

WORCESTER POLYTECHNIC INSTITUTE

Property Manual

Clarence Plant, CPPM, CM
Property Administrator

Table of Contents

<i>Introduction</i>	<i>3</i>
<i>Chapter 1 – Property Management at WPI.....</i>	<i>4</i>
<i>Chapter 2- Acquisition</i>	<i>10</i>
<i>Chapter 3-Fabrication of Equipment</i>	<i>28</i>
<i>Chapter 4 - Receiving.....</i>	<i>32</i>
<i>Chapter 5 - Identification</i>	<i>32</i>
<i>Chapter 6 - Records</i>	<i>37</i>
<i>Chapter 7 - Physical Inventory.....</i>	<i>37</i>
<i>Chapter 8 - Utilization, Storage, Movement, Maintenance and Calibration.....</i>	<i>46</i>
<i>Chapter 9 - Operation of Vehicles.....</i>	<i>52</i>
<i>Chapter 10 - Moves, Relocations, Transfers and Disposals.....</i>	<i>58</i>
<i>Chapter 11 – Agreement Management</i>	<i>60</i>
<i>Chapter 12 - Security</i>	<i>61</i>
<i>Chapter 13 - Reporting</i>	<i>63</i>
<i>Chapter 14 - Auditing.....</i>	<i>67</i>
<i>Glossary of Terms.....</i>	<i>68</i>

Introduction

This manual particularly targets those who have been charged with the responsibility of administering to Sponsor-Owned property.

We realize that there will be continuous changes to our policies and procedures. We have included in this manual a discussion of the minimum conditions of audits and Federal requirements in the Table of Contents.

This Property Management Manual provides a discussion and an explanation of property terms and tasks in a simple and direct way. Improvements to this manual will be continually sought as all its contents can be easily revised and updated as necessary. One of the important keys to success in this worthy endeavor is the individual user. Therefore, it is you, the users of this manual, on whom we lean. As you utilize the manual on a daily basis, you are the best qualified to provide us the input we will need in order to realize our goal - continuous improvement.

Chapter 1 – Property Management at WPI

Property management at WPI is an integral process supported by all departments. The management of the University's assets is the responsibility of and resides in the Office of Asset Management (AM). Effective and efficient management of equipment and materials, throughout their life cycle, help ensure university activities are performed in accordance with our policies, procedures and sponsor requirements. The property management system is comprised of policies, procedures, online systems and people which support the overall educational, research and administrative missions of the University. Additionally, this manual is intended to be a comprehensive tool for use by University employees to ensure that questions raised in daily activity can be answered by reference to the manual.

In keeping with the goals and objectives of this manual, AM, Internal Audit, and/or federal auditors will conduct periodic field visits and audits to verify that departmental practices are consistent with this manual. Since each department has the opportunity to maintain its own unique record keeping practices, the purpose of these field visits and audits will be to verify overall compliance with University procedures and prevent audit disallowances. AM will also make recommendations about each department's control system in an effort to improve methods where such improvement is warranted.

The objectives of WPI's Property Management System are as follows:

- to provide an effective management tool
- to develop accurate record keeping and asset control procedures
- to ensure compliance with federal (OMB circulars A-21, A-110, 133, NPMA, and FAR 45 see glossary), non-federal and University property management regulations
- to provide a basis for minimum property liability insurance coverage

What is Equipment?

Equipment (also referred to in this manual as property or asset), as defined by WPI, is tangible, non-expendable, personal property having an anticipated useful life of one year or more and having a unit acquisition cost of \$500 or greater. The acquisition cost is the net invoice unit price of the property including the cost of modification, attachments, accessories or auxiliary apparatus necessary to make the property usable for its intended purpose. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation will be included in the overall costs if these charges are listed on the same invoice. Spare or replacement parts, regardless of cost, will be classified as materials or supplies. This definition applies to all equipment purchased or

received as a gift or donation. Any asset satisfying the definition of equipment will be charged to one of the following accounts (7XXX):

Account 7180: Equipment -- Lab & General

Account 7184: Equipment -- Furniture

Account 7181: Equipment -- Lab

Account 7187: Equipment -- Computer

Memory Upgrades If an item of equipment is undergoing an upgrade, the cost of the upgrade, regardless of dollar value, is added to the existing value of the equipment. All memory upgrades to equipment should be charged to account 7187.

Component Parts: A component part adds a new dimension to an existing piece of equipment and increases the value or useful life of the item being enhanced. The component part must have a useful life of one year or more.

Fabricated Items: A fabricated item, constructed to certain specifications, is considered to be equipment if the total cost of the materials used in the fabrication is \$500 or greater and the useful life of the item is more than one year.

Software: All computer software, independent of the initial equipment purchase, should be charged to account 7188; Computer Software.

Stewardship

Effective stewardship and accountability of property, both WPI and sponsor owned, are essential. Property is accountable to designated departments, each of which is responsible for the day-to-day management, use, care, record-keeping and disposal of those assets.

Each member of the WPI Community has a general obligation to safeguard and make appropriate use of property owned by or accountable to the University. This includes property either assigned for individual use, or as part of a common area. This obligation includes but is not limited to:

- Notifying the Property Administrator of the acquisition, movement or disposal of property
- Exercising reasonable care in use to prevent damage and maintain good condition
- Exercising reasonable security measures to prevent theft or misuse
- Reporting lost, stolen, damaged or otherwise impaired property to appropriate parties, including but not limited to a direct supervisor or common area manager

WPI is increasing its research capabilities. Due to this expansion, the federal government and other granting agencies will often be sponsoring funding for research. Therefore management of this property has high visibility and may be subject to greater scrutiny and audits. Also, if your

department receives donated equipment, there are additional rules and regulations to follow. See Donations to WPI (Chapter Two) for information on how to handle donated property. Accurate recording of all equipment, whether sponsor-funded or not, directly impacts indirect cost recovery and other reporting requirements.

Accurate and effective management will benefit individual departments and WPI as a whole. For assistance, departmental staff should contact the Property Administrator.

Roles, Responsibilities and Accountability Organizational Structure of Property Management

Property Administration develops and implements policies, procedures, and a system that enables effective property management for the University. PA works closely with the Controller's Office (CO) in the development and implementation of policies for capital equipment. Close communications are maintained with the Director of Research Administration in the development and implementation of policies for managing sponsor-owned equipment.

Property management issues are handled by the Property Administrator. The Property Administrator carries out the day-to-day responsibilities within the department and provides guidance to department personnel concerning property matters such as acquisition, coordination of transfers, equipment at sub-recipient locations, maintenance, physical inventory, and disposal. The Property Administrator will provide guidance and direction to departments where it is needed.

The Board of Trustees has delegated to the President, Provost, Vice-Presidents, department chairs, directors, principal investigators and other University officers the responsibility for management of their funds. October 1997, the Cabinet and Chief Financial Officer approved the property manual supporting effective property management from every member of the WPI community, starting with the officers. These officers are responsible for ensuring that policies and practices applicable to the work of the University, including instruction, research and public service are carried out, and those standards, policies and regulations are consistent with sponsor and donor expenditure restrictions.

PA provides guidance to departments on all property related issues, from pre-purchase considerations through retirement of assets. Departments involved in sponsored research should contact PA for assistance with equipment issues at the time of proposal development, project performance, and at the conclusion of projects or the retirement of equipment.

Custodians and Users

Custodians are WPI employees responsible for a designated group of assets. Users are the persons who use the equipment on a regular basis, and can help readily locate or provide information about it. A custodian may also be the user. Non-WPI personnel may be authorized to use WPI or sponsor owned property; if so, the WPI person they report to should be listed in the

property record. There are various rules of thumb to follow when recording a custodian. Following are some common scenarios; work with your department management to determine what is best for your area.

- The actual user (WPI employee) is listed as the custodian
- The business manager is listed as the custodian and the individual employees or positions (i.e.: receptionist) are listed as users
- In lab situations, the Principle Investigator (PI) is listed as the custodian and research assistants or graduate students are listed as users
- For departmentally used items such as copiers, the key operator or business manager is listed as the custodian

Property Administration at WPI

Property management is an important function at the University. Prudent business practices help protect the University's investments in capital equipment, meet government and sponsor requirements, and support indirect cost recovery associated with assets at WPI. Each Dean, Provost, and Vice President is responsible for implementing property administration effectively and compliantly within their division or department by ensuring that the Property Administrator receives full cooperation from end-users and purchasers of property.

The responsibility for management of property has been delegated to Property Administrator.

Property Administrator's functions are as follows:

- Managing and Maintaining the WPI Property Management System
- Monitoring for compliance with sponsor equipment approval requirements
- Monitoring fund approvals of equipment purchases for all grant and contract accounts
- Screening for like or substitutable equipment before new equipment is purchased
- Generating system reports and property listings
- Conducting required physical property inventories
- Completing reports of federally-owned equipment and other sponsored project property reports
- Assisting in providing WPI departments with guidance involving property management issues (i.e., record keeping Surplus property, moving of equipment, etc.)

- Establishing policies and procedures as required to maintain the Property Management System
- Maintaining communication with government auditors on matters relating to property management
- Ensuring compliance with University policy and Federal guidelines
- Disposal of surplus and excess equipment

Any questions regarding property management practices at WPI can be addressed to the Property Administrator, Clarence Plant at extension 5137.

The Research Accounting Department has created a purchasing practices resource manual regarding titled "Purchasing and Property Control Manual." Questions regarding purchasing procedures should be directed to the Research Accounting Department, Heather Bilotta at extension 5422.

Official Systems of Record

The financial systems at WPI are not integrated. Property systems are not part of the financial systems. However, the systems will be integrated soon. The following systems, working in conjunction with each other, make up the "official" property record.

- **MACAMS Assets (MA):** Used by PA to create and maintain asset records for the accountability, tracking, physical inventory and disposal of property
- **Grants Accounting (GA):** Used by PA to track fabrications while they are still work in process
- **Oracle Fixed Assets (OFA):** Used to calculate and track Equipment Depreciation and University Accounting (central office use only)
- **PA Material Tracking System:** Used by PA to create and maintain records for the accountability, tracking, physical inventory and disposal of government owned material

The controller and the Property Administrator are the authorized persons on campus to grant access to MACAMS assets. Additional supporting documentation is obtained from other University systems. WPI's campus is, by its nature, a decentralized place. The MACAMS database provides an information resource where departments and administrative offices can locate a given piece of equipment by searching for a WPI tag number, serial number, steward, custodian, etc. Property Administration and Accounting form the central, auditable property record for WPI; they provide crucial information for the university relative to WPI capital assets and government or sponsor funded assets. At WPI a capital asset is defined as having all of the following:

- An acquisition cost of \$500 or more (for items paid for during and after 2008)
- A useful life of more than one year
- A stand-alone, moveable item (not permanently affixed to a building or structure)

All capital and sponsor-owned property (except material which is tracked in the PA Material Tracking System) must be recorded and tracked in MACAMS. MACAMS is also a repository for all other property managed, such as sensitive property, and other non-capital items the department chooses to track. **Having a single record facilitates reporting, eliminates redundant and duplicate record entry into unofficial shadow systems, and can be used to track purchase trends within the department. It can also help maximize reutilization to avoid unnecessary purchases, and be used as a tool for replacement planning.**

Security of Property

Each member of the WPI community has a general obligation to safeguard and make appropriate use of University and sponsor owned property and equipment either assigned for individual use or part of a common area. Each department must ensure that there are reasonable security measures implemented in their areas to prevent theft, damage or misuse of equipment.

Employment Termination

When a WPI's contract or employment with the University terminates, s/he must relinquish all claims to both federally-owned and University property to the department head or senior officer, unless prior approval is granted by the University or the Asset Management Office. The Manager of Research Accounting, the Director of Sponsor Research, and AM must be notified of the change in equipment disposition.

Chapter 2- Acquisition

Overview

Acquisition, within the context of this document, encompasses the various methods by which WPI obtains, receives, and becomes accountable for property. The most common method of acquisition for property at WPI is purchasing. Other methods include donations, transfers, loans, leases, and sponsor-furnished property.

Purchasing

The purchasing process is the most common means of acquisition for property at WPI. Purchase requisitions are routed by the requester for approval signatures, orders are placed by Procurement, and receiving of the property is recorded by designated departmental personnel. The entry of the receiving transaction initiates a flow of data into the MACAMS database from which Accounting can subsequently create an asset record.

Accounting for Property Purchases

WPI financial policies and federal regulations are implemented through the Chart of Accounts, which flow through two core accounting applications:

- **Grants Accounting (GA)** which records all detailed expenditure transactions and then summarizes them in the GL (**Note:** All University expenses are posted in Grants Accounting, not just those related to grants)
- **General Ledger (GL)** which records balance sheet, revenue and summary expense, and fund balance transactions.

The Chart of Accounts is a set of codes, including expenditure types, used to classify, record, and control how financial transactions and balances are collected and stored. It provides the framework for understanding the financial picture of WPI's operations. The Chart of Accounts uses segments and their descriptive attributes to organize financial information for a variety of purposes such as:

- Internal reporting and financial management
- External reporting and compliance
- Effective management of funds
- Proper recovery of indirect costs from sponsors

These are the segments used in GA and GL:

Grants Accounting (GA)	General Ledger (GL)
Project	Project
Task	
Award	Fund
Expenditure Type	Object
Organization	Organization

When purchasing property, it is important to ensure the appropriate PTAE0 is used; **Specifically the Expenditure Type**, which sorts the equipment into the correct category in the GL. WPI uses this information for asset accounting and to capture depreciation and indirect cost recovery. It is important to note that all sponsors indirectly pay a portion of overhead costs, known as Indirect Costs (IDC) or Facilities and Administration (F&A), which includes many of our equipment purchases.

Pre-purchase Activities

Virtually all capital asset purchases made by WPI – federally funded in particular, are subject to pre-purchase screening to avoid acquiring duplicative items. In addition, if sponsored funds are used to purchase property, there are other pre-purchase considerations, such as approval to purchase. Specific requirements may be identified in each agreement. When using sponsored funds to make a purchase, it must successfully meet all four of the tests described below; per OMB Circular A21 (see the Glossary of Terms).

- **Allowable:** Allowable and unallowable costs are defined in A21 AND in the terms of specific awards – items must be budgeted and approved to be allowable.
- **Allocable:** Only those expenses that BENEFIT a project may be charged to that project
- **Reasonable:** Costs must reflect what a “prudent person” would pay
- **Consistent:** Costs must be handled consistently across the University by following WPI policy

Unallowable Methods of Purchase

The only appropriate way to purchase property is through the Procurement system. Use of WPI Pcards, personal funds or personal credit cards to purchase capital equipment or material for fabricated equipment is prohibited by WPI policy.

Screening

Screening is the process of ensuring, either prior to purchase or concurrently with purchase that the same or equivalent property is not excess or otherwise available to share. It helps avoid

purchasing unnecessary or duplicative items; it is good business practice and required by the University and by most sponsors. Each sponsor or agreement may have different screening requirements; Check your individual agreements for clarification. If you have many agreements with one particular sponsor, you should become familiar with that sponsor's general requirements. If you fail to screen prior to purchase for a sponsor funded piece of equipment, the sponsor may retroactively disallow the purchase and the department must then pay for the purchased equipment from non-sponsor funds.

Internal Screening Requirements

Internal screening is a verification to determine if the same or similar item you are planning to purchase is already available for use within your department or WPI. Internal screening is performed at the following levels for WPI-funded, unrestricted purchases, as well as sponsor-funded purchases. If the item is sponsor or government-funded or furnished, lower levels of screening or external screening may be required; Please check the agreement.

Asset Acquisition Cost	Internal Screening Level Required
Acquisition Cost less than \$500	No screening required
Acquisition Cost between \$500 and \$24,999.00	Screening performed against similar assets within a single organizational unit
Acquisition Cost over \$25,000	Screening performed against all similar assets in WPI (i.e.: the entire WPI campus and off-campus facilities)

The exception to the internal screening requirement is components being acquired for an approved fabrication. Screening and approval to purchase are separate processes, but both are pre-purchase requirements. As the PA, you will review and approve all capital purchase requisitions for your area. PA approval of the purchase requisition verifies that the PA has reviewed the requisition for accuracy and has performed pre-purchase screening as required.

Completing Pre-Purchase Screening in MACAMS

All pre-purchase screening is performed via MACAMS using the "Asset Search Report". Only the Property Administrator with access to MACAMS reports can perform internal screening. If suitable items are found, contact the purchase requisition originator and notify them of the results. If items are found and the end user chooses to accept them as an interdepartmental transfer or loan, you must contact the originator of the requisition and have it canceled and make arrangements for the internal transfer of the equipment. If the process of canceling the requisition takes longer than 48 hours, WPI may incur costs for canceling orders with some vendors.

External Screening

External screening is a requirement specified in many government sponsored agreements. Details regarding what needs to be screened can be found in each individual contract. It is the responsibility of the Principal Investigator (PI) to ensure that external screening has been fulfilled prior to the purchase of property. The actual task of initiating and documenting the external screening may be delegated to a research assistant. **When the sponsored agreement requires screening or pre-purchase approval, not doing so could result in disallowance of the cost of the item as a direct charge to the project.**

The form most often required to process external screening is the DD Form 1419. A negative response from a sponsor will usually include a "Certificate of Non-Availability" (CNA) number. This number and the date issued are recorded in the MACAMS database. If a sponsor does not respond to a screening request, assistance should be obtained from the cognizant contracting officer. Generally, if no response is received within 30 days, it is interpreted to mean the item is not available and WPI may proceed with the purchase. Contact your PSR if you require assistance with this process.

Sponsor Approval to Purchase

During negotiation of an agreement, WPI and the sponsor representative can agree upon a waiver of the external screening requirement/pre-purchase approval. If this is the case, it must be explicitly stated in the agreement. If there is not a waiver, an Acquisition Approval Letter is prepared by the PI or a delegate whenever acquisition of a non-approved item is necessary. Processing of this letter is to be in accordance with the instructions in the agreement. An example of an approval letter can be found at the end of this section. An –Authorization to Buy” letter from the sponsor may be a combination screening/authorization letter. It is important to note that the Contracting Officer or the Grant Management Officer is the only authorized person who can provide this approval. Make sure that all approvals are forwarded to your institutional representative, e.g. OSR, RMG or ERA. In the event an audit is conducted or during an ordinary closeout and approvals to purchase are asked for, this will relieve your department from having to supply the backup.

Placing and Approving the Purchase Requisition

When an online Procurement requisition is filled out, accuracy is imperative – it is the basis from which a property record is established and financial transaction information is generated. Capital equipment purchase requisitions in Procurement must be approved by the PA. When approving the requisition, the approving PA must complete the screening attestation, which means they have completed the required pre-purchase screening referenced above.

Modular Furniture and Fixed Equipment

Modular furniture is not recorded in expenditure types for individual furniture such as desks, chairs, and filing cabinets. Use Equipment Code for modular furniture and for fixed equipment when they will be generally capitalized as part of a major capital (PPE) project. If a small

purchase is made on a department's operating project/budget and it qualifies as a capital asset, the following rules apply and should be followed:

1. A new task must be created in Grants Accounting (GA) and must be flagged as "capitalizable".
2. Only direct external costs related to the asset's purchase and installation may be charged to that task. These costs include: purchase price, taxes, shipping and 3rd party installers (e.g., from the manufacturer or distributor).
3. Capital Accounting must be notified of the following at the time the new task is requested: Project and Task, dollar amount to be capitalized, and the month the asset is going to be placed in service. Capital Accounting must be notified upon completion of the project and/or final payment.
4. Each task will represent an individual asset and may not be used for multiple assets or to cover general department purchases. These tasks should not be open for very long, they should be open only long enough to capture the cost of an individual purchase.

Software Capitalization

Software is not capitalized unless it is part of an operating system of a computer, where its cost is captured as part of the computer, or if WPI's acquisition cost or fair market value is \$500,000 (half million dollars) or more. If you are capturing the cost of software only (in excess of \$500,000), you record it as an "untaggable" asset in MACAMS.

Bulk Equipment

Bulk equipment (WPI owned) is defined as the purchase of 25 or more identical items with individual costs of \$400 or more, AND an aggregate cost of \$10,000 or greater. Bulk equipment doesn't apply to sponsored projects. Bulk purchases, not associated with a capital project, are treated as capital equipment. Each item will be tagged with a separate WPI tag, and the "Bulk" flag in the MA record will be checked.

Computer Clusters

Clusters are acquired to perform tasks usually assigned to much more expensive supercomputers. In order to capitalize computers that *individually cost less than \$500* but as a cluster cost more than \$500 (single asset), **all the following criteria must be met:**

- Combined units work together as parallel computing units
- The units are being clustered to serve a specific purpose in a research environment
- Clear and documented reason for use/acquisition as a cluster on file with the PA
- Cluster must be kept for a minimum of three years

Please note that if any part of the computer cluster needs replacement, the replacement would be considered an expense since it is the total value of the cluster that is being used for accountability and depreciation expense purposes.

Upgrades to the cluster would need to meet **all of the following**:

- Cost \$500 or more
- Increase the useful life by more than one year
- Provide substantially increased performance or functionality.

Cost Sharing for Equipment Purchases

Cost sharing represents that portion of the total project costs of a sponsored agreement borne by the University, rather than by the sponsor. Cost sharing of direct expenditures represents a redirection of departmental or school resources from teaching or other departmental and school activities to support sponsored agreements. Equipment cannot be offered as cost sharing unless the receipt of the award is contingent upon such cost sharing. PIs should take care in preparing proposals for sponsored agreements not to commit the use of WPI-owned or government-owned equipment as cost sharing, but rather to characterize the equipment as "available for the performance of the sponsored agreement at no direct cost to the project." Proposals which include the acquisition of special purpose equipment as a direct cost may include an offer of University funds to pay for all or part of the cost of such equipment. These proposals may be for equipment or instrumentation grants, where the purpose of the grant is to buy equipment and we are required to share the cost with the sponsor, or research-oriented grants or contracts where the purchase of equipment required for the research is an allowable expense included in the proposal and award. Purchase and acquisition must occur during the period of performance. The portion of the purchase price paid by the University must be charged directly to a cost sharing account in support of the award.

Purchases to Upgrade Existing Equipment

Trade-Ins

Since the equipment being traded in is permanently leaving WPI, this is actually a twofold transaction: an acquisition and a disposal. See Section 10 "Disposals/Transfers" for details. One aspect that is different in this disposal is that disposition must be approved before the purchase commitment is made (pre-purchase).

Upgrades

An upgrade is defined as an addition of components to existing capital equipment that are individually \$500 or more each and have a useful life of more than 1 year. It is important to note that an upgrade is not a replacement of already existing components to an item, but rather an add-on that will substantially improve functionality and increase the useful life of the capital

equipment. An upgrade must be assigned its own WPI barcode tag number, and a record created in MACAMS. The record must carry a reference to the parent item in order to be properly tracked. If these items are components that are inside an existing item, for example a \$500 board that was added into a computer, and cannot be tagged, document the parent clearly on your record in your untaggable folder or binder.

Sensitive Items - Policies and Business Process

Objectives:

- Reduce potential liability and risk (financial AND reputation) for the University
- Ensure processes are established for handling and disposing of sensitive property
- Enable compliance with all environmental regulatory requirements for the state of Massachusetts as stated in the [Massachusetts Permitting Guide](#).

Regulatory Summary per Massachusetts Permitting Guide:

Hazardous materials are defined as ignitable, corrosive, reactive, and/or toxic. Regulatory requirements for shipping and storage differ, depending on the amount and type of hazardous material generated.

All generators of hazardous waste are responsible for its proper disposal. RCRA requires a national “cradle to grave” tracking system for hazardous waste. In Massachusetts, every shipment of hazardous waste by a large or small quantity generator must be transported by a licensed hauler and sent to a licensed treatment, storage, or disposal facility, or a permitted recycling facility, and must be accompanied by a Uniform Hazardous Waste Manifest. A list of requirements for storage, handling, and shipping is included in A Summary of Requirements for Small Quantity Generators of Hazardous Waste, available from DEP.

Policies and Business Processes:

1. The Property Administrator works closely with the WPI Environmental Health & Safety Personal in handling sensitive property. Implementation of sensitive property staff awareness communications, at the department level, is highly recommended.
2. Sensitive Property that is either an item of capital equipment or is Sponsor-owned, must be identified, tracked, inventoried, and disposed of within the property management system. Records are established and maintained in the MACAMS database by the Property Administrator. Sensitive Property acquired as an expense/supply item that does not meet the capital threshold is tracked at the discretion of the accounts department throughout its useful life. A record may be established and maintained in the MACAMS property management database if so desired. At the time the item becomes excess and needs disposal, it can be accomplished either through the MACAMS property

management system, or by using approved recycle bins provided by Environmental Health and Safety.

Donations to WPI

WPI is the fortunate recipient of generous property donations from many sources, such as corporations, companies, individual donors, other universities and sponsors. In order to insure continued benefit from this generosity and meet requirements established by the IRS and University policies, it is important that the procedures and guidelines in this section are followed. The appearance of donor documents vary considerably; However, the procedure for processing donations is consistent. It is important to remember that there should be a need or purpose for a donation of equipment and that the dean of the school must approve any equipment that may contain hazardous materials. Prompt recording is critical. Untimely recording of donations could jeopardize future donations; particularly those from large corporate donors.

In order for WPI to comply with federal regulations regarding donations, the Property Administrator must receive copies of all documentation. In many cases the pre-donation paperwork, including any type of proposal or letters related to planned donations will help determine if the donation is restricted or unrestricted. For example, the donation letter may specify that a donated microscope be restricted for use in biological/physical research.

WPI is the owner of all donations, without exception. Donations are not the personal property of faculty, staff or students, although they may have been the primary contact or delivery point for the donation and designated end user. Property donations are recorded at a value of \$500 or more.

Roles and Responsibilities for Processing Donations

At the end of this section there is a checklist of things you need to do or obtain to process a donation. Using the checklist will make your job easier and save time for everyone involved in this process.

Property Administrator's Role in Processing Documentation

Appropriate acknowledgment of gifts is particularly important. Donations should be processed immediately after the donation is physically received at WPI. The tasks listed below should be followed, preferably in the order shown:

1. Gather all donation documents and list them on Property Administration (PA) donation checklist. PA will retain all donation documents as the official record for the University. Departments should forward a legible copy of all donation documentation to PA, including:
 - Letter of intent to donate and/or Donation Agreement from donor
 - Shipping and Receiving Documents; e.g. Packing List

- Acknowledgment of Receipt of Property and Certification of Use from donor (this form can only be signed by the PI or Dean)
 - IRS Form 8283 (form is processed by the Property Administration who works directly with the Donor. The director of the Property Management Office is the person authorized to sign the form on behalf of the University.)
 - Proof of Value e.g. appraisal, invoice, receipt
 - Any other documentation regarding the donation
2. Create a record of the donation by using Procurement to set up a no cost Rapid Purchase Order (RPO). Be sure to list different items on separate lines, just like a "normal" purchase order. This is used as a method of documenting and tracking most donated equipment. Ensure the "donation" expenditure type **“53125 – WPI EQUIP GIFTS”** is **selected**, and use the department gift PTA. The exception to this is **bargain donations**. A bargain donation occurs when WPI pays for part of the equipment and the donor gives a larger-than-normal discount. For example, a typical educational discount is 20%40%. A bargain donation might include an 80% or greater discount. Funding for a bargain donation can stem from a sponsored agreement, however WPI will retain title and the source is still considered "donation". If you are unsure a purchase is part of a bargain donation, please contact your PSR for assistance.
 3. Create a single MACAMS record for the main item as outlined in the Records Section. PA will determine Fair Market Value (FMV), and ensure Accounts Payable (AP) creates an invoice for property donations valued at \$500 or more.
 4. Upon request, Gifts in Kinds will prepare and send an official university gift receipt for gifts of equipment and other tangible personal property, including gifts valued at less than \$500. These receipts confirm delivery of described items and the date the gift was received, but do not include the value of the item(s). IRS rules require donors, not the university, to establish the value of items donated for any tax-related purposes. Receipts may be requested by contacting Gifts in Kinds. If WPI obtains an appraisal, it is to be used internally only, and not shared with a donor.
 5. Physical Identification: see Chapter 5 - Identification.

Property Management’s role is to:

- Provide guidance to the WPI Community
- Develop a donation documentation file
- **Sign off on the IRS Form 8283** (the PI or Dean does not do this)
- Modify MACAMS records to reflect discounted prices and fair market value (FMV)
- Maintain complete files on donated equipment

Gifts in Kind's Role is to:

- Record gift value (for university purposes) in donor's giving history
- Provide an official receipt to the donor when requested

Authority to Accept Gifts-in-Kind

No gift-in-kind will be accepted until the proper clearances have been obtained and authorization has been received from the Academic Department Head (for faculty) or the Divisional Vice President (for staff).

Clearances Required

A recipient of a gift-in-kind is required to complete an [Acceptance Request for Gifts of Equipment or Materials](#). The request automatically goes to a number of University offices, and to the pertinent Department Head or Divisional Vice President for approval. Faculty do not have the authority to accept a gift-in-kind without this authorization.

Anonymous Donors

While the University understands the desire of some donors to remain anonymous, their identity must be disclosed on the [Acceptance Request for Gifts of Equipment or Materials](#) for our internal records. Unless anonymity is specifically requested, the University regards all gifts as a matter of public record.

Valuation of Gifts-in-Kind

All gifts of educational materials and equipment will be valued based upon what it would cost WPI to purchase the item, after any educational discount is taken. When a piece of equipment is provided on a short-term basis, the value of the gift is considered to be the amount that it would have cost the University to lease the equipment for that amount of time. WPI's Office of Corporate and Foundation Relations can assist with valuation if needed. Note that WPI does not provide valuation information to the donor. Please contact the Director of Individual Giving regarding valuation of gifts of real estate or tangible personal (not corporate) property.

Disposal of Gifts-in-Kind

Once donated, the donated item becomes the property of WPI, and the University retains the right to dispose of a gift-in-kind as it sees fit. The University will sell, recycle, dispose of the item, or return it to the donor, at the University's discretion, unless a specific agreement has been made for other arrangements.

Donations of money for the purpose of purchasing equipment

When money is donated to WPI, the money is the gift, not the equipment subsequently purchased with the funds. Equipment, which is purchased with donated funds, is owned by WPI. Equipment purchased with donated or gift funds are not donated equipment and therefore are not subject to any of the procedures detailed in this section of the manual. Also, if WPI purchases a piece of equipment, and a donor then offers to pay for that equipment, it is still a donation of funds, not equipment. Enter MACMAS records for equipment purchased with donated funds as you would any other capital equipment. Call Gifts in Kinds for procedures on recording the donation of money.

Use and Restrictions

WPI must retain all corporate and private donations for at least two years from the date of acquisition unless the donor authorizes otherwise in writing. If the item is disposed of prior to the two year limit, both the donor and IRS may need to be notified. The exception to the two year limitation is material which has a useful life of less than one year. Donations may not be transferred in exchanged for money, other property, or services within 2 years of date of receipt. For more detailed interpretation of these regulations, please contact your PSR.

Equipment provided as part of a grant

Equipment provided in conjunction with or as part of a grant is not a donation. A grant has a set of expectations associated with it, and will detail within it whether specific pieces of equipment will be furnished, loaned, or donated later. Specific handling of these instances may involve assistance by the Office of Sponsored Research (OSR).

Equipment Purchased with Federal Funds

Title Vests with the University

In accordance with federal regulations (Property Standards of OMB Circular A-110) equipment purchased with federal funds must be used for the intended purpose for the duration of the sponsored project. If the award on which an item was originally purchased is still active, the proceeds from the sale of the item must be credited to the sponsored project account and may be used towards furthering the goals and objectives of the sponsored activity. Although most items purchased with federal funds are exempt from further obligation to the government, many federal agencies (such as Department of Health and Human Services, Department of Energy, National Aeronautics and Space Administration and Army) retain the right to transfer title of equipment for 120 days after the expiration of the project period for grants and up to a full year for contracts.

Federally-Owned

Equipment under the University's control for which retention of title is required by the Federal Government.

Equipment Purchased with External Funds

WPI receives support from the Federal Government and other external sources in the form of contracts, grants, and other agreements. Sponsors will sometimes impose unique administrative requirements for property management. All equipment purchases are subject to the terms and conditions of each award. All persons responsible for the purchasing of equipment with external funds should be aware of award terms and conditions. Award information is available from Research Administration, x5359.

In general, scientific equipment purchases with a unit acquisition cost of \$500 or more and having an anticipated useful life of one year or more, and all purchases of general purpose equipment (e.g., computers, typewriters, refrigerators, etc.) require prior approval by the awarding agency. If approval is not specifically shown in the award document or the approved proposed budget, written approval must be obtained before proceeding with procurement. Some federal agencies have delegated the approval authority for equipment to the recipient institution in the award document. To obtain institutional approval by the Manager of Research Accounting, when it is allowed, the PI would prepare a request including a description of the equipment, estimated cost, technical justification, the budget line in which the funds are available within the approved budget, and why the funds are available. A WPI Purchase Order (PO) form (see FORMS section) should be used for this purpose.

According to A-110 guidelines, unused supplies in excess of \$500 need to be credited back to the awarding agency. Asset Management is to be notified of all excess supplies at the completion of contract or grant.

When prior approval is required from the awarding agency, WPI must send a written request. The request should include justification, description and cost of the equipment and the reason for availability of the funds. This letter must be signed by the PI and the Director of Research Administration, and a copy of this letter must be forwarded to the Administrator of AM prior to forwarding the request to the awarding agency.

Federal Screening Procedures

Federal regulations require that existing equipment be fully utilized prior to purchasing similar or replacement equipment.

The University conducts an internal, campus-wide screening of all sponsored projects equipment purchases having a unit acquisition cost of \$25,000 or more. The non-availability of the item of equipment is certified before the equipment purchase is approved.

Items of Industrial Plant Equipment (IPE) having a unit acquisition cost of \$10,000 or more to be purchased under a Department of Defense contract must be screened and approved by the Defense Industrial Plant Equipment Center (DIPEC). DIPEC maintains a database of federally-owned Excess IP equipment which is screened for like or substitutable equipment. The department for which the equipment is being purchased will complete and submit the required

DD Form 1419, "Certification of Non-Availability" to AM for signature before forwarding it to DIPEC to obtain approval of any such purchases.

Items of Automatic Data Processing Equipment (ADPE) having a unit acquisition cost of \$25,000 or more to be purchased under a Department of Defense contract must be screened and approved by the Defense Automation Resources Information Center (DARIC). DARIC maintains a database of federally-owned Excess ADP equipment which is screened for like or substitutable equipment. The DD Form 1851, "Automation Equipment Requirement" must be submitted according to the same procedures followed above for the DIPEC form.

Determination of Fair Market Value

The department receiving the donation is responsible for obtaining and providing to PMO all available documentation for donations of equipment, including a price listing. PMO will then make the determination of the FMV. The donor is responsible for declaring the value reported to the IRS. An appraisal may be required if the donation value is over \$500 (see IRS Form 8283). PMO may adjust or alter the book value when property is discounted. PMO must keep copy of FMV documentation, along with all other donation documentation it receives from donor and department.

New Versus Used Equipment Donation

New equipment must meet all the following criteria:

1. Not having been used prior to receipt by WPI
2. Manufactured by the donor within the last two years

If property is purchased by a third party as a donation to WPI, it must have been invoiced less than 90 days prior to arrival at WPI. Also, equipment is considered "used" if it is over two years old, even if it is in the original unopened box and donated by the original manufacturer. If you receive a "used" donation, see "Determination of Fair Market Value" earlier in this section.

Non-Capital Asset Donations

PMO should be notified of any donations of property, regardless of value. You need not enter donations of equipment with a total value of less than \$500 in MACAMS. These must be processed with a no-cost RPO and all paperwork must be sent to PMO. Departments are still encouraged to send a thank-you letter to the donor and to notify Gifts in Kinds if an official receipt is needed. If you receive a significant donation of materials that are not capital equipment, contact your PSR

Retroactive documentation of donations previously unrecorded

This would apply during physical inventory or as a follow-up to a donor requesting documentation. Contact your PSR for assistance.

Disposal of Donations

In general, you cannot declare any donated item for excess for at least two years after receipt. See Chapter 10 - Moves, Relocations, Transfers and Disposals for Details.

Donation Documents

Each donor's documentation will vary in format and layout, but should contain the donation information listed. The key reference numbers listed in these documents should include:

- Gift or Order Number
- Proposal or Donor Grant Number
- Quote number

It is imperative that all paperwork is gathered at the time of the receipt of the donation. The following list describes the primary types of documents typically associated with a donation:

1. Letter of Intent to Donate: Proposal, Donor Grant, Gift or Reference numbers are usually found on this document. The total value of the donation may also be included.
2. Shipping and Receiving Documents: Paperwork such as packing slips; this document verifies what items have been shipped.
3. Acknowledgement of Receipt of Property and Certification of Use: The Gift/Order number is referenced. This form dictates the restrictions that may apply to the use and disposal of the equipment. It must be dated and signed by the receiving person, who must be a WPI employee (preferably the PI or Department Head).
4. IRS Form 8283: This is a form that the donor uses to claim the donation on their taxes if valued over \$500. The Director of PMO is the only person authorized to sign this form on behalf of WPI, **not the PI!** PMO will only return signed IRS forms to a donor when property is tagged and entered into MACAMS.
5. Quotation List: This form looks like a shipping document; it will state "Quotation" at the top. This is not to be used as or in place of Proof of Value (#6) or Shipping/Receiving Document (#2). It has a quote number and may reference a proposal number. This can be used when no other document is available with a dollar value.
6. Proof of Value: External Order Master. Both the Gift/Order and Grant ID number are referenced. This states the value of the donated item(s) listed. Use this form to write the WPI ID number assigned to the donated equipment and its accessories. This is a list of equipment to be sent. It should not be used as a shipping/receiving document (#2).
7. Other related paperwork: Be sure to send any other paperwork that might pertain to the donation to the PMO.

Property Loaned to WPI

A loan is property which has been provided to WPI free of charge, for a specified period (short or long term), by an institution or individual. A loan of property to WPI must have a beginning date and an end date. There are always terms and conditions that exist and must be approved by

PMO or by Procurement. While the property is in WPI's possession it must be cared for in the same manner as purchased or donated property. This includes tagging the property with a WPI barcode tag and creating a property record in MACAMS. Regardless of dollar value, input all incoming loans into MACAMS.

Loans from Manufacturers

An equipment loan coming directly from a manufacturer must be processed through Procurement. A loan occurs when WPI receives free use of equipment. A manufacturer may lend WPI experimental or prototype equipment that needs testing under regular operating conditions. Even though no payment is involved, other liabilities, such as insurance coverage and repair costs need to be covered by a loan agreement negotiated by Procurement.

To arrange a loan, departments must submit an online requisition to Procurement. In addition to the standard information, the requisition should include:

- Complete description of the property
- Length of time the property will be kept
- Market value
- Whether the department may at some time wish to purchase the item

Other Loans – Sponsor-Furnished Property

PA will approve the loan of property in circumstances where it is loaned by a sponsor to the University. Sponsor-furnished property is defined as an agreement between WPI and a sponsor for a specific purpose. If no loan document was provided by the property owner, Property Administration will complete the loan form; This loan number will also be used as the agreement number in the "Associate Assets and Agreements" section of MACAMS.

If a loan document was received with the property, provide the document to PA for entry into MACAMS.

1. Ideally, the department should contact the PA announcing the arrival of this property at WPI; However, what often occurs is the property is found during an office or lab walkthrough, or is added to MACAMS during a physical inventory. If this happens, the documentation must be acquired "after-the-fact" to complete records in MACAMS. Through communication and education, this latter scenario should be reduced in the future.
2. The PA requests all documentation available for each piece of property, including the original institution tag number, if available, and nomenclature (item description), and forwards copies to the Property Management Office. The PA will also complete the loan form. The loan number will be provided by PA; This loan number will also be used as the agreement number in MACAMS.

3. PA determines whether additional documentation is required, and forwards this information to the PA before the records are created in MA. PA will research restrictions and provide guidance.
4. The PA creates an MA record. Some fields will be completed with "default" data; the PSR will either complete these fields or provide the data to the PA to complete, after PA has determined the values.
5. If any loaned property will be used in an off campus location, the PSR must determine that it is authorized and the PA must ensure a WPI Off-Campus Equipment Verification Worksheet has been completed.

Incoming Transfers of Property from other Universities or Entities

WPI occasionally receives property from other universities when faculties transfer their research to WPI. Ownership (title) and accountability for property transferring to WPI is determined on a case by case basis. Ownership may vest with WPI, or it may remain with the sponsor and be considered Government Furnished Property (GFP) under a specific sponsored project.

Incoming property originally federally funded should be transferred to WPI at no charge (WPI may be responsible for shipping and handling fees). If the Fair Market Value (FMV) of each asset being transferred is over \$500, it is considered a donation to WPI and the receipt and recording process outlined in the Donation section should be followed. The organization transferring the property to WPI must provide a property listing, including at least the following information:

- Transferring institution tag number
- Nomenclature (description)
- Model number
- Serial number
- Original acquisition cost
- Original acquisition date
- Last accountable agreement
- Original source of funding

If this information is not provided, your PSR should be notified so they can contact the property department at the transferring institution. Occasionally property is transferred to WPI at a negotiated cost. This property must have been originally acquired by the releasing organization with unrestricted or institutional funds. These items must be clearly identified under the original source of funding. When this occurs, WPI must issue a purchase requisition and the releasing organization must issue an invoice. WPI Procurement should be contacted, prior to issuing a purchase requisition, to established the FMV and provide guidance for the proper handling of each transfer.

Donated Equipment Transfers

IRS requirements may need to be fulfilled if the property being transferred to WPI was originally donated to the releasing organization. If the releasing organization did not complete the required two year IRS possession requirement, they must provide WPI with a completed IRS form 8283 and request the original donor to notify the IRS of the transfer on an IRS form 8282.

Reference:

- Incoming (WPI Borrower)
- Outgoing (WPI Lender)

Equipment Leases

Regardless of how it is acquired, capital assets in WPI's care must be tracked and maintained. Leased equipment must be handled in this manner. A lease of equipment is similar to a loan, in that it is not owned by WPI, but is being used by WPI and may eventually be returned to the original owner. It is different from a loan in that there is a monetary payment for the use of the equipment. However, if the lease payments are in aggregate \$200,000 or greater, the lease may be considered capital for accounting purposes.

Tagging and Recording Leased Equipment

All "capital-type" leased equipment must be tagged with a WPI barcode tag and recorded in MACAMS. What is "capital-type" equipment? Ask yourself this question, "If I were to purchase this item, would it be considered capital equipment?" If the answer is "yes", then tag the equipment and enter the information into MACAMS. For example, a copier that, if purchased, would cost more than \$500 would be an example of "capital-type" equipment. For accounting purposes, however, the payments are expensed.

Capital Equipment Leases

A capital equipment lease is capitalized if the total value of the payments excluding any transportation costs is \$200,000 or more, and at least one of the remaining four criteria are also met:

1. Ownership of the leased property is transferred to WPI by the end of the lease term
2. The lease contains a bargain purchase option
3. The lease term is substantially (75% or more) equal to the estimated useful life of the leased property
4. At the inception of the lease, the present value of the minimum lease payments, with certain adjustments, is 90% or more of the fair value of the leased property.

If an equipment lease is less than \$200,000, we treat it as an expense item as discussed above.

Disposing Leased Assets

See Chapter 10 - Moves, Relocations, Transfers and Disposals for details on the different ways to dispose leased assets.

Sponsor or Government Furnished Property

Sponsor or Government Furnished Property (GFP) can be either equipment or material. All Government Furnished Equipment (GFE), regardless of value, must be input into MA. You must first obtain a PA assigned voucher number before entering the information into the MA.

Government Furnished Material (GFM) is normally provided to the University in support of a fabrication and used within a sponsored project. The PA is responsible to receive, control, and account for GFM in WPI's PA Material Tracking System.

Property that is provided to WPI for use on a sponsored project is technically called "furnished property". Furnished property is not a loan. Furnished property is accountable and reportable on a sponsored agreement. Accountability of the property to the sponsored agreement can be established at the inception of the agreement or by a modification at a later date.

Ownership of furnished property remains with the sponsor and is identified on an active agreement, as identified by the sponsor. Acquisition of furnished property is initiated by the PI and assisted by the PA, and processed through the Office of Sponsored Research (OSR). The Contracting Officer will direct the inter-contract transfers in accordance with authority stated in the releasing and gaining agreements.

In order to process transferred or loaned GFP, you need one of the following Department of Defense (DoD) shipping documents:

- DD Form 1149 - Shipping and Receiving (Used GFP) see sample at the end of this section
- DD Form 13481 - Shipping/Receiving (Used for equipment newly acquired by the government)

AND

- A Bill of Lading or a freight bill provided by the shipper, if furnished from outside WPI

For non-DoD agencies or sponsors, you may only require a letter of transfer of accountability.

Chapter 3-Fabrication of Equipment

The fabrications process is one of various methods by which property is “acquired” at WPI. Due to the specific requirements surrounding method of acquisition, they are addressed in this chapter exclusively. Herein we address the business process, accounting, and reporting requirements associated with equipment fabrication at WPI, whether they are developed for use on the project or intended to be deliverable end items to the sponsor.

Application of these guidelines is required for fabrications developed on federal contracts. It is optional, but may be used, for fabrications developed on grants or other sponsored projects.

Definition

A fabrication is not something routinely configured at a store or assembly facility; it is a one-of-a-kind creation. Fabrications are used to meet unique research or testing requirements and are typically classified as Special Test Equipment or Special Tooling by sponsor agencies.

Fabrications are created by assembling a number of components (manufactured or custom made) to produce a piece of equipment that meets unique research specifications.

Most fabrications are sponsor-funded and therefore have a number of compliance requirements related to acquiring and tracking individual pieces of equipment in an assembled fabrication.

An equipment fabrication must meet all of the following criteria:

- Be a unique, one-of-a-kind item, fabricated by WPI
- The aggregate cost of materials, supplies, and components must be \$500 or greater and is included as part of the acquisition cost for the completed asset
- The cost of associated labor is included as part of the acquisition cost reported for the completed asset
- Upon completion, have a useful life of more than one (1) year; or, if on a NASA contract, two (2) years

Policies

WPI must capture and report the costs of materials, supplies, components, and labor related to bringing the fabrication to completion for initial use.

Each fabrication on a Sponsored federal contract will require a FAB task on a capital project and a burdened fabrication task. The task number for both tasks will include the four-digit FAB number assigned by PA to facilitate reporting. Throughout the fabrication process, project personnel must appropriately charge expenses for materials, supplies, labor and other associated

costs to each appropriate fabrication task. Upon completion of the fabrication, the tasks will be closed and total cost reported is included in the subsequent asset record.

All directly related costs associated with a fabrication will be accounted for under the designated project tasks and will be available for sponsor reporting (see below for types of allowable expenses). Costs required to bring the item to completion shall be properly documented, supported and retained; supporting documentation shall be made available for audit upon request.

Upon completion for initial use, the fabrication is “capitalized” and subsequently tracked as an asset in MACAMS Assets. Changes made to completed fabrications are considered modifications and accounted for as a separate task. WPI will not capitalize labor and other indirect costs associated with a fabrication; this information is collected and available for sponsor reporting and property management records only. Ongoing maintenance or repair costs are not included as part of the acquisition cost of the fabrication.

Expenditure Types for Fabrications

Materials and supplies for a Fabrication Task should always be charged to the following Expenditure Types:

Capital and Burdened Fabrication Tasks

Instructions for appropriate charging of expenses to either one of these fabrication tasks is provided at the department level for each federal contract. The table below is provided to clarify specific types of expenditures that are appropriate for each task.

Capital Project Task Burdened Fabrication Task

- Fabrication components
- Startup supplies and parts to be incorporated in or otherwise consumed in the research and development and associated fabrication process
- Freight and handling
- Third party installation charges (i.e.: vendor or manufacturer)
- *Labor and other direct or indirect costs associated with fabricating the asset
- Engineering, architectural, and other outside services for designs, plans, specifications, and surveys
- Travel directly related to the fabrication
- Acquisition and preparation costs of structures and other facilities
- Legal and recording fees and damage claims

Accounting for Labor Cost for Fabrications

Appropriately accounting for labor costs associated with each fabrication will be critical for sponsor reporting on federal contracts. Collecting this information will be accomplished through the Labor Schedules in the Labor Distribution system. Each department establishes and communicates procedures for timekeeping.

Individuals typically charging time (e.g. directly related or hands-on labor) to a burdened fabrication tasks include:

- Research Assistants
- Professional and hourly technical staff
- Research Associates
- PostDocs

A Principle Investigator's general project supervision and oversight time is not charged to a burdened fabrication task.

Departments should establish procedures to follow for making any adjustments to the amount of salary expense charged to fabrication task. Adjustments, if needed should be completely in a timely manner.

Review and adjustment procedures could follow 3 scenarios –

1. PI requests adjustment to % charged before the end of a pay period; Labor Schedule adjusted.
2. PI requests adjustment to % charged following monthly review of Expenditure Statements. Journal transfer is processed.
3. PI requests adjustment to % charged following quarterly Expenditure Statement certification review. Journal transfer is processed.

Completion and Identification of a Fabrication

A fabrication is considered complete when initially placed in operation specifically the first time it is used in the performance of the task/test for which it was designed. Upon completion of a fabrication, the PI shall provide a Fabrication Completion Verification Request Form to the Property Administration (PA). Each completed fabrication is "capitalized" and a property record, using the assigned WPI ID barcode number, is created in MACAMS by the PA.

The Property Administrator (PA) is responsible for the ongoing update and completeness of the record. Ancillary items or easily removed components, if taggable, should have a fabrication tag applied with the FAB number, the PO and the line item number on the PO.

Ongoing maintenance or repair are not included as part of the acquisition cost of the fabrication. In some cases, the sponsor may approve maintenance or repair as an allowable direct charge to

the project. Should this be the case, it is still excluded from the acquisition cost of the fabrication.

Upon completion of the fabrication, project personnel should identify any residual material for potential reassignment to another fabrication or declare it as excess for final disposition.

Completed equipment fabrications will be included in the rolling physical inventory as assets.

Modifications to Completed Fabrications

Once a fabrication becomes a capitalized asset, enhancements and modifications are considered upgrades and will be identified separately in the GA system by a new Project Task Award (PTA) combination.

The completed modification is tagged with an WPI barcode, recorded as an asset, or if applicable, associated with the original fabrication as a child asset.

Fabrications provided to Sub-recipients

Fabricated equipment provided by WPI to sub-recipients must be documented. For government-owned property, a DD1149 form must be used to document the transaction. A signed copy of the form is maintained on file by the designated project personnel or the Property Administrator. In all cases, the PA should be kept informed as to the property activity on a federal contract.

Fabrications accountable to sub-awards will be identified, tracked and reported by the Sub-recipient to WPI's Property Administration in accordance with the terms and conditions of the sub-award issued by WPI.

Reporting for Fabrications

Reporting should include the costs accrued for both the Capital Project Task and the associated Burdened Fabrication Task. One example of a useful report regarding the transactions charged to fabrication tasks is the Capital Equipment Expenditure Transaction (CEET) report.

After completion and capitalization, the asset reporting for a fabricated item will be performed in MACAMS.

Chapter 4 - Receiving

This chapter is under final review and will be available soon. For guidance until the chapter is available please contact Property Administration.

Chapter 5 - Identification

One of many important tasks assigned to the Property Administrator is to correctly, and in a timely manner, affix identification decals to property which the university owns or is otherwise responsible or accountable for. Correct and accessible identification serves the following purposes:

1. Assigns a unique number with which an item can be tracked throughout its life cycle
2. Clearly displays ownership of the item
3. Provides a standard reference for asset custodians or users to provide the Property Administrator when referring to a particular asset
4. Facilitates the performance of physical inventories and disposals
5. Helps deter theft

The Property Management Office provides the official university identification decals. This includes barcode numbered decals and various supplementary overlays or labels used to further specify ownership or type of asset. In some cases, a Sponsor may provide additional specific identification decals to be affixed to property they own. In addition, some departments elect to provide their own additional identification numbers or labels.

The unique barcode number assigned to each item of equipment is the official identifier used in the MACAMS property database for tracking the item throughout its life cycle.

Other identifiers, such as sponsor-provided identification or departmental tags are included in the property record either as the “sponsor ID”, or as “Department ID”, respectively.

Property Identification (also referred to as “tagging”)

Each item of equipment must be identified with a unique bar-code tag bearing the correct university asset tag number. In addition, items of federally-owned equipment must be identified with federal inventory tags as outlined in the Federal Acquisition Regulations, subpart 45.5 upon acquisition. This tag should be placed in a location on the item where it can be easily found, clearly read and where a bar-code scanner can easily scan the tag.

The following property requires tagging and recording in the MACAMS property database:

- All WPI-owned capital equipment

- All government-owned or government-furnished equipment for which WPI is accountable, regardless of cost
- All equipment owned by a third party (other than the federal government) for which WPI is accountable. Examples include loaned or leased equipment
- All donated capital equipment

Note: These are donated equipment having been assigned a fair market value (FMV) of \$500 or more by the Property Management Office (PMO).

Additional Property That May be Tagged and Tracked in MACAMS

In addition to the property that requires tagging (see above), departments may elect to tag and track the following non-capital assets in MACAMS:

- Sensitive property (refer to the Sensitive Property section)
- Non-capital items the department may want to have a higher degree of control over, such as digital cameras, laptop computers, projectors, or other easily saleable items
- Hazardous or Electronic Waste, as defined by the Massachusetts Permitting Guide:
 - Hazardous materials are defined as ignitable, corrosive, reactive, and/or toxic. Regulatory requirements for shipping and storage differ, depending on the amount and type of hazardous material generated.
- Items that may have been exposed to contaminants, such as incubators, centrifuges, or other scientific equipment used with biological or other hazardous products. These have special requirements for disposal.
- Refrigeration units, which have Freon or other cooling agents in them, and therefore also require special handling for disposal.

Tag Placement and Untaggable Items

Identification decals must be placed on the equipment in a location that is readily visible and accessible for verification and scanning, preferably the upper right hand corner of the asset. If this area is not available, another easily visible and accessible location should be used. Care should be taken not to place the identification on a removable section or panel as they can be interchanged during maintenance and result in the incorrect association of an identification number with the asset.

In cases where the identification decals cannot be affixed to the item, it should be placed on a printed copy of the property record and maintained on file by the Property Administrator that can be made available for verification during the physical inventory verification. The “Untaggable” designation must be completed on the MACAMS record adjacent to the Asset Identifier field. Examples of cases where the item may be untaggable include items whose functionality would be impaired by affixing the decals, items that are used in environments that prevent the decal from being affixed (e.g. clean rooms, exposure to oils or high temperatures), and items too small to accommodate the decals.

Selecting the Correct Identification Decals

The following table defines what type of identification to use for each type of equipment requiring tagging:

Table 1: Selecting the Correct Identification Decals

Equipment Categories	Required Equipment ID Decals			Optional Decals
	WPI Barcode ID	Government Strip	Sponsor provided ID	Dept. Tag Number
WPI-owned capital equipment, including donated equipment	Yes	No	No	May be placed on any asset at the discretion of the department
Government-owned or government furnished equipment	Yes	Yes*	If required by sponsor	
Equipment owned by a third party other than the federal government	Yes	No	If required by sponsor	

*Note: If title transfers to WPI, this marking is removed

The user must notify the PMO when there has been a title transfer for equipment. It is very important that current "owner" is updated not only in the WPI record, but also on the equipment via the proper identifying markings.

When title to government-owned equipment transfers to WPI, the blue strip identifying it as "government owned property" is replaced with a red strip identifying it as "Title Transferred to WPI".

Marking WPI-owned Non-capital Property

Many departments elect to tag and track WPI-owned non-capital property. If so, a non-capital overlay is placed over the barcode decal. It is recorded in MACAMS with the "non-capital" flag selected. This will provide the department with all the data management features of MACAMS for the item(s) and establish a way to exclude the item from the university's biennial physical inventory of capital and sponsor-owned equipment.

For non-capital items the department does not elect to tag and track, it is strongly recommended that an overlay decal be affixed to the item with the PO number on which the item was purchased annotated in the “window” of the overlay. Doing this will reduce confusion to auditors and inventory analysts, which will in turn reduce the volume of reconciliation items for the Property Administrator. It will also provide a quick reference to the acquisition cost of the item.

Identifying Incoming Property Transfers

Items transferred to WPI from another institution will have their tags removed and WPI.ID barcode tags placed on them. Please do not confuse "loaned" property with "transferred" property. A loan will eventually be returned to the owning institution; a transfer becomes the property of WPI. In addition to re-tagging the equipment, an update to MACAMS should reflect the following:

- Title Vest update (performed by PMO)
- Put a note in the Comments Field of MACAMS to reflect the removal or overlay of the sponsor tag (performed by the Property Administrator).

Identifying and Tagging Accessories

Accessories costing \$500 or more which are easily separated from the main item should be tagged and recorded into MACAMS as individual items. They are tagged with regular WPI.ID barcode tag.

If the accessory does not meet the capital threshold or cannot be separated, tag the main item with the university barcode, and add the value of the accessory to the main item in MACAMS. This ensures that the recorded value of the entire item is accurate.

Identifying Computer Equipment

Computers pose unique challenges. Individual computer monitors (costing less than \$500), keyboards and mouse are not considered stand-alone; they are considered part of a computer workstation. Computer memory, memory enhancements, external drives and operating software are considered part of the CPU within a computer workstation; their cost is included in the cost of the CPU. For identification purposes, the CPU box is tagged and tracked as the main unit within a computer workstation even though the box itself cannot typically function without an attached monitor and keyboard. As such, the purchase of a new CPU costing \$500 or more is considered a complete unit and will be tracked in MACAMS. Monitors costing \$500 or more are tagged and tracked as capital equipment.

Ideally, a computer workstation is purchased as a "bundle" on a single requisition. It is tagged and tracked as a single item. Where this is not possible and the various components of the workstation are purchased at the same time but on separate requisitions, the cost of all the requisitions are combined and recorded under one tag number assigned to the CPU. If this occurs, all purchase order numbers associated with the workstation must be listed on the property

record. Apply the Bar-Coded Tag to the front of the CPU and any associated overlay tag as deemed appropriate, such as government-owned, donated, etc. For audit purposes, apply the Non-Inventory Tag on the monitor and reference the CPU bar-coded tag number, as well as the PO number. It is not necessary to use the non-inventory tag on keyboards or mice.

Software

Software is not capitalized unless it comprises the operating system of the asset, such as Windows, where its cost is captured as part of the computer. The exception is if the software cost is \$500,000 or more in which case it is considered capital but is an “untaggable” asset. It is assigned an identification number, recorded in MACAMS as an “untaggable” item, and the barcode decal affixed to a printed copy of the property record. A copy of the record is kept on file by the Property Administrator and made available for verification during physical inventories or audits.

Personally Owned Property

Risk Management will not insure personal property of faculty, staff, or students, even if it is being used on the WPI campus in support of WPI business. For details on what is or is not insured by the University, please contact the university compliance officer, Michael Curley at ext. 6919. Personal property should always be clearly labeled as such while it is in a WPI facility.

Removal of Barcode Decals and Overlays

The Property Administrator should only remove WPI identification decals when an item is:

1. Returned to the manufacturer for replacement
2. Used as a trade-in towards another purchase
3. Returned to the sponsor or other third-party owner

PMO is responsible for removing identification decals when an item is sold or processed for scrap by PMO.

Replacement of Lost Identification Decals (Tags)

A replacement for a WPI.ID tag that is damaged or lost may be obtained by the Property Administrator. Only PMO can issue replacement tags.

References and Resources

- University Compliance Officer, Michael Curley ext. 6919

Chapter 6 - Records

When it becomes necessary to change existing data information (for example, change in condition, responsible person, description, etc.) an Inventory Control form (see FORMS section) should be completed and forwarded to AM.

This chapter is under final review and more information will be available soon. For guidance until the chapter is available please contact Property Administration.

Chapter 7 - Physical Inventory

Physical inventories of property are conducted at WPI to verify the accuracy of the property records in MACAMS Assets (WPI) and the PMO Material Tracking System as well as the existence and activity status of the assets. Results of an inventory provide an excellent overall assessment of the effectiveness of the property management system at the university and the level of compliance with established policies and procedures. Data is used in various management reports, including financial statements, ONR and sponsor reports, and data presented to the Board of Trustees.

A. Biennial Inventory

WPI is required by the Federal Government to perform a physical inventory of its property at least once every two years. This requirement is part of the Office of Management and Budget (OMB) Circular A-110. In addition, the University, for institutional management purposes and for insurance purposes, needs to know the status and value of its assets. Each department will be placed on a schedule and will receive an inventory listing and instructions, and a copy of completed inventory listings.

B. Rolling Inventory

Each department will assist in conducting a rolling physical inventory of all equipment as requested by AM in accordance with University and/or sponsor requirements. Such an inventory shall verify the existence, location, current utilization and continued need for the equipment. Discrepancies between the listing and the physical inventory shall be investigated to determine the nature of inconsistency.

Specific performance objectives and goals are defined in the operational instructions for the physical inventory. They are defined at the beginning of each biennial inventory cycle or at the beginning of each special inventory and are made available at the pre-inventory planning meetings.

When a Property Administrator maintains good property management practices on a routine basis, the physical inventory is truly a matter of verification and should pose little stress or inconvenience on the department. Good property management practices, considered routine in the day-to-day operations of a department, include but are not limited to:

- Tagging and recording in MACAMS all capital, sponsor-owned, donated or leased property within 14 days of acquisition
- At the Department's discretion, tagging and recording non-capital **Sensitive Property** to facilitate basic tracking and correct disposal processing
- MACAMS records are updated with new locations, custodians, and use status
- Off-Campus Equipment Verification forms are filled out and updated annually
- Excess requests are processed via MACAMS on a timely basis

These tasks should not be rushed through in the few weeks prior to the inventory, and are not performed just "to pass the inventory".

Composition of Database

The Inventory database contains the following data information for each item of equipment.

Asset Data:

- Tag number - the identifying number assigned to the asset
- Item code - the code that indicates the inventory item type. Each item code has a corresponding one word description of the item type
- Eqpt class - the code that indicates the equipment class
- Replacement cost - the cost to replace the item with a new, like item
- Vendor - the company or group from which the asset was purchased
- Room Tag - the room tag identifies a building and room
- Manuf - the manufacturer of the inventory item
- Model - the model description of the item
- Serial # - the manufacturer's serial number
- Old tag number - the pre-bar-coded asset tag number, if any
- Age - the age of the inventory item in years
- Condition - a condition code with a description:
 - 5 Equipment presently in use
 - 1 Equipment not in use
 - 6 Equipment which has been declared surplus
 - 7 Equipment excluded from the Facilities and Administrative Costs (F & A)
 - 0 Unlocated equipment
- Untagged? - a declaration by the department that the asset cannot be tagged, once that the presence of the asset is confirmed, the PO will be tagged

Ownership Data:

- Dept - the code and description of the department to which the item is assigned
- Resp per - the code and description of the person to which the item is assigned

- Own #2 - the code and description of the secondary person to which the item is assigned
- Agency - the code and description of the source from which the funds were made available.

Acquisition Data:

- Method - the code and description of how this item was acquired
- Approval Date - the date the purchase requisition for the asset was approved
- PO # - the purchase order number with which this item was purchased
- Requisition - the purchase requisition number with which this item was purchased
- Voucher - the number of the voucher or check used to pay for the asset
- Voucher Date - the date of the payment voucher
- Date - the date the purchase of the asset was completed
- Cost - the acquisition cost of the item

Other Available Data:

- Links - one asset may be associated with another. Linked assets are comprised of base and sub-asset link type
- Accounts - the account and amounts for acquisition of an asset
- Extended Description - the full description of an asset

Inventory Frequency and Schedule

WPI is required to conduct a biennial Physical Inventory of its capital equipment and sponsor-owned property. This two-year cycle coincides with WPI's fiscal year (9/1/xx – 8/31/xx), for example, the current period for the biennial inventory cycle is September 1, 2009 – August 31, 2011. In addition, rolling inventory will be conducted throughout the year for various purposes such as the verification of stockroom parts, to update locations in WPI due to organizational changes or physical movement, or to inventory equipment at a sub recipient facility.

Developing and managing the schedule for physical inventories is the responsibility of the PMO Physical Inventory Administrator.

Inventory Methodology

Physical inventories are primarily done on a 100%, wall-to-wall basis for assets meeting the criteria listed below. With specific approval from the Property Administrator, alternate methods such as sample inventories may be used for special inventories.

The base records for the biennial physical inventory are derived from records in MACAMS. At least one of the following criteria must be met for assets to be included in the physical verification and reconciliation during the biennial physical inventory:

1. All sponsor-owned property (equipment or material)

2. WPI-owned capital equipment having a remaining net book value greater than "zero"

(Note, capital equipment having a remaining net book value of "zero" will be inventoried if encountered, but reconciliation is not mandatory and the results will not be included in the reports for the biennial inventory.)

3. Leased or loaned property for which WPI is accountable

In addition to the assets described above, the MACAMS database also holds many records for property accountable to WPI – assets that each department elects to record and track to facilitate life-cycle management, enable more effective replacement planning, or sensitive items that need to be disposed of through the MACAMS excess request process or with Environmental Health and Safety's recycling program. These assets will be inventoried if encountered; however, reconciliation and resolution to missing items in this category is completely the responsibility of the accountable department or their Property Administrator. Inventory results for assets in this category are provided as administrative information only and may be used for trends analysis; they will not be included in the results of the biennial inventories.

Property Administrator conducts the inventory. Each asset physically verified during the inventory is marked with an inventory decal. Preliminary results are reported the Property Administrator within 3-5 business days after the completion of the initial sweep through the department or designated area. The Property Administrator will be informed of any discrepancies and is responsible for providing resolution to each item listed. PMO will make adjustments to the records if necessary, and take appropriate actions with the sponsor.

Verification of the existence and accountability of the property is done through one of the following methods:

- For equipment, electronic scanning of the barcode decal or barcode number and physical verification of specific attributes (see below).
- For government-owned or furnished material, quantities are verified in a method appropriate to the type of material.
- Review and data entry from a valid off-campus worksheet (must have been updated within twelve (12) months of the inventory date), sign-out logs, or DD 1149 forms.
- Documentation in "untaggable" binder/file
- Other acceptable transaction supporting documentation, as agreed by the Property Administrator

Attributes verified and reconciled to the property record include (at a minimum):

- Equipment barcode number or material part number
- Sponsor ID number, where applicable
- Description

- Manufacturer
- Model Number
- Serial Number
- Location
- Use Status
- Condition

Inventory of Government owned or furnished material (GFM)

A physical inventory of GFM accountable to sponsored projects is conducted biennially using the methodology discussed above. It is performed within the period of time allotted for the biennial inventory for equipment on the project, unless otherwise required by the sponsor or the circumstances.

Material items are not usually bar-coded. Quantities are verified in a method appropriate to the type of material. The inventory of GFM is limited to the balance on hand items. Records for material will be maintained by a departmental representative in the PMO Material Tracking Database, unless otherwise authorized by the Office of Naval Research or the Sponsor. (See Records chapter).

Inventory of Government owned or furnished property at subcontractor facilities

Government-owned property at subcontractor facilities, for which WPI is ultimately accountable, must also be inventoried in sync with the biennial inventory schedule, or as otherwise required by the accountable sponsored project. PMO will work closely with the subcontractor to ensure the inventory is completed and reported as required by the sponsor requirements.

Inventory of "untaggable" Property

Untaggable assets (see Identification chapter) that meet the eligibility criteria discussed above are also subject to verification during physical inventory.

Personally Owned Property

We recommend that staff members who have personal property on campus clearly identify on the equipment that it is not WPI property and who it is owned by, including a contact phone number. This will make the inventory process easier and eliminate the mistake of the equipment being inventoried. The University does not provide insurance coverage for personal property of faculty, staff or students; for questions on the University's policies on property liability and insurance, contact the compliance officer Michael Curley at ext. 6919.

Reconciliation and Adjustments

The results of each inventory must be reconciled, posted to the respective property record, and reported. Within 3-5 days after the completion of the initial sweep through a department or designated area, preliminary inventory results are provided by the Physical Inventory Group to the Property Administrator and PSR. This hand-off initiates the 30-day reconciliation period

during which a resolution will need to be provided for all ~~open~~ or ~~unfound~~ assets on the listing. Extensions to the reconciliation period are granted on an exception basis only and must be requested in writing by the Property Administrator or their supervisor to the Director of the Property Management Office within 5 working days of the receipt of the preliminary report. The request must include the following information:

- Inventory Name
- Original reconciliation due date
- Requested extension period
- Reason for extension

The Property Administrator is responsible for providing final resolution to each noted discrepancy. All property on record must be accounted for. Items found during the physical inventory period that were not on record are considered to be potential ~~adds~~ and must be resolved during the 30 day reconciliation period. Each asset verified has an inventory posting reflected on the property record.

Every effort must be made to locate items not found during the initial sweep. For areas having sponsor-owned property, the Principal Investigator (department personnel) should provide support and assist in communicating the need to locate or otherwise account for the missing items. Items located by the Property Administrator or department staff must be scanned or physically verified. For items not found or accounted for during the reconciliation period, the PI must provide a written confirmation to the PMO of the efforts made to locate the assets and the potential circumstances leading to the items being missing.

Inventory results for all sponsor-owned property is reported to the sponsoring agency by the PMO within 30 days of completing the reconciliation for the inventory in accordance with the appropriate sponsor/government regulations. This information is reported on an award-by-award basis and will also including details on any sponsor-owned property not found during a biennial or special inventory. (See details in the Chapter 10 - Moves, Relocations, Transfers and Disposals). The records are adjusted in accordance with the instructions provided by the sponsor. If in the future the item is located, the Property Administrator must inform the PMO to reinstate the record and notify the sponsor.

At the completion of the biennial inventory cycle, the PMO assigns each item of WPI-owned property not located a resolution of ~~missing during XX biennial inventory~~ in the MACAMS record. The activity status is ~~inactive~~; however, they are not ~~retired~~ in the MACAMS record unless not found during two consecutive biennial inventory cycles. WPI-owned assets retired as a result of not being found during physical inventories and subsequently found are reviewed for potential reactivation; sponsor-owned assets are reactivated and the sponsor notified.

Inventory Results and Reports

Results of a physical inventory are posted to the property record and reports are generated within 30 days after the completion of the reconciliation period. After analyzing the results for each inventory, corrective actions for property administration practices may apply.

Report distribution may include, but is not limited to, the following:

- Accountable department
- Principal Investigator (where applicable)
- Sponsor or cognizant agency
- Controller's Office
- Dean or equivalent area Vice President
- Associate VP for Research Administration
- Risk Management, as appropriate
- WPI Police Department (missing items only)
- PMO physical inventory file

Content and format of reports may vary, depending on the needs of the receiving department, the sponsor, or the cognizant agency. Almost exclusively, reports of physical inventory for property accountable to federal contracts are reported on an award-by-award basis. Additional details on inventory reporting may be found in the Reports Chapter of this manual.

Property Administrator Preparation for Inventory

As with most tasks, preparation is a key factor to success of the inventory. If departments follow a few routine steps, the inventory should move very smoothly with few errors. To prepare, Property Administrator should follow the listed below (these tasks should be performed as a matter of routine, not just prior to the inventory).

- Identify Assets with proper tagging procedure (see Table 1: Selecting the Correct Identification Decals)
- Add new and donated assets (over \$500) as well as sponsor-funded assets into WPI or the PMO Material Tracking System, as applicable
- Identify non-WPI assets (including employee-owned assets) with some identifying marking
- Ensure fabrication components have been identified
- Ensure all assets requiring additional identification (e.g.: donation, government asset, etc.) have been labeled appropriately
- Ensure all assets located off campus are identified on "Off Campus Equipment Verification Worksheets"
- Ensure all Off Campus Worksheets have been updated and signed by the Property Administrator within the last 12 months

- Identify untaggable assets
- Ensure all WPI records correctly identify whether or not an asset is untaggable
- Ensure your "Untaggable Assets" binder or folder has been updated (all new untaggable assets have had a barcode tag affixed and are in the binder, and any assets on disposal have been removed from the binder)
- Post excess items on the interdepartment-market bulletin board and initiate a WPI Excess Request (ER) for any assets that are not requested for reutilization by another department. If another department will reutilize them, process accountability transfers prior to the physical inventory.

Pre-Inventory Meeting – A Key to a Successful Inventory

As the next inventory cycle begins and throughout the rolling inventory, the Property Administrator will schedule a Pre-Inventory Meeting. During this session, the Physical Inventory procedures, ground rules and schedules are finalized in cooperation with local department representatives. The meeting usually takes place 2-4 weeks prior to the actual inventory activities. Attendees at the Pre-Inventory Interview may vary by department, but following are the participants who should attend:

- From PMO:
 - The Inventory Administrator (or designated alternate)
- From the Department:
 - The Property Administrator
 - The Department Chair or a Senior Administrative Manager
 - Inventory Escorts (people who will walk through the space with the inventory team; this could be administrative personnel, lab managers, other staff members, or students)

A few weeks prior to the inventory, the Property Administrator should:

- Notify the Dean or Area Director, colleagues, associates, fellow staff and faculty members of planned inventory dates. Methods to accomplish this include email announcements, presentations at local staff meetings, and posting of information in labs/department areas
- Ensure the untaggable assets file is up-to-date and readily available for the inventory team
- Identify all locations of the Department's assets (including offices, storage areas, labs, off-Campus sites, etc.)
- Collect and have copies available of the "WPI Off-Campus Equipment Verification Worksheets" forms for inventory purposes. Ensure these forms have been updated and signed by the Property Administrator within the past 12 months.

- Obtain (have available) current floor plans for all areas to be inventoried. Ensure the Space Coordinator has updated all building space changes in the FAMIS database prior to inventory visit. Check the Facilities Website for maps and floor plans.
- Identify areas within your department that need special attention or precautions, such as:
 - Lab areas
 - Clean Rooms
 - Confined spaces
 - Patient treatment areas
 - Radiation zones
 - Biohazard areas

The week immediately preceding the physical inventory, the Property Administrator should:

- Remind colleagues, associates, fellow staff and faculty members of planned inventory dates
- Advise colleagues, associates, fellow staff and faculty members to prominently label all personal items
- Arrange for escorts with the necessary keys, door codes, etc. to accompany inventory takers on pre-scheduled inventory day(s)
- Post notices in all areas scheduled for inventory
- Ensure property records are updated – newly received property is tagged and recorded, location/condition/status information is current, and asset custodians are correct.

References and Resources

- Off Campus Equipment Verification Worksheet - to obtain this form, contact the Property Administrator: Clarence Plant in Asset Management, Basement of Founders Hall, 508-831- 5137

Chapter 8 - Utilization, Storage, Movement, Maintenance and Calibration

Property, purchased by WPI, provided by a Sponsor, donated or otherwise accountable to the University, is to be used in direct support of University business and research activities or as otherwise authorized by the owning Sponsor. Every effort should be made to maximize the use of an asset during its life and to initiate reutilization or disposal activities in a timely manner when the item becomes excess to the accountable department or project. When storage of property is necessary, care should be taken to ensure the method and location of storage are adequate for the type of items being stored and that they are secured in a manner which will prevent loss, damage, or destruction to the property. The Property Administrator is responsible for maintaining communications with the department staff regarding the proper use, storage, movement, maintenance and calibration for property accountable to their area and for processing changes in a timely manner.

Utilization

Each item of property at WPI, whether university or sponsor owned, is accountable to a designated organization (department). This organization is responsible for the stewardship and appropriate use of the property throughout its life. Primary objectives of an effective utilization program are to ensure that the property is used to the maximum extent possible throughout its useful life and that it is declared excess in a timely manner when no longer needed (see “excess property” below). Each property record, either in MACAMS or in the PMO Materials Tracking System, requires a location for the item. Maintaining accurate location information is critical. It enables prompt location of the asset, helps define the purpose for which it is used, and is a key factor in providing data used to substantiate negotiations which directly impact the amount of potential Indirect Cost the university receives from the government.

Ownership and Use of Sponsor Funded or Sponsor Owned Property

Ownership (title) of property acquired with sponsor funds may vest with either the University or the Sponsor. This is determined by the terms and conditions within the sponsored project.

Ownership of government furnished property will vest with the sponsoring agency. The ownership of an asset is recorded in the MACAMS asset record or the PMO Material Control System and must be considered when managing the use of an asset. In some cases, sponsor owned property is provided for a specific purpose and care must be taken to ensure the use restrictions are met. All property (equipment and materials) purchased with sponsored funds must be in quantities that are reasonable, allowable, and allocable to the project. They must directly benefit the project. Although in educational research environments, sponsors often permit use of sponsor funded and sponsor owned property on various concurrent projects, priority for use should be the funding project. When property is no longer needed on the project for which it was acquired or provided, it must be made available for possible use on other sponsored projects. This may occur prior to the scheduled end date of the overall project. If no

longer needed at WPI, the Property Administrator prepares an Excess Request in MACAMS to initiate the disposal process for the item. The PMO processes the request and ensures disposition instructions are obtained from the sponsor and provides guidance to the Property Administrator. The Property Administrator and project staff personnel are responsible for completing the physical disposition actions required. In some instances there may be a need for retaining the property for future use. If so, the retention justification must be documented and the property stored in an appropriate manner (see Storage section below). It is recommended that departments periodically review the activity status of property in their areas. Excess items should be identified in a timely manner and be made available for possible reassignment within the university or external disposition. (see use of inter department market below) The activity status of property is also verified at the time of the biennial physical inventory for those eligible for inventory verification.

Vehicles for which WPI is accountable must be used for university related activities only.

Excess Property

Property is considered “excess” when it meets one or more of the following criteria:

1. The accountable department or sponsored project no longer has a need or potential use for the asset. (Sponsor owned property may become excess to the needs of the accountable project at any time during the life of the project, not only at the time the project ends.)
2. The asset is technically obsolete for the needs of the accountable project or department.
3. The asset is in need of repair to the extent that it is not economically feasible or is no longer operable. When equipment becomes excess, the activity status in the MACAMS record should be updated to reflect “excess” and the condition updated to reflect the current operational condition of the asset. When government owned material becomes excess, the property custodian, user or Principal Investigator is responsible for informing the Property Administrator of excess property so reutilization efforts can be made or appropriate disposition activities initiated. The Property Administrator should then coordinate with PMO to obtain disposition instructions. Refer to the Disposal Chapter for additional information on disposal.

Reutilization of Excess Property

Excess property that is in working or serviceable condition should be made available for reutilization within the university before proceeding with any external disposal of the asset. Ownership (formerly referred to as “title”) to the property is a determining factor in how to proceed with reutilization of the property. A lot of property can be transferred between WPI departments via the Reuse Website. If you have any questions whether an item can be transferred in this method, please contact your Property Service Representative (PSR).

Off campus Use of Property

The use of property purchased by WPI, provided by a Sponsor, donated, or otherwise accountable to the University may need to occur at a location other than the WPI campus or a specified location recorded in the university's space inventory database. Examples of a location that would be considered "off campus" include the residence of an employee or a temporary work site. Regardless of location, use of the property must still directly benefit WPI or the sponsored project for which the property was acquired. Property that is frequently in transit between a campus and an off campus location should be documented on a WPI Off Campus Equipment Verification Worksheet. (See "Movement" below for additional details.) The worksheet must be updated annually and maintained on file by the Property Administrator. It may also be used to substantiate the location of an asset during the physical inventory. Off campus property that meets the criteria established for the biennial physical inventory must be accounted for or physically verified during the physical inventory process. (See chapter on Physical Inventory.) Equipment that is to remain off campus more than 30 days should have an off campus location listed on the MACAMS record. If the system does not allow you to enter a specific location, contact your PSR for assistance.

Storage

It may be necessary to place property in storage. Reasons for storage and the duration of the storage period may vary, depending on specific circumstances. Storage duration is described in two intervals:

Short term - storage considered to be less than 6 months in duration

Long-term - retention of property which will exceed 6 months in long-term storage must be justified; more specifically, the accountable department is responsible for identifying the reason the property is being retained prior to placing it in long term storage. If the property is government owned, it may be necessary to obtain approval for long term storage from the sponsor. Further guidance on the need for sponsor approval may be obtained by contacting the Property Management Office. Ideally, excess property should be processed for reutilization or disposal; it should not be placed in storage. Unnecessary storage of property is not cost effective, fills valuable space, incurs the risk of potential loss, damage or misuse, and continues to require records maintenance and physical inventory. The MACAMS record for assets in storage should be updated to reflect the following information:

1. For items in long term storage, the activity status is "inactive"

Note: The accuracy of "Activity Status" of an asset is one of the critical elements in determining the eligibility of indirect cost recovery that can be obtained for an asset. Exceptions to this require specific negotiations with the Office of Naval Research (ONR).

2. The storage location

3. Any special comments pertinent to the storage. For example: who has access to the storage area, expected duration of storage, and retention justification. While property is in storage, care should be taken to ensure the method and location of storage is adequate for the type of items being stored and that they are secured in a manner which will prevent loss, damage, or destruction to the property. Property in storage that meets the criteria established for the biennial physical inventory must be accounted for or physically verified during the physical inventory process (See Chapter 7 - Physical Inventory).

Movement

Each MACAMS asset record must reflect a location for the property. Each department is responsible for establishing a communications method which will enable the Property Administrator to update the location information for their property. To best support the business, educational, and research needs performed by the University, it is often necessary to temporarily change the location of property. If the duration of the move is less than thirty (30) days, it is considered temporary and is updated by using sign-out logs. Location changes lasting thirty (30) days or more are considered "permanent" and the MACAMS asset record must be updated.

Tracking Temporary Moves of Property (Less than 30 Days)

Updating the MACAMS record is not required if an item is moving temporarily. The "home" location remains the same on the asset record and a subsidiary locator system is used to record the temporary location change. The subsidiary method for tracking location is determined by the Property Administrator. A recommended and effective method for accomplishing this is the use of a sign-out log. Sign-out logs, or whatever method is used, should be readily accessible to equipment custodians/users.

They should include:

- WPI ID tag number
- Description of property
- Model Number
- Serial Number
- User name (person checking the equipment out)
- Temporary location
- Date checked out
- Estimated date of return
- Actual date of return

Sign-out logs can be maintained in several ways; they can be posted at the door of a lab or maintained by the Property Administrator or other office administrator. The Property Administrator should work with department personnel to create a sign-out process that will be easy to use. The Property Administrator must periodically check the sign-out logs to ensure

equipment is being checked in and out properly and that it is being returned on time. For items not returned to its designated location within 30 days, the Property Administrator must contact the equipment user to have the item returned or update the MACAMS record if the move is to extend beyond 30 days. If the item is necessary during an audit, the sign-out log (or equivalent) must be available to substantiate the asset's location. If the equipment being moved is sponsor owned, please ensure the move is allowed by the agreement. A form DD 1149 is required to document the move.

Property Changing Locations for 30 Days or More

The property record must be updated to reflect the new location. Don't forget to update the custodian or user of the property if that changes as well. If the location change is to a different organization (department) and the accountability of the asset is changing, contact your PSR for assistance. In addition, if the property is government owned and the move is off campus or to a subcontractor's facility, a DD1149 form is required to document the move.

WPI Off Campus Equipment Verification Worksheet

If the equipment will be off campus for more than 30 days, the WPI Off Campus Equipment Verification Worksheet must be completed and kept on file by the Property Administrator. These forms must be updated annually to be considered valid. You can print copies of the form, including instructions for use, online from the PMO website. The annual update is to verify the equipment is still in the same location and is in good working order. If there are any changes, please make a note on the off campus form and also update the property record. Consistent, correct use of sign-out logs will reduce equipment loss and provides documentation for equipment location during Physical Inventory.

It also ensures all employees who need equipment can have fair access to it. When a department uses these forms, they serve as the official University record of movement and equipment location. When the Physical Inventory Group performs an inventory in your area, they will take a copy of these forms and will use them to facilitate updating those records in WPI. It is important to note that this is a PMO form and this information will be used to assist the PMO in the physical inventory. This will eliminate the need for employees to bring the equipment back onto campus to be scanned. When you access these forms on the web, you can save a copy to your hard drive. They are in an Excel format; you may share this file or URL with your equipment users as well.

The file contains:

- Page 1: The first (and main) page of the form
- Page 2: The instructions for use
- Page 3: Continuation sheet (use as many as necessary for each instance)

Remember to update your worksheets and sign-out logs if the equipment moves again or is processed for disposal. Auditors and Inventory Analysts review this documentation carefully, so consistent and accurate documentation is important.

Maintenance and Calibration

Property maintenance is a key factor in extending the useful life of property. Every effort should be made to maximize the use of the equipment throughout its life and to extend its usefulness through proper care and handling. Equipment that is cared for and maintained properly can result in considerable savings to WPI, and/or its sponsors, by helping reduce unnecessary costs of repairs or replacement. The accountable department is responsible for the performance of any required maintenance or calibration of property. Expenses incurred to perform either maintenance or calibration of property is considered a general university expense for both university owned and sponsor owned property, unless otherwise specifically authorized in the sponsored project.

Routine, Preventive, or Periodic Maintenance

This includes any general actions required to keep the asset in good operational condition. It may be as simple as ensuring the item is kept clean, batteries charged, fluids checked, and power cords in good condition. It will vary depending on what the item is and how complex its operational systems/mechanisms are. It is recommended that a summary of maintenance performed on an asset be recorded in the comments section of the MACAMS record. The frequency and accrued cost of asset maintenance is a useful measure in determining an optimum time for asset replacement. Maintenance is different than repair. Repair is performed when something breaks; maintenance is performed to prevent breakdowns in equipment.

Maintenance or Calibration While in Storage

Depending on manufacturer's specifications or sensitivity of the property, maintenance and/or calibration may continue to be required while the item is in storage.

References and Resources

- Off Campus Equipment Verification Worksheet - to obtain this form, contact the Property Administrator: Clarence Plant in Asset Management, Basement of Founders Hall, 508-831- 5137

Chapter 9 - Operation of Vehicles

Guide Memo

Summary: This Guide Memo outlines policy on operation of University vehicles. Section headings are:

1. Authorized Use of University Vehicles
2. Accidents Involving University Vehicles
3. Operation of Personal Automobiles on University Business

Authorized Use of University Vehicles

Policy — University-owned vehicles may be used only in connection with official University activities. University vehicles may be driven only by licensed drivers who are faculty, staff, or representatives of The University or other persons who have been given permission. Fines or penalties for infractions of the law by a driver of a University vehicle are the personal responsibility of the driver for which the University will assume no obligation.

Authorizing the Use of University Vehicles — Departments having University vehicles assigned are responsible for their assignment and use, except that University vehicles may not be taken home at night or used on overnight trips without the specific approval of the department chairperson or his or her designee.

Gas and Oil — Gas and oil for University vehicles are to be obtained, whenever possible, at an authorized service station. If a University vehicle is taken on an extended business trip, gasoline credit cards are issued upon the authorization of the Assistance Vice President of Facilities Services.

Repair and Maintenance — University vehicles in need of any type of repair work are to be taken to a facility designated by the Assist Vice President of Facilities. Periodic preventive maintenance is scheduled for all University vehicles and departments are notified in writing of maintenance appointments.

Accidents Involving University Vehicles

Accidents on Campus — If anyone driving a University vehicle is involved in an accident on WPI property, a report must be made immediately to the WPI Police. A police officer will obtain all the required information at the scene of the accident and later, if necessary.

Accidents off Campus — If a University vehicle is involved in an accident off WPI property, the report of the accident must be made at once to the local police, highway patrol, or other appropriate jurisdictional division in accordance with the law. The driver of a University vehicle

should not jeopardize the University's position in regard to its insurance by admitting fault or liability, nor should any reimbursement be offered or made.

Accident Reports — At the time of the accident the driver is to make notes of the following information and to give to the Risk Management Office at WPI:

- (1) Nature and extent of the accidental damage to other property or vehicles.
- (2) Name and address of both the legal owner and the driver of the other vehicle.
- (3) License number, make, and model of the other vehicle.
- (4) Time, place, and date of the accident.
- (5) Names and addresses of anyone injured, and the nature of their injuries.
- (6) Names and addresses of any witnesses.

Medical Costs — Faculty and staff who have been authorized to use University vehicles for official Purposes are eligible for Worker's Compensation benefits, including costs of medical treatment,

Hospitalization and partial compensation for time lost from work.

Insurance —WPI liability insurance provides protection to all WPI employees and any other Person who is given permission to drive University-owned vehicles or government-owned vehicles Assigned to the University. WPI self-insures for collision, fire, theft and liability; however, each Department must assume the first \$1,000 of costs.

Rented Vehicles — The use of rented vehicles in connection with an official University activity is subject to the same procedures that apply to University vehicles if there is an accident, except that:

- (1) The rental agency's insurance must first be used before WPI insurance becomes applicable.
- (2) Departments are not required to pay any costs for loss or damage to rented vehicles or for liability.

Operation of Personal Automobiles on University Business

a. Authorized Use — The department chairperson or designee must approve the use of personal Automobiles for official University purposes if a mileage allowance is to be paid or if, in case of an Accident, business travel accidental death insurance and Worker's Compensation benefits are claimed under coverage provided by the University. It is the responsibility of the department chairperson or Designee to determine that each driver who is authorized to drive has a valid driver's license and Personal automobile liability insurance.

b. Accidents — A person who has been authorized to use a personal automobile for official University Purposes must follow the same procedures for the initial police report of an accident that apply to Drivers of University vehicles (see above). The driver must obtain all the required information, and notify the department chairperson or designee and the Risk Management Office as soon as possible.

c. Medical Costs — If it is established that the driver was employed in an official University activity when the accident occurred; the driver is eligible for Worker's Compensation benefits and other as designated by WPI policies.

d. Insurance — WPI liability insurance policy provides excess liability insurance protection to employees while they are using their own vehicles on University business, subject to the following provisions:

(1) The employee's insurance is primary and will be applicable before the University's insurance will defend or pay any claim.

(2) In any event, the employee must have insurance for at least bodily injury coverage of \$100,000 per person, \$300,000 per accident, and \$100,000 property damage or \$300,000 combined single limit. WPI does not provide any insurance protection for fire, theft, collision, or other loss or damage to employees' vehicles. The employee's department should pay the deductible for damage to an employee's vehicle used on authorized University business. If employees frequently use their vehicles on University business, they should consult with their insurance agent or broker.

University Vehicles

Summary: The following administrative procedure for acquisition and ownership of motor vehicles must be followed in order to comply with applicable WPI policies. Section headings for this Guide Memo are as follows:

1. Use of University Fleet
2. Administrative Responsibilities
3. Methods of Acquisition
4. Vehicle Number and Registration
5. Insurance
6. Replacing Vehicle Now in a Fleet
7. Additions to the Fleet
8. Acquisition Responsibilities
9. Inventory Responsibility

1. Use of University Fleet

Motor vehicles, boats, golf cart-type vehicles and trailers owned by the University become part of the University fleet. University vehicles are for official use of University personnel. Personal use of University vehicles, boats and trailers is prohibited.

2. Administrative Responsibilities

- a) **Department Responsibilities** — the department acquiring the vehicle is responsible for the following aspects of the administration of the fleet:
 - Seeing that the vehicle is operated properly, cared for, and maintained.
 - Ensuring that the inventory record is maintained in the WPI property office.
 - Providing current vehicle information to Facilities Services to be tracked in the maintenance management record-keeping system.
- b) **Fleet Garage** — the Supervisor of the Fleet Garage is responsible for the following aspects of the administration of the fleet:
 - Assistance in the development of specifications for requests for procurement of vehicles
 - Assistance in the disposal process
 - Processing Department of Motor Vehicles Registration Certificates, if required for vehicle.
 - Overseeing the maintenance of vehicles
- c) **Facilities Services**- Facilities Services uses their maintenance management record keeping system to keep accurate records of the University fleet for:
 - Repair & maintenance scheduling and billing
 - Charging for fuel, maintenance, insurance, and DMV fees
 - Maintaining planned maintenance schedules
- d) **Procurement** — the Procurement Department negotiates purchases and issues purchase orders for vehicles on receipt of a requisition from a department.
- e) **Risk Management** —The Director of Risk Management handles all insurance inquiries.

3. Methods of Acquisition

A University department may acquire a new or used vehicle via any of the following methods.

- a) **Acquisition with University Funds** — Vehicles may be purchased with regularly budgeted general funds, as with any purchase of Capital Equipment. If a purchase is financed, University policy requires that the purchase price of vehicles acquired with University funds be amortized over the useful life of the vehicle. The Capital Budget & Accounting department in the Controller's Office can provide information on financing.
- b) **Acquisition with Government Funds** — normally, if a vehicle is acquired with funds provided by a U.S. Government contract or grant, the procedures in the FAR, NPMA applies. Title is normally in the name of the government agency that supplied the funds, in care of the WPI.

- c) **Acquisition by Gift** — occasionally a motor vehicle is given to the University. The same records and reports are made.
- d) **Acquisition Through Surplus Property Sales** — Vehicles may also be acquired through Surplus Property Sales; however, the procedures for replacing or adding a vehicle described in Sections 6 and 7 below must be followed. If a department is contemplating buying a University vehicle from Surplus Property Sales, the department should consider that it may be buying a vehicle which another department did not think was worth fixing. The department should consult with the Facility Supervisor or the Property Administrator and the previous department owner for information on the vehicle's condition. The department should have the consent of the Facility Supervisor or Property Administrator before acquiring a vehicle from Surplus Property Sales.
- e) **Transfer** — Intra- or interdepartmental transfers are at the discretion of the department(s) involved. As with a transfer of any other kind of equipment, the department(s) must notify the University Property Administrator and follow procedures set forth in the Property Administration Manual. In addition, the Property Administrator must be notified in writing prior to the transfer to assure proper accounting. If the vehicle was originally purchased with a loan, the Department of Capital Budgeting and Accounting in the Controller's Office must be notified of the change in ownership. They will make the changes necessary to ensure that the correct department is charged for the remaining loan payments.

4. Vehicle Number and Registration

Regardless of the method of acquisition, each University vehicle is assigned a WPI Tag Number and is registered in the name of WPI. The number will not be changed if a vehicle is transferred to another department. The number is retired when the vehicle is sold. If a department buys a vehicle from Surplus Property Sales, then the vehicle is returned to the garage to have a University decal and the old vehicle number reaffixed.

5. Insurance

The University obtains public liability insurance on all fleet vehicles, including those where title is in the name of a government agency, all vehicles owned as of the beginning of the fiscal year (July 1) will be insured and the department will be responsible for the cost of insurance.

6. Replacing Vehicle Now in a Fleet

- a) **Replacement Schedule** — as a general guide, a vehicle should be considered for replacement on a five year or 60,000-mile basis. Low-mileage vehicles, including trucks and vans, should be retained over a longer term.
- b) **Approval for Replacement** — when a department requests a replacement vehicle, the purchase requisition signed by the appropriate Vice President, department head or other authorized signer constitutes the necessary University approval.

- c) **Disposition of Replaced Vehicles** — when the replacement vehicle is received, the vehicle being retired from service must be released by the department to Property Management. The department initiates the necessary disposal requests through Assets Data Base and obtains appropriate approvals for disposal of the vehicle, submits a copy of the Data Base Excess Asset Request and then removal of all University identification. Property Management retires the vehicle from the University fleet and then sends it to Surplus Property Sales to be sold. The portion of the proceeds representing return of capital is credited to the University account that financed the purchase. Any gain from the sale is credited to the purchase price of the newly acquired vehicle or to the department if the vehicle is not replaced. If the vehicle was originally purchased with a loan, the Department of Capital Budgeting and Accounting in the Controller's Office must be notified of the sale. They will make the changes necessary to ensure that the remaining loan payments are properly charged.

7. Additions to the Fleet

A department may at its discretion add to its complement of vehicles, and thus to the University fleet. As with a replacement, the purchase requisition must be signed by the appropriate dean, department head or other authorized signer.

8. Acquisition Responsibilities

The requesting department, the Fleet Supervisor, the Controller's Office and Procurement all take part in the acquisition of a motor vehicle, including golf cart-type vehicles. The acquisition process is as follows:

- a) **The Supervisor of the Fleet** — Provides advice on mechanical specifications and provides cost estimates using price lists negotiated by the University. At the time of delivery, he or she inspects vehicles to ensure that specifications are met, assigns a WPI fleet number and instructs Facilities to apply a WPI University logo on the vehicle.
- b) **The Requesting Department** — Screens the capital equipment inventory lists, prepares an online requisition, and forwards specifications and price estimates to Procurement.
- c) **Controller's Office** — Administers University financing.
- d) **Procurement** — Provides names of suppliers, negotiates price, terms and delivery, and purchases the vehicle after specifications review by the Supervisor of the Fleet.

9. Inventory Responsibility

Every vehicle acquired by any department must be delivered to the Property Management Office for inventory and a WPI vehicle number assignment before a department uses it. The Property Management Office is responsible for tagging each vehicle with a WPI property tag, and entering the necessary information into the asset management system.

Chapter 10 - Moves, Relocations, Transfers and Disposals

Departments relocating property, to another building either temporarily (30 days or longer) or permanently, should complete an Inventory Control form (see FORMS section). Complete, sign and forward the form to AM.

When an entire department or office is relocating, AM should be contacted in advance to assist in the identification and updating of the items to be moved. AM can provide a list of property that can be updated, signed and returned in lieu of an Inventory Control form.

Property Transferred to Another Department

Departments transferring property to another department should complete and sign the Inventory Control form (see FORMS section). Also, an authorized department representative from the new department must sign the form indicating acceptance of the asset. The completed form should be forwarded to AM. AM will then transfer accountability of the property to the new department.

Transferring Property to Another Educational Institution

a) **Policy**

When a Principal Investigator (PI) transfers to another educational institution and wishes to transfer University or federally-owned property, s/he must furnish a written request for approval to the department chairperson or senior officer, and to the Provost. The approved request should be forwarded to AM.

The PI should fully justify the request and include a list of items, which can be obtained from the Property Management System, to be transferred indicating the WPI asset tag number and current condition. A representative at the business office of the receiving institution must certify in writing that the institution is willing to accept responsibility for federally-owned property or pay the fair market value for University property transferred.

b) **Approval**

Requests to transfer property should be discussed with the department chairperson. Approval must then be obtained from the Provost's Office, the Director of Research Administration, and the Property Administrator. In addition, the University may need sponsor authorization to transfer the property. Where title cannot be transferred, the University may be willing to loan the property to enable the PI to carry on the research without interruption. The loan should be coordinated by the Property Administrators of both WPI and the recipient institution.

Surplus Equipment Policy

Surplus equipment is defined as items to be disposed-of, traded-in, cannibalized or sold. No item of equipment, whether purchased with University funds or otherwise acquired, may be considered surplus without the prior written approval of the Property Management office.

The following procedure shall be used in declaring an item surplus:

- The initiating department will complete Part A of the Declaration and Disposal of Surplus Equipment form (see FORMS section) and forward it to Asset Management for the purpose of title review and action.
- If an item of federally-owned equipment is declared surplus, the Property Systems Manager will request disposition instructions from the appropriate federal agency. Some private sponsors may also specify retention of title to equipment acquired under a sponsored program. In this case, disposition will be handled as noted above for federally-owned items unless specified otherwise in the award document.
- The form should be forwarded to Asset Management for further disposition instructions. Arrangements for pickup and delivery of surplus equipment will be the responsibility of the departments acquiring or disposing of the equipment by way of Stores Operations.

Unlocated Property

If property cannot be located after reasonable efforts on the part of the department, the department will officially notify AM via an Inventory Control form (see FORMS section). AM will code the asset in the Property Management System as "unlocated".

Equipment Disposition

- a) Trade-Ins
A Declaration and Disposal of Surplus Equipment form (see FORMS section) with an authorized department signature indicating that the equipment is going to be traded in must be forwarded by the department to Asset Management for approval.
AM will code the equipment as being traded-in.
- b) Cannibalized Equipment (i.e., used for spare parts)
A Declaration and Disposal of Surplus Equipment form (see FORMS section) with an authorized department signature indicating that the equipment is going to be used for spare parts must be forwarded by the department to the Asset Management.
AM will code the equipment as being cannibalized.
- c) Disposed/Scrapped Equipment
University equipment can only be disposed of with the written approval of the Provost, or Controller. A Declaration and Disposal of Surplus Equipment form (see FORMS section) with an authorized department signature indicating that the equipment is going to be scrapped must be forwarded to the Asset Management.
AM will code the equipment as being scrapped.
- d) Sold Equipment
University equipment can only be sold with the written approval of the Director of Administrative Services. A Declaration and Disposal of Surplus Equipment form (see FORMS section) with an authorized department signature indicating that the equipment is being sold must be forwarded to Asset Management.
AM will code the equipment as having been sold.

- e) Returned to Vendor
Departments are responsible for reporting equipment being returned to the vendor. A memo indicating that the equipment has been returned to the vendor and any other supporting documentation should be forwarded to AM.
AM will code the equipment as having been returned to the vendor.
- f) Stolen Equipment
Departments are responsible for reporting stolen equipment immediately to the WPI Police. Police will forward the police report to AM.
AM will code the equipment as having been stolen.

Disposition of Federally Owned Property

Retention by the University of federally-owned property may occur when a contract is completed or terminated provided that the government has approved the transfer of title to the University. If title to federally-owned property remains vested in the Federal Government upon completion of the award or when the property is no longer needed, the University shall report the property to the federal awarding agency for further federal agency utilization. If the federal awarding agency has no further need for the property, it shall be declared excess and reported to the General Services Administration, unless the federal awarding agency has statutory authority to dispose of the property by alternative methods. Appropriate instructions shall be issued to the University by the federal awarding agency.

It is the responsibility of the University to notify, in writing, the federal agency when federally-owned property is lost, damaged, destroyed or consumed. Failure to inform the federal agency may result in University liability to the government with subsequent appropriate reimbursement.

Chapter 11 – Agreement Management

This chapter is under final review and will be available soon. For guidance until the chapter is available please contact Property Administration.

Chapter 12 - Security

Physical Security

Each member of the WPI community has a general obligation to safeguard and make appropriate use of university and sponsor-owned property and equipment either assigned for individual use or as part of a common area. Each department must ensure that there are reasonable security measures implemented in their areas to prevent theft, damage or misuse of equipment. The Property Administrator (PA) must play an integral role relative to these issues. Safeguarding of property includes, but is not limited to:

- Exercising reasonable care and security measures to prevent theft, misuse, or damage and maintain assets in good condition
- Provide adequate protection for equipment during movement, storage or while being used
- Ensure that equipment is properly stored and secured when not in use
- Do not commingle equipment in a manner that would pose a risk, i.e. equipment/flammable supplies
- Segregate government-owned property where feasible
- Where specialized security is necessary, ensure access is controlled and limited
- Ensure staff, faculty and students and other personnel accessing the area are aware of your security requirements
- Challenge unknown or suspicious persons in your area
- Report lost, stolen, damaged or impaired property to appropriate individuals, including, but not limited to, a direct supervisor or common area manager, **and notify the appropriate Property Administrator** of capital equipment/property moved to a different location

Systems Security

Online systems access: WPI uses an authorization [MACAMS and RedDot] to grant authorized employees access to on-line applications. Specific levels of access within applications are defined by roles assigned with the Authority Manager. Roles within the MACAMS Assets application used for property management are granted by the Property Management Office. Login IDs and passwords for any WPI system are to be used only by the individual to which they are assigned. Refer to the Administrative Guide Memo 63, "Information Security" for additional WPI Policy. Upon termination of employment with WPI, access to online systems is discontinued.

When you are finished using secure WPI websites (such as Oracle Financials, WPI Mailing List Services, pages with employee confidential information, etc.), be sure to quit the browser or logoff. If you don't, people subsequently using your computer will be able to use the browser program to go to those websites, and the websites will treat that person as you, giving that person access to WPI's and your web assets. You are responsible for preventing this type of identity

theft”, and the best way to do it is to quit the browser program when you are finished with it, or lock your computer if you need to leave your computer but aren't through with the browser. Please contact WPI HELPDESK if you need assistance with access or information on WPI-secure websites.

Departmental or Area Security

Access to departmental areas is generally available to WPI employees and visitors. Each department is responsible for determining and implementing adequate access restrictions within their respective areas as needed to ensure the safeguarding of assets, data, or personnel.

Custody and Return of Property by departing Employees

Each PA should periodically review the "Custodian" field in MACAMS Assets, for assets under their responsibility, to verify all custodians are current WPI employees. It is recommended that this occur at least annually. Each department is responsible for establishing a standard departure process for terminating employees. A checklist of points to cover during a termination review is available to assist on the [HR website](#). Among the check-out points, meeting with the PA and transferring custody for assigned assets should be included.

If an employee departs the University prior to accounting for all their assigned property, the PA should contact their Human Resources (HR) representative. When the employee returns the equipment, the department manager or HR representative should notify the PA so the MACAMS records can be updated. The annual update of off campus equipment forms is a good review. This review should also be performed, and applicable forms and records updated when employees transfer between WPI departments. Equipment belonging to one department should be returned prior to any new equipment from another department being distributed. Again, work with your personnel manager and PAs to ensure records are kept up to date.

Chapter 13 - Reporting

Property Management reporting at WPI is used for many purposes including resource management, financial and sponsor reporting, indirect cost negotiations, and overall effective property stewardship. The Property Management Office (PMO) is responsible for authoring and filing the majority of financial and sponsor reports. They also ensure the reporting data is available for distributed users throughout campus.

Data for property reports is derived from the University online MACAMS Assets System (a Web-based asset management system).

In addition to the reports identified below, there is frequent need for additional reports. Content and format is clarified between the Property Management Office and the requesting organization.

Required Property Reports

Following are descriptions of the required property reports that the Property Management Office is responsible for preparing and distributing. Other routine reports used during the course of conducting general business are not specified in this section as they occur on an as-needed, often ad-hoc basis.

Certificates of Completion (General)

In cases where a specific sponsor form is not stated, terms of an agreement may require a general certification of completion. In such cases PMO prepares a final letter citing completion of a final reconciliation which confirms the following:

- All accountable property has been disposed or transferred as authorized
- Accountable records have been adjusted and reflect zero balance.

DD Form 1662 – DoD Property in Custody of Contractors

This financial report is prepared for property accountable to federal contracts in accordance with the terms and conditions of each agreement. Additions, deletions, and changes of reporting categories are based on transactions recorded in the property management system of record or as reported to WPI by sub-recipients.

Submittal of this report occurs annually or upon completion of a contract close-out, whichever comes first within the fiscal year. Annual reports reflect financial balances as of September 30 and are reported no later than October 31.

If any changes to the data are discovered following submittal of the report, the Cognizant Administrative Contracting Officer or the Sponsor are contacted to discuss the change (as appropriate) and reporting thereof.

DD1662 - Property in the Custody of Contractors

DOE Form 4300.3 – Semi-Annual Summary Report of DOE-owned Plant and Capital Equipment

Data on this financial report reflects balances as of February 28 and August 31 of each year. Reports are submitted to the cognizant Property Administrator, and are due no later than 45 days after the end of the reporting period and again at the completion of the contract.

DOE Form 4300.3 – Semi-Annual Summary Report of DOE-owned Plant and Capital Equipment

DOE Form 4220.49 – Property Certificate

The Property Certificate is prepared upon the completion of a contract close-out. It is used to confirm the completion of final reconciliation for all property accountable to the designated DOE contract.

Grant or Contract Closure Report (also referred to as a Certificate of Completion)

A grant or contract closure report is the final property management report prepared for a sponsored project. They are primarily used for contracts, but may also be required by the sponsor on grants or other types of agreements. When sponsors require a specific format, it is defined in the terms and conditions of the agreement. In cases where no specific format or content is defined, the PMO prepares a final letter certifying the completion of the agreement. In either instance, the intent of the report is to certify that all accountable property has been disposed or transferred as authorized and the associated property records have been adjusted to reflect a zero balance.

IRS Form 8282 – Donee Information Return

This form has limited use by WPI as it pertains to donated equipment. It is used, if required by the terms or type of equipment donation, to report information to the IRS about the disposition of certain charitable deduction property when the property was disposed of within 2 years of the donor having contributed the property to the university. When needed, the PMO prepares the IRS 8282. It is completed in accordance with the Department of the Treasury, Internal Revenue Service instructions. The director of the PMO and the University Tax director are authorized to sign these forms on behalf of the University; departmental personnel or faculty have not been delegated this authority.

IRS Form 8282 - Donee Information Return

IRS Form 8283 – Non-Cash Charitable Contributions

The IRS Form 8283 form is used to report information about non-cash charitable contributions made to WPI. Upon request from the donor, the PMO prepares the IRS 8283 form for gifts of capital equipment. The forms are completed in accordance with Department of the Treasury, Internal Revenue Service instructions. The Director of the PMO and the University Tax Director are authorized to sign these forms on behalf of the University; departmental personnel or faculty have not been delegated this authority.

IRS Form 8283 - Non-cash Charitable Contributions

Listing of Accountable Property (General)

Based on the terms and conditions of the sponsored agreement, a listing of all property acquired during the period of performance may be required at its conclusion. This may include title to which WPI or the Sponsor holds title, depending on the requirements of the agreement.

Data on these reports reflect balances in one of the following manners:

- (1) As of September 30,
- (2) As stated in the agreement, or
- (3) The completion date of the agreement, whichever is first during the fiscal year being reported.

Loss, Damage or Destruction Report

This report is used to notify the sponsor or appropriate university personnel of an incident which resulted in the loss, damage, or destruction of property.

If the items affected are government-owned property accountable to a federal contract, a report of notification is submitted to the cognizant Property Administrator. It is prepared in accordance with FAR 52.245-5 or as otherwise stated in the terms of the agreement.

If the items affected are government-owned property accountable to a federal grant, a report of notification is submitted to the cognizant Property Administrator. It is prepared in accordance with OMB Circular A-110, Section 34(f)4, or as otherwise stated in the terms of the agreement.

If the items are owned by WPI, the report is prepared in accordance with the criteria in the disposition section of this manual.

In all cases, incidents of loss, damage, or destruction shall be investigated and documented. Department or project management staff will ensure adequate measures are taken to mitigate future similar occurrences.

Additional information on this subject can be found in Chapter 10, Disposals.

NASA 1018 - Report of Government-owned/Contractor-held Property

The NASA 1018 report is prepared for property accountable to NASA contracts, grants, or cooperative agreements in accordance with NASA FAR Supplement 1845.7101, as listed in the terms and conditions of each agreement. Additions, deletions, and changes of reporting categories, are based on transactions recorded in the property management system of record or as reported to WPI by sub-recipients.

When applicable, submission is made using the NASA Electric Submission System (NESS). There are two primary schedules for submission: (1) Annual, for which the report data reflects balances as of September 30 and is submitted no later than October 15th or as otherwise directed by the Cognizant Administrative Contracting Officer or the Sponsor; or (2) Quarterly, which would apply only in specific cases as cited in the accountable contract. The quarterly report is not applicable to grants or cooperative agreements. In both cases, negative reports are required.

If any changes to the data are discovered following submittal of the report, the Cognizant Administrative Contracting Officer or the Sponsor are contacted to discuss the change (as appropriate) and reporting thereof.

NASA Form 1018 - Property in the Custody of Contractors

Physical Inventory Reports

The physical inventory process utilizes various reports. The majority of reports are interim data for purposes of facilitating the physical inventory process and subsequent reconciliation.

Final results for each inventory event are reported to the University department to which the property is accountable. They are provided within 30 days of the completion of the reconciliation period.

Final inventory results for property accountable to sponsored projects are reported within 30 days of after the completion of the reconciliation period, unless otherwise required either by the Office of Naval Research (ONR) or the Sponsor. Almost exclusively, reports of physical inventory for property accountable to federal contracts are reported on an award-by-award basis. The content and format of Sponsor inventory reports is defined by terms and conditions of the sponsored project or as defined by the designated Administrative Contracting Officer (ACO) for the project.

Refer to Chapter 7 - Physical Inventory for additional details.

SF Form 1428 – Inventory Schedule "B", Report of Excess Personal Property

This report provides a list of excess property on a contract-by-contract basis. By submitting the Inventory Schedules, WPI is requesting disposition instructions for government-owned property

from the cognizant Property Administrator or designee. Project personnel are responsible for identifying when government property is no longer needed by WPI for use on the contract to which it is accountable, nor on any other sponsored project. Disposal instructions provided to the PMO are communicated to the Property Administrator (PA) who is responsible for ensuring they are acted upon in a timely manner. When they are completed, the property records are adjusted as needed.

SF Form 1428 - Inventory Schedule

Other Reports

533 Financial Management Reports

This financial management report is required by NASA. It may be required quarterly, monthly, or both per the terms of the agreement. The 533 is used primarily as a budget forecasting tool and is not intended to be used as a property management report.

The Office of Sponsored Research informs the project management personnel when this report is required. It is the responsibility of the project management personnel to define the steps used in preparing this report for each contract and to submit the report(s) to the sponsor in a timely manner. Data for the report is derived from the WPI financial systems.

Chapter 14 - Auditing

This chapter is under final review and will be available soon. For guidance until the chapter is available please contact Property Administration.

Glossary of Terms

OMB Circular A-21, "Cost Principles for Educational Institutions":

The Office of Management and Budget circular that establishes principles for determining costs applicable to Federal grants, contracts and other sponsored agreements with educational institutions.

OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations":

The Office of Management and Budget circular that sets forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals and other non-profit organizations.

FAR 45:

The part of the Federal Acquisition Regulation that prescribes policies and procedures for providing Government property, use and management of Government property, and reporting, redistributing, and disposing of inventory.

Acquisition cost of equipment:

The net invoice unit price of the property including the cost of modification, attachments, accessories or auxiliary apparatus necessary to make the property usable for the purpose for which it is intended. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation will be included if these costs are listed on the same invoice. Spare or replacement parts, regardless of cost, will be classified as materials or supplies.

Cost sharing or matching:

The portion of project or program who's costs are not borne by the Federal Government.

Equipment:

Charges for tangible, non-expendable, personal property having an anticipated useful life of one year or more with a unit acquisition cost of \$500 or greater.

Excess property:

Property under the control of any Federal awarding agency that, as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities.

Exempt property:

Tangible personal property acquired in whole or in part with Federal funds, where the Federal awarding agency has statutory authority to vest title in the recipient without further obligation to the Federal Government. An example of exempt property authority is contained in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), for property acquired under an award to conduct basic or applied research by a non-profit institution of higher education or non-profit organization whose principal purpose is conducting scientific research.

Federal share of real property, equipment, or supplies:

That percentage of the cost of real property, equipment or supplies and any improvement expenditures paid with Federal funds.

Personal property:

Property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities.

Prior approval:

Written approval by an authorized official evidencing prior consent.

Property:

Real property, equipment, intangible property and debt instruments.

Real property:

Land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Supplies:

Expenditures for goods acquired for the purpose of current operation. These items are consumable, perishable or short lived, and are subject to material change. Also included are items of a durable nature with an anticipated useful life of less than one year or with a unit acquisition cost of less than \$500.