



NORTHWESTERN
UNIVERSITY

Equipment Policy Manual

Last Revised: January 2025

SUPERSEDES ALL PREVIOUS DOCUMENTATION
Revisions effective upon issuance, unless otherwise noted.

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I. Northwestern University Equipment Policy Manual

A. Introduction

Capital equipment is tangible property having an acquisition value of \$5,000 or more and a useful life expectancy of one year or more. Fabricated equipment and component systems, which have an aggregate costs of \$5,000 or more and useful life expectancies of one year or more, are considered capital equipment.

Non-Capital equipment is property that costs less than \$5,000 or has a useful life of less than one year. Repairs, maintenance parts or components, warranty costs, maintenance contracts or annual software licensing fees are not considered capital equipment and are expensed.

Accounting Services maintains the University's inventory of capital equipment. Each school and unit within the University is responsible for safeguarding, maintaining,utilizing, and inventorying all equipment it acquires, either through purchase, gift or fabrication.

B. Capital Equipment Inventory

Northwestern University utilizes the NU Financials Asset Management module to track capital equipment from purchase to disposition. Equipment records within the Asset Management module contain a variety of data including asset description, cost, purchase date, model number, serial number, custodian, location, funding source, condition, and financial information.

C. Purpose

The University maintains equipment inventory records for several reasons:

- To support proper financial reporting.
- To comply with Federal funding requirements. By its acceptance of Government contracts and grants, Northwestern University is obligated to identify all government-titled property as it is acquired, keep specific inventory records and establish controls for the usage, maintenance and disposition of equipment and material.
- Federal Regulations allow an annual recovery of a portion of the cost of University acquired equipment through the indirect cost rate, if an accurate property control system is in place.
- Donors, grantors and benefactors expect the assets they provide will be accounted for, maintained and utilized. The University has a stewardship function.
- To assist the departments with tracking equipment and internal control.

D. Program Coordinator

The Program Coordinator for equipment inventory (i.e., staff in Accounting Services) oversees the maintenance of the capital equipment inventory records through collaboration with the schools and units. This includes coordination with departments to affix property tags, updating asset records, and educating departments on the proper procedures related to property record maintenance and disposal.

To aid in the proper tracking of capital equipment the Program Coordinator coordinates with units to ensure capital equipment is tagged within a reasonable amount of time subsequent to purchase and that inventory verification is performed and documented at least once every two years.

The Program Coordinator manages the capital equipment inventory verification process by notifying units of inventory cycle due date, monitoring the progression of inventorying by units, gathering the unit certified inventory sheets, sampling the results for accuracy, and updating inventory records in the asset management module. The Program Coordinator will also review items noted as requiring disposal or transfer on the inventory control sheets and contact the department to submit the disposal request (if one has not been submitted) to update the capital equipment inventory.

E. Capital Equipment Unit Representatives

A capital equipment unit consists of a single department or related grouping of departments that has capital equipment.

Capital Equipment Unit Representatives act as a liaison between Financial Operations and their unit for capital equipment. Unit Representatives support Financial Operations by publicizing, monitoring and enforcing equipment policies and procedures. In addition:

- Unit representatives serve as a starting point for Financial Operations asset inquiries.
- Unit representatives are responsible for assisting Financial Operations with tagging their unit's new capital equipment in a manner that works best for their unit.
- If a unit has capital equipment purchased two fiscal years or more prior, that has not been verified in the prior or current fiscal year, they will be required by Financial Operations to perform capital equipment inventory verification for such equipment in the current fiscal year regardless of inventory cycle.
- At least biennially, it is the responsibility of the unit representative to determine and execute a method of capital equipment inventory verification that works best for their unit, provide required updates to Financial Operations and certify that they have done so.

E. Capital Equipment Unit Representatives (Continued)

- Furthermore, unit representatives are responsible for facilitating the physical observation of capital equipment inventory by a Financial Operations representative when required.

A table of unit representatives is maintained by the Accounting Services Program Coordinator.

A Director or Senior Administrator approval is required to authorize a capital equipment unit representative. Approval of authorization is documented on a capital equipment unit representative registration form. The registration forms are available for download on the Northwestern University equipment inventory website. Forms are submitted to the Accounting Services Program Coordinator who updates the representative list and maintains a file of approved registration forms.

For more information regarding Unit Representatives, please see the [Capital Equipment](#) website.

Unit Representatives review capital equipment policies and procedures at an annual training, presented by Accounting Services. Accounting Services will also provide additional reminders and policy information via separate communications throughout the fiscal year.

II. Acquisitions

A. Purchases

To maintain the integrity and accuracy of the equipment inventory system, it is very important that the distinction between capital and non-capital equipment be understood and used by those departmental staff acquiring equipment of any sort.

It is important to make sure that the correct expense account is selected when purchasing equipment. Items costing \$5,000 or more should be coded to a capital equipment account and items costing less than \$5,000 should be coded to a non-capital equipment account. All capital equipment has a minimum useful life of one year or more.

A. Purchases (Continued)

To determine the proper account to use for equipment purchases, refer to the common Equipment Expense Accounts below (account listing is also available in the Account Code Guide):

Category	Capital Equipment Accounts (greater than \$5,000 and one year)	Non-Capital Equipment Accounts (less than \$5,000 or one year)
Athletic Equipment	77577	77077
AV Equipment	77545	77050
Capital Equipment	75843	
Computers	77570	77030/77090
Maintenance & Misc. Equipment		75850
Fixed Equipment (NIC)	75840	
Furniture	75841/77510	
Government/Sponsor Titled	77505	77071
Movable Equipment	75842	75844
Musical Instruments	77580	77040
NTG Telephone Equipment	77515	77060
Office Equipment	77550	77070/77010
Other Capital Equipment	77599	
Other Non-Capital Equipment		77099
Quest – High Performance Computers	77572	
Scientific Instruments	77560	77080/77020
Vault – Data Storage	77571	77091

B. Item Category for Equipment Purchases

Requestors need to make sure that when purchasing capital equipment, the correct item category is selected on the categories page (Add Items and Services / Non Catalog/Categories) in NU Financials. Capital equipment item categories always end with the word “Asset”.

B. Item Category for Equipment Purchases (Continued)

Below is a list of the categories that should be used for capital equipment purchases:

- Artwork Asset (not capitalizable)
- Athletic Equipment Asset
- Audio-Visual Equipment Asset
- Computer Equipment Asset
- Computer Hardware Asset
- Elevator Building Supp Asset
- Food Service Equipment Asset
- Furniture Asset
- Furniture Classroom Asset
- Furniture Dorm Asset
- Furniture Office Asset
- HVAC Asset
- Laboratory Equipment Asset
- Laundry Service Equip Asset
- Maintenance Equipment Asset
- Musical Instruments Asset
- Office Equipment Asset
- Scientific Equipment Asset
- Shelving, Seating, and Lights Asset
- Shop Equipment Asset
- Telecom Equip Asset
- Vehicles Asset

C. Cataloging Equipment

Accounting Services catalogs new equipment purchases throughout the year based on the information provided in a supply chain report and by the requester in the requisition header comments. The supply chain report displays paid vouchers for purchases that used a capital equipment account code ONLY. Other information contained in the report includes purchase order number, PO line item descriptions, shipping location and accounting information. The requestor provides information such as custodian, building name and room number in the requisition header comments. Occasionally, Accounting Services will contact the department for additional information needed to properly record the new purchase into the asset management system.

D. Tagging Equipment

Capital equipment tags have Northwestern University printed across the top with a unique identification number below. The Program Coordinator coordinates with department representatives to affix tags to new equipment after cataloging the new equipment purchases throughout the year.

D. Tagging Equipment (Continued)

Unit representatives are responsible for assisting Financial Operations with tagging their unit's new capital equipment in a manner that works best for their unit. Unit representatives are responsible for proper disposition of equipment (as outlined in the Disposition section below), including but not limited to tag removal, and removal of or segregation from the area's functioning equipment population.

E. Capital Equipment Inventory Verification

Capital equipment records are verified at least once every two years to ensure that the inventory records within the asset management system are accurate.

Capital equipment inventory verification specifically includes verifying the existence, tag number, model number, serial number, building name and room number, custodian name and asset description. Physical inventory is performed on a biennial basis. The Chicago campus inventory is performed in the even-numbered fiscal years and the Evanston campus in the odd-numbered fiscal years. If a unit has capital equipment purchased two fiscal years or more prior, that has not been verified in the prior or current fiscal year, they will be required by Financial Operations to perform capital equipment inventory verification for such equipment in the current fiscal year regardless of inventory cycle.

The Program Coordinator manages the capital equipment inventory verification process by notifying units of inventory cycle due date, monitoring the progress, gathering the unit certified inventory sheets, sampling the results for accuracy, and verifying results are reflected in the asset management module. The Program Coordinator will review items noted as requiring disposal or transfer on the inventory sheets and contact the department to submit the disposal request in NU Financials, if one has not been submitted.

It is the responsibility of the unit representative to determine and execute a method of capital equipment inventory verification that works best for their unit, provide required updates to Financial Operations and certify that they have done so. Additionally, unit representatives are responsible for facilitating the physical observation of capital equipment inventory by a Financial Operations representative when required.

F. Fabricated Equipment

Fabricated equipment is defined as an item of equipment that is built or assembled from component parts by a Principal Investigator (PI) and/or other sponsored project personnel, an internal shop, or an external shop. When a completed item of fabricated equipment has an aggregate cost of \$5,000 or more AND when that item will be recorded as capital equipment in the University's asset system, the individual component costs associated with the fabrication (regardless of the individual amounts) will not be assessed the Facilities & Administrative (F&A) rate.

Fabricated equipment should be identified prior to the acquisition of component parts or services related to the fabrication. This identification can be made, initially, in the sponsored project proposal budget or, later, using the Change Request system. The PI should detail what item is being fabricated, the materials and/or shop services necessary for the fabrication, and the estimated costs using the fabricated equipment questionnaire & form. Costs that should be budgeted and charged to a sponsored account include materials and supplies necessary for the fabrication as well as any internal or external shop charges. Although project personnel may participate in the fabrication, their salaries will not be exempt from the F&A rate assessment. Only labor costs that are implicit in the internal or external shop rates will be F&A exempt.

Acquisitions related to the (F&A exempt) fabrication should be charged to: 77535 Fabricated Equipment-Work in Progress.

Once the Office of Sponsored Research (OSR) is aware that fabricated equipment with an aggregate cost of \$5,000 or more needs to be charged to a sponsored account, it will open account 77535 in the financial system. This account is to be used solely for the purpose of accumulating the individual charges associated with this fabricated equipment. Costs charged to account 77535 will not be assessed the F&A rate.

In addition to opening the account 77535, OSR will notify the Accountant 2, Property, Plant, and Equipment, who will assign a fabricated inventory number and provide this number to the PI. This number should be referenced in all acquisitions for the fabrication. When the fabrication is completed, the PI and/or the shop should alert the Accountant 2. Upon notification of completion, an accounting entry will be made to transfer the individual costs to a capital equipment account. The fabricated item will also be tagged with a property tag number and recorded in the asset system.

F. Fabricated Equipment (Continued)

If a fabricated equipment item will have an aggregate cost of less than \$5,000, the individual costs for all acquisitions should be budgeted and charged to the appropriate materials and shop accounts. Those accounts will be assessed the F&A rate. Account 77535 should not be used. In this case, an inventory tag number will not be assigned, as the fabricated item will not be recorded in the asset system.

If ownership of the final product is to transfer to the sponsor, the F&A rate exemption does not apply to the individual fabrication costs. In such cases, the costs associated with the fabrication should be classified under the appropriate materials and shop accounts. Account 77535 should not be used. The F&A rate must be applied to all such costs associated with the fabricated item. Items purchased as part of the fabrication that individually cost \$5,000 or more and would otherwise exist as stand-alone items of capital equipment should be charged to account 77505-government/sponsor titled capital equipment. The account 77505 will be subject to F&A charges.

The use of account 77535 and the applicability of the F&A rate exemption is intended for instances of construction or modification of an item that will operate as a single piece of equipment and where shop services are typically required. This policy is not intended to address instances where components are connected together in a system, such as when individual computers and servers are joined to create a network. Please refer to the Component Systems section below for guidance in these instances. Questions regarding which policy is applicable in a given situation should be directed to the Office for Sponsored Research or Accounting Services for Research & Sponsored Programs.

G. Component Systems

A component system is comprised of individual equipment or material items connected to operate as a system, such as when individual computers and servers are joined together to create a network. Component systems are distinguished from fabricated equipment in that they do not generally require extensive construction or assemblage, as provided by an internal or external shop. For guidance regarding proper treatment of fabricated equipment costs, please refer to the Fabricated Equipment section.

When system components are purchased, the individual items that cost \$5,000 or more should be treated as capital equipment and exempted from the Facilities & Administrative (F&A) rate assessment. The individual items that cost less than \$5,000 should be treated as capital equipment when: 1) those items could not operate on a stand-alone basis and 2) they will be included on the same purchase requisition as the other system components. Both conditions must be met in order to qualify for F&A rate exemption. If those items less than \$5,000 do not meet these criteria, they should be charged to non-capital accounts and will be assessed the F&A rate.

H. Transfers into Northwestern University from Other Universities

Occasionally, when a faculty member transfers to the University from another institution, the faculty member will bring equipment. In such cases, the new faculty member's department should send a list of those items having an estimated fair market value of at least \$5,000 to the Program Coordinator. The list should include the description, purchase date, original cost, serial numbers, model numbers, manufacturer, and new location along with any other pertinent information for each transferred item. The Accounting Services department will use this information to update the equipment inventory and tag the equipment, if necessary.

I. Donated Equipment

When a unit of the University receives a donated piece of capital equipment, the Office of Alumni Relations & Development (ARD) should be notified so that the equipment will be properly valued and a University gift receipt issued. ARD will issue a gift receipt to the donor and also prepare a gifts-in-kind transmittal form providing necessary information for the Program Coordinator to enter the donated equipment into the inventory system.

J. Non-Capital Equipment

The equipment inventory includes only purchases that meet the capitalization criteria established for equipment in the University's capitalization policy for tangible property: 1) acquisition cost of \$5,000 or greater and 2) a useful life greater than one year and is held for use in operations. Equipment that does not meet both criteria is considered non-capital equipment and is expensed in the year incurred. No asset record is created in the NU Financials Asset Management module for non-capital equipment purchases.

Schools and units may establish a more stringent policy to inventory its non-capital equipment purchases. The Accounting Services department maintains a limited supply of non-capital equipment tags should a school or unit choose or require to inventory its non-capital equipment purchases. The departments are responsible for providing their own labor to set-up and maintain their inventories.

K. Finance Leases

Leased equipment is not owned by the University and is not included in the University's equipment inventory unless it meets one of the following criteria and is then considered a finance lease:


- Lease transfers ownership of the underlying asset to Northwestern University by the end of the lease term
- Lease grants Northwestern University an option to purchase the underlying asset that the University is reasonably certain to exercise
- Lease term is for a major part of the remaining economic life of the underlying asset. However, if the commencement date falls at or near the end

- of the economic life of the underlying asset, this criterion shall not be used for purposes of classifying the lease.
- Present Value (PV) of the sum of the lease payments and any residual value guaranteed by Northwestern University that is not already reflected in the lease payments equals or exceeds substantially all of the fair value of the underlying asset.
 - Underlying asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term.


If your department rents or leases tangible property or equipment, please notify the Accounting Services department at equipment@northwestern.edu to ensure the proper accounting treatment is applied.


III. Dispositions

A. Equipment Disposal Requests

Northwestern University members are required to complete an electronic Asset Request via NU Financials when they physically dispose of capital equipment from the University. Requests for capital equipment disposals or assets transfers – including change of custodian, custodian department, or physical location – are available via the Asset Management Self Service portlet found in *NUFinancials* > *NavBar*  > *Navigator* > *NU Interfaces and Processes* > *Assets Self Service* > *Create/Search Asset Request* > *Add*. The Asset Management Self Service portlet allows you to input requests directly into NUFinancials and monitor your request as they move through workflow. The Program Coordinator will review all the requests that come through the Asset Request workflow. Disposed equipment represents items sold, stolen, traded-in, scrapped, donated, returned to vendor, destroyed, transferred out, cannibalized, recycled, or posted on the surplus property exchange web page. The following procedures should also be followed regarding the disposal of equipment from the University.

A. **Equipment Disposal Requests (Continued)**

Equipment Acquired Using Federal Funds: Before sale, trade-in, scrapping or transferring of any capital equipment acquired using sponsored project funds can occur, Principal Investigator or Research Administrator should review the terms and conditions of the award so that all necessary forms are prepared and clearances obtained from the sponsor. It is crucial the above-mentioned process begin immediately so the dean, chair, or unit manager is informed instantly, so as to not delay the disposal. For all capital equipment that is purchased on an active grant and will be transferred to another institution, Principal Investigators must also complete an award relinquishment through Office for Sponsored Research (OSR). When supporting documentation is complete, a form for capital equipment disposals or assets transfers – including change of custodian, custodian department, or physical location – are available via the Asset Management Self Service portlet found in *NUFinancials > NavBar*  *> Navigator > NU Interfaces and Processes > Assets Self Service > Create/Search Asset Request > Add*. The Program Coordinator and ASRSP will review all the requests that come through the Asset Request workflow.

Equipment Acquired Any Other Way: When the sale, trade-in, scrapping or transferring of any capital equipment acquired any other way occurs, the administrative unit overseeing the equipment should submit a form for capital equipment disposals or assets transfers – including change of custodian, custodian department, or physical location. The form is electronically available in the Asset Management Self Service portlet found in *NUFinancials > NavBar*  *> Navigator > NU Interfaces and Processes > Assets Self Service > Create/Search Asset Request > Add*. The Program Coordinator will review all the requests that come through the Asset Request workflow.

Accounting for the Proceeds of Disposition: After the necessary approvals are obtained for the disposition of any capital equipment acquired as outlined above, any proceeds should be credited to the proper revenue account. Use the appropriate account and ChartField that was originally charged for the acquisition of the equipment. If the original acquiring account has been closed, use the department's appropriated budget account to record the credit from the proceeds of the disposition.

If the disposition is intra-University, an Internal Sales Journal (ISJ) or Correction Journal, if a sponsored account is involved, should be prepared showing the ChartFields to be charged (the Buyer) and the ChartFields of the selling unit. Enter the proceeds of the disposition and include a full explanation as well as appropriate approval signatures from both the buyer and seller units.

A. Equipment Disposal Requests (Continued)

If the disposition is made outside the University, the check for the proceeds should be made payable to Northwestern University and forwarded with a full explanation, including approvals and the ChartFields to the Bursar for deposit. Checks can also be deposited at the school (e.g., using a check scanner), and check reference included on CRT entry. Deposit credit should be recorded to account 40650 – Sale of Used Equipment.

B. Insurance

The University maintains a combination of self-insurance and outside insurance which will provide for the expenses of repair or replacement of University equipment which is lost or damaged. This program reimburses the actual department expense to repair or replace such equipment, subject to a deductible of 10% of the expense with a minimum deductible of \$1,000 in each loss except for normal wear and tear and other common insurance exclusions such as war and nuclear contamination.

For a department to be eligible for reimbursement for equipment loss or damage, the following steps are required:

- The loss must be reported promptly to the [Office of Risk Management](#) website under “Report an Incident”. Or you can call Risk Management at 847-491-4334 for guidance.
- Reporting a loss and completing the claim form are departmental responsibilities. No claim will be accepted unless reported within 30 days of the loss.
- Theft losses must also be promptly reported to the University Police Department so that an investigation of the loss can be conducted.
- The lost or damaged equipment must be repaired or replaced by the department before any reimbursement to the department can be made. It is the department's responsibility to furnish copies of original invoices and/or purchase orders for both the original equipment which was lost or damaged and for replacement equipment.
- Written documentation and/or damaged items may be required for review prior to the settlement of the claim. Failure to provide documentation or damaged items may void the claim.

B. Insurance (Continued)

Fine arts, rare books, musical instruments, and other objects of exceptional value must be provided for specially. These objects can be covered in a special form of insurance that requires full details such as values, descriptions, etc. for coverage. For further information regarding coverage of this type, please contact the Office of Risk Management.

It is important to note that insurance provided by the University covers University owned property only. Property owned by Faculty, Staff, and Students must be covered by the owners of the property. The University is not responsible for property it does not own.

IV. Policies and Procedures for Government-Titled Equipment

A. Responsibilities

The establishment and control of grants and contracts is maintained by two offices within Northwestern University.

The Office for Sponsored Research (OSR) is responsible for assistance in identifying potential sponsors, developing and submitting proposals, completing agreements, accepting or transferring awards, establishing project accounts, post-award management of accounts, identifying contracts with government-titled property, and other research administration matters.

Accounting Services for Research and Sponsored Programs (ASRSP) is responsible for all financial matters relating to grant and contract administration. This includes preparing financial reports, invoicing and collection of receivable accounts, property reports and equipment inventories. ASRSP is also responsible for compliance with the equipment regulations of specific grants and contracts. The ASRSP staff is responsible for reviewing equipment purchases made with sponsored project funds.

B. Acquisition of Government Property

The Principal Investigator and department are responsible for obtaining sponsor approval prior to acquisition and notifying ASRSP staff.

B. Acquisition of Government Property (Continued)

1. Contractor Purchased Property

After approval has been obtained, the Project Director shall initiate an official University requisition for the equipment. The requisition shall be reviewed and approved by the following:

- Responsible individual(s) in the department and dean's office, who determines that the acquisition of the item complies with University policy, and that the item is necessary to the research under the project.
- ASRSP office, which verifies whether approvals are on hand and the correct account code is used and checks the end date of the project.

The approved requisition is used by the Purchasing Department as the basis of an official University Purchase Order. For additional information, please review the Procurement policy and guidelines.

2. Government-furnished Property

Excess Personal Property from DOD or GSA lists shall be frozen by the Project Director or Business Official, and a DD Form 1149 or SF122 prepared to include a description of the items, condition code, model number, Federal, National or DOD stock number, quantity, acquisition cost, and any other required information. A technical statement shall be submitted to justify the use of the item in support of the research contract or grant.

The Contracting Officer shall review the form, and determine that the following statements are included and are appropriate:

- The item will enhance the research at no additional cost
- The property is required and authorized by applicable military service/Defense Agency regulations
- Northwestern University certifies that it is unwilling and financially unable to acquire the item with its own resources.

The certification shall be signed by the appropriate official of the University.

C. Receipts for Government Property

A receiving copy of the official purchase order is sent to the Project Director. Upon delivery of the property, the Project Director or representative indicates the quantities received, their condition if damaged, the date received, and any back-ordered items. The receiving copy is signed and forwarded to the Accounts Payable department, where it serves as the authority for payment to the vendor when matched with a proper invoice. It is then filed with the disbursement voucher. The receiving copy and the disbursement voucher constitute the University's official record of the receipt and payment for the property.

Property furnished by the Government, including excess property, is shipped to the using department, inspected, and receipted for them on a copy of a Standard Form 122 (SF 122) Transfer Order or a DD 1149 Invoice/Shipping document.

D. Costing of Government Property

The Property Administrator shall record acquisition costs for property as being the purchase price net of any discounts, plus the transportation charges if charged to the contract. In the case of Government-furnished property, the cost recorded shall be that provided on the official transfer document or later acquired from the transferring party. Transportation and installation costs will not be considered as part of the price for Government-furnished property.

Except for items fabricated for research and development purposes, the cost of a fabricated item will be determined in accordance with the University's accepted accounting procedures. The cost of an item fabricated for a research and development contract shall be established by the engineering estimate of the Project Director.

E. Reports

ASRSP staff shall submit reports as required according to government regulations and contract and grant requirements.

Financial Reporting: Department of Energy (DOE) contracts require semiannual reporting of government-titled property on DOE Form F4300.3.

Defense Industrial Plant Equipment Council (DIPEC) Report: Acquisitions and deletions of Industrial Plant Equipment (IPE) shall be reported to the Contracting Officer on DD Form 1342.

Physical Inventories: As required by the contract, the results of a physical inventory shall be reported and reconciled with current property records.

F. Definitions

Accessory Item: An item which facilitates or enhances the operation of plant equipment, but which is not essential to its purpose (Federal Acquisition Regulation (FAR) 45.501)

Auxiliary Item: An item required to operate the basic unit of equipment (FAR 45.501)

Award: A legal document, such as grant or contract from external sponsoring agencies, which provides support.

Capital Equipment: An article of non-expendable, tangible property having a useful life of one year or more and a minimum acquisition cost of \$5,000 per unit.

Constructed Equipment: Electrical, electronic, hydraulic, pneumatic, mechanical, or any other items that are interconnected so as to become a new functional unit that is essential in the performance of some activity.

Contracting Officer. That Government individual who is the contact for all reporting for a specific contract or grant.

Custodial Department. That department or unit within the University having physical control of equipment.

Government-titled Property. Government-furnished or contractor-acquired property that the Government holds title to. Government-furnished property is acquired by the Government and furnished to the University. Contractor-acquired property is purchased by the University with Federal grant or contract funds for which the award terms specify that the title will vest with the Federal Government.

G. Disposition

At the completion of the project, ASRSP staff shall report all property for which the University is still accountable and request disposition instructions. As necessary, cases of loss, theft or damage of property shall be reported to the Government Property Administrator. Upon receipt of disposition instructions, the following actions will be taken:

- If the Government retains title: upon receipt of a DD Form 1149 a) comply with shipping or selling instructions, b) forward DD Form 1342 to ONR who will forward to DIPEC if required, c) notify Principal Investigator of procedures, d) have ID tags removed, and e) change property records to indicate disposition.

G. Disposition (continued)

- If there is a transfer of accountability to another University project: a) request a DD Form 1149 b) sign and return it to the Government Property Administrator, c) forward DD Form 1342 with change of project to DIPEC if required, d) notify Principal Investigator, e) change ID tags if necessary, and f) change property records to reflect transfer.
- If the title is transferred or abandoned to the University: upon receipt of letter from the Government transferring or abandoning title, a) forward DD Form 1342 if required to DIPEC indicating disposition, b) notify Research Services and Principal Investigator, c) have all Government markings and ID tags removed, and d) change property records to reflect relief of accountability.

Excess and Idle Industrial Plant Equipment (IPE). ASRSP staff shall report to the Government Property Administrator any Government property, including IPE, which is excess to the needs of the contract under which it was acquired or which is no longer required for the purposes authorized.

A DD Form 1342 shall be prepared and submitted to DIPEC through the Government Property Administrator. The Property Administrator will assure the proper storage of excess property and idle IPE until DIPEC and the Property Administrator determine its disposition. Upon receipt of disposition instructions the Property Administrator shall comply with shipping instructions, submit a DD Form 1342 indicating disposition, notify the Principal Investigator, have all ID tags and markings removed, and change property records to reflect disposition.

H. Utilization

The Principal Investigator shall assure that Government Property will be utilized only for those purposes authorized in the contract. The Property Manager will also assure that the property in the possession of subcontractors is utilized only as authorized by the contract. The Principal Investigator will immediately notify the contracting officer when usage of an item of property is no longer necessary to the contract under which it was acquired.

I. Records and Physical Inventory of Government-titled Equipment

The Program Coordinator conducts biennial inventories of all property. This inventory verifies the usage, condition, and location of the equipment.

The Program Coordinator assigns and affixes numbered tags to all items of University-owned and Government-titled equipment with a value equal to or greater than \$5,000 (unless the size or nature of the unit makes this impractical).

I. Records and Physical Inventory of Government-titled Equipment (continued)

Unit representatives are responsible for proper disposition of equipment (as outlined in the Disposition section above), including but not limited to tag removal, and removal of or segregation from the area's functioning equipment population.

The Program Coordinator will also review items noted as requiring disposal or transfer on the inventory control sheets and contact the department to submit the disposal form (if one has not been submitted) and update the asset system where appropriate.