EQUIPMENT LOAN PROCESS GUIDANCE

SCOPE

This document sets forth the California Institute of Technology's (Caltech) guidance on equipment loans.   This guidance applies to anyone within the Caltech community—faculty, students, and staff—who had the authority to loan a piece of equipment under the management of Caltech.

GUIDANCE

Caltech has a regulatory requirement to maintain current records of all equipment under Caltech's responsibility (see 2 CFR 200.313(d)(1) and 48 CFR 52.245-1(f)(1)(iii)(A)(7) for more information). This includes equipment loans.   Chapter 3 of Caltech's Property Services Policies & Procedures Manual for additional information on equipment loans.

Equipment may be loaned to Caltech by an external entity or from Caltech to an external entity.   In addition to loans, equipment may come to campus as part of a memorandum of understanding (MOU) between an outside party and Caltech.   In the case or an MOU, the Office of General Counsel (OGC), the Office of Technology Transfers (OTT), and the Principle Investigator (PI) enter into these types of agreements. OSR does not get involved in these arrangements since these MOUs do not include federal funding. In cases where the MOU includes a temporary transfer of equipment, Property Services will consider these MOUs as loan agreements and, as such, these should follow the guidance below.

Equipment assets loaned from one Caltech department to another Caltech department are not considered equipment loans so this document does not apply to these types of loans. Instead, equipment assets loaned from one Caltech department to another Caltech department are considered a temporary movement of equipment and should be reported using the Equipment Tracking System (ETS). For more information go to the ETS User Training Document.

Throughout this document, the term "equipment loan" is used to encompass any agreement that will involve temporary movement of equipment assets to or from Caltech.

In order to streamline coordination and communication, ensure the correct people are signing the loan forms, and provide an efficient process, Property Services in conjunction with Procurement Services and OSR are implementing the following processes which should be used by Campus:

Equipment Loans to Caltech from a Non-Caltech Entity:

As you are probably aware, incoming equipment loan documents come from different sources and it is not unusual for them to have different requirements, terms, and conditions. When Caltech is borrowing equipment, the loan form includes language addressing insurance and shipping. Caltech only insures the equipment if the lender requires we insure the loaned equipment. For shipping

and shipping insurance, shipping costs and shipping insurance can be covered by the outside entity or Caltech depending on the loan arrangement or T&Cs of the award for government furnished equipment. Please ensure that insurance, shipping, and shipping insurance are discussed with the lender. The agreed upon terms need to be documented on the loan form.

Divisions should:
- Send all equipment loan forms to Property Services to streamline coordination and communication and to make the process more efficient for the Divisions.
- For equipment loaned to Caltech as part a MOU, provide a copy of the MOU to Property Services so Property Services can take appropriate action and advise the Division if additional information is needed.
- If the entity that Caltech is borrowing the equipment from does not have a form, the Division should use the data enterable PDF, Property Loan Document - CIT Borrower, available on the Forms page of the Property Services website.

Property Services will:
- Review the terms and conditions (T&Cs) disclosed on the form and work with the appropriate offices to get the necessary signatures.
- Notify the relevant offices of any equipment tracking and property management requirements, etc.
- Coordinate the process of formally accepting the equipment at the beginning of the loan agreement and the return of the equipment of at the end of the loan agreement.

Equipment Loans from Caltech to a Non-Caltech Entity:

Caltech only insures the equipment if the lender requires we insure the loaned equipment. For shipping and shipping insurance, shipping costs and shipping insurance can be covered by the outside entity or Caltech depending on the loan arrangement or T&Cs of a written agreement. Please ensure that insurance, shipping, and shipping insurance are discussed with the borrower. The agreed upon terms need to be documented on the loan form.

For Caltech equipment that is being loaned to another entity the following applies:
- Divisions should send Property Services information about the equipment that will be loaned via email before committing to loan the equipment.
- Property Services will review the information and inform the Division whether the equipment can be loaned.
- If the equipment can be loaned, the Division should work with the external parties to complete and sign the Caltech data enterable PDF, Property Loan Document - CIT Lender, available on the Forms page of the Property Services website.
- Divisions should provide a copy of the signed loan agreement to Property Services.
- Divisions should not remove the Caltech asset tag from the equipment.
- Divisions should inform Property Services when the equipment is shipped out so Property Services can update property records.
- Divisions should provide copies of shipping documents to Property Services.
- Divisions should inform Property Services when the equipment is returned to campus so that Property Services can update property records.

GUIDANCE ISSUED BY

This Guidance is issued by the Office of Financial Services.

EFFECTIVE DATES AND UPDATES

Action Take	Effective Date	Description of Action
Original Guidance	May 1, 2020	Approved by Office of Financial Services.