

Prepared by Property and Fund Management Office  
This replaces Administrative Procedure A8.532 dated March 1995.

A8.532

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A8.525 Federal Personal Property      January 2002

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p 1 of 3

A8.532 Utilization

1. Grants or Other Agreements

a. Expendable Personal Property

The University shall use supplies and other expendable property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds.

If there is a residual inventory of such property exceeding \$5,000 in total aggregate fair market value upon termination or completion of the grant or other agreement, and the property is not needed for any other federally sponsored project or program, the University shall retain the property for use on non-federally sponsored activities, or sell it, but must in either case compensate the Federal Government for its share.

b. Federally-Owned Non-expendable Personal Property

- 1) The University shall utilize the property only for those purposes authorized by the Federal sponsoring agency. The responsibility to ensure compliance is vested with the Principal Investigator for the grant or other agreement.
- 2) Shared use shall be permissible if authorized by the Federal government. User charges should be considered, if appropriate.
- 3) Upon completion of the agreement or when the property is no longer needed, the Principal Investigator shall report the property to the Federal sponsoring agency for further agency utilization.

Other Tangible Non-expendable Personal Property Purchased  
with Federal Sponsored Funds for which the University has  
Title

Precluding any specific terms in the grant or other agreement, utilization shall be governed by the following:

- 1) The University shall use the property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds.

When no longer needed for the original project or program, the University shall use the property in connection with its other federally sponsored activities, in the following order of priority:

- a) Activities sponsored by the Federal agency that financed acquisition of the property
  - b) Activities sponsored by other Federal agencies
- 2) During the time that non-expendable personal property is held for use on the project or program for which it was acquired, the University shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the property was originally acquired.

First preference for such other use shall be given to other projects or programs sponsored by the Federal agency that financed the property; second preference shall be given to projects or programs sponsored by other Federal agencies.

- 3) When the University no longer needs the property as provided in c. 1) above, the property may be used for other activities in accordance with the following:
  - a) For property with a current per unit market value of less than \$5,000, the University may use the property for other activities without reimbursement to the Federal government.

- b) For property with a current per unit market value of \$5,000 or more
  - (1) The University may retain the property for other uses provided that compensation is made to the original Federal sponsoring agency or its successor. Upon compensating the Federal sponsoring agency, the property shall be transferred to one or more non-federal accounts. (See A8.535, Disposal or Transfer, Federal Personal Property.)
  - (2) If the University has no further need for the property and the property has further use value, the University shall request disposition instructions from the original sponsoring agency. (See A8.535, Disposal or Transfer, Federal Personal Property.)
- 4) When a sponsored project terminates and final settlement made, property acquired from the grant or contract should be transferred to one or more active account codes using Form FMIS 74, Equipment Transfer (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis74.pdf>), in accordance with A8.535, Disposal or Transfer, Federal Personal Property.
- 5) When the property has no further use value the University shall dispose of the property in accordance with A8.535, Disposal or Transfer, Federal Personal Property using Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>).

## 2. Contracts

The University shall ensure that property will be used only for those purposes authorized in the contract. The Principal Investigator is responsible for ensuring compliance with the terms and conditions of the contract.