

Frequently Asked Questions for Equipment Prior Approval for Capacity Grants March 2023

Contents

1. Q: WHAT ITEMS OF EQUIPMENT NEED PRIOR APPROVAL?	2
2. Q: WHAT IS GENERAL PURPOSE EQUIPMENT?	2
3. Q: WHAT IS SPECIAL PURPOSE EQUIPMENT?	3
4. Q: CAN I SUBMIT SUPPLIES FOR REVIEW AND APPROVAL?	3
5. Q: WHAT IF MY UNIVERSITY’S INTERNAL EQUIPMENT APPROVAL THRESHOLD IS LOWER THAN NIFA’S \$10,000. WILL NIFA APPROVE MY EQUIPMENT UNDER \$10,000?	3
6. Q: DOES FURNITURE IN A LAB REQUIRE PRIOR APPROVAL?	3
7. Q: DO CARS, TRUCKS, AND BUSES REQUIRE PRIOR APPROVAL?	3
8. Q: IS PRIOR APPROVAL NECESSARY FOR EQUIPMENT USED ON FARMS FOR RESEARCH AND EXTENSION PROJECTS, SUCH AS TRACTORS?	4
9. Q: IF THE TRUCK OR VEHICLE IS EQUIPPED WITH SPECIALIZED GPS, SPECIALIZED GUIDANCE SYSTEM, OR OTHER ITEMS, IS IT CONSIDERED SPECIAL PURPOSE EQUIPMENT?	4
10. Q: FOR VEHICLES, IS THERE ANY SPECIAL INFORMATION THAT SHOULD BE SUBMITTED AS PART OF THE PRIOR APPROVAL REQUEST?	4
11. Q: DO I NEED PRIOR APPROVAL TO LEASE A VEHICLE (CAR, TRUCK, BUS, ETC.)?	4
12. Q: HOW DO PRIOR APPROVAL REQUIREMENTS APPLY IF MULTIPLE SOURCES OF FUNDS ARE USED TO PURCHASE EQUIPMENT?	4
13. Q: CAN I SUBMIT ONE REQUEST FOR EQUIPMENT PRIOR APPROVAL FOR ALL MY GRANTS?	5
14. Q: DOES THE EQUIPMENT NEED TO BE SPECIFICALLY LISTED IN MY PLAN OF WORK?	5
15. Q: AM I EXPECTED TO SUBMIT A SEPARATE EQUIPMENT PRIOR APPROVAL REQUEST IF THE EQUIPMENT IS PART OF A CAPACITY PROJECT INITIATION REQUEST?	5
16. 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?	5
17. Q: CAN ANYONE SUBMIT A PRIOR APPROVAL EQUIPMENT REQUEST?	5
18. Q: WHO APPROVES PRIOR APPROVAL REQUESTS?	5

19.	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?	6
20.	Q: WHAT INFORMATION NEEDS TO BE IN THE EQUIPMENT PRIOR APPROVAL REQUEST?	6
21.	Q: IS THERE A SPECIFIC FORM I MUST USE TO SUBMIT A PRIOR APPROVAL REQUEST? IS THERE A TEMPLATE AVAILABLE?	6
22.	Q: IS THERE A SPECIFIC METHOD I MUST USE TO SUBMIT EQUIPMENT REQUESTS?	6
23.	Q: HOW LONG WILL IT TAKE TO RECEIVE PRIOR APPROVAL?	6
24.	Q: WHAT DO YOU MEAN BY “WITHIN 30 DAYS OF RECEIPT OF COMPLETE INFORMATION”?.....	7
25.	Q: WHAT ARE SOME TIPS FOR SUBMITTING GOOD PRIOR APPROVAL REQUESTS THAT WILL BE APPROVED WITHIN 30 DAYS?.....	7
26.	Q: HOW WILL NIFA RESPOND TO THE REQUEST FOR PRIOR APPROVAL?.....	7
27.	Q: HOW DO I ENSURE THAT I PROVIDED THE NECESSARY DETAIL AND INFORMATION NEEDED FOR NIFA TO REVIEW AND APPROVE MY REQUEST?	7
28.	Q: WHAT INFORMATION DO I NEED TO PROVIDE IN THE PURPOSE/DESCRIPTION SECTION OF THE REQUEST?	7
29.	Q: WHAT HAPPENS IF I RECEIVE PRIOR APPROVAL, BUT THE ACTUAL PRICE OF THE EQUIPMENT IS MORE THAN THE ESTIMATED COST?	8
30.	Q: CAN I CHANGE THE FAIN IN A PREVIOUSLY APPROVED PRIOR APPROVAL REQUEST?.....	8
31.	Q: CAN WE USE CAPACITY FUNDS TO UPGRADE ELECTRICAL OUTLETS AND HAVE THEM INSTALLED IN OUR FACILITIES?	8
32.	Q: IS THERE ANY SPECIAL APPROVAL REQUIRED TO USE EQUIPMENT AS MATCH ON CAPACITY FUNDS?	8
33.	Q: CAN EQUIPMENT MANUFACTURED OUTSIDE OF THE UNITED STATES BE PURCHASED?	8

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

A: Prior approval is required for General purpose equipment costing \$10,000 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. It further defines General purpose equipment as not limited to research, medical, scientific, or other technical activities. Examples of General-purpose equipment includes 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 \$10,000. Will NIFA approve my equipment under \$10,000?

A: Your University may require approvals for equipment below \$10,000; this requirement does not transfer to NIFA's prior approval requirement which is set at \$10,000 or more.

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

A: Furniture is considered General Purpose if it exceeds \$10,000 for a per-unit cost, you will 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 \$10,000 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 \$10,000 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 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, allowable, and allocable to the grant.

12. 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, if the total amount of grant funds and/or match spent on the equipment is \$10,000 or more. When multiple sources of funds are used, grantees should ensure all award numbers are listed in their request.

- 13. Q: Can I submit one request for equipment prior approval for all my grants?**
A: No. Equipment prior approval is grant specific. A request can list multiple items and multiple grant awards. Ensure costs are allocated to each FAIN listed.
- 14. 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 and include the Accession number of the related project(s).
- 15. Q: Am I expected to submit a separate equipment prior approval request if the equipment is part of a capacity project initiation request?**
A: NIFA is exploring options to enable grantees to submit only one request with their project initiation. For now, requests must be submitted to the following email address: capacityequipment@usda.gov.
- 16. 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.
- 17. Q: Can anyone submit a prior approval equipment request?**
A: The written request must be signed by an authorized representative (AR) for your institution; however other individuals may submit the request via email.
- 18. 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).

19. 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.

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

A: Equipment name; approximate cost; approximate useful life; 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); the accession number(s) on the related project; and 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.

21. 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>.

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

A: Please submit your requests to capacityequipment@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.

23. 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 exceptionally complex, it may take longer than 30 days.

- 24. Q: What do you mean by “within 30 days of receipt of complete information?”**
A: “Complete information” means that NIFA has sufficient information 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.
- 25. 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; and accession number(s) of the related project(s) when describing linkage; and finally, respond to questions or requests for information from Grant Management Specialist, NPL, or State Liaison.
- 26. 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.
- 27. 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>.
- 28. 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 and accession number on the related project. If the cost is allocated across multiple projects, please describe all projects, and indicate the

percentage of costs or dollar amount of 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, accession number 123456)

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

A: You are only required to receive additional approval if the actual price of equipment exceeds the estimate by over 10%.

30. Q: Can I change the FAIN in a previously approved prior approval request?

A: Yes, you will need to submit a request to the capacityequipment@usda.gov email box copying the Authorized Representative, state the reason for the change, and the FAINs effected by the request.

31. Q: Can we use capacity funds to upgrade electrical outlets and have them installed in our facilities?

A: It depends. As an upgrade, this cost is unallowable as it is considered an indirect cost. If it is part of a larger project, it may be allowable. Please see 2 CFR 200.414 (a) for more information.

32. Q: Is there any special approval required to use equipment as match on capacity funds?

A: Matching funding must be used and treated the same as federal funding. Special approval is not required to use the purchase price of equipment as a match unless the purchase of “general purpose” equipment is over \$10,000 or “special purchase” equipment is over \$250,000.

33. Q: Can equipment manufactured outside of the United States be purchased?

A: The awardee must comply with Sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 8301-8305, popularly known as the Buy American Act). Failure to comply with

Buy American requirements constitutes a violation of the terms and conditions of the award.