

EQUIPMENT TRANSFERS

When a faculty member leaves ISU for another educational institution, the faculty member often wishes to transfer or sell equipment items purchased and owned by ISU to the new institution.

The following procedures are to be used for equipment transfers and sales:

1. The departing faculty member **prepares a list of equipment items requesting to be transferred or sold**. This listing should be prepared several months before the faculty member leaves ISU. For each item, the listing needs to include the ISU tag number, a description of the item, the date purchased, the cost of the item, the ISU account number(s) that funded the purchase, and amounts charged to each ISU account number(s).
2. The ISU account numbers on the request need to be reviewed to determine if **any 4xx account numbers are listed** for the equipment items.
 - a. If the **4xx account number (project)** is currently **active and the project** is being **transferred to the new institution**, then the faculty member must generally request approval from the sponsor to transfer the equipment item. This request to the sponsor also needs to be countersigned by OSPA. There may be other issues that also need to be considered.
 - b. If the **4xx account number** is from a **federally funded project** that is **not active**, i.e. the project is past the termination date, then the depreciated value (EQ system, DI function) must be determined.
 - i. If the **depreciated value is more than \$5,000**, the following federal regulations (OMB Circular A-110 restated) apply.
 1. When the equipment item is no longer needed for the original project or program, the item should be used for other federally-sponsored activities in the following order of priority: (1) activities sponsored by the federal agency which funded the original project, then (2) activities sponsored by other federal agencies.
 2. When the equipment item is no longer needed by ISU, then the item may be used for other activities as follows: ISU may retain the equipment for other uses after compensating the federal government. If ISU has no need for the equipment item, ISU should request disposition instructions from the federal agency. The federal agency is required to issue instructions within 120 days of the request.

- ii. If the **depreciated value is less than \$5,000**, the department chair should first consider the existing equipment needs in the department. The priorities from the federal regulations listed above in 2.b.i.1. should be utilized. When the item is no longer needed by ISU, the item may be sold to another institution.
 - c. If the **4xx account number** is from a **non-federally funded project** which is **not active**, i.e. the project is past the termination date, the department chair should consider the existing equipment needs in the department. When the item is no longer needed by ISU, the item may be sold to another institution.
 - d. If **accounts other than sponsored program accounts** (non-4xx accounts) are listed, the department chair should consider the existing equipment needs in the department. When the item is no longer needed by ISU, the item may be sold to another institution.
3. The department chair should review the listing of equipment items to be transferred or sold. The department has every right to retain the non-restricted equipment items for the department's use on other projects. The departing faculty member is not "entitled" to this equipment. The department is responsible for ensuring correct procedures are followed. The **department chair** needs to sign off on the listing indicating **approval** of the items to be transferred or sold.
4. The **sales price** needs to be determined by the department for the equipment items, unless the equipment items were purchased on an active project which is being transferred to the new institution. For non-fully depreciated items, the minimum sales price is the current depreciated value (book value). For fully depreciated items, the minimum sales price is 5-10% of the original cost. Contact Mark Ludwig, ISU Surplus, if questions on determination of the sales price. **Shipping and handling fees** are to be paid by the new institution.
 - a. **Sold Items:** The department completes an Asset Recovery Form indicating the equipment items and sales prices. The form is routed to Gary Russell, ISU Inventory Office, for review. Gary Russell forwards the form to Mark Ludwig, ISU Surplus, for review and approval of the sales prices. Mark Ludwig will communicate with the department after reviewing the form.
 - b. **Transferred Items:** The sponsor indicates approval in writing of the equipment and/or project to the new institution. This approval is sent or forwarded to OSPA for the award file. A copy of the approval will be forwarded to Gary Russell, ISU Inventory, by Sponsored Programs Accounting.
5. The ISU department chair prepares a **confirmation memo to the department chair at the new institution** detailing the items to be transferred or sold with related sales prices.

The **memo should contain the following statement** for the **new institution to sign and return** after receipt of the items: “(Institution Name) acknowledges that we have possession of the equipment items listed below and have added the items to our inventory records. We agree to provide equivalent insurance coverage as is provided to other property owned by our institution. By accepting the terms under which this equipment is sold/transferred, (Institution Name) has no further obligation to Iowa State University.” After this statement, the confirmation memo should contain a signature line for the Inventory Office at the new institution to sign and send back to the ISU department after receipt of the equipment items.

6. If the equipment items are sold, the **new institution buying the items will issue a Purchase Order** to Iowa State University, ISU Surplus, 1505 Gateway Hills Park Drive, Ames, IA 50014-7871 or fax the Purchase Order to 515-292-8173.
7. A departmental representative should be present when the equipment items are packed up to leave ISU to ensure only the items on the list are shipped to the new institution. **Shipping and handling fees** are to be paid by the new institution. **Payment** from the new institution must be made **within 30 days** of receipt of the equipment items. Payment should be sent to the ISU address listed in 6 above. Once payment has been made, Mark Ludwig, ISU Surplus, will issue a receipt to the new institution. The funds will be deposited into the ISU department’s ARP account.
8. Once the confirmation memo has been signed and returned from the new institution to the ISU department, a **copy of the signed confirmation memo should be sent to Gary Russell**, ISU Inventory. Gary Russell will then remove the equipment items from ISU inventory records.

Please feel free to contact Becky Musselman, Manager of Sponsored Programs Accounting, if you have any questions on equipment transfers and sales.