

## Memorandum

To: University Research Community

From: Roberto M. Gutierrez, Director of Pre-Award  
Division of Research

Subj.: Equipment (OCO) Threshold for Proposal Applications

Date: July 11, 2011

The Division of Research would like to advise the University Research community that the State University System of Florida Board of Governors has implemented new regulations regarding the capitalization threshold of tangible personal property (known as OCO or equipment).

Effective July 1, 2011 the equipment threshold has been revised to define equipment as tangible personal property with a value or cost of \$5,000 or more and having a projected useful life of one year or more.

This revised definition of the threshold for equipment is in line with the threshold prescribed by the federal government.

Please note that effective immediately all proposal applications should use the new \$5,000 equipment threshold for budgeting purposes, including exclusions from the F&A base.

Currently awarded sponsored projects will be charged F&A on the basis of the awarded exclusions in place prior to July 1<sup>st</sup>, 2011, therefore F&A will not be applied to equipment costing between \$1,000 to \$4,999.99 as stipulated in the award agreement.

If you have any questions about this notice please contact your Division of Research Pre-Award representative (<http://research.fiu.edu/staff/staffListing.html>) at 305-348-2494 for further assistance.