

Managing Fixed Assets on Sponsored Awards



Research Financial Management

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Agenda

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2. Federal Regulations
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Definitions

Fixed Assets:

- Tangible assets, such as furniture, fixtures and equipment with a:
 - cost of \$5,000 or more, and
 - useful life of 1 year or more.
- Hardback-covered bound books valued at \$250.00 or more that are circulated to students or the general public.
- New construction or renovations or improvements that extend the original useful life of a building or infrastructure over \$100,000.

Noteworthy:

- USF generally uses the words equipment or property interchangeably to refer to equipment, software, fixtures, furniture and other tangible property of a non-consumable and non-expendable nature.
- USF capitalization thresholds and responsibilities are set forth by the Florida SUS-Board of Governors.
- Software licenses must exceed 1 year in length to be considered “equipment.” Software licenses \leq 1 year in length, must be classified as “supplies,” regardless of cost.

Refer to USF System Policy 5-014, Asset/Property Management:

<http://generalcounsel.usf.edu/policies-and-procedures/pdfs/policy-5-014.pdf>

Definitions (Cont.)

Government Owned Equipment:

Government owned property means all equipment owned or leased by the government. Government property includes:

- Government-furnished property provided by the sponsor.
- Contractor-acquired (USF-acquired) property purchased on sponsored funds where title vests with the Government (common for contracts).

Noteworthy:

- Government tagged.
- Used only for the term and purposes of the award, unless authorized.
- Separately identifiable from USF System assets.
- May be subject to Government property audit.
- Sponsor determines disposition (including cannibalization) at end of use or award completion/termination.

Refer to USF System Policy 5-014, Asset/Property Management:

<http://generalcounsel.usf.edu/policies-and-procedures/pdfs/policy-5-014.pdf>

Definitions (Cont.)

Government Funded Equipment:

Government funded property means all equipment purchased with sponsored funds where title vests with the USF System (common for grants).

Noteworthy:

- Used as specified in the award terms and conditions, as long as needed, without regard to continuing government support.
- After primary use, equipment available to other activities in following order;
 - other federal sponsored activities – same sponsor;
 - other federal sponsored activities – alternate sponsors;
 - other sponsored activities (including USF sponsored).
- Not subject to government property audit (subject to USF annual audit).
- Disposition (including cannibalization) requires Sponsored Research approval.

Refer to USF System Policy 5-014, Asset/Property Management:

<http://generalcounsel.usf.edu/policies-and-procedures/pdfs/policy-5-014.pdf>

Federal Regulations

[OMB Circular A-21](#) - *Cost Principals for Educational Institutions:*

- Defines Allowable Costs – direct vs. indirect
 - Direct – special purpose equipment
 - Indirect – general purpose equipment
 - ❖ Charging indirect as direct, [requires Cost Accounting Standards \(CAS\) exception](#).

[OMB Circular A-110](#) - *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations:*

- System requirements – (at a minimum); asset description, model #, manufacturer's serial #, purchasing cost, chartfield and date, asset location and condition.
- Physical inventory every 2 years.
- Adequate maintenance and safeguard from loss, damage or theft.

[Federal Acquisition Regulations](#) (contracts only):

- Part 45 – Government Property.
- Clauses – Part 52.245-1 - Government Property.
- Some agencies have specific FARs, e.g., DFARS for Department of Defense.

Accounting

Normal:

- Accounting for USF System property is handled by the Controller's Office.
- [Asset Management](#) maintains asset records, which are reported accordingly on USF financial statements.
- Straight line depreciation based on expected life of the asset.

Fabricated Equipment:

- If equipment is manufactured and/or assembled at USF, notify [Asset Management](#) so that the item may be tagged and entered into the property records database. (Use 63115 Fabricated Equipment code where possible.)
- Department should maintain cost records for all materials used to manufacture a piece of equipment.
- Notify the [Asset Management](#) to tag and record any additional "add-ons."

Refer to USF COMPASS: http://compass.custhelp.com/app/answers/detail/a_id/820/kw/equipment

Account Codes

GL Code	GL Description	Federal Budget Code	Non-Federal Budget Code
63100	General Use Computer	83800	82800
63105	Research Computer	83850	82800
63110	Research Equipment	83860	82800
63115	Fabricated Equipment	83860	82800
63120	Other Fixed Assets	83800	82800
75052	UCS Equipment	83800	82800
75056-8	UCS Network Equipment	83800	82800
75060	UCS Research Equipment	83860	82800
75061	UCS Research Computer	83850	82800
75746	IT Computing Infrastructure	83800	82800

Note: Non-capitalized equipment should be expensed to an appropriate supply account code!

Management

Safeguarding:

- Department must have controls in place to prevent loss, damage or theft.
- In case of theft, notify University Police, [Asset Management](#), and the sponsor.
- Loss or damage should also be promptly reported to the [Asset Management](#) and the sponsor.

Maintenance:

- Equipment should be maintained in good (operable) condition.
- If replacement is necessary, the existing equipment may be traded or sold as offset to the cost, subject to approval by the sponsor.

Refer to USF COMPASS:

http://compass.custhelp.com/app/answers/detail/a_id/845/kw/stolen%20property

Forms

[USF Form #3001 – Location Request Form](#)

- Remove a building designation from the building inventory listing
- Request a new location code designation for a leased space.

[USF Form #3008 – Relief from Property Accountability](#)

- Dispose by donation, cannibalization, trade-in, surplus or e-bid.

[USF Form #3009 – Property Transfer Form 15](#)

- Transfer to a different location (Accountable Officer/Department)

[USF Form #3010 – Unlocated or Stolen](#)

- Report unlocated or stolen property (after notifying University Police)

[USF Form #3069 – Equipment Manufactured or Assembled](#)

- Report assembled or manufactured property

[USF Form #6028 – Off-Campus Property Permit](#)

- Report the removal of property from a University location to use at any off-campus location

Department Responsibilities – PI & Department Research Administrator (DRA)

- Determine appropriate budget categories for equipment.
 - CAS exception?
- Once established, review project budget for accuracy via the USF Finance Mart.
 - Underwrite budget removed?
 - Grant budget added?
- Care for, safeguard, and maintain property.
- Assist [Asset Management](#) with annual inventory.
 - FAST query: U_AM_PROPERTY_LIST
 - FAST query: U_AM_PROPERTY_LIST_BY_PROJ
- Complete property related forms.

Central Responsibilities

Sponsored Research:

- Review, approve, and forward CAS forms to Research Financial Management (RFM).
- Approve disposition requests for sponsored equipment.
- Assist with PI transfers/sales of equipment to other universities.

Research Financial Management:

- Review CAS forms and process related budget activity in FAST.
- Prepare journal entries to reclassify supplies that have posted to equipment account codes for sponsored awards.
- Provide property reports to sponsors, as required.

Central Responsibilities (Cont.)

Purchasing Services:

- Assist with completion and processing of property purchase orders.
- Review and approve sole source forms (may be research related).
- Manage eBid process for disposition.

Controller's Office – Asset Management:

- Maintain records of all USF System property.
- Tag new acquisitions.
- Perform annual inventory.
- Process property-related forms.
- Reconcile financial data to USF System audited financial statements.

Special Considerations

- Off-Campus property forms.
- Subcontractor flow-through of regulations.
- Classification as “research” vs. “general purpose.”
- Physical security for attractive items under \$5,000. Keep doors and drawers locked to secure all property.

Other Resources

Website References

- General Accounting – Asset Management
<http://usfweb2.usf.edu/uco/assetmanagement/>
- Research Financial Management (RFM)
<http://usfweb2.usf.edu/uco/research/>
- Sponsored Research
<http://www.research.usf.edu/dsr/sponsored-research.asp>
- USF Property Procedures Manual
http://usfweb2.usf.edu/UCO/assetmanagement/USF%20Property%20Manual_4-12.pdf

Contact Information

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Congratulations



You have completed this module!

