

## Property

The Government requires the University to procure, use and control property in accordance with Federal laws, executive orders, instructions from the Federal sponsoring agency and any special instructions contained in the specific grant or contract. It is Government policy, however, to rely upon the University's internal written procedures, subject to evaluation and approval.

### Special Conditions and Procedures

Specific agencies and specific contracts may impose special conditions beyond general agency requirements. In such cases, the special conditions and procedures so prescribed supersede procedures outlined in this manual.

### Responsibilities

The University is responsible and accountable for all Government property in accordance with the provisions of the contract, including property provided under contract in possession or control of a subcontractor. This responsibility is shared by numerous University personnel, and is specifically delegated as follows:

1. The Office of Contracts and Grants (OCG) (primarily through its OCG Government Property Officer) is responsible for:

- a. overall administration of Government property,
- b. for affixing property tags to Government-owned property,
- c. for reviewing and approving all equipment purchases on contracts and grants,
- d. for obtaining any sponsoring agency approvals necessary,
- e. for preparing Government property inventory reports,
- f. and for notifying the University Property Accounting Office of all Government title equipment that is transferred to the University.
- g. Approves Sponsored Project Equipment Disposal Requests
- h. Approves OPAS and CAS Request Forms
- i. Responsible for Government Property Inventory Audits
- j. Creates and manages OCG Government Property Manual

2. Property Accounting Office (PAO)

- a. maintains inventory records, through the campus' Property Accounting System (PAS), for all Government-owned and University-owned equipment.
- b. is also responsible for assigning property tags to University-owned equipment,
- c. for performing inventories in cooperation with the departments,
- d. for providing reports and information from equipment inventory records.
- e. Property disposition
- f. Property transfers
- g. Maintains all government and CU property records on the CU campus

3. Principal Investigator

- a. the person authorized to initiate requests for purchase of equipment or to request restricted or Government excess property for his or her project.

- b. responsible for proper use, maintenance and security of all assigned property,
  - c. responsible for notifying the Office of Contracts and Grants of any Government property received and any shortage, damage, loss or theft of Government property.
4. Procurement Service Center
- a. will make procurements approved by the principal investigator and the Office of Contracts and Grants
  - b. will ensure acquisitions are made in compliance with University procedures, State of Colorado purchasing rules, general federal regulations (e.g., OMB Circular A-110), and any special procedures required by the sponsoring agency or specific contract or grant
  - c. verifies Sole Source suppliers
    - i. Current requirement set at \$5000 or more per item without competition
5. Department Property Manager
- a. Acts as custodians of Government-owned property in his/her department
  - b. Coordinates with OCG property officer on inventories and audits
  - c. Works with OCG Property Officer to re-tag Government Property to CU tagged
6. Departmental Administrators/Accounting Technicians
- a. Handles Property Purchase Requests, OPAS and CAS submittals to OCG.
  - b. Submits Journal Entries (JEs) for property account code changes
7. Property Services
- a. Responsible for property disposals/pick up
  - b. Approves cannibalization or trade-in of old equipment
  - c. Approves donations to non-profit organizations
  - d. Approves selling of equipment to off-campus buyers
  - e. Approves equipment transfers to universities.

### **III. DEFINITIONS**

Acquisition cost – means the cost to acquire a tangible capital asset including the purchase price of the asset and costs necessary to prepare the asset for use. Costs necessary to prepare the asset for use include the cost of placing the asset in location and bringing the asset to a condition necessary for normal or expected use.

Cannibalize – means to remove serviceable parts from one item of equipment in order to install them on another item of equipment.

Contractor-acquired property – means property acquired, fabricated, or otherwise provided by the Contractor for performing a contract, and to which the Government has title.

Contracting Officer -The duly authorized individual delegated by appropriate authority to enter into a contract and thereafter administer the contract on behalf of the Federal Government.

Custodial Department - The University department or unit having physical control of material.

Discrepancies incident to shipment – means any differences (e.g. count or condition) between the items documented to have been shipped and items actually received.

Equipment – means a tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

Government Property - All property owned or leased by the Federal Government. Such property acquired under contracts with the University includes:

1. Government-Furnished Property:
  - a. Property in the possession of or acquired by the Government and subsequently delivered to or otherwise made available to the University for use under specified contracts and grants.
  - b. Excess Government Property. Property which is no longer required by the Federal Agency and is available to other Federal agencies or Federal contractors such as the University.
  - c. Transferred Property. Property transferred to the University or furnished by the Federal Government to which the Government retains title is considered Government-furnished property (GFP) when it is assigned to an on-going Federally sponsored contract or grant.
2. Contractor-acquired property. Property acquired, fabricated, or otherwise provided by the University for performing a contract or grant, and to which the Government has title in accordance with contract or grant terms and conditions.

Government Property Administrator - The individual designated as an authorized representative of the contracting officer to administer the contract requirements and obligations relative to Government property.

Heritage Property (included in the NASA FAR) – possess one or more of the following characteristics:

1. Historical or natural significance;
2. Cultural or educational or artistic importance; or
3. Significant architectural characteristics.

Examples of NASA heritage assets include buildings and structures designed as National Historic Landmarks as well as aircraft, spacecraft and related components on display to enhance public understanding of NASA programs.

The cost of heritage assets will be reported on the NF 1018 under the appropriate classification. Supplemental reporting may also be required.

Inventorial Equipment

## 1. University Inventorial Equipment

Personal property which either a) has an acquisition value of \$5,000 or more and has a normal life expectancy of one year or more; b) is personal property otherwise considered to require control; or c) is subject to a different capitalization or inventory requirement by a sponsoring agency.

## 2. Government Inventorial Equipment

Personal property which either a) has an acquisition value of \$5,000 or more and has a normal life expectancy of one year or more; or b) is subject to a different capitalization or inventory requirement by a sponsoring agency; or c) has been provided as GFP to the University. Government equipment does not lose its identity as personal property by reason of affixation to any real property.

Material – means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling and special test equipment.

Personal Property - Tangible property of any kind except real property.

Plant Equipment – (Deleted from the DoD FAR, Dec. 21, 2007) Personal property of a capital nature (including equipment, machine tools, test equipment, furniture, vehicles, and accessory and auxiliary items) for use in manufacturing supplies, in performing services, or for any administrative or general plant purpose. It does not include special tooling or special test equipment.

Precious Metals – means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

Real Property - For purposes of accounting classification means: (1) land and rights therein; (2) ground improvements; (3) utility distribution systems; (4) buildings; and (5) structures. It excludes foundations and other work necessary for the installation of special tooling, special test equipment and plant equipment.

Real Property (DoD FAR version) - For purposes of accounting classification means: (1) land and rights therein; (2) ground improvements; (3) utility distribution systems; (4) buildings; and (5) structures. It excludes foundations and other work necessary for the installation personal property.

Sensitive Property – means property potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals.

Special Test Equipment - Electrical, electronic, hydraulic, pneumatic, mechanical, or other items or assemblies of equipment that are interconnected so as to become a new functional entity, causing the individual item or items to become inter-dependent and essential in the performance or special purpose testing in the development or production of particular supplies or services. The term does not include consumable property, special tooling, buildings and non-severable structures (except foundations and similar improvements necessary for the installation of special test equipment), or plant equipment items used for plant testing purposes.

Special Tooling - Jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids of such a specialized nature, that without substantial modification or alteration, their use is limited to the development or production of particular supplies or parts thereof, or the performance of particular services. The term encompasses all components of such items and includes foundations and similar improvements necessary for installation. It does not include consumable property, special test equipment, general machine tools or similar capital items, or buildings and non-severable structures.

#### **IV. VESTING OF TITLE**

The requirements of Federal Acquisition Regulations Part 45 for establishing and maintaining control over Government property apply to all research and development (R&D) contracts. Clause FAR 52.245-1 ALT II is requested on all Government contracts.

In addition to FAR Clause 52.245-1 ALT II, FAR 35.014(b) is requested on all Government contracts to implement 31 U.S.C. 6306, which states that unless an agency head provides otherwise, the policies in the subparagraphs below regarding title to equipment (and other tangible personal property) purchased by the University using Government funds provided for the conduct of basic or applied scientific research, apply to contracts with non-profit institutions of higher education and non-profit organizations whose primary purpose is the conduct of scientific research.

1. If the University obtains the contracting officer's advance approval, the University shall automatically acquire and retain title to any item of equipment costing less than \$5,000 (or a lesser amount established by agency regulations) acquired on a reimbursable basis.
2. If purchased equipment costs \$5,000 (or a lesser amount established by agency regulations) or more, and as the parties specifically agree in the contract, title may:
  - a. Vest in the University upon acquisition without further obligation to the Government;
  - b. Vest in the University, subject to the Government's right to direct transfer of the title to the Government or to a third party within 120 calendar days after the contract's completion or termination (transfer of title to the Government or third party shall not be the basis for any claim by the University); or
  - c. Vest in the Government if the contracting officer determines that vesting of title in the University would not further the objectives of the agency's research program.
3. If title to equipment is vested in the University, depreciation, amortization, or use charges are not allowable with respect to that equipment under any existing or future Government contract or subcontract.

Direct purchases by the University of property paid for in whole or in part from a sponsoring agency's funds, including Federal funds, and for which reimbursement as a direct item of cost is to be requested, are made by use of a University purchase request, initiated by the principal investigator (or

others as appropriately designated) and, following approval, forwarded to Buying and Contracting for processing. After an item of equipment is received, the department approves the receiving report copy of the purchase order and forwards it to the Accounts Payable Office for payment. After payment, Property Accounting assigns a property number, records the purchase on the property inventory file and affixes a property tag to the equipment, if feasible.

At the time that the OCG Property Officer approves the purchase request, it is determined whether title vests in the University, the Federal government, or an industrial entity or other agency. This applies to all equipment purchased in whole or part with Federal funds or otherwise acquired from the Federal government.

If the University acquires title to the equipment subsequent to purchase and assignment of a Government property tag, then the Government property tag is removed. The tag is replaced with a University property number and the change recorded in the property records.

## **V. ACQUISITION AND SCREENING**

### General

The University must have and follow written procurement procedures which:

1. Assure the avoidance of purchasing unnecessary or duplicative items;
2. Provide an analysis of lease and purchase alternatives where appropriate;
3. Provide clear and accurate descriptions of technical requirements, but which do not unduly restrict competition; and
4. Comply with applicable Federal regulations and any special sponsor agency requirements.

### Equipment Screening (Internal)

#### 1. General

The University must assure that all purchases are necessary, beneficial, and non-duplicative.

#### 2. Procedure

The University has established a procedure for determining equipment availability based on the cost of equipment and the amount of state, local or contract and grant money involved. A Principal Investigator requiring equipment should proceed as follows:

##### a. Equipment Costing \$25,000 or More

All purchase requests for equipment are screened by the OCG Property Administrator. Items of \$25,000 or more require either a sole source justification, or screening for availability on a campus-wide basis by Property Accounting (which includes certification by Property Accounting that the screening process has occurred). If the department submits a sole source justification this negates the need for a campus-wide screening.

### Contract Equipment Screening (External) (This requirement does not apply to grants).

The terms and conditions of a contract may require government screening for available government equipment with a value \$5,000 or more.

Before purchasing an item of equipment under a NASA contract, the following must be accomplished if the item is Government-Owned Equipment:

All University-acquired property must be authorized by the terms of the contract and is subject to a determination by the contracting officer that it is allocable to the contract and reasonably necessary. The acquisition (and fabrication) of Government property is further subject to the following conditions, listed in part, depending on category of property:

1. Equipment

a. Prior contracting officer approval, if not already described in a contract schedule as contractor-acquired.

b. Submission of DD Form 1419, DOD Industrial Plant Equipment Requisition, and return of Certificate of Non-Availability if it qualifies as Government-owned Equipment as prescribed in the NASA FAR 1852.245-70, Contractor Requests for Government-owned Equipment.

(a) Equipment as used in this clause, means commercially available items capable of stand-alone use, including those to be acquired for incorporation into special test equipment or special tooling.

(b) (1) Upon determination of need for any Government-owned equipment item for performance of this contract, the contractor shall provide to the contracting officer a written request justifying the need for the equipment and the reasons why contractor-owned equipment cannot be used.

(2) the contractor's request shall include a description of the item in sufficient detail to enable the Government to screen its inventories for available equipment or to purchase equipment. For this purpose, the contractor shall prepare a separate DD Form 1419, DOD Industrial Plant Equipment Requisition for each item requested, and forward it through the Contracting Officer at the cognizant NASA installation at least 30 days in advance of the date the contractor intends to acquire the item. Instructions for preparing the DD Form 1419 are contained in NASA FAR Supplement 1845.7102. If a certificate of non-availability is not received within that period, the contractor may proceed to acquire the item, subject to having obtained contracting officer consent, if required, and having complied with any other applicable provisions of this contract.

Excess Government Property

Excess Government property is material, used or new, which is owned by the Federal Government, is no longer needed by the holding Federal agency, but has additional useful life. Items are usually allocated on a first-come, first-served basis. The University may be authorized to receive such excess property by a contracting agency when the property directly furthers an active contract. Such authorization is dependent upon the terms of the contract and the regulation of the specific agency involved. The University's Property Management Office is responsible for all acquisition, accounting, and disposition of excess Government property.

1. Cost - Excess Government property is usually obtained without cost. However, the University specifies the method of shipping and pays all expenses of packing, transportation and subsequent installation, rehabilitation and maintenance.

Contract funds may be used for these expenses.

2. Ordering - Standard Form 122 or DD Form 1348, with a letter of justification of use, is forwarded to the sponsoring Federal agency for its approval. The sponsoring agency forwards the SF-122 on to the General Services Administration Office concerned, who will then order the item to be shipped to the University.

## **VI. RECEIVING**

### Receipt of Equipment

When delivery is made to the University, the receiving party (central receiving or the ordering department) determines that the number of packages corresponds to the bill of lading and that there is no visible damage. The department purchasing the equipment, upon its receipt, will make a thorough inspection to determine that it is as ordered and that there is no concealed damage. If the shipment is not in order, discrepancies are noted and Purchasing is promptly informed. All actions necessary to obtain adjustment of shortages, overages or damages in shipment from the vendor, supplier or carrier, should be taken.

When a University department takes delivery of Government-furnished equipment, the department must promptly notify the Office of Contracts and Grants so that the property can be properly tagged and recorded.

If damaged shipments are received on Government bills of lading, the section, "The Report of Loss, Damage, Shrinkage," must be completed on the back of the Government bill of lading. A statement of the condition and the apparent causes is then furnished to the Government.

Notice of receipt of Government-furnished property is provided to the Government immediately upon receipt of the property. A copy of the DD1149 form is sent to the Office of Contract and Grants. In the instance of contractor-acquired property, notice of receipt must be provided to the Government no later than the time the University submits application for payment of the property.

After an item of equipment is received, the University department signs the "receiving report copy" of the purchase order.

This receiving report is sent to the University Distribution Center where it is keyed into the Accounts Payable/Purchasing system data base. Pertinent information regarding the receipt of items is then entered into the Accounts Payable system. The vendor invoices come directly or are forwarded to the Accounts Payable Office for payment. Property Accounting assigns a property number, records the purchase on the property inventory file and arranges for a property tag to be affixed to the equipment item.

### Tagging Items of Equipment that Can Not Be Tagged

Certain items may be difficult or impossible to tag. For example, memory boards, circuit boards and items housed in a "clean room" may not be possible to tag. In those instances, the custodial department must create a substitute method of assuring that the tags can be matched up with the equipment items. One suggested method is to post a list of items with the property tags affixed to the list appropriate to each item in an area (such as immediately outside the door to a clean room) that is



reasonably adjacent to the actual location of the equipment items. The posted list must be appropriately marked as to its purpose and must be maintained in a secure and up-to-date manner. Tags may also be kept in a log in the appropriate department with information of description and location.

## **VII. PROPERTY RECORDS**

### General

The Government requires that the University maintains a property control system which will provide for adequate identification, recording, location, utilization, maintenance and physical inventory of Government-furnished property and property acquired with state, local or Government contract funds. The University's property control system is subject to periodic review and evaluation by Government contracting and property personnel.

Records of inventorial equipment are maintained by Property Accounting. All Government property in the care and custody of the University which meets the definition of inventorial equipment is recorded in the same inventory system as that used for recording University-owned inventorial equipment, and provides the following information:

Property number (either University or Federal).

Department code.

Item serial number (UCB's Property Accounting System is limited to 9 spaces starting from the right).

Description code.

Description, model number, manufacturer's name (if available) (Model # is entered into the OCG property database).

Purchase or acquisition date.

Location code (building code number and building room number).

Cost (acquisition)/Unit Price.

Category (plant equipment, special test equipment, special tooling).

Ledger and account number(s) charged.

Award number and/or funding agency name (e.g., corporation).

Acquisition document reference number.

Condition Code.

Disposition.

Posting Reference and Date of Transaction.

Non-capitalized, non-expendable equipment, with an original cost of less than \$5,000, will be maintained on the University's property control system when the equipment is considered to be of a sensitive nature.

Additional information about the University's property accounting and inventory system is found in the Accounting Office Policies and Procedures Manual.

### Government-Furnished Property (Includes Excess Property Received)

The unit acquisition cost of Government-furnished property shall be determined by the Government and furnished to the University. Transportation and installation costs will not be considered as part of the unit price for this purpose. Normally, the unit price of Government-furnished property will be provided on the transfer document covering shipment of the property to the University. In the event the unit price is not provided on the document, the University will take action to obtain the information.

#### University Purchased Property

The acquisition cost of a University-purchased (Contractor-acquired) item of non-expendable personal property should be recorded as the net invoice unit price of the property including cost of modification, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose of which it was acquired. Other charges, such as cost of installation, transportation, taxes, in-transit insurance, etc., shall be included in the unit acquisition cost in accordance with the University's regular accounting practice.

The affixing of the property number tag to University-owned equipment is the responsibility of the relevant purchasing University department. The property number is applied to the actual unit unless its size or nature makes it impractical; in that case the property number should be placed at or near the site of the property in an appropriate and secured fashion. The property number should be affixed to the equipment in an appropriately visible area.

In the event an item of equipment under warranty that has been tagged with a property number is replaced by the manufacturer or supplier, the custodial department must promptly notify Property Accounting of the replacement so the equipment can be re-tagged and the property records updated to reflect any change in information.

Should the property number be accidentally or mistakenly obliterated, defaced or removed, the equipment shall be marked again with the original number.

#### Equipment Identification of Government Property

All inventorial Government equipment is identified, tagged with a Government property number and recorded in University property records promptly upon receipt. This equipment shall remain so identified as long as it is in the custody, possession or control of the University. Such markings and identification are removed or obliterated from the equipment only when title is given to the university, or the equipment is transferred by the government agency to another location. For University titled equipment, the Government tag is removed and replaced by a University tag, and changed in the property accounting system.

The application of the property number to Government-owned equipment is the responsibility of the OCG Property Officer.

### **VIII. STORAGE AND MOVEMENT**

Temporarily idle equipment must be stored in accordance with sound practices with adequate protection. Equipment must be adequately protected while being moved. When authorized,

Government equipment may be transferred from the University with the prior approval of the OCG Property Officer, and a shipping document, transfer document, or similar instrument must be obtained.

#### Location of Equipment

The location of each item of inventorial equipment shall be noted in the University inventory records. Current records as to movement of equipment shall be maintained in such a manner that any item of equipment can be located for inspection or inventory purposes within a reasonable time. The custodial department shall notify Property Accounting of any changes in location of inventorial equipment to include a change of room location lasting more than one month.

#### Physical Security

The head of the custodial department and the principal investigator, if a contract is involved, shall make adequate provision for the physical security of the material in their custody. Areas containing equipment shall normally be kept locked after business hours or at other times when not in use. Special precautions shall be taken in the case of high value, portable equipment.

#### Off-Campus Use of Equipment

State law prohibits the use of University equipment for personal reasons. Should University equipment need to be used at a University employee's home or elsewhere off-campus for University business, an official agreement with written authorization for off-campus use should be completed and maintained in the department office. The Agreement Form for Off-Campus Use of University Equipment is provided on page D2 of the Property Accounting Office manual (Physical Inventory Instructions) and is included after the appendices of this manual. Also, a copy of the form should be provided to the OCG Property Officer.

#### Temporary Movement of Equipment

The custodial department and the principal investigator shall assure that an adequate system exists within the department to track and document any temporary movement of equipment. "Temporary" movement shall mean moving an item to a location on a temporary basis for a period of one month or less. At a minimum, the custodial department shall have records (email, memoranda) on file for such temporary movement. For movement of equipment planned to be longer than one month, the official property records shall be appropriately changed.

### **IX. CONSUMPTION**

Only supplies, materials and equipment necessary for performance shall be acquired and used.

### **X. UTILIZATION**

#### Government Property

The head of the custodial department and the principal investigator shall restrict the utilization of property acquired for use under a specific contract to the purpose authorized in the contract.

Current equipment needs shall be periodically reviewed so that excess items may be identified. The principal investigator shall advise the Office of Contracts and Grants who will then report to the contracting officer equipment. When it is desirable to use the equipment on another contract, the University shall secure prior written approval from the contracting officer for such use. When the equipment is not being used the Office of Contracts and Grants will contact the contracting officer and ask for disposition from the Government for disposal of the equipment.

#### Shared Use

During the time that non-expendable personal property is held for use on the grant\* for which it was acquired, the recipient 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 property was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal agency that financed the property; second preference shall be given to projects or programs sponsored by other Federal agencies. If the property is owned by the Federal government, use on other activities not sponsored by the Federal government shall be permissible if authorized by the Federal agency. User charges should be considered if appropriate.

**\*Government equipment on contracts may not be shared on other projects without the prior written approval of the sponsoring agency's Contracting Officer.**

#### Alteration of Government Equipment

Prior approval for altering an item of equipment in any manner shall be obtained from the appropriate sponsor's contracting officer. Cannibalization of equipment requires prior approval from the Government. This approval will be coordinated through the Office of Contracts and Grants.

## **XI. MAINTENANCE**

The custodial department shall provide the care necessary to maintain the equipment in the condition received or better, normal wear expected, in order that the most useful life is secured. The maintenance program shall be preventative in nature, providing lubricating, cleaning, calibration and inspection on a regular schedule. Records of the maintenance program shall provide the description and date of maintenance actions performed, details of inspection and deficiencies discovered or corrected.

The principal investigator is also responsible for proper use, maintenance and security of all assigned property, and for notifying Property Accounting or, as applicable, the Office of Contracts and Grants of any property received direct and/or any shortage, damage, loss or theft of property.

Maintenance should be in accordance with manufacturer's guidelines and recommendations.

## **XII. PHYSICAL INVENTORIES**

### Scope

This section describes minimum requirements for the physical inventory of Government-owned and University-owned property.

#### Departmental Responsibilities

The custodial department shall take a physical inventory at least once every two years when it receives its report of total equipment by department. The scheduling for this activity shall be arranged with Property Accounting. This report includes both Government- and University-owned equipment. Any discrepancies or corrections noted during the inventory are to be reported to Property Accounting.

#### Property Accounting Responsibilities

A physical inventory of property shall be taken by the department and the results reconciled with the property records at least once every two years. Any difference between quantities determined by the physical inspection and those shown in Property Accounting records shall be re-inventoried on a sampling basis to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need of the property.

#### Office of Contracts and Grants Responsibilities

A complete physical inventory of Government property accountable under a grant or contract shall be taken and recorded by the OCG Property Officer in cooperation with the custodial department, when required by contract or grant terms. The OCG Property Officer will disclose physical inventory results to the property administrator (Government official) as required.

#### Inventories Upon Termination or Completion of a Government Contract

Upon termination or completion of a Government contract or grant, in cooperation with the custodial department and the principal investigator, the OCG Property Officer may perform a physical inventory, if necessary, for disposal purposes of all Government property applicable to the terminated or completed contract. Disposition instructions will be requested from the agency. In submitting a terminal inventory to the agency, the University certifies that all materials, supplies and equipment which were furnished to the University by the Government for use on the contract, or for which the University has been or will be reimbursed by the Government under the terms of the contract, if not specifically included in the inventory, were expended in performance of the work called for by the contract.

1. Waiver of Inventory - The requirement for physical inventory of Government property at the completion of a contract may be waived by the property administrator when the property applicable to the completed contract is authorized for use on a follow-up contract.
2. Listing for Disposal Purposes - Standard items that have been modified may be described on listings for disposal purposes as standard items with a general description of the modifications. Items that have been fabricated, such as test equipment, are described in sufficient detail to permit a potential user to determine whether they are of sufficient interest to warrant further inspection.

### **XIII. NOTIFICATION TO THE GOVERNMENT OF LOST OR STOLEN PROPERTY**

If any Government property provided or acquired under a Government contract or grant is lost, stolen, missing or damaged, the Office of Contracts and Grants is to be so notified immediately and OCG will then notify the Federal Property Administrator. In addition, any items stolen or thought to be stolen will be reported immediately to the University Police and OCG and others as appropriate. All appropriate University officials will investigate and report such cases of lost, damaged, stolen, or destroyed property and will report to the Federal Property Administrator as soon as the facts become known or upon request of the Federal Property Administrator.

#### **XIV. SUBCONTRACT CONTROL**

The appropriate flowdown provisions from the prime Federal contract or grant or other procurement requirements are incorporated into subcontracts for property administration and disposition. At subcontract termination and closeout, a final federal property report is obtained, as required, in accordance with all prime contract or grant regulations. The University's subcontract administrator will assure that all appropriate clauses and requirements are embodied in the subcontract document including extent of liability for loss, damage, destruction or theft of Government property. The University's Government Property administrator will coordinate all required reporting and other government property matters with the subcontractor.

The University will assure that the subcontractor has an adequate property control system.

#### **XV. PRECIOUS METALS AND SENSITIVE ITEMS**

Every precaution must be taken to assure the safekeeping of precious metals and sensitive items.

Precious metals must be locked in a safe when not in use. Changes in configuration must be in accordance with contractual provisions including extraction from the original product. Disposal instructions must come from the contracting officer. The Government defines sensitive items as "those items of property which are susceptible to being appropriated for personal use or which can be readily converted to cash." Sensitive items must remain in a secure area when not in use.

#### **XVI. HAZARDOUS MATERIALS**

If hazardous or dangerous materials are to be acquired in the course of conducting Government or other research, or to be sold after use, the University Environmental Health and Safety Office must first be consulted.

#### **XVII. DISPOSITION**

When Government-owned property is no longer needed for research purposes, disposition instructions will be requested from the contract or grant contracting officer or Government property administrator. The property shall be disposed of in accordance with the U.S. Government instructions.

Disposition data, including date of disposal and sales price or the method used to determine current fair market value, will be maintained by Property Services.

Sales procedures are established to assure competition to obtain highest practical sales price.

All U.S. Government markings and identification shall be removed or obliterated from equipment that is sold, scrapped, or title transferred to the University. The Office of Contracts and Grants' Government Property Officer will remove "0Fxxxx metal tags" (unique item identifiers) from Government property that is sold, scrapped, or title transferred to the University.

Property disposal - Disposals of all types of University equipment whether capitalized or non-capitalized must be handled through the Property Management Office, including those purchases involving University, Federal and State funds.

Additional information about disposal of University equipment and other property can be found in the Property Management Procedures Manual.

All items of property, including lost, stolen, or destroyed items, will remain in the official campus property records until relief of accountability is obtained.

### **XVIII. REPORTS**

The University shall furnish reports to agencies as specified in the contract terms and conditions. These reports will be prepared by the Office of Contracts and Grants.

In addition to individual contract or grant report requirements, the following reports are required.

	<u>Cut-Off Date</u>	<u>Due Date</u>
Federal Acquisition Regulations (Contracts) DD Form 1662 (Report of DOD Property in the custody of Contractors)	September 30	October 31
NASA Grant Inventory	September 30	October 15
NASA Procurement Regulations (Contracts) NASA Form 1018 (Report of Government- owned/Contractor Held Property) also required upon completion of contract.	September 30	October 15
Inventory Listing of Government-Owned Property (Grants)	June 30	July 31
FAR 45, Clause 52.245-1(j)(3) Contractor Inventory Disposal – Standard Form 1428, Inventory Disposal Schedule - when property is no longer needed.		

The reports shall be submitted to the Government property administrator as identified in the contract or grant. All property accountable under grants is to be reported in a listing format as required by OMB Circular A-110.

#### Final Property Reports

The OCG Property Officer receives a monthly listing of all grants and contract accounts terminating as of the previous month. That list is reviewed with each appropriate campus departmental property manager to determine whether each account is actually terminating. For those accounts actually terminating, the departmental property manager will perform a 100% physical inventory and will report the results to the OCG Property Officer, who will resolve or help resolve any discrepancies, missing items, etc. The OCG Government property officer will prepare and submit to the funding agency the final property report, as appropriate or needed. The OCG Property Officer will, to the extent permitted by the funding agency's policies and procedures, also concurrently request relief of accountability or other disposition instructions at the time the final property report is submitted (if such relief of accountability has not previously been addressed).