



## OFFICE OF SPONSORED PROGRAMS

Charles R. Drew University of Medicine and Science

### Guidance on Computing Devices Costing Less Than \$5,000 - FAQ Based on the Uniform Guidance after December 26, 2014

#### **Computing devices are defined in the Uniform Guidance, 2 CFR §200.20 and 2 CFR §200.94:**

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. A computing device is a supply if the acquisition cost is less than \$5,000, regardless of the length of its useful life.

Examples of computing devices that are allowable if they are essential and allocable (see below) include:

**Computers** - Including, but not limited to desktop computers and laptop computers.

**Electronic Devices** - Including, but not limited to tablets, iPads, e-readers, printers, external hard drives. This is not a complete list and questionable items should be directed to OSP and/or Finance.

#### **1. I am preparing a proposal and would like to request a **computing device**. Where should I include information about my computing device request in the proposal?**

The computing device should be included in the budget and budget justification. The budget justification should include information on why the device is essential and allocable to the project.

#### **2. I am preparing a proposal and would like to request a computing device. However, I am using a modular budget. What should I do?**

You should prepare and submit detailed budget and written justification for the computing device to OSP for filing purpose for this proposal.

#### **3. If I identify a post-award need for a computing device, what should I do?**

You should provide a written justification for the computing device to OSP. Note that award terms and conditions also may require a sponsor's prior approval for this type of cost.

#### **4) How does the timing of the computing device purchase affect whether or not it is considered "essential" and "allocable"?**

If a computing device is purchased early during the project, it is available to be used for most of the project period. Recent audits have questioned the purchase of computing devices close to or at the end of a project. Purchases made close to the end of a project may raise the suspicion that the purchase was made to spend out the award, which is not allowable.

Purchases made within the last six months of the project may be subject to additional scrutiny by sponsors and outside auditors. Please provide additional justification on the use of this device on this project in this time period if you intend to purchase a device within the last six months of the project. This additional justification should be included in the proposal's budget justification or in the justification submitted to OSP.

**5) May an expense for a single computing device be charged to more than one project?**

A single supply item, such as a computing device, should normally be charged only to one project. Splitting the charges for a single device across more than one project may raise the question of whether the device would be more appropriately categorized as an F&A expense.

A situation may arise, however, where it might be appropriate to allocate the cost of a device to more than one project, because the device may benefit more than one project. If the cost of a device is allocated to more than one project, the proportional benefit to each project should be easily and readily identifiable. For such situations, PIs may wish to consult with OSP and/or their account manager.

**6) What factors determine whether the computing device should be a direct or F&A expense?**

You should consider how the computing device will be used. The use should help justify whether the cost is more appropriate as a direct cost or as an F&A cost. See the criteria in the table below.

Direct Cost	F&A Cost
<ul style="list-style-type: none"> <li>• Predominantly used on a specific sponsored project</li> <li>• Necessary to achieve project objectives</li> <li>• Easily identifiable with a specific project</li> </ul>	<ul style="list-style-type: none"> <li>• Predominantly used for several different activities, including administration, instruction, research, or proposal preparation</li> <li>• Not easily identifiable with a specific project</li> </ul>

Generally speaking, if the device is to be predominantly used for a project need, then it is allowable as a direct cost. If the device is to be used for an individual to address multiple needs, then it may be more appropriate as an F&A cost. Consider if the need for the device is project-driven or individual-driven.

Additional information about **direct costs** and **F&A costs** is available within the Uniform Guidance.

**7) What information would help me justify that the computing device is essential and allocable to the award?**

You must be able to describe the project-specific need for the computing device. You should be able to discuss why other resources are not available to fill this need and, if the computing device were not available, how the project would be negatively impacted.

**8) I wish to purchase a computing device for a graduate student who will work on my project. Do you have any examples that I could review before preparing my own justification?**

Yes. The justification should demonstrate that the device is essential and allocable to the project. The justification should also be specific to the aims of the project. For example:

*We request funds to purchase a laptop computer for the graduate student who will work on this project. The student will use the device to design experiments, interface with analytical instrumentation, collect and store data, and analyze data. The student will also assist in the preparation of figures and tables summarizing research results, as well as publications and presentations covering research results.*

OR

*Funds are requested to purchase five tablet computers. Graduate students will use the tablets to gather data in the field and to tabulate data for this project.*

**9) What does "not solely dedicated" mean regarding how much a computing device should be used for a project?**

"Not solely dedicated" indicates that some amount of non-project use is acceptable. Use of activities outside of the grant should not interfere with project use. The predominant use of the computing device should be on the project.

**10) Who will review and approve post-award requests for computing devices?**

OSP will review requests and consult with the Office of Finance for final approval. If necessary OSP will consult with Vice President for Research and/or Dean. Documentation of approvals must be maintained.

**11) What is the applicability of the updated computing devices guidance to awards issued prior to the Uniform Guidance?**

If the terms and conditions attached to the award issued prior to 12/26/14 incorporate the **Uniform Guidance, 2 CFR §200.20 and 2 CFR §200.94**, then the updated computing devices guidance applies to the award. This guidance may be applicable to awards issued prior to the Uniform Guidance, depending on the terms and conditions attached to the award. Applicability will be determined on a case-by-case basis.

## **12) What account codes are generally used for computing devices?**

The account code used typically depends on whether or not the device is considered capital equipment.

Computing devices that are supplies (costing less than \$5,000 and **not** considered capital equipment) generally should be coded to Supplies Category: 6401

Capital equipment (any non-expendable individual item not permanently attached to buildings or grounds costing \$5,000 or more and having a useful life of more than one year) should be coded to the Equipment Category: 8001

## **13) What if a computer is part of a larger piece of equipment, and there is one price for the equipment that includes the computer? Would it then still be considered part of the equipment purchase and tracked?**

The capitalized acquisition cost of an equipment item is the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus (including computing devices) necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation and transportation should also be included. Repairs, maintenance, and replacement parts are NOT included in the capitalized acquisition cost.