

The following is intended to provide guidance to faculty and Department Administrators when purchasing equipment and materials and supplies on Sponsored Projects (5-ledger accounts).

## ***CAPITAL EQUIPMENT***

### **DEFINITIONS:**

#### Capital Equipment

An article of nonexpendable, tangible personal property having an anticipated useful life of one year or more and having a unit acquisition cost of \$3,000 or greater.

- The acquisition cost includes all costs necessary to make equipment usable for its intended purpose.
- Includes the costs of modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for its intended purpose.
- Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation will be included in the overall costs if these charges are listed on the same invoice.
- Spare or replacement parts, regardless of cost, will be classified as materials or supplies.

#### Special Purpose Equipment

Equipment used only for research, medical, scientific or other technical activities. Examples include microscopes, spectrometers, and x-ray machines.

#### General Purpose Equipment

Equipment, which is not limited to research, medical, scientific, or other technical activities. Examples include office equipment and furnishings, telephone networks, information technology equipment and systems, and copying and printing equipment. **General purpose equipment is not allowable as a direct cost unless justified as being primarily/ exclusively used for research.**

### **PURCHASES OF EQUIPMENT WITH SPONSORED FUNDS:**

#### Justification

A programmatic justification is required for all equipment purchases noted in the proposal.

Any equipment not included in the proposal budget, but subsequently required to conduct the research requires a justification regardless of whether prior approval is required from the sponsor.

- Documentation of allocability, i.e. the way in which the equipment (both special and general purpose equipment) benefits the project is required.
- Include justification on web requisition.

General purpose equipment is normally treated as an indirect cost. If general purpose equipment is needed specifically for a project, the justification should be detailed in its linkage of the expense to the technical work of the project.

#### Prior Approvals

Equipment that was not included in the proposal, but subsequently required to conduct the research, may require prior-approval from the sponsor. Check the terms and conditions of your particular award for information related to the acquisition of equipment. Also, any equipment purchase which changes the Scope of Work requires prior approval from the sponsor.

## Processing Web Requisitions

The following are valid subcodes for equipment purchases:

4010 - General/Scientific

4020 – Furniture (normally unallowable on federal awards)

4030 - Computing

Please provide a non-jargon, lay-English description of the equipment being purchased.

### **OWNERSHIP OF PROPERTY:**

Any equipment purchased with any Brown University funding (Endowment, Departmental, or General funds) and any non Sponsor owned equipment remains the property of Brown University.

## ***MATERIALS AND SUPPLIES***

### **DEFINITIONS:**

#### Materials and Supplies

Tangible personal property other than equipment, with a unit cost of less than \$3,000 or a useful life of less than one year.

#### Scientific Materials and Supplies

Materials and supplies used only for research, medical, scientific or other technical activities. Examples include laboratory supplies (e.g., chemicals), specialized health and safety supplies, training and services. Costs incurred for materials and supplies of this nature that are necessary to carry out a Federal award are allowable direct costs.

#### General Purpose Supplies

Supplies which are not limited to research, medical, scientific, or other technical activities. Examples include office supplies (e.g., pens, pencils, post it notes, copy and printing paper), computers, printers, and fax machines. **General purpose supplies are not allowable as a direct cost unless justified as being primarily/exclusively used for research.**

### **PURCHASES OF GENERAL PURPOSE MATERIALS AND SUPPLIES WITH SPONSORED FUNDS:**

The costs of general purpose materials and supplies are normally treated as indirect costs. Under certain exceptional circumstances, considered "unlike circumstances" under CAS 502, these costs may be directly charged if they meet the requirements of OMB Circular A-21 Section D.1. and the following three direct cost criteria:

1. when the project is one of "different purpose and circumstance," and,
2. when the cost is charged directly and can be associated with the project with a high degree of accuracy, and,
3. when the cost has been identified in the project budget.
  - A programmatic justification is required for all purchases of general purpose supplies noted in the proposal. Any general purpose supplies not included in the proposal budget, but subsequently required to conduct the research requires a justification. The justification should be detailed in its linkage of the expense to the technical work of the project.

Exceptional circumstances apply when a project has a special or unique need for such supplies that clearly differs from the normal use of these items by other activities of the university. The use of the

item must be significantly greater than the routine level of such items provided by academic departments and must be used specifically for the technical purposes of the project rather than to support administrative or clerical efforts.

#### Frequently Asked Question

Under what circumstances is it allowable to directly charge the purchase of a computer/laptop to my award?

#### Answer

The purchase of a computer would be an allowable direct cost when the nature of the science, research, or the projects technical activities requires it. For example, a study being conducted by a project funded by the PI's NIH award requires a lot of statistical data gathering and analysis in the field and the item is required for the primary or exclusive use of this project. However, if the primary use would be for routine daily activity (e.g., e-mail) then the purchase of the computer/laptop would not be an allowable direct cost.

For any questions regarding purchases of equipment or material and supplies please contact your pre or post award contact in OSP at 863-2777.