OFFICE OF THE CONTROLLER

Grant Administration
Equipment Purchasing Training

February 2024

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South Carolina

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Equipment: Definition

Equipment: Definition

Definition: Generally, equipment is defined as any item with an acquisition cost of $5,000 or more, including tax if applicable, per unit and a useful life of more than one year.

- Each individual equipment item must be identified, priced and justified separately.

- Facilities and administrative costs (indirect costs) do not apply to equipment.

- If it is necessary to purchase a specific piece of equipment or from a specific vendor, the USC Procurement Exemption Certification form must be completed in USCeRA when a proposal is routed for approvals. If there is no exemption certification, the purchase can be requested as a sole source, but likely will have to go through the quote/solicitation process.

- An exemption from state taxes can also be requested on a piece of equipment as long as more than 50% of its total use applies to research and development, not administrative or teaching. The exemption does not apply to lab supplies that are not a structural part of the machine. The USC Tax Exemption Form must be completed and approved.

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How to Order Equipment

How to Order Equipment

When ordering equipment, it is important to remember:

- No equipment on purchasing cards

- All equipment must be purchased via the requisition to PO process. Equipment $10,000 to $25,000 requires 3 quotes; unless the Procurement Exemption Certification form has been completed or there is an approved sole source.

- Equipment over $25,000 has other solicitation requirements – see Purchasing Matrix.

- To be sure that IDC costs are not charged to equipment purchases, specific account codes must be used when processing transactions.

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How to Order Equipment

To be sure that IDC costs are not charged to equipment purchases, the following account codes must be used when processing transactions:

Account	Type	Description
56202	Expense	AUTO/TRUCK/BOAT
56203	Expense	TECHNOLOGY & EQUIPMENT
56204	Expense	FIREARMS
56205	Expense	FURNITURE & FIXTURES
56208	Expense	SOFTWARE OVER $100,000
56209	Expense	CAPITALIZED SUBSCRIPTION IT
56210	Expense	WORKS OF ART
56215	Expense	RIGHT TO USE EQUIPMENT
56220	Expense	RIGHT TO USE BUILDING AND IMPR
56230	Expense	RIGHT TO USE LAND AND IMPROV
56300	Expense	BUILDING

Note: Use the query **SC_PO_CATEGORY_CODE** to find the category

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Navigation: Main Menu > Reporting Tools > Query > Query Viewer

Query Name: SC_PO_CATEGORY_LIST

Description: Catalog and Category Search/ Use this query to determine the category code that corresponds with the account code when creating a requisition.

SC_PO_CATEGORY_LIST - Catalog and Category Search

Optional Account search [56213]
Optional Description search [   ]
Optional Receiving search [▼]
Optional Category Code [   ]

[View Results]

Download results in : Excel SpreadSheet   CSV Text File   XML File   (1 kb)

View All   First 1-1 of 1 Last

Row	Catalog Description	Sub-Catalog Description	Category Code	Category Description	Account Code	Asset Profile ID	Account Description	Tax Use Code	Receiving
1	SCIENTIFIC AND MEDICAL	FURNITURE/FIXTURES/EQUIP > $5K	49001A	Lab Equipment Build (Asset)	56213	LAB EQUIP	EQUIPMENT BUILDS CAPITALIZED		Required

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When to Order Equipment

When to Order Equipment

All costs charged to federally-sponsored projects must be allocable, allowable, reasonable and necessary per the guidance in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Cost must be not only incurred, but also <u>used</u>, during the approved budget period.

- **Allowable:** expense is in line with the terms and conditions of the award
- **Allocable:** expense is a direct benefit to the award
- **Reasonable:** prudence is exercised, and expense is reasonable

Keep in mind lead times when ordering – place equipment orders as soon as possible to ensure it will arrive to have a reasonable amount of use for the project.

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It can be difficult to demonstrate how expenditures near the end of a project period benefited the award. Purchases incurred within the last 90 days of a project period will be reviewed to:

01 Ensure the item/service was received during the project period.

02 How the item/service provided benefit during the project period, given that it was purchased close to the applicable end date. Providing benefit means having a reasonable amount of use during the project period.

03 Determine if the equipment was included in the original budget proposal. Include this information with the purchase documentation. If the equipment was identified but not purchased until the end of the award, document how the equipment benefited the project given the limited amount of time left on the award.

04 If the equipment was not included in the original budget proposal, determine and document how it benefited the project, given the limited time remaining.

05 Determine if sponsor approval, as required, was obtained for the purchase of the equipment, and document that the approval was received in the purchase documentation.

06 Document how the cost was allocated to other funding sources, if the equipment will not be used exclusively for a particular project.

07 If applicable, document why the purchase was necessary when the proposal indicated that the project had access to necessary equipment and/or facilities.

08 Provide details of the equipment being replaced, if the equipment was purchased to replace existing equipment.

09 Determine if expenditures were incurred, received, and provide a necessary benefit between the start and end dates of the Sponsor Project.

Taxes

Taxes

- Machines used directly and primarily in research and development, in the experimental or laboratory sense, of new products, new uses for existing products, or improvement of existing products can be exempt from sales and use tax.

- Exemption must be approved in advance by the Tax Department using the [Research and Development (R&D) Equipment Sales / Use Tax Exemption Form](#) found on the Controller's Office website.

- The completed and signed form must be uploaded with the requisition.

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Equipment Builds

Equipment Builds

- Equipment-build projects support the construction of a piece (or pieces) of equipment, which, once completed, will be considered a capital asset.

- Equipment-builds exist for several reasons:

Not Available

The equipment with desired function is not available in the market

Cost Saving

It is cost-saving to build equipment.

New Creation

A research project is focused on creating a new piece of equipment.

- Typically, equipment-build projects consist of multiple parts (small and large), which would normally be coded as supplies. However, these parts will come together to create one piece of constructed equipment (with an asset number).

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Equipment Builds

When purchasing the large and small parts, or related services, to create this piece of equipment, it is vital to code these expenses as part of the equipment build for two reasons:
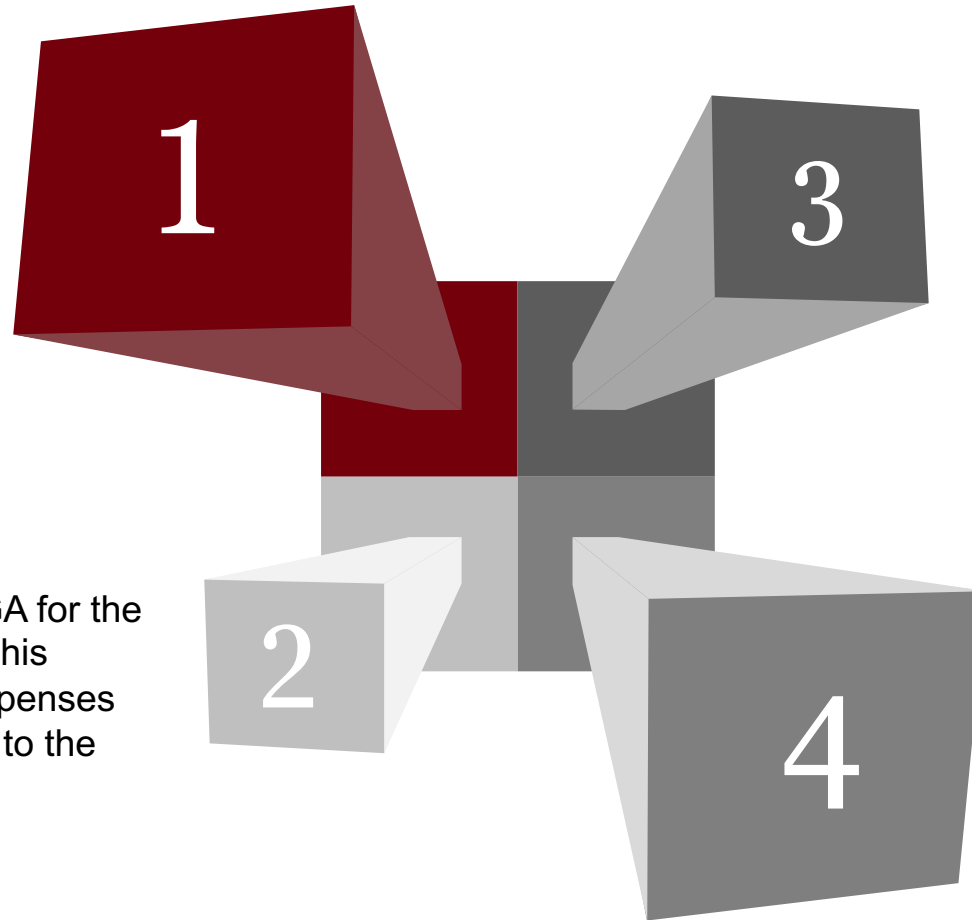
1. To tie these expenses to the asset number for the final piece of equipment to be included in our annual physical inventory process.

2. To ensure that IDC is not assigned to these purchases (as externally-funded equipment-build projects typically do not have IDC allocated for the equipment-build portion of the project).

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Procedures for Purchasing Items for an Equipment-build

Determine if there is an existing asset that will be repaired, developed etc. Communicate this asset to administrative staff, GA staff, etc. Use this query, **SC_AM_INV_AM_TABLES** to find your asset.

1

When using a purchasing-card to buy supplies for an equipment-build, charge the expenses to 53026. Be sure to include the Asset Number in the comments.

3

If this is a new build, reach out to the GA for the project to begin the tracking process. This asset number will allow you to track expenses as they are charged and allocate them to the appropriate planned asset(s).

2

If using a payment request or requisition to process expenses related to an equipment-build, use 56213 and notate the related asset number.

4

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Physical Inventory

Physical Inventory Reminders

- Keep in mind that all equipment, including those built using federal funds, must be inventoried each fiscal year as a part of Annual Physical Inventory.
- Update the Capital Asset team immediately if the equipment will be kept in a different location on campus or is damaged, stolen or destroyed. Visit our Capital Assets page for asset management forms and instructions can be found on the Controller's office website.

- If you have physical inventory questions, please reach out to physinv@mailbox.sc.edu.

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Resources & Contacts

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Where to Find the Resources

Visit the [Resource and Training Toolbox](#) section of the Controller's Office website.

GATEWAYS FOR: STUDENTS FACULTY & STAFF ALUMNI PARENTS & FAMILIES   CALENDAR MAP DIRECTORY APPLY GIVE

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SEARCH SC.EDU

Office of the Controller

- Office of the Controller
- General Accounting
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- Compliance and Tax Management
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- Operational Management and Reporting
- External Financial Reporting and Transparency
- **Resource and Training Toolbox**
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  - Policies & Procedures
  - Forms
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Resource and Training Toolbox

Welcome to our Resource and Training Toolbox! This toolbox is created to empower our system users by ensuring they are prepared and knowledgeable. It provides self-paced tutorials, hands-on training, recorded webinars, and supporting quick reference guides. All resources cover the university's suite of business processes from beginning to end.

Business Manager

The role of each Business Manager at the University of South Carolina varies across each college and department. Each Business Manager handles several responsibilities that directly influence the success of their departments and the University overall.

Access Business Manager Training Resources »

Grant Administration

Grant Administration of Sponsored Awards supports academic and administrative business units to include personnel management, fiscal operations, and coordination with multiple governing areas to ensure compliance with Uniform Guidance and grant awards.

Access Grant Adminstration Training Resources »

Principal Investigator

A *Principal Investigator* or *PI* is the individual responsible for the preparation, conduct, and administration of a research grant. The page includes a list of tasks a Principal Investigator may be responsible for as the administrator of a research grant. Sections include links to training resources that support each task.

Access Principal Investigator Training Resources »

PeopleSoft Finance Access

To request access to PeopleSoft Finance, complete the **PeopleSoft Finance Access Form [pdf]** and email the form to **pssecure@mailbox.sc.edu**.

PeopleSoft HCM Access

To request access to PeopleSoft HCM, complete the **HCM Access Form** and upload to a Service Now Ticket.

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Questions