

Capital Equipment Administration Policy

The following are property management standards for capital equipment assets (an article of nonexpendable, tangible personal property having a useful life of more than one year with an acquisition cost or fair market value of \$10,000 or more) acquired with federally-sponsored funds:

- A. Careful screening should take place before purchasing property and equipment to ensure it is needed. Careful screening may include the following elements and procedures:
 - Consider whether existing equipment already owned can meet identified needs; and
 - Consider the purchase based on the cost of the proposed equipment and/or the size of the grant recipient.

- B. Capital equipment asset records in Pepperdine University's Office of Research, Grants, and Foundation Relations will include the following:
 - Description of the property/equipment (including make and model);
 - Manufacturer's serial number or other identification number;
 - Vendor/source of the property;
 - Whether the title settles with the recipient or the Federal Government;
 - Acquisition Date;
 - Cost of the item;
 - Percentage of Federal participation in the cost of the item;
 - Location of the property/equipment;
 - Maintenance procedures implemented to keep the equipment in good condition;
 - Condition of the property/equipment as of the date the information is reported; and
 - If applicable, the disposition data and sale price.

Note: If a grantee is authorized or required to sell the property/equipment, proper sales procedures must be established to ensure the highest possible return.

- C. Equipment owned by the Federal Government is identified to indicate Federal ownership in the award document.

- D. In most situations, when discretionary grant funds are used to acquire equipment and nonexpendable personal property, title vests with the organization subject to obligations and conditions provided by the federal funding agency.
 - Award recipients and subrecipients should use the equipment in the program or project for which it was acquired as long as needed, whether or not the program or project continued to be funded by Federal funds.
 - When no longer needed for the original project or program, the grantee must use the property in connection with its other federally sponsored activities in the following order of priority:

- i. Other projects of the awarding agency needing the property
 - ii. Projects of other Federal agencies needing the property
- E. Per Federal requirements, a physical inventory of the property/equipment must be taken, and the results reconciled with the property/equipment records at least once every two years.
- This includes a verification of the existence, current utilization, and continued need for each item.
 - Any difference between physical inspection and accounting records will be pursued to determine the cause of the difference.
 - Pepperdine University must promptly and properly investigate and fully document any loss, damage, or theft of nonexpendable property.