

Federal Excess Property

NOTE: The website URL for **Workday reference guides** that are referenced in this section is:
<https://confluence.esg.wsu.edu/display/WKB/Workday>

POLICY

University personnel are responsible for following federal and University procedures when acquiring, utilizing, returning (re-excessing), and disposing of federal excess equipment.

APPLICABILITY

Federal excess property is available from the federal government for use on the following types of projects and programs:

- Federal grants
- Federal cost-reimbursement contracts
- Extension programs (P.L. 97-98), e.g., Agricultural Research Stations, Extension Agricultural Research
- Research programs, e.g., Department of Natural Resource Sciences, Colleges of Veterinary Medicine

NOTE: The procedures described in this section do not apply to Energy-Related Laboratory Equipment (ERLE) grants. Such grants are considered equipment grants and are processed through the Office of Research Support and Operations (ORSO) in accordance with *BPPM* 40.02. ERLE equipment is subject to standard University inventory procedures.

PROGRAM DESCRIPTION

Federal excess property is property that has been declared excess to the needs of a federal agency. By declaring the property excess, the agency is permitting allowable University programs, as well as federal agencies, to request the use of the property.

The following statements apply to University use of federal excess property:

- The title vests with the federal government.
- When the property is no longer required or utilized, the using department is responsible for re-excessing the property in accordance with University and federal procedures.
- The acquiring University department or project pays shipping costs as well as applicable state of Washington use taxes.

Federal Excess Property

PROGRAM (cont.)

- Federal excess property must be used to support the specific programs/contracts/grants for which the property is acquired.

FEDERAL EXCESS PROPERTY COORDINATOR

The Facilities Services, Operations Waste Management division coordinates University federal excess property activity.

Contact the Federal Excess Property Coordinator at Waste Management (telephone 509-335-3089) for assistance with any of the following:

- Acquisition of federal excess property.
- Preparation of want lists of needed items and coordination of equipment screening.
- Assistance in completing the paperwork necessary to acquire, re-excess, and dispose of federal excess property.
- Answers to questions about the federal excess property program.

DEAN

The college dean (or equivalent administrator) is directly responsible and accountable for equipment acquired under this program.

ACCOUNTABLE PROPERTY OFFICER

Before a department or principal investigator may participate in the federal excess property program, the responsible dean (or equivalent administrator) must select a management-level officer to serve as the college's Accountable Property Officer (APO) for federal excess property.

The dean sends a written notification of the APO's selection to the University's Federal Excess Property Coordinator. The notification includes the name of the APO and identifies the applicable federal programs.

If the college is involved in Research and Extension Programs, the dean also notifies the responsible federal agency, i.e., USDA.

Federal Excess Property

Responsibilities

The APO acts as the dean's representative and serves as a liaison with the central administration and with federal agencies providing federal excess property. The APO is responsible for:

- Ensuring that proper University and federal approvals are given for each excess property transaction.
- Ensuring that any requested physical inventories of excess equipment are completed.
- Reporting any unutilized, lost, damaged, stolen, and unserviceable federal excess equipment to the responsible federal agency.
- Ensuring that federal excess property is properly maintained and utilized.

ACQUISITION

A principal investigator and/or department personnel may initiate a request for excess property by completing a Federal Excess Property Request form.

Federal Excess Property Request

Obtain supplies of the form by photocopying or printing the master. Complete all sections of the form. After obtaining the department chair's approval, route the form to the college's APO.

The Federal Excess Property Request form is available on the PR&F website at:

policies.wsu.edu/prf/04-01-forms-index/

Under Federal Grants and Contracts

If the equipment is to be obtained under a federal grant or contract the APO routes the form to Sponsored Programs Services (SPS) for review. Sponsored Programs Services returns approved requests to the APO.

Screening and Obtaining Property

The APO and/or the principal investigator are responsible for obtaining the equipment. The APO may request that the Federal Excess Property Coordinator assist with screening and completing the necessary federal documentation.

Notifying the Controller's Office

As soon as federal excess property arrives, the college APO sends the Property Inventory Section of the Controller's Office a copy of the form transferring the property to WSU. (The form may be a federal form SF-122, Transfer Order -- Excess Personal Property.)

Federal Excess Property

Notifying (cont.)

Property Inventory records the property in Workday in accordance with *BPPM* 20.50 and the Workday Register Assets reference guide.

Use Tax

According to state law, the University is charged a use tax for acquired federal excess property. The tax is assessed at the prevailing state sales tax rate based upon the fair market value of the acquired item. (*RCW* 82.12.020)

When routing the acquisition documentation to Property Inventory, the APO includes the fair market value of the item and the cost center, fund, region, function, and location worktags of the account that supports the use tax charge. The APO must provide any other worktags, such as grant or program, that are associated with the account.

Exempt From Use Tax

Expendable supplies that are totally consumed during the grant, contract, or program for which the supplies are obtained are exempt from state use tax. (This applies to research, development, experiment, and testing activities.) (*RCW* 82.12.0265)

INVENTORY AND UTILIZATION

Accountable Property

The Property Inventory Section of the Controller's Office records accountable excess property in the University's central online inventory system in Workday. Accountable property includes all property that meets the University's definition of inventoriable nonexpendable equipment. See *BPPM* 20.50 for the current definition.

Nonaccountable Property

Nonexpendables

Nonaccountable, nonexpendable equipment must be tracked by the acquiring department even though it is not included in the University's online inventory system in Workday. The department is responsible for labeling such equipment as federal excess property.

Expendables

Expendable nonaccountable items (e.g., supplies) are not inventoried. However, the use of expendables must be recorded and tracked by the department or principal investigator.

Federal Excess Property

Physical Inventory

When the responsible federal agency requires a physical inventory of excess equipment assigned to a given University unit, departmental personnel are to request a current listing from Property Inventory. Property Inventory generates a list of federal excess property held by any specified University unit.

In addition to physically locating the equipment, departmental personnel:

- Compare University records with the inventory listing provided by the responsible federal agency.
- Note the current utilization status of each item on the listing. If there are changes in utilization, follow procedures listed under [Changes in Utilization](#).

Maintenance

All property acquired through the excess property program must be properly maintained using the manufacturer's suggested maintenance procedures.

Utilization

All property items must be utilized properly and to the fullest extent possible.

Changes in Utilization

The principal investigator or departmental personnel report any of the following changes in utilization of federal excess property to the college APO:

- Property that personnel wish to transfer to another University department or to another institution.
- Property that personnel wish to cannibalize.
- Unutilized property.
- Unserviceable, damaged, or lost property.

Seeking Federal Approval

The APO notifies the appropriate federal officials of the change in utilization and seeks authority to transfer, dispose, sell, or cannibalize the property. The APO also notifies SPS if the property was acquired under a federal grant or contract.

The Federal Excess Property Coordinator is available to assist APOs in obtaining federal approval for changes in utilization.

Federal Excess Property

NOTE: Transfer, disposal, sale, or cannibalization of federal excess property may not occur before federal approval is received.

Notifying Property Inventory

The college APO notifies Property Inventory of any required inventory corrections by routing a Federal Surplus Asset business process in Workday or by routing a copy of the appropriate federal transfer or disposal documentation. (See the Workday Federal Surplus Assets reference guide.)

A user assigned with the business asset tracking specialist security role may initiate the Federal Surplus Asset business process. (See 85.33 regarding assigning Workday security roles.) Workday routes the business process to the Controller's Office and the cost center manager for approval.