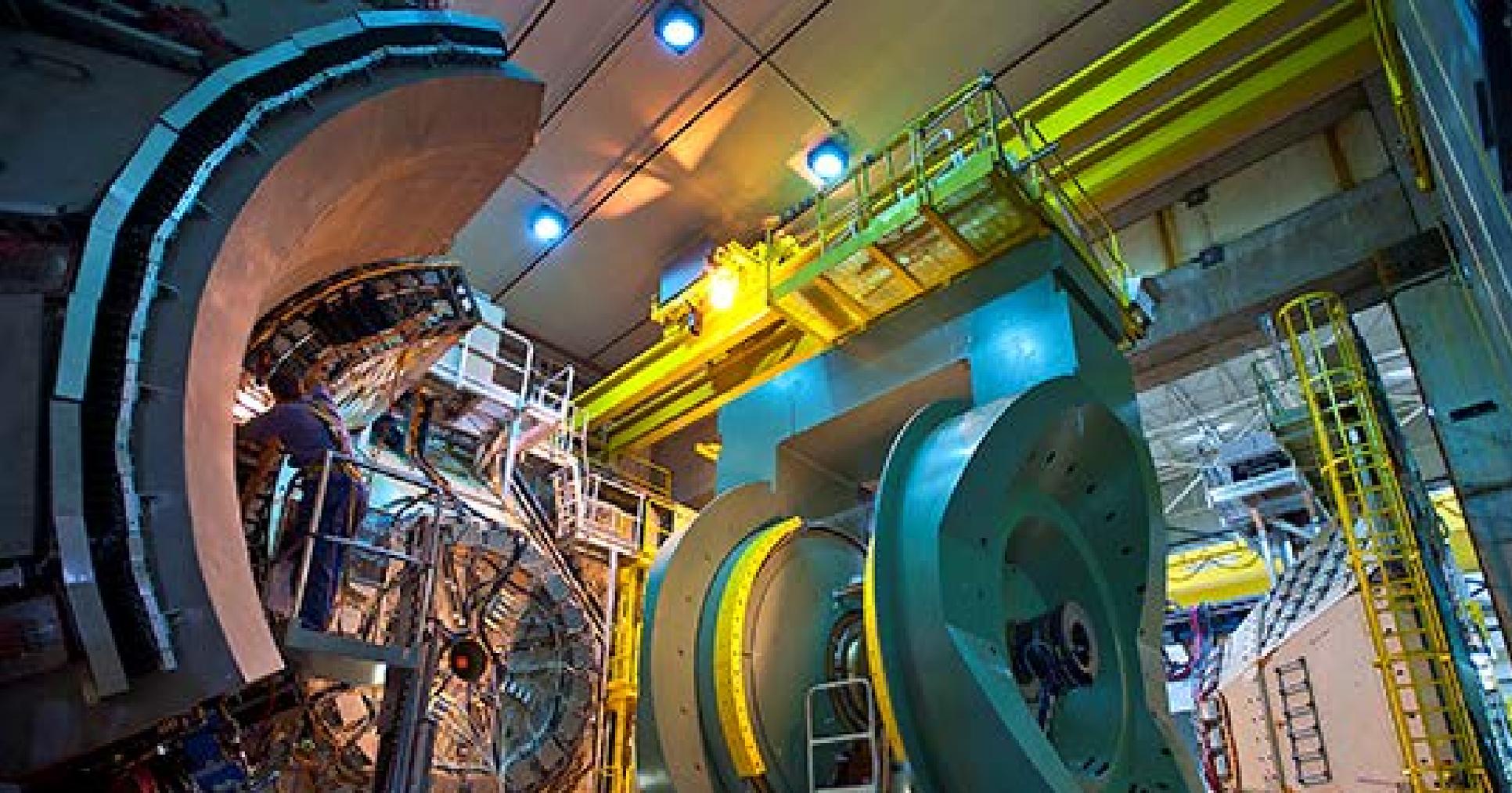
### Terms



Capital Property  
Non-Capital Property  
Fabrications  
Supplies

### Acquisition





# Part IV: Property 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

# General Expectations

- OCG
  - Provide guidelines & support based on department and PI needs
  - Liaise with sponsor regarding property
  - Submit property reports, with input from DPM when needed
  - Interpret Terms & Conditions; assist with purchase authorizations
  - Help maintain adequate internal controls: for acquisition, use, maintenance, inventory, reporting, disposal of property

# General Expectations

- Follow university and campus policies
  - Federal and sponsor specific requirements
  - Utilize equipment according to Federal regulations
  - University policies specific to property
    - **all property purchased with university funds belongs to CU**
    - sell, trade in, or donate property according to CU procedures
    - report appropriately when leaving campus

# Requirements

- Disposition
  - Start with OCG
  - OCG verifies any outstanding obligations
    - any required prior approvals
  - OCG notifies PAO and Property Services
    - then go to Property Services and request pickup
- Transfer to new institution
  - New procedures under review for approval
  - Requires transferring PI to account for all property
  - OCG approves any property leaving CU before Property Services

# Requirements

- Maintenance records
  - PIs & department responsible for regular maintenance of equipment
  - Required for govt titled and by the UG
  - Need to document when maintenance or calibration is conducted
    - centralized in dept office
    - tags on equipment in the labs
    - has be to auditable

# Requirements

- 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
- Charge to a/c 810700 w/i the sub-class
- Notify PAO when placed into service
- Notify OCG when deliverable shipped out of CU

# Case 4: Property Leaving Campus

Dr. John Smith wants to ship a piece of equipment to his counterpart Dr. Jane Kim at Michigan State. What is needed in order to ship the equipment to her?

# Discussion: Property Leaving Campus

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

- Can we ship equipment from sponsored projects?
- Who needs to be informed?
- Why is this needed?
- What protection do these steps provide?

# Off-Campus Equipment Agreement

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

**Expected Return Date**

No specific return date.

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

# Case 5: Disposition

A cooling system is no longer needed in Dr. Freeze's lab. The cooling system was purchased on a NASA Contract and has the following CU Tag No. 0F6438. Dr. Freeze asks you to assist with removing cooling system from his lab.

# Discussion: Disposition

- Who do you need to contact?

# Part V: 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 at closeout
  - Request disposition, when needed
  - CU property records may need updating

# Department Closeout Property Report

- DCPR needed for any fixed asset purchases
  - InfoEd:
    - deliverables folder & screen (1<sup>st</sup> Level in the hierarchy)
    - property listed in subfolder
  - Cognos Report:
    - eRA → CU Boulder → Proposal and Award Tracking → Deliverables Report
  - m-fin financial detail report:
    - copy sent to dept with DCPR form
    - can find

# Case 6: DCPR

## DCPR Handout –

A DOE Grant has ended which had a fabrication charged to it. OCG asks you to complete a Department Closeout Property Report. What information and specific details do you need in order to complete this form?

# Department Closeout Property Report

- Required details
  - Account for permanent equipment acquired during the award and fabrications
    - continued use
    - no longer needed?
  - Provide a status of the equipment at closeout
    - Fabrication complete?
    - Deliverable fabrication sent to sponsor?

# 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...

# Part VI: Additional Information



# Additional Information

- Government Titled Property
  - Look for training specific to it in 2019
- Property “Hands-on” Workshop
  - Spring 2019
- Campus Self-Evaluation
  - 2016-2018: Applicable to all departments with Government titled property
  - Future = if no property but award with those terms
- Department Property Management Plans
  - Why are they necessary and what value do they provide?
  - OCG to assist more with these in 2019

# Resources

- Property Control Manual

<http://www.colorado.edu/ocg/node/420/attachment>

- OCG Webpage

[www.colorado.edu/ocg/](http://www.colorado.edu/ocg/)  
[www.colorado.edu/ocg/manage-awards/property-and-equipment](http://www.colorado.edu/ocg/manage-awards/property-and-equipment)

- One-Page Guides

- Additional Trainings

[www.colorado.edu/ocg/training/research-essentials/educational-workshops/](http://www.colorado.edu/ocg/training/research-essentials/educational-workshops/)

- Questions

[ocgproperty@colorado.edu](mailto:ocgproperty@colorado.edu)

**Office of Contracts and Grants**  
UNIVERSITY OF COLORADO BOULDER

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### Our Mission

Throughout the lifecycle of an award, the Office of Contracts and Grants (OCG) partners with faculty, staff and students to obtain and manage external support for sponsored activities through our specialized regulatory and organizational expertise.

**Frequently Needed Information**  
Principal Investigator Resources  
Department Administrator Resources

Find Funding	Prepare Proposals	Negotiate & Accept Awards	Award Setup
Outgoing Subcontracts	Award Management	Award Compliance	Award Closeout

### Helpful Resources

- I want to...**
  - Contact OCG staff that help my department
  - Fill out a PSR form
  - Get my award SpeedType
  - Request an extension
  - Get help with outgoing subawards
  - Dispose of property
- Proposals 5 Day Rule**
- Signature Authority**

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