

Property Management

Updated July 2022

**1. PURPOSE**

The purpose of this Policy is to establish standards and guidelines for the use, management, and disposition of property related to Awards and Contracts, as defined below, consistent with good business practices, applicable awarding agency's 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 Contract includes Subcontracts.

**2. TERMS AND DEFINITIONS**

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

- Agreements Officer – The individual designated as such by the Awarding Agency. This individual is the Government or donor's official authorized to execute and modify Awards on behalf of the Awarding Agency. This individual may also be referred to as the Grants Officer. The terms may be used interchangeably.
- Award – sponsored awards including illustratively U.S. grants, cooperative agreements, and any other financial assistance from an Awarding Agency. U.S. Federal agreements are subject to [2 CFR Part 200](#).
- 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.
- Award Subcontractor – A recipient of an Award Subcontract.
- Awardee – The recipient of an Award directly from an Awarding Agency.
- Awarding Agency - The department or agency that solicits and enters into an Award or a Contract.
- Contract, including FAR ones, – Any contract awarded to LAU by an Awarding Agency for the acquisition of goods or services and that is subject to the general acquisition regulations of the awarding agency, such as the FAR in the case of U.S. Federal contracts.
- Contracting Officer or CO – The individual designated as such by the Awarding Agency. The Contracting Officer is the official authorized to execute and modify Contracts on behalf of the Awarding Agency. U.S. Federal contract follow the Federal Acquisition Regulations (FAR).
- Cost – As further defined in Section 4 below, the term includes all costs incurred in connection with an Award or Contract, charged directly or indirectly to an Award or Contract, and/or which LAU claims as part of a Cost Share for an Award.

## Lebanese American University Policies for Sponsored Programs

Title:

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- 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 the awarding agency funds is the Cost Share.
- Direct Cost – Any cost that can be specifically and accurately identified with a particular Award, Contract, or other cost objective. Typical examples of Direct Costs include, but are not limited to certain salaries and independent contractor costs.
- 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.
- Government – The Federal government of the United States of America.
- Grants Officer – See definition of Agreements Officer above. The terms Grants Officer and Agreements Officer are interchangeable.
- Indirect Cost – Costs that are incurred for and benefit multiple cost objectives and cannot be readily identified with a specific Award or Contract. Examples of Indirect Costs include, but are not limited to, facilities and administrative costs and depreciation. Indirect costs are distributed to cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. They are accumulated and allocated to one or more indirect cost pools or intermediate cost objectives.
- LAU –refers to Lebanese American University.
- Prime Contractor – The recipient of a Contract directly from an Awarding Agency.
- Sponsored Program – A program funded at least in part with an Award or Subaward.
- 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.
- Subawardee or Subrecipient – Recipient of a Subaward.
- Subcontract – A subcontract issued under a Contract for the purchase of property or services needed to carry out the performance of a Contract.
- 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 \(USAID\)](#).

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**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 Administration, 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, Contracts, and/or regulations.
- 3.3 The Office of the Vice President for Administration 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 awarding agency provided Property;
  - 3.3.2 Coordinating with the Office of Grants and Contracts to notify the awarding agency if the latter's 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 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 Grants and Contracts;
  - 3.4.3 Office of the Vice President for Administration.

**4. SCOPE AND APPLICABILITY**

- 4.1 This Policy applies to all Property acquired or used in connection with an Award or Contract.
- 4.2 Property used as part of a Cost Share for an Award or Contract is treated as awarding agency 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 Contract is subject to the applicable awarding agency’s 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 Contract, or with responsibility concerning such Property, must understand and comply this Policy and all applicable laws.
- 5.2 LAU will properly maintain all 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 Legal Counsel.
- 5.4 If the awarding agency 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 awarding agency.
- 5.5 LAU must perform a physical audit of all Inventories, Equipment, and all other Property accountable to an Award or Contract. The awarding agency generally will have access to LAU facilities to inspect and evaluate their Property while in LAU’s possession or the possession of a Subrecipient or Subcontractor.
- 5.6 Unless otherwise provided below or in the Award or Contract, to ensure the Costs are allowable, LAU generally should seek prior written approval of the Finance Department before using awarding agency funds to purchase Property under an Award or 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 awarding agency(ies)’s Property in its possession and submit the inventory to the awarding agency as required and applicable. Title to this Property remains with the awarding agency unless otherwise noted, and LAU must inform the awarding agency when such Property is no longer needed so the latter 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

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beneficiaries of the project or program under which the property was acquired or improved.

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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 awarding agency -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 awarding agency, if provided.

6.8 At the end of an Award, if there are more than \$5,000 worth of Supplies remaining or as otherwise defined by the awarding agency, 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 awarding agency for its share of the Supplies, if so required.. 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 applicable statutes.

**7. PROVISIONS APPLICABLE TO CONTRACTS (INCLUDING MORE SPECIFICALLY FAR BASED CONTRACTS)**

7.1 All Property acquired for a Contract will be acquired by the Purchasing Office in accordance with the awarding agency.

7.2 Property acquired for or used in connection with a Contract is subject to the applicable Awarding Agency. LAU will manage all Property in its possession in accordance with all applicable laws and 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 Property extends from the initial acquisition and receipt of such Property until proper disposition by approved means.

7.4 LAU will use Property only for the performance of the Contract, unless otherwise approved in writing from the Contracting Officer.

7.5 The receipt or acquisition of Property will be documented and tracked sufficiently to allow LAU to provide all reports required by a 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,

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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 Property and all other Property acquired for the 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:
- The unique identifiers, including the name, part/model number and description, and manufacturer, etc.;
  - Date;
  - Quantity;
  - Unit cost;
  - Contract number; and
  - Location.
- 7.8 Unless otherwise expressly stated in the Contract, the awarding agency retains title to all awarding agency-furnished Property until properly disposed of, as authorized by law or regulation. Property that is leased by the awarding agency and subsequently furnished to LAU for use shall be considered awarding agency's - furnished Property.
- 7.9 Unless otherwise expressly stated in the Contract, under fixed-price type 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 Contract, except for Property identified as a deliverable end item.
- 7.10 Unless otherwise expressly stated in the Contract, for cost type and time-and material contracts, the awarding agency acquires title to all Property for which LAU is entitled to reimbursement.
- LAU must prepare an annual inventory of all awarding agency Property in its possession and submit the inventory to the awarding agency. Title to this Property remains with the awarding agency, and LAU must inform the latter when such Property is no longer needed so the awarding agency 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.
- 7.11 Absent express instructions in the 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.