4-OP-D-2-F Property

Responsible Executive: Finance and Administration

Approving Official: Vice President for Finance and Administration

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I. **INTRODUCTION**

A. **OBJECTIVE**

The purpose of this policy is to provide direction for the purchasing, recording, safeguarding and disposing of u~U~niversity and g~G~overnment owned assets.

B. **DEFINITIONS**

1. *Account Code* - A ~~6 digit~~6-digit code utilized by the OMNI system. Tangible personal property that is a capital asset should generally be purchased using the 760000 series account codes.

2. *Attractive / Sensitive Property* - Expendable property items that are prone to theft because they are either portable, contain new technology, or are easily adaptable for personal use.

3. *Capital Property* - Real, personal, or intangible property that has a cost equal to or greater than an established capitalization threshold and has a useful life extending beyond one year.

4. *Direct Support Organization (DSO)* - Support organization organized and operated to serve the best interests or missions of the university, including a university's research, education and service missions, and may receive, hold, invest, and administer property and make expenditures to or for the benefit of the university or for the benefit of a research and development park or research and development authority affiliated with a university.

5. *Expendable Property* - Non-consumable tangible personal property with a useful life less than one year and/or an acquisition cost of less than $~~5,000~~10,000. Although tagging and annual inventory of expendable property is not required, departments are still held accountable for the safeguarding of such items.

6. *Impaired Assets* – If assets have been permanently impaired, whether by damage, neglect, obsolescence, or a change in the economic landscape, such that future expected cash flows from the assets are less than their net book value on the balance sheet, the assets must be written down to their estimated remaining value or, in some cases, written off entirely.

7. *Internally Generated Intangible Assets* – Assets developed by in-house staff or with contractors who work on behalf of the u̶University or commercially available software that is purchased or licensed and modified using more than minimal effort before placed into service. Changing code, changing fields, adding special reporting capabilities and testing changes satisfy the more than minimal effort to place into service criterion.

8. *Library Resources* – Books and other reference materials, such as journals, periodicals, audio/visual media, computer-based information, manuscripts, documents, and similar items.

9. *Operating Capital Outlay (OCO)* - The budget category used to fund the purchase of equipment, fixtures, and other tangible personal property of a non-consumable and non-expendable nature. The OMNI Account Code range for identifying most OCO items is the 760000 series.

10. *Property Survey Board* – A b̶Board comprised of stakeholders across campus who are responsible for the examination and approval of the disposition of capital assets.

11. *Property Tag Number* - The number assigned to an item by the Controller's Office; usually in the form of a decal, which is affixed to tangible personal property items that are capital assets.

12. *Tangible Personal Property* - Equipment, fixtures, and other tangible property of a non-consumable and n̶o̶n̶ ̶e̶x̶p̶e̶n̶d̶a̶b̶l̶e̶non-expendable nature. All tangible personal property items that are capital assets acquired by or for the u̶University through purchase, fabrication, donation, transfer, or loan should be recorded in the u̶University property records in OMNI and inventoried annually.

II. **POLICY**

A. **Responsibilities**

All property is owned by the u̶University and not by a specific individual, department, or other operating unit. a̶n̶d̶ ̶t̶The official custodian is the President. Responsibility is delegated to the Vice Presidents, Deans and Directors. The Vice President, Dean, or Director may delegate this responsibility to another individual by completing the Property Management

Role Designation form and submitting it to the Controller's Office specifying the delegate and the Department IDs for which the delegate will be responsible.

1. **The Controller's Office**

   The role of the Controller's Office is to establish policies and procedures that help ensure the accountability and safeguarding of uUniversity assets; ensure compliance with applicable laws, rules, and policies, and procedures; coordinate the annual physical inventory; account for acquisitions, transfers, and disposition of capital property; depreciate capital property over the estimated useful life; and maintain the property records in OMNI.

2. University Departments

   The role of uUniversity departments is to effectively manage and safeguard property; ensure that uUniversity capital assets are marked / tagged in accordance with applicable rules, policies, and procedures; provide non-accounting information in a timely manner to the Controller's Office for updating OMNI; and to ensure the performance of the annual inventory of capital assets in its custody.

   - *Property Manager* - The department Property Manager is the individual designated by the Vice President, Dean, or Director who has been assigned the responsibility for authorizing the transfer or disposal of uUniversity property; this includes determining the appropriate disposition method (surplus, scrap, etc.) for the department's property. If a department Property Manager has not been assigned, these duties will default to the dDepartment Budget Manager. In the case of contract and grant acquired property, and as long as the contract or grant is active, the Principal Investigator is the Property Manager.

   - *Property Custodian* - The department Property Custodian is the individual designated by the Vice President, Dean, or Director who has been assigned the responsibility for the identification of uUniversity property and the maintenance of the department's property records. The assignment of this responsibility does not relieve the Vice

President, Dean, or Director from accountability for property assigned to his or her area.

- *Inventory Taker* - For certain departments that perform their own inventory, the department Inventory Taker is an individual designated by the Vice President, Dean, or Director who has been assigned the responsibility for the inventory of property. To help maintain adequate internal controls, this person should not be the Property Custodian or the department Property Manager.

3. Property Survey Board

The role of the Property Survey Board is to examine and approve the disposition of capital assets. The Board has delegated approval for the disposition of capital assets with a cost of less than $100,000 to the Controller's Office.

4. Sponsored Research Administration (SRA)

Post-Award Office SRA is responsible for ensuring property acquired with federal contract or grant (C&G) funds is acquired, tracked, reported on, maintained, and disposed of in accordance with applicable federal rules and regulations, including, but not limited to, the Office of Management and Budget Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Circulars), 2 CFR §200 (Uniform Guidance), and Federal Acquisition Regulations. SRA must coordinate the proper accounting for and tagging of title restrictions on C&G acquired assets. SRA must also approve transfers and dispositions of capital property acquired with contract or grant funds. After SRA approval, the appropriate property form should be sent to the Controller's Office for processing.

5. Principal Investigators

Principal Investigators (PIs) are responsible for the management of property acquired through their sponsored awards and have ultimate responsibility for compliance with this policy as well as the terms and conditions outlined in the sponsored award. PIs are responsible for tracking equipment utilized in their facilities or under their direction, assisting in the completion of reports and physical inventories, and notifying the department of any changes with respect to

condition, location, loss, or damage. For subcontracts, PIs are responsible for ensuring that government-owned property in the subcontractor's possession or control is properly accounted for. Any instance of loss, damage, or distribution of government owned property should be reported to the PI by the subcontractor and the PI is required to then inform SRA for appropriate action and reporting to the prime agency. Also, PIs are responsible for obtaining inventory reports from subcontractors when required by the prime award and coordinating with SRA for timely submission of the required reports by SRA.

B. **Safeguarding of University Property**

It is the department's responsibility to ensure uUniversity property is safeguarded. This includes the following:

1. Locking equipment in secured locations

2. Training staff on procedures for properly handling equipment

3. Locking doors when rooms are not in use

4. Storing equipment in environmentally suitable locations to prevent corrosion, contamination and damage of sensitive parts

5. Tracking items that are removed from campus

Attractive/sensitive property will vary from department to department and should be evaluated in the context of its environment. Factors that should be considered when evaluating the attractiveness or sensitivity of an item includes its portability, its adaptability for personal use, whether it contains new technology, its potential resale value if stolen, and/or the security of its location. Departments should perform a risk assessment (both financial and operational) on their property to identify those items that are particularly at risk or vulnerable to loss. Departments are encouraged to conduct a cost/benefit assessment before developing any internal policies for managing these property items, which includes conducting a periodic inventory. The uUniversity's Asset Management System (OMNI) is available for departments use to help identify and track attractive/sensitive property. A property tag may be obtained for the item by submitting an **Attractive Item Additions Form** to the Controller's Office. Recommended information that may be maintained on such items includes:

6. Acquisition date

7. Cost

8. Description

9. Manufacturer

10. Serial number

11. Current location

12. Comments

C. **Maintenance**

Departments are responsible for performing adequate maintenance and/or calibration of all property for which they are accountable. Maintenance shall be performed in accordance with the manufacturer's specifications or as deemed necessary. Maintenance logs must be maintained by the department for property purchased through federal awards. These logs should detail the property, property ID, date, and type of maintenance performed. As routine maintenance is performed, departments should be mindful of the condition of the property in their possession and notify the Controller's Office should assets become impaired. In addition, dDepartments must ensure that government-owned property is used for the purpose for which furnished or acquired.

D. **Acquisitions**

1. Capitalization of Assets

   University capital assets consist of land, buildings, infrastructure and other improvements, furniture and equipment, library resources, works of art and historical treasures, construction in progress, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value at the date received in the case of gifts and purchases of State surplus property.

   Additions, improvements, and other outlays in excess of $5,00010,000 that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The uUniversity has a capitalization threshold of $5,00010,000 for all tangible personal property, $250 for library resources, $100,000250,000 for buildings and other improvements, and $4,000,000 for intangible assets, including software.

   Depreciation/aAmortization is computed on the straight-line basis over the following estimated useful lives:

   1. Buildings, Infrastructure and Other Improvements – 10 to 50 years

2.   Furniture and Equipment – 3 to 20 years

3.   Software – 5 years

4.   Library Resources – 10 years

2.   Purchases

For a purchase of personal tangible property or equipment to be considered capital, the purchase must meet the capitalization threshold. Requisitions for these purchases should use an appropriate OCO Commodity Code and/or Account Code (generally, 76xxxx).

Freight, installation, and other costs incurred to acquire or install the property are considered part of the cost of the item and will be included in the cost of the asset.

Improvements of existing equipment costing $~~5,000~~ 10,000 or more that will extend the equipment's useful life, should be considered capital and coded as such. The property Asset ID or tag number of the property which is being improved should be referenced. Replacement parts, repairs, and service contracts are not additions to the property.

3.   Internally Generated Intangible Assets

Computer software is the most common internally generated intangible asset. Activities associated with developing internally generated intangible assets should be classified in three phases and whether the activities are expensed or capitalized depends on the associated phase.

a.   Preliminary Project Stage - Activities include conceptual formulation and evaluation of alternatives, determination of existence of needed technology, and final selection of alternatives for the development of the software. Expenditures incurred in this phase should be expensed.

b.   Application Development Phase - Activities include software configuration and interfaces, coding, installation of hardware, testing parallel processing, and data conversion. Expenditures in the application development phase should be capitalized.

c.   Post-Implementation Phase - Activities include application training, and software maintenance. Expenditures incurred in this phase should be expensed. Capitalization of costs should begin when both the Preliminary Project phase is complete, and management has authorized or committed to funding the software project with the intent it will be

completed and used to perform its planned functions. Capitalization should cease when the software is substantially complete and operational.

4.   Donated Property

Property may be donated to the u̶University without expenditure of funds other than shipping costs. The procedure and documentation required for the donated item(s) depends on the benefiting entity.

a.   Benefiting a Contract or Grant Organization
Prior to acceptance of donated property, the Property Manager should send a memorandum to SRA detailing the following information about the item(s):

- Itemized list of donated items, with complete descriptions

- Value (cost or fair market value)

- Original acquisition date

- Name and address of the providing agency

    A copy of the memorandum should be forwarded to the Controller's Office. SRA will determine if the acquisition is in the best interest of the u̶University and ensure the transaction is handled in accordance with applicable s̶State and f̶Federal regulations, as well as contract or grant terms and conditions. When the property is received, SRA will forward the documentation to the Controller's Office to support the acquisition. The documentation should include the Department Code, Fund Code, and Project ID to which the property is to be assigned.

b.   Benefiting other than a Contract or Grant Organization
Prior to acceptance of donated property, the Property Manager should send a memorandum to the appropriate DSO (FSU Foundation Inc., Seminole Boosters Inc., The Research Foundation, Inc., etc.) detailing the following information about the item(s):

- Itemized list of donated items, with complete descriptions

- Value (cost or fair market value)

- Original acquisition date

- Department ID and Fund Code to which the property is to be assigned

- Name and address of the donor

  A copy of the memorandum should be forwarded to the Controller's Office.

5. Fabrication of Equipment

   Property fabricated or constructed by the uUniversity may meet the criteria of a capital asset. The Controller's Office should be notified at the outset of such a project. The department Property Custodian should maintain accurate records of all related expenditures, including, but not limited to, the cost of labor, and component parts. The Property Custodian should also ensure all related expenditures are properly recorded as capital expenditures (using a 76XXXX Account).

   Upon completion, the department Property Custodian should submit a memorandum to the Controller's Office detailing a description of the property, the accumulated cost of the property, and the Department ID, Fund Code, and Project ID (if applicable) to which the property is to be assigned. If the accumulated cost is not practicably determinable, the estimated cost or fair market value should be provided.

6. Vehicle

   The Controller's Office and Facilities isare the only departments authorized to have direct contact with the Department of Motor Vehicles. All vehicles should be acquired through **FSU Procurement Services** and should be appropriately maintained to ensure the maximum service life of the vehicle.

   See uUniversity policies **4-OP-C-9** and **4-OP-C-7-G8** for information on the use and license requirements, respectively, for uUniversity-owned vehicles. Also see **4-OP-E-8 FSU Vehicle Management Program** for information concerning the management, maintenance, and care of uUniversity vehicles.

7. Capital Asset Property Identification Number

   All capital asset tag numbers/decals are assigned by the Controller's Office, who will coordinate with the department's Property Custodian in order to ensure a tag is affixed to each capital item acquired. The Controller's Office will also work with the Property Custodian to

ensure all pertinent data about the newly acquired capital asset is accumulated and recorded in OMNI.

In situations where the decals cannot be affixed directly to the capital asset (i.e., lenses, art, delicate equipment, software, etc.), the tag should be placed on the container of the property, or in the case of software, on the software documentation. If no container or documentation is available, an identification number with a prefix of 09 will be assigned to the capital asset. The 09 prefix indicates that a decal could not be affixed, but recording and inventory is still required. The department is responsible for developing and maintaining procedures for the identification and control of the capital asset without a decal directly affixed.

Special Conditional Property (CT) tags will be assigned to capital assets acquired with contracts or grants that specify restricted title to the asset. SRA will work with the PI to determine when such restrictions expire and notify the Controller's Office so that the CT tag can be removed and replaced by a regular FSU Property tag. Special U.S. Government tags will be assigned to capital assets where the title is retained by the federal government.

E. **Inventory**

BOG Regulation 9.003 requires an annual inventory of tangible personal property that is a capital asset. An annual physical inventory is not required for library resources. The catalog and inventory control records maintained by the libraries shall constitute the property records. The Dean or Director of each unit assigned to perform the annual inventory process will designate an Inventory Taker who will be responsible for the inventory of that unit's property. This individual should be an employee other than the Property Custodian or the Property Manager. Note that in some cases the annual inventory may be completed by central Controller's Office staff for departments with a small number of assets.

1. Annual Inventory - The annual inventory will be scheduled and coordinated by the Controller's Office who will notify the department of the inventory deadline and the assets that must be inventoried in that fiscal year. The Controller's Office will also ensure that all departments responsible for performing their own inventory are issued a property inventory scanner on either a permanent or temporary basis. The Property Custodian, Property Manager, and Inventory Taker are required to complete property-related training, as specified by the Controller's Office.

2. Inventory Completion Certification - In order to certify the completion of the annual inventory, the Inventory Taker, Property Custodian, and Property Manager must complete and sign the **Inventory Completion Certification Form**. This form should detail assets that have been disposed or transferred to another u~~U~~niversity department, as well as any items that were physically verified but which could not be scanned. Additionally, the form should detail all items that could not be located and are deemed missing, if any.

3. Missing Items - The department is responsible for determining the status of each missing item and should make a good faith attempt to locate items missed in the initial scan. Inventory items that the department is unable to locate must be documented via the **Capital Property Accountability Release Form** (**Addendum**) along with a p~~P~~olice r~~R~~eport. These forms should be completed at the time the asset is identified as missing. Additionally, if the missing item was acquired through a contract or grant, the department is responsible for completing the required state or federal forms pursuant to the applicable regulations and award terms and conditions. Departments have a responsibility to continue to actively search for any items reported as missing after they have certified the completion of their inventory. Departments have a ~~two year~~two-year period in which to locate the items unaccounted for during annual inventory before the assets are sent to the u~~U~~niversity President for approval to permanently remove these items from the u~~U~~niversity's property records.

F. **Location or Department Code Change of Property**

When there is a location or departmental code change for capital assets, the transferring department's Property Manager should approve the **Capital Property Change Form**.

1. For contract or grant-funded capital assets, SRA must approve any change to the asset's Department ID, Fund Code, or Project ID.

2. When the physical movement of property items is required, including when an entire office or unit is relocating to another area, Facilities may handle the move or hire an outside vendor. After completion of the relocation, the department is responsible for submitting a **Capital Property Change Form** indicating the new location of all capital property. Facilities should be contacted when property is to be temporarily moved for special events (set-ups).

3. Items weighing more than 1,000 pounds cannot be physically moved by the uUniversity. If a department desires the movement of such an item, the department is responsible for scheduling and payment of this move by a third party.

G. **Removal of Property from Campus Locations**

University-owned property may be removed from campus locations only if it is required by a contract or grant, or if the use of the property in the off-campus location will further the goals of the uUniversity. Campus locations are buildings and areas owned or leased by the uUniversity. The removal of capital assets from campus locations must be authorized via the **Off-Site Capital Equipment Use Form** (Off-Site Form), prior to removal.

1. Capital assets removed for a period up to one year require the department Property Manager's written authorization utilizing the Off-Site Form.

2. Capital assets removed for a period in excess of one year require the department Property Manager's and VP, Dean, or Director's written authorization utilizing the Off-Site Form. Arrangements must be made for the item to be inventoried in each fiscal year that the item is located off campus.

3. At the time the capital asset is checked out, the department must retain a copy of the Off-Site Form and submit a copy of the form to the Controller's Office. Upon return of the capital asset, the department Property Custodian should complete the *Return Confirmation and Return Location* portions of the Off-Site Form and submit the revised form to the Controller's Office.

4. Property removed from FSU locations may be covered under the insurance policy for the off-site location (i.e. home-owners' insurance policy). If such coverage is not available, or if property will be removed for more than one year, the department's Property Manager is responsible for working with the Department of Risk Management and Insurance to ensure appropriate coverage.

H. **Dispositions**

Accountability of uUniversity property is delegated to the Property Manager of the unit to which the property is assigned. This responsibility includes coordinating the physical disposal of property through Facilities.

Departments do not have the authority to dispose of capital property without first receiving appropriate approvals via the Capital Property Accountability Release Form.

As described in **Information Security Policy 4-OP-H-5**, computer equipment and information media (e.g., hard drives, thumb drives) must be sanitized prior to reassignment (e.g., wipe and then re-image) and must be sanitized or destroyed before disposal. For this reason, the department Property Manager must either dispose of devices with media storage through Facilities or follow Information Technology Services guidelines for "wiping" hard drives prior to disposing of such equipment.

Release of accountability for uUniversity property may occur via the following:

1. *Surplus/Recycle/Scrap*

    1. When uUniversity property (capital or expendable) becomes obsolete, uneconomical, inefficient, or no longer serves a useful function, the department's Property Manager may coordinate the disposal of these items via a Facilities work order. For vehicles, the department is responsible for arranging the towing or delivery. Property that may contain, or has been exposed to, hazardous material should be cleared through the Department of Environmental Health and Safety prior to requesting disposal.
    Furniture and non-IT-related equipment may be made available to FSU departments, at the discretion of FSU Surplus Property; however, items held for sale at auction are no longer available to departments.

2. *Lost/Stolen, Destroyed*

    1. When uUniversity property (capital or expendable) is stolen, lost or destroyed, the FSU Police Department must be notified immediately. For capital property, the department must also submit a Capital Property Accountability Release Form to the Controller's Office along with a copy of the police report. The Controller's Office will review each request and release the department from accountability where appropriate. If the capital property is subsequently located, the department Property Custodian must submit a memo to the Controller's Office stating that the item has been located and ensure the item's property tag has been scanned. Once the item has been scanned, the Controller's Office will restore the asset to an active status in OMNI and remove it from a lost/stolen status.

3. *Cannibalization*

   1. To cannibalize ~~u~~University capital property and use the component parts for the repair of other property, the department Property Manager must request and receive permission, via the Capital Property Accountability Release Form, prior to cannibalization. Expendable property may be cannibalized with approval from the department Property Manager. After cannibalization, the unused parts should be treated as expendable property.

4. *Abandoned or Non-Recoverable Property*

   1. When capital ~~u~~University property is abandoned or non-recoverable because the cost to retrieve the property is greater than the value of the property, the department must submit a Capital Property Accountability Release Form to the Controller's Office for approval. Expendable property may be deemed abandoned/non-recoverable with approval from the department Property Manager.

5. *Transfer Out or Donation of Non-C&G Property*

   1. Transfer/donation of non-C&G University capital property to other state agencies or political subdivisions or to approved, private non-profit agencies must be processed via a Capital Property Accountability Release Form and approved by the Controller's Office. Expendable property may be transferred/donated to appropriate entities with the approval of the department Property Manager. Requirements for a non-profit organization to be approved include submitting to the Controller's Office:

      a. cover letter of the agency,

      b. copy of 501c letter from the IRS, and

      c. copy of the Florida Exempt Sales Tax cover page

6. *Contract or Grant Property*

   1. SRA must approve all dispositions and transfers of capital property acquired with, and still remaining on a sponsored project. SRA's approval must be documented on the Capital Property Accountability Release Form.

7. *U.S. Government Owned Property*

1. When U.S. Government property becomes excess to the contract for which it was provided, it must be screened against the needs of other contracts before it is declared excess. If such need is disclosed, a request should be made to the contracting officer for authority to use or transfer the equipment. Additionally, if the department wishes to cannibalize government equipment, a request to cannibalize must be made to the Contracting Officer for approval. When a transfer of title has been affected, all U.S. Government identification must be removed and a u̶University p̶Property decal will be provided by the Controller's Office and affixed to the equipment.

8. *Transfer of Equipment Acquired with Contract or Grant Funds*

   Under certain conditions, equipment acquired with contract or grant funds may be transferred to institutions that are not a part of the State University System of Florida, agencies of the State of Florida, or Florida counties. The PI of the grant or contract may request equipment purchased with funds furnished under the grant or contract be transferred to the institution to which the Principal Investigator is transferring. The PI may also request transfer of other equipment utilized in the research that has been certified as surplus under surplus property procedures. The written request should include a list of the items to be transferred with the corresponding FSU Property Tag Numbers, the original acquisition date, cost, and funding source, the grant or contract number and any additional information/documentation that would help to evaluate the request. Factors to be considered in granting the request are:

   - Whether the Principal Investigator continuing the same research project at the new institution.

   - Whether the transfer negatively affects other research of the department and/or the functions of the remaining faculty.

   The written request should be attached to a completed Capital Property Accountability Release Form and submitted to the Department Chairman and the Dean of the College for approval. The Accountability Release Form and written request, including required signatures, will then be reviewed and approved by SRA and the Controller's Office before the approval or denial is returned to the Principal Investigator.

Physical transfer of the equipment cannot occur until all required signatures and final approval have been obtained. Proof of receipt and acceptance by the receiving institution is required upon transfer.

9. *Traded-In / Exchanged*

When u~U~niversity property is traded-in or exchanged for the acquisition of new property, the following information should be included in the comments section of the Purchasing Requisition:

- Description of property traded

- A statement of condition

- Details on the ~T~trade-in allowance

- Serial number(s)

- Model number(s)

- Age of the property

- Location of the property

If the transaction involves the trade-in of capital property, a copy of the signed Capital Accountability Release form must be attached to the purchase requisition. Once approved by the Controller's Office and FSU Procurement Services, the department should ensure that the property decal and all other references to FSU property are removed or destroyed at the time the property is released to the vendor. If the trade-in is not properly documented on the purchase requisition or purchase order, and sufficient documentation cannot be obtained to support the trade-in, the item will be treated as lost or unaccounted for in the department's annual inventory.

I. **Government-Owned Property**

1. The following guidance outlines the responsibilities and procedures for acquisition, control, use, care, maintenance, disposition, and reporting of government-owned property.

    1. Government-Owned Definitions

        Government-owned Property Definition

        "Government-owned property" is all property where title is retained by the federal government.

Government-owned property includes government-furnished property (GFP) and government-titled equipment (GTE).

Government–furnished Property (GFP) Definition

"Government-furnished property" means property in the possession of, or directly acquired by, the government and subsequently furnished to the contractor for performance of a contract. Government-furnished property includes material, special tooling, special test equipment, and real property. Title to government-furnished property always vests in the federal awarding agency any may be recalled at the agency's discretion.

Government-titled Equipment (GTE) Definition

"Government-titled equipment" means property purchased, or fabricated with federal funds to which the government retains title. Contractor approval by the Contracting Officer is required prior to purchase of GTE. The acquisition (or fabrication) of GTE is further subject to the terms of the funding contract. GTE may also be referred to as contractor-acquired property.

2. Reports

Federal Acquisition Regulation (FAR) Subpart 45.505-14 requires contractor and grantees to submit annual inventory reports of government property held under Department of Defense (DoD) and National Aeronautics and Space Administration (NASA) agreements. The reports for DoD and NASA contracts or grants in effect as of September 30 are due no later than October 31 of the same year. Other equipment reports may be mandated by agency or grant/contract terms.

3. Management of GFP

The uUniversity's policies, procedures, practices and systems must be compliant with contractual requirements in accordance with FAR 52.245-1(f).

   a. *Acquisition of Property*
   Acquisition is the process of acquiring gGovernment property through either requisition or transfer from gGovernment sources.

b. *Receipt of Government Property*
   Receipt is the process of government-owned property entering into FSU's custody. The PI is responsible for the recording of information necessary to meet the record requirements of paragraph (f) (1)(iii)(A)(1) through (5) of the clause at 52.245-1, the identification of property as government-owned in a manner appropriate to the type of property (e.g., tag or sticker); and the management of any discrepancies incident to shipment.

c. *Records of Government Property*
   To enable a complete, current, auditable record of government-owned property, the PI must work with the Controller's Office to ensure the following data elements are recorded in the OMNI Asset Management records:

   i. Description of the equipment

   ii. Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number(s)

   iii. Source of the equipment, including the award number and the award end date

   iv. Clear acknowledgement that ownership and title rests with the federal government

   v. Date property was received from the federal government (i.e. acquisition date)

   vi. Location and condition and the date the information was reported

   vii. Unit acquisition cost, quantity received (or fabricated) and unit of measure as provided on the shipping documents

   viii. Ultimate disposition data, including date of disposal, method of disposal, sales price or method used to determine current fair market value (if FSU compensates the federal awarding agency for its share).

Current records of equipment location must be maintained in such a manner that any item of equipment can be located within a reasonable amount of time. The PI must notify the Controller's Office of any changes, permanent or temporary, in location. The PI must assure that an adequate system exists within the department to track and document any temporary movement of government-owned property.

4. Physical Inventories

Government-owned property must be physically located and reconciled to equipment records throughout the term of the contract. A final physical inventory must be performed upon contract completion or termination.

5. Subcontractor Control

FSU must advise subcontractors of their responsibility to comply with FSU's equipment management policies and procedures where applicable, unless the subcontractors have approved systems of their own. Subcontractors should report to the PI all instances of loss, damage, or destructions of government equipment in the subcontractor's possession or control, which is accountable under a grant or contract.

6. Relief of Stewardship

When government-owned property is expended in the performance of the contract, the federal agency may grant relief of responsibility. FSU must follow the proper process for relief of accountability as determined by the appropriate federal agency.

7. Utilization of Government Property

Government-owned property must be used for the purpose for which furnished or acquired. ~~H. Maintenance of Government Property The PI is responsible for ensuring the amount of care necessary to obtain the most useful service life of government-owned property is provided. Each department's equipment maintenance program should enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair.~~

8. Maintenance of Government Property

   The PI is responsible for ensuring the amount of care necessary to obtain the most useful service life of government-owned property is provided. Each department's equipment maintenance program should enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair.

9. Contract Property Closeout

   FSU must promptly perform and report to the appropriate federal agency upon contract property closeout and include a physical inventory of government-owned property. ~~III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY This policy shall be reviewed by the Associate VP for Finance & Administration (AVP) every seven years for its effectiveness. The AVP shall make recommendations to the Vice President for Finance &Administration for any modification or elimination.~~

III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY

A. This policy shall be reviewed by the Associate VP for Finance & Administration (AVP) every seven years for its effectiveness. The AVP shall make recommendations to the Vice President for Finance &Administration for any modification or elimination.

B. **SPECIFIC AUTHORITIES:**

   1. **BOG Regulation 9.001 – Definitions**

   2. **BOG Regulation 9.002 – Recording and Marking of Property**

   3. **BOG Regulation 9.003 – Property Inventory**

   4. **BOG Regulation 9.0031 – Disposition of Property**

   5. **Florida Statutes, Chapter 273 – State-owned Tangible Personal Property**

   6. **Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**

   7. **Federal Acquisition Regulations, part 45**

   8. **Federal Acquisition Regulations, part 52.245**

   9. **Florida State University Policy 4-OP-H-5 – Information Security Policy**