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1. Introduction

Responsible Officials: Associate Vice President for Research and Innovation, Sponsored Programs

Effective Date: July 22, 2003

Revision Date: February, 17, 2021

IMPORTANT: For federal awards/subawards issued to Virginia Tech with a start date prior to December 26, 2014, 2 CFR Part 215 (OMB Circular A-110) and 2 CFR, Part 220 (OMB Circular A-21) apply. For all new funds (new awards and new monies, such as continuation awards, supplements, etc. received for existing awards) with a start date on or after December 26, 2014, these new funds are subject to 2 CFR Part 200 (commonly referred to as Uniform Guidance—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) but hereinafter referred to as “2 CFR Part 200”).

Due to the change in federal regulations the language in this procedure specific to the new regulations, 2 CFR Part 200, is highlighted in red font below.

2. Scope

This procedure outlines the requirements and expectations necessary to initiate an equipment loan, donation, or software licensing agreement involving a federal sponsored award.

As outlined in university policy, Fixed Asset Accounting (3950): “Equipment and other fixed assets cannot be sold, **loaned**, transferred or taken to another organization, given away (outside the university), scrapped/cannibalized or disposed of by any faculty, staff, student, or department without prior written approval of the University Surplus Property Officer in coordination with the Manager of Fixed Assets and Equipment Inventory Services.”

The director or department head's (or designee) is responsible for approval and coordinating any loans of equipment to or from the organization and to coordinate with the Fixed Assets and Equipment Inventory Services (FAEIS) section of the Controller's Office and to assure organizational compliance with all university and/or federal Fixed Asset policies and procedures accordingly.

FAEIS approves all loans between departments or institutes to non-Virginia Tech organizations and/or individuals. The Office of Sponsored Programs (OSP) is part of the approval process whenever sponsored funded equipment or sponsored funds are involved.

Employee-owned equipment brought on campus does not constitute a loan. If a university employee keeps personally owned equipment on campus, it should be noted in the departmental or organizational records. It will not be recorded in Banner Fixed Assets and the university is not responsible for loss of or damage to personal equipment.

Equipment that is in the care and custody of the university, but that is not university-owned, cannot be loaned without the specific written approval of the title holder (i.e. federal agency sponsor). As in other cases, FAEIS is a coordinator in the process. OSP is integral to the approval of the equipment loan.

Regarding matters concerning the licensing of software, OSP confers with University Legal Counsel when the university is **receiving** the license and with Virginia Tech Intellectual Properties (VTIP) when the university is **providing** the license. OSP will not assume responsibility for preparation of licenses of software to third parties, recording thereof, or for records retention.

3. Procedure Statement

The Office of Sponsored Programs (OSP) functions as the steward of Virginia Tech's research portfolio and is responsible for ensuring that all research proposals and projects comply with university, federal, and sponsor regulations, policies, and procedures. Funding agencies have delegated to awardee organizations increasingly expanded authority to approve certain administrative actions. These funding agencies require an awardee to assure that there are adequate institutional reviews and approvals of decisions affecting the management of federally sponsored awards especially as it relates to licenses or property purchased under, and fabricated or used by sponsored awards.

OSP is integral to the approval process for any agreements covering the loan of equipment (both to, and by) Virginia Tech in connection with any sponsored award. OSP will maintain records of such loans through the life of the loan—that is, until the equipment is returned or disposed of as directed by the owner of the equipment. If the owner is Virginia Tech, any disposal must be done in accordance with university policy, [Fixed Asset Accounting \(3950\)](#).

4. Reason for the Procedure

The purpose of this procedure is to clarify the involvement of OSP in any activity that results in an equipment loan, donation of or software license that involves a federally sponsored award to assure the university's compliance with the terms and conditions of the federal sponsor.

Several definitions of various types of property are included in this procedure for reference.

5. Definitions

Contractor Acquired Property: Property acquired or otherwise provided by the university for performing a contract, title to which property is vested in the government unless the contract specifies otherwise (A category of government property).

Equipment: As defined by [2 CFR Part 200.1](#): “Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000 (*the limit set by Virginia Tech is \$2,000 and this amount prevails—see university policy, [Fixed Asset Accounting \(3950\)](#).*) See also [2 CFR Part 200.1](#) Capital assets, [2 CFR Part 200.1](#) Computing devices, [2 CFR Part 200.1](#) General purpose equipment, [2 CFR Part 200.1](#) Information technology systems, [2 CFR Part 200.1](#) Special purpose equipment, and [2 CFR Part 200.1](#) Supplies.”

Equipment on Loan to the University: For purposes of this procedure, includes equipment loaned to the university outside of the terms of a contract, cooperative agreement or grant. Equipment loaned as part of a sponsored project is administered by the assigned project associate in accordance with the terms of the contract, cooperative agreement or grant.

Government Property: Property owned by the Federal Government.

Government Furnished Property: Property in the possession of the government and subsequently delivered to or otherwise made available to the university for use under specified federally sponsored awards or contracts.

University Property: Property to which title is vested in the university whether secured with general university funds or funds derived from extramural sponsors.

6. Equipment Loan Agreements

1. For equipment (not software) on loan to the university:
 - a. The Associate Vice President for Research and Innovation, Sponsored Programs or designee, shall be responsible for approving the agreements, and maintaining the file on equipment on loan to the university.
 - b. The Associate Vice President for Research and Innovation, Sponsored Programs, or designee, shall assure there is a written acknowledgment by the organization benefiting from the loan accepting any potential financial responsibility, such as for loss, damage, insurance costs or, shipping costs.
 - c. Equipment Loan agreements involving federally sponsored awards require the signature of an individual authorized to contractually bind the university in accordance with university policy, [University Contract Signature Policy and Procedures \(3015\)](#).
 - d. Equipment Loan agreements will include a stated duration of the loan.
2. For equipment to be loaned by the university:
 - a. Each equipment loan agreement shall:
 - i. State the purpose of the loan.

- ii. Include a period of the loan, not to exceed 24 months. Agreements in excess of 12 months shall include a provision which permits Virginia Tech to require submission of an inventory, including a statement of condition of the equipment at the time of inventory.
 - iii. Include a provision permitting Virginia Tech to terminate the agreement.
 - iv. Identify who is responsible for shipping cost of the equipment, both to and from the organization receiving the loan.
 - v. Include a provision which acknowledges the borrowers acceptance of the equipment "as is," and protects Virginia Tech from liability both stemming from use of the equipment, and from loss of the equipment.
 - vi. Denies the receiver of the loan the right to modify or make permanent installation of the equipment without prior Virginia Tech written approval from OSP.
- b. The Associate Vice President for Research and Innovation, Sponsored Programs, or designee, shall be responsible for preparation and control of equipment loan agreements. Equipment loan agreement files shall be retained and destroyed in accordance with university policy: [Management of University Records \(2000\)](#).
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7. Software Licensing Agreements

OSP will be integral in reviewing and executing incoming software licensing agreements only when they directly relate to the execution of a sponsored project or at the specific request of, and to the extent requested by an authorized on-campus organization.

Incoming licenses, except when directly related to a sponsored award, will be processed through University Legal Counsel for signature by an authorized university official in accordance with [University Contract Signature Policy and Procedures \(3015\)](#).

Virginia Tech Intellectual Properties is responsible for outgoing licenses, with the exception of those granted in advance as the result of a sponsored project including an Intellectual Property Fee ([OSP Procedure Intellectual Property Options for Commercial Partners \(50001\)](#)).

8. References

- [2 CFR Part 200](#), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- University Policy 2000: [Management of University Records](#)
- University Policy 3015: [University Contract Signature Policy and Procedures](#)
- University Policy 3950: [Fixed Asset Accounting](#)
- OSP Procedure 50001: [Intellectual Property Options for Commercial Partners](#)
- Commonwealth of Virginia [Agency Procurement and Surplus Property Manual](#)

9. Contacts

- **Associate Vice President for Research and Innovations, Sponsored Programs**
Office of Sponsored Programs
North End Center, Suite 4200
300 Turner Street NW
Blacksburg, VA 24061
540.231.5281
 - **Senior Director of Sponsored Programs - Post Award**
540.231.9372
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10. Roles and Responsibilities

- **Principal Investigators (PIs):**
 - Obtain necessary departmental (or institute) approvals in regards to an equipment loan, donation or software license.
 - Notify the appropriate OSP associate promptly should a sponsored award be involved.
 - **Department Administrator/Business Support Center:**
 - Assist PI in obtaining necessary departmental (or institute) approvals.
 - Notify the appropriate OSP associate promptly should a sponsored award be involved.
 - **Office of Sponsored Programs**
 - Determine necessary approvals with the federal agency as appropriate.
 - Provide approvals and guidance as appropriate
 - Assure FAEIS is involved in the process.
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11. Dissemination

This procedure may be posted on a Virginia Tech internet accessible site. No public restrictions are noted.

12. Approval and Revisions

This procedure was coordinated with Equipment Accounting, Legal Counsel, and Virginia Tech Intellectual Properties. The procedure was approved by the Director, Office of Sponsored Programs on July 22, 2003.

Revision approved June 15, 2016 by Assistant Vice President for Sponsored Programs. This major revision updates the formatting of the procedure, brings the procedure into compliance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and other minor edits for title changes and clarity.

Revision approved by Associate Vice President for Research and Innovation, Sponsored Programs on 2/17/21. This update is for Uniform Guidance sections numbers.

The official version of this information will only be maintained in an on-line web format.

Any and all printed copies of this material are dated as of the print date.

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