

US Government-owned Property Control Manual

University of Northern Iowa
2019

Responsible Department(s)/Unit(s):

Office of Research and Sponsored Programs
Treasury

Effective Dates:

Reviewed by ORSP & Treasury: December 22, 2018

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Section 1 Introduction

This manual provides general instructions for managing US Government-owned property held or controlled by the University of Northern Iowa. US Government-owned property includes both US Government-furnished property and property acquired by the University of Northern Iowa where the title vests with the US Government.

Federal sponsors require the University to comply with the property standards set forth in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, sponsoring agency regulations, and terms and conditions as set forth in the agreement. The University is required to maintain a property system that records and manages equipment acquired with federal-sourced funds and federally-furnished equipment.

For contracts with federal-sourced funding, the University must also comply with the requirements for US Government-owned property set forth in Parts 45.5 and 52.245 of the Federal Acquisition Regulations (FAR). Other contractual requirements for US Government-owned property may also exist, such as Defense Supplement requirements to the FAR (DFARS 245.5) or DoD Grant and Agreement Regulations (DoDGAR Part 22) or specific contract terms. The University is directly responsible and accountable for all US Government-owned property in its possession or control.

Administering departmental personnel and Principal Investigators should understand and have knowledge of the provisions of their sponsored program agreements. Please contact Research & Sponsored Programs or Treasury for questions or assistance concerning US Government-owned property.

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Section 2 Definitions

Contractor-acquired property — Property purchased by the University of Northern Iowa using US Government funds.

Federal agency — An organization under the Administrative branch of the US Federal Government.

Federally loaned property (a.k.a. US Government-furnished property) — Property acquired by the US Government, and subsequently delivered or otherwise made available to the University of Northern Iowa for use in performance of a contract or sponsored agreement.

Federal-sourced funds — Funding for sponsored projects received directly from federal agencies or indirectly from other sponsors using federally awarded funds (i.e., flow-through or pass-through funding).

US Government-owned property — title vests with the US Government. US Government-owned property includes both US Government-furnished property and property acquired by the University of Northern Iowa where the title vests with the US Government when the item is purchased.

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Section 3 Acquisitions

Acquisition of property by UNI using federally sourced funds usually vests ownership with UNI. When such acquisition results in the property ownership being vested with the US Government UNI will adhere to its normal and standard purchasing procedures and policies. If applicable UNI will adhere to any special terms and conditions outlined by the US Government issued agreement administering the acquisition funds. When a property acquisition is made by UNI and ownership vests with the US Government UNI shall, after the acquisition is completed, treat the property as though it is "on loan" from the US Government (see section below). **On Loan from Federal Government:** US Government-owned property includes federally-owned equipment that is on loan to UNI. Equipment on loan from the Federal Government does not include property purchased with federal contract funds where the government ultimately retains title to the equipment. Property furnished and owned by the Federal Government for the purpose of completing a project is considered on loan from the US Government and is delivered to UNI for a specific restricted use. Federal regulations require that this equipment be tagged and included in the university's inventory records. UNI's procedure is to accurately identify the ownership of property at the point of acquisition and properly tag the equipment item so as to distinguish it from property owned by UNI. In all cases where the equipment is identified as on loan from the Federal Government, the Equipment Inventory System identifies the equipment as 'Federal Loan'. UNI makes a further distinction of all US Government-owned property by tagging these equipment items with a second equipment tag noted "Property of US Government."

The receiving department must notify the Treasury and Research & Sponsored Programs when federal equipment is received on loan. The notification should include a copy of the federal agency transfer document and/or shipping documents. See Section 4 for receiving procedures. Note that prior written approval is required from the federal agency before Government-owned property can be used for other purposes by UNI, transferred, disposed, or removed from campus.

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Section 4 Receiving

On Loan from Federal Government (US Government-furnished Property)

All property furnished to the University by the US Government must be inspected upon receipt. The receiving department is responsible for ensuring that the quantity, description and condition of the property are accurately documented.

If the property is in good condition and no discrepancies exist, then a note should be written on the receiving or shipping documents indicating the date received and that the equipment was received in good condition.

If the equipment is damaged or discrepancies exist upon receipt of Government-furnished property, the department should note the date received and provide a statement of the condition and apparent causes on the receiving or shipping documents. The Sponsor's contracting or grants official must be notified of any damages or overages and shortages by the Principal Investigator.

In either case, the department should also note the account number of the associated sponsored project on the federal agency transfer document and/or shipping documents and forward a copy to Treasury and Research & Sponsored Programs.

Treasury will record the furnished property in the Equipment Inventory System and set up a time with the department to affix both tags (UNI tag and Property of US Government tag) on the loaned equipment item.

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Section 5 Property Records

General

The US Government requires the University to maintain a property control system which will provide for adequate identification, recording, location, utilization, maintenance, and physical inventory of US Government-furnished property. The University's Equipment Inventory System is subject to periodic review and evaluation by US Government contracting and property personnel.

Records of equipment are maintained by Treasury in the UNI Equipment Inventory System viewable in BNA Fixed Assets DesktopPro. All US Government-owned property in the care and custody of the University is recorded in the same inventory system as is used for recording University- owned equipment. The UNI Equipment Inventory System provides the following information for each equipment item:

UNI Equipment Number (Tag Number)
Description of Equipment Item
Category of Equipment Classification
Department
Responsible Person
Location of Equipment
Acquisition Cost
Account(s) Used to Purchase Equipment
Vendor/Manufacturer
Date Equipment Placed In Service
Condition of Equipment (Useable, Not Useable, Idle, Not Found) (Noted on Annual Equipment Inventories)
Status of Equipment (Active or Inactive)
Model Number
Serial Number
Manufacturer (if available)
Ownership (UNI, Federal Loan, Sponsor Restricted)

Location of Equipment

The location of each inventoried piece of equipment should be kept up to date in the Equipment Inventory system by the department in such a manner that any item can be located for inspection or inventory purposes within a reasonable time frame. Location updates can be done by contacting Treasury with the Equipment Number and new location.

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See Section 9 for information on Disposition of Equipment, including transfers of equipment.

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Section 6 Physical Inventory

Annual Inventory Review

Each department is required to conduct a complete physical inventory of equipment every year. This verification is required by state and federal mandates and enables the University to maintain accurate records. In October of every year, Treasury will provide each department with a report listing the equipment number, tag id, acquisition date, description, serial number, location, person responsible, and cost of all equipment items owned by the department. Departments are to notify Treasury by noting any changes to the listing, including any additions, deletions, transfers or changes in equipment condition on the confirmation spreadsheet provided. Once all equipment is verified, the approval line on the inventory listing must be signed by the department head and staff person responsible for completion of the physical inventory. The asset confirmation must be returned to Treasury by the last day of FallSemester.

Updates to Inventory

Treasury should be notified by an Equipment Inventory Deletions Form whenever equipment is transferred to another department or returned to the federal agency on loan.

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Section 7 Subcontractor Control

The Office of Research & Sponsored Programs (RSP) is responsible for negotiating and executing subcontract agreements. RSP ensures that the appropriate flow-down provisions from the prime federal contract are incorporated into any related subcontracts for property administration and disposition.

Subcontract recipient responsibilities are defined as listed below, subject to the terms and conditions of the subcontract issued:

- Establish and maintain a system to control, preserve, and maintain all US Government-owned property
- Adequately care for and maintain any US Government-owned property
- Investigate and report all instances of loss, damage, or destruction of any US Government-owned property
- Ensure that all US Government-owned property is marked with an indication of government ownership
- Periodically perform a physical inventory of all US Government-owned property in its possession or control
- Assure that US Government-owned property will be used only for those purposes authorized in the contract

The Office of Research & Sponsored Programs (RSP) is responsible for submitting US Government-owned property reports required by the contractual agreement. At the conclusion of the subcontract, a final federal property report will be obtained from the subcontractor as required by the terms and conditions of the prime federal contract.

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Section 8 Reports

Overview

Required property reports are completed and submitted by the University of Northern Iowa's Office of Research & Sponsored Programs (RSP) to external sponsors. These reporting efforts are to ensure adherence to sponsor requirements and award conditions. In conjunction with the inventory system records, periodic reports are produced to review US Government-owned equipment.

Required Property Reports

The following are descriptions of the various property reports that Research & Sponsored Programs (RSP) is responsible for preparing and submitting when required by the terms of the agreement.

Listing of Accountable Property

This report is a supplement to the certified statement providing the sponsoring agency with a listing of all property acquired during the reporting period (typically at close-out). This list may include items to which the University of Northern Iowa or the sponsor holds title.

DD Form 1662 — DoD Property in Custody of Contractors

This report is prepared for Department of Defense to report property accountable to federal contracts in accordance with the terms and conditions of each agreement. Changes that occur to report categories are based on activity recorded in the UNI Equipment Inventory System during the reporting period. Negative reports are required. RSP submits this report annually for all UNI Department of Defense contracts for the period of October through September with the report being due by October 31 in accordance with FAR subpart 45.5 and DFARS subpart 245.5.

DOE Form 4300.3 — Semi-Annual Summary Report of DOE-owned Capital Equipment

This report provides the Department of Energy with data on government-furnished or contractor-acquired property in which title vests with the Federal Government. The report provides a summary of acquisitions and dispositions for each reporting period. When required, the report is completed semi-annually as of February 28 and August 31 of each year and as of the final date of the contract. Reports are submitted to the property administrator within 45 days of the reporting period with negative reports required.

NASA 1018-Report of Government-owned/Contractor-held Property

The NASA form 1018 report provides data, as of September 30 (due by October 30), on government-furnished and contractor-acquired property to which NASA holds title. The report requires contractors to report all NASA-owned property received, acquired, or disposed during the reporting period. Negative reports are required. The report may be submitted through the NASA Form 1018 Electronic Submission System (NESS). If the award is administered by the Office of Naval Research (ONR), a copy of the NESS report should also be submitted to the ONR official. In cases where the report is not submitted through the NESS system, paper copies are submitted to officials listed in the award documents.

SF Form 1428 — Inventory Schedule “B”, Report of Excess Personal Property

This report provides a list of excess US Government-owned property on a contract-by contract basis and is used to request disposition instructions from the federal property administrator. IT is the responsibility of the University department or project personnel to communicate with Treasury as well as the Office of Research & Sponsored Programs when equipment associated with federal contracts is no longer needed by UNI.

Loss, Damage or Destruction Report

If US Government-owned property is lost, damaged or destroyed, a letter of notification must be submitted to the Property Administrator in accordance with FAR 52.245-5.

General

US Government-Owned Property

When US Government-owned property is no longer needed for the purposes stated in the contract, the department should notify Research & Sponsored Programs (RSP). RSP will request disposition instructions from the government property administrator. The property shall be disposed of in accordance with the US Government instructions.

All US Government markings and identification shall be removed from equipment that is sold, scrapped, or has the title transferred to UNI.

UNI is relieved of property control responsibility for US Government-owned property by any of the following methods (unless the contract or contracting officer provides otherwise):

- Reasonable and proper consumption of property in the performance of the contract as determined by the property administrator
- With the approval of the contracting officer, transfer of title to UNI with or without consideration to the US Government from UNI
- The authorized sale of property, provided the proceeds are received or credited to the US Government
- A determination by the federal contract officer of UNI's liability for any property that is lost, damaged, destroyed, or consumed in excess of that normally anticipated in a manufacturing or processing operations if
 - The determination is furnished to UNI in writing
 - The US Government is reimbursed where required by the determination
 - Property rendered unserviceable by damage is properly disposed of, and the determination is cross-referenced to the shipping or other documents evidencing disposal

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Section 10 Utilization

The US Government-furnished Property, US Government-titled Property and Property Purchased on Federal Contracts

Federally-titled equipment subject to FAR subpart 45.5 (or similar clauses) are to be used **only** for those purposes authorized in the contract. Use on other activities is not allowed unless approval has been obtained in advance from the federal agency.

Idle or excess federally-titled property cannot be disposed, transferred, cannibalized, or removed from campus without prior written approvals from the federal agency.

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Section 11 Maintenance

Maintenance of Equipment

Departments are responsible for maintaining equipment in the condition it was received, excluding normal wear and tear. In order to maximize the useful life of equipment, the maintenance provided should be preventative in nature, providing lubrication, cleaning, calibration and inspection as needed on a regular schedule. Maintenance performed should be in accordance with manufacturer's guidelines and recommendations. The physical maintenance, repair and preservation of equipment items can be performed by University personnel or through external maintenance contracts.

The Principal Investigator and department are responsible for the proper use, maintenance and security of all assigned property, and for notifying Treasury if an equipment item is damaged beyond repair, lost or stolen. If the equipment item has restricted ownership (i.e. 'Federal Loan' or 'Sponsor Restricted'), Treasury will notify Research & Sponsored Programs after being notified by the department. The department should also contact the Department of Public Safety if property is vandalized or stolen.

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Section 12 Property Close-Out

Property Close-Out at Termination of Agreement

At the conclusion of a project in which equipment title vests with the US Government, a request for disposition or a final property report may be required by the terms of the contract and would be submitted to the federal agency's property administrator or contract officer. The request is submitted by the Office of Research and Sponsored Programs after conferring with the responsible department as to their needs for the equipment. Depending on the federal agency, this may be in the form of a letter with an attached list describing the item(s) or a specific standard form.

Federal contracting agencies are required to respond within 120 days of the disposition request with a letter either transferring title to the University or requesting shipment of the equipment to a designated address. If disposition instructions are received by the PI and/or department, this information should be forwarded to both Research and Sponsored Programs and Treasury.

Title Transferred to UNI

When the title transfers to the University, Research and Sponsored Programs (RSP) will contact Treasury so that the department can be notified to remove the "Property of US Government" tag, if applicable. Treasury will change the record in the Equipment Inventory System to reflect the University of Northern Iowa ownership/release of federal encumbrance.

Disposition of US Government-owned Property

If the federal agency does not relinquish title of equipment to the University, the agency will forward correspondence with disposition instructions as to the destination and procedure for shipping the equipment.

On occasion UNI will receive property on loan from the Federal Government that requires the item to be returned at the conclusion of the project or when no longer needed for the project. The department accountable for the equipment is responsible for the proper packaging and shipping of the equipment item. The department must forward Research & Sponsored Programs (RSP) a copy of the shipping documents for the award file. Once receipt of the equipment item has been confirmed by RSP, RSP will notify Treasury who will change the equipment record to inactive status.

It is imperative that the responsible department communicate with Treasury and Research & Sponsored Programs at receipt and return of government property on loan so that proper reporting and accounting is maintained in the award file.

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Appendix A Equipment Transfers

Equipment Transfers

When a faculty member leaves UNI for another educational institution, the faculty member often wishes to transfer the new employing institution. These procedures only apply to the specific situation described herein, where a faculty member or researcher wishes to transfer equipment items owned by the federal government to another institution, where the faculty member, principal investigator or researcher will be employed after leaving the University of Northern Iowa. All transfers of equipment are to be coordinated through Treasury consistent with university policy.

The following procedures are to be used for equipment transfers:

1. The departing faculty member **prepares a list of equipment items requesting to be transferred**. This listing should be prepared not less than sixty (60) days before the faculty member leaves UNI. For each item, the listing needs to include the following information from the UNI Equipment Inventory System: UNI equipment tag number, description of the item, voucher date(s), combined cost of the item, the UNI account number(s) that funded the purchase, amounts charged to each UNI account number(s), and owner (i.e., University of Northern Iowa, Sponsor Restricted, or Federal Loan
 - a. If the **item in the UNI Equipment Inventory System is ‘Sponsor Restricted’ or ‘Federal Loan’**, then the item cannot be transferred unless written approval is obtained from the sponsor/federal agency. These items are to be used **only** for the purposes authorized by the contract. Excess US Government-owned property (equipment no longer required in performance of the contract) cannot be transferred without written authorization from the federal agency. The faculty member or department should contact Research & Sponsored Programs at 319-273-3217 if they wish to transfer any equipment items meeting the above stated conditions.
 - b. If the **project is currently active and the project is being transferred to the new institution**, then the faculty member must generally request approval from the sponsor to transfer the equipment item. This request to the sponsor also needs to be countersigned by RSP. There may be other issues related to the transfer of the project that also need to be considered.

1. When the equipment item is no longer needed by UNI, then the item may be used for other activities as follows: UNI may retain the equipment for other uses after compensating the federal government. If UNI has no need for the equipment item; UNI should request disposition instructions from the federal agency; request transfer of the item without cost to the new institution. The federal agency is required to issue instructions within 120 days of the request.
- c. **Transferred Items:** The sponsor indicates approval in writing of the equipment and/or project to the new institution. This approval is sent or forwarded to RSP for the award file. A copy of the approval will be forwarded to Treasury by Research & Sponsored Programs.
2. The UNI department head prepares a **confirmation memo to the department head at the new institution** detailing the items to be transferred. Research & Sponsored Programs can be contacted if assistance is needed with this memo. The **memo should be copied to Treasury and Research & Sponsored Programs and contain the following statement** for the **new institution to sign and return** after receipt of the items: “(Institution Name) acknowledges that we have possession of the equipment items listed below and have added the items to our inventory records. We agree to provide equivalent insurance coverage as is provided to other property owned by our institution. By accepting the terms under which this equipment is transferred, (Institution Name) has no further obligation to the University of Northern Iowa.” After this statement and a listing of the items, the confirmation memo should contain a signature line for the Inventory Office at the new institution to sign and send back to the UNI department after receipt of the equipment items. The UNI department is responsible for obtaining the new institution’s signature on this memo.
3. A departmental representative should be present when the equipment items are packed up to leave UNI to ensure only the items on the list are shipped to the new institution. **Shipping and handling fees** are to be paid by the new institution.
4. Once the confirmation memo has been signed and returned from the new institution to the UNI department, a **copy of the signed confirmation memo should be sent to Treasury**, mail code 0008. Treasury will then remove the equipment items from UNI equipment inventory records and forward a copy of the memo to Research & Sponsored Programs.

Please contact Research & Sponsored Programs at 319-273-3217, or Treasury at 319- 273-3527, if you have any questions on equipment transfers and sales.