



Frequently Asked Questions for Equipment Prior Approval for Capacity Grants

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1. Q: What items of equipment need prior approval?

A: Prior approval is required for General purpose equipment costing \$5,000 or more and having an anticipated useful life of more than one year. Special purpose equipment does not require prior approval UNLESS it costs **\$250,000** or more.

2. Q: What is General purpose Equipment?

A: General purpose is a category of equipment. The Uniform Guidance defines equipment as tangible personal property that has a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more (or the capitalization level established by the grantee for financial statement purposes). It further defines General purpose equipment as not limited to research, medical, scientific, or other technical activities. Examples of General purpose equipment include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, audio visual equipment, and motor vehicles.

3. Q: What is Special purpose equipment?

A: Special purpose equipment is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.

4. Q: Can I submit supplies for review and approval?

A: No. Prior approval is not required for supplies therefore, NIFA will not review or provide prior approval for supplies. If, however, you have a question about allowability, you may contact the administrative contact for your award.



5. Q: What if my University's internal equipment approval threshold is lower than NIFA's \$5,000. Will NIFA approve my equipment under \$5,000?

A: Your University may require approvals for equipment below \$5,000; this requirement does not transfer to NIFA's prior approval requirement which is set at \$5,000 or more. The Uniform Guidance cites the capitalization threshold of an entity, which is a very specific standard used in accounting and is not the amount set by your institution for internal equipment purchase approval.

6. Q: Does furniture in a lab require prior approval?

A: Furniture is considered General Purpose if it exceeds \$5,000 for a per-unit cost, you would need to request prior approval.

7. Q: Do cars, trucks, and buses require prior approval?

A: Cars, trucks and buses are all types of motor vehicles, which are categorized as general purpose equipment and therefore require prior approval if they cost \$5,000 or more.

8. Q: Is prior approval necessary for equipment used on farms for research and extension projects, such as tractors?

A: Farming equipment, including motorized vehicles, tractors, mowers, etc., are considered General purpose equipment and require prior approval if the per unit acquisition cost is \$5,000 or more.

9. Q: If the truck or vehicle is equipped with specialized GPS, specialized guidance system, or other items, is it considered special purpose equipment?

A: No. It is still a motor vehicle and motor vehicles are general purpose equipment that require prior approval. Because the other items are going to be attached to the vehicle, they would be part of the acquisition cost (See 2 CFR 200.2) and would therefore be part of the prior approval request.

10. Q: For vehicles, is there any special information that should be submitted as part of the prior approval request?

A: Yes. The results/findings of a lease versus purchase analysis should be included so NIFA can determine if the institution is choosing the most reasonable option under the project.

11. Q: Do I need prior approval to lease a vehicle (car, truck, bus, etc.)?

A: No. Only vehicle purchases require prior approval, however, the lease expenditure must be reasonable, necessary and allocable to the grant.



12. Did the threshold for Special Purpose equipment increase recently?

A: Yes. In June 2018, the Office of Management and Budget increased the Simplified Acquisition threshold from \$150,000 to \$250,000. NIFA selected \$150,000 based on the Simplified Acquisition Threshold. Therefore, NIFA increased the level above which capacity grant recipients will need to request prior approval for special purpose equipment to \$250,000.

13. Q: How do prior approval requirements apply if multiple sources of funds are used to purchase equipment?

A: If you are using ANY grant funds or matching funds to purchase an item that meets the definition of equipment, you must request prior approval from NIFA, even if the amount of grant funds and/or match spent on the equipment is less than \$5,000. When multiple sources of funds are used, grantees should ensure all award numbers are listed in their request, either on the template or in a letter.

14. Q: Can I submit one request for equipment prior approval for all my grants?

A: No. Equipment prior approval is grant specific. You can submit one request for each grant and that request may contain multiple pieces of equipment.

15. Q: Does the equipment need to be specifically listed in my plan of work?

A: No. The Plan of Work is a high level overview of the goals and activities under the grant award and does not include items of equipment. However, to demonstrate that the equipment benefits the grant, you will need to explain in the prior approval request how the equipment aligns with and supports the goals and activities in the plan of work including the section number or reference and the page number in the Plan of Work.

16. Q: Am I expected to submit a separate equipment prior approval request if the equipment is part of a capacity project initiation request submitted through REEport?

A: NIFA is exploring options to enable grantees to submit only one request through REEport and then have the request routed to the appropriate individuals for review. Once a process is finalized, further information will be provided to grantees. For now, requests must be submitted to the following email address: capacityequipment@nifa.usda.gov.

17. Q: Do I HAVE to submit a request before acquiring the equipment or will I be able to submit a list of equipment purchased after the fact?

A: Prior approval means that NIFA must provide approval PRIOR to the purchase of the equipment.

18. Q: Can anyone submit a prior approval equipment requests?

A: The written request must be signed by an authorized representative (AR) for your institution; however other individuals may submit the request via email.



19. Q: Who approves prior approval requests?

A: The Authorized Departmental Officer (ADO) within the Office of Grants and Financial Management (OGFM) approves prior approval requests. Prior approval requests are related to grant administration and expenditures which is the responsibility of the OGFM Awards Management Division, not the National Program Leaders (NPLs).

20. Q: Does the equipment have to go through a competitive bidding process prior to the approval request or can the procurement process happen after the approval?

A: No. In fact, we recommend that you obtain prior approval prior to the start of the procurement process.

21. Q: What information needs to be in the equipment prior approval request?

A: Equipment name; approximate cost; approximate useful life; and description/purpose which must include the explanation of how the equipment aligns with and supports the Plan of Work (including section number/reference and page number) and includes whether the cost will be allocated across multiple funding streams or be used 100% by the grant. Grantees should ensure cost are reasonable, allocable and allowable.

22. Q: Is there a specific form I must use to submit a prior approval request? Is there a template available?

A: There is no required form, however there are three templates available on the NIFA website at: <https://nifa.usda.gov/program/capacity-grantee-resources>

23. Q: Is there a specific method I must use to submit equipment requests?

A: Please submit your requests to capacityequipment@nifa.usda.gov This mailbox will be monitored daily and requests will be entered into a tracking log to ensure their review and notification within the 30-day window.

24. Q: How long will it take to receive prior approval?

A: NIFA is committed to providing a response to prior approval requests within 30 days of receipt of complete information. If your request is part of a project initiation request that takes longer than 30 days, or is exceptionally complex, it may take longer than 30 days..

25. Q: What do you mean by “within 30 days of receipt of complete information”?

A: “Complete information” means that NIFA has sufficient information in order to render a decision. When NIFA receives a prior approval request, it may not include all the information needed by NIFA to render a decision. In such instances, NIFA will request additional information. For example, a grantee submits a request on August 1. NIFA requests follow up information on August 5. The grantee provides the additional information August 25. NIFA will respond to the request by September 25.



26. Q: What are some tips for submitting good prior approval requests that will be approved within 30 days?

A: Know your definitions (General Purpose Equipment; Special Purpose Equipment; Supplies; fully describe your use of equipment to support grant; include the specific Plan of Work citation (and page number) when describing linkage; and finally, respond to questions or requests for information from Grant Specialist, NPL, or State Liaison!

27. Q: How will NIFA respond to the request for prior approval?

A: NIFA will send the decision letter to the requestor and/or Authorized Representative via email.

28. Q: How do I ensure that I provided the necessary detail and information needed for NIFA to review and approve my request?

A: NIFA has created an Equipment Prior Approval Request Submission Checklist to help grantees ensure sufficient information is included for NIFA to review and approve requests. The checklist can be found on the NIFA website at:

<https://nifa.usda.gov/resource/capacity-grantee-equipment-prior-approval-request-submission-checklist>

29. Q: What information do I need to provide in the Purpose/Description section of the request?

A: In this section you would describe the piece of equipment, what it is used for, how it supports the grant goals/benefits, and allocation of costs (if allocated across multiple grants), and how it aligns to the approved Plan of Work, including a Section number/reference/page number. If the cost is allocated across multiple projects, please describe the other project as well and indicate the percentage of costs or amount of equipment cost being charged to this grant. (Example: The row crop tractor is an all-purpose piece of farm equipment with high power density, low weight, and high horsepower rating and is capable of transporting applications. The tractor will be used solely on this grant to support our agricultural extension program farm to assist with crop management. This aligns with Global Food Security - Plant Production Systems and Health planned program area, Strategic Goal 4.2, page 115

30. Q: What happens if I receive prior approval, but the actual price of the equipment is more than the estimated cost?

A: Once you receive prior approval, you are not required to resubmit your request if the price increases. However you are still responsible for ensuring the cost is reasonable. Therefore, we strongly recommend that you maintain documentation to support that the cost is reasonable.

31. Q: What will happen in 2020 when capacity grantees are required to submit budgets?



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A: NIFA is developing guidance for grantees on the requirements for capacity budgets and will issue both budget guidance as well as updated standalone equipment prior approval request guidance in mid-2019.