

BROWN UNIVERSITY

Movable Equipment Manual

Controller's Office

TABLE OF CONTENTS

I. INTRODUCTION	3
II. WHAT IS MOVABLE EQUIPMENT.....	3-4
III. TYPES OF MOVABLE EQUIPMENT.....	4-5
A. COMPONENT PARTS.....	4
B. SOFTWARE	4
C. GIFT OTHER THAN MONEY.....	4
D. EQUIPMENT PURCHASED WITH EXTERNAL FUNDS.....	5
E. EQUIPMENT PURCHASED WITH FEDERAL FUNDS.....	5
F. FEDERALLY OWNED.....	5
G. FABRICATED EQUIPMENT.....	5
IV. ROLES IN PROPERTY MANAGEMENT	5-6
A. CONTROLLER’S ROLE	5-6
B. OFFICE OF SPONSORED PROJECTS	6
C. DEPARTMENT ROLE.....	6
V. TAGGING PROCEDURES.....	7
VI. MOVES / RELOCATIONS / TRANSFERS/LOANS TO BROWN	7-8
A. TRANSFERRING PROPERTY TO ANOTHER DEPARTMENT.	7
B. TRANSFERRING PROPERTY TO ANOTHER EDUCATIONAL INSTITUTION.....	8
VII. UNLOCATED EQUIPMENT.....	8
VII. SURPLUS EQUIPMENT	8-9
A. TRADE-INS	8
B. DISMANTLED EQUIPMENT	8
C. DISPOSED/SCRAPPED EQUIPMENT.....	9
D. SOLD EQUIPMENT	9
E. RETURNED TO VENDOR.....	9
F. STOLEN EQUIPMENT... ..	9

G. DISPOSITION OF FEDERALLY-OWNED PROPERTY..... 9

VIII. SCREENING PROCEDURES..... 10

IX. EQUIPMENT INVENTORY... .. 10

A. PERIODIC INVENTORY 10

B. BIENNIAL INVENTORY..... 10

C. FINAL PROJECT INVENTORY..... 10

X. FORMS..... 10-11

A. TRANSFER INVENTORY CONTROL FORM..... 11

B. FABRICATED EQUIPMENT ACCOUNT REQUEST FORM..... 11

C. TRANSFER RELEASE WAIVER..... 11

D. DONATION FORM..... 11

E. SURPLUS DISPOSITION FORM 11

I. INTRODUCTION

Beginning 7/1/2016 the management of the University's capital equipment is the responsibility of the Property Accounting Specialist and resides in the Controller's Office. This manual sets forth the official University procedures for property management and control. These procedures are designed to meet Federal and University audit standards. Additionally, this manual is intended to be a comprehensive tool for use by University employees to ensure that questions raised in daily activity can be answered by reference to the manual.

In keeping with the goals and objectives of this manual, the Property Accounting Specialist, Internal Audit, and/or federal auditors will conduct periodic field visits and audits to verify that departmental practices are consistent with this manual. Since each department has the opportunity to maintain its own unique record keeping practices, the purpose of these field visits and audits will be to verify overall compliance with University procedures and prevent audit disallowances.

The Property Accounting Specialist will also make recommendations about each department's record-keeping system in an effort to improve methods where such improvement is warrant objectives of Brown University's Property Management System are as follows:

II. WHAT IS MOVABLE EQUIPMENT

Equipment (also referred to in this manual as asset), as defined by Brown University, is tangible, nonexpendable, personal property having an anticipated useful life of one year or more and having a unit acquisition cost of \$5,000 or greater. The acquisition cost is the net invoice unit price of the property including the cost of modification, attachments, accessories or auxiliary apparatus necessary to make the property usable for its intended purpose. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation will be included in the overall costs if these charges are listed on the same invoice. *Spare or replacement parts, regardless of cost, will be classified as supplies. This definition applies to all equipment borrowed long-term, purchased, or received as a gift or donation

Any asset satisfying the definition of equipment will be charged to one of the following spend categories:

- Equipment (4010) – Purchase of equipment with a unit cost of \$5,000 or more.
- Scientific Equipment (4012) – Purchase of scientific equipment with a unit cost of \$5,000 or more.
- Furniture (4020) – Furniture with a unit cost of \$5,000 or more
- Computer Hardware >=\$5K (4030) – Computer hardware purchase with a unit cost of \$5,000 or more.
- Vehicles (4040) – University vehicle purchase with a unit cost of 5,000 or more

- Instructional (4055) – Purchase of instructional equipment with a unit cost of \$5,000 or more.
- Fabricated Part (4080) – Purchase of a fabricated part (may have a unit cost of <\$5,000).
- Component Part (4090) – Purchase of items that will become a permanent part of an existing piece of equipment.
- Capital Equipment Deposit/Installment (4050) – Use this spend category when an installment or deposit must be made on an asset purchase.

III. TYPES OF MOVABLE EQUIPMENT

A. COMPONENT PARTS

A component part adds a new dimension to an existing piece of capitalized, inventoried equipment and increases the value or useful life of the item being enhanced. The component part must have a useful life of one year or more and be permanently attached. Reference the base asset tag number on your purchase requisition.

***HELPFUL HINT**

Component parts definition & appropriate usage per spend categories document:

Use this spend category when purchasing items valued at under \$5,000 that will become a permanent part of an existing piece of equipment. Please remember to include the base asset tag number in the description when you create your purchase requisition in Workday. A component part adds a new dimension to an existing piece of capitalized, inventoried equipment and increases the value or useful life of the item being enhanced. The component part must have a useful life of one year or more and be permanently attached.

Further detail regarding component Parts:

If labeled as Component Parts but not a component of Brown inventoried equipment, should be coded as supplies. Component Parts spend category should not be used unless there is a Brown University base asset tag number for equipment on campus or in Brown's sole possession at an off-site location. Note this is extremely rare and should be discussed in advance with the Property Manager.

B. SOFTWARE

Software is not moveable equipment. All computer software (excluding the operating system) should be charged to a Supplies spend category (3xxx).

C. GIFT OTHER THAN MONEY (GOTM)

Equipment or other items of value donated to Brown, ordinarily as tax-deductible gifts. Examples include Art work, musical instruments, literary collections and boats. The Advancement Office has created a resource manual which provides guidance regarding how to process gifts to Brown University

titled Gift Policies and Procedures Manual. Questions regarding procedures for proper handling of gifts to Brown University should be directed to the Manager of Gift Accounting.

D. EQUIPMENT PURCHASED WITH EXTERNAL FUNDS

Must be in accordance with OSP policies and uniform guidance

E. EQUIPMENT PURCHASED WITH FEDERAL FUNDS

Title vests with the University - In accordance with federal regulations (Property Standards of 2 CFR 200) equipment purchased with federal funds must be used for the intended purpose for the duration of the sponsored project. If the award on which an item was originally purchased is still active, the proceeds from the sale of the item must be credited to the sponsored project worktag and may be used towards furthering the goals and objectives of the sponsored activity. Although most items purchased with federal funds are exempt from further obligation to the government, many federal agencies (e.g. Department of Energy, National Aeronautics and Space Administration, Army) retain the right to transfer title of equipment for 120 days after the expiration of the project period for grants and up to a full year for contracts.

F. FEDERALLY OWNED

Property under the University's control to which Federal Government retains title (also called Government Property). These items will require special tagging and reporting to the sponsoring agency. Department retains copies of loan agreements and relevant documentation.

G. FABRICATED EQUIPMENT

On occasion, equipment cannot be acquired "off the shelf" which meets the need of the intended user(s). In such cases, the equipment must be fabricated from individual parts and built here on campus. The fabrication of equipment total cost of all permanently attached components and material must be anticipated to equal or exceed \$5,000 and have a useful life of at least one year. Fabricated equipment should be used only in those rare cases where the actual piece of equipment is otherwise unavailable and should not be used simply for adding individual components to an existing item of stand-alone equipment (e.g. adding components or upgrades to computers or other existing equipment). Please contact your post award OSP staff member for further instructions.

IV. ROLES IN PROPERTY MANAGEMENT

The University Controller is designated as the Property Officer of the University with overall responsibility for the disposition of all property. The responsibility for management of equipment has been delegated to the Property Accounting Specialist. It is within the Controller's Office that official property records are located and the Property Management System is maintained. Overall property management is achieved through the combined efforts of the Office of the Controller in conjunction with each individual department, center or program.

A. CONTROLLER'S OFFICE:

- Managing and maintaining the Brown University Property Management System;
- Monitoring for compliance with sponsor equipment approval requirements;
- Screening for like or substitutable equipment before new equipment is purchased;
- Generating system reports and equipment listings
- Conducting required physical inventories;
- Assisting in providing Brown University departments with guidance involving property management issues (i.e., record keeping, surplus property, moving of equipment, etc.
- Establishing policies and procedures as required to maintain the Property Management system
- Maintaining communication with government auditors on matters relating to property management;
- Ensuring compliance with University policy.

Any questions regarding property management practices at Brown University can be addressed to the Property Accounting Specialist.

Questions regarding purchasing procedures should be directed to the Office of Insurance & Purchasing Services at x3.2206. Access their website at www.brown.edu/Administration/Purchasing.

B. OFFICE OF SPONSORED PROJECTS performs the following equipment /property related duties:

- Submission of prior approval requests to sponsoring agency for the purchase of equipment/property not included in the approved budget or award documents;
- Conducting fund approvals of equipment purchases for all grants and contracts;
- Completing reports of federally-owned property and other sponsored project equipment reports.
- Creation of Fabrication account for sponsored project work tags. Note that capitalization of fabrication accounts is performed by the Department once the Property Accounting Specialist has been notified that the equipment is complete.

C. DEPARTMENT ROLES:

Each department must designate a single department property contact.

This contact plays a significant role in property management by ensuring that equipment is consistently accounted for and identified.

- Completing all required property forms prior to action;
- Maintaining accurate property records and communicating all activities to the University including location and ownership changes, status changes, transfers, etc.;
- Applying bar-code tags and identifying all property within the department's control;
- Moving expenses from fabrication account to capital equipment via a journal entry.

- Maintaining copies of property inventory listings, forms and procedures manual;
- Completing periodic inventories requested by the University and as mandated by federal regulations.

V. TAGGING PROCEDURES

Each item of equipment must be identified with a unique barcode tag bearing the correct University asset tag number. In addition, items of government property must be identified with federal inventory tags as outlined in the Federal Acquisition Regulations, subpart 45.5. Upon acquisition, an appropriate asset tag will be forwarded to the originating department which then is responsible for affixing the tag to the inventoried item. This tag should be placed in a location on the item where it can be easily found, clearly read and where a barcode scanner can easily scan the tag.

For equipment that cannot be tagged (“untaggable”) because of size, location, or conditions where a tag would be destroyed, the tag should be affixed to the accompanying “base tag” (or parent) to which it is attached or contained, or to the door of the room containing the equipment.

When it becomes necessary to change existing data information, For Example, change in location – new building or room number, status, responsible person, description, etc., complete and forward to the Property Accounting Specialist an Inventory Control form (see FORMS section).

VI. MOVES / RELOCATIONS / TRANSFERS/ LOANS TO AND FROM BROWN UNIVERSITY

Departments relocating equipment, either temporarily (30 days or longer) or permanently, should complete an Inventory Control form (see FORMS section). Complete, sign and forward the form to the Property Accounting Specialist. Notification by email is acceptable, and all notification should take place prior to, or within 10 days of the action.

When an entire department or office is relocating, the Property Accounting Specialist should be contacted in advance to assist in the identification and updating of the items to be moved. The Property Accounting Specialist can provide a list of equipment that can be updated, signed and returned in lieu of an Inventory Control form.

When equipment is loaned to Brown from an external organization for 30 days or longer, the equipment must be tagged and entered to the inventory as acquisition code 3. Loaned equipment should be itemized on the Inventory Control form including, item name, value at time of loan, useful life, serial number, responsible person, location.

A “loan agreement” will be signed when equipment is temporarily placed in the custody of another institution. Contact the Property Accounting Specialist for more information.

A. TRANSFERRING EQUIPMENT TO ANOTHER DEPARTMENT

Departments transferring equipment to another department should complete and sign the Inventory Control form (see FORMS section). An authorized department representative from the new department must sign the form, indicating acceptance of the asset. The completed form should be forwarded to the Property Accounting Specialist. The Property Accounting Specialist will then transfer accountability of the equipment to the new department. **Interdepartmental sales are prohibited.**

B. TRANSFERRING PROPERTY TO ANOTHER EDUCATIONAL INSTITUTION

When a Principal Investigator (PI) transfers to another educational institution and wishes to transfer University or federally-owned property, s/he must furnish a written request for approval to the department chairperson or senior university officer.

The PI should fully justify the request and include a list of items to be transferred obtained by physical inventory of the lab or office space. All property, regardless of value or original cost must be approved prior to transfer out of Brown.

A representative at the business office of the receiving institution must certify in writing that the institution is willing to accept responsibility for the property to be transferred.

The department chairperson has the initial approval authority for the transfer of property. Additional approvals must then be obtained from the Property Systems Manager. In addition, the external funding sponsor may need to authorize the University to transfer the property. Where title cannot be transferred, the University may be willing to loan property to enable the PI to carry on the research without interruption. The Property Accounting Specialist will code the equipment as transferred. Please contact surplus@brown.edu for required forms and questions.

VII. UNLOCATED EQUIPMENT

If equipment cannot be located after reasonable efforts on the part of the department, the department will officially notify the Property Accounting Specialist via an Inventory Control form (see FORMS section). The Property Accounting Specialist will code the equipment as un-located.

VIII. SURPLUS EQUIPMENT

Policies and procedures regarding the surplus of movable equipment can be found in detail at: <https://policy.brown.edu/policy/disposition-surplus>

A. TRADE-INS

A Declaration and Disposal of Surplus Material form (see FORMS section) with an authorized department signature indicating that the equipment is going to be traded in must be forwarded by the department

to the Controller's office for approval prior to action. The Property Accounting Specialist will code the equipment as being traded-in.

B. *DISMANTLED EQUIPMENT (i.e., used for spare parts)*

A Declaration and Disposal of Surplus Material form (see FORMS section) with an authorized department signature indicating that the equipment is going to be used for spare parts must be forwarded by the department to the Controller's Office.

The Property Accounting Specialist will code the equipment as being dismantled.

C. *DISPOSED/SCRAPPED EQUIPMENT*

University equipment can only be disposed of with the written approval of the Controller's office or University Corporation. A Declaration and Disposal of Surplus Equipment form (see FORMS section) with an authorized department signature indicating that the equipment is going to be scrapped must be forwarded to the Controller's Office in a timely manner. Include any items not returned repaired from Service & Repair. The Property Accounting Specialist will code the equipment as surplus, broken or obsolete.

D. *SOLD EQUIPMENT*

The sale of vehicles and water craft may be permitted but will need prior approval from the Controller's Office. Equipment sales to other departments and outside parties is otherwise prohibited.

E. *RETURNED TO VENDOR*

Departments are responsible for reporting to the Property Accounting Specialist equipment being returned to the vendor. A memo indicating that the equipment has been returned to the vendor, along with supporting documentation should be forwarded to the Property Accounting Specialist. The Property Accounting Specialist will code the equipment as having been returned to the vendor.

F. *STOLEN EQUIPMENT*

Departments are responsible for reporting stolen equipment immediately to the Brown University Department of Public Safety, who will forward the incident report to the Property Accounting Specialist. If equipment located off- campus is stolen, please provide the municipal police department's report. These documents are critical for Brown University's Insurance coverage. The Property Accounting Specialist will code the equipment as having been stolen.

G. *DISPOSITION OF FEDERALLY-OWNED PROPERTY*

Disposition of federally owned property must adhere to funding sponsor grant policies. Retention by the University of federally-owned Property may occur when a contract is completed or terminated provided that the government has approved the transfer of title in writing to the University. If title to federally-owned property remains vested in the Federal Government upon completion of the award or when the property is no longer needed, the University shall report the property to the federal

awarding agency for further federal agency utilization. If the federal awarding agency has no further need for the property, it shall be declared excess and reported to the General Services Administration, unless the federal awarding agency has statutory authority to dispose of the property by alternative methods. Appropriate instructions shall be issued to the University by the federal awarding agency.

It is the responsibility of the University to notify the federal agency, in writing, when federally-owned property is lost, damaged, destroyed or consumed. Failure to inform the federal agency may result in University liability to the government with subsequent appropriate reimbursement.

IX. SCREENING PROCEDURES

Federal regulations also require that existing equipment be fully utilized prior to purchasing similar or replacement equipment.

The University conducts an internal, campus-wide screening of all federally-sponsored projects equipment purchases having a unit acquisition cost of \$25,000 or more. The non-availability of the item of equipment is certified before the equipment purchase is approved.

X. EQUIPMENT INVENTORY

A. PERIODIC INVENTORY

Each department will receive an inventory listing and conduct a periodic physical inventory of all equipment as requested by the Property Accounting Specialist in accordance with University and/or sponsor requirements. Such an inventory shall verify the existence, location, current utilization and continued need for the equipment. Discrepancies between the listing and the physical inventory shall be investigated to determine the nature of inconsistency.

B. BIENNIAL INVENTORY

Brown University is required by the Federal Government to perform a physical inventory of its property at least once every two years. This requirement is found in 2 CFR 200. In addition, the University, for institutional management purposes and for insurance purposes, needs to know the status and value of its assets. Each department will be placed on a schedule and will receive an inventory listing and instructions, and have an option to electronically inventory property with the use of a barcode scanner.

C. FINAL PROJECT INVENTORY

Upon completion or termination of a grant or contract, a physical inventory of all federally-owned property shall be taken.

XI. FORMS

The following forms have been developed for use in recording property relocations and transactions and are included in this section. Please note that all forms for dispositions and transfers should be filled out and submitted in a timely manner.

A. *Transfer Inventory Control Form*

[Transfer Inventory Control](#)

B. *Fabricated Equipment Account Request or Modification to Fabricated Equipment Account*

[Fabricated Equipment guidance](#)

C. *Transfer Release Waiver*

[Transfer Release Waiver](#)

D. *Donation Form*

[Donation Form](#)

E. *Surplus Disposition Form*

[Surplus Form](#)