

March 18, 2015

To: University of Illinois at Chicago Research Community

From: Beth Seaton, Director of Sponsored Projects

Subject: Budgeting Equipment on Sponsored Projects – Effective May 1, 2015

The University defines capital equipment as items with a unit value of \$5000 or more and having a useful life of over one year, which is consistent with Federal and State equipment definitions and regulations. However, the practice of UIC has been to categorize anything costing \$500 or more as equipment for the purpose of proposal budgets to external agencies.

Effective May 1, 2015, we will adopt the practice of budgeting items under \$5000 as materials and supplies and capital equipment, as defined above (\$5000 or more and useful life of more than one year), should continue to be budgeted under the equipment category and excluded from the facilities and administrative cost calculation (i.e. excluded from the MTDC base). Please note this change affects budgeting for new proposals submitted on or after May 1, 2015 only; it does not affect awards that have already been made. It also does not affect the State of Illinois property control regulations that govern inventory and equipment levels.

This practice is consistent with the vast majority of educational research institutions across the nation, including UIUC, and is compliant with Federal and State regulations. We hope this change will ease the budgeting process for all involved and also facilitate implementation of the federal Uniform Guidance (2 CFR 200) pertaining to direct charging of computer devices. If you have any questions, you may refer them to the Office of Research Services.