

Management of Capital Equipment on Sponsored Programs

1. Overview

As the steward of capital equipment that is purchased under sponsored agreements (sponsored equipment), the University is responsible for ensuring that assets are managed (i.e. safeguarded, tracked, reported, retired and disposed of) in compliance with University, Sponsor and Award requirements. The title for sponsored equipment may be retained by the sponsor or be vested with Rutgers but in all cases, Rutgers assumes custodian responsibilities for the asset.

2. Purpose

To provide guidance to Principal Investigators and department personnel on the compliant management and tracking of sponsored equipment above and beyond the Rutgers Property Management requirements.

3. Who Must Comply

Department Personnel
Research Financial Services
Principal Investigators
Procurement
Property Management

4. Definitions

Capital Equipment: An item with an acquisition cost of \$5,000 or above (including shipping and installation) and a useful life of more than one year.

Fabricated Equipment: An item constructed from individual parts with a total acquisition cost of \$5,000 or above (including shipping and installation) and a useful life of more than one year.

Sponsored Equipment: Capital equipment that is purchased using sponsored program funding.

Useful Life: The expected length of time over which an asset such as capital equipment is utilized for its intended use.

5. Procedure

This procedure applies only to capital equipment purchased with sponsored funding. All other purchases associated with sponsored programs that are under the capital threshold of \$5,000 are treated as a supply. Please refer to the Research Financial Services Procedure *Allowable Costs* on managing those expenses in a compliant manner.

All equipment purchased under sponsored programs shall follow University Policy, 40.2.10 - Equipment Inventory and Property Management and the following sections. As with all other purchases related to sponsored programs, capital equipment must be allowable, allocable, conformant and reasonable. As a result, the burden falls to Rutgers and the PI to ensure that similar equipment is not available to support the sponsored program activities at Rutgers. Written sponsor

approval must be obtained prior to capital equipment purchases. This can be documented via the original or updated sponsor-approved budget and budget justification.

The Property Management department holds primary responsibility for maintaining University equipment records. RFS interprets sponsor and award requirements related to sponsored equipment management, and PIs ensure that RFS and Property Management are informed of any changes to equipment status.

RFS provides guidance to University stakeholders on sponsor and award regulations related to equipment management. Please note that sponsored equipment regulations typically continue to apply throughout the useful life of the capital equipment, even after the end date of the sponsored program. As a result, RFS provides compliance guidance for sponsored equipment from the point of procurement until after disposal is finalized or the equipment is transferred to another Institution.

Acquisition

At the time of acquisition, the PI must ensure that the capital equipment purchase is an allowable cost on the sponsored program. This is typically documented through an “equipment” line on the sponsor-approved budget, and a description of the item in the budget narrative.

Fabricated Equipment

In some cases, a PI must purchase individual parts to fabricate the equipment needed to support their sponsored program activities. If the sum total of all individual parts is \$5,000 or greater (including shipping and installation), then the resulting item is considered capital equipment. If the sum total of individual parts is less than \$5,000, then this procedure does not apply.

Change in Sponsored Equipment Status

The status of sponsored equipment in the University’s asset management system may change due to loss, theft, vandalism, disposal or physical relocation. When this occurs Property Management will notify RFS.

In turn, RFS will review the sponsor and award terms and conditions to determine whether RFS should submit a formal notification to the sponsor. For Federal awards, this occurs via the Property Report. As required, RFS will submit the formal sponsor notification.

Disposal or Transfer

PIs and/or designees must notify both Property Management and RFS prior to the disposal or transfer of sponsored equipment. PIs and/or designees may not physically transfer sponsored equipment to another institution OR to dispose of sponsored equipment without prior RFS review and, if required, approval from the sponsor.

Please note that this includes instances where the property is moved to support field work.

RFS will advise the PI and Property Management on how to adhere to applicable sponsored and award requirements.

6. Roles & Responsibilities

Department Personnel	• Support PI in notifying Property Management and RFS of sponsored equipment actions and changes
Research Financial Services	• Interpret and provide guidance to Property Management and PIs related to sponsored equipment regulations
Principal Investigators	• Notify Property Management and RFS of sponsored equipment related actions and changes

Procurement	<ul style="list-style-type: none">• Request RFS guidance for all capital equipment purchases related to sponsored programs
Property Management	<ul style="list-style-type: none">• Request RFS guidance for all sponsored equipment status changes (acquisition, theft, loss, damage/vandalism, moving/transfer, and disposal)

7. Resources

Related Procedures

Sponsored Programs Closeout

PI Departure Checklist

Rutgers Policy 40.2.10: Equipment Inventory and Property Management

Related Sponsor Policies

Uniform Guidance 2 CFR 200.439: Equipment and other capital expenditures