Acquiring Equipment Under Federal Agreements

NOTE: The website URL for Workday reference guides that are referenced in this section is: https://jira.esg.wsu.edu/plugins/servlet/desk/portal/91

POLICY

WSU personnel are responsible for obtaining equipment in accordance with applicable University, state, and federal regulations. (SAAM 30.10, Uniform Guidance 2 CFR 200)

PRE-ACQUISITION

Before purchasing or procuring equipment with funding from a sponsored project, department personnel (i.e., Principal Investigator, Grant Manager) are responsible for assuring that the transaction is appropriate. The following criteria are to be evaluated:

• Allowability
• Prepurchase screening requirements
• Prior approval requirements
• Where title to the equipment will vest

Before fabricating a piece of equipment using funds from a sponsored project, department personnel are responsible for obtaining a property tag number and listing that tag number on all component pieces as the equipment is fabricated. See BPPM 20.50 for further guidance.

ALLOWABILITY

Award Document

Check the award document and agency terms and conditions for clauses relating to the purchase of equipment and the acquisition of government-furnished property. The fully-executed award document is available in the myResearch database, which is maintained by the Office of Research Support and Operations (ORSO). Sponsored Programs Services (SPS) may be contacted to assist with interpretation of the award document.

Subcontracts/Subawards

A subcontract/subaward may include a line item budget that includes equipment. In addition, the federal agency or the University may provide government-furnished property directly to the subcontractor/subawardee.
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**Property Control System**

Unless exempted by special terms and conditions of the subcontract/subaward and/or agency regulations, the subcontractor/subawardee is required to have either of the following property control systems:

- A federally-approved system of property control.
- A system that meets the criteria required by federal regulations for government-furnished property and/or purchased equipment.

**Assurance**

The subcontract/subaward may include flow-down provisions, special terms and conditions, and/or an assurance clause stating that the subcontractor/subawardee has a system of property control that meets the preceding criteria for equipment and/or government-furnished property. A subcontractor/subawardee may be required to provide the University with a copy of their federally-approved property control system or business policies and procedures.

**Uniform Guidance (2 CFR 200)**

If the agreement does not specifically mention equipment, apply Uniform Guidance (2 CFR 200) regulations regarding equipment allowability. In general, Uniform Guidance states:

- General purpose equipment items, (e.g., office equipment, motor vehicles, etc.) are usually not allowable as a direct charge on sponsored projects unless approved in advance by the sponsoring agency.
- Special purpose equipment items (i.e., equipment used only for research, medical, scientific or other technical activities) are allowable with prior approval from the sponsor. (Itemization on an approved proposal budget may constitute prior approval in many cases; see Prior Approval.)
- Expenditures for capital improvements are usually not allowable unless approved in advance by the sponsoring agency.

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**EQUIPMENT**

**SCREENING BY WSU**

Prior to procuring or fabricating new equipment, WSU units are to screen existing equipment inventories to avoid purchasing or fabricating unnecessary or duplicative items.

Screening is recommended at the following two points in a project's history:

- Before a proposal is submitted to a federal agency for approval.
- Before a piece of equipment is purchased or fabricated with sponsored funds. See **BPPM 70.10** for general requisition procedures.

**Sharing**

Principal investigators are to share special purpose equipment when feasible, especially at the end of a sponsored project's lifecycle. When the equipment will no longer be used by the project that funded its purchase/fabrication, the unit must ensure no other WSU entities have a need or use for the equipment before disposing of or selling the equipment.

**Screening Levels**

**Cost More Than $5000**

If the equipment item costs more than $5000 to procure or fabricate, the equipment coordinator screens the departmental equipment inventory for like or substantially similar equipment. If another suitable item is not available in the department, enter the following statement in the item description of the Requisition in Workday:

*NO SUITABLE ITEM AVAILABLE IN THE DEPARTMENT.*

See the applicable Workday Procurement reference guides for Requisition instructions.

The University maintains an online inventory listing available to departments (see **BPPM 20.50**).

**Cost More Than $10,000**

If the equipment item costs more than $10,000 route the Requisition in Workday to Property Inventory where all University property is screened for like or substantially similar items. See the applicable Workday Procurement reference guide for Requisition instructions.

If appropriate equipment does not exist or is not available for use, the University's Property Administrator attaches a certification to
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Cost More Than $10,000

the Requisition and forwards the purchase documentation in Workday to Purchasing Services.

If appropriate equipment exists and is available for use, the University's Property Administrator returns the Requisition in Workday to the originating department requesting that the department do one of the following:

- Negotiate a shared-use agreement with the unit that owns a similar equipment item.

- Provide a written justification from the department chair detailing why similar equipment items are not appropriate. The department attaches the justification to the Requisition and routes the purchase documentation in Workday to Purchasing Services.

PRIOR APPROVAL

If the equipment item has been itemized in the approved proposal budget, additional agency approval is generally not required before purchasing or fabricating new equipment. However, certain agencies require additional approval by the agency coordinating officer. Direct questions to SPS.

Complete a Sponsored Programs Activity Request (SPAR—Rebudget) in Workday if the equipment item is not itemized in the original approved budget and additional approval and/or rebudgeting is required. The request routes to SPS for review and approval. See BPPM 40.23 and the Workday Grants—Create Sponsored Account Request reference guide for instructions.

Industrial Plant Equipment (IPE)

Industrial plant equipment purchased on Department of Defense contracts must have prepurchase approval of the Defense Supply Center, Richmond (DSCR). (48 CFR 245)

IPE Definition

Industrial Plant Equipment (IPE) is plant equipment with an acquisition cost of $15,000 or more used for the purpose of: cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating, or otherwise altering the physical, electrical or chemical properties of materials, components or end items entailed in manufacturing, maintenance, supply, processing, assembly or research and development operations. IPE is in federal stock group 34. (48 CFR 245.301)
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DSCR Screening  
To request DSCR screening for IPE, the principal investigator submits DoD Industrial Plant Equipment Requisition (DoD Form 1419) to the Defense Supply Center Richmond, ATTN: JH, 8000 Jefferson Davis Highway, Richmond, VA 23297-5100. Obtain DoD Form 1419 from SPS.

Automatic Data Processing Equipment (ADPE)  
Submit requests to acquire Automatic Data Processing Equipment (ADPE) to the Administrative Contracting Officer (ACO) Office of Naval Research - Seattle. The ACO submits contractor requests to the Defense Information Systems Agency in accordance with the Defense Automation Resources Management Manual. (48 CFR 245.302-1)

ONR Submittal Instructions  
Before completing the requisition DoD Form 1419 for IPE, or submitting a request to purchase ADPE equipment, the principal investigator may wish to informally discuss the proposed acquisition with the Office of Naval Research (ONR) Administrative Contract Officer, Seattle; telephone 206-526-3168. ONR may have additional or alternate instructions for submittal of a requisition for IPE or a purchase request for ADPE.

DSCR Screening  
The DSCR screens each IPE request to determine whether the item is available. If the item(s) is not available, the DSCR issues a Certificate of Nonavailability.

Attach a copy of the Certificate of Nonavailability to the Department Requisition when purchasing the item through WSU Purchasing Services.

Acquiring Special Test Equipment  
When special test equipment or components are known, the solicitation (and the contract) are to separately identify each item to be furnished by the federal government or acquired or fabricated by the contractor for the federal government. Individual items of less than $5,000 may be grouped by category. (48 CFR 245.307-2)

Notice and Approval  
Under negotiated contracts containing the clause regarding Special Test Equipment at 48 CFR 52.245-18, WSU must notify the contracting officer if it intends to acquire or fabricate special test equipment.

Within 30 days of receipt of the notice from WSU, the contracting officer completes the following:

- Reviews the proposed items for necessity and proper classification as special test equipment;
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Notice and Approval (cont.)

• Screens the availability of existing federally-owned test equipment in accordance with agency procedures; and

• Notifies WSU, approving or disapproving the acquisition or fabrication and, if it is disapproved, states whether the equipment will be furnished by the federal government.

DETERMINING TITLE

Either the award document or the approval letter for equipment purchase includes title-vesting information. If neither does, the unit must reach out to the sponsoring agency for confirmation before assuming title vests with WSU. When title vests with WSU, it is important to note that the equipment belongs to the institution and not the unit nor faculty member who procured or fabricated the equipment.

ACQUISITION

Equipment may be purchased, transferred from another project, acquired from sponsoring agencies, or fabricated.

Purchase

Complete a Requisition in Workday. See BPPM 70.10 and the applicable Workday Procurement reference guide.

Internal Transfer

Equipment must be used on the original project for as long as needed. When no longer needed for the original purpose, equipment may be used for other projects currently or previously sponsored by the following (in order):

1) The same sponsor;

2) Other federal sponsors (if the sponsor was federal); then

3) Any other internal entity with a use or need for the equipment.

Projects sponsored by the original agency are to be given first priority if there is a choice.

After verifying the allowability of the transfer with SPS, the unit's equipment coordinator initiates a Register Asset request in Workday. See BPPM 20.50 and the Workday Register Assets reference guide.

Federally-Furnished

The terms and conditions of a federal agreement usually specify equipment items to be furnished to WSU. The principal investigator usually initiates acquisition of government-furnished property.
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Federal Excess Property

Federal excess property is available for use on federal cost-reimbursement contracts and federal grants (see BPPM 20.78).

Fabrication

The principal investigator (or equipment coordinator) maintains a separate file for each fabricated equipment item. All expenditure documents (e.g., Internal Service Delivery requests, IRIs, Requisitions, Receiving Reports) related to fabrication are retained in the file. When the item is completed, the responsible individual uses the assembled documents to calculate acquisition cost of the item. Refer to BPPM 90.01 regarding document retention schedules for equipment fabricated using sponsored funding.

The acquisition/fabrication cost is multiplied by the current and appropriate Facilities and Administrative (F&A) cost rate to obtain the F&A cost of acquiring/fabricating the item. See BPPM 40.25 for the current F&A cost policy and the SPS website for the current F&A cost rate agreement:

sps.wsu.edu

This F&A cost is added to the acquisition/fabrication cost to obtain the value of the equipment item. This figure is used for inventory management and disposal purposes.

RECEIVING

See BPPM 70.14 for receiving procedures.

Federally-Owned

WSU becomes responsible for the equipment upon delivery.

Acknowledgment of Receipt

The departmental equipment coordinator (or principal investigator) signs and dates the government shipping document accompanying the item. Copies of the form are distributed to the following offices:

- Sponsored Programs Services
- Cognizant agency contract administrator
- Originator of the shipment
- Department
- Property Inventory