



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 65.08, **Equipment Acquired with Federal Funding**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish procedures for the management of federally funded equipment.

REVIEW: This HSC OP will be reviewed on March 1 of every odd numbered year (ONLY) by the Directors of Accounting Services and the Office of Sponsored Programs, with recommendations for revision forwarded to the Executive Vice President for Finance and Operations.

POLICY/PROCEDURE:

1. Policy Statement.

- a. It is the policy of Texas Tech University Health Sciences Center that equipment purchased with federal funds will be managed and accounted for in accordance with all applicable federal regulations, terms and conditions of the award, state law, and institutional policy. This policy is in addition to the requirements set forth in [OP 63.10](#), Property Management, [63.11](#) Disposal of Surplus, Obsolete, or Uneconomically Repairable Inventory and [72.04](#), Equipment Purchased for Sponsored Federal Projects.

2. Definitions.

- a. **Equipment-** tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.
- b. **Federally-owned equipment-** equipment under TTUHSC's control (either furnished, acquired or fabricated) to which the Federal Government retains title.
- c. **Departmental Property Custodian-** an employee of TTUHSC to whom property has been assigned and have the responsibility to manage, control, and account for all assets within their department.
- d. **Property Manager-** a TTUHSC employee with overall responsibility for all TTUHSC property.
- e. **Property Inventory System-** web-based system used to report any changes in equipment and annually certify inventory.

3. Acquisition. Refer to [HSC OP 72.04](#), Equipment Purchased for Sponsored Federal Projects.

- a. Transfer of equipment to TTUHSC- when a federal grant is being transferred from another academic institution, and equipment is listed on the relinquishing statement. The Office of Sponsored Programs will notify Accounting Services upon new fund set-up by attaching the relinquishing statement to the new fund request, and completing the new fund form. Accounting Services will ensure that the fund attribute will be assigned to the grant fund if disposition instructions are required or if the title vests with the federal government. The Departmental Property Custodian will need to fill out the Interagency Property Transfer Request Form and submit it to Property Inventory to receive tags for the equipment.

4. Ownership of Equipment Purchased with Federal Funding. Generally, the title of ownership for equipment purchased on Federally-funded sponsored agreements vests with TTUHSC.

5. If the Federal Government retains ownership of the equipment, or if disposition instructions are required to be requested from the agency, it should be specifically identified in the sponsor agreement. The Office of Sponsored Programs will notify Accounting Services upon new fund set-up of the terms and conditions in the award documentation regarding equipment ownership. Accounting Services will ensure that the fund attribute will be assigned to the funds requiring disposition instructions, or funds where the title vests with the federal government.
6. **Tracking.**
- a. It is the responsibility of the Departmental Property Custodian to:
 - i. Affix property tags to equipment in a timely manner.
 - ii. Update the building/room location, condition and serial number of assets in the Property Inventory System.
 - iii. Complete an annual certification of departmental inventory in the Property Inventory System.
 - iv. Initiate/receive transfers in the Property Inventory System when equipment is moved from one department to another. Transfers must be in accordance with Section 6 below.
 - v. Report missing or stolen property to Property Management and the Office of Sponsored Programs in a timely manner.
 - vi. Ensure equipment is accessible at all times for audit purposes.
 - vii. Exercise reasonable care for equipment security.
 - viii. Ensure routine, preventative maintenance is performed and documented, with the goal of maintaining the efficiency and usefulness of the equipment for as long as possible.
 - b. The following information is housed in the Property Inventory System:
 - i. Serial number or other identification number (information is maintained by Departmental Property Custodian)
 - ii. The source of funding for the property
 - iii. Whether title vests with TTUHSC or Federal agency
 - iv. Acquisition date
 - v. Cost of the Property
 - vi. Percentage of Federal participation in the project costs for the Federal award under which the property was acquired
 - vii. The location (information is maintained by Departmental Property Custodian)
 - viii. Use and condition of the property (information is maintained by Departmental Property Custodian)
 - ix. Ultimate disposition data including the date of disposal
 - c. Other required information:
 - i. FAIN – maintained with the grant record in Banner
 - ii. Sale price at time of disposal of property – maintained by the regional Surplus Property department
7. **Equipment Use.** Federal equipment must be used on the project for which it was acquired but may also be used for other projects as long as the use doesn't interfere with the acquiring project. Preference for such other use must be given to other projects from the federal funding agency, then to other federal projects, and lastly to non-federal projects.
8. **Transfer to another Educational Institution.** If an active TTUHSC sponsored project is approved for transfer to another institution, the equipment must be transferred in accordance with the terms and conditions of the award.
9. **Disposition.** When equipment is no longer needed for any projects within TTUHSC, the Departmental Property Custodian will initiate a transfer of the equipment to Surplus. If the title of the equipment vests with the Federal Government, or requires disposition instructions from the funding agency, Surplus will not accept the transfer and will notify the Office of Sponsored Programs. The Office of Sponsored Programs will request the disposition instructions from the agency and work with the department and Surplus to ensure proper disposition.