Overall, the changes implemented in Uniform Guidance do not substantially change how equipment is acquired or managed by the University, with exceptions related to conditional title and the disposal of equipment.
The Uniform Guidance includes language that explicitly states that title to equipment acquired under a Federal award vests with the University CONDITIONALLY. This is not a change from A-110, but in that circular, the fact that title was conditional was implicit and had to be inferred by “reading between the lines”.

Section 200.313(a) of the Uniform Guidance states that unless the Federal agency specifically vests title with the University without further obligation to the Federal Government, “the title must be a conditional title ... subject to the following conditions.”
Title to (Use of) Equipment

1. Use of the equipment for the authorized purposes of the project until funding for the project ceases, or until it is no longer needed for the purposes of the project.*

2. When no longer needed for the original project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order or priority:
   a. Activities under another award from the same agency.
   b. Activities under an award from another Federal agency.

* When under the original award, the equipment must be made available for use under other Federal awards (same priority order as above) and also may be used for non-Federal projects (user fees should be considered when appropriate).
Disposition of Equipment

When equipment is no longer needed for the original project or for other activities supported by a Federal agency, disposition instructions must be obtained from the agency.

This is a big change from current practice, as UC and other universities have never followed the provisions of A-110. We have always considered title to be unconditional and have retained equipment and continued to use it for any research being conducted, Federal or other, or have left it idle for extended periods or until a physical disposal occurs. These practices are no longer permitted.
Disposition of Equipment

Depending upon the fair market value at this time (usually when an award terminates), disposition of the equipment must occur following specific rules:

1. If the equipment has a unit fair market value of $5,000 or less, it may be retained, sold or otherwise disposed with no further obligation to the Federal awarding agency.

2. If the equipment has a unit fair market value of more than $5,000, the University must obtain disposition instructions from the agency. The University may be instructed to sell or transfer the equipment back to the agency or another entity.
Disposition of Equipment

- If instructed to sell the equipment, the University must remit to the Federal agency its pro-rated share of the proceeds. The Uniform Guidance is not clear on whether the University can retain a share of the sale proceeds to cover its costs (formerly, $500 or 10%, whichever was less) – the agency MAY permit such an action.

- It is also not clear whether the University will be reimbursed for any freight costs, if instructed to ship the equipment to a third party, or back to the agency.

- UC and other agencies will be seeking clarification of the allowability of these disposal costs; if none is provided, we will seek to have explicit language included in all award documents.
Disposition of Equipment – PI Transfers

- Previously, we have allowed PIs to take equipment with them, either at no-cost or via sale, when they move to another institution, with no consultation of the Federal agency. This will no longer be the case.

- If open awards move with a PI to another institution, then there is no change in policy and all equipment acquired under those awards will be transferred at no cost to the new institution, as instructed by the agency.

- If a PI moves to another university and wishes to transfer equipment acquired under closed awards to the new institution, no-cost transfers or even sales cannot be approved automatically. The process will vary according to the fair market value of the equipment.
Disposition of Equipment – PI Transfers

- If the equipment has a unit fair market value of $5,000 or less, as noted earlier, the no cost transfer or sale to the new institution can proceed with no further obligation to the agency.

- If the equipment has a unit fair market value greater than $5,000, no cost transfers can occur only if approved by the agency (for example, the PI has another Federal project at the new institution for which it will be used).

- If a sale is approved, we will need to return the proceeds (minus our handling costs, hopefully) to the agency.

- If a sale is not approved, we might have to return the equipment to the agency or sell it and return the proceeds to the agency.