

Marywood University

Policies and Procedures

Safeguards and Maintenance of Federally Funded Equipment Policy

Purpose:

This policy outlines the procedures and responsibilities for safeguarding and maintaining equipment purchased with federal funds in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Guidance (2 CFR 200). The policy provides guidance so that the equipment is used, maintained, and disposed of in compliance with federal regulations to support proper stewardship of federal assets.

Scope:

This policy applies to all University departments, faculty members, staff, and administrators responsible for acquiring, using, maintaining, or disposing of equipment purchased with federal funds.

Policy Statement:

The University will establish and maintain effective internal controls to safeguard equipment purchased with federal funds, ensuring that equipment is properly used, maintained, and accounted for throughout its useful life. The University is committed to adhering to federal regulations to prevent waste, fraud, and abuse of resources.

Definitions:

- Equipment: Tangible personal property with a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more.
- OMB Uniform Guidance (2 CFR 200): The federal regulation governing the management of federally funded grants, including equipment use and management.
- Property management system: A system used to maintain records, track location, ensure appropriate use and disposal of equipment.

Procedures:

1. Acquisition and Receipt of Equipment

1.1 Acquisition Process: All equipment purchased with federal funds must be acquired in accordance with University purchasing policies and the terms of the applicable federal award. Purchases must be necessary, allowable, and allocable to the project under the funding agreement.

1.2 Tagging and Record-Keeping: Upon receipt of the equipment, the University's Buildings and Grounds Department will assign a unique asset identification number and tag the equipment. The following information will be recorded in the property management system:

- Description of the equipment
- Serial number or another unique identifier
- Acquisition date and cost
- Federal award identification number (FAIN) and title
- Location and department to which the equipment is assigned
- Useful life and depreciation schedule (if applicable)

2. Safeguarding Equipment

2.1 Physical Security: Departments and custodians, to which federal equipment is assigned, are responsible for ensuring that equipment is stored in a secure location to prevent unauthorized access, theft, or damage.

2.2 Inventory Control: A physical inventory of all federally funded equipment must be conducted at least once every two years. The Buildings and Grounds Department in collaboration with department heads, will verify the existence, location, and condition of each piece of equipment and reconcile results with the property records.

2.3 Equipment Loss, Theft, or Damage: Any loss, theft, or damage to equipment must be reported immediately to the department head and the Buildings and Grounds Department. The University will investigate any incidents of loss or theft, and must notify the federal awarding agency if applicable.

3. Use of Equipment

3.1 Purpose and Use: Equipment purchased with federal funds must be used for the program or project for which it was acquired as long as it is needed.

Equipment may also be used in other federally supported activities as long as it does not interfere with the original program's intended use.

3.2 Approval for Other Uses: If equipment is no longer needed for the original federal project, it may be used for other activities provided that the new use is consistent with federal regulations and does not violate the terms of the grant. Approval from the federal awarding agency may be required in some cases.

4. Maintenance of Equipment

4.1 Routine Maintenance: With oversight and expertise from the Buildings and Grounds Department, the University department making the purchase must establish routine maintenance schedules to ensure that all equipment is kept in good working condition and performs its intended function. Proper documentation of all maintenance activities, including repairs and inspections, must be maintained by the department.

4.2 Repairs: Equipment requiring repairs must be serviced promptly to prevent excessive wear or deterioration. The University is responsible for covering the cost of routine maintenance and repairs unless otherwise specified by the federal awarding agency.

5. Disposal of Equipment

5.1 Disposal Requirements: When equipment is no longer needed for its original federal project or any other federal program, it must be disposed of in accordance with federal regulations. Disposal methods include:

- Transferring the equipment to another project or federal agency.
- Selling the equipment, with the proceeds returned to the federal government, as specified by OMB guidelines.
- Donating the equipment to a non-profit organization, with prior federal agency approval.

5.2 Disposition Documentation: The department making the purchase must document the disposal process, including how the item was disposed of, any proceeds from sales, and the justification for disposal. All documentation must be submitted to the Buildings and Grounds Department for record-keeping.

Roles and Responsibilities:

- **Department Heads:** Ensure that all equipment under their responsibility is used, safeguarded, and maintained in accordance with this policy.
- **Buildings and Grounds Department:** Maintain an accurate and up-to-date inventory of equipment, conduct biennial physical inventories, and assist departments with equipment tagging and record-keeping.

- **Custodians/Users of Equipment:** Safeguard equipment, conduct regular maintenance, and report any loss, theft, or damage promptly.
- **Grants Office:** The Office for Research and Sponsored Programs and the university's grant accountant(s) will work collaboratively to ensure that all equipment acquisitions comply with the terms of the federal award.

Compliance and Monitoring:

The University will conduct regular audits to ensure compliance with this policy and federal OMB regulations. Any non-compliance will be addressed through corrective action plans, and significant violations will be reported to the federal awarding agency as required. The Grants Office and the University's auditors are responsible for issuing corrective action plans and making reports to the federal awarding agency.

Policy History:

12/16/2024: The President approved the establishment of this Policy upon the recommendation of the Policy Committee of the University at their December 13, 2024 meeting.

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**Mary Theresa Gardier Paterson, Esquire
Secretary of the University and General Counsel**