I. The Federal Office of Management & Budget establishes standards for obtaining and managing property purchased with Federal funds. The College’s compliance with these standards is audited annually by independent auditors, and the results are reported to the applicable Federal agency. These standards are summarized below.

II. The information from the Federal Government regarding these standards is voluminous. The following outline is a summary of these standards and procedures. Contact the Assistant Controller in the Business Office if more information or detail is required.

III. Steps to follow when purchasing property and equipment with Federal money:

A. PLANNING
   1. Consider leasing options.
   2. Avoid purchasing unnecessary items.

B. SELECTING VENDORS / CONTRACTORS
   1. Solicit bids from vendors for goods and services over $25,000, or contact the Business Office if bids cannot be obtained.
   2. Consider using small businesses and minority-owned firms.
   3. Consider the vendor or contractor’s integrity, record of past performances, and resources available.
   5. Note that the Federal awarding agency can request to examine the purchasing documents, therefore, copies should be forwarded to the Assistant Controller when the purchase exceeds $25,000.
   6. Verify that the vendors have not been disbarred from receiving federal contracts/grants. See the website EPLS.gov to perform a search of vendors or contact the Assistant Controller in the Business Office.

C. ORDERING AND RECEIVING EQUIPMENT & SERVICES
   1. Obtain proper approval for the purchase.
2. Set-up purchase order.

3. When items arrive, sign receipt of merchandise form. This authorizes payment.

4. Review items received to make sure that the vendor has met all specifications.

D. PURCHASE CONTRACTS

1. The standards include various requirements for contracts exceeding $25,000. Contact the Business Office for more information.

III. Property management:

A. Land and buildings
   The standards include requirements concerning the use and disposition of land and buildings acquired with Federal money. Contact the Business Office if this applies.

B. Federally-owned and exempt property
   The standards include requirements concerning the use of federally owned and exempt property in connection with a Federal grant. Contact the Business Office if this applies.

C. Equipment

1. Usage of equipment.
   Equipment can be used for the project as long as needed. When the equipment is no longer needed, it can be used for other federal programs.

2. Equipment management standards:
   
   (1) The Business Office will maintain an inventory schedule of equipment costing $5,000 or more.

   (2) The equipment identified on the above list will be tagged and numbered indicating it was purchased with Federal funds.

   (3) A physical inventory of the equipment will be taken yearly by the Business Office. In addition, the College’s independent auditors may also take a physical inventory of the equipment as part of their auditing procedures.

   (4) Contact the Business Office if any equipment is moved or damaged.
3. Disposition or sale of equipment
   The standard includes various requirements when equipment is no longer
   needed, disposed of, or sold. Contact the Business Office if this applies.

D. Supplies

1. If there are unused supplies exceeding $5,000 at the completion of a project
   and these supplies are not needed for any other federally-sponsored projects,
   contact the Business Office.

E. Intangible property
   The standards include requirements for intangible property (patents, trademarks
   etc.). Contact the Business Office if this applies.