

5.0 SUBAWARDS WITH/WITHOUT EQUIPMENT (09/09)

5.1 General Ledger Accounts and Material Groups: Subawards with Accountable Equipment and Non-Accountable Equipment

5.1.1 In identifying the subawards, the subaward administrator(s) will need to review the information in COEUS to determine the requirements on equipment.

1. Review the cost proposal to determine if there are costs for equipment
2. Review COEUS to identify the funding source (DOE, NIH, NSF, DOD, NASA, etc) and type of award (grant, contract, cooperative agreement, other)
3. Review COEUS to determine the property requirements (i.e.: title, equipment dollar threshold, accountability, etc) under the prime award.
4. If a specific property and/or equipment clause is provided in COEUS, it would then flow down to the subawardee.
5. If COEUS indicates there is a property and/or equipment requirement, but is unclear as to the specific language, contact the OSP administrator for additional guidance or, where appropriate, use one of the clauses contained in forms document 5.1A entitled Sample Equipment Clauses.

420600	Subawards Agreement: F & A* on first \$25,000
420620	Subawards Agreement: No F & A*

*Facilities and Administrative costs. See Glossary for further details.

Material Groups	Description
1057	Subawardee Agreement with accountable equipment
1058	Subawardee Agreement with non-accountable or no equipment

Based on the cost proposal and COEUS review, the subaward administrator can now determine the proper general ledger account and material group numbers designation

5.1.2 The clauses contained in forms document 5.1A entitled Sample Equipment Clauses are sample property and/or equipment clauses that should be tailored to

meet the specific requirements of your subaward. In some cases, the provisions will have to be modified in order to conform to the requirements of MIT's prime award. In high dollar and/or complex subawards RST should review the provided boilerplate to ensure that it makes sense, covers all the necessary points, and protects MIT's and the prime sponsor's interests.

5.2 CONTROL OF MIT AND GOVERNMENT PROPERTY UNDER MIT SUBAWARDS

5.2.1 MIT and Government property (equipment, materials and supplies) that is acquired by a subawardee for use in connection with the performance of a MIT subaward falls into two categories:

- (a) Property that is purchased by the subawardee with subaward funds in accordance with the terms of the subaward.
- (b) Property that is furnished to the subawardee by MIT or the Government in accordance with the terms of the subaward.

5.2.2 Authorization to the subawardee to purchase equipment will be determined in accordance with the prime award and will be incorporated into the specific subaward agreement terms and conditions.

5.2.3 Disposition of Residual Property

(a) Subaward closeout procedures require that following completion of subaward performance the subawardee submit to MIT a final inventory of all accountable property that is residual to the subaward.

(b) Refer to Section 10, Closeout of Subawards for an explanation of the methods by which residual property may be disposed of (disposition includes the return of residual property to MIT), and the coordination of disposition instructions with the MIT Property office and the Office of Sponsored Programs.