2203 – Equipment Usage – Federal Awards/Sponsored Projects

Equipment acquired with Federal funding is managed in accordance with Federal regulations, sponsor requirements, and Barton Community College policies. The use and management of equipment acquired with Federal funding at the College is an integral process supported by the College and specific programs that purchase and use the equipment.

Title

Title to equipment acquired under a Federal award must vest upon acquisition in the College subject to the following conditions:

- Equipment is used for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project.
- Not encumber the property without approval of the Federal awarding agency or pass-through entity.
- Use and dispose of the property in accordance with § 200.311 Real property
- A state must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures.

Usage

Equipment will be used by the College in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award. The College will not encumber the property without prior approval of the Federal awarding agency. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:

- Activities under a Federal award from the Federal awarding agency which funded the original program or project, then
- Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.

During the time that equipment is used on the project or program for which it was acquired, the College will make equipment available for use on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use will be given to other programs or projects supported by Federal awarding agency that financed the equipment and second preference will be given to programs or projects under Federal awards from other Federal awarding agencies. The College knows and understands use for non-federally-funded programs or projects is also permissible, user fees will be considered if appropriate.

Notwithstanding the encouragement in §200.307- Program income, the College will not use equipment acquired with the Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal government retains an interest in the equipment.

Proceeds for Replacement Property

When acquiring replacement equipment, the College can use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Management

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- Property records will be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- A physical inventory of the property will be taken and the results reconciled with the property records at least once every two years. (See also *Equipment Inventory and Disposition Form*.)
- A control system will be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- Adequate maintenance procedures will be developed to keep the property in good condition.
- If the College is authorized or required to sell the property, proper sales procedures will be followed to ensure the highest possible return.

Disposition

When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the College will request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award.

Disposition of the equipment (See also *Equipment Inventory and Disposition Form*) will be made as follows, in accordance with Federal awarding agency disposition instructions:

- Items of equipment with a current per unit fair market value of $5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.
- Except as provided in §200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of $5,000 may be retained by the College or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the College to deduct and retain from the Federal share $500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

- The College may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the College will be entitled to compensation for its attributable percentage of the current fair market value of the property.
- If the College fails to take appropriate disposition actions, the Federal awarding agency may direct the College to take disposition actions.

Contact(s): Director of Grants

Related Form(s)

- *Equipment Inventory and Disposition Form*

References
§§ 200.307 – Program income, 200.313 Equipment, 200.439 Equipment and other capital expenditures. (Federal Register, Vol.78, No. 248/Thursday, Dec. 26, 2013/Rules and Regulations).

Relevant Policy or Procedure(s): 1200 – College Facilities, Equipment, and Other Resources

Approved by: President

Date: 6/1/15

Revision(s): 10/16/19 (update)