



## Policy on Purchase and Disposition of Capital Equipment Acquired with Grant Funds



### **I. Equipment Covered by Policy (subject to reimbursement limitations)**

Equipment purchased in part or in whole by grant funds is subject to this policy including all equipment acquired by the grant recipient or contractors of the grant recipient for which GLFT funds are disbursed under the terms of a grant. The term equipment includes tools, electronic or mechanical devices, survey apparatus, vehicles, watercraft, and similar non-expendable, durable items used to perform services (including conducting research), or to complete the tasks in a grant agreement.

### **II. Purchases, Leases, Rentals and Other Exclusions (not subject to reimbursement limitations)**

The GLFT, for the purposes of its grant awards, has determined that the following are **not** controlled by this policy (i.e., reimbursement under a grant award can occur without application of the specific limitations contained in this policy for the listed items).

1. Items acquired under the grant that can be classified as expendable, such as supplies or materials consumed during the performance of the service or required to complete a task (e.g., printing and laboratory supplies, and construction and building materials).
2. Equipment that is leased or rented by the grant recipient from a third party as needed to perform the services or tasks under a grant agreement (e.g., leased construction equipment).
3. Equipment that is incorporated into constructed projects which is required to meet the performance objectives of a grant (e.g., electrical or plumbing systems incorporated into restrooms at a constructed access site, transport display cases for educational exhibit material).

### **III. Equipment Reimbursement Limitations on Purchases equal to or less than \$100,000**

The GLFT will place the following limitations on capital equipment purchases less than \$100,000:

1. All equipment purchases must be itemized in the grant award and receive prior written approval of the GLFT to be a cost eligible item.
2. The grant recipient must select one of the following options prior to purchasing equipment for which GLFT funds are requested:
  - a. Request full funding for equipment purchased and provide evidence satisfactory to the GLFT either that the residual dollar value of the equipment following termination of the term of the grant project will be essentially zero, or that any remaining value/usefulness of the purchased equipment following termination of the grant project will be dedicated to uses to support research; habitat or population enhancement; access; or education directly related to the Great Lakes fisheries.
  - b. Request partial funding for equipment purchased on a formula that prorates the costs between the GLFT and the grant recipient based upon the value of the equipment, its expected useful life, and the equipment use during the grant project. The GLFT will not pay more in partial reimbursement for equipment than the cost would be of renting or leasing the equipment for the same period.

### **IV. Equipment Reimbursement Limitations on Purchases greater than \$100,000**

For the purposes of grant awards of capital equipment purchases greater than \$100,000, the grant recipient shall:

1. Be limited to government entities, which include state, federal, and tribal fishery organizations.
2. Demonstrate a history of collaboration among government and non-governmental entities.
3. Demonstrate that no other funding source can complete the equipment purchase except the GLFT, and that no other funding source would become available in the foreseeable future. Specifically, the grant recipient must demonstrate, in writing, that all reasonable efforts have been made over a substantial time period to obtain government funding and that such funding is not and will not be available.
4. Be limited to governmental entities, cost-shared not less than 25 percent and itemized in the grant award. In-kind match is not eligible.
5. Be limited to dedicated uses to support fishery research; habitat or population assessment and enhancement; or uses directly related to the Great Lakes fisheries. The grant recipient must demonstrate direct benefits to additional government entities and other Great Lakes fisheries researchers.

**Other requirements:**

6. For the life expectancy of the equipment purchase, but not more than 10 years, grantee must submit an annual work plan to the GLFT board that describes ongoing fisheries research, monitoring, and habitat or population enhancement activities that occurred in the prior year, including a description of how the equipment was used in collaboration with other researchers in furtherance of the health of the Great Lakes fisheries.
7. Grantee must demonstrate that it has adequate resources to maintain the equipment and provide staffing services for the full utilization of the capital equipment purchased consistent with GLFT policies and without further investment by the GLFT.
8. Grantee must provide evidence satisfactory to the GLFT either that the residual dollar value of the equipment following its life expectancy and/or termination of services provided will be essentially zero, or that any value or funds generated upon disposition will be returned to the GLFT.

**V. Implementation/Duration of Policy**

The manager of the GLFT has the authority to interpret this policy on behalf of the GLFT once a grant award is made to effectively administer the grant. The GLFT may rescind or modify this policy with respect to future grants. The GLFT, at its discretion, may exclude all or a portion of the equipment costs at the time the grant is awarded.

**VI. Special Note Regarding Computers/Software**

The cost of computers and software acquired to perform the services or tasks related to a GLFT grant must be specifically identified in all grant requests; these items are not considered equipment under this policy.

**This policy was adopted by the GLFT Board of Trustees on November 8, 2011.**