16.5. DISPOSITION OF GOVERNMENT-OWNED EQUIPMENT

This part describes when U.S. government property (federally-owned) tags are to be removed from a piece of equipment: transfers of equipment, contract or grant completion, excess property, disposition of scrap and salvage, and the disposition records for the equipment.

**A. Government Excess Property**

When a department or the university no longer needs equipment acquired from U. S. government excess property sources, the department head or designated representative shall prepare a list of such equipment showing the following information for each item:

* Inventory number
* Excess property order number
* Date acquired
* Description of the article
* Value shown on the inventory
* Estimated actual value.
* Present location

The list shall be sent to the property manager. The department should indicate whether the equipment is available to other departments or is for sale. To preclude wrongful disposal of equipment obtained from government excess property sources, the department must inform the property manager if there is any obligation to the government agency about selling or salvaging the equipment. Further, such property must not be cannibalized or otherwise disposed of before receiving the property manager's approval. If the equipment is sold, the proceeds are deposited into an account administered by the executive vice president and provost.  
  
  
**B. Equipment Acquired under Federal Research Grants**

Some grants include a condition that equipment acquired with grant funds be made available for transfer upon request by the awarding agency unless such transfer is precluded by statute. The primary reason for this type of transfer involves the transfer of the principal investigator and grant to a new institution to continue the project.  
  
Transfer of equipment to another institution must be made pursuant to a grant award that includes authorization to assume title and establish accountability for the equipment. The transferring institution shall be required to provide the receiving institution and the awarding agency with a listing of the items of equipment, their dates of purchase, and acquisition costs. The receiving institution shall formally acknowledge receipt of the equipment and furnish copies of the acknowledgment to the transferring institution. The principal investigator should secure approval from the granting agency if the cost of transferring the equipment is to be paid from grant funds.  
  
Equipment need not be transferred if:

* the original grantee retains the project for which the equipment was acquired and, with the approval of the awarding agency, places the project under the direction of a new principal investigator
* the cost of transferring the equipment as determined by the awarding agency is excessive
* the new grantee does not need the equipment to continue the project

To transfer the equipment, the principal investigator shall submit a letter to the executive vice president and provost through the dean or appropriate official requesting approval to transfer the equipment. The letter should include the grant number and name, the name of the receiving institution, and the name and title of the official authorized to assume title to the equipment. A copy of the letter from the granting agency authorizing the transfer of the grant and equipment to the receiving institution should accompany the letter to the executive vice president and provost.  
  
A list of the equipment must be submitted with the request letter showing:

* Inventory number
* Description
* Year acquired
* Acquisition cost

The equipment shall not be removed from campus until the department chairman has received the property manager's approval for the transfer. The inventory number tag shall be removed and sent to Inventory Services at that time.

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The final approval for equipment transfers rests with the university [property manager](https://afm.utexas.edu/about/contact-information), who makes decisions based on benefits to the state, the U.S. government, and the overall research program.

* The original grantee retains the project for which the equipment was acquired and, with the approval of the awarding agency, places the project under the direction of a new investigator
* The new grantee does not require the equipment to continue the project

The project director should take the following actions in conjunction with the departmental inventory contact to obtain transfer approval:

* Prepare the transfer per the appropriate disposal (Inventory Removal Request upload template) or transfer (Property Transfer Receipt) process as noted in [Handbook of Business Procedures 16.4.B and 16.4.E](https://afm.utexas.edu/hbp/part-16/4-removal-of-equipment-from-the-inventory)**.**
* Submit all of the above data to Inventory Services at [INVdisposal@austin.utexas.edu](mailto:INVdisposal@austin.utexas.edu)

The responsible federal agency normally initiates this, but sometimes, a prospective receiving organization contacts the university directly and requests the property be sent to them. However, it must be emphasized that no federally-owned equipment may be transferred to another organization without the approval of the appropriate contracting officer. The project director is responsible for making the shipment according to instructions, fund citations, etc.

**D.**

Upon completion of a contract or grant, Contract and Grant Services must submit a final inventory or final listing of federally owned property to the property administrator, possibly even for equipment that was titled to the university. The project director verifies these inventories or final listings as to the availability, condition, value, utilization, and disposition recommendation.

**E. Excess U.S. Government Owned Property**

The project director must identify any excess federally owned property., declaring the equipment excess and requesting disposition instructions. Although not a function or responsibility of the [property manager](https://afm.utexas.edu/about/contact-information), the procedures for obtaining federally-owned excess equipment can be found herein.

**F**

two methods of disposition are available. If federally owned, the sponsoring agency is advised by Inventory Services. The contracting officer or property administrator may directly turn in the item to a designated federal property disposal facility or sell it in accordance with the provisions of the Federal Acquisition Register [(FAR)](https://www.acquisition.gov/browse/index/far). If the title has been passed to the university, a disposition is made in accordance with the provisions in effect for the disposition of federally-owned property. In addition, if the title resides with the university, the federal tag is removed.

Because the federal property disposal facilities are not located in Austin and because there are administrative and scheduling constraints involved in turning the property over to the disposal facility, Inventory Services requests a transfer of title to the university when feasible.

**G. Disposition Records and Reports**

In accordance with [FAR 52.245-1(f)(1)(vii)](https://www.acquisition.gov/far/52.245-1" \l "FAR_52_245_1__d3642e519), a loss incident involving federal property needs to be reported to the GPA promptly. To provide the loss incident report to the GPA, Inventory Services should receive documentation from the department within ten business days of the incident.

**H.**

* The title
* , i.e., another university, with the title remaining with the federal agency.