




Uniform Guidance Updates

Property, Equipment and Procurement Standards



Debra Murray
Assistant Vice President
Sponsored Programs Accounting and Compliance
University of Maryland College Park

Overview



Discuss how equipment is defined



Discuss management, use and disposition of equipment



Identify various methods of procurement

Agenda

Property Standards

Supplies

Procurement Standards

Audience poll



Property Standards

Property Standards and Equipment

Definition

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non - Federal entity for financial statement purposes, or \$10,000.

§ 200.313 Equipment

(a) Title

Title to equipment acquired under the Federal award will vest upon acquisition in the recipient or subrecipient subject to the conditions of this section.

This title must be a conditional title unless a Federal statute specifically authorizes the Federal agency to vest title in the **recipient or subrecipient** without further responsibility to the Federal Government (and the Federal agency elects to do so).

A conditional title means a clear title is withheld by the Federal agency until conditions and requirements specified in the terms and conditions of a Federal award have been fulfilled.

§ 200.313 Equipment - Continued

(c) Use

(1) The **recipient or subrecipient** must use equipment for the project or program for which it was acquired and for as long as needed, whether or not the project or program continues to be supported by the Federal award.

(2) During the time that equipment is used on the project or program for which it was acquired, the **recipient or subrecipient** must also make the equipment available for use on other programs or projects supported by the Federal Government, provided that such use will not interfere with the purpose for which it was originally acquired.

§ 200.313 Equipment - Continued

(3)...the **recipient or subrecipient** must not use equipment acquired with the Federal award to provide services for a fee that is less than a private company would charge for similar services unless specifically authorized by Federal statute.

(4) When acquiring replacement equipment, the recipient or subrecipient may either trade-in or sell the equipment and use the proceeds to offset the cost of the replacement equipment.

§ 200.313 Equipment - Continued

(d)(1) Property records must be maintained that include:

Description of the property

Serial number or identification number

Source of funding (including FAIN)

Title holder

Acquisition date

Cost of property

Percentage of Fed participation in the project cost

Location, use condition of property

Disposition data

§ 200.313 Equipment - Continued

(d) Management requirements

- (2) A physical inventory of the property must be conducted, and the results must be reconciled with the property records at least once every two years.
- (3) A control system must be in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated. The recipient or subrecipient must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.
- (4) Regular maintenance procedures must be in place to ensure the property is in proper working condition.

§ 200.313 Equipment - Continued

(e) Disposition

When equipment acquired under a Federal award is no longer needed for the original project, program, or for other activities currently or previously supported by a Federal agency, the **recipient or subrecipient** must request disposition instructions from the Federal agency or pass-through entity if required by the terms and conditions of the Federal award.

Fabricated Equipment

§ 200.313 and § 200.453 (subpart E)

Description - items that are built or constructed rather than purchased. It often involves custom-made or modified equipment tailored to the specific needs of a project.

Capitalization - Fabricated equipment, if it meets the cost and useful life criteria for equipment, will be treated as capital equipment and subject to the rules outlined in § 200.313.

Expendable Supplies - Items used in fabricating equipment but not considered capital equipment are treated as expendable supplies and subject to the rules in § 200.453.

Cost Limits - Some institutions may have specific cost limitations for fabricated equipment, such as requiring the cost to be less than or equal to the cost of commercially available units.

Fabricated Equipment continued

- Considerations

(Institutional policy)

- Budgeting (proposal stage)
- Allowable/Unallowable Costs
- Accounting practices
- Inventory
- Modifications
- Closeout



Supplies




\$200.314
Supplies

- Title to supplies acquired under the Federal award will vest upon acquisition in the recipient or subrecipient.

When there is a residual inventory of unused supplies exceeding \$10,000 in aggregate value at the end of the period of performance, and the supplies are not needed for any other Federal award, the recipient or subrecipient may retain or sell the unused supplies.

Unused supplies means supplies that are in new condition, not having been used or opened before. The aggregate value of unused supplies consists of all supply types, not just like-item supplies.

The Federal agency or pass-through entity is entitled to compensation in an amount calculated by multiplying the percentage of the Federal agency's or pass-through entity's contribution

- 
- Must not use the supplies... to provide services ... for a fee that is less than private companies charge for equivalent services...
- 

Procurement Standards

§200.318 Procurement Standards

- (a) *Documented procurement procedures.* The recipient or subrecipient must maintain and use documented procedures for procurement transactions under a Federal award or subaward, including for acquisition of property or services.
- (b) *Oversight of contractors.* Recipients and subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. See also § 200.501(h).
- (c) *Conflicts of interest.* (1) The recipient or subrecipient must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

§200.318 Procurement Standards continued

(d) *Avoidance of unnecessary or duplicative items.* Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase.

(e) *Procurement arrangements using strategic sourcing.* When appropriate for the procurement or use of common or shared goods and services, ... are encouraged to enter into State and local intergovernmental agreements or inter-entity agreements for procurement transactions.

(f) *Use of excess and surplus Federal property...* Encouraged to use excess and surplus Federal property instead of purchasing new equipment and property when it is feasible and reduces project costs.

References

[e2CFR 200 Subpart D - Post Award Requirements](#)

[e2CFR 200 Subpart E - Cost Principles](#)



QUESTIONS



Thank you