

Federally-Funded Equipment Procedure	Procedure Number	11.6.2.6P
	Effective Date	November 28, 2017

1.0 PURPOSE

In accordance with Laramie County Community College’s Management and Oversight Authority Policy 11.1 and LCCC’s Sponsored Awards Policy 11.6, the purpose of this document is to provide procedures on the acquisition and management of federally-funded equipment.

All purchases, regardless of funding source, must follow LCCC’s Procurement and Contracting Policy 4.2 and Procurement and Contracting Procedure 4.2.1P. In addition, federal funding agencies, OMB circulars (A-21, A-110, and A-133) and the Uniform Grant Guidance (2 C.F.R. Part 200) prescribe specific procurement and inventory requirements for federally-funded equipment.

2.0 REVISION HISTORY

Adopted on: 11/28/17

3.0 PERSONS AFFECTED

All persons who use, manage, or maintain federally-funded equipment, or manage or oversee sponsored awards on behalf of Laramie County Community College.

4.0 DEFINITIONS

- A. *Enterprise Resource Management (ERM) System*– An enterprise resource management system is the business process management software that LCCC uses to manage the business functions related to technology, services and human resources.
- B. *Equipment (Fixed Asset Inventory)* – Tangible property, other than land, building or structures used in the operations of the College. May include, but is not limited to: instruments, devices, tools, machinery, vehicles, towed equipment, computers, etc., that are needed for a particular job or activity. Equipment is considered a non-consumable item that has a useful life beyond one year, a total cost that exceeds \$5,000.00, and is not permanently attached to a building. Note: Federal pass-through entities may have more restrictive definitions and thresholds for equipment.
- C. *Federal Award* – Federal funding can be provided to LCCC through a variety of funding mechanisms, directly from a federal agency or through a non-federal entity.
- D. *Non-Consumable Supplies* – All tangible property other than those described under “Equipment”. A computing device is a supply if the acquisition cost is less than the capitalization level of \$5,000.
- E. *Non-Federal Entity* – 2 C.F.R. Part 200.69 (Code of Federal Regulations) defines non-federal entity as a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a federal award as a recipient or sub-recipient.
- F. *Performance Period* – Every agreement will have specified beginning and ending dates. All expenditures must be incurred or encumbered during this period. If expenditures fall outside this period, they cannot be reimbursed or used as cost sharing. In some cases, pre-award costs may be pre-approved in writing

by the awarding agency. Any extension in performance period must be granted by the awarding agency within the required request period.

- G. *Project Manager/Principal Investigator* – Individual designated by LCCC to manage the sponsored award project.
- H. *Sponsored Award* – A sponsored award is the transfer of money or property from an external funder that requires performance of specific duties. The funding relationship usually reflects a joint partnership in setting/meeting project goals. Most governmental funding will be for the purpose of conducting a sponsored award. The funding mechanisms used to meet this purpose can include memoranda of understanding, grants, contracts, cooperative agreements, and other legally binding means of transfer.

5. PROCEDURES

A. Procurement

- 1) All purchases, regardless of funding source, must follow LCCC's Procurement and Contracting Policy 4.2 and Procurement and Contracting Procedure 4.2.1P.

B. Identification: Tagging and Recording Equipment

- 1) All property purchased by federal funds defined as Equipment (Fixed Asset Inventory) shall be identified with an LCCC property (Federal Funds) control tag number after the equipment has been received, accepted, and paid for. The Federal Funds control tags are stored in the Accounting Compliance Supervisor's office.
- 2) All necessary information such as description of the property, location of the property, manufacturer, model number, serial number, custodian responsible for the property, cost of the property, and the paid date shall be entered into the financial accounting inventory control system within LCCC's ERM.
- 3) In the event new property is purchased with a trade-in, the trade-in value, freight charges, and other applicable expenses that are required to make the property operational shall be included as part of the cost of the specific item.
- 4) In addition to the fixed assets being entered into LCC's ERM, the Accounting Compliance Supervisor maintains a spreadsheet (*Federal Assets – Inventory*) listing all fixed assets purchased with Federal Funds. The tag number, model, model number, make, serial number, acquisition date, source of funds, amount and location are all maintained in the spreadsheet.

C. Inventory

- 1) A physical inventory of all equipment and non-consumable supplies purchased in whole or in part with Federal Funds must be conducted on an annual basis by the Accounting Compliance Supervisor's office.
- 2) The physical inventory will be reconciled against the fixed asset report maintained in LCCC's ERM System as well as the Federal Asset – Inventory record. The following information will be verified for each asset:
 - a. Location
 - b. Status
 - c. Condition
 - d. Description
 - e. Manufacturer
 - f. Model Number
 - g. Year Manufactured
 - h. Serial Number

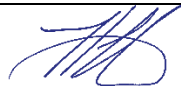
- 3) Any differences will be investigated and reported back to the project manager/principal investigator, and purchasing office. If the asset has been moved, the purchasing office must also be notified so the property records can be changed.

D. Sharing of Equipment

- 1) When it is determined that equipment or a non-consumable supply purchased with Federal Funds is no longer needed for the intent for which it was originally purchased and the property can still be used in a similar capacity, the Director of Sponsored Awards and Compliance, the Accounting Compliance Supervisor, and the LCCC Purchasing Office will assist in transferring the asset to another department. If there is not another department to which to transfer the equipment, the equipment may be sold or transferred to another program outside of LCCC (as determined by the federal funder).
- 2) As long as the federal funder continues to support the project or program for which the equipment was purchased, the following rules must be followed:
 - a. The project manager/principal investigator or project staff may not provide the equipment for use on another project without the approval of the federal awarding agency.
 - b. The equipment must be used in that project or program unless it no longer is needed for that project or program.
 - c. The equipment should not be used to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by federal statute.
 - d. The equipment may be used on other projects or programs if this use will not interfere with the work on the project or program for which the equipment was originally acquired. The equipment must be utilized in the following order of priority:
 - i. Activities sponsored by the federal awarding agency which funded the original project;
 - ii. Activities sponsored by other federal awarding agencies.
 - e. If the equipment is owned by the federal government, use on other activities not sponsored by the federal government must be authorized by the federal awarding agency.
 - f. User charges must be treated as program income.

E. Disposition of Equipment

- 1) If it is determined that the property can no longer be used and the unit fair market value is \$5,000 or less, the property may be disposed of or scrapped for parts. If the value is greater than \$5,000, a portion of the proceeds must be paid to the federal awarding agency (see UGG 2 C.F.R. Part 200.313 for specific guidelines).
- 2) Whether the property is transferred, dismantled for parts, or disposed of, the outcome must be entered into LCCC records.

REQUIRED APPROVALS	NAME/SIGNATURE	DATE
Originator(s) Name(s)	Sabrina Lane, Accounting Compliance Supervisor	10/27/17
Approval by President's Cabinet		11/21/17
Ratified by College Council	Sabrina Lane, College Council Co-Chair	11/28/17
Approval by President (Signature)		11/28/17