

## RG:08

### Capital Expenditures with Granted Funds

---

#### I. PURPOSE

Lincoln Memorial University is committed to the responsibility of accurately recording, tracking, and managing capital assets provided through granted funds. Responsible stewardship is essential to maintaining the trust of past, current, and future sponsors.

#### II. POLICY STATEMENT

Only with the agreement of the pass-through organization or granting agency may equipment be acquired through grants. As a result, the PD/PI must confirm that the necessary authorization has been granted in accordance with the grant's requirements before making any equipment purchases. The grant's terms and conditions must be followed while purchasing and using such equipment.

Equipment over the value of \$1,000.00, or defined as "pilferable" by the federal government, will be documented, and include the following information:

- 1.) Equipment description
- 2.) Serial number or other identification number
- 3.) Source of the funding, along with the University's internal grant line account number and the federal award number (if applicable)
- 4.) Who holds the title to the property
- 5.) The date the equipment was acquired
- 6.) The cost of the equipment at time of purchase
- 7.) Depreciation method
- 8.) Useful life
- 9.) Vendor name
- 10.) The location of the equipment

#### III. DEFINITIONS

**Equipment:** as defined by 2 CFR 200.1, tangible personal property (including information technology systems) having a useful life of more than one year and per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity (\$1,000) for financial statement purposes, or \$5,000.

**Pilferable Items:** Equipment items that may be easily lost or stolen, but which may be under \$5,000. These include, but are not limited to: cell phones, iPads, tablets, iPods, graphing calculators, software, projectors, cameras, camcorders, DVD players, computer equipment, and televisions.

**IV. AUDIENCE**

Primary Investigators/Project Directors (PI/PD) and other assigned individuals who purchase equipment and other capital expenditures as related to a grant are subject to this policy.

**V. COMPLIANCE**

Failure to follow this policy can result in loss of grant funding, the ability to apply for future grant opportunities through the University, and/or disciplinary action by the Exec. Vice President of Academic Affairs.

**VI. ROLES AND RESPONSIBILITIES**

**PD/PI** Ensures that proper authorization has been granted under the terms of the grant. Records materials received as a part of grants, catalogs the required documentation information related to those items, and sends the ORGSP the records of received items. Places tags on equipment items.

**Office of Research, Grants, and Sponsored Projects:** The Post-Award Manager of the ORGSP maintains records within the grant file of capital expenditures. Identifies capital assets as defined by both the University and the federal government and works with the Risk, Insurance and Commercial Property Coordinator to assign tagging information.

**Risk, Insurance and Commercial Property Coordinator:** Assigns tags to identified equipment. Informs the ORGSP of assigned tags and provides physical tags to PI/PD for equipment placement.

**VII. APPLICABLE STATUTES, REGULATIONS, AND RELATED POLICIES**

Any funds awarded by the federal government to Lincoln Memorial University is governed by [2 CFR 200](#) - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, published by the Office of Management and Budget (OMB).

**IX. PROCEDURE**

- 1.) PI/PD orders equipment in accordance with grant requirements.
- 2.) Upon receipt of equipment, the PI/PD records equipment documentation as identified in this policy.
- 3.) The PI/PD sends documentation to the Post-Award Manager at the ORGSP.
- 4.) The Post-Award Manager reviews purchases and identifies equipment that is over \$1,000 and/or pilferable.
- 5.) The Post-Award Manager sends the identified list to the Risk, Insurance and Commercial Property Coordinator.
- 6.) The Risk, Insurance and Commercial Property Coordinator assigns tags and sends the information to the ORGSP and the tags to the PI/PD.
- 7.) The PI/PD applies tags to the equipment.

8.) The PI/PD ensures that the equipment remains in the designated location throughout the life of the grant.

**X. CONTACT INFORMATION**

For more information regarding this policy, please contact the Office of Research, Grants, and Sponsored Programs.

**XI. DOCUMENT HISTORY**

Effective: 04-24-2024