

Characteristics of a compliant property system for an award based on Title 2 Code of Federal Regulation (CFR) 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Title 2 CFR 910 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR 910 is the Department of Energy (DOE) supplement to 2 CFR 200 and contains additional or modified requirements related to DOE awards with for-profit entities.

If any of the characteristics listed below are not obvious or strongly implied by a recipient's property management system (aka policies/procedures), typically questions will be sent asking for clarification or additional detail.

If policies are not readily available on a website or by other means, they should be provided to the contract officer, contract specialist or DOE-ID Organizational Property Manager (OPMO).

It is strongly recommended that recipients read and understand 2 CFR 200 in its entirety and 2 CFR 910 if applicable. Appropriate references to specific sections of 2 CFR 200 in the property management system are desirable. Office of Management and Budget (OMB) circulars relating to federal awards have been superseded by 2 CFR 200.

The following list shows property related requirements of 2 CFR 200 along with general description of compliant language:

200.12 Capital assets/200.13 Capital expenditures

Policies/Procedures should demonstrate an understanding of capital assets and capital expenditures in terms of managing and tracking equipment.

200.33 Equipment

Policies/Procedures should demonstrate an understanding of the basic definition of equipment as found in 200.33, e.g. tangible, useful life, capitalization set at \$5,000 or less, etc. The budget and description of proposed supplies and equipment classifies both appropriately.

200.48 General purpose equipment

Ideally policies/procedures should indicate that an entity understands the limitations associated with purchasing general purpose equipment with award funds.

200.85 Real Property

If the purchase of Real Property is involved (very rare), additional analysis and discussion would be had to ensure compliance and understanding of responsibilities over the lifecycle of the award.

200.89 Special purpose equipment

Property system should ideally identify and/or define special purpose equipment to help Principal Investigators (PI) recognize and appropriately identify special purpose and general purpose equipment and proceed appropriately.

200.94 Supplies

Policies/Procedures should demonstrate an understanding of the definition of supplies and the distinction between supplies and equipment. The budget and description of proposed supplies and equipment should classify both appropriately.

200.310 Insurance Coverage

The recipient's property insurance coverage extends to equipment purchased (recipient acquired) with award funds at the same level as property owned wholly by the recipient. Government Furnished Property will typically not require coverage unless otherwise specified by contract/award.

200.311 Real Property

Additional analysis and discussion required if award includes the purchase of real property.

200.312 Federally-owned and exempt property

Policies/Procedures demonstrate an understanding of the requirements, limitations, and responsibilities associated with the issuance of government owned property. These requirements would include safeguards for dispositioning appropriately at the end of award as well as a recognition of title status. The policies/procedures would ideally demonstrate an understanding of the difference between government furnished and recipient acquired property/equipment.

200.313 Equipment

Adherence to and understanding of this section is crucial. Policies/Procedures should demonstrate an understanding of the following requirements related to equipment acquired under a Federal award:

- Title status (entity, government, conditional)
- Use of equipment (priority, approvals needed, other uses, rental charges, income generation)
- Management requirements (records, inventory frequency and method, control systems, maintenance, sales/excess/surplus procedures)
- Disposition (valuation, \$5k threshold implications, distribution of sales proceeds, title implications)

200.314 Supplies

Policies/Procedures should demonstrate an understanding of the \$5k threshold as it relates to supplies. Ideally, the philosophy of cumulative value would be present. In addition, prohibitions on using supplies purchased with federal funds on non-federal projects would be included. Rental or use charges to other organizations adhere to requirements of this section.

200.316 Property trust relationship

Policies/Procedures should demonstrate a recognition of the responsibility placed on a recipient by virtue of receiving federal funding useable for purchase of equipment and other property. A legal trust instrument is NOT required. This is more about stewardship and taking appropriate protective measures.

200.318 General procurement standards

Policies/Procedures should demonstrate an understanding of the need to look internally for available equipment prior to purchasing using federal award funding.

200.333 Retention requirements for records

Policies/Procedures should demonstrate adequate record keeping and retention procedures.

200.439 Equipment and other capital expenditures

Policies/Procedures should demonstrate a general understanding of capital expenditures and the approvals required as well as the tracking and other responsibilities through the lifecycle.

The following guidance applies to for-profit entities.

2 CFR 910.360

Policies/Procedures should not conflict with additional guidance provided in this section.

2 CFR 910.360(d)

Property (equipment, supplies, etc.) provided as a part of cost share becomes jointly owned by awardee and US Government based on the Government “participation in the project.”

2 CFR 910.360(g)

At the end of the award period, all remaining equipment and supplies must adhere to disposition requirements.

***In many instances, awardees may be authorized to continue using acquired equipment for the original purposes of the award after the award term ends. This should be discussed up front and requested as part of the proposal if the project may continue beyond the original award term. If the only use for the property is for projects that do not have federal involvement, then the CFR disposition instructions should be followed, including appropriate reimbursement back to DOE.**