

Purchase of Computers or Electronic Devices on Sponsored Projects



OFFICE OF
SPONSORED PROGRAMS
COLORADO STATE UNIVERSITY

This document is intended to serve as a guide for the CSU campus regarding the purchase of basic electronic tools with funds from sponsored projects. Federal guidance changed effective with the December 2014 implementation of Uniform Guidance make computing devices allowable as direct costs on Federal awards if they meet certain conditions. Throughout this guidance document, the term "computing device" is used interchangeably with "computers" and "electronic devices."

Uniform Guidance, 2 CFR §200.453, part (c), states:

In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.

Computing devices are defined in the Uniform Guidance, 2 CFR §200.20 and 2 CFR §200.94:

- Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information.
- A computing device is a supply if the acquisition cost is less than \$5,000, regardless of the length of its useful life.

This guidance deals specifically with computing devices that cost less than \$5,000, which means they are treated as allowable supply items, not as equipment.

The following criteria will be used to determine whether or not a device is essential and allocable:

- The need has been included in the original proposal and completely justified as to the reason it is being included in the project budget.
- It has been approved by the sponsor as part of the budget and award process.
- The device is necessary for the performance of the project.
- The project will be negatively impacted by not purchasing the computer or electronic device.
- The purchase must represent good stewardship of the sponsor's funds and the project's stated objectives.
- The costs are reasonable and directly benefit the project that purchases the equipment.

Examples of computing devices that are allowable if they are essential and allocable include:

- Computers - Including, but not limited to desktop computers and laptop computers.
- Electronic Devices - Including, but not limited to tablets, iPads, e-readers, printers, external hard drives.

NOTE: Computing devices that cost \$5,000 or more and have a useful life of at least one year are considered equipment.

This is not a complete list and questionable items should be directed to your Dean or Director's office. Because of State and University regulations, smart phones and cell phones generally cannot be purchased.

Background

Prior to the release of 2 CFR 200 et al., also known as the Uniform Guidance, the Federal government's point of view was that computing devices were general purpose equipment that were unallowable on Federal awards. To charge computing devices as direct costs on Federal awards, PIs were required to demonstrate that unlike circumstances existed and that the devices were not administrative in nature. This will no longer be the case.

The Office of Management and Budget acknowledged in the preamble to the Uniform Guidance that technology improvements have helped lower the cost of computing devices below the Federal equipment threshold of \$5,000 and, as such, these devices should be treated similarly to other items under this amount. With the advent of the Uniform Guidance, computing devices may be considered allowable direct charges under certain circumstances, so PIs will need to demonstrate that such costs fit the criteria in the Uniform Guidance.