

**UTAH STATE UNIVERSITY**

**EQUIPMENT MANAGEMENT SERVICES**

**PROCEDURE MANUAL**

OCTOBER 2023

Equipment Management Services

# Equipment Management Procedures

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# Equipment Management Procedures

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## Section A: GENERAL

### Purpose

The purpose of the following equipment management procedures is to establish procedures for the management and control of capital, non-capital departmental and federally controlled equipment owned by, or in the custody of, Utah State University (USU, University). (See Utah State University policy 344.2.)

These procedures satisfy the requirements of government, both State and Federal, as well as best business practices. These procedures provide control over all equipment, as hereafter defined, for which Utah State University is responsible.

### Title

Utah State University has title (ownership), and/or will receive title to all equipment purchased with unrestricted, state appropriated, or donated funds, or received as gifts or donations to the University. This includes all equipment located at satellite campuses and locations. USU equipment will be titled and identified as USU equipment whether in the field or on loan at other institutions.

Title to equipment purchased with funds from a sponsored award will vest according to the terms and conditions of the sponsored award. Unless otherwise specified in the terms and conditions of an award, USU generally has title either immediately, or at the end of the sponsored award. The Equipment Management Services Office clarifies title in cases where it is not clearly stated. Utah State University exercises the responsibilities of ownership for all equipment.

**NO** department, departmental unit, or member of staff or faculty may hold proprietary interest in any piece of USU equipment. Regardless of which departmental unit ordered the item, the fund cited, or the budget expensed, the principle of USU ownership prevails.

### Scope

The Equipment Management and Control System (AssetView) applies to the equipment belonging to, or in the custody of, Utah State University, including equipment on loan to USU, government/contractor provided equipment, or equipment secured for completion of sponsored awards and for research, training and public service.

### Related Documents

1. Federal Acquisition Regulations (FAR 52.245-1)
2. Government Accounting Standards Board Statements 34, 35 and 87
3. Internal Revenue Service (donations)
4. National Aeronautics and Space Administration (NASA) Grant Handbook
5. Department of Defense (DOD) Manual 4161.2-M, 5000.64

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6. Department of Energy (DOE) – Management of Government Equipment in the Possession of Contractors
7. Health and Human Services (HHS) Contractors Guide for Control of Government Equipment
8. OMB Uniform Guidance (2 CFR 200)
9. CFR Part 200 Compliance Supplement
10. International Traffic in Arms Regulations (ITAR)
11. Export Administration Regulations (EAR)
12. State of Utah Regulations
13. State of Utah System of Higher Education policies

## Definitions

**Accessory Item** - An item that facilitates or enhances the operation of equipment but is not essential for its operation.

**Accountable Department** - Department or unit of the University funding the purchase of the equipment (i.e., Department assigned to the primary funding index in the procurement record).

**Acquisition Value** - Acquisition value is a value assigned at the time of acquisition for equipment or other items donated to the University or found through a physical inventory. University Advancement will provide the assigned value for items that are donated or gifted. If asset is found without acquisition documentation, value may be provided by department or researched through sites on-line. The acquisition value of the equipment remains the same during the life of the equipment. Value/cost/price is not readjusted to book value or fair market value at any time in the life cycle of the equipment.

**Agency** - An entity (e.g., organization, corporation, foundation, or person) from which USU derives external support through sponsored awards.

**Agreement** – Two or more parties agree to collaborate on a defined project. The agreement will typically contain a statement of work, period of performance, and project budget and justification.

**AssetView Asset Tracking System** – Web-based software asset tracking system used by USU to manage assets determined by policy for University requirements or departmental needs.

**Asset Barcode Number** - A unique number assigned to University equipment. An asset barcode number is also called an inventory tag, asset tag, barcode sticker, property tag or Ptag

**Asset/Equipment/Item/Property** – Terms are used interchangeably.

**Attachments** - Equipment that is originally separate from the parent equipment item but becomes a functional part of the asset. The attachment is dependent on the parent item to

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function properly. Costs for attachments are included as part of the equipment at the time of purchase.

**Auxiliary Item** - An item without which equipment cannot operate.

**Capital or Depreciable Equipment** - Asset that has an acquisition value of \$5,000 or more, is freestanding, and has a normal life expectancy of one year or more.

**Components** - Asset that could operate independently but is working interpedently with another asset item is considered to be a component of the parent asset. Components of capitalized assets are evaluated on a case-by-case basis to determine if the added item changes the use, length of life, or value of parent item. If found to add value or use, the equipment will be capitalized and depreciated along with the parent asset.

**Contract** - An agreement with external sponsors for delivery of specific results or deliverable item.

**Contract Administrator** - An authorized representative of Sponsored Program Accounting assigned to administer the contract requirements and obligations relating to government equipment.

**Contractor** - Utah State University (USU)

**Custodial Department** - Department or unit of the University having physical control of equipment (e.g., Department possessing equipment or the sponsoring agency connected with a specific department for an award).

**Deemed Export** – Regulated information or technology released to a foreign national living in the United States is deemed to be an export to the home country or countries of the foreign national.

**Department Equipment Administrator (DEA)** - Person appointed by the dean, department head, or director to be responsible for records, inventory, and other duties pertaining to capital, departmental and controlled equipment belonging to the department or unit.

**Departmental Equipment** - Equipment with an acquisition value between \$3,000 and \$4,999.99, freestanding, all computers and laptops regardless of cost or value.

**Equipment Manager** - Duly authorized representative of the University delegated the responsibility for the AssetView tracking system and the identification and tracking of all University inventoriable equipment.

**Export Administration Regulations (EAR)** – Government regulations administered by the Bureau of Industry and Security (BIS). Applies to physical items (sometimes referred to a commodities) as well as technology and software. A set of rules and regulations as well as legal protocols related to United States export control law, that defines the type of products

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and data that can be lawfully exported. The aim to ensure national security by incorporating commercial and research aims.

**Fabricated Equipment** - Equipment constructed by combining or assembling modular components and/or materials into one identifiable unit. When completed, each component loses its individual identity and the end product becomes an identifiable single unit. Typically, such equipment is constructed and designed in-house for a specific purpose or for research. To capitalize this equipment, the finished product must have a unit cost of \$5,000 or more and a life expectancy of more than one year – fabricated equipment will be recorded as departmental equipment if the cost is between \$3,000 and \$4,999.99.

**Federal Acquisition Regulation (FAR)** - The Federal Acquisition Regulation (FAR) is the primary regulation for use by all Federal Executive agencies in their acquisition of supplies and services with appropriated funds. It is issued within applicable laws under the joint authorities of the Administrator of General Services, the Secretary of Defense, the Administrator of the National Aeronautics and Space Administration (NASA), Office of Federal Procurement Policy, and the Office of Management and Budget. The portion of the FAR that relates to government equipment is FAR Part 45 – Government Property.

**Federal Grant Acquired Equipment** - Equipment acquired by grant or cooperative agreement defined by 2 CFR 200.33 and governed by 2 CFR 200.313-316, title to which rests conditionally with Utah State University.

**Found Equipment** - Equipment found by departments or Equipment Management Services (EMS) personnel. Found equipment will be included in the asset tracking system if the value is within prescribed levels for departmental or capital levels.

**Government** - United States of America or the Federal government, unless otherwise specified as “State government”.

**Government-Owned Equipment** - Equipment defined in FAR Part 52.245-1. Government Equipment is considered as all equipment owned or leased by the Federal government. Such equipment acquired by the University includes:

***Government Furnished Equipment*** - Equipment in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract.

***Contractor Acquired Equipment*** - Equipment purchased or fabricated by a contractor for use on a contract to which the government has title.

***Excess Government Equipment*** - Equipment no longer required by the current Federal contractor(s).



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***Federal Surplus Equipment*** - Equipment screened by all Federal agencies and generally made available to eligible institutions through the State Educational Agency for Surplus Property.

***Government Specified Supplies*** - OMB Universal Guidance language allows computers and computer related equipment to be listed as supplies if the value is less than \$5,000.

**Government Property Administrator** – Employee identified at Utah State University to oversee and communicate information about Government Furnished and Contractor Acquired equipment that fall under FAR 52.245-1 associated with cost or cost reimbursed contracts and agreements.

**Insurance** - Provides funding, in part, for the cost of replacing lost, damaged, destroyed or stolen equipment. Utah State University is self-insured by the State of Utah. (Contact Risk Management with questions.)

**International Traffic in Arms Regulations (ITAR)** – United States regulatory regulations to restrict and control the export of defense and military related technologies to safeguard U.S. national security and further U.S foreign policy objectives. This pertains to assets that can be militarized or used to modify other assets to be militarized.

### **Inventoriable Equipment** -

***University Capital Equipment*** - Equipment that has an acquisition value \$5,000 or more, is freestanding, and has a normal life expectancy of one year or more.

***Government Furnished Equipment*** – Equipment provided at no cost to the University for use in research. Will have a useful life of more than one year. Even though equipment was obtained at no cost to the University, equipment is still under requirement to be tracked for care, custody and return upon demand of governmental entity that granted use.

***Government Inventoriable Equipment*** - Equipment provided by sponsored awards that has an acquisition value of \$5,000 or more and a normal life expectancy of one year or more. This may include government property less than capital thresholds but required to be identified as assets by sponsored award specification, or if required by the University. Government equipment does not lose its identity as inventoriable equipment because of affixation to real property.

***Loaned Equipment*** - Equipment loaned to the University by an external agency, from one University department/unit to another, by the University to an external agency or individual, or from one University to another University. If the University is liable for care and custody, loaned equipment will be marked or identified so that it can be tracked for information. **NOTE:** Tagging loaned equipment does not denote that the

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University takes possession. Tagging loaned equipment is for information and insurance purposes only.

**Motor Vehicle** - Any motorized carrier designed primarily for the transportation of persons or property, which is operated on a public road.

**Departmental Equipment** - Equipment that has an acquisition value less than \$5,000, is freestanding, and has a normal life expectancy of one year or more. Utah System of Higher Education (USHE) Policy states Departments/Units are required to track all equipment with a cost of \$3,000 to \$4,999.99 and all computers and laptops regardless of value. Also, federally controlled equipment as directed by ITAR and EAR that are not of capital value are required to be tracked. Departments may include items that are targets for theft such as digital cameras, camcorders, or items that may be used for illicit purposes, etc. The departments will be responsible for conducting the annual physical inventory of the departmental equipment.

**OMB Uniform Guidance** - 2014 revaluation and combination of all previous OMB circulars.

**Principal Investigator (PI)** - The academic or administrative staff member responsible for initiating and conducting externally funded research, training, or public service project. The individual may be known as the project director, project administrator, responsible person, or PI

**Personal Identifiable Information (PII)\*** - Information protected by federal and state laws and regulations, including federal regulations administered by the U. S. Department of Homeland Security (DHS), and is defined by DHS as “any information that permits the identity of an individual to be directly or indirectly inferred, which if lost, compromised, or disclosed without authorization could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual.” PII must be protected prior to release in accordance with the Utah Government Records Access and Management Act or other disclosures required by law.

PII does not include “public information” as defined by the Utah Government Records Access and Management Act, or in the case of student records, “directory information” as defined by the Family Education Rights and Privacy Act.

PII includes but is not limited to the following:

1. Full Social Security Number
2. Driver’s license or State ID Number
3. Passport Number
4. Visa Number
5. Alien Registration Number
6. Fingerprints or other Biometric Identifiers
7. Full name in combination with:
  - a. Mother’s maiden name

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- b. Date of birth, last 4 digits of SSN
  - c. Citizenship or immigration status
  - d. Ethnic or religious affiliation
8. Protected Health Information as defined by the Health Insurance Portability and Accountability Act of 1996.

**Proprietary Information and Research** – relates to ownership and rights that are exercised for research and information used, discovered or published by Utah State University, its faculty, staff and students. All information is considered the right of USU and/or the sponsored award that have principle interest.

**Special Test Equipment** - Either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment including standard or general-purpose items or components that are interconnected and interdependent to become a new functional entity for special testing purposes. Does not include material, special tooling, facilities (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant testing purposes.

**Receiving** - Process of accepting delivery of equipment into Utah State University. It is the point at which custody, responsibility, accountability, and liability for the property begins.

**Special Tooling** - Jigs, dies, fixtures, molds, patterns, taps and gauges, other equipment and manufacturing aids, including all components of this equipment, which are of such a specialized nature that without substantial modification or alteration use is limited to the development or production of particular supplies, parts thereof, or to the performance of particular services. It does not include material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital equipment.

**Sponsored Award** - A legal document providing external support. Sponsored Award includes grants, agreements, and contracts.

**Sponsoring Department** - The department or unit of the University responsible for the administration of an externally funded project.

**State** - State of Utah.

**Titled Equipment** – Equipment that by law has a title to determine ownership as required by State and Federal government.

**University** - Utah State University and all affiliates, satellite campuses, statewide education centers, and extension facilities.

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**University Equipment** - Equipment to which title vests with the University, whether purchased with University controlled funds or acquired by bequest or gift.

## Section B: INSURANCE

### Policy of Insurance

The State of Utah may provide insurance to cover losses of University equipment. To acquire coverage at reasonable rates certain types of losses may not be insured. A deductible provision will normally be included in the insurance policy terms and will be applicable to most losses incurred. (See Risk Management office for details.)

### Payment of Deductible Requirement

University departments and operating units have the primary obligation to defray any uninsured losses and to pay the deductible portion of losses of University equipment.

University equipment losses must be absorbed from the funds available to the department or operating unit that had management responsibility for the equipment concerned.

### Exclusions

The University equipment insurance fund may not cover any part of the loss, damage, destruction or theft including:

1. University equipment not properly recorded on the records of the Equipment Management Services office prior to the loss.
2. Theft of University equipment not reported to the University Public Safety Department after discovery of the loss.
3. Personal equipment owned by University personnel, students, guests or other individuals, even though said equipment was on University premises at the time of loss.

### Procedures for Actions Required in the Event of a Loss

Upon the discovery of a loss of University equipment, the head of the concerned operating unit will:

1. Immediately notify the campus Public Safety Department or equivalent authority in the area, (e.g. Police) and Equipment Management Services of the loss by telephone, email or in person.
2. Advise the University Risk Management insurance coordinator of the loss in writing or via the link on Risk Management internet site with any other relevant circumstances and send a copy of notification to Public Safety. If the loss does not occur in or near central campus, use the Risk Management internet link as soon as possible to apprise the insurance coordinator.
3. Prepare and supply a descriptive list of the lost or missing equipment, including the University asset barcode(s) and serial number(s) to the responsible University officials, upon request.

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4. Cooperate with investigations by Public Safety or appropriate authority and Risk Management.
5. Prepare and send a completed Request to Retire Asset form to Equipment Management Services.
6. Prepare and implement a plan of action to prevent the reoccurrence of loss in the future.

## **Section C: PERSONAL USE OF UNIVERSITY EQUIPMENT**

University equipment may not be used for personal purposes or for personal gain.

## **Section D: RESPONSIBILITIES OF DEPARTMENTS AND EQUIPMENT MANAGEMENT SERVICES OFFICE**

### **Department/Unit Responsibility**

Departments and Equipment Management Services have the joint responsibility to track all required equipment.

Loss of any USU equipment including equipment containing any PII information is the responsibility of the department or departmental unit assigned.

Equipment Management Services will assist departments/units by providing USU asset barcode tags and training DEA personnel in the use of the AssetView fixed asset system.

AssetView will provide departments with relevant information for any asset tracked, including capital, departmental or federally controlled. Capital records are created in AssetView only by Equipment Management Services. Equipment Management Services will create records for required departmental and federally controlled assets reported through the purchasing system.

Equipment Management Services will create an asset record with the (minimum) following information:

1. Purchase Order Number (if available)
2. Invoice Number
3. Description
4. Make
5. Model
6. Original Cost
7. Purchasing Index

Additional information required to be added to the asset record by the DEA is:

1. Location
2. Responsible Person
3. Serial Number
4. Other helpful information

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Maintaining an asset record of required departmental and essential items gives departments quick information in case of theft, changes or departures of responsible persons or purchases of similar equipment.

The head of the custodial department, principle investigator, college financial officers or Departmental Equipment Administrator have the primary responsibility for the care, maintenance, records, and control of equipment in custody, whether University owned, owned by a sponsoring agency or on loan to the University. If special sponsored award or government regulation restrictions or conditions are involved, departments or DEA's initiate the forms or letters necessary to inform Equipment Management Services of all provisions respecting the care, custody, maintenance, records, control, and all transactions involving said equipment. After receiving the forms or letters, Equipment Management Services will carry out the functions regarding inventoriable equipment. The department head, principal investigator or college financial officer may delegate the responsibilities outlined above to the Department Equipment Administrator.

College Financial Officers are responsible for assigning the Department Equipment Administrator (DEA) the responsibility as a primary contact for Equipment Management Services. DEA's will be responsible for all records of University equipment within the department or unit, including all capital and required departmental and essential equipment.

To change departmental/unit DEA, complete and forward a Department Equipment Administrator Change form. See Controller's office website/forms Department Equipment Administrator Change.

## **Department Equipment Administrator (DEA) Responsibilities**

1. Maintaining all documents for departmental/unit equipment and initiating reports to Equipment Management Services regarding all changes to capital equipment.
2. Updating Equipment Management Services on the location and responsible persons for department/unit equipment and initiating reports for all capital equipment.
3. Support Equipment Management Services in the annual physical inventory of capital equipment assigned to that department/unit. See Physical Inventory of Capital Equipment.
4. Physical inventory for department/unit equipment. See Department/Unit Physical Inventory and Equipment Management Services Audits.

## **Location of Equipment**

The location of each item of equipment is required in AssetView records. Current records, including movement of equipment, will be maintained in such a manner that any item of equipment can be located for inspection, inventory, or audit purposes within a reasonable time. The custodial department or DEA will notify Equipment Management Services of any changes in the department regarding responsibility of capital equipment by submitting the Equipment Record Change form. See Controllers office website/forms/equipment record change.

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Location codes have been assigned to all areas that pertain to Utah State University. New areas that are available will be assigned when documented.

## **Physical Security**

The head of the custodial department, the DEA and the principal investigator, if a sponsored award is involved, will make adequate provisions for the physical security of the equipment in their custody. Areas containing equipment will be kept locked after business hours or when not in use. Special precautions are required to be taken in the case of high-value, portable equipment that is a target for theft. Assets that are tagged as "Export Controlled" will not be taken out of their areas without prior notification. Contact the Office of Compliance for details. A responsible person is assigned to ensure the physical security and responsibility of equipment.

## **Utilization of Equipment**

Equipment purchased by or otherwise provided to the University should only be used in direct support of university activities (education, research, operations, administration, etc), whether it is on or off campus. Sponsor-funded, or Sponsor-owned equipment, must be used in accordance with the terms & conditions of the accountable sponsored project.

University-owned equipment that is no longer needed should be reported as excess and sent to Surplus Sales for resale or reuse (see Disposal or Transfer section of this manual).

If sponsor-owned equipment is no longer needed, contact Equipment Management Services for guidance prior to initiating any transfer or excess action. The reuse or disposal of sponsor-owned equipment must follow the terms & conditions of the accountable sponsored project.

Contact Equipment Management Services prior to allowing commercial entities access to or use of Government-owned equipment. EMS will work with the department and Sponsor Programs Office to ensure the activity is appropriate and compliant with federal guidelines.

## **Storage and Movement**

When equipment is temporarily idle, but required for authorized future use, it must be stored in accordance with sound business practices and adequate protection from corrosion, contamination, and damage to sensitive parts. Sludge, chips, and cutting oils will be removed from equipment.

Departments or DEA's must document equipment in storage by use of the location codes and necessary notes or documentation in AssetView. Equipment needs to be easily located upon request. Equipment must be adequately protected while being moved. This entails proper packing, covering, skidding, equipment handling techniques, and safety precautions.

Government equipment may be moved to an off-campus site only with the prior approval of the Contract Administrator. The Contract Administrator is responsible for notifying the sponsor agency. A shipping document, transfer document or similar instrument must be obtained and filed with Equipment Management Services.

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## **Segregation and Commingling**

Usually, government equipment is physically separated from University equipment. However, when it is consistent with the best use of said equipment in carrying out the terms of the sponsored award, the property may be commingled. This provision does not modify the requirement for identification and recording of the government equipment.

University equipment used in the field, common areas of satellite campuses, statewide education sites, and extension facilities will be identified as Utah State University equipment with the required entries made for location in AssetView. At no time is Utah State University equipment to be gifted or loaned without proper paperwork. Commingling of equipment is allowed with proper documentation of title and when proper inventories are maintained.

## **Care, Maintenance, and Calibration**

The custodial department shall provide the care necessary to maintain equipment in the condition received or better, normal wear excepted to ensure that the most useful life is obtained. A maintenance program will be preventive in nature, providing lubrication, cleaning, calibration, and inspection on a regular schedule. Records of the maintenance program need to provide the description and date of maintenance actions performed, details of inspection, and deficiencies discovered or corrected. With respect to government equipment, such schedules are made available to the Contract Administrator. Equipment that is acquired under the auspices of Uniform Guidance must have auditable maintenance and calibration records that are easily available for review by auditing agencies. This feature is available in AssetView. (See Uniform Guidance section 200.313 d (4), 200.336 a, 200.508 d.)

## **Equipment Management Services Responsibility**

Utah State University including all departments and departmental units are responsible for all of the equipment to which it holds title. Custodial responsibility for other equipment rests with Utah State University to the extent that it has explicitly agreed to accept responsibility therefore.

1. Responsible for the AssetView database, which lists all equipment. All changes to the database for capital equipment will be directed to Equipment Management Services for update. This will include any capital transfers between departments, colleges, and changes indicated on all equipment inventories.
2. Generate asset barcodes and audit to make sure tags are affixed on all inventoriable equipment. Equipment Management Services will issue Utah State University asset barcode tags to departments to identify an asset as property of USU. Equipment Management Services will create records in AssetView of inventoriable equipment contingent that purchase of equipment has gone through accepted channels.
3. Advise all members of the faculty and administrative officers of their obligations for the use, care, maintenance, and safekeeping of all equipment under the control of their respective department or units.



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4. Provide AssetView training to DEA' s and other authorized department personnel.
5. Provide written instructions relating to the control of inventoriable equipment for which Utah State University is responsible.
6. Record government property actions pertaining to property accountable to USU in the PIEE GFP eTool when required by contract terms & conditions.

## **Section E: ACQUISITION OF EQUIPMENT (Capital and Non-Capital)**

Acquisition of all equipment assets are required to be reported to Equipment Management Services. Not reporting may result in loss or liability to department. State and Federal regulations require identification of all assets. Sending equipment assets directly to sites without proper identification can result in findings from auditing agencies.

### **Acquisition Value**

Equipment Management Services records the cost of equipment acquired through purchase orders, on campus expenditures, P-cards, and check requests. It is important to use the correct account codes when purchasing equipment. (See equipment accounts below).

The cost of a piece of equipment includes the following: attachments, trade-ins, custom duty charges, freight charges, installation, and training costs.

Equipment accessories purchased for existing equipment, depending on the nature, will be entered on the records as separate items of equipment as a component, or added to the value of the original equipment as an attachment.

If equipment is acquired using purchase orders, AssetView will record the invoice number(s), cost(s), index(s) and account(s) used on the purchase order.

When the University purchases equipment from another institution, the costs of dismantling for shipment and storage are not included in the cost of the unit unless it is included in the negotiated price.

Any custom duty charge shall be added to the acquisition value.

Any cash discount shall be deducted from the acquisition value.

### **Acquisition Date**

The invoice date will be the date the equipment is acquired. This is the capitalization date and date that depreciation starts. However, if the equipment is placed in service before its cost is fully paid, the capitalization and depreciation start date will be the date the equipment is placed in service. Occasionally, items are invoiced before being received. Date for acquisition will be determined by department if this happens.

If equipment purchased using an incorrect account code, Equipment Management Services will not be notified of the purchase and the asset record will not be created.

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If equipment is found later without a tag, the original purchasing documentation shall be located to determine the date the equipment was purchased and placed into service. If no documentation can be located, the acquisition date will be the date the equipment was located or the date the equipment users declare the equipment was placed into service.

## **Procurement**

All procurement transactions must comply with USU Procurement Policy 529. All procurement transactions utilizing a purchase card (P-Card) must comply with USU P-Card procedures maintained on the Controller's Office P-Card website.

## **Equipment Account Codes to Be Used with Purchases**

Equipment should be purchased using the correct account codes listed below. Using the correct account code will provide the information that Equipment Management Services requires to account for, record, and track equipment.

### ***713015 – Apps and licenses for software use***

Purchase of applications and/or license for software use. USU does not own the software, the purchase is for use of the product.

### ***713200 – Tools and Equipment Under \$3,000***

Equipment with an acquisition value under \$3,000. These items are not capitalized but may be entered into AssetView at the discretion of the department making the purchase. Examples of equipment that may fall under this are - cameras, microscopes, telescopes, firearms, projectors, etc.

### ***713250 – Pass through Equipment***

Equipment, regardless of value, purchased with special funds provided by other entities. This equipment is never intended to be titled to USU. The University is not responsible for tagging and tracking this equipment. Departments are responsible for making sure that all expenses posted to this account are offset by funds provided.

### ***713260 – Purchase of Equipment from USU Surplus or Departments***

Equipment purchased from Surplus or another department for use in a different capacity. Equipment purchased from USU will not be capitalized and depreciated even if purchased at a capital amount. Records will be re-activated in AssetView for insurance and inventory purposes.

### ***713300 – Tools and Equipment Other Than Computers between \$3,000 and \$4,999***

Equipment with an acquisition value between \$3,000 and \$4,999. These items are not capitalized but will be assigned an asset barcode number and input into AssetView.

### ***713350 – Art and Collections Less Than \$5,000***

Used for purchasing art and/or collections, other than Library acquisitions, that have an acquisition value of less than \$5,000. These items are not capitalized but will have an asset barcode number or comparable accession number assigned and entered into AssetView.

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## **713355 – Federal Capital Equipment Not Capitalized**

Government-owned equipment which has an acquisition value of \$5,000 or more. This equipment be tagged with an asset barcode number and a Government property tag and will be entered into AssetView for identification and tracking purposes.

## **713500 – Computer and peripheral Purchases Less Than \$5,000**

Computer and related peripheral component purchases that have an acquisition value less than \$5,000. These items are not capitalized but will have an asset barcode number assigned and entered into AssetView, for tracking PII and proprietary data information.

## **713525 – Software Less Than \$100,000.**

Software purchases costing less than \$100,000. Software will have an asset barcode number assigned and entered into AssetView only if requested by the department for tracking purposes.

## **772300 – Equipment Other Than Computers \$5,000 and Over**

Equipment which has an acquisition value of \$5,000 or more. This equipment will be capitalized, have an asset barcode number assigned and entered into Banner and AssetView for identification, depreciation and insurance purposes.

## **772310 – Fabricated Equip \$5,000 & Over**

Equipment that is being fabricated and which has an acquisition value of \$5,000 or more. This equipment will be capitalized, have an asset barcode number assigned and entered into Banner and AssetView for identification, depreciation and insurance purposes.

## **772350 – Computer/Peripherals \$5,000 and over**

Computer equipment and peripheral component purchases that have an acquisition value of \$5,000 or greater. This equipment will be capitalized, have an asset barcode number assigned and entered into Banner and AssetView for identification, depreciation and insurance purposes.

## **772700 – Art and Scientific Collections \$5,000 and Over**

Items of art, scientific, or historical collections other than Library Special Collections, that have an acquisition value of \$5,000 or more. These items are capitalized and will have an asset barcode number or comparable accession number assigned and entered into Banner and AssetView for tracking and insurance purposes.

## **Gifts/Donations**

Equipment acquired by gift/donation that meet equipment asset criteria is tracked. Asset(s) are assigned an asset barcode number and entered into Banner and/or AssetView with an acquisition code of "Gift/Donation". The date the gift is accepted and recorded with the University Advancement Office is considered the acquisition date unless a specific date is noted on the Gift in Kind form. Equipment Management Services will not record a gift until a Gift in Kind report has been processed through University Advancement. Gifts of scientific collections and art may be recorded on a multiple item or group basis. Gifts of bound volumes, pamphlets,

# Equipment Management Procedures

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documents, and other library collections are recorded by the Library and do not become part of the equipment asset record.

## **Fabricated Equipment**

Fabricated equipment will be reported to Equipment Management Services with the Intent to Fabricate Equipment form. This allows Equipment Management Services to set up the correct files to support documentation of the asset(s) until completion. Supporting documentation for fabricated equipment should include:

1. Description
2. Approximate costs to fabricate equipment
3. Equipment location
4. Responsible person
5. Index(s) that will be responsible for the costs of material and equipment that may be included in the build.

Once the fabrication is complete, provide Equipment Management Services with the final costs that paid for the fabricated equipment.

If the equipment was fabricated with contract funds, title may vest with the funding agency depending on the terms and conditions of the sponsor award.

## **Found Equipment**

Found equipment is recorded with an acquisition code of "Found". Custody is assigned to the custodial department. Every effort will be made to find the original acquisition documentation. If documentation cannot be found, the custodial department may estimate the value and the date the equipment was put into use. Equipment Management Services is available to help the department determine an acquisition value if needed.

## **Acquisition of Surplus Equipment**

If the cost is over \$1,000, equipment secured from the State Educational Agency for Surplus Property is treated in the same manner as equipment purchased through the Purchasing Department.

These procedures are used for all funds, including external funds, if the particular contract permits the acquisition of surplus equipment.

Equipment sold to departments from the University Surplus Sales will be reactivated in AssetView if the equipment is re-sold for \$3,000 or more, a titled asset, federally controlled, or is a computer.

Assets acquired through Surplus should use the account code 713260.

# Equipment Management Procedures

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## Equipment Sold at Campus Stores

Equipment sold to a department by a Campus store, even if it is a satellite area, is processed as a campus expenditure or pcard purchase. If re-allocated correctly, Equipment Management Services will be notified and generate the necessary information for tagging if the asset is \$3,000 or more or will hold PII or proprietary data. The cost is the price charged to the department by the Campus store.

## Trade-Ins

The asset barcode number of any equipment asset being traded is **required** to be listed on the purchase order and on the invoice so the asset(s) may be removed from the asset listing and for audit verification. Trade in should be similar to what is being purchased.

If there is Net Book Value on the asset being traded, that value will be included on the new asset(s) acquisition value.

The trade-in of computers is not allowed.

## Transfers from Other Institutions

Occasionally, new faculty will bring equipment with them from a former institution. A list of the equipment along with the following documentation must be sent to Equipment Management Services to properly document the equipment and, if applicable, the funding sources for government sponsored award(s):

1. Release of equipment from previous institution and contact information
2. Original acquisition value and documentation from previous institution
3. Title information or special titling restrictions
4. Description
5. Funding source (sponsored award information)
6. Responsible PI and department

Equipment brought to the University that is not reported will be considered personal property and is not covered by University insurance. Liability and maintenance will be the responsibility of the faculty who brought the asset. If faculty wishes to loan said equipment to the University, paperwork detailing care, custody and liability must be on file in the Department, Equipment Management Services and Risk Management offices. This may entail tagging the equipment but will not denote title to USU.

## Acquisition under Contracts with External Sponsors

### Records

The University records agency furnished and University purchased equipment acquired under a sponsored award in the proper category of the equipment inventory records during the life of the sponsored award. This facilitates a listing of equipment by category for fiscal and inventory reports to the agency.

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Upon completion or termination of the sponsored award, the equipment to which the University has acquired title is recorded by changing the title portion of the AssetView and Banner record and documenting the date in the asset record.

If several sponsored awards combine to purchase one item of equipment, the sponsored award with the greatest amount of funds paid will be accountable for the equipment. All sponsored award numbers and funds that contribute to the equipment are documented in the asset record.

To properly dispose of assets obtained by this method, a record check is required to ensure title has properly passed to the University **before** sale, transfer, or disposal. If title has not been passed to the University, permission from the sponsor is required **before** sale, transfer, or disposal.

## **Responsibility of University Personnel**

When an agency at the beginning or at any time during the performance of a sponsored award, transfers title of equipment to the University or transfers accountability for equipment from one sponsored award to another, the Principal Investigator or their designee must notify Equipment Management Services of the transfer and conditions pertinent thereto. Equipment Management Services institutes all actions necessary to ensure that the records reflect the transfer of title or accountability.

## **Acquisition of Equipment with Federal Funds**

**Federal Contract governance:** FAR 52.245-1 and/or terms & conditions

**Federal Grant governance:** 2 CFR 200.313 and/or terms & conditions

**Federal Agreement governance:** 2 CFR 200.313 or FAR 52.245 – 1 and/or terms & conditions

## **Government Furnished Equipment (GFP)**

Government owned equipment may be shipped to the University from government installations or other government agency contractors. The University becomes responsible for such equipment upon delivery of the equipment into its custody or control. The department receiving the equipment shall furnish Equipment Management Services with copies of documents necessary to allow University records to accurately reflect the transaction. When contractor acquired equipment (discussed below) is transferred from one contract to another within the University, it becomes government furnished equipment unless the University requests and receives title to the equipment prior to transfer. The Principal Investigators and/or the Sponsored Programs Accounting Office should contact Equipment Management Services prior to any transfer of equipment from one sponsored award to another or similar sponsored award to ensure title to equipment is vested with USU. Equipment Management Service is required to document and track all government furnished, contractor furnished, and loaned equipment. All GFP is tracked regardless of cost. Title to GFP vests with the Government unless

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disposition has been requested and received. Disposition of GFP is discussed below in Excess Government Equipment.

## **Contractor Acquired Equipment (CAP)**

Direct purchases of equipment for the performance of a sponsored award are subject to approval by the contracting officer of the government agency involved and USU equipment purchase approval queues.

When acquiring equipment with Federal funds the following must apply:

- The university must have prior written approval from the sponsoring agency. Contact the Sponsored Programs Office for assistance if needed.
- The acquisition is appropriately funded, allowable, reasonable, allocable, and consistent in accordance with the appropriate procurement governance mentioned above.
- The acquisition is compliant with USU's Procurement Policy 529.

## **Acquired Excess Government Equipment**

Excess Government Equipment is equipment owned by a Federal agency that is no longer needed but has additional useful life.

The University may be authorized to receive such excess government equipment by a contracting agency when the equipment directly furthers an active award. Such authorization is dependent upon the terms of the award and the regulations of the specific agency involved.

The University may also acquire excess government equipment through the Stevenson Wydler Act. Title to equipment acquired by this act transfers immediately to the University.

The acquiring department shall notify Equipment Management Services of acquired Federal excess equipment. This equipment is required to be properly accounted for and insured in case of loss, damage, destruction, or theft.

**Cost** – Excess government equipment is usually obtained without cost. However, the University specifies the method of shipment and pays all packing, transportation, subsequent installation, rehabilitation, and maintenance expenses.

**Records** – The University maintains suitable records showing the location, description, and value of the equipment. Equipment is recorded at the original acquisition value as indicated on the transfer document. If the original acquisition value is not indicated on the transfer document, Equipment Management Services will determine the cost.

**Title** – Title to Excess Government equipment vests with the government unless acquired via the Stevenson Wydler Act or if title transfer is requested and received. Please contact Equipment Management Services for title transfer and disposition instructions.

## **Receipt of Government Property**

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Receipt of GFP and CAP that is obtained under applicable sponsored award is required to be documented and reported to USU Government Property Administrator who will record the information necessary to meet the record requirements. This will identify the property as Government owned in a manner appropriate to the type of property.

## **Title to Equipment Acquired with Federal Funds**

Title to equipment is primarily determined by source of funding, method of acquisition, and/or specific terms and conditions of the applicable sponsored award.

### **Equipment acquired by grant funding**

Per 2 CFR 200.313 - Title to equipment acquired under a Federal grant will vest upon acquisition in the University. Unless a statute specifically authorizes the Federal agency to vest title in the non-Federal entity without further responsibility to the Federal Government, and the Federal agency elects to do so, the title must be a conditional title.

### **Equipment acquired by contract funding**

Per FAR 52.245-1 (e) –

The Government shall retain title to all Government-furnished property. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

Title vests in the Government for all property acquired or fabricated by the University in accordance with the financing provisions or other specific requirements for passage of title in the contract.

Under fixed price type contracts, in the absence of financing provisions or other specific requirements for passage of title in the contract, the University retains title to all property acquired by the University for use on the contract, except for property identified as a deliverable end item. If a deliverable item is to be retained by the University for use after inspection and acceptance by the Government, it shall be made accountable to the contract through a contract modification listing the item as Government-furnished property.

### **IF Alternate II clause of FAR 52.245-1 is NOT included in the contract**

Under cost reimbursement type contracts, title to all property purchased by the University for which the University is entitled to be reimbursed as a direct item of cost under a contract shall pass to and vest in the Government upon the vendor's delivery of such property.

Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the Government upon:

1. Issuance of the property for use in contract performance;
2. Commencement of processing of the property for use in contract performance; or



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3. Reimbursement of the cost of the property by the Government, whichever occurs first.

## **IF Alternate II clause of FAR 52.245-1 IS included in the contract**

Title to property (and other tangible personal property) purchased with funds available for research and having a unit acquisition value of less than \$5,000 shall vest in the University upon acquisition or as soon thereafter as feasible, provided that the University obtained the Contracting Officer's approval before each acquisition. Title to property purchased with funds available for research and having a unit acquisition value of \$5,000 or more shall vest as set forth in the contract. If title to property vests in the University, the University agrees that no costs shall be allowed for any depreciation, amortization, or use under any existing or future Government contract or subcontract thereunder.

## **Equipment acquired by agreement funding**

Please see terms and conditions of agreement to determine whether the agreement is governed by FAR 52.245-1 or 2 CFR 200.313.

The University may acquire title to government owned equipment by contacting the appropriate Federal agency and requesting title transfer. The Federal Government may transfer the title of equipment to the University at the beginning, during, or end of a sponsored award. When title is transferred, the University has no further obligation to the government regarding the equipment unless specific provisions to the contrary are stated in the contract or transfer document.

These provisions hold true for any equipment that may contain PII or proprietary data under the terms of a sponsored award or may be termed supplies. (e.g. computers, external hard drives etc.)

Contact Equipment Management Services or the USU Government Property Administrator to initiate a request for title transfer and/or for disposition instructions of government equipment (GFP or CAP).

## **Section F: RECEIVING EQUIPMENT**

### **Receiving Purchased Capital Equipment**

The receipt of capital equipment purchases should be recorded in the EZBuy system, on the invoice, or in the system used to approve the payment of the invoice by an authorized representative of the accountable department/college or EMS. Payment of invoice populates the PO information in the Banner Fixed Asset module and facilitates the creation of the asset record (provided the correct expenditure codes are used during procurement).

Prior to recording the receipt in EZBuy, the contents of the shipment should be inspected and at a minimum, the following should be verified:

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- The item(s) received matches item(s) ordered.
- The quantity received matches the quantity ordered.
- Inspect for signs of visible damage and document the damage as appropriate.

Discrepancies noted with purchase transactions, such as damages, loss in transit, overages, shortages, etc. should be documented and reported to the accountable department/college for resolution.

The receipt should be recorded promptly after the physical delivery of the item to facilitate timely payment of the invoice and subsequent creation of the property record.

The online record of the receipt in the EZBuy system, the payment authorization system, or on the invoice serves as the official receiving report.

### **Receiving non-Capital Equipment purchased with federal funds**

The receipt of non-capital equipment purchased with federal funds should be recorded in the EZBuy system, on the invoice, or in the system used to approve the payment of the invoice by an authorized representative of the accountable department/college or EMS. Payment of invoice populates the PO information in the Banner Fixed Asset module and facilitates the creation of the asset record (provided the correct expenditure codes are used during procurement).

Prior to recording the receipt in EZBuy, the contents of the shipment should be inspected and at a minimum, the following should be verified:

- The item(s) received matches item(s) ordered.
- The quantity received matches quantity ordered.
- Inspect for signs of visible damage and document the damage as appropriate.

Discrepancies noted with purchase transactions, such as damages, loss in transit, overages, shortages, etc. should be documented and reported to the accountable department/college for resolution.

The receipt should be recorded promptly after the physical delivery of the item to facilitate timely payment of the invoice and subsequent creation of the property record.

The online record of the receipt in the EZBuy system, the payment authorization system, or on the invoice serves as the official receiving report.

### **Receiving Equipment at Offsite Locations**

In the event the equipment is being delivered to an off-site remote location (sometimes known as a “drop shipment”), it is important to alert the anticipated offsite recipient that they must notify authorized personnel within the accountable department when the equipment is received. It is the responsibility of the accountable department personnel to ensure that the receiving process is completed in an accurate and timely manner.

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## Receiving Sponsor/Government-Furnished, Loaned, or Donated Equipment

The receipt of items not acquired through EZBuy, such as sponsor-furnished equipment, loans, or donated property, also requires verification of quantity and condition details as stated below.

- The item(s) received matches item(s) ordered.
- The quantity received matches the quantity ordered.
- Inspect for signs of visible damage and document the damage as appropriate.

Discrepancies related to the receipt of all non-purchased items should be reported to the DEA and EMS. Discrepancies affecting sponsor/government-owned items should be reported to the sponsor.

The receipt should be reported promptly after the physical delivery of the item to facilitate the creation of the property record.

Receipt documentation should be retained by the accountable department and/or attached to the asset record in AssetView.

## Section G: IDENTIFICATION OF EQUIPMENT

### Identification of University Equipment

When departmental equipment is acquired using a purchase order on the correct equipment account code, an asset barcode will be created and input into AssetView. Equipment Management Services will send an asset barcode tag to the DEA to affix to the equipment.

All inventoriable equipment is identified promptly upon payment of invoice and assigned an asset barcode number. It will be identified by the asset barcode as long as it is in the custody, possession, or control of the University. Assigned asset barcodes and all pertinent information are recorded in AssetView. License numbers, when available, will identify licensed, titled assets.

If the equipment is located at a satellite campus, statewide education facility, or extension office, the asset barcode tag will be sent to the assigned DEA for disbursement or directly to the person listed as responsible. The responsible person is notified to tag the equipment with the proper tag or tags, fill in the needed information on the equipment form and send the information to Equipment Management Services.

The asset barcode tag is applied to the equipment unless its size or nature makes it impractical. The asset barcode tag should be placed on the equipment adjacent to the manufacturer's nameplate or in a position for easy sighting. If an inventory number tag will not remain legible after a short period (e.g. the weather wears away the tag) the number may be painted or etched on the equipment.

If an inventory number tag is removed, intentionally or unintentionally, the responsible person or DEA shall notify Equipment Management Services so a new tag can be created and affixed to the equipment.

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## Equipment Pre-Tagging

Occasionally, capital equipment must be transported to another location soon after acquisition or directly shipped to research or non-University sites. When this prohibits Equipment Management Services or the DEA from locating and tagging the equipment, the DEA or responsible person shall follow the Departmental Equipment Tagging Procedures for DEAs listed below.

## Departmental Equipment Tagging Procedures for Department DEAs

It may be efficient for Departments to tag Departmental Equipment when it is received by the department. To ensure all required information is included in the asset record follow these steps:

1. Tag asset with asset barcode
2. Document on the invoice, statement, bill of sale, bill of lading whichever accompanies the asset.
  - a. Asset barcode
  - b. Serial number
  - c. Responsible person and User if different
  - d. Location (e.g. building/room number, site location, etc.)
  - e. Off premise authorization if required
  - f. Responsible Department (if different than the purchasing department)
  - g. Vendor (if not included on invoice or bill of sale/lading)
3. Email this information to Equipment Management Services
  - a. Scan or take a picture of documentation created in step 2 above
  - b. Email to [ems@usu.edu](mailto:ems@usu.edu)
4. Equipment Management Services will create the asset record in AssetView
  - a. Attach all relevant documentation
  - b. Reference & attach purchase invoice
  - c. Ensure equipment category and other naming conventions are consistent
  - d. Ensure the asset value is recorded accurately
  - e. Reference sub-department information for ease of reporting, if applicable
  - f. Reference sponsored award control number(s), if applicable

Equipment Management Services will send additional tags or information to department if necessary for federal acquisition or export control.

## Identification of Government Inventoriable Equipment

Departments will notify Equipment Management Services promptly upon acquisition of government inventoriable equipment. For purposes of identification, Equipment Management Services will assign the asset barcode tag and a government tag for attachment to the equipment. The property remains so identified as long as it remains in the custody, possession, or control of the University. All government-owned equipment will be marked "Property of the U.S. Government" unless the size or nature of the equipment makes it impractical, or the equipment is an accessory, an auxiliary, attachment, or otherwise a part of an item of

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equipment that is required for its normal operation. In the latter case, such equipment items are entered and described on the record of the equipment which it is attached, or of which it is otherwise a part.

If the University acquires title to government equipment, Equipment Management Services will remove the government identification tag.

## **Identification of Federally Controlled Equipment**

Departments, responsible persons, and/or PI's are responsible for flagging and identifying assets that may fall under Federal government regulations that pertain to use and movement as per ITAR and EAR regulations. These assets are required to be identified as "Export Controlled" and have the orange "Export Controlled" sticker prominently displayed. Disposal of these assets is strictly regulated, and special considerations are taken with these assets.

## **Section H: EQUIPMENT REQUIRING SPECIAL HANDLING**

### **Motor Vehicles Regardless of Price or Acquisition Method**

Information necessary to record a motor vehicle is acquired from the purchasing document. If acquired in other ways, a representative of the custodial department supplies the information necessary to record the motor vehicle. Equipment Management Services then assigns an inventory tag number or will use the license number as the asset number. MSO's or titles for fleet vehicles are the responsibility of Fleet Management.

### **Boats, ATV's, Trailers and Snow Machines**

All information necessary to record boats, boat motors, ATV's, trailers, and snow machines is acquired from the purchasing document. An asset barcode tag is assigned in the same manner as other equipment. All boat, ATV, trailer and snow machine MSO's or titles are sent to Equipment Management Services. These assets are not the responsibility of Fleet Management.

### **Collections, Art, and Scientific Objects (Other Than Library Acquisitions)**

Collections may be recorded as a group, (e.g., "COLLECTION TEA-SET"), and assigned one inventory number. The custodial department shall maintain detailed records for each item included in an art or scientific collection.

Acquisitions of a single work of art or a single scientific object, not added to collections, are recorded in the same manner as other equipment.

### **Federally Controlled Assets, specifically those listed under ITAR and EAR**

Assets that fall under ITAR (International Trade and Arms Regulations) and EAR (Export Administration Regulations), should be tagged with "Export Controlled" stickers. Improper use or disposal of these strictly regulated assets can result in fines and/or debarment to the University. Contact the Office of Compliance for full responsibilities and details.

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## **Equipment Rented or Leased with Option to Purchase**

Equipment acquired by lease with an option to purchase or other types of installment purchases are recorded at total cost. Interest expenses are not included in the value of the equipment.

In the event the option to purchase is not exercised and the equipment is returned to the vendor, the equipment is retired from the records by submitting a Request to Retire Asset form to Equipment Management Services.

## **Personally, Owned Equipment**

If a University employee keeps personally owned equipment on campus, it should be reported to the custodial department and it should be identified as the property of the owner. The University is not responsible for the loss, liability of, or damage to personal equipment. This will include any equipment from a previous employer that accompanies a new faculty member if equipment was not reimbursed or a letter of gift obtained from the originating institution.

## **Loaned Equipment**

Loan or use of equipment to other Universities, organizations, or individuals not affiliated with Utah State University is not allowed unless there is a contractual relationship with the organization or individual.

Equipment asset(s) loaned to another entity requires authorization from the dean and department head. A loan agreement is required to be approved by University Council. A copy of the agreement must be on file with Equipment Management Services.

Individuals without a contractual relationship must have at least an adjunct status to retain University equipment in their possession.

## **Loan of Equipment to which the University does not have title**

Equipment that is not owned or titled to the University cannot be loaned to other organizations or individuals without the specific written approval of the titleholder.

## **On-Campus Loan of University Equipment**

If equipment is loaned to another department for a short period, a memorandum of the transaction should be filed in the lending and receiving department. If the period of the loan exceeds one year, it should be reported to Equipment Management Services on an Equipment Record Change form by the lending department, giving the name of the borrowing department, the inventory number(s), and the new location of the equipment.

## **Off-Campus Use of University Equipment by University Employees**

Equipment that is used off campus at an authorized research site is permitted and encouraged. Equipment that is used or stored off campus at a personal residence is permitted only with the approval of the department head or director and must directly benefit the University.

Documentation of equipment that is off campus shall be listed on an Equipment Off Premise Use form that documents all equipment inventory numbers, location, and permissions. The form must be on file in the department/departmental unit. Persons with equipment located off campus are responsible for the safety and security of the equipment and for PII or Proprietary

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data that may be contained on/with the equipment. Documentation of equipment off campus is required for insurance purposes and to ensure return to USU at the end of use or employee termination.

## **Subcontractor Acquired Equipment**

If a subcontract has a budget for equipment, the Sponsored Programs Office will verify the subcontractor's property management system has been reviewed and deemed compliant by the federal government. If the subcontractor's property management system has not been reviewed by the federal government, USU will request a property management plan from the subcontractor. When a subcontractor purchases government owned property accountable to a USU prime award, the Sponsored Programs Accounting team will notify Equipment Management Services and an asset record will be created in AssetView.

## **Section I: PHYSICAL INVENTORIES**

### **Physical Inventory of Capital Equipment**

Physical inventory of all capital, government, contractor furnished, and loaned equipment, will be performed by Equipment Management Services. This inventory will be completed on a fiscal year basis for all departments, according to State and Federal law to verify the existence, location, and current utilization of equipment for the Facilities and Administrative Rate study.

Approximately two months prior to the physical inventory date, Equipment Management Services will send an email to the DEA to review the requirements of the pending inventory. Shortly thereafter, the DEA should contact all persons within the department to whom equipment is assigned, notifying them of the date and approximate time when the physical inventory will be performed in their area. The DEAs help and assistance is required to complete a thorough inventory.

Departments will assist Equipment Management Services in the annual physical inventory of capital equipment by:

1. Informing the entire department of the upcoming inventory.
2. Verifying the location of the capital equipment before the actual physical inventory.
3. Providing an escort to accompany Equipment Management Services personnel during the inventory. An escort who is knowledgeable about the location of the equipment is necessary to provide access to equipment that may be in locked or sensitive areas. This escort is to accompany the Equipment Management Services personnel in case access to private offices and laboratories is required.

When the inventory is completed a memo with inventory results will be directed to the department head or program Director.

#### **Inventory with no Missing Equipment and/or Negative Findings**

1. Review listing

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2. Sign and Date Memo form
3. Send dated memo to Equipment Management Services

## **Inventory with Missing Equipment and/or Negative Findings**

1. Review listing and missing equipment list and/or negative finding
2. Document reason for missing equipment and/or negative finding on required Request to Retire form
3. Sign and date Memo and Request to Retire form
4. Send dated memo to Equipment Management Services

All documentation will be filed in permanent records. If documentation is not provided, within 30 days, Equipment Management Services will assume that results were accepted. Documentation will reflect this decision in the permanent records.

## **Terminated Employees**

When an employee who is responsible for inventoriable equipment leaves the University, Equipment Management Services will conduct a physical inventory of their equipment. Departments will be liable for the equipment if Equipment Management Services is not informed of the departure before the employee leaves. When notified, Equipment Management Services will send a list of equipment for which the employee is responsible to the department for verification and re-assignment.

## **Contracts**

In accordance with Federal Acquisition Regulation (FAR) Part 45.508, Universal Guidance Subpart F, physical inventories are required on the completion of any Federal contract. An exception to this requirement is when the equipment will be used for another approved government contract, or if the terms and conditions state that it is not necessary.

## **Grants**

Any equipment purchased on a grant must be administered and controlled according to 2 CFR 200.313.

## **Department/Departmental Unit Physical Inventory and Equipment Management Services Audits**

Physical Inventory of all departmental equipment with an acquisition value between \$3,000 and \$4,999.99 and all computers will be performed by department/departmental units on an annual basis. These physical inventories may be audited by Equipment Management Services to assure accuracy and compliance. (See Utah System of Higher Education policy R572).

1. Business Managers are responsible for ensuring the annual Departmental physical inventories are completed by the end of the calendar year.



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2. An ARGOS report is supplied to College Financial Officers and Business Managers on a quarterly basis to update the progress of department inventories, throughout the calendar year.
3. Department inventories are required to be completed by the last working day of the calendar year.
4. The ARGOS report that is provided in January of the new calendar year will be reported to the Controller and VP of Finance.

### **Section J: REPORTS AVAILABLE FROM EQUIPMENT MANAGEMENT SERVICES**

#### **Governmental Sponsored Awards**

Equipment Management Services shall report the total acquisition value of Federally owned equipment for which the University is accountable under each sponsored award, including Federally owned equipment in the possession of subcontractors, to the cognizant Federal agency.

When special reports covering equipment are required by the agency, and/or requested by the Sponsored Programs Office or Accounting, Equipment Management Services shall furnish whatever data is available from the AssetView and Banner systems.

Equipment Management Services shall provide a list of equipment currently on the University's inventory pertaining to individual sponsored awards, as required. If equipment was purchased with more than one sponsored award, the equipment will be reported on the sponsored award that paid for the major portion of the equipment.

Additionally, Equipment Management Services shall furnish to the appropriate agency annual, semi-annual, and periodic reports of capital equipment contracts on the required forms. Other required forms referenced in the contract will be submitted upon request of the cognizant agency.

#### **Other Reports**

Other reports may be requested by contacting Equipment Management Services.

### **Section K. DISPOSAL OR TRANSFER**

#### **Excess or Surplus Equipment**

Equipment deemed no longer needed or useful to a University department or unit is declared "excess" and eligible to be disposed per University procedures as listed below. All excess or surplus equipment is required to be handled by USU Surplus Sales. No sale or donation may be arranged or completed until USU Surplus Sales has been notified and a course of action initiated.

Any equipment/supplies/materials that are labeled as Property of U.S. Government may not be disposed, moved, or stored unless authorized by agency contracting officer responsible for that

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equipment. Title and disposition of Government property must first be determined. Contact Equipment Management Services and/or USU Government Property Administrator.

## Property Disposal Checklist

1. Contact your Department Equipment Administrator (DEA) and inform them of the desire to dispose of property and provide the following information.
  - a. Asset Barcode number if the asset is controlled or tracked by USU.
  - b. Property Description
  - c. Location of Property
2. Your DEA will contact the Controller's Office Equipment Management Services (EMS) for the following information and to obtain disposal instructions:
  - a. Verify USU has title to the property and is allowed to dispose of the property.
  - b. Verify if the equipment has any Export Control restrictions that will affect the disposal.
  - c. Determine if equipment requires dismantling, Environmental Health & Safety involvement, etc.
  - d. It is the department's responsibility to clean the storage/lab/containment areas prior to Surplus Sales pick-up. See section for Disposal of Assets in Storage/Lab/Containment areas below.
3. Submit Asset Disposal Request form to Surplus Sales and Equipment Management Services. Surplus Sales will schedule pick up of property with Departments.
  - a. Assets to be disposed are identified by disposal tags (download from Surplus Sales website) with the appropriate information that corresponds with the Disposal Request Form.
  - b. Disposal Request form must be complete prior to pick up and a copy of the form included with the assets transported to Surplus Sales.
    - i. Disposal form must be filled out completely and accurately. "Box of Stuff" is an inadequate description. Please provide enough asset description detail for verification of items received at Surplus Sales.
    - ii. Attaching a spread sheet or other list to the Disposal Request form is allowed as long as the disposal tags reference the list in an identifiable manner.
  - c. The following employee names must be included on the Disposal Request Form to complete the transfer of property from the department to Surplus Sales.
    - i. DEA or Department representative (Contact person for the disposal transaction)
    - ii. Department representative who releases the assets to the Transportation personnel.
    - iii. Transportation personnel: This is the employee who is transporting the property from the department to Surplus Sales. This employee might be from Surplus Sales, Facilities Moving, or a departmental employee.
4. All dismantling or teardown of assets must be done before surplus is contacted for pick-up. This is the responsibility of the department.
5. Assets must be placed in an area that is secure until transportation to Surplus Sales.

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6. A department representative must be present when assets are picked up for transportation to Surplus Sales. This representative must ensure the following:
  - a. All employee names associated with the disposal of assets are included on the Disposal Request Form and the form is dated with the pick-up date.
  - b. Make copies of the Disposal Request form. Send one to Equipment Management Services and keep a copy in the Departmental records for two years. Copies of the form can be digital.
  - c. Access to the area(s) for pickup is open and available
  - d. All assets and supplies are taken that need to be transported to Surplus Sales.
  - e. The employee transporting the assets to Surplus Sales must take the original Disposal Request form with the assets.
7. Surplus Sales will receive the disposed property into their point of sale inventory system.
  - a. This is a manual process that involves verifying the asset barcode numbers of disposed property against the Disposal Request form and entering those numbers into the POS system.
  - b. Once a month Surplus Sales sends a list of all asset barcodes received to Equipment Management Services.
  - c. Equipment Management Services deletes disposed assets from the Banner Fixed Asset Module and archives the assets in AssetView.
8. Surplus Sales evaluates property to determine salability and the following:
  - a. Property that has no salvage value is recycled or sent to the landfill.
  - b. Property is offered for reuse to USU community and to public for sale.

If these procedures are not followed and the signed documentation is not kept at Department level, any discrepancies will be reported as “Lost” on departmental annual inventories.

Departments will not receive revenue from Surplus Sales if assets received are not documented with the proper information as directed above. Revenue from the sale of non-documented assets will go directly to Surplus Sales.

### **Disposal of Assets in Storage/Labs/Containment Areas**

Large areas or complete rooms that need to be cleaned out and the assets disposed require the following steps be followed for proper safety and security.

1. Department representative or DEA must contact Environmental Health and Safety to determine if special considerations are required before moving or disposing of any assets, furnishings, or attached components (e.g., shelving, counter tops, assets that may contain dangerous or reactive components).
2. After EHS has cleared the area, the DEA must determine and document the assets that will be disposed per the Property Disposal Checklist above. The DEA may require assistance from PI or Departmental Administration to complete the require documentation.
3. Submit required Disposal Request form and tag assets with required disposal tags, per Property Disposal Checklist above.
4. Contact Facilities Moving for dismantling of assets and transporting assets to be disposed to Surplus Sales.

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- a. Ensure that Facilities Moving completes the Disposal Request form per Property Disposal Check list above and includes the form with property transported to Surplus Sales.
5. Contact Facilities Maintenance for any additional cleaning or restoration of area for new or additional use.
6. If the area is outside of University grounds or responsibility, the department is required to facilitate the return of the area to owner in a manner that is determined by the terms and conditions of the use of the area.

### **Equipment Assets are sold on site or require federal regulation**

1. Assets not able to be taken to Surplus Sales may be sold on site
  - a. Follow listed steps as above except moving or transporting to Surplus.
  - b. Surplus Sales will advertise and accept best offer.
  - c. Reports will be generated to Equipment Management Services for archival.
2. If asset has special requirements to be sold (Airplanes, Helicopters etc.)
  - a. Follow listed steps as above except movement or transport.
  - b. Surplus Sales will advertise and accept the best offer.
  - c. Report will be generated to Equipment for archival.

### **Departing faculty want to purchase computer they are using.**

1. Contact Surplus Sales for authorization to sell the computer.
2. After authorization and amount are agreed on the computer must be sent to Surplus Sales for processing.
  - a. Surplus Sales is responsible for ensuring the computer hard drive is wiped and no Utah State University PII or Proprietary Information remains on the hard drive. See Surplus Sales procedures for sale of computers to external entities.
3. Payment is made to Surplus Sales

### **Departing faculty wants to take equipment assets to new institution**

1. All equipment listed under **current** sponsored award may be transferred to the new institution if approved by sponsor.
  - a. Send a list of equipment that will be transferred to the new institution to Equipment Management Services.
  - b. Transferring institution is responsible for disassembling and moving equipment assets.
2. If equipment assets are **not on current** sponsored award(s)
  - a. Department Head and Dean must approve transfer of all equipment to the other institution. Equipment must not be needed by other departments within the college.
  - b. USU must have title to the equipment to authorize the transfer. If USU does not have title the title holder must approve transfer of equipment to the new institution.
  - c. The new institution must purchase the assets from USU, per Surplus Sales procedures.
  - d. Follow disposal check list to properly document sale.

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- e. Transferring faculty or institution is responsible for dismantling and movement of equipment assets to new location.

## **Equipment asset is cannibalized**

1. Faculty/PI/I.T. should inform DEA of pending action
  - a. Document asset(s) that will be cannibalized using a Request to Retire Asset form and send form to Equipment Management Services.
  - b. Department Head approval is required prior to cannibalization.
  - c. Consult with Environmental Health and Safety if needed.

## **Lost, Damaged, Destroyed or Stolen Equipment**

Lost, damaged, destroyed or stolen equipment must:

1. Be reported with 24 hours to:
  - a. USU Department of Public Safety or the equivalent in the area or premise
  - b. Equipment Management Services and/or USU Government Property Administrator for assets that are identified as property of U.S. Government.
2. After a copy or notification of the police report is received by Equipment Management Services, the lost equipment will be removed from AssetView and/or Banner.
3. If equipment is subsequently recovered, notify Equipment Management Services and the records will be reactivated in AssetView. See Section B: Insurance - Procedures for Actions Required in the Event of a Loss.
4. Equipment Management Services and/or the USU Government Property Administrator will record the information necessary to meet record requirements for FAR 52.245-1

Any other circumstance not listed above, that requires dismantling, cannibalization, or retiring of asset will need to have personal communication with both Surplus Sales and Equipment Management Services.

## **Transfer of Surplus or Excess Equipment**

To transfer equipment between departments, complete the Intent to Transfer/Sell Equipment on Campus form and send it to Equipment Management Services. When equipment is transferred between departments, no change is made in the recorded value of the equipment.

When faculty members transfer between campus departments, equipment can be transferred with the faculty member. The DEA and Equipment Management Services must be notified of the transfer. Complete the Intent to Transfer/Sell Equipment form or Equipment Change form and send to Equipment Management Services.

## **Federal Government Sponsored Award Close-Out**

When advised by the Sponsored Programs Accounting that a Federal sponsored award has been completed or when an impending closing date is reached, the Government Property Administrator and Equipment Management Services will take the following action:

1. Confirm the sponsored award has closed and not been extended.

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2. Review sponsored award terms and conditions to determine if a final physical inventory is required and all other reporting requirements are completed.
3. If required the results of the physical inventory are reported to the federal government per FAR 52.245-1 requirements and specific terms and conditions of the contract.
4. If transfer of assets to another entity or the contracting agency is required, the DEA or PI must complete required paperwork and arrange for transportation as per contract/sponsor instructions.
5. Determine if the University has the option to request title and do so if the option exists.
6. After completion of the required reports and request for title if an option, a suspense file is setup to make sure the Government Property Administrator and Equipment Management Services hears from the agency in a timely manner. If Equipment Management Services neither entity has heard from the federal agency within 120 days, 2 CFR 200.313 is referred to, the contract is assumed closed, and the University has been granted title.
7. If the University is granted title, the title date is updated in the database. Equipment Management Services will advise the department and remove the US Government asset tag from the asset.
8. If the University is not granted title, Equipment Management Services will request property disposition instructions from the federal government.
9. Equipment Management Services will communicate disposition instructions to the DEA and PI of the contract.
10. If the government requests property be returned, the PI is responsible for arranging the shipping of property and must notify Equipment Management Services and the Government Property Administrator of the shipment to the federal government.

### **Release from Responsibility of Government Provided/Acquired Equipment**

The University is relieved of responsibility of government equipment, with the concurrence of the Contract Administrator or the USU Government Property Administrator, by the following:

1. Consumption of equipment in performance of the sponsored award
2. Retention of the University for consideration given to the government
3. Sale of equipment, the proceeds of the sales being received or credited to the government
4. Shipment from the University premises or that of a subcontractor
5. Transfer of title to the University
6. Abandonment in place by the government
7. Loss, damage, destruction, or theft that is properly reported to the government