

# 1 **Contracts and Grants - Equipment**

2 Effective: Moved to the Policy Library from UPM 9.1

3 Updated/Revised: March 31, 2009

4 Contact: [Sponsored Programs Accounting](#)

## 5 **Introduction**

6 Principal Investigators (PIs) and administering departments are responsible for assuring compliance with this policy.

## 7 **Policy Statement**

### 8 **Utilization**

9 Equipment purchased with federal funds is to be used on the original project as long as needed. This equipment must be  
10 made available for shared use with other activities, as long as it will not interfere with the original project. In addition, there  
11 can be no user charge to other university departments and the equipment cannot be leased to outside organizations for  
12 exclusive use. Personal use of federally acquired equipment is prohibited.

### 13 **Purchases**

14 Moveable property purchased on sponsored funds must meet all of the following criteria to be classified as equipment:

- 15 • Useful life of one or more years and a unit acquisition cost of \$5,000 or more
- 16 • Identifiable
- 17 • Not a replacement part

18 All equipment will carry an expenditure class code of 711-XX.

19 In general, all equipment purchased with federal funds must have sponsor approval. Approval by the sponsor of a budget  
20 containing equipment constitutes prior approval. If the equipment was not listed in the sponsor approved budget, a  
21 rebudgeting request must be sent to the Office of Sponsored Programs Administration for prior approval. Allowability will be  
22 contingent on the regulations and provisions of the individual grants and contracts as interpreted by Sponsored Programs  
23 Accounting.

### 24 **Government Furnished Equipment**

25 PIs, departments, and/or research units are responsible for notifying the Financial Accounting and Reporting when  
26 equipment is furnished or loaned to the university by the federal government. The notification to Financial Accounting and  
27 Reporting must include a copy of the federal agency transfer document. Federal regulations require that this equipment be  
28 tagged and included on the university's inventory records. Inventory records will identify the equipment as federally owned.  
29 Federally owned equipment may not be transferred, disposed, or removed from campus without prior written approval from  
30 the federal agency.

### 31 **Equipment Disposal**

32 All equipment disposals are handled by ISU Surplus. Most federal agencies require that equipment be retained for continued  
33 use on the project throughout the life of the award. ISU Surplus will work with Sponsored Programs Accounting to determine  
34 proper disposition for equipment purchased with federal funds. Some equipment purchased with Federal funds must be titled  
35 to the Federal agency that is providing the funds for purchase and permission must be obtained from the federal agency  
36 prior to disposal or transfer of title.

37 Some sponsors reserve the right to transfer title to a third party after the end of a grant period. Equipment physically located  
38 in third party facilities will remain on the university's inventory records until the end of the grant period. In order to transfer  
39 title to the third party after the end of the grant period, written documentation from the university department approving the  
40 transfer and written documentation from the third party accepting responsibility for the equipment is required by Sponsored  
41 Programs Accounting.

### 42 **Resources**

- 43 • [Sponsored Programs Accounting \(SPA\)](#)
- 44 • [Financial Accounting and Reporting - Equipment Inventory](#)
- 45 • [Office of Sponsored Programs Administration \(OSPA\)](#)
- 46 • [Contracting at ISU](#)
- 47 • [US Government-owned Property Control Manual \[PDF\]](#)
- 48 • [Equipment Transfers and Sales](#)
- 49 • [Equipment Disposal Policy](#)
- 50 • [ISU Surplus](#)