

Lebanese American University
Compliance Program for United States Sponsored Programs & Procurement Contracts
Property Management

1. PURPOSE

1.1 The purpose of this Policy is to establish standards and guidelines for the use, management, and disposition of property related to Awards and FAR Contracts, as defined below, consistent with good business practices, applicable government regulations, and all legal requirements. For purposes of this Policy, unless stated otherwise, use of the term Award includes Subawards and Award Subcontracts, and the term FAR Contract includes FAR Subcontracts.

2. TERMS AND DEFINITIONS

2.1 The following terms shall have the meanings indicated below for purposes of this Policy, regardless of whether the terms are capitalized:

2.1.1 Agreements Officer – The individual designated as such by the Awarding Agency. This individual is the Government official authorized to execute and modify Awards on behalf of the Government and the Awarding Agency. This individual may also be referred to as the Grants Officer. The terms may be used interchangeably.

2.1.2 Award – U.S. grants, cooperative agreements, and any other Federal financial assistance from an Awarding Agency. These are agreements that would be subject to [2 CFR Part 200](#), if entered into after December 26, 2014.

2.1.3 Award Subcontract – A subcontract issued under an Award strictly for the purchase of property or services needed to carry out the performance of the Award. This term does not include an agreement that qualifies as a Subaward (i.e., an agreement to actually carry out part of the Award scope of work). See “Procurements, Subawards, and Subrecipient Monitoring” Policy for further explanation of the differences between a Subaward and an Award Subcontract.

2.1.4 Awardee – The recipient of an Award directly from an Awarding Agency.

2.1.5 Awarding Agency - The Government department or agency that solicits and enters into an Award or a FAR Contract.

2.1.6 Contracting Officer or CO – The individual designated as such by the Awarding Agency. The Contracting Officer is the official authorized to execute and modify FAR Contracts on behalf of the Government and the Awarding Agency.

- 2.1.7 Costs – All costs incurred in connection with an Award or FAR Contract, charged directly or indirectly to an Award or FAR Contract, and/or which LAU claims as part of a Cost Share for an Award.
- 2.1.8 Cost Principles - The Government statutes and regulations that govern the treatment and accounting of Costs related to Awards and FAR Contracts. U.S. statutes and regulations that govern the treatment and accounting of Costs related to Awards and FAR Contracts. For example, there are laws and standards in the Cost Principles that specifically identify which Costs may be charged to an Award or FAR Contract for the payment or reimbursement by the Government. However, Cost Principles can apply even if the costs are not being charged to an Award or FAR Contract. For example, the Cost Principles are relevant to the development and support for pricing of certain FAR Contracts and the Cost Share, if any, of Awards.
- 2.1.9 Cost Share or Cost Sharing – Some Awards are cost sharing Awards, which means LAU will only be paid or reimbursed an agreed-upon portion of its costs to perform the Award. The portion not paid with Government funds is the Cost Share.
- 2.1.10 Direct Cost – Any cost that can be specifically and accurately identified with a particular Award, FAR Contract, or other activity. Examples of Direct Costs include, but are not limited to, equipment, salaries, and independent contractor costs.
- 2.1.11 Equipment - Means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by LAU for financial statement purposes, or \$5,000.
- 2.1.12 FAR Contract – Any contract awarded to LAU by an Awarding Agency for the acquisition of goods or services and that is subject to the FAR. Except in very limited circumstances, all contracts awarded by the Government for the acquisition of goods and services, as opposed to providing financial assistance, are subject to the FAR.
- 2.1.13 FAR Subcontract – A subcontract issued under a FAR Contract for the purchase of property or services needed to carry out the performance of the FAR Contract.
- 2.1.14 Federal Acquisition Regulation or “FAR” – The regulations in Title 48 of the Code of Federal Regulations implementing uniform policies and procedures for acquisitions by Government executive agencies. The FAR is the primary set of regulation for this purpose, but Government agencies can issue their own acquisition regulations to supplement the FAR.
- 2.1.15 Government – The Federal government of the United States of America.

- 2.1.16 Grants Officer – See definition of Agreements Officer above. The terms Grants Officer and Agreements Officer are interchangeable.
- 2.1.17 Indirect Cost – Costs that are incurred for and benefit multiple activities, including those not directly related to Awards or FAR Contracts, and cannot be readily identified with a specific Award or FAR Contract. Examples of Indirect Costs include, but are not limited to, facilities and administrative costs and depreciation.
- 2.1.18 LAU –refers to the Lebanese American University.
- 2.1.19 Prime Contractor – The recipient of a FAR Contract directly from an Awarding Agency.
- 2.1.20 Property - Means real property, Equipment, Supplies, and other tangible personal property. It does not include intellectual property or software.
- 2.1.21 Sponsored Program – A program funded at least in part with an Award or Subaward.
- 2.1.22 Subaward – An agreement issued under an Award by the Awardee to a Subawardee, or made from one Subawardee to another, to carry out part of the performance of an Award. It does not include an agreement by which an Awardee or Subawardee merely purchases property or services needed to carry out the Award. See “Procurements, Subawards, and Subrecipient Monitoring” Policy for further explanation of the differences between a Subaward and an Award Subcontract.
- 2.1.23 Subawardee or Subrecipient – Recipient of a Subaward.
- 2.1.24 Supplies - Means all tangible personal property other than those that qualify as Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by LAU for financial statement purposes or \$5,000, regardless of the length of its useful life.
- 2.1.25 Uniform Requirements – the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award at [2 CFR Part 200, as supplemented by applicable agency supplements, including, for example, 2 CFR Parts 600 \(Department of State\) and 700 \(USAID\)](#).

3. RESPONSIBILITIES

- 3.1 It is the responsibility of LAU and its departments, faculty, staff and other individuals working on Sponsored Programs to fully comply with this Policy. It is imperative that each person with such responsibility reviews, understands, and complies with this Policy. Violations may result in severe consequences to LAU and all individual violators.

- 3.2 The Office of the Vice President for Human Resources and University Services, in coordination with the Office of Grants and Contracts, is responsible for the maintenance and general oversight of the Policy in particular:
 - 3.2.1 Working with Human Resources to properly educate all LAU faculty, staff, and other employees on the Policy and its purpose; and
 - 3.2.2 Updating the Policy as necessary to address changes in applicable Awards, FAR Contracts, and/or regulations;
- 3.3 The Office of the Vice President for Human Resources & University Services is responsible for implementation and compliance with this Policy. This office may delegate and assign authorities and duties that will ensure accountability, and efficiency, of operations in accordance with LAU's organization structure. This includes, but is not limited to:
 - 3.3.1 Identifying and tracking Government Property;
 - 3.3.2 Coordinating with the Office of Grants and Contracts to notify the Government if Government Property is lost, damaged (including due to lack of maintenance), or stolen;
 - 3.3.3 Investigating and documenting the loss, damage, or theft of Property, in conjunction with Office of LAU Legal Counsel, if appropriate; and
 - 3.3.4 Keeping officers and employees apprised of changes in relation to this Policy.
- 3.4 Any questions concerning this Policy should be directed to the following, in this order:
 - 3.4.1 Direct supervisor;
 - 3.4.2 Office of the Vice President for Human Resources & University Services;

4. SCOPE AND APPLICABILITY

- 4.1 This Policy applies to all Property acquired or used in connection with an Award or FAR Contract.
- 4.2 Property used as part of a Cost Share for an Award or FAR Contract is treated as Government Property for the purposes of this Policy.
- 4.3 Intangible property, i.e., intellectual property, is handled pursuant to LAU's applicable policies and procedures.

5. STATEMENT OF POLICY

- 5.1 Property acquired or used in connection with an Award or FAR Contract is subject to various Government requirements regarding handling and disposition. To ensure LAU compliance with these requirements, all LAU faculty, staff, and other employees performing work under an Award or FAR Contract, or with responsibility concerning such Property, must understand and comply this Policy and all applicable laws.
- 5.2 LAU will properly maintain all Government Property, as required by applicable requirements and laws.
- 5.3 Any loss, damage, or theft of Property must be investigated and fully documented by the concerned Department with responsibility for the Property and the Office of LAU Legal Counsel.
- 5.4 If the Government has an ownership interest in Property that is lost, damaged, or stolen, then LAU must take the necessary measures to account for the Property and provide any required disclosures to the Government.
- 5.5 LAU must perform a physical audit of all Inventories, Equipment, and all other Property accountable to an Award or FAR Contract. The Government generally will have access to LAU facilities to inspect and evaluate Government Property while in LAU's possession or the possession of a Subrecipient or FAR Subcontractor.
- 5.6 Unless otherwise provided below or in the Award or FAR Contract, to ensure the Costs are allowable, LAU generally should seek prior written approval of the Finance Department before using Government funds to purchase Property under an Award or FAR Contract .

6. PROVISIONS APPLICABLE TO AWARDS

- 6.1 All Property acquired for an Award will be acquired by the Purchasing Office in accordance with the "Procurements, Subawards, and Subrecipient Monitoring" Policy.
- 6.2 As required by the Award, LAU must prepare an annual inventory of all Government Property in its possession and submit the inventory to the Government. Title to this Property remains with the Government, and LAU must inform the Government when such Property is no longer needed so the Government can send instructions for the disposition of the Property. LAU acquires title to Property acquired under an Award automatically when the Award explicitly provides that LAU automatically acquires title.
- 6.3 Unless otherwise provided in the Award, LAU will hold real property, Equipment, and intangible property acquired or improved with Award funds in trust for the beneficiaries of the project or program under which the property was acquired or improved. The Government may require LAU to record liens or other notices for the property to indicate this.
- 6.4 Unless a statute and the Award terms expressly provide that LAU acquires unconditional title to real property or Equipment, LAU must use the real property or Equipment in accordance with [2 CFR 200.310 - .316](#).

- 6.5 Any real property or Equipment acquired or improved with funds from an Award must have insurance that is at least equivalent to the insurance provided for non-Award property. It is not necessary to insure Government-owned property unless required by the terms and conditions of the Award.
- 6.6 Unless otherwise provided by the Award or applicable law, LAU will not dispose of or encumber any real property or Equipment acquired pursuant to an Award as long as the property is needed under the Award.
- 6.7 Once Property is no longer needed for an Award, LAU will retain or dispose of the Property in accordance with the terms of the Award and disposition instructions from the Government, if provided.
- 6.8 At the end of an Award, if there are more than \$5,000 worth of Supplies remaining, and the Supplies are not needed for any other Award, LAU may keep the Supplies or sell them, but in either case must compensate the Government for its share of the Supplies, as required by 2 CFR Part 200 (e.g., 2 CFR 200.313(e)(2)). Until the end of the Award, unless otherwise provided in the Award, LAU must not use Supplies acquired under an Award to provide services to other organizations for a fee that is less than what private companies charge for equivalent services, unless specifically authorized by federal statute.

7. PROVISIONS APPLICABLE TO FAR CONTRACTS

- 7.1 All Property acquired for a FAR Contract will be acquired by the Purchasing Office in accordance with the Awarding FAR-Based Procurement Subcontracts” Policy.
- 7.2 Property acquired for or used in connection with a FAR Contract is subject [FAR Part 45](#), and the applicable Awarding Agency supplement, if any. LAU will manage all Government Property in its possession in accordance with all applicable laws and FAR Contract terms. Without limiting this commitment, and despite potential variations from situation to situation, it is helpful to set forth some generally applicable requirements below.
- 7.3 Responsibility for Government Property extends from the initial acquisition and receipt of such Property until proper disposition by approved means.
- 7.4 LAU will use Government Property only for the performance of the FAR Contract, unless otherwise approved in writing from the Contracting Officer.
- 7.5 The receipt or acquisition of Government Property will be documented and tracked sufficiently to allow LAU to provide all reports required by a FAR Contract, including inventory reports.
- 7.6 For LAU-acquired Property, the Purchasing Office in coordination with the Office of Grants and Contracts will take all actions necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon receipt in order to properly allocate associated Costs and exclude all unallowable Costs.

- 7.7 Purchasing Department will maintain records of all Government Property and all other Property acquired for the FAR Contract, with a copy with the requesting office/department. At the very least, the records must provide a complete, current, auditable record of all transactions related to the Property and will contain:
- 7.7.1 The unique identifiers, including the name, part/model number and description, and manufacturer, etc.;
 - 7.7.2 Date;
 - 7.7.3 Quantity;
 - 7.7.4 Unit cost;
 - 7.7.5 FAR Contract number; and
 - 7.7.6 Location.
- 7.8 Unless otherwise expressly stated in the FAR Contract, the Government retains title to all Government-furnished Property until properly disposed of, as authorized by law or regulation. Property that is leased by the Government and subsequently furnished to LAU for use shall be considered Government-furnished Property.
- 7.9 Unless otherwise expressly stated in the FAR Contract, under fixed-price type FAR Contracts, in the absence of financing provisions or other specific provisions in the Contract, LAU retains title to all Property it acquires for use on the FAR Contract, except for Property identified as a deliverable end item.
- 7.10 Unless otherwise expressly stated in the FAR Contract, for cost type and time-and material FAR contracts, the Government acquires title to all Property for which LAU is entitled to reimbursement.
- 7.11 LAU must prepare an annual inventory of all Government Property in its possession and submit the inventory to the Government. Title to this Property remains with the Government, and LAU must inform the Government when such Property is no longer needed so the Government can send instructions for the disposition of the Property. LAU acquires title to property acquired under an Award automatically when the Award explicitly provides that LAU automatically acquires title.
- 7.12 Absent express instructions in the FAR Contract, at the conclusion of the contract, LAU shall request disposition instructions from the Contracting Officer as part of the closeout. If the Contracting Officer fails to respond, consult with the Office of Legal Counsel.

8. REFERENCES

- 8.1 [2 CFR 200.310 - .316](#)
- 8.2 [FAR Part 45](#)

- 8.3 Purchasing Policy
- 8.4 Procurement Procedures
- 8.5 LAU Policies for United States Sponsored Programs and Contracts - Compliance Program for Financial Assistance Awards
- 8.6 LAU Policies for United States Sponsored Programs and Contracts - Records Retention and Audits
- 8.7 LAU Policies for United States Sponsored Programs and Contracts - Public Sector Supplement to Code of Ethics
- 8.8 LAU Policies for United States Sponsored Programs and Contracts - Procurements, Subawards, and Subrecipient Monitoring
- 8.9 LAU Policies for United States Sponsored Programs and Contracts - Awarding FAR-Based Procurement Subcontracts

Effective Date:

The foregoing Compliance Program for United States Sponsored Programs & Procurement Contracts: Property Management was adopted by the Board of Trustees on September 6 & 7, 2018 and is effective as of September 7, 2018.