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§ 550.33 Administrative supervision.

REE employees are prohibited from engaging in matters related to cooperator employer/employee relations such as personnel, performance and time management issues. The cooperator is solely responsible for the administrative supervision of its employees.

§ 550.34 Research misconduct.

(a) The Cooperator bears the primary responsibility for prevention and detection of research misconduct and for the inquiry, investigation and adjudication of research misconduct alleged to have occurred in association with their own institution.

(b) The Cooperator shall:

(1) maintain procedures for responding to allegations or instances of research misconduct that has the following components:

- (i) Objectivity;
- (ii) Due process;
- (iii) Whistle blower protection;
- (iv) Confidentiality;
- (v) Timely resolution;

(2) Promptly conduct an inquiry into any allegation of research misconduct;

(3) Conduct an investigation if an inquiry determines that the allegation or apparent instance of research misconduct has substance;

(4) Provide appropriate separation of responsibilities between those responsible for inquiry and investigation, and those responsible for adjudication;

(5) Advise REE Agency of outcome at end of inquiries and investigations into allegations or instances of research misconduct; and

(6) Upon request, provide the REE Agency, upon request, hard copy (or website address) of their policies and procedures related to research misconduct.

(c) Research misconduct or allegations of research misconduct shall be reported to the USDA Research Integrity Officer (RIO) and/or to the USDA, Office of Inspector General (OIG) Hotline.

(1) The USDA RIO can be reached at: USDA Research Integrity Officer, 214-W Whitten Building, Washington, DC 20250, Telephone: 202-720-5923, Email: researchintegrity@usda.gov.

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(2) The USDA OIG Hotline can be reached on: 1-800-424-9121.

§ 550.35 Rules of the workplace.

Cooperator employees, while engaged in work at the REE Agency's facilities, will abide by the Agency's standard operating procedures regarding the maintenance of laboratory notebooks, dissemination of information, equipment operation standards, hours of work, conduct, and other incidental matters stated in the rules and regulations of the Agency.

EQUIPMENT/PROPERTY STANDARDS

§ 550.36 Purpose of equipment/property standards.

Sections 550.37 through 550.42 of this part set forth uniform standards governing management and disposition of property furnished by the Federal Government or acquired by the Cooperator with funds provided by the Federal Government. The Cooperator may use its own property management standards and procedures provided it observes other applicable provisions of this Part.

§ 550.37 Title to equipment.

(a) As authorized by 7 U.S.C. 3318(d), title to expendable and nonexpendable equipment, supplies, and other tangible personal property purchased with Federal funding in connection with a non assistance cooperative agreement shall vest in the Cooperator from date of acquisition unless otherwise stated in the cooperative agreement.

(b) Notwithstanding any other provision of this rule the REE Agency may, at its discretion, retain title to equipment described in paragraph (a) of this section that is or may be purchased with Federal funds when the REE agency determines that it is in the best interest of the Federal Government.

§ 550.38 Equipment.

(a) The Cooperator shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as

long as the Federal Government retains an interest in the equipment.

(b) The Cooperator shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the REE Agency. When no longer needed for the original project or program, the Cooperator shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority:

(1) Activities sponsored by the REE Agency which funded the original project, then

(2) Activities sponsored by other Federal awarding agencies.

(c) During the time that equipment is used on the project or program for which it was acquired, the Cooperator shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired as may be determined by the REE Agency. First preference for such other use shall be given to other projects or programs sponsored by the REE Agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the REE Agency. User charges shall be treated as program income.

(d) When acquiring replacement equipment, unless otherwise directed by the REE Agency, the Cooperator shall use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the REE Agency.

(e) The Cooperator's property management standards for equipment acquired with Federal funds and federally owned equipment shall include all of the following:

(1) Equipment records shall be maintained accurately and shall include the following information:

(i) A description of the equipment;

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number;

(iii) Source of the equipment, including the award number;

(iv) Whether title vests in the Cooperator or the Federal Government;

(v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost;

(vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government);

(vii) Location and condition of the equipment and the date the information was reported;

(viii) Unit acquisition cost; and

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a Cooperator compensates the REE Agency for its share.

(2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.

(3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years and a copy provided to the ADO responsible for the agreement. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The Cooperator shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

(4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented. If the Federal Government owns the equipment, the Cooperator shall promptly notify the REE Agency.

(5) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(6) Where the Cooperator is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to

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the extent practicable and result in the highest possible return.

(f) When the Cooperator no longer needs the equipment, the equipment shall be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5,000 or more, the Cooperator may retain the equipment for other uses provided that compensation is made to the original REE Agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the Cooperator has no need for the equipment, the Cooperator shall request disposition instructions from the REE Agency. The REE Agency shall determine whether the equipment can be used to meet the Agency's requirements. If no requirement exists within that Agency, the availability of the equipment shall be reported to the General Services Administration (GSA) by the REE Agency to determine whether a requirement for the equipment exists in other Federal agencies. The REE Agency shall issue instructions to the Cooperator no later than 120 calendar days after the Cooperator's request and the following procedures shall govern.

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Cooperator's request, the Cooperator shall sell the equipment and reimburse the REE Agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Cooperator shall be permitted to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for the Cooperator's selling and handling expenses.

(2) If the Cooperator is instructed to ship the equipment elsewhere, the Cooperator shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the Cooperator's participation in the cost of the original project or program to the current fair market value of the equipment, plus any rea-

sonable shipping or interim storage costs incurred.

(3) If the Cooperator is instructed to otherwise dispose of the equipment, the Cooperator shall be reimbursed by the REE Agency for such costs incurred in its disposition.

(4) The REE Agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards.

(i) The equipment shall be appropriately identified in the award or otherwise made known to the Cooperator in writing.

(ii) The REE Agency shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with federal funds and federally owned equipment. If the REE Agency fails to issue disposition instructions within the 120 calendar days, the Cooperator shall apply the standards of this section, as appropriate.

(iii) When the REE Agency exercises its right to take title, the equipment shall be subject to the provisions for federally owned equipment.

§ 550.39 Equipment replacement insurance.

If required by the terms and conditions of the award, the Cooperator shall provide adequate insurance coverage for replacement of equipment acquired with Federal funds in the event of loss or damage to such equipment.

§ 550.40 Supplies and other expendable property.

(a) Title to supplies and other expendable property shall vest in the Cooperator upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federally-sponsored project or program, the Cooperator shall retain the supplies for use on non-Federal sponsored