

University of Alaska System Property Manual



UNIVERSITY
of ALASKA

Many Traditions One Alaska



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Introduction

Purpose

The purpose of this manual is to set forth the procedures for the control, accounting, and management of university property.

Objective

In order to ensure that university assets and equipment resources are preserved and protected, a perpetual inventory of equipment is maintained. It is the objective of the equipment inventory system to provide management with accurate and up-to-date information for the purpose of creating strong internal controls for managing property and to comply with federal and state requirements.

This manual sets forth only MINIMUM REQUIREMENTS and in no way limits the authority of any campus or department in establishing internal controls which exceed these minimum standards.

Authority

These procedures are issued pursuant to UA Board of Regents Policy, AS 36.30.005(c), AS 14.40.491, AS 37.05.160, Code of Federal Regulations 2 CFR § 200, the Federal Acquisition Regulations, and Defense Federal Acquisition Regulation Supplement (DFARS) 252.245-7005. These statutes and regulations require the university to maintain a perpetual inventory of all permanent property; prescribe certain record keeping responsibilities; and place responsibility for supply management with the university Chief Procurement Officer.

The accuracy of all property records shall be verified by an annual physical inventory at the direction of the UA System Property Office under the supervision of the Chief Procurement Officer.

Many rules and regulations apply to Title 2 CFR § 200 and FAR 45. More details are available on the following URLs:

[Code of Federal Regulations 2 CFR § 200](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1)
<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>

[Federal Acquisition Regulation - 45 Government Property](https://www.acquisition.gov/far/part-45#FAR_45)
https://www.acquisition.gov/far/part-45#FAR_45

Availability of Property Manual

The UA System Property Manual is maintained and available on the following URL:

[UA System Property Manual](https://www.alaska.edu/financial-systems/property/)
<https://www.alaska.edu/financial-systems/property/>

This information is to be used by the Campus Property Coordinators and/or the Department Property Custodians

Definitions

Account Code

A four-character numeric code identifying a balance sheet account classification or a revenue and expense classification. The account code range 5221 - 5339 represents the controlled property portion of the capital expenditure account codes. Also, account code 5990 is used for the fabrication of controlled property. The titles and definitions for the property account codes are listed in the appendix of this manual.

For a complete list of capital account codes, see the University of Alaska Accounting Manual, (A-2).

[UA System Accounting Manual](https://www.alaska.edu/controller/acct-admin-manual/)

<https://www.alaska.edu/controller/acct-admin-manual/>

Acquisition

Acquisition is the process of acquiring property by purchase, lease/purchase, lease agreement, donation, loan, fabrication, or transfer from other agencies including federal and state.

Additional Items

Items with property tags that are discovered during a physical inventory but are not recorded in the property module.

Campus Property Coordinator

The person designated by the campus, regardless of actual job title, to perform the duties described under "The Role of the Campus Property Coordinator" in this manual.

Cannibalize

The process of removing all usable parts from a piece of property prior to disposal. This process is a use of the property and not a disposal method.

Chief Procurement Officer

A person designated by the president of the University of Alaska to perform the duties of the Chief Procurement Officer as described in AS 36.30 and the Board of Regents Policy.

Consumable Supplies

Supplies which are either consumed by use or lose their identity when used. Items containing salvageable materials are NOT considered consumable.

Controlled Property

All non-expendable equipment owned by or under the control of the university having a unit cost of \$5,000 or more and an expected life of one year or longer. All items

shall be included in the property module when their acquisition value is \$5,000 or more, regardless of funding source or other means of acquisition.

Departmental Property Custodian

The person designated by a department, regardless of actual job title, to perform the duties described under "The Role of the Departmental Property Custodian" in this manual.

Destroyed Property

Destroyed property is accidentally damaged beyond recognition and has no salvageable parts.

Disposal

Disposal is the process of returning property to a granting agency, or disposing of property by a sale, sending to the landfill, recycling, donation, or trade-in.

Donation

Any gift given to the university that may be defined as controlled property.

Government Furnished Property

Property in the possession of, or directly acquired by, the Government and subsequently furnished to the Contractor for performance of a contract. Government-furnished property includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is deliverable under a cost contract when accepted by the Government for continued use under the contract.

Grants and Contracts Offices

Each University's Office(s) that administers grants and contracts (OGCA & OSP).

Maintenance

Maintenance of property is the process of providing the amount of care necessary to obtain a high quality of production and the most useful life of property.

Non-controlled Property

All property owned by or under the control of the university having a unit acquisition value of less than \$5,000 OR an expected life of less than one year. Except those that fall under 'Sensitive Property,' see below definition. Additionally, it includes the following items which are non-controlled regardless of cost:

1. Consumable and expendable supplies.
2. Replacement parts that do not increase the operating efficiency or capacity for the remaining useful life of the property or do not extend the useful life beyond the original estimated useful life.

3. Modular Furniture

Physical Inventory

A 100% wall-to-wall process of physically locating and counting all property using a barcode scanner, comparing the information to applicable records in the property module, reporting items not in the property module and adjusting the existing records as required. In case of a difference between the physical inventory and the property module the physical inventory shall be determinative.

Property Module

The property module is a system wide database containing the records for property classified as controlled or sensitive and the official accounting information. This data is reconciled by the UA System Property function.

Sensitive Property

Sensitive property is non-expendable equipment having regardless acquisition value, which is subject to special University title requirements or liability exposures. Assets purchased with restricted funding, contact Grants and Contract Department for further clarification.

Unmanned Aircraft and/or Drones, Firearms and Vehicles are always considered sensitive and shall be issued a property tag and accounted for on the University property module regardless of acquisition value.

Stolen Property

Property that is missing and there is evidence of a theft and has had a police report filed.

Surplus

Surplus property are items no longer needed by the university or no longer serviceable.

Transfer

The process of transferring controlled property between units or departments within the University of Alaska system or outside agencies.

Unlocated Property

Property which cannot be located after a diligent search. Equipment reported as unlocated for two consecutive years is subject to be written off the property module.

Washout

Transactions on the Outstanding Tabs of the Campus Property Reconciliations that are related to the same purchase that zero each other out

Roles and Responsibilities of Property Personnel

Role of the UA System Property Office

The UA System Property Office is responsible for:

- Maintain consistent procedures in compliance with UA policies that are applied system wide.
- Provide the computer applications needed to satisfy university needs, including developing and maintaining the software and system production job-streams.
- Ensure that the data, once entered into the system, remain intact and impervious to unauthorized alteration.
- Ensure that the data entered by units is of reasonably good quality by developing computer edits which the units can use to eliminate certain well-defined errors.
- Ensure compliance with UA Board of Regents Policy P05.06.590 and this manual by using computer edits to screen out data which are a clear violation.
- Provide computer applications and enhancements to accommodate the changing needs of users subject to available resources.
- Provide assistance to all Campus Property Coordinators to solve specific problems that may arise.
- Provide monthly reports of controlled property expenditures to the units.
- Monitor new additions against property expenditures for those units whose activity is entered by the UA System Property Office.
- Monitor activity by reconciling the property accounting ledgers with the property module totals on a monthly basis and providing units with a copy of the reconciliation.
- Obtain license plates, titles, and registrations for vehicles. Notifying the Department of Transportation and Division of Motor Vehicles of disposal and transfers.
- Respond to requests for information related to screening at the system wide level.
- Ensure that a copy of the system wide property module is provided on a periodic basis to the Campus Property Coordinators who do their own screening.
- Request annually from the Campus Property Coordinators, verification of the accuracy of ownership codes for federal property.
- Enter property data for UA System departments and those Campus Property Coordinators that do not enter their own data.

Role of the Campus Property Coordinator

Each campus shall designate an employee as Campus Property Coordinator. The Campus Property Coordinator shall have overall responsibility on the campus for establishing internal procedures for property management and control. Typically, the Campus Property Coordinator's responsibilities include:

- Ensure adherence to UA Board of Regents Policy and this manual.
- Provide consistent and documented procedures for the unit to manage its property activity.
- Advise Departmental Property Custodians of their responsibilities.
- Enter and reconcile all addition, transfer and disposal information into the property module.
- Conduct and coordinate the annual physical inventory with departments.
- Coordinate the tagging of new controlled property with identification numbers. (Campuses with a central receiving department may tag the property when received.)
- Locate and tag all controlled property that has been paid for but not yet tagged.
- Keep property records current and accurate.
- Provide departments with the current property inventory list.
- Screen disposal requests to ensure that the title to the property vests with the university.
- Ensure compliance with federal requirements for property management.
- Verify the accuracy of the physical inventory by random sampling.
- Conduct or coordinate necessary sale procedures to dispose of surplus property after the Chief Procurement Officer has authorized disposal.

Role of the Departmental Property Custodian

The larger campuses may designate Departmental Property Custodians to assist the Campus Property Coordinator in fulfilling their responsibilities. When this occurs, the Campus Property Coordinator shall maintain a current and accurate list of Departmental Property Custodians. The delegation of responsibilities from the Campus Property Coordinator to the Departmental Property Custodian shall vary from campus to campus; however, these responsibilities typically include:

- Responsible for the security and maintenance of the property.
- Identify when controlled property transferred between departments and prepare the appropriate form(s).
- Prepare the necessary forms to record the disposal of property including unlocated or stolen property.
- Coordinate annual or more frequent physical inventories of departmental property.
- Communicate all adjustments of property records including changes in physical location to the Campus Property Coordinators.
- Maintain authorization records for off campus use of university property.
- Complete the appropriate reporting documents on all excess property and submit them to the Campus Property Coordinator.

Property Acquisition

New purchases of controlled property

The UA System Property Office receives a monthly report which identifies operating ledger activity for all controlled property account codes. It serves as a control device for ensuring that all these expenditures are accounted for by making additions to the property module or by the correction of erroneous transactions. The transactions on the report shall be transferred to an outstanding list, which is attached to the monthly reconciliation being distributed to the Campus Property Coordinators.

Each transaction should be reviewed to determine if the amount should be added to the property module, deducted from the property module, or corrected by journal voucher. If a journal voucher correction is required but cannot be processed due to prior year's funds or terminated funds, a request for write off must be forwarded to the UA System Property Office.

The net payment added to the property module must equal the amount paid for the item. Payments from the property account code(s) should include the cost of the property plus freight, installation, set up and required training charges. Maintenance or replacement parts are not included in the net payment.

If controlled property has been purchased from a non-controlled property account code, a journal voucher correction must be prepared debiting the appropriate controlled property account code.

Lease/purchase agreements for controlled property

All controlled property acquired through an official lease purchase agreement shall be added to the property module at the time equipment is received. "UP" shall be entered in the fund/ownership field. The value to be entered as the net payment shall be the amount of the official lease purchase minus interest. Other reporting requirements concerning lease/purchases exist in the UA System Accounting Manual, <http://www.alaska.edu/controller/acct-admin-manual/acct-and-finance> procedure [A-10](#).

Controlled property leased by the university

All property obtained by the university on a lease agreement shall be affixed with identification showing the name and address of the lessor.

Donations of controlled or sensitive property

Donations of property with a value of \$5,000 or more must be tagged and reported to the Campus Property Coordinator. Donations of sensitive property with a value of up to \$4,999.99 are entered in the property module with the appropriate capital value. Donations of controlled or sensitive property are recorded by journal voucher.

Other reporting requirements concerning gifts or donations exist in the UA System Accounting Manual, <http://www.alaska.edu/controller/acct-admin-manual/acct-and-financef> procedures [A-21](#) and [A-22](#).

Controlled property on loan to the university

Property physically located on university property or in possession of university personnel used for business purposes that does not belong to the university and is not on a lease agreement shall be classified as property on loan to the university. A written agreement between the owner and university must be on file with the department using the property.

All property on loan to the university must be affixed with identification showing the name and address of the owner. At the discretion of the responsible department, property on loan to the university shall be affixed with university property tags and recorded in the property module with a \$0.00 capitalized value and \$0.00 net payment. "PP" shall be entered in the fund/owner field to indicate that the property is not university owned.

University Fabricated Equipment

The University may build equipment. The value of the property is the total of all costs to fabricate, to include: materials, labor, staff benefits, services, and travel, if applicable. No mark up or overhead may be included in the cost. When the property fabrication has been completed, it will be assigned a property tag and depreciation will begin.

If the equipment is fabricated using federal funds, additional requirements exist in the "Federal Contracts and Property" section of this manual.

Government Furnished Equipment (GFE)

All controlled property furnished by the Federal Government must be tagged and reported to the Campus Property Coordinator. Other requirements regarding federally owned property exist in the "Federal Contracts and Property" section of this manual.

Sensitive Items

Sensitive items are recorded in the property module at purchase value when purchased under a commodities account code. Sensitive property must be added to the property module when classified under mandatory sensitive items. Optional items are only added to the property module when specifically requested by the unit having custody. Any items added to the property module shall be required to be physically inventoried on an annual basis.

Federally Funded Property

This section prescribes the university procedures for the management of federal property as required by the Federal Acquisition Regulations (FAR) and Code of Federal Regulations 2 CFR § 200 (Uniform Guidance (UG)). If there is a conflict between the conditions, procedures and stipulations in this manual and specific grants or contracts, the provisions of the individual agreement supersede those contained in this manual.

Prior to requisitioning new property, the existing property inventory must be screened to ensure that there is no existing property owned by the university that is appropriate and available for use. See the "Screening" section for instructions.

Each University's Office that administers grants and contracts (OGCA & OSP) shall:

- Check the applicable grant or contract to verify that property (equipment) is included in the budget, and allowable under agency specific regulation. If property has not been authorized, approval as required by the applicable agency must be obtained prior to further processing of the requisition.
- Return any requisition without the appropriate property screening certification attached to the requisitioning department or route it to the Campus Property Coordinator as described in the "Screening" section.
- Ensure that the appropriate equipment code is reflected in FRAGRNT. For example, FF federally funded federally owned, FU federally funded university owned.
- Obtain a listing of property acquired under that grant or contract for inclusion in the contract file from the Campus Property Coordinator for each closed grant or contract.
- Include in the contract file, the ultimate disposition data, the date of disposal and sales price or the method used to determine current fair market value where the university compensates the federal sponsoring agency for its share.
- Submit annually an inventory listing of federally owned property to the federal sponsoring agency, where required. (Ref. 2 CFR § 200.312 (a)) Also, as specified and required by contractual obligation, final reports of property, including requests for disposition, shall be reported in a timely fashion to the contracting officer or designated administrative property officer.

Property records shall be maintained accurately and shall include: (Ref. 2 CFR § 200.313 (d) (1) & FAR 52.245-1)

- A description of the property.
- Manufacturer's serial number, model number, or other identification number.
- Source of the property, including grant or other agreement number.
- Whether title vests in the university or the federal government.

- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired.
- Acquisition date (or date received if the property was furnished by the federal government) and cost.
- Location, use, and condition of the property and the date the information was reported.

Federally owned property:

- Property owned by the federal government must be marked to indicate Federal ownership. [Ref. 2 CFR § 200.313 (d) (1)] The Campus Property Coordinator or designee shall affix both University of Alaska property tags and U.S. Government property tags to federally owned property when it is received. U.S. Government property tags are available from the UA System Property Office. If title transfers from the federal government to the university at the completion of the grant or contract, the Campus Property Coordinator or designee shall remove the U.S. Government property tag and update the property records to show university ownership.
- Particular care must be exercised to prevent loss, damage, or theft of property. The Departmental Property Custodian shall investigate and fully document any loss, damage, or theft of nonexpendable property. If the property was owned by the federal government, the Campus Property Coordinator shall promptly notify the federal sponsoring agency and the property administrator at the federal cognizant agency. [& 2 CFR § 200.313 (d) (3) & (4)]
- The grants and contracts offices shall report the total acquisition cost of federally owned property for which the university is accountable under each grant or contract with each agency, including federally owned property in the possession of subcontractors to the cognizant federal agency as required by the cognizant federal agency.
- Federal property may under no circumstance be used for purposes not specifically authorized by the sponsoring agency. [Ref: (a) & 2 CFR § 200.313 (c)] Each campus having federal property shall develop a clear approval procedure for the alternate use of that property. The process shall be communicated to all departments involved with federal property. The Vice Chancellor of Administration or designee for each campus shall be responsible to assure that these requirements are met.
- All property obtained from federal sources of excess equipment and government furnished equipment (GFE) must be promptly added to the property module.
- Other agency specific and contract specific requirements regarding federally owned property exist in appendix D of this manual.

The Campus Property Coordinator or designee shall, in connection with the physical inventory, verify the existence, current utilization, and continued need for the property. [Ref. 2 CFR § 200.312]

- As required by FAR (Ref. 45.509-1) the proper maintenance of Government equipment shall be analyzed during the physical inventory process. Adequate maintenance procedures must be developed to keep the property in good condition [Ref. 2 CFR § 200.313 (d) (4)]. This shall include reviewing records of maintenance and operation, records of use, overhaul, or major maintenance records and disclosure of any defects as prescribed by the FAR clause referenced.
- For government equipment no longer being utilized, the accountable department shall provide a secure method of storage [Ref. FAR 45.612]. This storage shall be maintained until disposition instructions from the agency provide directions for disposal or reutilization. The physical inventory process should be used to assist in identifying the storage need and utilization of government equipment.

Disposal of federal property is subject to the provisions of 2 CFR § 200.313 (e) (1) & (2), FAR Subpart 45.6, and to the approval and conditions of the sponsoring agency. Written approval from the federal sponsoring agency must be obtained prior to requesting authorization for disposal from the Chief Procurement Officer and documentation of the approval must be attached to the Property Disposal Authorization. If the fair market value is \$5,000 or under, follow the normal university procedures.

Sub-contractor Control of Property must follow the requirements of 2 CFR § 200.330 on the Subrecipient Monitoring and Management.

- Each agreement entered into by the university with a sub-contractor shall contain specific provisions with respect to the sub-contractor's responsibility for the care, custody, and use of the property in accordance with the terms and conditions of the prime contract with the federal government. (FAR 45.502(d) & FAR 45.510)
- The sub-contractor shall assume the responsibility and obligations of the university including risk of loss with respect to the property while under the sub-contractor's control. All actions of the sub-contractor are subject to the terms of the prime contract related to the care, utilization, storage, movement, and disposition of the property. [FAR 45.103(e)]
- The property and pertinent records of the sub-contractor are to always be available for inspection by the university and federal government.
- The inventory procedures of the sub-contractor are to be reviewed by the university and designed to meet the requirements of the university and the federal government.

Department of Defense (DoD) Contracts (DFARS 252.245-7005 Compliance)

For DoD contracts incorporating DFARS 252.245-7005, property management procedures shall comply with the following mandated outcomes:

- PIEE GFP Module Reporting: The university shall use the Government Furnished Property (GFP) module of the Procurement Integrated Enterprise Environment (PIEE) to report:
 - Receipt of GFP.
 - Transfer of GFP to another DoD contractor.
 - Incorporation of serially managed GFP items into a higher-level assembly.
 - Requests to buy back or convert Contractor-Acquired Property (CAP) items to GFP.
- Reporting Timelines: Status updates for GFP receipt, transfer, shipment, and assembly incorporation must be reporting to the PIEE GFP module within 7 business days of the change occurring.
- Loss Reporting: Any loss of Government property must be reported using the PIEE GFP module in accordance with FAR 52.245-1(f)(1)(vii).
- Expanded Data Elements: Property records must capture the following specific elements: National Stock Number (NSN) or CAGE/part number, CAGE code on the accountable contract, received/shipped dates, accountable contract number, serial number (for serially managed items), and supply condition code (for reparable items).
- IUID Marking: Serially managed reparable items identified in the contract GFP attachment shall be assigned a Unique Item Identifier and marked with an Item Unique Identification (IUID) data matrix when technical drawings permit.
- Plant Clearance & Scrap: Disposals and plant clearance inventory schedules (SF 1428 equivalent) must be submitted via the plant clearance capability of the PIEE GFP module. Scrap procedures must include controls to prevent improper release of non-scrap items and maximize sales proceeds.

Screening

External equipment screening as required by any funding agency shall be performed prior to acquisition and in accordance with the agency requirements. All units shall be responsible for the screening procedure with the external funding agencies and completed approved screening documents shall become a part of the award file. Copies of approved screening may also be provided to the Purchasing department as part of the initial Purchase Requisition.

The requisitioning department prior to acquisition shall make a reasonable effort to ascertain whether like and acceptable surplus equipment is available within the University system.

To ensure equipment is allowable, reasonable and allocable see 2 CFR § 200.403, 200.404 and 200.405 of the Code of Federal Regulations, which includes but not limited to:

Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.

Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person.

Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

The review process shall include contacting key personnel (Department Property Custodians) at each of the levels to determine availability of surplus equipment the unit may have in its control and is similar or functionally equivalent to the equipment being considered for acquisition.

Receiving and Tagging of Property

Each functional unit, which receives accountable fixed assets shipped directly to that unit without the benefit of the MAU receiving department, shall be responsible to properly receive and account for these acquisitions. Your individual process shall ensure the proper and timely recording and identification upon receipt of the asset. Identification shall be provided as stated below. Recording shall include a log with all pertinent information and as a minimum include the following data: assigned tag number, serial number, responsible department, and accountable individual within that department, and a brief description. In addition, copies of purchase orders, packing lists, and shipping documents shall be maintained.

The receiving department shall be responsible for the inspection and acceptance of the shipment. This responsibility includes inspecting for damage and reconciling the freight documents with the actual shipment. It is imperative any damage or discrepancy of quantity is clearly noted on the shipper's copy of the shipping documents.

The documents collected and generated by the responsible individual for receiving shall be distributed to the MAU property officer, department property custodian, and accounts payable for continued processing.

Property tags are to be applied to all controlled property to facilitate the physical control and identification necessary for fulfillment of custodial responsibilities. The property tags are pressure sensitive decals which are issued to campuses by the UA System Property Office. All property should be tagged within 90 days of receiving.

The following are the three types of tags which are being utilized:

- **UA Property Tags with number:**

Coated paper tag containing the wording "University of Alaska" and a property control number written numerically and as a bar code symbol. These barcode tags shall be used to identify all controlled property.

All controlled property must be identified with a number. When it is not practical to use the decal, a decal number shall be applied by use of a stencil with a point, etching needle, steel disc, paint or other practical method. When marking is done by any means other than decal, the decal from which the number was taken must be destroyed. This shall prevent the duplication of any control number through application of the decal to another item. These tags are issued by the UA System Property Office to the Campus Property Coordinators for distribution. A log of tag numbers is maintained by the UA System Property Office, showing the numeric series of tags assigned to various campuses. It is strongly encouraged for each campus property office to maintain a detailed log showing the assignment of each tag issued.

- **Departmental Property Tags:**

In addition to the UA Property Tags, individual departments may wish to tag assets under the \$5000.00 threshold that they consider valuable. These tags may be numbered or non-numbered and are used on non-controlled property in order to identify the property as belonging to the university. Non-controlled property with these tags affixed are not recorded in the property module. The tag should be affixed to all non-controlled items that appear valuable enough to be controlled. The presence of this tag shall facilitate a faster and more orderly physical inventory by eliminating questions as to whether the property should be listed on the controlled property module. It is the responsibility of the department to purchase these tags and maintain an inventory of all items.

- **Property Tags with U. S. Government notation:**

These red tags contain the wording "Property of U.S. Government". Pertinent information regarding the use of these decals is included under "Federal Contracts and Property" in this manual. It is the responsibility of the department to purchase these tags and maintain an inventory of all items.

The responsibility for tagging property shall be assigned by the individual campus. Where appropriate, the tagging may be the responsibility of central receiving; or it may be the responsibility of the Property Coordinator or the property custodian. Regardless of who has the responsibility, all controlled property must be tagged immediately upon receipt and acceptance. **Departments receiving equipment directly at their office or arranging other special delivery requirements need to contact their property coordinator to get a property tag applied.**

In determining where to place the property tag, no hard and fast rules are set forth, as much depends on the item being tagged and the type of marking used. It is important to have the tag on the front of the item where it can be easily seen or easily read with a scanner. For example, the following list indicates where property should be tagged:

- **Handguns:** With cylinder open or out, scribe or etch number on bottom flat surface of cylinder frame.
- **All Other Guns:** Scribe or etch number on metal surface as near serial number as possible.

The intent is that the location of the decal be as uniform as possible and not present difficulty in locating and reading the numbers, regardless of how or where the item may be located for future use.

If an item of controlled property consists of two or more units that cannot be used separately or cannot be interchanged with similar type of equipment, then the property tag should be placed on the main unit. All other components should be tagged with a black tag and marked with the number issued to the main unit.

If an item of controlled property consists of two or more units that can be interchanged with similar type equipment, then each unit should be tagged separately.

Tagging Artwork

All artwork purchased under account code 5225 must be tagged with a barcode decal or have the number affixed using an alternative method. Great care must be taken to ensure the artwork is not defaced by affixing a property tag or by any other method of numbering. An art expert or local museum curator shall determine the method of numbering artwork.

The department responsible for the artwork shall keep on file a photograph of each piece of artwork for positive identification.

Physical Inventory

The current property records are a result of previous physical inventories and have been increased for subsequent purchases and reduced by all disposals. Both the federal and state governments require the university to verify the accuracy of the property records by actual inspection of the property.

The validity of your physical inventory is susceptible annually to being audited by federal auditors. The federal auditors have this right because the property records are used by the university as a basis for recovering use allowance from the governmental agencies as a part of indirect costs. (Ref. 2 CFR § 200.436 and 2 CFR § 200. Appendix III) The auditors shall look upon the validity of your physical inventory together with other sampled inventories as representative of the entire university system. When errors are discovered, the university may lose considerable overhead recovery.

Physical inventory information is gathered using a barcode scanner. Instructions for the use of the bar code scanners can be found on URL:

[UA Property Information](https://www.alaska.edu/financial-systems/property/ua-inventory/)
<https://www.alaska.edu/financial-systems/property/ua-inventory/>

To properly perform the physical inventory, each area must be searched systematically. All the controlled property in possession must be inventoried regardless of departmental ownership. In other words, report what you have, not just what you think is on your departmental property listing. The inventory program updates the location and usage information on the property records without changing department ownership.

It is a federal requirement that the **"use"** status of all property be identified during the physical inventory as set forth in FAR 45.5. Identification of the use status is part of the barcode scanner program.

The physical inventory shall be completed on an annual basis by the last Friday of April.

The physical inventory shall be considered complete when all scanner data has been uploaded, all additional items have been resolved, and all unlocated property has been properly documented.

Unlocated items that have not been found for two consecutive physical inventories require a completed second year unlocated property form and may be written off the property records after the approval from the Campus Vice Chancellors, UA Chief Procurement Officer, UA Controller and UA CFO. The deletion of the unlocated property is part of the property year-end processing.

Each Campus Property Coordinator must certify that the entire campus inventory is completed, in order for inventory to be considered final. Form must be signed and forwarded to the UA System Property Office

Property Transfers

This section describes the transfer procedures for the university owned property. See "**Federally Funded Property**" for additional requirements for federally owned property. See "**Vehicle Acquisition and Disposal**" for additional instructions for vehicles with a title and license plates.

Two types of transfers

1. Transfer between departments or campuses changes the responsibility for an item from one department or campus to another. The property module and property accounting ledgers are updated to reflect this information. There are two types of transfers:
 - Transferring existing property listed in the property module from one department/campus to another. The organizational code is updated in the property module to that of the new responsible department or campus.
 - The purchase and payment of controlled property by a department/campus for use by another department/campus where the using department/campus shall be responsible for the property. For example, a statewide department may purchase property for use by another MAU. The organizational code entered in the property module shall be that of the responsible and department.
2. Transfers between departments and institutes affect the organizational code number listed in the property module. The organizational code shall be updated to reflect the new responsible department.

* The organizational code is used in the property module as means of identifying the responsible department. Making a change to the organizational code in the property module does not have any effect on the funding source of the property.

Reporting transfers of existing property

All transfers of existing property must be reported to the local Campus Property Coordinator. The department transferring the property shall complete the "transfer from" portion of the "Property Transfer Report" prior to the transfer. The department receiving the property shall complete the "transfer to" portion of the "Property Transfer Report" when the transfer occurs. The transferor is responsible for the property until this report has been completed, with the appropriate signatures and submitted to their local Campus Property Coordinator.

Purchase of existing equipment between university departments

When one department pays another department for the transfer of controlled property, the payment should be accounted for on Banner by a journal voucher. The appropriate equipment account code should be debited to an interdepartmental or inter campus revenue account code (9904 or 9934) credited.

Accounting for transfers

The original cost in the property module shall be transferred to the department acquiring the property. For transfers between units, the original cost shall also be transferred on the property accounting ledgers.

Property Disposal

This section describes the disposal procedures for university owned property. See **"Federally Funded Property"** for additional requirements for federally owned property. See **"Vehicle Acquisition and Disposal"** for additional instructions for vehicles which require title and licensing.

All disposals must be done in a manner which is determined to be most advantageous to the University and in compliance with the University regulations and the state procurement code AS 36.30.

University departments may not sell or otherwise dispose of property or supplies owned by the university without prior written authorization of the Chief Procurement Officer or authorized designee. The UA System Property Office must also approve all vehicle disposals. The purpose of the written authorization is to ensure that the disposal procedure utilized is appropriate and in compliance with university regulations and the state procurement code.

It is recommended that University departments make the property available to other University departments prior to public sale or other methods of disposal.

Consumable supplies which have been consumed during the normal course of business are exempt from the disposal authorization procedures in this manual.

A "Property Disposal Authorization" must be completed for all controlled property and supplies with an estimated net salvage value of \$100 or more, to be disposed of and submitted to the Campus Property Coordinator for that main administrative unit. The Campus Property Coordinator shall review the form prior to submission to the Chief Procurement Officer or authorized designee for approval.

Items in non-operational condition, having an estimated value for either parts or materials that is less than the estimated cost of disposal may be discarded. These items must be destroyed or defaced before being placed in a trash bin or hauled to a landfill and witnessed by at least one other university employee. The "Property Destruction Authorization & Certificate" form must be completed and submitted by the campus property coordinator to the MAU property office.

An employee of the using or disposing department may not directly or indirectly purchase or agree with another person to purchase surplus property if the employee is, or has been, directly or indirectly involved in the purchase, disposal, maintenance, or preparation for sale of the surplus property. (Ref. R05.06.600(8))

Sale Methods - Surplus property should be offered through competitive sealed bids, public auction, established markets or posted prices. However, some types or classes of items can be sold or disposed of more readily and advantageously by other means, including barter. In such cases, and also where the nature of the property or some unusual circumstances indicate that the sale should be restricted or otherwise limited, the Chief Procurement Officer or authorized designee may employ other means, provided the property officer makes a written determination that the procedure is in the best interest of the university.

- **Sealed Bid** - When making sales by competitive sealed bidding, notice of the sale must be given at least 10 days before the date set for opening bids. Notice must be given by mailing a request for sale bids to prospective bidders and by making the request for sale bids publicly available. Newspaper advertisements may also be used. The request for sale bids must list the property offered for sale; designate their location and how they may be inspected; and state the terms and conditions of sale and instructions to bidders including the place, date, and time set for bid opening. Bids must be opened publicly.
- **Award** must be made in accordance with the provisions of the request for sale bids to the highest responsive and responsible bidder, if the price offered by the bidder is reasonable, as determined by the Chief Procurement Officer or authorized designee. If the approving officer determines that the price offered is not reasonable, the approving officer may reject the bids in whole or in part.
- **Auction** - In person or online public auction methods may be used. The solicitation to bidders should stipulate, at a minimum, all the terms and conditions of the sale; that a deposit may be required in order to participate in the bidding; that the purchaser must remove within a stated time all surplus property purchased; and that the university retains the right to reject any and all bids.
- **Established Markets** - Places where property such as livestock and produce are regularly sold in wholesale lots and prices are set by open competition. Surplus property may be sold in established markets where appropriate.
- **Sale at Posted Prices** - Surplus property may be sold at posted prices when the prices are based on fair market value and notice of the sale has been advertised to the public.
- **Other Methods** - Alternative disposal procedures may be used when the above-described methods are not practicable or feasible, if the alternative procedure is documented and the Chief Procurement Officer or authorized designee determines in writing that such alternative procedure is in the best interest of the University.

Advertisements - All sealed bid sales and public sales and auctions must be advertised to the public prior to the sale. The advertisement must include:

1. The date and time for inspecting property to be sold.
2. Description of the items for sale.
3. A statement that the items shall be sold "as is," and "where is" and that the university makes no warranties or representations either express or implied regarding the quality, condition, or suitability for any specific purpose of any item.
4. A statement that the University has the right to withdraw items at any time prior to sale.
5. If a minimum bid is wanted on specific items, the notice or advertisement should indicate the minimum bid requested on the specific item for sale.
6. Revenue from the sale shall be recorded by journal voucher according to the instructions in the UA System Accounting Manual procedure #93. Expenses of the sale such as advertising may be netted against the sale proceeds.

In remote areas with no newspapers, announcements may be posted in popular gathering places such as a general store, post office, school, airport, or café.

Other Disposal Methods

- **Transfer to Governmental Agencies** - Surplus property or supplies may be transferred to another governmental agency, department, or unit without prior advertising for intra-university transfer or external sale, if the Chief Procurement Officer or authorized designee determines in writing that such a transfer is in the best interest of the University.
- **Donations to Non-Profit Organizations** - Subject to the approval of the Chief Procurement Officer, surplus property or supplies may be donated to a non-profit organization, if the regional campus property officer determines in writing that all routine procedures for sale of the subject items have been exhausted or application of the routine procedures shall not be cost effective, and that the donation of the items to the specific non-profit organization is in the best interest of the University.

- **Property Trade-Ins** - Equipment items may be offered for trade-in on the purchase of like property without prior advertising for intra-university transfer or external sale, if the Chief Procurement Officer or authorized designee determines in writing that such a trade-in is in the best interest of the University. The acquisition cost of the new property should be increased by the amount received for the property traded in.
- **Removal of University Property Tags and Identification** - All property tags and identification must be removed from the equipment being disposed of; at the time it is removed from the university premises. Property tags must be returned to the Campus Property Coordinator.
- **Deletion of Property Records for Disposal** - Property records shall be marked as disposed in the property module only AFTER the property has been removed from university premises. Notification of the final disposal must be sent along with the property tags to the Campus Property Coordinator.

Reporting Stolen or Unlocated Property

Each Departmental Property Custodian is responsible for reporting to the Campus Property Coordinator the loss or theft of any item in his/her control as soon as the situation becomes known. Additional reporting requirements for federally owned property exist in the "Federal Contracts and Property" section of this manual. Additional reporting requirements for stolen property exist in the Risk Management Regulations 05.09.00 and BOR 02.07.

While the detailed format and procedure for reporting to the Property Coordinator are determined by the campus procedures, the report must include the property tag number(s) (if applicable), description of the item(s), and the type of incident, as well as the location, date and circumstances of the incident.

- A. Stolen property must be reported to law enforcement authorities. A "Report of Stolen or Unlocated Property" must be submitted to the local property office with copies of the police report/face sheet. The stolen item shall be marked as stolen on the property record. If it is recovered, it must be transferred in the property module to the account of the department responsible for the item. If it has not been recovered after a period of two years, it shall be marked as disposed of in the property module. The UA System Property Office shall maintain a record of all stolen property deletions.
- B. Unlocated property shall remain active in the property module for two years. A continuous search must be conducted for this property until all avenues are exhausted. A "Report of Stolen or Unlocated Property" must be submitted to the local property office and must include the action taken to recover the property. This property should be reported to law enforcement authorities as "missing and possibly stolen". After two years of unlocated status, the equipment is marked as in the property module as unlocated and reported to Statewide Risk Management, to be included in the risk management assessment. If the item is located after it was marked as disposed, it must be reactivated in the property module to the account of the department responsible for the item. The dollar value of the equipment created shall be credited to the unit and reported an unlocated recovery in the risk management assessment.

Off Campus Use of University Property

Employees removing property from campus must obtain written approval from the person for whom they are working, or a higher level as may be prescribed by their chancellor or vice president. Copies of such written authorization are to be retained for property accounting purposes in the office of the person authorizing the property to be removed as well as the office where the item would normally be kept. The written authorization for off campus use of property shall include a complete description of the property, the property tag number, the location of the property while it is off campus, justification for that use, and shall cite a date when the item is to be returned to the campus. That date shall not be longer than the time required to complete the university project but in no circumstance longer than one year. The "Authorization for Off Campus Use of University Property" form must be completed and reviewed annually.

Personal Use of University Property

Personal use of university property is prohibited. (University Regulations 04.10.05.B.6)

Vehicle Acquisition & Disposal

Vehicle Acquisition

Upon the acquisition of a vehicle, the following documents and information must be sent by the campus property coordinator to the UA System Property Office in order to obtain University of Alaska identification (E#), State of Alaska official use license plates, title, and registration. No vehicle shall be created until the funding has been allocated in the capital account.

All university vehicles with official use license plates must have a visible university decal or campus insignia for identification purposes as required by AS44.68.020(3).

New vehicles

- The original certificate of origin properly signed by the dealer.
- Copy of the purchase order.
- Copy of the invoice.
- Vehicle Create Form
- V6 Odometer disclosure statement.

Used vehicles

- Original title properly released by the previous owner.
- Copy of the purchase order.
- Vehicle Create Form

Vehicles obtained from the federal government (not on loan)

- Original form 97.
- Copy of the purchase order.
- Vehicle Create Form

Vehicles obtained directly from the State of Alaska

- Copy of the purchase order.
- Vehicle Create Form

Donated vehicles

- Original title properly released by the previous owner.
- Copy of appraisal letter showing value of vehicle.
- Vehicle Create Form
- Copy of JV recording the appraised value to the capital account.

Federal vehicles on loan to the university

- Shipping and Receiving form.

University built (home built) trailers

- Affidavit of Home built Trailer (form available from the UA System Property Office).
- Vehicle inspection certification (form available from the UA System Property Office) completed by a law enforcement officer, or a DMV official if the vehicle is over 1000 pounds.
- Vehicle Create Form
- Contact the UA Systems Office for updated instructions.

Trade-out Vehicles on loan to the university

- Copy of trade agreement between UA department and dealer.
- Copy of registration showing vehicle VIN #.
- Vehicle Create Form

Vehicle License Plates

AS 28.10.171 requires that all non-commercial vehicles display a single rear license plate. To obtain replacement license plates, submit a written request to the UA System Property Office. Include the vehicle E#, the license plate number, and the departmental account number. DOT charges the university for replacement license plates. The fee shall be charged to the requesting department.

Vehicle Property Number

Vehicles utilize a separate property numbering system in the property module called "E" numbers. The UA System Property Office assigns the "E" number. The "E" number should be visible on the vehicle and the keys should be engraved with the "E" number.

Vehicle records in the property module

All data entry for vehicles is performed by the UA System Property Office. The "E" number is entered in the property module as the tag number. It shall be preceded by an "E" and the sufficient number of zeros to right adjusts the actual number. Vehicles shall be removed from the property module by the UA System Property Office after the title has been released.

Vehicle transfers

The Campus Property Coordinators must notify the UA System Property Office if a vehicle transfers from one department or unit to another. The UA System Property Office shall notify DOT of any location changes.

Vehicle Disposal

Vehicle disposals are subject to the same requirements as other property as listed under the "Property Disposal" section of this manual. Listed below are additional requirements for all vehicle disposals.

- Prior to planning the disposal of a vehicle, contact the UA System Property Office to ensure that the university has title to the vehicle.
- When completing the "Property Disposal Authorization" provide a complete description of the vehicle including E#, make, model, serial number, odometer reading, and license plate. All information shall be obtained by a physical inspection of the vehicle.
- Remove the official license plates. UA System Property Office shall notify DOT of the disposal of vehicles utilizing official use license plates. Official use license plates are not transferable to any other vehicle.
- After disposal of the vehicle, complete the "Vehicle Sale / Disposal Report" and send the completed report with the official use license plates to the UA System Property Office.
- Titles shall not be released until AFTER the disposal process is complete AND the official use license plates have been returned to the UA System Property Office.
- Buyers should be made aware that the University has 10 business days to issue a title from the date of sale. Titles for vehicles shall be sent to the buyer by return receipt mail or may be picked up by the buyer from the UA System Property Office.
- The assignment of interest section of the title shall be sent to DMV by the UA System Property Office.

Property Reconciliation

The purpose of the property reconciliation is to ensure that all funds applied to the property accounts have been accounted for. Each reconciliation starts with the beginning balance on July 1, 20XX, adjusts for current year activity (additions, deletions and transfers), and concludes with what the property module total should be. This total is compared with the actual property module totals and the difference represents transactions for controlled property which have not been added to the property module or erroneous entries on the transaction retrieval report. This property reconciliation data is also used in the fiscal year end process to provide yearly property totals to UA Controller and Fund Accounting and UA Controller.

Role of the UA System Property Office

Reconciliations are prepared for each unit by UA System Property monthly at a minimum and are forwarded to the Campus Property Coordinators.

- Reconcile daily property module transactions against the backup provided by Campus Property Coordinators.
- Add transactions to the Outstanding Tab when a payment to a capital account has been made.
- Remove transactions from the outstanding list that have been applied to a created asset.
- Alert Campus Property Coordinators of transactions on the outstanding list that are over 60 days.
- Report any transactions on the outstanding list for over 90 days to the UA Controller and the Campus Vice Chancellors.

Role of the Campus Property Coordinator

The Campus Property Coordinators shall take the reconciliation and work to clean-up all the outstanding transactions applied to the capital accounts.

- Verify that the transaction should have been made to a capital account. Ensure that a JV to correct accounting has been completed for all transactions made in error.
- Provide backup for all property module entries to the UA System Property Office in the form of a Batch Sheet.
- Notify the UA System Property Office of all cleanups to the transactions to include but not limited to washouts.
- No transactions should remain outstanding for over 90 days.
- All outstanding transactions should be cleared by the fiscal year end.

BANNER Coding

Title to Status (FFVTTST)

AA	Agency Funded/Agency Owned
AU	Agency Funded/University Owned
CU	Capital Funds/University Owned
DU	Donations (not Foundation)/University Owned
FA	Federally Funded/Title vests with UA upon acquisitions with restrictions
FC	Federally Funded/Title vests with UA upon completion of project with restrictions
FF	Federally Funded/Federally Owned
FR	Federally Funded/Title vest with UA with restrictions
FT	Federal Reporting Threshold Change
FU	Federally Funded/University Owned
GF	Government Furnished/Federally Owned
GG	Government Furnished/Federally Owned, no funds expended
GU	Government Furnished/University Owned
HU	Foundation Funded/University Owned
LL	Locally Funded/Locally Owned
LU	Locally Funded/University Owned
MU	Matching/Cost Sharing on Federal Project/University Owned
NO	Equipment Purchase Prohibited
PP	Privately Funded/Privately Owned
PU	Privately Funded/University Owned.
SS	State Funded/State Owned
SU	State/Funded/University Owned
UL	Government Furnished/Locally Owned Lease
UP	University Lease Purchase Agreement
UU	University Funded/University Owned

Asset Condition (FFVACON)

NW	NEW
GC	Good Condition
FC	Fair Condition
PC	Poor Condition
OS	Out of Service
SC	Scrap Material

Acquisition Methods (FFVACQM)

PO	University Purchased
LP	Lease Purchase
DN	Donation
IV	Inventory Addition
TR	Transfer from outside agency
EF	Equipment furnished by the government
GF	Gift and Donation
LN	Equipment obtained on loan
RU	Recovery of unlocated equipment
FB	Fabricated equipment
TA	Athletics sponsorship trade agreement
LE	Leased equipment

Asset Type (FTVASTY)

Type	Description	Standard Life
AT	Artwork	0 – Does not depreciate
BC	Broadcasting equipment	10 years
CE	Computer equipment	5 years
EC	Educational equipment	9 years
FF	Furniture and furnishing	8 years
FM	Farm equipment	8 years
LT	Sensitive – less than \$5,000.00	0 – Does not depreciate
LV	Livestock for research	0 – Does not depreciate
MD	Medical, safety, fire equipment	9 years
MF	Mainframe computer equipment	8 years
OE	Office equipment	7 years
PP	Physical plant machine & tools	11 years
RE	Research equipment	7 years
SE	Security weapons	10 years
TE	Telecommunications equipment	6 years
VE	Transportation equipment	10 years

Disposal Methods (FFVDISP)

DD	Destroyed at Dump/Landfill
DE	Delete less than (<) Capitalized Level
DF	Disposed by Natural Forces
DN	Donated to Non-profit Organization
DP	Duplicate Record Created
DR	Disposed at Recycle Center
ER	Record Created in Error
FE	Fixed Equipment Reclass
NS	One Time Use/Non-salvageable
RA	Returned to Funding Agency
RT	Returned to Vendor for Credit
SC	Sold Competitive Sale
SP	Scrapped for Parts
ST	Stolen- Police Report Filed
TE	Transferred to Outside Entity - specific to a program requirement
TR	Traded to Vendor for Credit
UD	Unauthorized Disposal
UL	Unlocated Equipment
WR	Warranty Return for Repair

Campus Identification

CC	Chukchi Campus
GI	Geophysical Institute
KE	Ketchikan Campus
KO	Kodiak Campus
KP	Kenai Peninsula College
KU	Kuskokwim Campus
MS	Matanuska-Susitna Campus
NW	Northwest Campus
PW	Prince William Sound Community College
SC	Sitka Campus
SW	University of Alaska System
SONS	University of Alaska System- ITS area
UAA	University of Alaska Anchorage
UAF	University of Alaska Fairbanks
UAS	University of Alaska Southeast

User Status Indicators**F FT Threshold Delete**

Deletes made after the mass threshold change, generally items that had restricted title status.

I In use

This code is assigned to all equipment items which are actively in use at the time of record.

N Not found/Unlocated

This code is assigned when the equipment cannot be located by the responsible department. The department must complete an unlocated report to record the steps taken to find the equipment. Any equipment not located for two years shall be deleted from the system as unlocated.

P Pending disposal/reutilization (not currently used)

This code is assigned to equipment which is no longer needed or is not used by the responsible department. This category is classified as not in use, available for reutilization.

S Surplus/Approved for disposal (not currently used)

When an equipment item is no longer in use and has no immediate use by the University a request for disposal is completed by the campus property coordinator. Upon approval of disposal from the Chief Procurement Office, this code is assigned to show all required steps have been followed so the requested disposal method can be completed by the requesting unit.

T Threshold Change

This code was created to identify the mass threshold change.

X Disposed

Used on records for items that are disposed of using disposal procedures and shall no longer be accounted for in the University property module.

Z Zero Dollars

Item at no value that still requires annual inventory.

Property Account Codes

The following account codes represent controlled property. A complete list of account codes, titles, and definitions are listed in the UA Systems Accounting and Administrative Manual, Appendix A.

Capital Expenditures - Equipment items have a value of \$5,000 or more and an expected life of generally one year or longer. Equipment is defined as tangible nonexpendable personal property. Equipment costs include the related freight, postage, and installation charges.

- 5221 **Furniture & Furnishings** - Expenditures for furniture, fixtures, appliances, and artworks that are not permanently attached purchased for buildings, offices, classrooms and university owned residences.
- 5223 **Athletic/Recreation Equipment** - Expenditures for individual pieces of athletic or recreation equipment of \$5,000 or more. (use account code 4444 for individual pieces less than \$5,000)
- 5225 **Art - tagged** - Expenditures for art (or fair market value of donated art) that is not permanently attached to a building or structure, nor extremely large, bulky or heavy as to be considered immovable. Does not include museum acquisitions.
- 5229 **Medical, Safety and Fire Equipment** - Expenditures for specialized equipment used for medical, fire and safety purposes.
- 5310 **Livestock** - Expenditures for livestock used at the agricultural experimental stations.
- 5327 **Capitalizable Data Sets & Software** - This account is to be used for any or all of the following purposes: (1) electronic media, such as research data sets, with a cost greater than \$100,000, (2) software with a unit value cost of \$100,000 or more and a useful life of more than one year, and (3) internally developed software with a cost of \$500,000 or more and useful life greater than 10 years.
- 5328 **Computer Equipment** - Expenditures for PC and Macintosh computers used in educational, research, and office environments. Includes local area networks (LAN), printers, monitors, and other peripherals. Does not include mainframe computers.

- 5329 **Mainframe Computers** - Expenditures for mainframe computers and related peripheral equipment. Includes the University of Alaska Computer Network Services. Excludes microcomputers, local area networks (LANS), and related peripheral equipment.
- 5330 **Telecommunication Equipment** - Expenditures for telephone equipment including switches, modules, cards, cabinets or other devices that may be connected to the telephone system.
- 5331 **Educational Equipment** - Expenditures for apparatus, gear, and machinery for use in the classroom or instructional laboratory environment (use account code 5328 for microcomputers).
- 5332 **Research Equipment** – Expenditures for specialized laboratory and scientific apparatus, instruments or machinery for research purposes.
- 5333 **Security Weapons** - Expenditures for pistols, rifles, and shotguns required for security purposes.
- 5334 **Transportation Equipment** - Expenditures for motor vehicles and parts for vehicles which should be separately capitalized.
- 5335 **Physical Plant Machines & Tools** - Expenditures for maintenance and custodial equipment.
- 5336 **Office Equipment** - Expenditures for equipment which shall be used in an office or administrative environment. (use account code 5328 for microcomputers)
- 5337 **Farm Equipment** - Expenditures for farm equipment such as rakes, combines, spreaders, plows, small tractors and attachments.
- 5339 **Broadcasting Equipment for TV or Radio** - Expenditures for equipment used specifically for the purpose of broadcasting.

Summary of Reporting Requirements Relating to the Performance of Periodic Inventories

(As provided by the Office of Naval Research, December 2001)

Procurement regulations require that a contractor perform a periodic inventory and provide information to the Agency or Government Property Administrator. A summary of these requirements is as follows:

CITATION	SUMMARY OF REQUIREMENTS
FAR 45.508-2, Reporting results of inventories	Submit to the cognizant property administrator, after completion of physical inventory, a listing that identifies discrepancies and a signed statement concerning inventory completion.
NASA FAR SUPP 1845.508 Physical Inventories	A reconciliation of NASA property shall be submitted within 30 days after inventory completion. A report of physical inventory must be completed at least once each two years and submitted in conjunction with appropriate NASA Form 1018.
DOE FAR SUPP 945.505-14, Reports of Government Property	The report of physical inventory shall be submitted as a minimum with the fourth semiannual report.

Grant regulations also require that periodic inventories be performed; certain specific reporting requirements exist concerning federally owned property which may be accountable under grants.

CITATION	SUMMARY OF REQUIREMENTS
NASA Grant & Cooperative Agreement Provisions 1260.27(B)	Grantees shall submit to grants officer an annual inventory of government owned property in their custody. Report is due by 31 October for data as of 30 September.
DOE Financial Assistance Rules, Section 600.117(d), Property Management	Grantee shall submit annual inventory of any federally owned property provided under a grant. For federally owned equipment acquired with grant funds, grantee shall provide notification of the result of inventories.

Summary of Agency Periodic Financial Reporting Requirements

AGENCY, CITATION, FORM, & DUE DATE(s)	DESCRIPTION
Department of Defense DoD FAR Supp 45.505-14 DD Form 1662 Due by 31 October each year for data as of 30 September	A summary report for each contract for which the contractor has government owned DoD property. Report provides dollar values of various categories of property and provides values of additions/deletions. If a contract with accountable property is closed prior to September 30, it shall be reported when the balance becomes zero. Provide report to cognizant government property administrator.
National Aeronautics & Space Administration NASA FAR Supp 18-52.245-73 NASA Form 1018 Due by 31 October each year for data as of 30 September	A summary report for each contract which contains NASA clause 18-52.245-73, Financial Reporting of Government Owned/Contractor Held Property. Report provides dollar values of various categories of NASA owned property. Provide report to cognizant government property administrator. Negative reports are required.
Department of Energy DOE FAR Supp 945.505-14 DOE Form 4300.3 Due by 14 April & 15 October each year for data as of 28 February and 31 August	A summary report for each contract for which the contractor has DOE owned property. Report shows cost of equipment, real property, and material by various categories and reflects acquisitions and deletions. Provide report to cognizant government property administrator.

Federal Agency Screening Requirements (Applies to Contracts Only)

If the source of funds is Department of Defense (Navy, Air Force, Army, Marine, DLA, DNA) contract, the following screening requirements apply:

- For industrial plant equipment with an acquisition cost exceeding \$15,000, the proposed item must be screened by submitting a DD Form 1419 to the cognizant agency for endorsement and transmittal to Defense Industrial Plant Equipment Center. Acquisition is not authorized until a Certificate of Non-Availability is provided. Industrial Plant Equipment is defined as equipment used for any of the following purposes: cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating, or otherwise altering the physical, electrical or chemical properties of materials, components, or end items entailed in manufacturing, maintenance, supply, processing, assembly, or research and development operations
- For automatic data processing equipment which exceeds \$25,000 acquisition cost, the proposed item must be screened by submitting a DD Form 1851 to the cognizant agency for endorsement and transmittal to Defense Logistics Agency, Defense Automation Resources Information Center as per DFARS 245.302-1. Acquisition is not authorized until a Certificate of Non-Availability is provided.

If the source of funds is National Aeronautics and Space Administration (NASA) contract, the following screening requirements apply:

For any item of equipment, the proposed acquisition must be screened utilizing a DD Form 1419 to the cognizant administering agency for endorsement and transmittal to the NASA contracting officer. Acquisition is not authorized until NASA approval is received. Items are defined as plant equipment, special test equipment (including components), special tooling and non-flight space property which is commercially available, identifiable by a manufacturer and model number, and valued at \$1,000 or more. Full requirements are outlined in NASA Supplement to the Federal Acquisitions Regulations, Subpart 18-45.5, Management of Government Property in the Possession of Contractors.

For items defined as automatic data processing equipment the proposed acquisition must be screened through the cognizant administering agency for endorsement and submittal to the NASA contracting officer. Acquisition is not authorized until NASA approval is received. Additional detail is contained in NASA Supplement to the Federal Acquisition Regulation, Subpart 18-45.302-71, Acquisition of ADPE.

Addendum A

For the purpose of this addendum, all controlled property purchases on specific federal contracts include additional requirements to comply with the Federal Acquisition Regulations (FAR) invoked in the contract terms and conditions. This addendum to the UA Statewide Property Manual is specific to the contract stated in the addendum header.

Acquisitions of Contractor Acquired Property (CAP)

Ensure that we specifically obtain Contracting Officer approval for any purchases with government funding, specific to this contract.

Contractor Acquired Property includes property that is purchased by the university on a sponsored award, when the terms and conditions specify that title vests with the Government. The university assumes responsibility and accountability [BAC(21)] for this property and has authorization to use it only on the award for which it was purchased.

The university is required by FAR 52.245-1(f) to establish and implement a system with procedures to identify, tag, store, maintain and account for this property. Although less common, materials and supplies purchased for a particular purpose on the award may also need to be accounted for as they are consumed during the life of the project and at closeout. **Unlike equipment titled to the university, use of Government titled equipment on other awards must be specifically authorized by the sponsor.**

In accordance with FAR 52.245-1(f)(1)(i), all property acquisitions are consistent with the university's engineering, production planning, and property control operations.

Disposal of Government Property

Determinations of disposal will be coordinated with a Plant Clearance Officer or authorizing official using an approved inventory disposal schedule per 52.245-1 (j) and FAR 45.600.

Government Property Management Procedures

All purchases of CAP (supplies, commodities, and capital equipment) are recorded in the UA financial and central asset management system, Banner.

- The entry of controlled property (i[BAC(22) [KC3] .e., property that values \$5,000 or more) into Banner is described in the UA Statewide Property Manual. Purchases of capital equipment on this contract's funding will be entered within 30 days of item receipt.
- Purchases of CAP under \$5,000 that are made via purchase order are entered into Banner when the invoice is processed for payment within 30 days of item receipt.
- Purchases of CAP under \$5,000 that are made via university procurement card are entered into Banner weekly when procurement card transactions map from the credit card system to Banner, no later than within 30 days of item receipt. [BAC(24]

Purchases made under this contract will additionally be recorded in a ledger that accommodates contractually required details to fulfill documentation of CAP/GP. The ledger will be cross-referenced to purchase documentation and documentation of issue and use of material that is consumed immediately.

In accordance with 52.245-1 (f)(1)(iii)(A), property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the Government Property Administrator, contain the following:

1. *The name, part number and description, National Stock Number (if needed for additional item identification tracking and/or disposition), and other data elements as necessary and required in accordance with the terms and conditions of the contract.*
2. *Quantity received (or fabricated), issued, and balance-on-hand.*
3. *Unit acquisition cost.*
4. *Unique-item identifier or equivalent (if available and necessary for individual item tracking).*
5. *Unit of measure.*
6. *Accountable contract number or equivalent code designation.*
7. *Location.*
8. *Disposition.*
9. *Posting reference and date of transaction.*
10. *Date placed in service (if required in accordance with the terms and conditions of the contract).*

Ledger Reconciliation

1. The ledger will be reconciled quarterly to Banner to ensure completeness of purchases. The reconciliation will be documented and approved by the PI.
2. Discrepancies between the ledger and Banner will be researched and their resolution documented. Discrepancies incident to shipment that cannot be rectified will be disclosed to the Government Property Administrator within 5 days.
3. Banner will be updated, as needed, to ensure accurate recording of CAP.
4. The ledger will be reconciled quarterly to usage of supplies and commodities to physically observe government property and update for items on-hand. The reconciliation will be documented and approved by the PI.
5. Discrepancies between the ledger and usage will be researched and their resolution documented.

Physical Inventory of Government Property

In accordance with 52.245-1(f)(1)(iv), government property is physically inventoried periodically with the inventory results disclosed to the Government Property Administrator.

Capital equipment (i.e., property that values \$5,000 or more) is physically inventoried annually as described in the UA Statewide Property Manual. Reporting of capital equipment will be distributed to the NASA POC within 30 days of completion.

Contractor acquired property under \$5,000 is physically inventoried quarterly using the ledger described in the preceding section, comparison to Banner, and observation of the physical inventory. Reporting will be distributed to the NASA POC within 30 days of completion.

In accordance with 52.245-1(f)(1)(vi), physical inventory results will be provided to the Government Property Administrator and OGCA.

In accordance with 52.245-1(f)(1)(vii), loss of government property will be reported to the Government Property Administrator and OGCA within 10 days.

Upon completion/termination of the contract, a final inventory will be conducted with the results provided to the Government Property Administrator and OGCA.

In accordance with 52.245-1(f)(1)(ix), government property requiring replacement or capital rehabilitation will be reported to the Government Property Administrator and OGCA. [BAC(25)]

252.245-7005 Mgmt and Reporting of Government Property

As prescribed in [245.107 Contract clauses](#).(4), use the following clause:

MANAGEMENT AND REPORTING OF GOVERNMENT PROPERTY (JAN 2024)

(a) *Definitions.* As used in this clause—

“As is” means that the Government makes no warranty with respect to the serviceability and/or suitability of the Government property for contract performance and that the Government will not pay for any repairs, replacement, and/or refurbishment of the property.

“Commercial and Government Entity (CAGE) code” means—

(1) An identifier assigned to entities located in the United States or its outlying areas by the Defense Logistics Agency (DLA) Commercial and Government Entity (CAGE) Branch to identify a commercial or government entity by unique location; or

(2) An identifier assigned by a member of the North Atlantic Treaty Organization (NATO) or by the NATO Support and Procurement Agency (NSPA) to entities located outside the United States and its outlying areas that the DLA Commercial and Government Entity (CAGE) Branch records and maintains in the CAGE master file. This type of code is known as a NATO CAGE (NCAGE) code.

“Contractor-acquired property,” “contractor inventory,” “Government property,” “Government-furnished property,” and “loss of Government property” have the meanings given in the Federal Acquisition Regulation (FAR) [52.245-1](#), Government Property, clause of this contract.

“Demilitarization” means the act of eliminating the functional capabilities and inherent military design features from DoD personal property. Methods and degree range from removal and destruction of critical features to total destruction by cutting, tearing, crushing, mangling, shredding, melting, burning, etc.

“Export-controlled items” has the meaning given in the Defense Federal Acquisition Regulation Supplement (DFARS) [252.225-7048 Export-Controlled Items.](#), Export-Controlled Items, clause of this contract.

“Ineligible transferee” means an individual, an entity, or a country—

(1) Excluded from Federal programs by the General Services Administration as identified in the System for Award Management Exclusions located at <https://sam.gov>;

(2) Delinquent on obligations to the U.S. Government under surplus sales contracts;

(3) Designated by the Department of Defense as ineligible, debarred, or suspended from defense contracts; or

(4) Subject to denial, debarment, or other sanctions under export control laws and related laws and regulations, and orders administered by the Department of State, the Department of Commerce, the Department of Homeland Security, or the Department of the Treasury.

“Item unique identification” means a system of assigning, reporting, and marking DoD property with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items.

“National stock number” means a 13-digit stock number used to identify items of supply. It consists of a four-digit Federal Supply Code and a nine-digit National Item Identification Number.

“Reparable item” means an item, typically in unserviceable condition, furnished to the contractor for maintenance, repair, modification, or overhaul.

“Scrap” means property that has no value except for its basic material content. For purposes of demilitarization, scrap is defined as recyclable waste and discarded materials derived from items that have been rendered useless beyond repair, rehabilitation, or restoration such that the item’s original identity, utility, form, fit, and function have been destroyed. Items can be classified as scrap if processed by cutting, tearing, crushing, mangling, shredding, or melting. Intact or recognizable components and parts are not “scrap.”

“Serially-managed item” means an item designated by DoD to be uniquely tracked, controlled, or managed in maintenance, repair, and/or supply systems by means of its serial number or unique item identifier.

“Serviceable or usable property” means property with potential for reutilization or sale as is or with minor repairs or alterations. “Supply condition code” means a classification of materiel in terms of readiness for issue and use or to identify action underway to change the status of materiel. “Unique item identifier (UII)” means a set of data elements marked on an item that is globally unique and unambiguous. The term includes a concatenated UII or a DoD recognized unique identification equivalent.

(b) Reporting Government property.

(1) The Contractor shall use the Government Furnished Property (GFP) module of the Procurement Integrated Enterprise Environment (PIEE) to—

- (i) Report receipt of GFP; (ii) Report the transfer of GFP to another DoD contract;
- (iii) Report the shipment of GFP to the Government or to a contractor. The GFP module generates the electronic equivalent of the DD Form 1149, DD Form 1348-1, or other required shipping documents;
- (iv) Report when serially-managed items of GFP are incorporated into a higher-level component, assembly, or end item;

(v) Report the loss of Government property in accordance with paragraph (f)(1)(vii) of the FAR [52.245-1](#) clause of this contract;

(vi) Complete the plant clearance inventory schedule in accordance with paragraph (j)(2) of the FAR [52.245-1](#) clause of this contract, unless disposition instructions are otherwise included in this contract. The GFP module generates the electronic equivalent of the Standard Form (SF) 1428, Inventory Disposal Schedule; and (vii) Submit a request to buy back or to convert to GFP items of Contractor-acquired property.

(2) Information regarding the GFP module is available in the GFP Module Vendor Guide at <https://dodprocurementtoolbox.com/site-pages/gfp-resources>. Users may also register for access to the GFP module and obtain training on the PIEE home page at <https://piee.eb.mil>.

(3) In complying with paragraphs (b)(1)(i) through (iv) of this clause, the Contractor shall report the updated status of the property to the GFP module within 7 business days of the date the change in status occurs, unless otherwise specified in the contract.

(4) The Contractor shall use Wide Area WorkFlow in accordance with DFARS Appendix F, Material Inspection and Receiving Report, to report the shipment of reparable items after completion of repair, maintenance, modification, or overhaul.

(5) When Government property is in the possession of subcontractors, the Contractor shall ensure that reporting is accomplished using the data elements required in paragraph (c) of this clause.

(c) *Records of Government property.* To facilitate reporting of Government property to the GFP module, the Contractor's property records, in addition to the requirements of paragraph (f)(1)(iii) of the FAR [52.245-1](#) clause of this contract, shall enable recording of the following data elements:

(1) National stock number (NSN). If an NSN is not available, use either the combination of the manufacturer's CAGE code and part number, or model number.

(2) CAGE code on the accountable Government contract.

(3) Received/sent (shipped) date.

(4) Accountable Government contract number.

(5) Serial number (for serially-managed items that do not have a UII); and

(6) Supply condition code (only required for reporting of reparable items). For information on Federal supply condition codes, see DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Appendix 2.5 at <https://www.dla.mil/HQ/InformationOperations/DLMS/elibrary/manuals/v2/>.

(d) *Marking, reporting, and UII registration of GFP requirements.* The Contractor—

(1) Shall assign the UII and mark the reparable items identified as serially managed in the GFP attachment to this contract with an item unique identification (IUID) data matrix, when the technical drawing for the item is accessible to the Contractor and includes IUID data matrix location and marking method;

(2) Shall report the UII either before or during shipment of the repaired item;

(3) Is not required to mark items that were previously marked with an IUID data matrix and registered in accordance with DFARS [252.211-7003 Item Unique Identification and Valuation](#), Item Unique Identification and Valuation; and

(4) Shall assign a new UII, then mark and register the item, when the conditions of paragraph (d)(1) are met, if an item is found to be marked but not registered in the IUID Registry.

(e) *Disposing of Government property.*

(1) The Contractor shall complete the plant clearance inventory schedule using the plant clearance capability of the GFP module of the PIEE to generate an electronic equivalent of the SF 1428, Inventory Disposal Schedule. The plant clearance inventory schedule requires the following:

(i) If known, the applicable Federal supply code (FSC) for all items, except items in scrap condition.

(ii) If known, the manufacturer name for all aircraft components under Federal supply group 16 or 17 and FSCs 2620, 2810, 2915, 2925, 2935, 2945, 2995, 4920, 5821, 5826, 5841, 6340, and 6615.

(iii) The manufacturer name, make, model number, model year, and serial number for all aircraft under FSCs 1510 and 1520.

(2) If the schedules are acceptable, the plant clearance officer will confirm acceptance in the GFP module plant clearance capability, which will transmit a notification to the Contractor. The electronic acceptance is equivalent to the DD Form 1637, Notice of Acceptance of Inventory.

(f) *Demilitarization, mutilation, and destruction.* If demilitarization, mutilation, or destruction of contractor inventory is required, the Contractor shall demilitarize, mutilate, or destroy contractor inventory, in accordance with the terms and conditions of the contract and consistent with Defense Demilitarization Manual, DoD Manual (DoDM) 4160.28-M, edition in effect as of the date of this contract. If the property is available for purchase, the plant clearance officer may authorize the purchaser to demilitarize, mutilate, or destroy as a condition of sale provided the property is not inherently dangerous to public health and safety.

(g) *Classified Contractor inventory.* The Contractor shall dispose of classified contractor inventory in accordance with applicable security guides and regulations or as directed by the Contracting Officer.

(h) *Inherently dangerous Contractor inventory.* Contractor inventory that is dangerous to public health or safety shall not be disposed of unless rendered innocuous or until adequate safeguards are provided.

(i) Contractor inventory located in foreign countries. Consistent with contract terms and conditions, property disposition shall be in accordance with foreign and U.S. laws and regulations, including laws and regulations involving export controls, host nation requirements, final governing standards, and government-to-government agreements. The Contractor's responsibility to comply with all applicable laws and regulations regarding export-controlled items exists independent of, and is not established or limited by, the information provided by this clause.

(j) *Disposal of scrap.*

(1) Contractor scrap procedures.

(i) The Contractor shall include, within its property management procedure, a process for the accountability and management of Government-owned scrap. The process shall, at a minimum, provide for the effective and efficient disposition of scrap, including sales to scrap dealers, so as to minimize costs, maximize sales proceeds, and contain the necessary internal controls for mitigating the improper release of non-scrap property.

(ii) The Contractor may commingle Government and contractor-owned scrap and provide routine disposal of scrap, with plant clearance officer concurrence, when determined to be effective and efficient.

(2) Scrap warranty. The plant clearance officer may require the Contractor to secure from scrap buyers a DD Form 1639, Scrap Warranty.

(k) *Sale of surplus Contractor inventory.*

(1) Sales procedures.

(i) The Contractor shall conduct sales of contractor inventory (both useable property and scrap) in accordance with the requirements of this contract and plant clearance officer direction. The Contractor shall include in its invitation for bids the sales terms and conditions provided by the plant clearance officer.

(ii) The Contractor may conduct internet-based sales, to include use of a third party.

(iii) If the Contractor wishes to bid on the sale, the Contractor or its employees shall submit bids to the plant clearance officer prior to soliciting bids from other prospective bidders.

(iv) The Contractor shall solicit bids to obtain adequate competition. Negotiated sales are subject to obtaining such competition as is feasible under the circumstances of the negotiated sale.

- (v) The Contractor shall solicit bids at least 15 calendar days before bid opening to allow adequate opportunity to inspect the property and prepare bids.
- (vi) For large sales, the Contractor may use summary lists of items offered as bid sheets with detailed descriptions attached.
- (vii) In addition to providing notice of the proposed sale to prospective bidders, the Contractor may, when the results are expected to justify the additional expense, display a notice of the proposed sale in appropriate public places, e.g., publish a sales notice on the internet, in appropriate trade journals or magazines, and in local newspapers.
- (viii) The plant clearance officer or designated Government representative will witness the bid opening. The Contractor shall submit the bid abstract in electronic format to the plant clearance officer within 2 days of bid opening. If the Contractor is unable to submit the bid abstract electronically, the Contractor may submit 2 copies of the abstract manually within 2 days of bid opening. The plant clearance officer will not approve award to any bidder who is an ineligible transferee.
- (2) Required terms and conditions for sales contracts. The Contractor shall include the following terms and conditions in sales contracts:
- (i) For sales contracts or other documents transferring title: “The Purchaser certifies that the property covered by this contract will be used in [insert name of country]. In the event of resale or export by the Purchaser of any of the property, the Purchaser agrees to obtain the appropriate U.S. and foreign export or re-export license approval.”
- (ii) For sales contracts that require demilitarization, mutilation, or destruction of property:
- “The following items [insert list provided by plant clearance officer] require demilitarization, mutilation, or destruction by the Purchaser. Additional instructions are provided in accordance with Defense Demilitarization Manual, DoDM 4160.28-M, edition in effect as of the date of this sales contract. A Government representative will certify and verify demilitarization of items. Prepare demilitarization certificates in accordance with DoDM 4160.28, Volume 2, section 4.5, DEMIL Certificate (see figure 2, Example DEMIL Certificate).”
- (iii) Removal and title transfer:
- “Property requiring demilitarization shall not be removed, and title shall not pass to the Purchaser, until demilitarization has been accomplished and verified by a Government representative.”
- (iv) Assumption of cost incident to demilitarization:
- “The Purchaser agrees to assume all costs incident to the demilitarization and to restore the working area to its present condition after removing the demilitarized property.”
- (v) Failure to demilitarize:

“If the Purchaser fails to demilitarize, mutilate, or destroy the property as specified in the sales contract, the Contractor may, upon giving 10 days written notice to the Purchaser—

(A) Repossess, demilitarize, and return the property to the Purchaser, in which case the Purchaser hereby agrees to pay to the Contractor, prior to the return of the property, all costs incurred by the Contractor in repossessing, demilitarizing, and returning the property;

(B) Repossess, demilitarize, and resell the property, and charge the defaulting Purchaser with all costs incurred by the Contractor. The Contractor shall deduct these costs from the purchase price and refund the balance of the purchase price, if any, to the Purchaser. In the event the costs exceed the purchase price, the defaulting Purchaser hereby agrees to pay these costs to the Contractor; or

(C) Repossess and resell the property under similar terms and conditions, and charge the defaulting Purchaser with all costs incurred by the Contractor. The Contractor shall deduct these costs from the original purchase price and refund the balance of the purchase price, if any, to the defaulting Purchaser. Should the excess costs to the Contractor exceed the purchase price, the defaulting Purchaser hereby agrees to pay these costs to the Contractor.”

(l) *Restrictions on purchase or retention of Contractor inventory.* The Contractor may not knowingly sell the inventory to any person or that person's agent, employee, or household member if that person—

(1) Is a civilian employee of DoD or the U.S. Coast Guard;

(2) Is a member of the Armed Forces of the United States, including the U.S. Coast Guard; or

(3) Has any functional or supervisory responsibilities for or within DoD's property disposal, disposition, or plant clearance programs or for the disposal of contractor inventory.

(m) *Proceeds from sales of surplus property.* Unless otherwise provided in the contract, the proceeds of any sale, purchase, or retention shall be—

(1) Forwarded to the Contracting Officer;

(2) Credited to the Government as part of the settlement agreement pursuant to the termination of the contract;

(3) Credited to the price or cost of the contract; or

(4) Applied as otherwise directed by the Contracting Officer.

(End of clause)

Parent topic: 252.245 RESERVED