

North Dakota State University

Policy Manual

SECTION 810

ALLOWABLE COST POLICIES – EQUIPMENT

SOURCE: NDSU President

1. The restrictions applicable to equipment purchases vary depending upon the agencies supporting the projects. While nonfederal programs are reviewed individually, the following regulations apply to federal programs unless specifically stated otherwise in the individual agency regulations.
 - 1.1 DEFINITION. Under federal guidelines, equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit.
2. SPECIAL PURPOSE EQUIPMENT. Special purpose equipment means equipment which is used only for research, medical, scientific, or other technical activities.
 - 2.1 Capital expenditures for special purpose equipment are allowable as direct charges, provided that the acquisition of items having a unit cost of \$5,000 or more is approved in advance by the sponsoring agency. The dollar limit may vary with the awarding agency. Copies of the individual agencies guidelines may be obtained from the Office of Grant and Contract Accounting.
3. GENERAL PURPOSE EQUIPMENT. General purpose equipment means equipment, the use of which is not limited only to research, medical, scientific or other technical activities. Examples of general purpose equipment include office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment.
 - 3.1 Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the sponsoring agency.
 - 3.2 Approval may be obtained during the budget process or prior to the purchase of the item during the life of the grant. Approval is dependent upon the item being used primarily or exclusively in the actual conduct of scientific research. The method of seeking approval and the dollar limit requiring approval varies with the awarding agency. Copies of the individual agencies guidelines may be obtained from the Office of Grant and Contract Accounting. It is the cost of the item of equipment that determines whether approval is needed, not the amount that is charged specifically to the sponsored agreement.

HISTORY:

New	July 1990
Amended	April 1992
Amended	May 1996
Amended	August 2007
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