

**UNIVERSITY OF RHODE
ISLAND
MOVEABLE EQUIPMENT
INVENTORY
and
SPACE UTILIZATION
SYSTEM
USER MANUAL**

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INTRODUCTION

0.0 PURPOSE OF THE MANUAL

The University of Rhode Island's Moveable Equipment Inventory and Space Utilization System responds to and complies with the requirements of the Office of Management and Budget (OMB) Circulars A-21 and A-110.

This system operates in coordination with the University's Property Management, Purchasing, Controller, and Accounting systems to provide accurate and timely information concerning University moveable equipment and spaces.

This User Manual has been prepared to assist University personnel who must:

- review the components of the system;
- operate the system in a manner which complies with Federal regulations; and
- maintain the system.

0.1 HOW THE MANUAL IS ORGANIZED

This User Manual is organized to present information to two major user groups:

Department Chairpersons and other administrative and academic personnel who are charged with space and equipment responsibilities, and

Various department personnel who are responsible for operating, maintaining, updating, and/or administering the equipment and space system.

Part I addresses the need of the first group by describing the background of the system, development components of the system, and instructions for maintaining the system. Part II represents technical information concerning system components.

There are five main chapters to Part I

Chapter 1 - Background discusses the requirements of OMB Circulars A-21 and A-110, the purpose of instituting the equipment inventory system, the scope of the system and the roles of the key users of the system.

Chapter 2 - Space Utilization System defines "accountable space", describes space activities, maintenance requirements, and system reporting requirements.

Chapter 3 - User Maintenance Procedures –Space Utilization System tells the user how the space utilization system works, namely:

- who must complete space data forms and how often;
- how are accountable spaces certified;
- who must participate in the periodic inventory process;

Chapter 4 – Equipment Inventory System – defines “accountable property”, identifies University policy directives dealing with space and equipment, and defines the broad categories into which equipment is categorized.

Chapter 5 - User Maintenance Procedures – Equipment Inventory System tells the user how the equipment system works. The following major topics are addressed in this section:

- who must complete reports and how often;
- how responsible persons update their records;
- who must participate in the periodic inventory process;

PART II - TECHNICAL INFORMATION CONSISTS OF FOUR MAIN CHAPTERS:

Chapter 6 - Data Processing describes data entry techniques and procedures for modifying the database.

Chapter 7 - Property Management Functions tells the Property/Inventory department how to operate the system. This chapter describes both the equipment inventory and space utilization systems:

- how to collect, enter and control data;
- how to request reports from the system;
- how to maintain the system.

Chapter 8 - Indirect Cost Recovery Compliance Procedures explains the procedures which the Controller's Office will follow to calculate depreciation charges and use allowances and to allocate these charges to the direct and indirect cost pools established by OMB Circular A-21.

Chapter 9 - Conducting Inventories describes the procedures to be followed in the inventories of equipment and space.

0.2 RESPONSIBILITY FOR MAINTAINING THE SYSTEM

The University Property/Inventory Department is charged with primary responsibility for maintaining and operating the Equipment Inventory and Space Utilization System. The successful operation of the system requires coordination among the representatives of the Property Office, Management Information Services, Purchasing, Grant & Contract Accounting, Research Office, Controller and the various Administrative, Operating and Academic Departments.

The Property/Inventory Department is responsible for:

- operating and maintaining the system;
- monitoring system compliance;
- reviewing system reports;
- maintaining and reconciling control logs; and
- performing periodic inventories
- taking corrective actions on reviews/audits from cognizant agencies

The Research Office is responsible for sending the Property Department all modifications supplying Government Furnished Equipment regardless of value. The Research Office is also responsible for notifying the Property Department that there are deliverables contracts with the University.

The Purchasing Department is responsible for reviewing screening certification documents for completeness and providing information concerning all equipment acquisitions purchase orders to the University Property/Inventory department.

The Controller's Office is responsible for reconciling the equipment inventory subsidiary records with the plant fund of the general ledger and calculating the depreciation charge for the University's indirect cost allocation proposal.

Department Chairpersons are responsible (with the support of the Inventory Property Officer) for periodically reviewing and certifying the accuracy of their departmental inventories. Accordingly, they must:

1. Review and certify department inventory listings with designated department responsible persons;
2. Identify changes in the database through timely notifications to the Property Officer;
3. Screen department inventory reports before purchase new equipment items meeting the capitalization policy; and
4. Notify the Property Officer of new equipment acquisitions, which do not involve the normal purchasing procedures (e.g., donations, transfers from other institutions, etc.).

Departmental Principal Investigators are responsible for equipment purchased under their grants and contracts. The Property/Inventory Department acts as a liaison between the Principal Investigators and the sponsoring agencies in equipment related matters.

0.3 RESPONSIBILITY FOR MAINTAINING THE USER MANUAL

The Director, Property/Inventory is responsible for updating this User Manual to reflect procedural modifications, system design changes, and changes required as a result of University policy decisions. It is the responsibility of the administrative and academic departments to inform the Director of changes to established operating procedures and policies which impact the Moveable Equipment Inventory and Space Utilization System. The Coordinators and Property Officers responsible for acquisitions, space, inventory and disposal will submit updates affecting their areas to the director on an annual basis.

CHAPTER 1 BACKGROUND

1.0 OMB CIRCULARS A-21 AND A-110 AND DEPARTMENT OF ENERGY REQUIREMENTS

Two Office of Management and Budget (OMB) Circulars contain the Federal guidelines for reimbursement of costs relating to Federally sponsored research. Additionally, the Department of Energy Regulations contains the guidelines for the management of government property.

1. OMB Circular A-21, entitled "Principles for Determining Costs Applicable to Grants, Contracts and other Agreements with Educational Institutions" serves as the Federal Guidelines on allowance cost. Operation of an equipment inventory system permits the University to recover the cost of University equipment used to support Federal grants and contracts.
2. OMB Circular A-110, entitled "Uniform Administrative Requirements for Grants and other Agreements with Institutions of Higher Education, Hospitals, and other Non-profit Organizations" promulgates standards for administering grants and other agreements. Specifically, Property Standards: sections __.30 through __.37 set forth uniform standards governing management and disposition of property furnished by the Federal Government whose cost was charged to a project supported by a Federal Award.

The University is required to observe these published standards in operating its Equipment Inventory and Space Utilization System. The cognizant Federal agency which monitors the University's compliance with the standards is the Department of Health and Human Services (DHHS). Compliance is assured through periodic audits of direct and indirect costs charged to Federal grants or other agreements.

1.1 PURPOSE OF THE SYSTEM

The University of Rhode Island's Moveable Equipment Inventory and Space Utilization System has been developed to achieve the following objectives:

- Provide departments with accurate and timely information concerning equipment under their control;
- Comply with the Federal requirements specified in OMB Circulars A-21 and A-110;
- Provide a means of collecting, storing, updating, and retrieving moveable equipment and space information;
- Provide a means of screening new equipment purchases to protect against unnecessary expenditures (the Asset Management unit of the Insite Client facilitates on-line retrieval of equipment asset types/locations quickly);

- Permit the University to recover the costs of utilizing University-owned equipment in support of Federally- sponsored projects; and
- Supply University management with detailed inventory records necessary to allocate scarce resources and to make other equipment and space related management decisions.

1.2 SCOPE

The System is University-wide in scope. The Equipment Inventory and Space Utilization System are designed to capture information from all University departments and organizations responsible for equipment and space. To ensure the accuracy of the system, the cooperation of all University personnel with equipment and space responsibilities is required.

The Equipment Inventory System records, reports, and stores information about moveable equipment with an acquisition cost of \$1,000 or more and a useful life of one or more years.

1.3 SYSTEM USERS

Specific users of the equipment inventory system and their respective roles are:

1. **University Property/Inventory** - Administrative responsibilities for efficient and effective system operations are vested in this office.
2. **Department Responsible Persons** - Department personnel with equipment and space responsibilities provide input and changes to the system, and perform checks of the system through periodic reviews of space and equipment inventory reports in conjunction with the Property Officer.
3. **Purchasing Department/Accounting** - These departments process all requests for new equipment acquisitions, maintain information on the screening process, and provide descriptive equipment information for the system. Accounting is responsible for providing all Receiving Reports and Invoices to the Property Department on all equipment purchases.
4. **Controller's Office** - This department performs the reconciliation of the physical Inventory records, which support the depreciation and/or use allowance charges included in the indirect cost allocation proposal.

CHAPTER 2. SPACE UTILIZATION SYSTEM OVERVIEW

2.0 PURPOSE

The purpose of the Space Utilization System is to identify University spaces, record useable spaces to a department and a function, determine room descriptions and measure and record the net square footage of University rooms.

2.1 ACCOUNTABLE SPACE

The University has adopted 15 function definitions to describe accountable space. Equipment use allowance or depreciation is allocated to these activities based upon the amount of space assigned to each activity within a department.

2.10 SPACE FUNCTIONS

Sponsored Research (SR) - Space used for specific research projects which are separately budgeted and accounted for by the institution (i.e., federal, state, city or private projects); and for activities involving the training of individuals in research techniques (research training) where such activities utilize the same facilities as other research and development activities. This includes space used to satisfy cost sharing or matching requirements on research grants and contracts. Space use for partnerships falls under this definition which is commonly referred as university research.

Agricultural Experiment Station (AS) - Space used for specific research projects in the Agriculture Experiment Station - located in the College of the Environment and Life Sciences - which are separately budgeted and accounted for (RHXXXXX) by the institution (e.g., Hatch, McIntyre - Stennis, Animal Health, Regional Research). This includes space used to satisfy cost sharing or matching requirements on AES grants.

Cooperative Extension Service (CS) - Space used for specific public service projects in the Cooperative Extension Service program which are separately budgeted and accounted for (RHXXXXX) by the institution (e.g., Smith - Lever, Cluster Projects). This includes space used to satisfy cost sharing or matching requirements on CES projects.

Instruction (IN)

Teaching - Space used for all activities related to scheduled and unscheduled courses taught, such as lecturing, tutoring, independent study, supervising laboratory course work, supervising assistants, preparing for scheduled teaching, acquiring and preparing media, organizing necessary conferences and activities, supervising thesis courses and/or preparation, grading of papers, making necessary community contacts, etc.

Course and Curriculum Development - Space used for preparing outlines and book lists for teaching future courses, devising and developing new instructional techniques, preparing or revising manuals, tapes and slides, etc.

Academic Advising and Development - Space used for advising evaluating, counseling, and otherwise assisting students on matters related to subjects taught.

Departmental Research - Space used in pursuing one's own professional interest through research, writing, etc., that is not directly related to specific course instruction or course preparation. This is space used for activities that are not separately budgeted or accounted for and is supported by departmental funds.

Sponsored Training (ST) - Space used for specific training projects (educational service agreements) which are separately budgeted and accounted for by the institution. Typical of the work covered by this category are summer institutes, special training programs for selected participants, professional or technical services to cooperating countries. This category also includes space used to satisfy cost sharing or matching requirements.

Other Sponsored Activities (OA) - Space used for specific projects, i.e., community action and service programs, which are separately budgeted and accounted for by the institution and do not qualify as either research, instruction or sponsored training. This category includes space used to satisfy cost sharing or matching requirements on these projects.

Operations and Maintenance (OM) - Space used for operation and maintenance, supervision, preservation, and protection of the institution's grounds and physical facilities, e.g., master planning, architectural building usage, janitorial and utility services, repairs and ordinary or normal alteration, plant facilities, (heating, cooling, electric, etc.), care of grounds, etc.

Library (LY) - Space used for activities related to the operation of the libraries at the University (i.e., URI Library, Pell Library, and CCE Library).

General Administration (GA) - Space used for performing supervisory, managerial, or administrative activities in non-academic units related to institutional administration which do not relate solely to any major function; i.e., solely to instruction, sponsored research, sponsored training, other sponsored activities or other institutional activities (e.g., President's Office, Provost, Controller, Human Resources, Purchasing, Budget, Payroll, etc.).

Student Service Administration (SS) - Space used for administration of Student Affairs and Student Services, including such activities as Vice President for Student Development, Admissions, Registrar, Counseling and Placement Services, Student Advisors, Student Health and Infirmary Services, Commencements, and Convocations, etc.

Sponsored Projects Administration (SA) - Space used for supervisory, managerial, or administrative effort by a separate organization or identifiable administrative unit established primarily to administer sponsored projects, including such functions as Vice Provost for Research Office, Grants and Contract Accounting, Research Purchasing.

Departmental/College Administration (DA) - Space used for administrative tasks that are performed for administrative and supporting services on behalf of academic dean's offices and academic departments that are of joint benefit to all activities occurring within the college or academic department. Included in this category is space used for clerical and secretarial staff, bid and proposal preparation, functioning as a department chairperson, assisting in assigning faculty workloads, preparing department budgets, performing faculty and other personnel evaluations, etc. Include also space commonly used by the entire department (e.g., conference rooms, department mailrooms, department library - not part of university library system, etc.). Space used for similar purposes at the college level (e.g., by a dean for preparing college budgets, by committees dealing with college matters, etc.) is also included in this category.

Other Institutional Activities (IA) – Space used for performing activities not identified in any other category, e.g. residence halls, dining halls, certain hospital and clinic activities, student unions, intercollegiate athletics, bookstores, faculty housing, student apartments, guest houses, chapels, theaters, public museums and other similar auxiliary enterprises. This category includes space used for all cost centers.

Joint Usage (JT) – Space that benefits more than one activity, but the usage of that space regarding each activity cannot be readily identified.

Note: If the usage of the space relative to each activity can be identified, then assign space to each activity based on usage.

2.11 EXCLUSIONS

The space utilization system does not currently maintain space utilization percentage information about certain spaces, unless it has been determined that these areas are or will be utilized for sponsored research activities. These systems exclusions include:

Common Areas (CA) - Space used for public hallways, restrooms, stairways, and Elevator shafts, lobbies, vestibules, etc.

2.2 SYSTEM MAINTENANCE REQUIREMENTS

The University's Coordinator, Space and Excess & Surplus Federal Property, is responsible for monitoring and updating the Space Accounting Utilization System and CAD floor plans.

2.20 MODIFICATIONS TO THE DATA BASE

The Coordinator must update elements in the database as changes occur. The following departments must provide the Coordinator with specific changes to the space database:

Department	Data Base Changes
Facilities & Operations	Structural modifications to existing buildings performed in-house and by contractor.
Department Chairperson	Structural modifications not performed by Facilities.
Capital Projects	Completion of additions to existing buildings or new construction projects. Capitol projects will utilize the format in assigning room numbers to new buildings, working with the Property Control & Supply Officer.
Insite	Suggested changes to room numbers.

2.21 BIENNIAL SPACE SURVEY

To comply with the requirements of OMB A-110, the Space Utilization System will be updated at least every two years in March to reflect the modifications made periodically to the database. The revisions to the database will consider square footage and function changes. **The Coordinator for Space and Excess & Surplus Federal Property, when updating a**

department in the Space Accounting database, must also update the function in the Indirect Cost Recovery database as well.

The Coordinator is responsible for: maintaining accurate space measurements, accurate CAD drawings, updating space usage on a biennial basis, and performing annual summer audits of Sponsored Research (SR) spaces to insure accuracy and timely updates based on the Biennial Space Surveys submitted by departments. Individual departments are responsible for the accuracy of the space activity data it submits to Grant and Contract Accounting and the Property Office.

2.3 SYSTEM REPORTING

To assist the University in the management and control of useable space, certain reports are produced as needed from the Space Accounting and Indirect Cost Recovery databases. Reports are generated from data gathered by the Responsible Person through the Coordinator.

Two Infomaker reports are produced from the space accounting inventory system:

Space by Building Report - Indicates, for each campus building, the building name, building number, space name and net square footage.

Space by Department Report - Presents all spaces associated with individual departments. This report is used to obtain the department's assigned space and the total square footage occupied by the department.

The departmental listing enables the University to identify percentage of space utilized for a specific function (research, operations and maintenance, administration, etc.). This report will be used to conduct the biennial verification of the space inventory.

CHAPTER 3. USE MAINTENANCE PROCEDURES - SPACE UTILIZATION SYSTEM

3.0 DATA COLLECTION PROCEDURES

All space data is collected from the biennial Space Survey (Exhibit 2.3). This document is used to record information about space characteristics and utilization.

To add or update space accounting information; refer to Space Accounting and Indirect Cost Recovery on the INSITE database.

3.00 SPACE DATA ELEMENTS DEFINITIONS

Space Name - Each University campus, building, and floor/room has been assigned a unique ten digit alphanumeric identification (ex: KC28B-239BA). This identification has been recorded on the University's building floor plans.

Space Function Key - A two-digit alpha code identifying the space functions of a particular room. This field is used with the "Space Function Percentage" to distribute the net assignable square footage of the space to the appropriate functions (defined in Chapter 2, Section 2.10). For space used exclusively for a single function, the space is allocated 100 percent to that function. For space used for more than one function, space is allocated to all the individual functions benefiting from the use of that space on the basis of assignable square footage.

Space Function Percentage - This three-digit numeric field is used to indicate the appropriate percentage of the function coded in the space function key field. Space should be coded consistently with funding for activities taking place in that space. Classification is based on:

- percentage of total time spent on functional activities, or
- salaries and wages of those individual functions benefiting from use of space, or
- effort of personnel using the room, or
- some other substantiated method of apportionment

3.01 DEPARTMENTAL SPACE USAGE

The Chief Accountant from the Grant & Contract Office reviews the department's space with the assistance of the appropriate department Chairperson. This information then goes to the Coordinator, who enters the updated information in the INSITE Space Accounting database and the Indirect Cost Recovery database. A Space by Department Report is then produced for the Responsible Person upon request.

3.1 SYSTEM MAINTENANCE PROCEDURES

The Coordinator, Space and Excess & Surplus Property, is responsible for hand measuring the square footage of a room/building to the nearest inch and recording that information on the URI Building Inventory Worksheets (exhibit 3.1). The square footage is then updated/recorded into the Space Accounting database.

Revisions to the space system database should reflect any changes to data elements originally entered into the system. Written notification should be provided to the Property/Inventory department to ensure timely updates to the database.

Facilities Services or Responsible Persons are responsible for system maintenance activities defined below:

The Office of Capital Planning & Design will notify the Coordinator when any of the following changes occur to University spaces:

- when newly constructed buildings are ready for occupancy;
- additions to existing buildings as completed;
- structural changes to spaces are planned and executed
- revisions to space numbering schemes are contemplated.
- a department relinquishes control over a space to another department;
- a change in room description has occurred;
- the department has made structural changes to a space without notifying Facility Services;
- the function of the space has changed; and/or
- further spaces have been identified for inclusion in the database.

The Coordinator will update the Insite system for any noted changes and will issue subsequent modified Department Space Reports.

3.2 REPORT CERTIFICATION

Each Responsible Person who certifies space functions receives an INSITE Space by Department report, which lists the data elements for each space (as defined in section 3.00 above) and the activities of the spaces. The Responsible Person must review this Department Space List (Exhibit 2.2) and certify the accuracy of the data listed by signing the report and returning it to the Grant & Contract Accounting Office.

If errors are detected on this report, corrections should be indicated on the report itself by writing the correct data next to the data field in error. This process provides the mechanism for system review and maintenance.

3.3 BIENNIAL SPACE INVENTORIES

To comply with the requirement of OMB A-21, the Space utilization system will be tested at least every two years. The revisions to the database, reflecting the modifications made periodically, will consider square footage and function changes.

3.4. ANNUAL SPACE INVENTORIES

Every summer the Coordinator will conduct a walk through on all SR space to assure no space changes have occurred. At least one SR room per floor will be remeasured for accuracy. Any updates will then be made to the Visual FM (CAD) and S/A database.

When the space inventory is taken in conjunction with the submission of the University F&A (indirect cost) rate proposal, the Department Chair or Principal Investigator is required to include the name of the room occupants, the percent of space occupied and the People Soft grant/contract number if the space is allocated for research or cost sharing purposes.

CHAPTER 4. EQUIPMENT INVENTORY SYSTEM

4.0 ACCOUNTABLE PROPERTY

4.01 FEDERAL CAPITALIZATION POLICY

Capitalized property is defined as University assets included in the total equipment inventory system for which a depreciation expense or use allowance charge is applied. *The depreciation or use allowance calculation for capitalized equipment items is used in the determination of the University's indirect cost recovery rate, but only for equipment purchased with non-research funds.*

The equipment inventory system capitalizes federal moveable equipment as having a useful life of one year and an acquisition cost of \$5,000 or more. The amount capitalized is the purchase price of the asset and any costs necessary to prepare the asset for use (including transportation and installation costs – warranty and maintenance costs are not included).

The University should capitalize donated assets at their fair market value at the time of acquisition. All donations must be routed through the VP for Business and the Development Office and a URI donation form completed.

4.02 UNIVERSITY POLICY ON EQUIPMENT

The University policy on equipment inventory captures information on all items of equipment of \$1,000 or more in acquisition cost (exceptions to this by request of Responsible Person or potential High-Theft items to be determined by Coordinator of Property Acquisitions for equipment less than \$1,000). A complete record is kept for each of these items. In order to distinguish between inventoried and non-inventoried equipment, the following definitions must be used for inventoried equipment:

Moveable Equipment - An equipment item that is not affixed to any part of the building or room with a unit acquisition cost (including other ancillary costs) of \$1,000 or more (URI bar coded tag Exhibit 4.02a) and a useful life of one year. Items less than \$1,000 can receive an oval silver URI property tag (Exhibit 4.02b) at the discretion of the Coordinator of Property Acquisitions.

Fixed Equipment - A piece of equipment that is attached or fastened to the room or building but not permanently affixed and is used as furnishings, decorations, or for specialized purposes (e.g., lab benches, fume hoods, dishwashers, etc.). Such equipment is considered not to be permanently affixed to the building if it can be removed without the need for costly or extensive alterations or repairs to the building to make the space useable for other purposes. Each item of fixed equipment must have an acquisition cost (including installation costs) of \$1,000 or more and a useful life of one year.

4.03 EXCLUSIONS

Rented equipment is excluded from the equipment database.

Note: At the request of the Responsible Person certain items may be engraved.

4.1 EQUIPMENT ACQUISITION, TRANSFER, TRADE-IN and DISPOSAL

4.10 UNIVERSITY OWNED EQUIPMENT

Equipment items meeting the University's acquisition cost criteria for inclusion in the equipment inventory can be acquired in five ways: from purchase or lease-buy transactions, from internal fabrication, from receipt of excess/surplus equipment, from transfers from other institutions, or from donations.

4.100 PURCHASE ORDER TRANSACTIONS

The purchase order method is the most common method of acquiring equipment. Equipment is received by the Central Receiving staff, who then redirects the items to the ordering departments.

Upon receipt of equipment items purchased with state funds and/or with research funds under grants and contracts, the department's Responsible Person will complete the receiving report copy of the purchase order, indicating the following equipment attributes:

- signature of Responsible Person
- model number of equipment
- serial number of equipment
- location in which equipment will be housed

After completing this receiving report, the Responsible Person will forward the report to the Accounting Department. **ACCOUNTING WILL FORWARD A COPY OF THE RECEIVING REPORT ALONG WITH THE INVOICE TO THE PROPERTY/INVENTORY DEPARTMENT.** To ensure that assets are tagged in a timely fashion, they will be captured using the cost stipulated upon Purchase Order. The cost will be updated, if necessary, upon receipt of invoice from Accounting. The Coordinator of Property Acquisitions will review and assign all purchase orders to determine title, location, tag type and when necessary, photograph the item. The Property Officer will then record the item's condition and availability, other physical characteristics, and tag the item with a unique inventory identification number. This information is recorded on an Equipment Inventory Form PD5 (Exhibit 4.1). The data is then entered into the INSITE System.

4.101 FABRICATED EQUIPMENT

THE RESPONSIBLE PERSON MUST COMPLETE A FABRICATED EQUIPMENT FORM FROM THE GRANT AND CONTRACT ACCOUNTING OFFICE WHEN EQUIPMENT IS FABRICATED AT THE UNIVERSITY including information on the fabrication such as: account number, final product description, grant end date, person/department responsible for fabricated equipment, estimated completion date, and estimated cost. On the Kingston campus, fabrication numbers run in a 0500 series. At GSO, the fabrication numbers

run in a 0100 series (example: FAB0100, FAB0101, FAB0102, etc.) The Responsible Person will notify the Coordinator of Space and Excess & Surplus Property when a fabrication is complete and ready to be tagged (providing a complete set of all purchase orders and costs involved). The manufacturer will be listed as CURI and the purchase order number will be listed as the Fab number in the database. Fabrications are filed according to the Fab number and if over \$5000.00, should be included as equipment, and reported to the granting agency as part of an annual report or close-out to its corresponding Federal agency.

4.102 SURPLUS PROPERTY

Surplus property acquired by the University's Screening Officer through GSA shall be received at the Central Receiving Warehouse where a Property Officer will tag the item(s). The Property Officer will then enter the information into the University's INSITE system, along with accompanying federal paperwork, a hard copy of which shall be filed in the Property file along with input paperwork.

4.103 TRANSFERS FROM/TO OTHER INSTITUTIONS

The Vice-Provost for Research must notify the Property Department when equipment is transferred to the University of Rhode Island. This equipment will then be tagged and inventoried in accordance with the procedures established for other acquisitions. In such cases, the faculty member must provide data on acquisition cost and other attribute information to the Coordinator of Property Acquisitions.

When a request is submitted from a researcher leaving URI to continue his/her research at another institution, a list of any equipment the principal investigator is interested in transferring should be sent to the Coordinator of Property Acquisitions in the Property/Inventory department to check title for eligibility. The eligible equipment (usually grant purchased) can be transferred following receipt of an authorization letter from the college dean as well as a letter/email giving authorization from the granting agency. List the equipment and why it needs to be transferred (for continuation of a project started at URI).

4.104 DONATED EQUIPMENT

All donated items must be processed through the Development Office. This office provides the necessary donation paperwork to the recipient department who will complete the check list for non cash gifts and identify, if applicable, the different offices needing copies of the check list.

The Property Control and Supply Officers are responsible for tagging and recording the cost and physical attributes of these equipment items. The acquisition cost of donated equipment is recorded in the system as the fair market value of the item at the time of acquisition. If the current value is determined to be less than \$1,000, an oval, silver URI property tag will be

applied. **Fair market value will be provided to the Property Office by the Development Office.**

4.105 EQUIPMENT ON LOAN FROM OTHER INSTITUTIONS

Equipment on loan from other institutions means any equipment brought to the University or received from an agency that is not property of the University of Rhode Island. Where possible, the Property Office must be notified in advance of equipment loaned from other institutions to ensure that the University is in compliance with Federal Regulations and that the equipment is covered by the University's insurance policy.

4.106 EQUIPMENT TRADED IN

The Property Officer responsible for inventory, will obtain a copy of any purchase orders noting a trade-in of old equipment being applied towards the purchase of new equipment. **URI PURCHASING WILL NOTIFY PROPERTY IN ADVANCE OF ALL REQUESTED TRADE-INS TO ALLOW FOR TITLE CHECK. PURCHASING SHALL LIST ALL TRADES ON PURCHASING DOCUMENTS AND PROVIDE SAME TO PROPERTY.**

4.107 UNIVERSITY GENERATED SURPLUS

When a University Department declares a piece of inventoried State equipment (tagged or not tagged) or supplies surplus to their needs, that equipment will be offered to other University Departments first, then other state agencies and finally the municipalities. It is the policy of the University of Rhode Island to only permit the sale of State property when it has been declared surplus and no other University Department, State agency, or municipality has expressed an interest in it: Those transactions are negotiated by the State Surplus Property Program.

4.108 EQUIPMENT PURCHASED WITH SPECIAL FUNDS

Until a formalized policy is in place we have received verbal consensus from various offices (Purchasing, Controller, Internal Audit, Athletics Business Office, VP). They all agree that moveable equipment valued over \$1000 in the University's care should be tagged. It would not matter if it were a donation or purchase with fundraising dollars or student government funds. However, this would not mean it was property of URI (as in the case of Alumni purchases or booster gifts) so that the "owner" could still sell it, determine its use, whatever. The goal is to have an inventory of valuables within the University so that if something was stolen for which we are custodians, it could be identified. Therefore, the property should be tagged with reassurance to departments that it is for security purposes and will not be considered State Property unless expressly surplus by department head.

4.11 FEDERAL PROPERTY

The Federal Acquisition Regulations (FAR), Part 45.101, states:

“Contractor-Acquired Property,” as used in this part, means property acquired or otherwise provided by the contractor for performing a contract and to which the government has title.

“Government-Furnished Property (GFE),” as used in this part, means property in the possession of, or directly acquired by, the Government and subsequently made available to the contractor.

“Government Property,” means all property owned by or leased to the Government or acquired by the Government under the terms of the contract. It includes both government-furnished property and contractor-acquired property. Please check A-110 section 30, because the F.A.R. applies mostly to contracts, but A-110 applies to grants and cooperative agreements.

4.110 CONTRACTOR/GRANTEE RESPONSIBILITIES

The University is directly responsible and accountable for all Government property in its possession (all Government-Furnished Equipment (GFE) and any equipment over \$5000 for Contractor Acquired Equipment).

According to the FAR 45.502, Contractor Responsibility, states: “The contractor is directly responsible and accountable for all Government property in accordance with the requirement of the contract. This includes government property in the possession or control of a subcontractor. “The contractor shall establish and maintain a system...to control, protect, preserve, and maintain all Government property.” The contractor must maintain and make available all required records and account for Government property until relieved of the responsibility.

The Principal Investigator for federally sponsored grants and contracts must notify the Property Department upon receipt of any on loan or transferred federal equipment item.

If contractor acquired property is over \$5000, and titled to a particular agency, a yellow “Property of Federal Government” tag is also applied to the item(s) when tagged. All data is recorded on an Equipment Inventory Form and entered into the INSITE inventory system, insuring proper title and government transmittal paperwork. A copy is then filed in the grant folder with the original paperwork going into the Property department’s inventory files.

4.111 GOVERNMENT FURNISHED EQUIPMENT (GFE)

Government furnished equipment includes Federal Excess Personal Property (FEPP) acquired through URI as well as property supplied by federal agencies directly to principal investigators. The Coordinator of Space and Excess & Surplus Property shall see that all acquisitions of such property are processed according to the Federal Acquisition Regulations (FAR) 45.502, as stated in section 4.110, (a copy is available for reference in the Property Department) with the advance approval of the appropriate federal property administrator. The University’s Screening Officer will work with the Coordinator of Space and Excess & Surplus Property to acquire federal excess property. The Coordinator will complete all paperwork and insure that equipment is entered into the University’s INSITE inventory system, checking during biennial inventories of federal property to insure correct utilization and maintenance of this equipment. Where FEPP

equipment received is under \$1000, the University's screening officer will complete a Federal Excess Property form noting the items received, the contact person and the location of the equipment.

If Principal Investigators accept property directly from a federal agency, the PI must notify the Coordinator immediately upon receipt of that property (appendix # 4.1a Property Notice). Such property would also include any consumables/testing equipment sent to and from a location for an unspecified or specific amount of time, and any property directly received either on loan or permanently from an agency. The coordinator will conduct periodic audits to insure compliance with this procedure.

The Property Department will send out Property Notices biannually (Spring and Fall) to all University principal investigators informing them of their responsibility to notify the Property Department upon receipt of any federal items from a granting agency. The Research Office will send the Property Department all modifications supplying government furnished equipment regardless of value.

The Research Office is responsible for notifying the Property Department if there are deliverables (under contracts) with the University. In this case, the Property Department will work with the principal investigator to monitor/record the activity of such deliverable(s) from the beginning to the end of each fiscal year. Such information will be updated in the grant/agency folder in the Property Department.

The Coordinator shall report any instance of non-compliance to the Vice President for Research for corrective action.

As stated in the above 4.110, at the time that GFE is delivered to the University, the Coordinator shall affix a barcode **property control tag** and, in cases where items are over \$5000, a **yellow "Property of Federal Government"** tag is also affixed to it. All data is recorded on an Equipment Inventory Form and entered into the University's Inventory System. Copies of all transmittal paperwork are filed in grant folders as well as in the Property Department's inventory files.

The Coordinator shall perform biennial inventories of all GFE Federal Property in possession of the University and submit such reports as required when due (i.e. DD1662 and NASA1018's as of 30 September, due to government by 15 October). Further, the Coordinator shall perform all grant and contract closeouts, and annual inventories on demand (see 4.113). Audits of P.I.'s equipment will be performed in an ongoing fashion.

Following the biennial inventory of property, the Coordinator shall perform all physical inventory reconciliations, make all adjustments to the property records, and notify the government Property Administrator of physical inventory adjustments to federal property.

The Coordinator shall also:

- Review federal contracts and grants to determine equipment and property needs, working closely with the University's Research Office (insuring modification of contracts/grants to include equipment and materials where needed). Where it is determined that new

property needs exist; the Coordinator shall contact the Government Property Administrator to approve such acquisition.

- Ensure accuracy of title on all federal and federally funded equipment, including the application of “Property of URI” tags (exhibit 4.2) to all non-inventory items to facilitate the inventory process.
- Upon the direction of the Government Property Administrator, handle disposal of all federal and federally funded equipment and materials via the FAR and all pertinent federal, state, and university disposal regulations and procedures, and coordinate this process in tandem with the Property Officer handling disposals.

The Coordinator shall also ensure proper inventory control and maintenance and repair of said equipment as well as determining utilization and continued need for said equipment. Under-utilized or obsolete equipment shall be returned to the government.

4.112 WAREHOUSE RESPONSIBILITIES AND PROCEDURES

Government Property, either Contractor Acquired or Government Furnished, will be processed through the Central Receiving Warehouse. The property will be delivered to the purchaser who will sign a receiving list after he has examined and determined that the contents are acceptable.

According to the Federal Acquisitions Regulations (FAR) under 45.502: “The contractor is directly responsible and accountable for all government property in accordance with the requirements of the contract. This includes Government property in the possession or control of a subcontractor. The contractor shall establish and maintain a system in accordance with this subpart to control, protect, preserve, and maintain all government property.” Also noted in the FAR 45.501: “Discrepancies incident to shipment” as used in this subpart, means all deficiencies incident to shipment of Government property to or from a contractor’s facility whereby differences exist between the property purported to have been shipped and property actually received. Such deficiencies include loss, damage, destruction, improper status and condition coding, errors in identity or classification and improper consignment.”

Note: Any discrepancies will be listed in a memorandum to Purchasing, who will notify the vendor. **If property is delivered directly to the Principle Investigator, the P.I. will check the shipment against the shipping document and sign that the correct quantity and condition are represented. The P.I. should immediately notify the Coordinator of Space and Excess Surplus Property of the delivery and insure the equipment is tagged and entered into the University’s INSITE inventory system.**

Government Furnished:

According to the Federal Acquisitions Regulations under 52.245-2: “If Government furnished property is received by the Contractor in a condition not suitable for the intended use, the

Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts and, as directed by the Contractor Officer and at Government expense, either repair, modify, return, or otherwise dispose of the property.” The Coordinator of Space and Excess & Surplus Property will check Government Furnished Property against the shipping document and sign that the quantity and condition are correctly represented and furnish a copy to the appropriate Government Property Administrator as stipulated by the Agency involved. Any discrepancies involved will be reported and only the property actually received will be recorded on the official report.

Note: The Coordinator will issue an equipment notice twice annually through the Research Office reminding all P.I.’s that ALL GFE must be shipped through the Central Receiving Warehouse and labeled “GFE: ATTENTION PROPERTY DEPARTMENT.”

4.113 RECORDS AND FINANCIAL REPORTS

The Coordinator of Space and Excess & Surplus Property is responsible for establishing and maintaining adequate property control records for acquisition of government property. Records are kept in a grant file, each contract has its own folder with a copy of the Research Action Notice, the grant language, the Equipment Inventory Form for any equipment the contractor acquired, and copies of the SF122 forms for government furnished equipment. The cost of equipment items is recorded as the original acquisition cost, plus the cost of associated component parts, transportation costs and installation costs.

The Coordinator is also responsible for completing Annual Reports and Closeout Reports required by granting agencies upon notice from the University’s Research Office. Federal agencies dictate which form should be used for a final equipment report: for example, DOC requires form CD-281; DOD and ONR require form DD1662; DOE requires form AA-88; NASA requires form 1018; NSF requires form 1408. Each federal agency has its own annual reporting date to follow; for example, NSF requires annual equipment reports by October 15, with vehicle reports due by November 15; ONR requires annual reports by October 30. Closeout Reports are due upon request. The University’s Research Office is responsible for submitting all financial reports to federal agencies.

4.114 CARE AND MAINTENANCE

The Principal Investigator is responsible for the proper care and maintenance of ALL Federal Government Property from time of receipt until properly relieved of responsibility. Property maintenance includes preventive maintenance (e.g., inspection, adjustments, proper storage) and major repairs. The Principal Investigators must keep records documenting all maintenance and repairs performed and associated costs. The Coordinator of Space and Excess & Surplus Property shall review said records on an annual basis for adherence to the FAR and correct any deficiencies found in a timely fashion.

4.115 TRANSFER OF TITLE TO THE UNIVERSITY

At any time during the period of performance or at completion of a contract, title to Government property may be transferred to the University with the approval of the appropriate funding agency or contracting officer. The Coordinator of Space and Excess & Surplus Property shall execute such title changes with appropriate paperwork.

4.116 SPECIAL CONSIDERATIONS

The grantor/contracting federal agency may impose special provisions for the handling, record keeping, and maintenance of equipment items acquired in part or totally with federal funds.

In any instance of conflict between the procedures described in this manual and the requirements of a particular federal grant or contract, the provisions of the grant or contract shall supersede the mandates promulgated in OMB circular A-21. In addition, other restrictions, standards, and requirements imposed by individual federal agencies must be followed for specific grants and contracts (for instance, for a grant funded by the Department of Defense, the Defense Acquisition Regulations must be followed when items or equipment are purchased with these grant funds).

Use Restrictions

The equipment inventory system distinguishes between federally owned equipment and non-federally owned equipment through identification of the title code. If equipment is used less than 50 percent of the time in a particular department and is available for interdepartmental loan, funding agencies may impose additional restrictions on such shared use. Restrictions are identified in individual grant and contract specifications.

Restrictions on use after grant period

Equipment items purchased by grant or contract funds may also have restrictions imposed by the grantor on use of the equipment item upon expiration of the grant or contract. As is the case for grantor imposed use restrictions, such past grant period restrictions do not impact the equipment inventory system unless changes are indicated on department inventory reports.

Restrictions on disposition

Equipment items purchased in part or totally with Federal funds may have special disposition provisions imposed by the grantor agency. Because the University may be required to return equipment of the grantor, rather than dispose directly through sale or other means, equipment users must review individual grantor contract terms prior to identifying Federally purchased items as surplus. Property Officers will review equipment title on all disposal requests. Government furnished and Contractor acquired equipment shall be referred to the Coordinator of

Space and Excess & Surplus Property for a review of the grant language and title before disposing.

Individual grant and contract closeout reports are issued after review by the Grant and Contract Accounting Office upon notification of the conclusion of a grantor contract. These reports should be used to determine the disposition status of each funded equipment item. Application for items that must receive grantor approval prior to disposal or continued use should be filed with the grantor upon receipt of the closeout report.

The appropriate Responsible Person must notify the Property Office in advance of an equipment disposal request. The Property Officer will complete an Equipment Disposal Form (Exhibit 4.3) for signature by the Responsible Person.

Restrictions on distribution of proceeds from disposition

Grantor agencies may impose additional restrictions on distribution of any proceeds received by the University upon sale or auction of funded equipment items. Such restrictions must be noted at the time of contract closeout.

4.2 DATA COLLECTION

In an equipment database, the more data items and attributes describing the data that are recorded, the more useful will be the output of the system. Two types of equipment data attributes (i.e., physical attributes and cost attributes) are described below. The attributes are captured on the Equipment Inventory Form (Exhibit 4.1) for entry into the University equipment and space systems.

4.20 PHYSICAL ATTRIBUTES

Space Name (Campus/Building/Floor/Room)

Each University campus, building and floor/room has been assigned a unique ten-digit identification number. This identification has been recorded on the University's digitized building floor plans.

Tag Identification Number

As of January 1, 2000, the tag identification number is the white bar coded, ten-digit numeric description, which uniquely identifies each item. It is entered after the Property Officer (see Exhibit 4.2 for a copy of the bar coded tag utilized by the URI Property Department) tags the equipment in the field. To facilitate URI's new scanning technology, the silver bar-coded tags are being replaced by the easier to scan white tags as the inventory process proceeds.

Department

The owner department is a four-digit People Soft number

Responsible Person

Responsible Person is the department's representative responsible for control of the equipment item entered into the inventory system.

Not Physically Taggable

In some cases, either because of location (underwater) or physical characteristics (rough surface), equipment items will be untaggable; (e.g., heat sensitive equipment). These items will be assigned a unique tag identification number and the inventory tags will be attached to the Equipment Inventory Form. NPT will be indicated on the Input Form.

Equipment Classification Code

Items of equipment are classified according to major, minor, and sub-object asset class.

Standard Equipment Name List

A brief, general description of the equipment item is stated in accordance with the Standard Equipment Name List (SENL). Equipment items not currently listed on the SENL must be assigned a standard name by the Property Officer. This listing was provided from ONR, our cognizant agency, in 1979.

Condition and Availability Codes

An equipment item must be classified in terms of its "useability" and in terms of a "used" and "needed" state. A condition and availability description is assigned to each item.

The Responsible Person has the following codes to identify the condition of every counted item:

New - The item has not been used and is therefore in its untouched, original condition.

Used - Usable without repairs - The item has been used and is in an operable condition.

The Responsible Person must also identify each item as:

USU - Unavailable for shared use: The item is in use or on critical standby more than 50% of the time.

AVA – Available for shared use

The following pertinent equipment physical attribute information must be collected for each equipment item: equipment name, manufacturer, model, and serial number.

4.21 COST ATTRIBUTES

The Equipment Inventory Form captures the following pertinent equipment cost information:

Purchase order number.

Method of Acquisition - Including donations, surplus, transfers from other institutions, and University fabrications.

Title - owner of the property.

Acquisition cost - This represents the cost of the item as it appears on the invoice. Auxiliary charges such as duty, protective intransit insurance and freight should be included where identifiable.

Acquisition Date - the calendar month and year during which the University acquired the equipment item.

Account Numbers and Percentages - The University's financial accounting system account number, representing the funding source, and the associated percent of the total acquisition cost funded through each account. Dollar amounts by account must be clearly listed on the acquisition paperwork.

4.3 SYSTEM MAINTENANCE REQUIREMENTS

The system maintenance requirements for the equipment inventory system encompass five major activities:

- equipment Screening
- acquisitions of new equipment
- transfers, change in status, surplus equipment
- periodic Inventories
- property Management Controls

This section outlines the general requirements of each of the five activities. Specific system maintenance procedures relating to each of the above are presented in Chapter 5 of this User Manual.

4.30 EQUIPMENT SCREENING REQUIREMENTS

To comply with regulations promulgated by the Office of Management and Budget Circulars A-21 and A-110, the University is required to screen all existing federal equipment for availability before new Federal equipment can be purchased. URI's Moveable Equipment Inventory System was designed to facilitate this process. Screening must be performed for all federal equipment purchases or leases within the capitalization guidelines set by the Federal Government in 1995 beginning at \$5,000 (that is, equipment with an acquisition cost of \$5,000 or more with a useful life of one year.) The screening process is intended to provide for a more effective utilization of University and Federally owned property.

The University has established procedures for the screening of these Federal equipment purchase/lease requests prior to the actual purchase or lease of an equipment item. Table 4.1 below indicates the screening levels necessary for a specific equipment purchase/lease request. Refer to section 5.11 for screening procedure. The Unavailability/Unsuitability Form (i.e. Screening Form) is available on line at the Property Department website.

Note: The initial screening function is performed by the person requisitioning a particular item of equipment as follows:

TABLE 4.1

<u>For Purchases Of:</u>	<u>Screen At:</u>	<u>Certification By:</u>
\$5,000 - \$10,000	Department Level	Dept. Chairperson/Director
\$10,001 - \$50,000	Deans Level	Dean or Designee/Director
Over \$50,000	University Level	Provost/Vice President or Designee

4.31 ACQUISITIONS OF NEW EQUIPMENT

To properly maintain the equipment inventory system, any equipment items acquired through the methods discussed in Section 4.1 of this chapter must be reported to the Property/Inventory department for inspection, tagging and entry into the data base.

4.32 TRANSFERS, CHANGE IN STATUS, AND SURPLUS EQUIPMENT

To process any revisions to data in the equipment inventory system (i.e. transfers, change in status, or surplus equipment); the department Responsible Person must notify the Property department.

4.33 EQUIPMENT DISPOSAL

Equipment inventory items may be disposed of as follows:

Casualty Loss - Inventory items which are destroyed through fire or catastrophe. Items disposed in this manner should be reflected appropriately by the Responsible Person to the Property department in writing in a timely fashion.

Computers — The security of the data on the hard drive of a computer is our first priority in the computer disposal process. After the work order is placed, and the computers are picked up, they will be brought to our warehouse and secured. The hard drives will be removed, logged in, and secured in a locked safe. Twice a year they will be transported to the state recycling vendor by a staff member of Support Services who will observe the shredding of these drives.

Lost or Stolen Property – Lost and stolen items should be reported to the Campus Police Department, department completes a Equipment Lost/Stolen Form (see Exhibit 4.5). If after investigation they cannot be located, the Responsible Person must submit a copy of the Police Report to the Property Department.

Internal Surplus Equipment - When an equipment or materials are determined to be surplus, the Responsible Person must report the change in status to the Property Department. The Property Control and Supply Officer responsible for inventory will review the physical condition of the equipment/materials with the Responsible Person. If it is State Titled (purchased with state funds), it will first be offered to other departments within the University, then within Higher Education; then other State Agencies and Municipalities, and finally processed through the State Agency for Surplus Property.

Scrap – Equipment/materials items having no salvage or disposal value as determined by the Property Department may occasionally be discarded as scrap. Safety and Risk Management must examine items known/indicated to contain toxic substances and will remove/dictate disposal procedure in such cases. In all cases the Responsible Person must notify the Property Department **in advance** for inspection and disposal directions.

Trade-In of Equipment – The Responsible Person wishing to trade-in inventoried equipment must notify the Property department in advance. A title check and all pertinent University, State and Federal regulations will be reviewed by the Property Control & Supply Officer responsible for inventory before any action is taken.

Transfers out of the University - Departing research faculty sometimes receives authority from funding agencies to transfer grant-purchased equipment to another institution to continue a specific research project. Such requests to transfer items must be made well in advanced to the Property Department and be accompanied by authorizing paperwork from the appropriate federal agency and URI Dean. These requests are appropriate for grant-purchased equipment only. All other University-purchased equipment, including equipment purchased with URI Foundation monies remain in the custody of the University/State of Rhode Island.

4.34 PERIODIC INVENTORIES

To comply with OMB Circular A-110 34.f.3, department physical inventories must be conducted every two years. The property officer will conduct this inventory with the assistance of department's responsible persons. The property officer will coordinate and schedule the inventory process with appropriate department representatives. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

During the biennial inventory, the Property Officer will identify discrepancies between recorded and actual inventory items not in the inventory, update the database, and issue revised departmental inventory listings. He will also follow up with department personnel to resolve any discrepancies discovered.

4.35 SPECIAL CONSIDERATIONS FOR GOVERNMENT PROPERTY

The grantor/contracting federal agency may impose special provisions for the handling, record keeping, and maintenance of equipment items acquired in part or totally with federal funds.

In any instance of conflict between the procedures described in this manual and the requirements of a particular federal grant or contract, the provisions of the grant or contract shall supersede the mandates promulgated in OMB Circular A-21 and A-110. In addition, other restrictions, standards, and requirements imposed by individual federal agencies must be followed for specific grants and contracts. (For instance, for a grant funded by the Department of Defense, the

Defense Acquisition Regulations must be followed when items of equipment are purchased with these grant funds).

4.36 PROPERTY MANAGEMENT CONTROLS

The University's Director is responsible for monitoring shared usage, and updating activities to insure compliance with OMB Circular A-21 and A-110. The Director will investigate any incidence of non-compliance including:

- lack of timely certification of inventory reports,
- improper identification of equipment availability,
- lack of notification of acquisitions,
- lack of notification for system updates.

4.4 SYSTEM REPORTING

4.40 PURPOSE

In order to comply with the requirements of OMB Circular A-110 and to assist the University in the management and control of moveable equipment, required compliance and management reports would be produced as requested.

All system reports are generated from data gathered on the equipment inventory forms. These reports provide departmental inventory details, facilitate the screening process, display vital information for grant and contract closeouts, determine the depreciation charge or use allowance option, and track disposed items.

CHAPTER 5. USER MAINTENANCE PROCEDURES **EQUIPMENT INVENTORY SYSTEM**

5.0 DATA COLLECTION PROCEDURES

All physical attribute and cost attribute data for items of equipment meeting the capitalization policy are captured in the Equipment Inventory System via the Equipment Inventory Form (Exhibit 4.1).

For any acquisitions, transfers, or donations of equipment items, the Property Officer responsible for acquisitions will complete an Equipment Inventory Form and tag the item with the assistance of the Responsible Person who has control of the item.

Note: If a newly acquired equipment item has been received without having gone through established Purchasing Department procedures, the Responsible Person must notify the Property Officer in a timely fashion and furnish paperwork that the item exists and should be recorded in the system.

5.1 SYSTEM MAINTENANCE PROCEDURES

In accordance with the system maintenance requirements detailed in Chapter 4, Section 4.3, and these procedures must be followed to ensure a current and accurate database.

5.11 SCREENING PROCEDURES

All existing equipment purchased with **federal funds only** must be screened for availability before new equipment can be purchased. The University Screening Procedures apply to all federal purchases or leases of movable equipment with an acquisition cost greater than or equal to \$5000 and a useful life of one or more years. Chapter 4, Section 4.30, Table 4.1 details specific screening requirements.

SCREENING PROCEDURE

- The requester screens for available equipment at level required for the total cost of equipment purchase listed in Table 4.1 on Screening Form. Certification is completed by certifier at corresponding level.
- If the requester identifies an available item which is not suitable, reason must be indicated on the form.
- If the equipment item is unavailable and/or unsuitable for its intended purpose reason must be indicated on the form.
- If the screening process identifies an equipment item that appears to be similar to the item being requested, and is both **operable and available** for use, then the requester will contact the responsible person and determine if it is suitable for its intended use. If it is determined suitable then arrangements can be made for the equipment transfer. Notification of the transfer must be made to the Property Department in writing or email.

- If no similar equipment is found to be suitable or available, complete the Unavailability/Unsuitability Form (i.e. Screening Form) located on line at the Property Department website.
- Print the form and both requisitioner and certifier must sign in designated areas. Retain a copy for your records, attach original to the College Requisition, and forward to the Purchasing Department.

Note: Grantees are encouraged to contact the Federal Excess/Surplus Property program whenever possible to determine if the needed equipment can be secured through the Federal Government.

5.110 COMPLETING THE CERTIFICATION OF UNAVAILABILITY / UNSUITABILITY FORM (Screening Form)

To complete the screening process when no suitable or available items are identified:

- Indicate department name, current date, person initiating request. Describe accurately equipment you wish to purchase, and list cost or estimated cost.
- Certifying authority fills in explanation if necessary
- Signature of Requisitioner and date
- Signature of Certifier and date of certification
- Retain a copy for your records and attach original signed copy to College Requisition and forward to the Purchasing Department.

Note 1: Any purchase requisitions for items valued at or above \$5000 submitted to the Purchasing Department without an attached Certification of Unavailability/Unsuitability Form will not be processed and will be returned to the requisitioner.

Note 2: The above mentioned screening procedures may be utilized by Principal Investigators to assist them in locating items, which may be used in conjunction with activities for proposed grants and contracts.

5.111 REVIEWING THE DEPARTMENT INVENTORY REPORT

The Department Inventory Report lists all equipment recorded in the system according to:

- Space Name (location)
- Responsible Person
- Equipment Name
- Tag Identification Number
- Classifications Code
- Manufacturer
- Model
- Serial Number
- Condition
- Availability

Upon receipt of this report, the Department Chairperson (or designee) should review all the above data elements for each equipment item on the report. Any errors detected should be noted by marking up the report and inserting the correct data. If any items of equipment within the department are not listed on the report, a note to this effect should be written on the report itself and acquisition paperwork provided.

The Department Chairperson should sign and date the report upon completion of the review and forward the report within 30 days of receipt to the Property Officer responsible for inventory.

5.12 INTERDEPARTMENTAL TRANSFERS

The following procedures apply to interdepartmental transfers only. When a department, division, or university inventory report has been screened and an equipment item has been identified as suitable and available for shared use, the person in need of the item must contact the Responsible Person in control of the item to arrange the equipment transfer.

If the transfer period will exceed 60 days or if equipment is going outside the University, notification of the transfer must be made to the Property Office in writing/email from the department chair.

5.13 CHANGE IN STATUS PROCEDURES

When the availability and/or condition of an equipment item changes or if the item has been lost, stolen, or destroyed, the Equipment Disposal Form must be completed by the Property Officer following notification from the Responsible Person (or designees) who must sign that form and forward along with a Police Report (for stolen items only) to the Property department.

5.2 PERIODIC INVENTORIES

As discussed in Chapter 4, Section 4.34, the Property Officer will conduct biennial inventories of equipment items. Specific procedures for conducting such inventories will be communicated to Responsible Persons by the Property Officer prior to the start of these inventories.

CHAPTER 6. DATA PROCESSING

6.0 GENERAL DESCRIPTION

The INSITE system is used to store and process the data collected for the equipment inventory and space utilization systems.

All data stored in the system is related to a unique space (building/floor/room). There is one space record for each space in the institution identifying:

- the organizational unit which occupies the space,
- the use of the space,
- the square footage, and
- the activity of the space.

6.1 DATA ENTRY TECHNIQUES

Since the INSITE system is space-oriented, space records and department association must exist before an equipment record is entered.

To enter an equipment record, two previous definitions must have been made:

- The item of equipment must be associated with a space and a space record must exist for that space.
- An item of equipment must belong to a department and department account # (organizational hierarchy code associated with a space) must exist for that department.

6.2 UPDATES TO THE DATABASE

Updates to the Space Accounting and the Equipment Database are done on a daily basis.

CHAPTER 7. PROPERTY MANAGEMENT FUNCTIONS

7.0 SPACE UTILIZATION SYSTEM

7.00 DATA COLLECTION

The Office of Capital Planning & Design will provide floor plans for all of newly completed buildings, via CAD drawings. The Office of Capital Projects will provide completed additions to existing buildings, structural changes to existing space, or proposed revisions to building

numbering schemes. The Coordinator of Space and Excess & Surplus Property must collect the space utilization data and measure the spaces.

7.01 DATA ENTRY

After collecting data for each new or updated space, the Coordinator of Space and Excess & Surplus Property shall input the data into the INSITE system and perform quality control on said input to ensure its accuracy.

7.02 REPORT GENERATION

All reports are generated on demand in the Property Office.

7.03 SYSTEM MAINTENANCE

To properly maintain the integrity and accuracy of the data entered into the Space Utilization System, the Coordinator of Space and Excess & Surplus Property shall regularly make modifications to the database, based on information supplied by department Responsible Persons, Facilities Services and continual field checks of spaces. The Coordinator shall also update the space use and organization hierarchy as needed.

The Vice Provost for Research and the Controller appoint a representative to conduct the Biennial Space Survey. The Coordinator provides support. The Research Office shall convert the data collected for the University's cognizant agency. It is the Coordinator's responsibility to accurately input changes in the space database where indicated.

7.1 EQUIPMENT INVENTORY SYSTEM

7.10 DATA COLLECTION

The process of collecting data on new equipment acquisitions, which have been processed through established purchasing procedures, is as follows:

The Coordinator of Property Acquisitions

- Receives an information copy of a Purchase Order from the Purchasing Department when the item is ordered;
- Receives Receiving Reports and Invoices from the Accounting Department after item has been paid;
- Receives and reviews LVPO's from all departments;
- Distributes the above paperwork to the Property Officers;

The Property Officers are responsible for tagging and recording physical and cost attribute data for these acquisitions.

7.101 DATA ENTRY

After collecting all equipment data, the Property Officer responsible for acquisitions shall record the information on a PD5 form. The Coordinator of Property Acquisitions reviews the information and submits to the secretary for data input into the INSITE system and performs quality control on said input to insure its accuracy.

7.11 REPORT GENERATION

All reports are generated on demand in the Property Office.

7.12 SYSTEM MAINTENANCE

The Coordinator of Property Acquisitions is responsible for maintaining the accuracy and integrity of the Equipment Inventory System.

This responsibility encompasses:

1. Review of inventory reports
2. Modifications to data in the system
3. Monitoring the Equipment Disposal process
4. Monitoring the screening process
5. Collecting and reviewing department inventory reports
6. Following up on non-respondents
7. Conducting biennial equipment inventories
8. Investigating instances of non-compliance

7.120 REVIEWING INVENTORY REPORTS

Prior to the release of inventory reports to end users, the Property Officer responsible for Inventory shall review the data to:

- ensure that established edit checks are being performed;
- ensure that logical consistency exists among data fields (e.g., within a Classification codes, are all items similar, is their consistency between availability and condition codes, etc.);

- submit identified errors for correction.
- ensure Department Chairpersons have returned initial department inventory reports with appropriate certification.

Upon receipt of certified Department Inventory Reports, the Property Officers must review each report in detail to determine if any modifications have been requested.

7.121 MODIFICATIONS TO DATA IN THE SYSTEM

Changes to particular data elements in the Equipment Inventory System are done online.

7.122 MONITORING THE EQUIPMENT DISPOSAL PROCESS

Upon receipt of information and completion of Equipment Disposal Form, the Property Officer will enter the necessary changes to the database, as described in section 7.131 above.

7.123 MONITORING THE SCREENING PROCESS

On a sample basis, the Purchasing Department will monitor the screening process. During this after-the-fact review of the Screening Certification forms, the Purchasing Department will follow up on items that appear questionable.

The monitoring effort will also ensure that:

- the system is operating as designed;
- recommendations are made for changing the system approach, if necessary; and
- form revisions are made, if indicated.

7.124 NON-COMPLIANCE WITH SYSTEM REQUIREMENTS

Any instance of non-compliance should be brought to the attention of the University's Internal Auditor.

CHAPTER 8. INDIRECT COST RECOVERY COMPLIANCE PROCEDURE

8.0 BACKGROUND

OMB Circular A-21 provides that the University may be compensated for the use of its equipment in Federally sponsored research and training activities by means of depreciation.

Selection of equipment items for inclusion in the F&A calculation based on the following criteria (A-21 requirements):

- Total acquisition cost equal to or greater than \$5,000
- Useful life equal to or greater than one year
- Acquired with non-research funds

Each item of equipment recorded on the system has been assigned to one of five major asset classes:

- furniture and office equipment
- scientific equipment
- transportation equipment
- automatic data processing equipment
- educational and other academic support equipment

Asset Class – a three-digit minor classification consisting of a similar group of assets within the major asset classes (A-21 allows use allowance or depreciation calculation to be performed on a class-by-class basis).

Asset Type – a five subcode of equipment within the asset class.

Within a given asset class; only one method (depreciation) will be used for all items of equipment. Depreciation is computed using straight-line method over an estimated useful life.

The computation of depreciation or use allowance shall be based on the acquisition cost of the asset involved. For this purpose, the acquisition cost will exclude:

1. Any portion of the equipment cost borne or donated by the Federal Government, irrespective of where title was originally vested or where it is presently located.
2. Any portion of the equipment cost contributed by or for the institution where law or agreement prohibits recovery.

For an asset donated to the institution by a third party, its fair market value at time of donation shall be considered as the acquisition code.

The aggregate amount of use allowances and depreciation attributable to an asset (including imputed depreciation applicable to periods prior to the conversion to the use allowance method as well as depreciation after the conversion) may be less than, and in no case, greater than the total acquisition cost of the asset.

8.1 INVENTORY FIELDS

Equipment inventory fields used for indirect cost calculations:

- building number
- room number
- department
- equipment name
- tag number
- asset class
- asset type
- title
- date of acquisition
- acquisition cost

8.2 METHODOLOGY

The equipment cost pool contains the calculated depreciation for equipment at URI with a unit cost of \$5,000 or more and a useful life of more than one year. Depreciation is calculated on a straight-line basis according to the useful life of the equipment, less federally funded equipment.

The equipment pools group includes the following sub-pools:

- equipment
- equipment-excluded space

Equipment charges of items of equipment in the equipment sub-pool are matched to a room on the space file and summarized by building. Equipment charges by building are then allocated based on the functional use of space in the buildings.

Equipment charges of items of equipment in the Equipment-Excluded Space sub-pool are summarized to each building. Equipment charges identified to buildings are then allocated to all cost pools on the basis of assignable square footage of the buildings.

CHAPTER 9. CONDUCTING INVENTORIES

9.0 EQUIPMENT INVENTORIES

9.00 POLICY GUIDELINES

To comply with OMB Circulars A-21 and A-110 and to ensure the accuracy of the equipment inventory system, the following guidelines have been established:

1. Department building inventories are conducted at least every two years;

2. Department Chairperson/Responsible Persons assist in conducting the physical inventories in their departments, the Coordinator of Property Acquisitions will schedule and coordinate this effort,
3. The Property Officer resolves discrepancies identified between recorded and actual inventories discovered by submitting database changes, and
3. Each item selected for inspection during the biennial inventory is reviewed to verify its existence, current utilization, and continued need for the property.

9.01 INVENTORY FORMS, TIMING, PROCEDURES

The biennial inventory of equipment is conducted with the aid of the listing of current equipment on the Building Inventory report. Any changes or additions identified during the sample inventory will be recorded in the system, according to the documented procedures of Chapter 3.

The University's Coordinator of Property Acquisitions will coordinate the biennial inventory. The Property Officer will contact department Chairpersons and Responsible Persons to organize this effort.

The inventory sampling will be conducted as follows:

1. The Property Officer will have access to every room selected to be inventoried.
2. The equipment located in each room will be checked for tag number, responsible person, condition of the item, availability of the item, and other physical characteristics recorded on the inventory report.
3. If untagged items meeting the capitalization criteria are identified during the sample inventory, these items will be tagged and appropriate data recorded into the inventory system.
4. Once all selected equipment items have been inventoried, the Property Officer will process changes in accordance with the procedures described in Chapter 7.
5. The Property Officer will investigate the status of equipment items not verified through the physical inventory and update the system accordingly.

9.1 SPACE INVENTORIES

9.10 POLICY GUIDELINES

To comply with the requirements of OMB Circular A-21, the Space Inventory System will be updated at least every two years to reflect modifications made periodically to the database (through space surveys). Revisions to the database will reflect:

- square footage,
- space function,
- room description, and
- occupying department.

9.11 TIMING

Annual inventories of research space will be conducted during June, July, and August at all campuses. Biennial inventories of space are coordinated with the Research Office

9.12 PROCEDURES

The space inventory will be conducted by the Coordinator of Space and Excess & Surplus Property according to the following procedures:

1. The Coordinator of Space and Excess & Surplus Property will have access to every room in the building selected.
2. The room measurements will be taken (utilizing established measuring techniques) and compared to the square footage in the space inventory system.
3. The Coordinator of Space and Excess & Surplus Property will conduct an interview with the appropriate Department Chairperson or Responsible Person to determine the function, description and department occupying the space selected for review.
4. The Coordinator of Space and Excess & Surplus Property will resolve discrepancies discovered between the actual and the recorded space data.

USER MANUAL DISTRIBUTION

User Manuals will be forwarded and revisions sent to the following University officials:

Vice President for Business & Finance
Vice Provost for Research
Controller

Controller/General Accounting
Assistant Controller/Grant & Contract Accounting
Internal Auditor
Director, Grant & Contract Accounting
Director of Purchasing
Director, Property/Inventory
Indirect Cost Analyst
Business Managers
 College of Arts & Sciences
 College of Business
 College of Continuing Education
 College of Engineering
 College of Human Science & Services
 College of Nursing
 College of Pharmacy
 College of Resource Development
 Graduate School of Oceanography
Property Department Staff

**UNIVERSITY OF RHODE ISLAND
MOVEABLE EQUIPMENT INVENTORY & SPACE UTILIZATION SYSTEM**

TABLE OF EXHIBITS

EXHIBIT

TITLE

2.1	Space by Building Report
2.2	Space by Department Report
2.3	Space Survey - Biennial
3.1	Building Inventory Worksheet
4.1	Equipment Inventory Form
4.1a	Property Notice (attached)
4.2	(a) Equipment Barcode Tag (b) Equipment Identification Tag (c) Federal Equipment Tag
4.3	Equipment Disposal Form
4.4	Department Inventory Report
4.5	Equipment Lost/Stolen Form
4.8	Disposal Report by Tag Number
5.1	Certification of Unavailability/ Unsuitability (Screening Form)