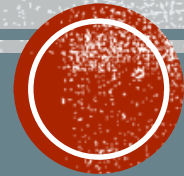# SPONSORED PROJECTS PROPERTY

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

AWARD PROPOSAL

BUDGETING BEST PRACTICES

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

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

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

NAME THAT ASSET

Fabrication

Materials, suppplies, 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.

WHAT A BEAUTY

EQUIPMENT BUDGET JUSTIFICATION on proposal for NSF award

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

THE A-TO-Z ON T&C, GIVE 'EM SOME TLC

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** responsibilites
- 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

PROPERTY OF:_____

Federal Government Property

Requires blue, Government "0F" tag number

1. **Procurement**: Requires prior approval; OCG Property Officer must tag

2. **Use/Maintenance** Requirements

3. **Inventory**: Annually completed with OCG Property Officer

4. **Closeout:** Must obtain disposal instructions from award Contracting Officer

University Property

Requires gold, CU tag number

"Property of CU" tags are also available to departments

1. **Procurement**: May require prior approval; tags affixed by Department

2. **Use/Maintenance** Requirements

3. **Inventory**: Completed every two years by Department

4. **Closeout**: Reporting to OCG

KEEPING IT TOP NOTCH

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!

AWARD MANAGEMENT

How to get Rebecca to stop emailing you.

WHAT DO WE REALLY DO, HERE?

Principle Investigator
- Responsible for property purchases, use, and maintenance.

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**

MAY WE PLEASE BUY THIS?

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)

LET'S TALK ABOUT THAT FABRICATION.

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.

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/spa_je_1.pdf

BUDGET DEVIATIONS

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

LOOKING WITHIN

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!

AWARD CLOSEOUT

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.