

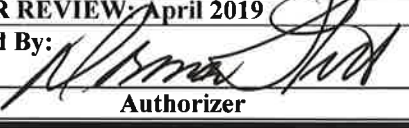


CONTROLLED DOCUMENT

	<b>INTERFACE CONTROL DIRECTIVE</b>	
<b>PROCEDURE FOR: Interface Controls for BRINM Equipment</b>		
<b>PROCEDURE NO.:</b> BRINM-ICD-601	<b>REV. NO.:</b> 1	<b>PAGE:</b> 1 of 6
<b>DUE DATE:</b> April 2017	<b>DUE FOR REVIEW:</b> April 2019	
<b>Issued By:</b>  Owner	<b>Approved By:</b>  Authorizer	

**1.0 SCOPE**

This interface control directive (ICD) applies to all Biomedical Research Institute of New Mexico (BRINM) operations. ICDs provide instructions for all program personnel, including principal investigators (PIs) and contract personnel, needed to meet BRINM's mission, operations, and regulatory requirements. This ICD describes BRINM's process for controlling equipment purchased by BRINM for use in projects.

BRINM's processes have been designed to meet the requirements of Generally Accepted Accounting Principles (GAAP), the appropriate provisions of the Federal Acquisition Regulations (FAR), and Office of Management and Budget (OMB) Uniform Guidance 2 CFR 200.

**2.0 Definitions**

The terms inventory and physical audit are used synonymously throughout this WI.

**3.0 PROCEDURE**

This ICD describes BRINM's process for controlling equipment and performing inventories to ensure control over its own assets, as well as customer- and federally-supplied assets furnished to support BRINM's studies.

**3.1 General**

The BRINM equipment control process begins once equipment has been received, inspected, and accepted. BRINM's equipment control process ends whenever equipment is excessed, donated, or dispositioned. BRINM's equipment control process is displayed in Figure 1.

**3.2 Purchase Requests**

For project purchases, the purchasing process starts when BRINM receives a purchase request (PR) for equipment from the study principal investigator (PI). Each PR received shall be justified by its relation to research or education operations. The BRINM Executive Director (ED) reviews and approves all purchases; in the absence of the ED, the assistant director may approve purchases. Once the PR has been approved, BRINM is responsible for:

1. Completing the purchasing request package, including the purchase order (PO)
2. Obtaining bids from PIs (if necessary)
3. Purchasing the equipment through the appropriate funding source and method

**BRINM Proprietary Information**

		<h2>INTERFACE CONTROL DIRECTIVE</h2>	
<b>PROCEDURE FOR: Interface Controls for BRINM Equipment</b>			
<b>PROCEDURE NO.:</b> BRINM-ICD-601	<b>REV. NO.:</b> 1	<b>DATE:</b> April 2017	<b>PAGE:</b> 2 of 6

4. Coordinating the receiving and incoming inspection (RII) and tagging the equipment as appropriate, as well as managing any necessary returns
5. Processing the resulting payables and closing out the PO

BRINM purchases study equipment in accordance with its established formal, internal standard operating procedures (SOPs) and work instructions (WIs).

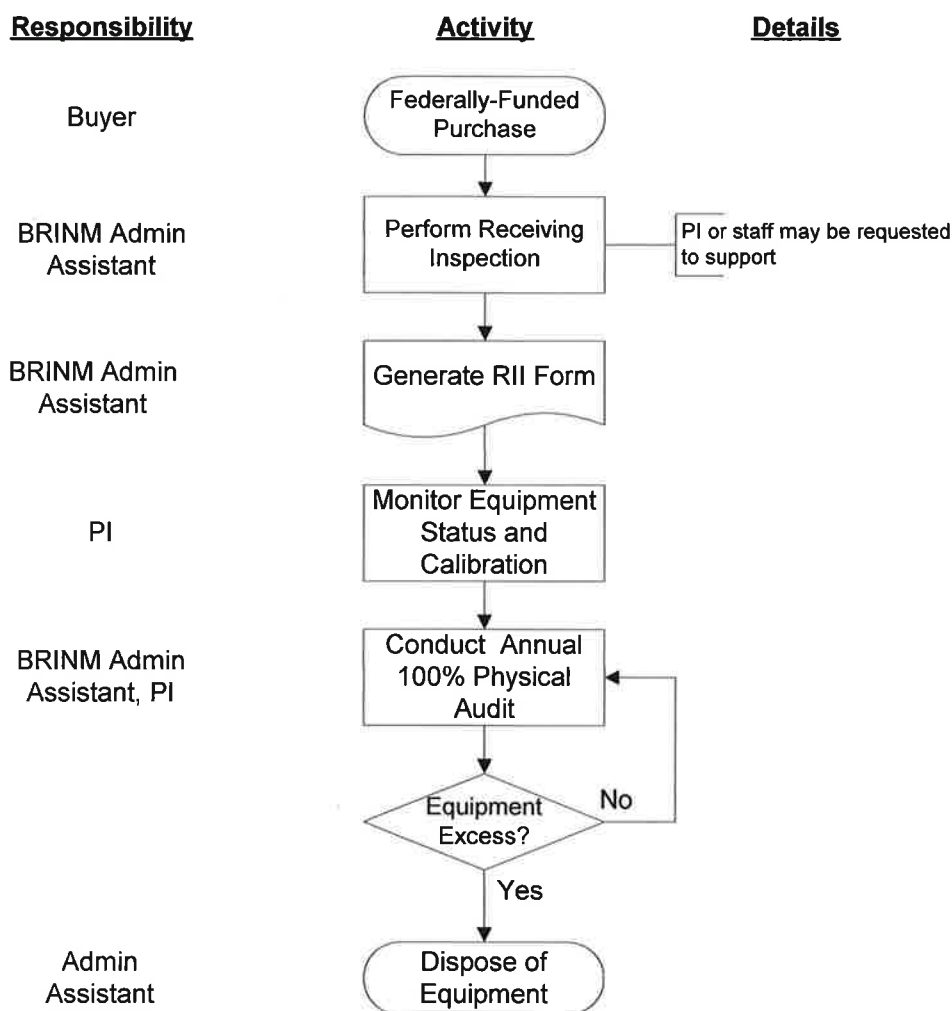


Figure 1 – BRINM Study Equipment Control Process

### 3.2.1 Equipment Title

The title to BRINM equipment purchased with Federal funds is mandated by 2 CFR 215 and is subject to the following conditions:

#### BRINM Proprietary Information

 <p>Biomedical Research Institute of New Mexico</p>	<h2>INTERFACE CONTROL DIRECTIVE</h2>		
<p><b>PROCEDURE FOR: Interface Controls for BRINM Equipment</b></p>			
<p><b>PROCEDURE NO.: BRINM-ICD-601</b></p>	<p><b>REV. NO.: 1</b></p>	<p><b>DATE: April 2017</b></p>	<p><b>PAGE: 3 of 6</b></p>

- a. BRINM only uses the equipment for the project or program for which it was acquired ***as long as needed***, whether or not the project or program continues to be supported by federal funds
- b. During the time that equipment is used on the project for which it was acquired, BRINM may make it available for use on other projects – ***if such other use does not interfere with the work on the project for which the equipment was originally acquired***

### 3.2.2 Equipment Usage

The title to BRINM equipment purchased with Federal funds is mandated by 2 CFR 215 and is subject to the following conditions:

- a. BRINM may not use the equipment to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services. User fees are to be treated as program income under the program for which the equipment was purchased
- b. A BRINM administrative assistant also:
  - Documents any equipment damages and losses and notifies the awarding agency of the damage or loss
  - Ensures that equipment has scheduled maintenance and records are maintained

### 3.3 Receiving Equipment

Equipment may be received based on their preservation requirements or receiving location as follows:

- Off-site drop shipments sent directly to requestor
- Shipments received on-campus at Building 14 (BRINM Main Office)


#### 3.3.1 Off-Site Drop Shipments Sent Directly To Requestor

For off-site drop shipments, the requester is responsible for inspecting all equipment and notifying BRINM of successful receipt.

#### 3.3.2 Shipments Received at Building 14 or Research Office

Upon receipt at Building 14, the BRINM administrative assistant inspects all equipment as follows:

- Verifies the quantity against the requirements stated in the PO
- Completes BRINM-SOP-210 Form 1, Receiving and Incoming Inspection
- Notifies the appropriate requestor to pick-up the shipment, once the inspection is satisfactorily completed

 Biomedical Research Institute of New Mexico		<b>INTERFACE CONTROL DIRECTIVE</b>	
<b>PROCEDURE FOR: Interface Controls for BRINM Equipment</b>			
<b>PROCEDURE NO.: BRINM-ICD-601</b>	<b>REV. NO.: 1</b>	<b>DATE: April 2017</b>	<b>PAGE: 4 of 6</b>

### 3.4 PI Equipment Responsibility

Once the equipment has been received, the PI becomes responsible for:

- Notifying BRINM immediately of any equipment that has been lost, damaged, or stolen
- Ensuring that required calibrations are performed on equipment according to the original equipment manufacturer's (OEM's) specifications and notifying BRINM immediately of any equipment that cannot be brought back into calibration
- Keeping logs and reports of calibration and results for verification
- Supporting BRINM inventory audits (see below)
- Notifying BRINM of any equipment that is no longer needed to support the project for which it was purchased; only BRINM has the responsibility to disposition project-purchased equipment (see below)

### 3.5 Equipment Inventory

BRINM *annually* reconciles its inventory records to the physical inventory for equipment purchased with Federal funds in compliance with 2 CFR 215. This includes reviewing and verifying:

- a. Current actual physical location and condition
- b. Periodic conducting equipment checks and servicing of the equipment
- c. Equipment records with receipts for items such as repairs, titles, and insurance (original supporting documentation on file)

#### 3.5.1 Conducting Physical Audits of Federal Equipment


Federally-owned assets are assigned to individual study PIs. The BRINM auditor uses the following process to verify the physical assets:

- a. Sort the inventory spreadsheet by PI name, then by Project
- b. Schedule the inventory with the Project staff
- c. Conduct the physical inventory in compliance with 2 CFR 215. This includes reviewing and verifying:
  1. Current actual physical location and condition
  2. Periodic equipment checks and servicing of the equipment, including calibration records, where applicable, for monitoring and measuring equipment (i.e., gauges, scales, etc.)
  3. Equipment records with receipts for items such as repairs, titles, and insurance (original supporting documentation on file)

#### 3.5.2 Recording the Physical Audits

Once the audit has been completed, the auditor provides the BRINM Executive Director (ED) with an audit report consisting of a cover sheet with the completed

## CONTROLLED DOCUMENT

 Biomedical Research Institute of New Mexico	<b>INTERFACE CONTROL DIRECTIVE</b>		
<b>PROCEDURE FOR: Interface Controls for BRINM Equipment</b>			
<b>PROCEDURE NO.: BRINM-ICD-601</b>	<b>REV. NO.: 1</b>	<b>DATE: April 2017</b>	<b>PAGE: 5 of 6</b>

Inventory Checklist Spreadsheet attached. If any discrepancies are found during any of the physical audits, the auditor documents and highlights the finding on the Inventory Checklist Spreadsheet. The ED analyzes any discrepancies and determines one of the following corrective actions:

- For damaged or malfunctioning equipment, the asset may be repaired (including recalibration), replaced, or disposed
- For missing Federally-funded equipment or furniture, the ED reports the missing asset to the appropriate Federal agency. The ED may then be required to respond any requests for investigation by that agency

### 3.6 Equipment Disposition

When no longer needed for the original project, 2 CFR 215 requires BRINM to ensure that the equipment shall be used in connection with the recipient's other federally sponsored activities in the following order of priority:

- a. Activities sponsored by the Federal awarding agency which funded the original project
- b. Activities sponsored by other Federal awarding agencies

If the equipment is identified for disposition, BRINM initially requests disposition instructions from the granting agency. Wherever possible, unneeded equipment is donated to the VA or recycled. If BRINM does not receive disposition instructions within 120 calendar days, BRINM sells the equipment at fair market value and reimburses the Federal government.

***All BRINM-purchased IT equipment is donated to the VAMC upon receipt.***

### 4.0 PROCESS RECORDS

Records generated provide solid data to ensure that required processes or sub-processes, as described in this ICD, have been effectively completed. All of the inventory reports described in Section 3 comprise process records that need to be maintained in accordance with either 2 CFR 215 or the stated contractual requirements, whichever are more stringent.

### 5.0 EXCEPTIONS

1. BRINM is required to perform a physical audit at the termination of a PI or closeout of a study where federally-funded equipment has been assigned. This may occur outside or in addition to the annual audit requirements.
2. The technical representative (e.g. the user or requestor) receiving the purchased equipment is responsible for determining its acceptability. This is designated by completing and returning BRINM-FRM-131A, Payment Authorization Form.

### BRINM Proprietary Information

CONTROLLED DOCUMENT



**INTERFACE CONTROL DIRECTIVE**

**PROCEDURE FOR: Interface Controls for BRINM Equipment**

**PROCEDURE NO.: BRINM-ICD-601    REV. NO.: 1    DATE: April 2017    PAGE: 6 of 6**

**6.0 REFERENCES**

- BRINM Handbook
- BRINM NPC Checklist
- BRINM-SOP-200, Purchasing
- BRINM-SOP-210, Receiving and Incoming Inspection
- BRINM-SOP-600, Equipment Control
- BRINM-WI-601, Performing Inventories
- Federal Acquisition Regulations, Applicable Sections
- Office of Management and Budget Uniform Guidance 2 CFR 215

**BRINM Proprietary Information**