



Sponsored Research Capital Equipment Guidelines





Roles and Responsibilities

Colleges, Department Chairs, Individual PI's, Property Liaisons, Property Custodians and ORAF are responsible for adherence to Federal and other sponsor requirements

Principal Investigators/Property Liaisons/Property Custodians

- Compliance with University policy, and terms and conditions of sponsored awards
- Safeguard, maintain and track all capital equipment under their direction
- Complete Asset Disposition Form (ADF) for any changes in asset condition, location, loss or damage and changes in Property Custodian responsibility
- Assist Office of the Controller/Accounting with physical asset inventory process
 - Annual inventory verification process
 - Biennial inventory

ORAF

- Provide property policy/procedures guidance
- Provide property reports and information to sponsors, auditors, and others
- Submit federal reports to the government
- Review all federal asset disposition submissions for adherence and approval of sponsor terms

Office of the Controller/Accounting

- Establish and administer capital equipment guidance supporting adherence to regulatory requirements
- Record and maintain asset records in the university property system
- Perform biennial inventory in accordance with federal requirements



Definitions - Roles and Responsibilities

- **Property Liaison** – Primary individual responsible for capital asset management in the divisions
 - **Property Liaison Delegate** - Delegated individual(s) assigned by Property Liaison responsible for departmental asset management and tracking
- **Property Custodian** – Individual responsible for safeguarding and maintaining capital assets purchased with sponsored research funding, typically a Principal Investigator (PI)
- **Property Accountant** – Primary individual in the Office of the Controller/Accounting responsible for all centralized asset management and tracking
- **Uniform (Federal) Guidance** – [2 CFR § 200](#) - Code of Federal Regulations adhered to in creating NU policies and procedures



Roles in Purchasing Equipment

PI/Dept./
College

- Verify with the Property Custodian that there is no idle equipment available for use in lieu of a new purchase
- If none are identified, obtain competitive pricing where appropriate and/or required by policy
- Submit a Requisition/Purchase Order via Banner Procurement

ORAF

- Review all equipment requisitions against sponsored research funds for allowability and verify that they are included in approved budget

Procurement

- Assist in Request for Proposal (RFP) Process
- Assist in sourcing equipment
- Create Purchase Order
- Manage related warranties

Controller's
Office/
Accounting

- Identify monthly capital equipment purchases and add assets to the University property inventory database system
- Update asset information in the University property database
- Issue and secure physical tag on equipment or send physical tag to the department designated Property Custodian to affix tag



Roles in Tracking Equipment

PI/Dept./
College

- Safeguard and maintain all divisional capital assets
- Complete the Asset Disposition & Relocation Form for any changes in asset condition, location, loss or damage and changes in Property Custodian responsibility
- Assist Office of the Controller/Accounting with physical asset inventory process

ORAF

- Review all Federal equipment disposals for title and other sponsor requirements

Procurement

- Review disposal requests for competitive bids on equipment sales
- Prepare Bill of Sale upon asset disposition when necessary

Controller's
Office/
Accounting

- Coordinate with the division Property Custodian to set up appointments to tag assets
- Update property system records and coordinate the biennial inventory with all University Colleges and Departments



Federal Regulations

Uniform Guidance: 2 CFR 200.313
Equipment



Equipment (200.13, 200.33, 200.48, 200.89, 200.12, 200.439) :

- The Federal definition of **equipment** is: tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or greater than or equal to \$5,000.
- For reporting and budgeting purposes on Federal grants, equipment that doesn't meet the criteria above is considered a supply and will be expensed and will not be tracked in Northeastern University's asset inventory database.



Northeastern's responsibility to the Sponsor depends on how title is vested

SPONSORED PURCHASED/UNIVERSITY-TITLED

- ❖ Equipment purchased in whole or in part with sponsored funds with title vested to the University. Title to equipment is conditional and is subject to federal use and disposition restrictions. Equipment purchased with non-federal funds may also be subject to conditions of the sponsoring agency.

GOVERNMENT-TITLED EQUIPMENT

- ❖ Equipment purchased with federal funds with title vested to the federal government. "Government-titled equipment" may not be disposed or removed from service without approval from the sponsoring agency. Sponsors other than the federal government may also reserve title to equipment according to the terms and conditions of the award.

GOVERNMENT-FURNISHED PROPERTY

- ❖ Equipment acquired directly by the federal government and made available to the University under a grant or agreement. Title to "Government-furnished" equipment is vested with the government (regardless of equipment value). GFP must be identified for special reporting requirements.

UNIVERSITY-FUNDED EQUIPMENT

- ❖ Equipment purchased with non-sponsored funds with title vested with the University. University equipment is audited as part of Uniform Guidance requirements including a biennial inventory process to reconcile property records and is subject to the same guidelines as sponsored equipment.



Equipment (200.13, 200.33, 200.48, 200.89, 200.12 200.439)

- Capital expenditures for **special purpose** equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity
- Capital expenditures for **general purpose** equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.



Allowable Costs related to equipment purchase:

Types of costs that may be capitalized as equipment:

The following costs are applied towards the acquisition cost greater than or equal to \$5,000 and should be capitalized with the equipment:

- Any initial modifications, attachments, accessories, or auxiliary apparatus that are necessary to make an item of capital equipment useable for its acquired purpose
- Shipping charges, protective in-transit insurance, freight, and installation costs
- Upgrades, modifications, or enhancement parts that increase the useful life of the equipment by one year or more or add additional functionality

Types of costs that may not be capitalized as equipment:

- Equipment repair costs
- Separate warranty costs or maintenance contracts
- Demolishing or dismantling costs
- Spare or replacement parts



Computing Devices (200.453)

- Computing Devices are considered “supplies” if acquisition cost is less than \$5,000
- Computing devices with an acquisition cost of equal to or more than \$5,000 must be treated as capital equipment
- Computer devices can be directly charged to a federal project if they are essential and allocable to the project (they are not required to be dedicated solely to a specific award)
- **These costs must be explicitly included in the budget or have the prior written approval from the federal sponsor**



Fabricated Equipment

FABRICATION: Work in Progress

- Equipment that is constructed or developed by combining parts or materials into one unit
- Component pieces that individually cost less than the capitalization threshold but, when, combined exceed the threshold, should be capitalized when purchased for one unit
- Component pieces can be purchased from separate vendors or separate invoices
- The aggregate cost of all parts in the unit meet the \$5,000 or greater threshold
- The completed fabrication has a useful life of one year or more

Once the item is complete, notify the Property Accountant in the Accounting Office and the details will be recorded in the property database as Capital Equipment.



Sponsored Purchased/University-Titled Equipment

- Title is “conditional” subject to 2 CFR 200.313
 1. Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
 2. Northeastern cannot encumber the property without approval of the Federal awarding agency or pass-through entity.
 3. Northeastern must use and dispose of the property in accordance with 2 CFR 200.313 (c) and (e).

Reference: [Equipment § 200.313](#)



Use of Equipment (200.313 (c)

1. Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:
 - (i) Activities under a Federal award from the Federal awarding agency which funded the original program or project, then
 - (ii) Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.
2. During the time that equipment is used on the project or program for which it was acquired, the non-Federal entity must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally-funded programs or projects is also permissible. User fees should be considered if appropriate.
3. Notwithstanding the encouragement in § 200.307 Program income to earn program income, the non-Federal entity must not use equipment acquired with the Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment.
4. When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.



Disposition of Equipment (200.313(e))

When equipment acquired under a Federal award is no longer needed for the original project or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal regulations or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

1. Equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.
2. Except as provided in §200.312, or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value of \$5,000 or greater may be retained by the non-Federal entity or sold. **The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase.** If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
3. The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.
4. In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.



Equipment Purchases – Banner Accounts

Unit Cost	Description	Account Code	Indirect?
> Or = \$5,000	Capital Equipment	73001-73012	N
	Fabricated Equipment	73006	N
< \$5,000	Equipment	78307	Y
	Supplies	73303-73325	Y



Record Keeping

- In accordance with Federal guidelines, University must conduct a full physical inventory of all (sponsored and non-sponsored) equipment every two years
- Equipment is physically checked to verify the existence, current utilization, location and tag numbers
- Inventory results are reconciled to the property database management system
- Uniform Guidance mandates the following equipment information is recorded and verified during inventory:
 - A description of the equipment
 - Manufacturers serial number or similar
 - Location and condition
 - Indication of federal ownership, if applicable
 - Funding source
 - Acquisition date
 - Acquisition cost



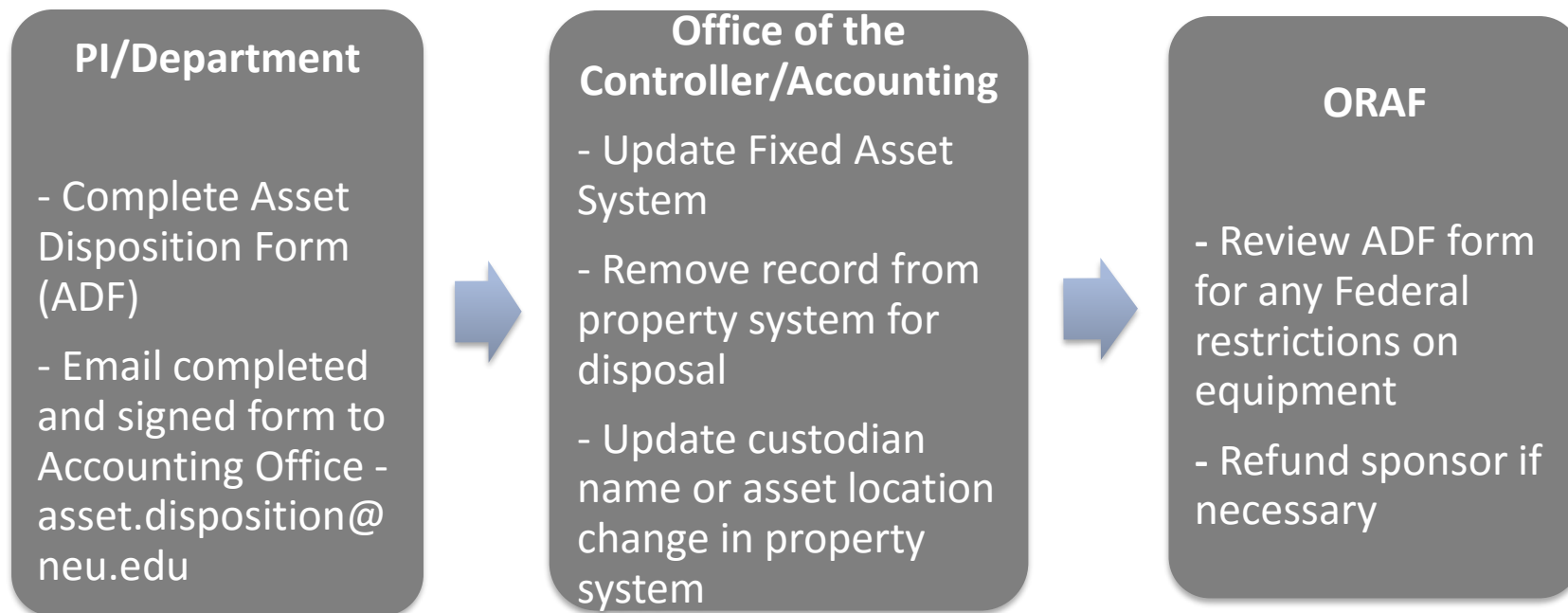
Asset Disposal, Relocation or Custodian Change

- Disposition is the process of removing equipment from the University inventory
- Relocation is the process of change in campus location of an asset
- Custodian change – change in the name of individual who is assigned responsibility to an asset or group of assets
- Capital equipment must follow the disposal process if it is:
 - No longer in use or expected to have a future use
 - No longer the responsibility of the university (transferred, stolen, donated or sold)
 - Trade in or upgrade – old asset will be removed from the system and the new asset will be recorded in the property database
- Equipment purchased with federal or other sponsored funds is often subject to sponsor-specific disposition restrictions and CANNOT be disposed without prior ORAF approval
 - Prior to disposal, ORAF Research Finance is consulted to determine whether the University has title to the property and if there are any grant specific regulations and procedures required



Asset Disposal, Relocation or Custodian Change

- Equipment on hand or loaned to another individual or entity must remain in the inventory (regardless of whether it is currently in use)
- Asset location and custodian name should be updated.
- Fully depreciated assets that are still being used must remain on the inventory records
- Disposition records must be maintained by the department and College, including date and disposal method (sale, transfer, etc.)





Policy on Asset Disposition

([Northeastern University Policy on Asset Disposition](#))

- Policy purpose is to define guidelines to ensure proper disposal of University property
- The Policy is to be used in conjunction with the Asset Disposition Form
- Northeastern University is responsible for maintaining accurate records of all capital assets
- Federally funded capital assets must meet federal regulations per Uniform Guidance [2 CFR § 200](#)
- Certain Federal sponsors may have specific equipment requirements in the terms and conditions of the award
- Capital equipment is recorded on the University's general ledger as a capital asset and expensed to the appropriate capital account code
- Each College is responsible for College-specific procedures to safeguard, maintain and track equipment inventory



Disposal FAQ

- **I have an asset(s) that we no longer use and want to get rid of, what should I do?**
 - Fill out an Asset Disposition Form (ADF) (see following two slides for ADF form and Banner Finance Web Help Page link) and send it along to asset.disposition@neu.edu
 - Due to timing and scheduling of the Recycling and Transportation Department's work orders, item(s) flagged for disposal or to be moved is(are) usually picked up 10-15 business days from when the form is received by Accounting.
 - Please be sure to plan accordingly to allow enough lead time for scheduling pick-ups with these departments.
 - Keep in mind that submitting the form correctly with all appropriate signatures is required in order to ensure the proper tracking, disposal and audit control of University assets.




Asset Disposition Form and Instructions


Northeastern University

BANNER
FINANCE

Forms

The following documents can be opened with Microsoft Excel, Microsoft Word, or Adobe Acrobat Reader .

Accounting

- Fund Create/Designated form (xlsx)
- Designated Fund Create Questionnaire (docx)
- Fund Create/Plant Fund form (xlsx)
- Fund Create/Restricted form (xlsx)
- Fund Create/Endowment form (xlsx)
- New Organization Request form (Ledger 1 and 2) (xlsx)
- Journal Voucher Banner Entry form (xlsx)
- Journal Voucher Procedure Memo (pdf)
- Department Deposit Form (doc)
- Non-Personnel - Cost Transfer Explanation Form (doc)
- Capital Equipment Purchases Over \$5,000.00
 - Asset Disposition Form with Instructions (docx) 

Any questions? Please contact the Help Desk at (617) 373-4357 or help@neu.edu.

Location: MyNEU - Banner Finance Help Web Page

Use: When relocating any property on or off campus; when assigning responsibility to a new property custodian; when an asset is being disposed of, recycled, scrapped, sold or donated, when an item is reported stolen



Northeastern University ASSET DISPOSITION FORM

INSTRUCTIONS		FINANCE USE ONLY	
1. COMPLETE SECTION A. 2. USE SECTION B FOR TRANSFERS ONLY. 3. USE SECTION C FOR DISPOSITIONS ONLY. 4. E-MAIL FORM TO ACCOUNTING asset.disposition@neu.edu Room 720 – 177 Huntington Avenue		SERIAL #	
		DATE REC'VD	
		NOTIFIED RECYCLING	
		NOTIFIED TRANSPORTATION	
SECTION A – General Equipment Information			
PREPARED BY		DEPARTMENT HEAD SIGNATURE	
DEPARTMENT			
CAMPUS ADDRESS		INFORMATION SECURITY OFFICER SIGNATURE (See next page for signature requirements)	
PHONE #			
GRANT #		ORAF SIGNATURE IF FEDERAL ASSET	
EQUIPMENT INFORMATION – <i>NOTE **Please attach a listing if more than one item**</i>			
DESCRIPTION			
NU TAG NUMBER			
SERIAL NUMBER (Service Tag)			
LOCATION OF EQUIPMENT			
SECTION B – Internal or External Transfers or Loan - When an asset(s) location is changed – ON or OFF Campus PLEASE LIST ADDRESS LOCATION OF ASSET(s) - IF ON CAMPUS BUILDING AND ROOM NUMBERS			
CURRENT ASSET(s) LOCATION →			
MOVE TO →			
SECTION C – Dispositions (equipment stolen, scrapped, sold or donated)			
CHECK ONE BELOW:	FOR STOLEN COMPUTERS, INFORMATION SECURITY OFFICER SIGNATURE REQUIRED:		
STOLEN (see note at right)			
RETIRE/SCRAP	REASON:		
SALE or DONATION	FOR SALES or DONATIONS, COMPLETE THIS SECTION: SOLD or DONATED TO (NAME):		
	BUYER OR DONATION ADDRESS AND PHONE NUMBER:		
PROCUREMENT SERVICES REVIEW:		CIRCLE ONE BELOW:	
		SEND TO WAREHOUSE	SCRAP
FOR TRANSPORTATION ONLY			
EXACT LOCATION OF EQUIPMENT →	BUILDING	ROOM	



Disposal FAQ cont'd

- **We have an item that we are looking to sell or donate, what should I do?**
- For a sale or donation the process is very similar to a disposal. Fill out an asset disposition form and send it to asset.disposition@neu.edu.
- Once the form is received by the Accounting Department it will be routed to Procurement Services for processing.
- If Federal funding was used to purchase a capital asset, the Accounting Office will route the form to ORAF for further review.
- Accounting will send the form to Procurement Services who will determine if an item is eligible for sale or donation pursuant to university policy. A Bill of Sale is required in the sale or donation of university property
- If proceeds will be collected on a sale, the proceeds of the sale of the asset will be deposited back into the Department or College Index where the funds were originally spent to purchase the original asset or refunded to the Federal awarding agency if applicable.



Disposal FAQ cont'd

- We have an item that was stolen, what should I do?
- For any stolen asset call the Northeastern Police at 617-373-2121 to file a larceny report
- Fill out an asset disposition form and submit it to the Accounting Office at: asset.disposition@neu.edu.



FAQ

- **What items does Northeastern capitalize?** Any piece of equipment or computer that has a purchase price equal to or greater than \$5,000 and a useful life longer than one year.
- **How does a capital item get tagged?** A member of the Accounting Department will reach out to you to set up an appointment to meet with the individual property custodian or designated property liaison of the Department that purchased the asset(s) in order to tag the item(s)
- **I have capital equipment, what are my responsibilities?** It is the responsibility of each College or Department to properly safeguard and maintain all University assets. The Accounting Department will be working collaboratively with each College and Department to conduct thorough inventories to ensure NU property records are correct and that can only be done with help from the University community. Please contact the Accounting Department with any questions related to tagging, recycling, disposing, selling or moving any piece of equipment or an asset. If you are unsure if the asset has a value equal to or greater than \$5,000 please contact us and we will work with you to determine if it is a capital item.



Questions?

Federal Grant or Sponsored Project Equipment

Doris Schultz - d.schultz@northeastern.edu (x6504)

Fred Crompt Jr. - f.crompt@northeastern.edu (x4957)

Procurement Services – Jim Stack j.stack@northeastern.edu (x4796)

Asset Disposition - Adam Kneeland – a.Kneeland@northeastern.edu (x8179)