

THE UNIVERSITY OF TEXAS AT EL PASO
Business Process Guidelines

Equipment Transfers In & Out of University

Purpose

This business process guideline provides the steps to follow when tagged inventory items are being transferred to or from the university.

Policy

The Vice President of Business Affairs issues this process guideline in accordance with The University of Texas at El Paso's Handbook of Operating Procedures (HOOP), section 7 Financial Services, chapter 3 University-Owned Property, and Equipment <https://www.utep.edu/hoop/section-7/ch-3.html> , and chapter 4 Transfer of Capital and Controlled Equipment <https://www.utep.edu/hoop/section-7/ch-4.html> , as applicable. The use of U.S. Government-owned equipment by UTEP employees and departments is governed by the policies and procedures of various government agencies as outlined in their respective publications and guidance letters. Awareness of restrictions to transfer federal-owned equipment is critical, as the University may be liable for any U.S. Government-owned items that are lost, damaged, destroyed, transferred, disposed, or unreasonably consumed.

Ownership and Transfer Eligibility. Before initiating the process to transfer equipment, it is critical to determine who has ownership of the equipment. Specific rules apply to federally owned property that must be followed. Ownership of equipment purchased with state funds, designated funds, or gift and endowment funds vests with UTEP. Ownership of equipment donated to the university vests with UTEP. Ownership of equipment loaned to the university vests with the loaning agency and cannot be transferred out unless authorized by the agency. Ownership of equipment purchased with sponsored project funds may be determined as follows:

- a. Ownership of equipment purchased with federal contract funds is determined by the terms of the contract. Title generally vests with UTEP, but a review of the terms of the contract is required to determine if title vests with the federal government and when and if ownership may be transferred to UTEP in the future.

- b. Ownership of equipment purchased with private grant or contract funds generally vests with UTEP, unless specifically stated otherwise in the grant guidelines or contract terms.
- c. Ownership of equipment purchased with sponsored project funds that expired prior to the equipment's transfer to UTEP generally vests with UTEP.
- d. Equipment purchased using state funds, designated funds, or gift and endowment funds is eligible for transfer only if it is considered surplus by the university. This transfer may be effected only if the Department Chair, Dean, VP for Research & Innovation, CFO, and if over \$100,000 of current book value, the President approve the transfer, and the receiving institution agrees to purchase the equipment from UTEP at a depreciated cost to be determined by the University's Comptroller's Office.
- e. Equipment transferred to UTEP with a faculty member may be transferred with the same faculty member to another university; in such cases, there will be no charge to the receiving university for the equipment.
- f. Equipment purchased with active sponsored project funds is eligible for transfer only if the project is being transferred with the Principal Investigator (PI) to another institution. In such cases, there will be no charge to the receiving institution for the equipment and requires documentation of funding agency and VP for Research approval.
- g. Equipment purchased with sponsored project funds that originated at UTEP and have since expired is eligible for transfer with the PI to another university. This transfer may be effected only if the department chair, dean, VP for Research, CFO and if applicable, President approve the transfer.
- h. Regardless of the source of funding, any laboratory or clinic equipment with posted hazard warning sign(s) (e.g. biological, chemical, radiological, UV) must have its safety status verified prior to relocation. The PI must also contact and obtain approval from the Office of Environmental Health and Safety (EH&S) prior to moving such equipment. Depending on the type of equipment being transferred, additional transfer and export control authorizations may be required.
- i. The PI is also responsible for notifying the Information Security Office (ISO) about any computing equipment and other devices that may digitally store sensitive university information, that may need to be sanitized before leaving the university.
- j. In all asset's transfers, the PI must also notify the Inventory Department of any inventoried assets being transferred out of the university, so that inventory records can be properly updated.

Procedure

1.1 Transfer of Equipment to UTEP from Another Institution

When a UTEP department receives equipment from another institution, the department receiving the equipment must immediately notify the Office of Sponsored Projects (OSP), and the Inventory Department. Documentation supporting transfers of equipment shall be forwarded to the Inventory Department and, at a minimum, must include any title restrictions on the equipment the item description, serial number (if available), the book value of the item, the department receiving the equipment, and the building and room where the equipment will be located. After obtaining this information, the Inventory Department is responsible for tagging equipment considered a capital asset and recording it in the University records. The Office of Institutional Advancement may be notified of this transfer to evaluate whether this transaction qualifies as a gift to the University.

1.2 Transfer out of Equipment from UTEP to Another State of Texas Institution

When UTEP departmental personnel become aware of the need for and the willingness to transfer out certain equipment to another State of Texas-supported agency or institution, the head of the UTEP department possessing the equipment must submit a written request to be signed by the department chair, dean, Vice President of Research, Vice President of Business Affairs, and if the current book value of the equipment is over \$100,000, the transfer requires the President's approval as well. The approved request must then be submitted to the Comptroller's Office to complete the transfer of the equipment. At a minimum, the written request should list the UTEP tag number, property description, value, and reason for transfer. A chain of emails that shows the original request flowing through the different authorization levels is an acceptable form of written request.

Once the Comptroller's Office confirms the transfer, the Inventory Department must remove the property identification tags before the equipment is removed from UTEP's premises and prepare the necessary forms and documents to effect the transfer in the university's assets database, and if applicable, the State Property Accounting System (SPA).

1.3 Transfer out of Equipment Purchased with Active Sponsored Project Funds to Another Institution

Procedures for transferring equipment purchased with active sponsored project funds differ depending on the type of contract or grant. The PI must contact the Office of Sponsored Projects (OSP) to determine the appropriate procedure and obtain the appropriate Grant/Equipment Transfer form. Forms may be physical or electronic. Before completing the Grant/Equipment Transfer form, the PI should provide the Inventory Department with a list of the equipment in question to assist in obtaining the minimum information related to the eligible equipment. The PI must then submit the

completed Grant/Equipment Transfer form to Grants Management Accounting for verification. At a minimum, the list should include the inventory tag number, description, funding source account number, and if available, acquisition cost and current book value.

Grants Management Accounting will forward the request to the department head, who will indicate his or her approval and secure the approval of the dean, OSP, VP for Research, VP for Business Affairs, and the President. Final approval rests with the President. The equipment shall not be removed from UTEP until all approvals have been obtained and the inventory tags have been removed by the Inventory Department. A chain of e-mails that shows the original request going through the different levels of authorization may be acceptable.

1.4 Transfer out of Equipment Purchased with Expired Sponsored Project Funds to Another Institution

The requesting PI must submit a request to transfer equipment purchased with expired sponsored project funds to the Office of Sponsored Projects (OSP) to determine the appropriate procedure and obtain the appropriate Grant/Equipment Transfer form. Forms may be physical or electronic. The request must bear the signatures of the faculty member's department chair and dean, indicating their approval as well as the VP for Research, the VP for Business Affairs, and if needed, the President. The PI must include with the request the receiving institution's agreement to purchase the equipment at a depreciated cost, as determined by the Comptroller's Office. Depreciated costs will be determined using industry standards or by obtaining an independent appraisal at the expense of the requesting department.

At a minimum, the equipment list should include the inventory tag number, description, acquisition cost and current book value, and funding source account number.

The equipment shall not be removed from UTEP until all approvals have been obtained and the inventory tags have been removed by the Inventory Department. It is the PI's responsibility to arrange for transport of the equipment with the receiving institution. A chain of e-mails that shows the original request going through the different levels of authorization may be acceptable.

1.5 Transfer out of Equipment Transferred to UTEP from Another Institution

The requesting PI must submit a written request to the Comptroller requesting transfer of equipment that he or she transferred to UTEP. The request must bear the signatures of the faculty member's department chair, Dean and VP for Research indicating their approval. A chain of e-mails that shows the original request going through the different levels of authorization may be acceptable. In such cases, there will be no charge to the receiving institution for the equipment. The equipment shall not be removed from UTEP until all approvals have been obtained and the inventory tags have been removed by

the Inventory Department. It is the PI's responsibility to arrange for transport of the equipment with the receiving institution.

1.6 Transfer out of Equipment when Principal Investigator Moves to Another Institution

Some grants contain provisions permitting the transfer of equipment acquired with federal funds when the Project Director/Principal Investigator (PD/PI) accepts a position at another institution. While some grants and contracts contain provisions giving a conditional title at the time of purchase, some contain disposition restrictions. The final approval for equipment transfers rests with the university's OSP who makes decisions based on benefits to the state, the U.S. government, and the overall research program. The PD/PI should not plan on requesting a transfer of the equipment if:

- original grantee retains the project for which the equipment was acquired and, with the approval of the awarding agency, places the project under the direction of a new investigator; or
- cost of transferring the equipment, as determined by the awarding agency, would be excessive relative to its current value; or
- new grantee does not require the equipment in order to continue the project.

The PD/PI is responsible for obtaining the necessary transfer approvals and should not remove the equipment from the university's premises until written authorization is secured and the inventory tags have been removed by the Inventory Department. A chain of e-mails that shows the original request going through the different levels of authorization may be acceptable.

1.7 Transfer out of Federal-Owned Equipment to Another Organization

The university may receive requests to send federal-owned equipment to other locations. This is normally initiated by the cognizant federal agency, but sometimes a prospective receiving organization contacts the university directly and requests the property be sent to them. However, it must be emphasized that no federally-owned equipment may be transferred to another organization without the concurrence of the appropriate contracting officer. This is essential to preclude any question of accountability or subsequent liability. The equipment shall not be removed from UTEP until all approvals have been obtained and the inventory tags have been removed by Inventory. The equipment custodian must ensure there has been coordination with the contracting officer and should contact the receiving organization to advise them of the shipping arrangements. The PD/PI is responsible for making the actual shipment in accordance with instructions, fund citations, etc. The equipment shall not be removed from UTEP until all approvals have been obtained and the inventory tags have been removed by the Inventory Department.

1.8 Title Transition of Federal-Owned Equipment after Contract/Grant Completion

Upon completion of a contract or grant, OSP is required to submit a final inventory or final listing of federally-owned property to the property administrator, possibly even for equipment that was titled to the university. These inventories or final listings are verified by the PD/PI as to availability, condition, value (sometimes), utilization, and disposition recommendation. It is sometimes possible for the university to obtain title to the federal property, but circumstances vary by agency rules and federal statutes. There are times when the equipment must be shipped to another location. The contracting officer directs this type of transfer and usually provides the PD/PI with shipping instructions. In other instances, continued use of the equipment may be arranged under a new contract or grant.

1.9 Excess U.S. Government-Owned Property

The PD/PI must identify any excess federally-owned property. A list of the excess property is sent to OSP and Inventory Department within 14 calendar days of identification of the item(s) as excess. The federal property administrator forwards the list to the appropriate contracting officer declaring the equipment as excess and requesting disposition instructions. Excess property may not be disposed of in any way until written instructions and approvals have been received from the OSP. The PI is responsible for the custody of the excess equipment until the equipment is transferred out.

1.10 Disposition of Excess, Scrap and Salvage

If a determination is made that scrap material is to be disposed of or that a property item is to be turned in as salvage, there are two methods of disposition available. Under no circumstances will federal property be disposed of without proper authorization.

Title or ownership of the property dictates the method to be used.

- a) Federally-owned, the sponsoring agency is advised by OSP. The contracting officer or property administrator may directly turn in the item to a designated federal property disposal facility or sold in accordance with the provisions of the Federal Acquisition Register (FAR).
- b) If title has been passed to the university, disposition is made in accordance with the provisions in effect for the disposition of federally-owned property. If title resides with the university, the federal tag is removed.

1.11 Disposition Records

With information provided by the OSP, the Inventory Department updates the disposition records for government-owned property that has been disposed of or has a transfer of title to the university.

Applicability

This procedure applies to all UTEP employees and departments that have any kind of equipment in their possession and for which they are responsible, regardless of the entity that claims ownership over it.

Definitions

Contracting Officer: Person at the federal agency who approves the contract or grant.

Equipment refers to capital and controlled equipment.

Government-furnished property: 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, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is deliverable under a cost contract when accepted by the Government for continued use under the contract.

Government Property: All property owned by or leased to the Government or acquired by the Government under the terms of the contract. Government property includes both Government-furnished and Contractor-acquired property. Government property includes material, equipment, special tooling, special test equipment, and real property. Government property does not include intellectual property and software.

Project Director/Principal Investigator (PD/PI): A term generically herein to refer to the individual with primary responsibility for a contract or grant. The terms Project Director and Principal Investigator are synonymous in this publication and will be indicated by PD/PI.

The Code of Federal Regulations section CFR 200.1 contains additional definitions that may be applicable to this guideline, and can be consulted in the following link <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#page-top>

Responsible Party

Office of the VPBA, Comptroller's Office, General Accounting Department, and the Office of Sponsored Projects (OSP)

Last updated: March 1, 2024