

LLEINST 85200
18 December 2017

LLE INSTRUCTION 85200

SUBJECT: PROPERTY MANAGEMENT SYSTEM

REFERENCES:

- a. DOE Cooperative Agreement DE-NA0001944
- b. Consolidated Circular Final Guidance, 2 CFR 200, Federal Register, 26 December 2013
- c. Office of Budget and Management website for SF428 Tangible Personal Property Reports and Instructions
- d. Federal Acquisition Regulation (FAR) 52.245-1 Government Property (January 2017)

ENCLOSURES:

- (1) Personal Property Loan Agreement
- (2) Property Pass
- (3) Property Disposition Request

1. Purpose: To promulgate procedures of the property management system for the acquisition, receipt, recording, inventory, subcontractor control, reporting, relief of stewardship, utilization, maintenance, and contract close-out of nonexpendable personal property (equipment) at LLE. Note: The words property and equipment are used interchangeably throughout and have the same meaning in the context of this Instruction. Further guidance can be found in 2 CFR 200.312 Federally-owned and exempt equipment and 2 CFR 200.313 Equipment.

2. Background: The title to all property located within LLE rests either with a sponsoring agency, the University, or a loaning institution. Accordingly, LLE is not an owner but a custodian of property with legal obligations to comply with the control, accountability, and disposition regulations of the agency or institution holding title. While the Director and Principal Investigators bear the ultimate responsibility, the individual who acquired and receipted for each piece of property (usually the LLE Account Holder) has the direct responsibility for the appropriate use, care, maintenance, and accountability of property assigned. This responsibility is not relinquished until custody for the property is officially transferred to another individual or the property is disposed of in accordance with authorized procedures.

A. Definitions

(1) *Nonexpendable personal property:* tangible personal property (equipment) having a useful life of more than two years and an acquisition cost of \$1000 or more per unit.

- (2) *Excess property*: property under the control of any Federal agency that is no longer required for its needs.
- (3) *Exempt property*: tangible personal property acquired in whole or in part with Federal funds, and title to which is vested in the recipient without further obligation to the Federal government. For items of nonexpendable personal property having a unit acquisition cost of \$1000 or more, the Federal sponsoring agency may reserve the right to transfer the title to the Federal government or to a third party named by the Federal government.
- (4) *General purpose equipment*: property (equipment) whose use is not limited to research, medical, scientific, or other technical activity. Examples of general purpose equipment include office equipment and furnishings and reproduction and printing equipment.
- (5) *Special purpose equipment*: equipment that is used only for research, medical, scientific, or other technical activities.
- (6) *Sensitive property*: 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 and wastes, or precious metals. [Definition as defined in Reference d. Federal Acquisition Regulation (FAR) 52.245-1 Government Property (January 2017).] LLE does not hold such property.
- (7) *Equipment*: an article of nonexpendable tangible personal property having a useful life of more than two years, and an acquisition cost of \$1000 or more per unit.

3. **Discussion:** The majority of property (equipment) in the Laboratory is acquired with DOE Cooperative Agreement [Reference a] funding. Since the general property management procedures of the Cooperative Agreement and 2 CFR 200 [Reference b] also meet the requirements of other sponsoring agencies and the University, they are used as the basis for acquisition, control, accountability, and disposition of all personal property at LLE. Specifically, the following are the requirements of the Cooperative Agreement:

- A. Title to *nonexpendable personal property* acquired with noncapital or operating funds is vested in the University. Since the government has not reserved the right to transfer title to this property, there is no other obligation or accountability to the Federal government for its use or disposition except for maintaining records available for government review and providing a listing at close-out. Accordingly, such property is controlled as UR/LLE property.
- B. Title to *nonexpendable personal property* acquired with capital funds is vested in the government. This includes the OMEGA and OMEGA Extended Performance Laser Systems and individual pieces of equipment purchased with operating capital funds. This property requires biennial inventory and the relief of stewardship responsibility (i.e., its disposal or transfer) requires the approval of the DOE Contracting Officer

and/or NNSA Property Administrator, using the SF-428 Tangible Personal Property Report Forms [Reference c].

- C. Title to *excess property* and government-furnished equipment (GFE) is vested in the government. This property requires an annual inventory, and the relief of stewardship responsibility (i.e., its disposal or transfer) requires the approval of the DOE Contracting Officer and/or NNSA Property Administrator, using the SF-428 Tangible Personal Property Report Forms [Reference c].

4. Procedure:

A. Acquisition of Property

- (1) The need to procure property (equipment) is determined by individual researchers and technicians, and equipment budgets are approved by the Laboratory Director as part of the budgeting process. Individual procurements require the approval of the Account Holder, the applicable Division Director, and signature of the Controller for those items up to \$100,000, and the Director for those items over \$100,000.
- (2) Under the Cooperative Agreement the purchase of federally-owned *equipment/nonexpandable personal property* having an acquisition cost of \$1000 or more requires the approval of DOE in advance. In addition, approval to purchase all equipment is requested in July prior to the commencement of a new fiscal year via the submission of a program work plan and cost justification. DOE approval is granted by incorporating the work plan as an amendment to the Cooperative Agreement. To ensure compliance with these requirements the LLE Controller reviews and approves all requisitions for *equipment* having an acquisition cost of over \$1000. In general, *general purpose equipment* will not be purchased with government funds.
- (3) Equipment Spend Category SC64550 is excluded from Facility and Administrative (F&A) cost and should be used for equipment purchases.
- (4) Equipment made locally from materials and supplies totaling \$1000 or more may be designated as fabricated equipment. This allows the materials and supplies used in making the fabricated equipment to be excluded from F&A costs by using Spend Category 64100 or Subcode 2690. The procedures are fully defined in LLE Instruction 7700, Design and Integration of Equipment and outlined below and will be used to request fabricated equipment authorization and to order fabricated equipment.
 - (a) Fabricated equipment authorization: Enclosure (1) is an example of a fabricated equipment authorization. Individual researchers must provide the nomenclature of the equipment, the amount budgeted, and a listing of the actual and/or generic components that will be assembled into the integral unit of fabricated equipment to the Administrative Division Director. The Purchasing Manager will process the request and assign a property tag number.

- (b) Ordering fabricated equipment: The requisitioner must complete the LLEREQ by selecting the appropriate Task ID. The LLE Requisition System will assign Spend Category 64100 or Subcode 2690 to the requisition and the LLE Purchasing Department attach a copy of the approved fabricated equipment authorization to the completed requisition.
- (5) Replacement parts with a cost greater than or equal to \$1000 for capitalized equipment (e.g., replacement of an OMEGA Laser System component) must be indicated on the LLEREQ by responding “Y” to the prompt “Replacement part >= \$1000 for an existing piece of equipment?” and by providing the property tag number of the existing piece of equipment.
- (6) The purchase of a new component to be used in a larger piece of equipment with a cost greater than or equal to \$1000 must be indicated on the LLEREQ by responding “Y” to the prompt “New component >= \$1000 for an existing piece of equipment?” and by providing the property tag number of the existing piece of equipment.

B. Receipt of Property

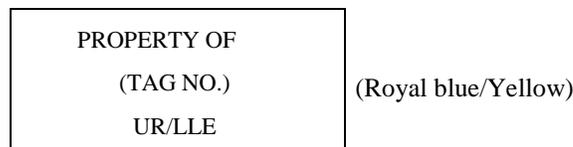
- (1) All equipment purchased must be received by the LLE Purchasing Department. The Purchasing Department will:
 - (a) Validate the equipment received against the original requisition.
 - (b) Prepare the appropriate property tag and establish a record in the property database. Replacement parts and new components will not be assigned a new property tag number; rather they will be entered into the property database under the parent equipment property tag number. Replacement parts will be entered at zero unit cost (the description will note the item is a replacement part and the cost of the item). New components will be entered at unit cost.
 - (c) Deliver the equipment to the requisitioner and request a receipt inspection. The requisitioner will affix the property tag and provide relevant information such as model number, serial number, location (room number), and other pertinent information. The receipt inspection must generally be completed within two weeks in order to allow for stopping payment and holding the supplier liable for inoperable or damaged equipment.
- (2) Transactions for equipment borrowed from other laboratories or institutions must be processed by the Purchasing Manager. The Purchasing Manager will ensure that the loan agreements are appropriately executed and that the equipment is entered into the control and accountability system.
- (3) The Property Clerk will review the status of all outstanding fabricated equipment authorizations annually with the responsible researcher. For those pieces of fabricated equipment that have been completed the Property Clerk will affix a property tag to the equipment and update the property record.

C. Records of Property

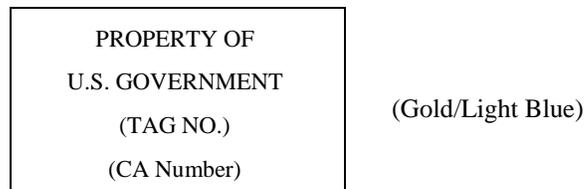
- (1) *Property identification*: All equipment will be assigned a unique identification number and, if possible, will be physically tagged with an appropriate property tag. Equipment, which by its nature or size cannot be physically tagged, will be marked with special ink, if possible. If the item cannot be tagged or marked, the item will be identified as “No Tag (NT)” in the Property database. In this case, the database’s note section will contain as much information and physical description as possible about its location for future identification.

The following types of tags will be used:

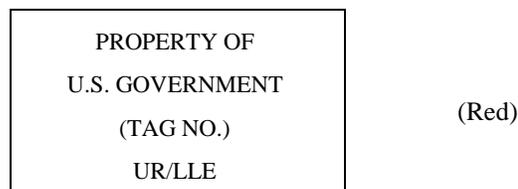
- (a) UR/LLE: This tag will be used for all non-federally-owned property purchased with funds from the DOE Cooperative Agreement and other accounts where title is vested in the University upon acquisition.



- (b) DOE Cooperative Agreement federally-owned equipment: This tag will be used for all property purchased with DOE Cooperative Agreement capital equipment funds, and government excess equipment when accountability is transferred to the Cooperative Agreement in force.



- (c) U.S. Government property: This tag will be used for all property where title is vested in the U.S. Government upon acquisition, other than that covered by (b) above.



- (2) *Database Records*: All equipment, whether purchased, excess, GFE, borrowed, or on loan, will be entered into the property database. The Access-based database, “Property,” consists of the following fields:

| <u>Field Name</u> | <u>Explanation</u> |
|-----------------------|---|
| tag #/sequence # | property identification number/component sequence |
| title | UR/LLE, DOE (DE-NA0001944 or prior), U.S. Gov., Borrowed |
| reason for active | 1 – in use, 2 – in storage, 3 – for sale, 4 – on loan, or 5 – LLE excess |
| reason for inactive | 1 – disposal, 2 – donation, 3 – sold, 4 – loan returned, 5 – transfer, or 6 – returned to vendor |
| location | location of equipment |
| description | equipment noun name or description |
| ponumber | purchase order number |
| reqnumber/CWO | requisition number or CWO# |
| account | three account #'s may be entered |
| amount | amount charged to each account # |
| ledger flag | L – amount paid on UR ledger or R – amount entered upon receipt |
| manufacturer | manufacturer |
| vendor | vendor |
| modelnumber | model number |
| serialnumber | serial number |
| funding | sponsor |
| acquisition date | date received |
| disposition date | date disposed |
| investigator | person who has custody |
| tagged | yes or no |
| unitcost | unit cost |
| lastinventory | date last inventoried |
| recordlastupdated | date the record was last updated |
| asset accounting date | date the record was last sent to Asset Accounting |
| grant expires | applicable for grants |
| loan section | for loan use only |
| loan number | on loan agreement |
| loan date | date loaned |
| lender | loaning agency |
| investigator | loaning investigator responsible |
| borrower | borrowing agency |
| investigator | borrowing investigator responsible |
| expiration date | date loan agreement expires |
| date returned | date equipment returned |

- (3) *Ledger reconciliation*: To ensure that the property records are in agreement with the University ledgers, a monthly reconciliation will be completed by the Purchasing Manager.

D. Physical Inventory

All property in the custody of UR/LLE will be inventoried biennially. Government acquired excess equipment and GFE will be inventoried annually, and the results will

be reported to DOE in accordance with Reference b. For equipment on loan the Purchasing Manager will request the laboratory, institution, or individual who has custody to inventory the equipment annually and report the results in writing. Each year in January all items from the property database not inventoried within the past two years will be printed out. The Purchasing Manager will cause equipment on this listing to be located and inventoried.

E. Subcontractors

Property in the possession of a subcontractor will be identified in the Property database by its location and a contact name. Property-related responsibilities and instructions to each subcontractor are issued by the University's Office of Research and Project Administration (ORPA) who ensures the appropriate and consistent flow-down language.

F. Reports

- (1) Annual report of federally-owned property is due to the Contracting Officer no later than 30 October.
- (2) Biennial report of non-federally-owned equipment is due to the Contracting Officer no later than 30 October (odd year).
- (3) Annual PIDS (Property Inventory Data System), identifying the value and number of (a) sensitive items, (b) valued between \$10,000 to \$499,999, and (c) valued greater than \$500,000. LLE does not have sensitive equipment.

G. Relief of Stewardship Responsibility

The transfer, sale, or disposal actions of excess DOE/NNSA federally-owned equipment must first be reported to the DOE/NNSA Contracting Officer and Property Administrator for disposition instructions. The NNSA Personal Property Branch (PPB) will assist in the advertising of excess property through the EADS/GSAXcess and the LDEP websites.

- (1) Once a piece of property is no longer suitable or required to support ongoing research, the responsible researcher or technician (custodian) with the approval of the responsible Division Director will notify the Purchasing Manager who will arrange for its disposal or storage.

Property no longer desired by the person having custody should not be placed in the fan room, corridors, or other locations prior to making arrangements with the Purchasing Manager. The Purchasing Manager will make arrangements for temporary storage pending final disposition if necessary.

Transactions involving property disposition will be affected using the Property Disposition Request [Enclosure (3)] for UR/LLE vested property and the SF-428 Family Forms [Reference c] for federally-owned equipment

- (2) The Purchasing Manager will take the following actions to dispose of or store equipment:
 - (a) *Abandonment/destruction*: If the equipment has a UR/LLE tag, have the tag removed, discard the equipment as scrap, and update the property database.

If the equipment is borrowed, government acquired excess or furnished, DOE capital equipment, or other U.S. Government property, permission to dispose of it must first be obtained from the government agency, laboratory, or institution that holds title (NNSA Business Services Division of the Albuquerque Complex in the case of the Cooperative Agreement). Pending disposition approval, the equipment should be retained in the researcher's laboratory if possible. If this is not possible, the Purchasing Manager will coordinate with the Facilities Manager to provide temporary stowage.

- (b) *Make available to other UR/LLE researchers:* Notify other Laboratory researchers of available equipment by posting and staff announcement. If other researchers desire the equipment, the transfer should be affected and the property database updated to show the new location and custodian. If after two weeks no UR/LLE researchers desire the equipment, it should be processed as excess or for sale.
- (c) *Make available as government excess:* If equipment is not useful to other UR/LLE researchers and it may be useful to other government laboratories or supported institutions it should be made available as Government Excess. To make equipment available as Government Excess a "Report of Excess Personal Property" standard form 120 Rev. is completed and sent to the NNSA Business Services Division.
- (d) *Sale:* Equipment with UR/LLE tags will be sold by submitting a Property Disposition Request approved by the Administrative Division Director to the LLE Purchasing Manager. Purchasing will advertise the item, handle the transaction, and deposit the proceeds into UR/LLE ledger 3 account. The proceeds from these sales will be used to purchase equipment with the authorization of the UR/LLE Controller. (Government excess, GFE, DOE capital property, or other property tagged with a U.S. Government tag cannot be sold without the specific authorization of the appropriate government agency.) Pending the sale, equipment will normally remain in the custodian's laboratory to facilitate viewing and obtaining relevant information by potential buyers. If equipment must be removed from a laboratory prior to sale, the Purchasing Manager will arrange for temporary storage. The property database will be updated to show the equipment was sold, the value received, and the disposition of the proceeds.
- (e) *Return for credit:* Equipment that is authorized to be sold may alternatively be returned to a vendor for credit on a new piece of equipment. The Purchasing Manager will facilitate this transaction. Once completed, the property database will be updated to show disposition and the amount of credit received.
- (f) *Lost, Damaged, or Destroyed Property:* The Contract Property Administrator should be notified within 48 hours by a representative of LLE in any event that the property we have in our possession is lost, stolen, destroyed, or damaged. A follow-up, in writing, will be prepared detailing the circumstances surrounding the loss and intended corrective action.

H. Proper Use of Property

- (1) *Borrowed equipment:* Equipment loaned to UR/LLE will utilize the applicable property loan agreement of the lending laboratory or institution. Normally, the Purchasing Manager will sign this agreement on behalf of LLE. Once executed, the agreement will be annotated with the individual who has physical custody and responsibility for care. This equipment will be entered into the UR/LLE property database leaving nonapplicable data fields blank. If the property does not carry a lender tag, the following local tag will be affixed to facilitate future identification:

| |
|------------------------------------|
| PROPERTY OF (TAG NO.) UR/LLE |
|------------------------------------|

UR/LLE is responsible and liable for equipment on loan. It will not be loaned to third parties and when it is no longer needed it will be promptly returned. All transactions must be accomplished via the Purchasing Manager to ensure proper control and accountability.

The Contract Property Administrator should be notified within 48 hours by a representative of LLE, in any event that the property we have in our possession is lost, stolen, destroyed, or damaged. A follow-up, in writing, will be prepared detailing the circumstances surrounding the loss and intended corrective action.

- (2) *Loaned equipment:* UR/LLE vested equipment borrowed from UR/LLE must be authorized by the responsible Division Director and the Director of the Administrative Division and the transaction must be completed by the Purchasing Manager. Loans of federally-owned equipment or GFE requires a review and approval with the NNSA Contracting Officer and/or Property Administrator.
 - (a) Transactions involving equipment loaned to other laboratories or institutions will be affected using the Personal Property Loan Agreement [Enclosure (1)]. When equipment is loaned, the loan section of the property database will be completed to show status. Active loan agreements will be maintained by the Purchasing Manager. The Purchasing Manager will cause this equipment to be inventoried annually.
 - (b) Transactions involving equipment loaned to UR/LLE personnel will be affected using the Property Pass [Enclosure (2)]. Equipment will be loaned, normally for home use, only if required to perform Laboratory-associated work. The Purchasing Manager will cause this equipment to be inventoried annually.
- (3) *Long-term storage:* Equipment that has value and future utility to UR/LLE will be placed in long-term storage. Prior to being placed in long-term storage a tag will be affixed to the equipment indicating: date placed in storage, point of contact, reason for retaining, and estimated value in dollars. Material in long-term storage

will be evaluated biennially to reassess continued utility. To perform this review, the Purchasing Manager will provide the equipment nomenclature to the point of contact and request a recommendation vis-à-vis continued storage or disposal.

- (4) *Short-term storage*: Material may be placed in short-term storage up to six months pending the availability of space. The Facilities Manager will coordinate with the Purchasing Manager to provide temporary storage. Prior to being placed in short-term storage, a tag will be affixed to the equipment indicating: date placed in storage, point of contact, reason for retaining, and estimated value in dollars. After six months in temporary storage, the point of contact will be requested to evaluate its status, i.e., place in long-term storage, dispose of, or retain in short-term storage pending an identified need within three months.

I. Maintenance

The care, upkeep, and in-use stowage of equipment are the responsibilities of the person who has custody (the individual specified in the database). The responsible custodian can only be changed by the Purchasing Manager with the concurrence of both the old and new custodians and the approval of the responsible Division Director. If equipment will be relocated on a permanent basis, the custodian should inform the Property Clerk to allow the database to be updated to facilitate future inventories or attempts to locate specific equipment. Equipment that is no longer required by an individual researcher or technician should be handled in accordance with procedures in Section G, Relief of Stewardship Responsibility.

J. Contract Close-Out

Upon close-out of a cooperative agreement will include the completion and submission of SF428 and SF428 Final Report, per the Reporting Requirements Checklist, DOE F 4600, of the Award Assistance for the current Cooperative Agreement, DE-NA0001944.

5. Responsibilities:

a. Laboratory Director

- (1) Approve annual equipment budgets.
- (2) Approve equipment requisitions over \$100,000.

b. Division Directors

- (1) Authorize the loan of equipment.
- (2) Authorize the disposal or storage of equipment.
- (3) Approve purchase of equipment.

c. Controller and Administrative Division Director

- (1) Direct the UR/LLE property management program.
- (2) Approve all general purpose equipment requisitions and special purpose equipment requisitions up to \$100,000.
- (3) Authorize the disposal of all property.

- (4) Authorize the loan of equipment.
- (5) Control the disbursement of proceeds from the sale of equipment.

d. Purchasing Manager

- (1) Manage the UR/LLE property management program.
- (2) Supervise the control and accountability of property, including database administration, ledger reconciliation, inventory, and reporting.
- (3) Administer equipment loans, obtaining the Administrative Division Director's approval to loan equipment.
- (4) Administer equipment disposal and storage, including obtaining approval from the appropriate agencies to dispose of non UR/LLE property; transferring equipment within UR/LLE; selling equipment, including obtaining the Administrative Division Director's approval of Property Disposition Requests, and arranging for short- and long-term storage.
- (5) Assist in the preparation of requests for fabricated equipment.
- (6) Request individual researchers and technicians to re-evaluate the continued retention of equipment in temporary and long-term storage biannually and biennially, respectively.
- (7) Prepare requisitions for the purchase of equipment, ensuring that the account holder and appropriate Division Director have approved the purchase of equipment costing over \$1000.
- (8) Receive equipment, check shipping lists against requisitions, deliver equipment to requisitioners, and request receipt inspection by requisitioners.
- (9) Assign property identification numbers to equipment, install property tags, and establish property records in the database.
- (10) Submit all general purpose equipment requisitions and special purpose equipment requisitions over \$1000 to the Administrative Division Director for approval.
- (11) Return used equipment for credit on new equipment.

e. Facilities Managers

- (1) Coordinate with the Purchasing Manager the temporary storage of equipment.
- (2) Assist in the handling of heavy equipment.

f. Accounting Staff

- (1) Prepare monthly equipment ledger reconciliation printouts and forward to the Purchasing Manager.

g. Property Clerk

- (1) Assist the Purchasing Manager in administering the UR/LLE property management program.
- (2) Maintain the property database.

- (3) Perform equipment inventories.
- (4) Review fabricated equipment status and tag fabricated equipment.
- (5) Prepare Property Disposition Requests.

h. Individual Researchers and Technicians

- (1) Obtain the approval of account holders for all equipment purchases and the appropriate Division Director for equipment costing more than \$1000.
- (2) Request fabricated equipment authorization when appropriate and obtain supplies and materials used to fabricate equipment with a fabricated equipment requisition.
- (3) Perform receipt inspections of equipment and notify the Purchasing Manager of any discrepancies.
- (4) Be responsible for the care, upkeep, usage, and accountability of assigned equipment.
- (5) Inform the Purchasing Manager when equipment is relocated.
- (6) Ensure all equipment disposal, transfer, and storage requests are referred to the Purchasing Manager for processing.
- (7) Support the Property Clerk in the conduct of periodic equipment inventories.
- (8) Reevaluate the continued retention of equipment in long-term storage biennially at the request of the Purchasing Manager.

6. **Approval:**



E. Michael Campbell
Director

LLE PROPERTY PASS

This pass authorizes the bearer to remove the below-described piece of equipment from the Laboratory for Laser Energetics for official business use:

Tag Number _____
Equipment Description _____
Model Number _____
Serial Number _____
Unit Cost _____

Name of borrower and location of equipment while on loan:

Reason for equipment loan:

The borrower agrees to accept responsibility for the above-described equipment and to return it to LLE undamaged upon demand or by _____. For long-term loan, the borrower further agrees to provide a semi-annual statement of inventory to the Purchasing Manager:

Agreed: _____
Borrower Signature Date

Approved by: _____
Division Director Signature Date

Authorized by: _____
Purchasing Manager Signature Date

LLE PROPERTY DISPOSITION REQUEST

Once a piece of property is no longer suitable or required to support ongoing research, the responsible researcher or technician, with the **approval of the responsible Division Director** will notify the accounting manager of the desired disposition of the property:

Tag Number _____

Equipment Description _____

Model Number _____

Serial Number _____

Reason for disposition: _____

Recommended disposition: check the appropriate item:

- (1) Make available to other LLE researchers. _____
Transfer to RM_New Custodian: _____
- (2) Sell (UR/LLE tagged property only). _____
Suggested price _____
- (3) Abandon/Destroy. _____
- (4) Turn in for credit on new equipment. _____
- (5) Place in long-term-storage (more than six months). _____
- (6) Place in short-term storage (six months or less) _____
until _____, then re-evaluate.
- (7) Make available as Government Excess. _____
(DOE tagged property only)

Investigator: _____ Date _____

Approved by: _____ Date _____
Division Director

Authorized by: _____ Date _____
Purchasing Manager