

Frequently Asked Questions on Fabricated Equipment

What is Fabricated Equipment?

Fabricated Equipment is an item of capital equipment that has been constructed specifically for a UMass project, as opposed to being purchased “off the shelf” from a vendor or commercial supplier. Fabricated Equipment must satisfy the Federal definition of equipment, meaning it must have a total cost of \$5,000 or more, must be non-expendable and must have a useful life of one year or more. Fabricated Equipment costs cannot exceed the cost of commercially available units, unless the commercially available units cannot be procured in time to meet the project needs. The Fabricated Equipment task in a project must result in a piece of equipment that is completed during the award period, inclusive of any sponsor-approved extensions.

How do I budget for Fabricated Equipment?

Fabricated Equipment that meets the Guidance criteria (see <https://www.umass.edu/research/proposals/policies-and-procedures>) should be budgeted in the grant proposal and clearly explained in the budget justification, including the following statement, “The University has approved the exemption from indirect costs for this Fabricated Equipment on the condition that the University shall retain title. Should title not be granted to the University, the sponsor shall pay the full indirect costs on the exempted items.” The costs relating to equipment fabrication are then aggregated and entered on the equipment line item of the sponsor’s budget form and exempted from the calculation of indirect cost. OGCA can assist faculty in ensuring their proposed fabrication meets the requirements of the campus guidance and practice.

Is it Fabricated Equipment or is it a deliverable?

A **deliverable** is an item of equipment or scientific instrumentation created by UMass personnel in connection with a sponsored project to which **UMass will not hold title** and which will be provided to the sponsor or another party at the end of the project. If an item is a deliverable, it cannot be Fabricated Equipment. Note that merely connecting components together in a system (physically or virtually) does not constitute Fabricated Equipment. Projects where the construction of a piece of equipment is the sole purpose of the sponsored

project are not eligible for the Fabricated Equipment exemption to indirect costs. Essentially, Fabricated Equipment is a tool to conduct the research as opposed to being the focus of research itself. An explicit prototyping activity in the project plan would not be considered to be a fabrication task since the prototype does not result in a functional piece of equipment. Thus, fabrication must be carried out according to a plan that does not require experimentation with concepts or with the approach. The development of the design is considered to have occurred prior to the fabrication and not in parallel with it.

What types of costs are allowable under the Fabricated Equipment budget?

Only the actual fabrication of equipment is free from indirect cost assessment. Design and development tasks are considered to be research and therefore are not exempted from indirect cost calculations. Allowable costs under Fabricated Equipment budgets include materials and supplies, shop or non-academic personnel labor (e.g., engineers or technicians), and individual items of equipment or instrumentation that will be incorporated into the final Fabricated Equipment item. Software development is not considered fabrication, but software that is an integral component of a fabrication can be part of the Fabricated Equipment budget if the software is necessary for the equipment or instrument to function.

What types of costs are unallowable under a Fabricated Equipment budget?

Academic personnel labor (i.e., faculty salaries, graduate student or postdoc salaries, research associates), equipment maintenance and repair, facility rental, conference travel, software acquisition, Visa applications and general purpose items (e.g., books, periodicals, journals, memberships) are not allowable costs for Fabricated Equipment budgets.

Can I disassemble a piece of Fabricated Equipment after the project ends?

For a piece of Fabricated Equipment that is comprised of several functional components, each of which may itself have value as a piece of equipment, it is necessary to maintain the integrity of the complete Fabricated Equipment system throughout its lifetime. Therefore, borrowing components from a piece of Fabricated Equipment can only be done by following University procedures for removal of the equipment from the University inventory. For this reason, connection of independently functional units, as in a network of computers, would not be considered a Fabricated Equipment task.