A. **Purpose**

The purpose of this policy is to acquaint faculty and staff of The University of Texas Rio Grande Valley (UTRGV) with their special responsibilities to the United States government for movable equipment acquired through federally sponsored projects.

B. **Persons Affected**

This policy applies to UTRGV account managers and principle investigators who obtain federal funds with authorization to purchase equipment as part of the project’s terms and conditions.

C. **Policy**

1. Unless otherwise specified in a grant or contract, title to equipment purchased or fabricated with federal funds, including materials developed and supplies purchased, will vest in UTRGV upon acquisition.

   a. In special situations, the grant or contract may require that title to equipment purchased, acquired or fabricated by UTRGV with federal funds pass directly to the government from the vendor.

   b. If title to equipment or property is vested in the federal government, such property shall be marked, tagged, or segregated in such a manner as to indicate clearly its ownership by the federal government. Unless otherwise provided in the grant or contract, such government property shall be used only for the performance of the project. UTRGV shall submit an annual inventory report by grant or contract number of such property having an original acquisition cost of $5,000 or more as requested by the federal granting agency. A physical inventory of government-owned equipment shall be conducted annually. Upon expiration of the grant or contract, the grantee shall report the property to the Property Section for further agency utilization.

2. Account Managers/Principal Investigators will assure that for each purchase of equipment, the purchase is:

   a. Necessary for the research or activity supported by the grant or contract;
   b. Not otherwise reasonably available and accessible;
   c. Of the type normally charged as direct cost to sponsored agreements;
   d. Acquired in accordance with organizational practices.

3. Asset Custodians shall not use movable equipment acquired with federal funds to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by federal statute, for as long as the federal government retains an interest in the equipment. It is contrary to the federal government’s intent for UTRGV to use federally-supported research instrumentation or
facilities to provide services for a fee in competition with private companies in a manner that is prohibited.

4. Asset Custodians shall use the movable equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds and shall not encumber the property without approval of the federal awarding agency.

5. When the movable equipment is no longer needed for the original project or program, UTRGV Asset Custodians shall use the equipment in connection with its other federally-sponsored activities in the following order of priority: (i) Activities sponsored by the federal awarding agency which funded the original project, then (ii) activities sponsored by other federal awarding agencies.

6. If the Asset Custodian/Principal Investigator no longer needs the movable equipment, the institution shall request disposition instructions from the federal awarding agency. The federal awarding agency shall determine whether the equipment can be used to meet the agency’s requirements. Certain conditions apply when the equipment has a per unit fair market value of $5,000 or more.

D. Procedures

1. UTRGV policies and procedures applicable to UTRGV property generally apply to movable equipment acquired through federally sponsored projects.

2. All departments accountable for movable equipment must be aware of the requirements stated in this policy.

3. Equipment purchased with federal funds will be physically tagged as ‘Federal Property’ and will be identified as such in UTRGV’s inventory.

4. The Asset Custodian in each department is responsible for making sure that no federally-funded equipment is used as a trade-in or turned in as a credit toward the purchase of other equipment.

E. Definitions

1. **Asset Custodian** – A full-time employee who is responsible for the care, maintenance, safekeeping, and assurance that the property is used only for official UTRGV business.

2. **Movable equipment** - Any equipment that is not permanently attached to a building or land. As per UTRGV and State Comptroller’s office guidelines, equipment that meets the following criteria must be maintained as part of the agency’s inventory:

   a. all high-risk/controlled items such as projectors, cameras, TVs, video players/recorders, sound systems, and other audio equipment that have a value of $500 or more;

   b. all items that have a value of $5,000 or more per single unit;
c. all handguns, rifles, computers, smart phones, tablets, laptops, golf carts, and other hand-held devices regardless of amount.

d. **Related Statutes or Regulations, Rules, Policies, or Standards**

   *Texas Government Code* Section 403.273, Property Manager; Property Inventory

   The University of Texas System Statewide Policy UTS165, *UT System Information Resources Use and Security Policy*

F. **Dates Reviewed or Amended**

   Not applicable.