TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 72.04, **Equipment Purchased for Sponsored Federal Projects**

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish procedures for the procurement of equipment required in the conduct of sponsored federal projects and to ensure that equipment purchases are made in accordance with federal regulations and agreement provisions. Failure to follow federal requirements can result in a liability for the TTUHSC. The term sponsored federal projects includes grants, contracts, and cooperative agreements for research, instruction and service projects. Federal policies require a survey to determine the availability of existing institutional equipment which can meet the needs of the project and limit equipment purchases during the last months of a project.

REVIEW: This HSC OP will be reviewed in October of each even-numbered year (ENY) by the Directors of Sponsored Programs and Purchasing, with recommendations for revision forwarded to the Senior Vice President for Research and the Executive Vice President of Finance and Operations (EVPFO).

POLICY/PROCEDURE:

1. **Sources of Information.**

    a. The TTUHSC Inventory Department will maintain at the www.ttuhsc.edu website a searchable property/equipment inventory, currently at www.fiscal.ttuhsc.edu/propinv . Items which have a life expectancy of less than one year and/or less than $5,000.00 are excluded from this list. This website is available to Principal Investigators and Project Directors (PI/PDs) for review.

    b. Sponsored Programs will maintain records on each sponsored federal project which can be used to determine whether or not the purchase of any item of equipment covered by this HSC OP is authorized.

    c. The Office of Accounting Services will maintain current expiration dates on all sponsored federal projects in the financial accounting system. This data is available via access to Banner.

2. **Authority to Procure.** Before making a procurement, a PI/PD of a sponsored federal project is required to:

    a. Have authority to purchase or rent equipment used on a project; and

    b. Conduct a search (See 1.a. above) to determine if a suitable item of equipment is already on campus and available for their use.

3. **Timely Procurement.** Equipment purchased should be necessary for and used during the project; therefore, it is TTUHSC policy that equipment for a sponsored federal project will not be purchased unless six (6) months or more remain until the final expiration date. Exceptions to this policy will be made only in special cases, and then only with the approval of the Office of Sponsored Programs. Equipment received ***after the expiration date*** must be paid for ***from another source***; it is the responsibility of the PI/PD to provide the alternate source of funding if the equipment is received after the expiration date.

4. Administrative Procedures. When PI/PD (Principal Investigator/Program Director) wishes to purchase equipment covered by HSC OP, the following actions are required:

   a. **Property Inventory Search**. (See 1.a. above). The PI/PD will review the list of on-campus equipment which is suitable for use on sponsored federal projects to determine if similar type items are available. If they are, the PI will investigate and determine if the items are suitable for use and if satisfactory arrangements can be made for loan or transfer of the equipment.

   b. **Federal Equipment Purchase Form**. If the results of the Property Inventory Search of on-campus equipment is negative necessitating purchase or rental, the PI/PD should complete the TechBuy "Federal Equipment Purchase Form." The first section contains the Supplier, Purchase Category, General Item Information, and Other Information. The Other Information section includes the Prior PO Number if applicable, the Principal Investigator, the Grant Fund Number, the Grant Expiration Date, and the Research Project Name.

   c. **Section A: Authorization**. Check if the grant specifically authorizes the purchase of equipment, and/or the fabrication of equipment.

      a. **Grant does not specifically authorize purchase of equipment**. This section is to explain the reason for the purchase of equipment that is not specifically authorized by the grant.

   d. **Section B**: **Authority to Procure Equipment in Final 6 months of Grant**. The PI/PD must complete this section explaining the necessity of the purchase with less than 6 months left in the grant. An alternate fund must be listed in the event the project expires prior to delivery, invoice, and payment of the equipment, and (1) the vendor will not restock the equipment and payment must be made, or (2) for shipping/returning the equipment to the vendor.

   e. **Section C: Ownership**. The ownership section states whether the equipment will be owned by Federal, Private, State/Other Agency, or TTUHSC.

   f. **Section D: Additional Information/Comments**. Provide any additional information in this section.

   g. **Proprietary Purchase Justification**. Complete this section only if the price of the equipment exceeds $5,000.00 and there are no other sources available for procurement of the equipment.

   h. **Routing to Sponsored Programs**. Upon completion and submission of a requisition that includes the completed Federal Equipment Purchase Form, the TechBuy requisition will be routed to the departmental approver for approval, and then to the Office of Sponsored Programs for approval.

5. **Procurement Action**. The Purchasing Office will process purchase requests which have been approved by the Office of Sponsored Programs in accordance with the above procedures, Purchasing Policy and Procedures, and Board policies.