

UC Davis Policy and Procedure Manual

Chapter 350, Supplies and Equipment

Section 65, Loans, Gifts, and Transfers of Equipment

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Responsible Department: Accounting and Financial Services

Source Document: Business and Finance Bulletin BUS-29, Management and Control of Inventorial Equipment

I. Purpose

This section outlines policy regarding loans, gifts, and transfers of inventorial equipment by departments between the University and external organizations, vendors, individuals, or other UC campuses. All transactions involving loans, gifts, and transfers of inventorial equipment with an original acquisition value of \$10,000 or more must be approved by the Dean or Vice Chancellor of the Custodial Department. UCDCM departments must obtain approval from the respective Associate Director.

II. Policy

A. Loan of University Equipment

Loaned equipment must be reported in the DaFIS Capital Asset Management System (CAMS) by processing an Equipment Loan & Return (ELR) document. Required approvals may be obtained either in writing and forwarding that supporting documentation to Equipment Management or via DaFIS routing of the ELR document. In no case shall the estimated return date for loaned equipment exceed three (3) years. The department must notify Equipment Management when the equipment is returned by initiating an ELR document and entering the return date.

1. Loan of Equipment to Which the University Does Not Have Title

Equipment not owned by the University but is in the care and custody of the University cannot be loaned without the specific written approval of the Title Holder, Department Head or Chair, Dean or Vice Chancellor or his/her designee, and the Campus Equipment Manager or his/her designee.

2. Intracampus Loan of University Equipment

Upon receipt of the ELR document from the lending department, Equipment Management will review, approve, and ad hoc route the DaFIS document to the receiving department for approval.

3. Intercampus Loan of University Equipment

Intercampus loans of equipment require the prior approval of the Department Head or Chair and Equipment Management.

4. External Loan of University Owned Equipment

Loans of equipment to external organizations or to individuals may be made only for uses that are directly associated with authorized University business. Such loans require the prior approval of the Department Head or Chair, Dean or Vice Chancellor or his/her

designee, and the Campus Equipment Manager or his/her designee. For information on University property insurance coverage, contact Risk Management Services.

B. Loan of Equipment to University from External Source

1. Loans of equipment from a government agency, including the Lawrence Livermore National Laboratory, Lawrence Berkeley National Laboratory, or Los Alamos National Laboratory, must be reported by initiating an Add Asset document in CAMS. The name of the government agency and the award number must be entered in the acquisition field of the document. With the exception of Lawrence Livermore National Laboratory, the department is responsible for initiating the Add Asset document. For equipment on loan from Lawrence Livermore National Laboratory, the department should contact Equipment Management to initiate the Add Asset document. Upon termination of the loan, the department must provide Equipment Management with documentation substantiating the return shipment and receipt of the equipment by the lending agency. The department must also initiate an Asset Retirement document in CAMS.
2. Loans of equipment from individuals or external organizations (except government agencies, including the Lawrence (Livermore and Berkeley) and Los Alamos National Laboratories) must be reported on an Equipment Loan Agreement form available from Risk Management Services. In addition, the department must initiate an Add Asset Document in CAMS for approval by Equipment Management. Equipment loaned for demonstration or on a trial basis must have the prior approval of the Materiel Management.

C. Gift of Equipment to the University

1. Gifts are reported on a Campus Gift Acceptance Report (UDEV 100-3) in accordance with procedures outlined in Section 260-25, Gift Reporting Procedures. In addition, an Add Asset document is initiated in CAMS. The Campus Gift Acceptance Report, referencing the associated DaFIS document number, is forwarded to Gift Services. The Add Asset document is automatically routed in CAMS to Gift Services and Equipment Management for final approval.
2. Equipment having a value of \$5,000 or more received from vendors as a "no charge item" on a Purchase Order, is recorded as a gift. Equipment Management will initiate the Add Asset document in CAMS for assignment of a property number. A Campus Gift Acceptance Report is not required.

D. External Transfer of Equipment by the University to Another Institution or Non-Profit Organization

Transfers of University-Owned Material Acquired with Federal Contract and Grant Funds

1. Recognizing that transferring federally-funded University-owned material is an accepted practice among the academic community, the following special provisions for transferring such material to other educational institutions, governmental bodies, or nonprofit organizations may be applied. These special provisions, however, do not apply to material acquired with non-federal funds.
2. In order to transfer material acquired with federal contract and grant funds to another institution in conjunction with a move by a faculty member to that institution, the following

conditions must be met:

- a. The material must be available for transfer--its title must be vested in the University, and the terms of the grant or contract from which it was funded do not prohibit such transfer to another institution.
- b. A written request to transfer the material must be made by the departing faculty member and must include the following:
 - 1) A specific list of the materials including (at a minimum) property numbers, descriptions, original unit costs, and original funding sources/agencies.
 - 2) The reason for the transfer.
 - 3) Name of the institution (including contact person name) to which title will be transferred.
 - 4) Justification for transferring rather than leaving or selling the material.
- c. The request must be approved by each of the following:
 - 1) Department Head.
 - 2) Dean.
 - 3) Sponsoring Agency Property Administrator (or equivalent) and/or Equipment Manager (or designee). Equipment Management shall verify that all required approvals (as indicated in Section A, above) have been obtained. In addition, Equipment Management verifies title vests in the University and that there are no restrictions to transfer.
 - 4) Director of Sponsored Projects (or equivalent) and the Director of Material Management .
- d. The recipient institution must agree, in writing, to accept title, with the understanding that the material is for the initial use of the new faculty member. This agreement may be obtained via a standard acceptance form signed by an appropriate officer of the recipient institution.

Transfers of University-Owned Material Acquired with Non-Federal Funds

1. A general provision of the California Constitution prohibits State agencies (including the University) from making gifts of public property even if the property is being transferred in conjunction with a move of a faculty member to another academic institution. All such material must be sold to the other academic institution through the Bargain Barn (See Section 350-80).
2. In some cases, donations of University property without recompense may be made if the Bargain Barn has documented, through its sale process, that an item has no market value. If such material is being transferred in conjunction with a move of a faculty member to another academic institution, the following conditions must be met:

- a. The material must be available for transfer.
 - b. Supporting documentation from the Bargain Barn indicating the item(s) cannot be sold must be presented.
 - c. A written request to transfer the material must be made by the departing faculty member and must include the following:
 - 1) A specific list of the material including (at a minimum) property numbers, descriptions, original unit costs, and original funding sources/agencies.
 - 2) The reason for the transfer.
 - 3) Name of the institution (including contact person name) to which title will be transferred.
 - 4) Justification for transferring rather than leaving the material.
 - d. The request must be approved by each of the following:
 - 1) Department Head.
 - 2) Dean.
 - 3) Equipment Manager (or designee). Equipment Management shall verify that all required approvals have been obtained. In addition, Equipment Management verifies title vests in the University and that there are no restrictions to transfer.
 - 4) Director of Materiel Management.
 - e. The recipient institution must agree, in writing, to accept title, with the understanding that the material is for the initial use of the new faculty member. This agreement may be obtained via a standard acceptance form signed by an appropriate officer of the recipient institution.
4. All other donations of University property must be disposed of in accordance with Section 350-80, through the University's Recycling Program (R-4) to a pre-approved nonprofit organization. Departments may not designate items for a specific nonprofit organization.
 5. Unless specific provisions are made in the terms of a contract or grant, transfers of university property to individuals or for-profit organizations are prohibited.

E. Intercampus Transfer of Equipment

1. If equipment is permanently transferred to another UC campus, it must be reported to the Equipment Management Department, prior to the relocation of the equipment, by creating an Asset Retirement document in CAMS and obtaining the required approvals - either in writing or via DaFIS routing. The transfer of equipment requires the approval of the department chair and dean of the college or school. For equipment acquired with contract or grant funds, approval is also required of the principal investigator and the Vice Chancellor--Research. All supporting documentation is attached to the hardcopy of the

signed (where required) Asset Retirement document and submitted to Equipment Management. Equipment Management will coordinate with the receiving campus.

2. If equipment is permanently transferred to the University from another UC Campus, the department must notify Equipment Management. Equipment Management will coordinate the transfer of the equipment with the other Equipment Management department. Equipment Management will initiate the Add Asset document in CAMS notifying the department upon completion of the transaction.

F. Transfer of Equipment to the University from an External Source

1. Departments must report the permanent transfer of equipment from federal or state agencies to the University by obtaining a letter from the Agency authorizing release of the equipment title to the University. The authorization letter is forwarded to Equipment Management. If an equipment number has not been assigned in CAMS, the department initiates an Add Asset document. If the equipment already exists in CAMS, Equipment Management will update the acquisition information upon receipt of the authorization letter.
2. All other transfers of equipment from an external source should be reported on a Campus Gift Acceptance Report (see Section 260-25).

III. References and Related Policies

A. Business & Finance Bulletins (<http://www.ucop.edu/ucophome/policies/bfb/>):

1. BUS-29, Management and Control of University Equipment; revised 9/3/02.
2. BUS-38, Disposal of Excess Material and Transfer of Federally Funded University-Owned Material, revised 6/14/91.

B. UCD Policy and Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):

1. Section 350-70, Movement of University Property.
2. Section 350-80, Disposition of Excess and Surplus Property.
3. Section 370-30, Property Insurance.
4. Section 370-35, Fine Arts Insurance.