

KENTUCKY STATE UNIVERSITY

PROCEDURAL GUIDELINES FOR USE OF EQUIPMENT PURCHASED ON FEDERALLY SPONSORED PROJECTS

Administrative Regulation

The procedural guidelines presented herein are intended to define general Federal policies that govern the allowable uses of equipment on Federally sponsored projects for activities beyond those which are covered by the sponsored project. The Federal regulations that govern equipment use are identified in OMB Circular A-110. Principal Investigators and Project Directors (PI/PD's) should review their specific awards and consult the guidelines of the sponsoring agency (NSF Important Notice 91, for example) and the applicable version of A-110 prior to making final decisions.

A. *Equipment Definition and Ownership*

For purposes of this procedural guideline, equipment means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of up to **\$5,000** (as defined by the institution) or more per unit.

Title to equipment acquired by a recipient with Federal funds shall vest in the recipient subject to conditions contained in OMB Circular A-110 Section 34.

B. *No Unfair Price Competition*

The recipient shall not use equipment acquired with Federal funds to provide **services**¹ to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.

C. *Use After Project Period*

The recipient shall use the equipment in the project or program for which it was acquired as long as needed, *whether or not the project or program continues to be supported by Federal funds* and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority:

- (I) Activities sponsored by the Federal awarding agency which funded the original project, then,
- (ii) Activities sponsored by other Federal awarding agencies.

¹This paragraph applies to the use of federally purchased equipment used to provide a "service" to an external entity not to the use of federally purchased equipment in the conduct of research under sponsored agreements.

D. *Other Use During Project*

During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired.

First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies.

E. *Use of Federally Owned Equipment*

If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency.

F. *Use Fees as Program Income*

During the Project Period, all user charges shall be treated as program income and treated in accordance with University policy and procedures governing program income.