Sponsored Projects Property Management Training

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
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<td>90 Day Pre-award Spending Allowed</td>
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<td>Carry Forward Prior Approval Required</td>
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<tr>
<td>FFATA</td>
<td></td>
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<tr>
<td>Government Property</td>
<td></td>
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</tbody>
</table>

Description: ProjectNum 1551388 -- DOE SF-428 applies for requesting disposition instructions and reporting.
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.
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 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 is 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](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*,
    • *allocable*,
    • *reasonable*
    • *Necessary*
Best Practices

• **Equipment Requisitions**
  – 2\textsuperscript{nd} 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
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
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

• **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

### Operating Periods

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<th>Period</th>
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<td>31-Mar-2017</td>
<td>Final Property Report</td>
<td>Property</td>
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### Deliverables

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<th>Report Name</th>
<th>Category</th>
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<th>Frequency</th>
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<tr>
<td>01-Mar-2017</td>
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### Deliverables Report

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<td>National Park Service/DOE</td>
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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