



UCAR PROPERTY MANUAL

Introduction

[Entire Property Manual in PDF](#) 

UCAR Property Administration, part of [UCAR Budget & Finance](#), manages and controls capitalized real and personal property for which UCAR/NCAR/UCP (hereinafter referred to as UCAR) is accountable, regardless of what entity holds title/ownership.

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Section 1: Mission Statement

The mission of UCAR Property Administration is to support atmospheric and related research programs by managing and controlling all real and personal property held in the custody of UCAR. Such property may be titled to UCAR, the U.S. Government, or some other entity.

UCAR Property Administration will satisfy the requirements of the federal government and will adhere to UCAR policies, procedures, and practices by:

- Maintaining adequate inventory controls and accountability systems for the property under UCAR control;
- Continuously surveying the property under UCAR control to ensure appropriate security and utilization; and
- Properly transferring or disposing of such property in a timely fashion and in accordance with authority delegated and regulations prescribed.

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Section 2: Property Management Policy 3-1-4

The majority of property for which UCAR is accountable is obtained with Federal funding or through acquisitions from government excess. Therefore, it is UCAR's policy to be accountable for all property acquired for and used in the performance of its mission, in compliance with Federal property regulations and guidelines. Regulations and guidelines with which UCAR must comply include, but are not limited to, [OMB Circular A-110](#) and other applicable contract terms and conditions.

This policy applies to all property for which UCAR is accountable, including property that has not been purchased with Federal funding or through acquisition from government excess. UCAR property management procedures apply to the acquisition, accountability, care, use, loan, borrowing, modification, inventory, disposition, and reporting of all property under UCAR's care and custody.

Employees should contact their division, program, or department Division/Department Property Administrator (DPA) for information about procedures relating to property for which they are or will be accountable. A list of DPAs can be found on the UCAR Finance & Administration Property Web site.

The UCAR Property Administrator is responsible for interpreting this policy.

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Section 3-1: Definitions

Accountability

Having responsibility for the utilization, maintenance, inventory, tracking, storage, security, disposition, and reporting of property.

Acquisition Cost

The net invoice price of the equipment, including the cost of modifications, testing, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, shall be included (using an equipment object code) or excluded (using a purchase services object code) from the unit acquisition cost in accordance with UCAR's regular accounting practices.

Except for constructed assets ([Section 3-2](#)), it is assumed that an entire fixed asset will be purchased and placed in service within a period not to exceed 6 months. Acquisition over a longer period may signal a constructed asset.

Add-On

A component (1 item) added to a FA more than 6 months after the original acquisition (or completion if a constructed asset) and which can be procured in a 55xx object code and its cost added to the original depreciable cost of the asset. (To determine whether a component qualifies as an Add-On, see [Fixed Asset Definition and Types, Add-Ons, Section 3-2.](#))

ADP

Automated Data Processing.

Asset

(See [Fixed Asset.](#))

Contractor Acquired Property

Property purchased or otherwise provided by UCAR for performing an agreement, title to which is vested according to the terms of the agreement funding the acquisition.

DPA

Division/Department Property Administrator. (See [DPA Duties and Responsibilities, Section 5.](#))

Equipment

(See [Fixed Asset.](#))

Excess

Property under the control of any Federal awarding agency that, as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities. Such equipment may be transferred to another Federal awarding agency and, through that agency, to an entity funded by them, such as UCAR.

This should not be confused with [Government Furnished Equipment](#) (see below).

FA

Fixed Asset.

FAR ([Federal Acquisition Regulations](#))

The Federal Acquisition Regulations (FAR) system was established by the U.S. Government General Services Administration to establish uniform policies and procedures for acquisition by all executive agencies, including their contractors and subcontractors. UCAR agreements that incorporate FAR clauses may require additional, or different, steps in property management. See the individual agreements and the [UCAR Property Manual](#) for guidance.

Fixed Asset

Is of a durable nature (nonexpendable) with an expected useful life of at least 1 year, will retain its individual identity (including all component parts) throughout its useful life and, costs \$5,000 or more. (In the context of this Manual, "fixed asset", "property" and "equipment" have the same meaning with the exception of use in Sensitive Property discussions).

Government Furnished Equipment (GFE)

Equipment owned by and in the possession of the government and subsequently delivered to or otherwise made available to UCAR for use under specified contracts and grants. Such equipment is returned to the government at the end of the contract or grant through which it is provided.

This should not be confused with acquisitions from government [excess](#) which remain with UCAR until no longer needed.

Government Property

All property owned by or leased to the Government or acquired by the Government under the terms of the agreement. It includes both Government-furnished property and contractor-acquired property.

Intrinsic

Of or relating to the essential nature of a thing; inherent.

Inherent

Existing as an essential constituent or characteristic; intrinsic.

Non-Fixed Asset

Equipment which does not meet the definition of a Fixed Asset.

Object Code

An [object code](#) is a 4-digit number identifying a type of financial transaction. The 4 places in the number have the following meanings:

- 1st - primary classification (i.e., expense, revenue, etc.)
- 2nd - secondary classification (i.e., tangible matls & supplies, service, or property)
- 3rd & 4th - describe item or type of service

Personal Property

Tangible property of any kind except real property.

Prior Approval

Written approval by an authorized official evidencing prior consent.

Property

All property, both real and personal. It includes facilities, material, special tooling, special test equipment, and agency-peculiar property. (See [Fixed Asset](#).)

Real Property

Land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment.

Salvage

Property that, because of its worn, damaged, deteriorated, or incomplete condition or specialized nature, has no reasonable prospect of sale or use as serviceable property without major repairs, but has some value in excess of its scrap value. (FAR 45.501.)

Scrap

Property that has no value except for its basic material content. (FAR 45.501.)

Sensitive Property

As a rule, any item (individual or system) which has an acquisition cost less than \$5,000 and is

- easily portable (i.e. laptops, PDAs)
- expensive new technology
- adaptable to personal use

Such items are prone to loss or theft and should be labeled with Sensitive Property tags (REDtags) to facilitate tracking, unless extenuating circumstances, such as age or condition, deem otherwise. (See [Sensitive Property Procedures, Section 8](#).)

Surplus

Property not required for the needs and the discharge of the responsibilities of all Federal agencies, as determined by the General Services Administration.

UCAR-Accountable

Property for which UCAR is held accountable. (See [Accountability](#).)

UCAR Property

Property to which title is vested in UCAR, whether secured with general UCAR funds or funds derived from external sources.

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Section 3-2: Fixed Asset Definition and Types

Definition of a Fixed Asset (FA)

A Fixed Asset is of a durable nature with an expected useful life of at least 1 year

AND

Will retain its individual identity throughout its useful life

AND

Costs \$5,000 or more.

- **Is of a durable nature with an expected useful life of at least 1 year.** If an item is expendable (will be used up) or has an expected useful life of less than a year, it is not a FA, regardless of cost.
- **Will retain its individual identity throughout its useful life.** For an item to be a FA it must have an individual or separate (from other items) identity and retain that identity throughout its useful life. If it is to be incorporated into something else, then it is part of that larger thing rather than being a separate asset unto itself.

For example, 182 gigabytes of memory (approx. \$6K) is part of the server on which it is loaded and will not retain an individual identity throughout its useful life. A spectrum analyzer, on the other hand, does retain its own separate identity throughout its useful life and, therefore, would be a FA.

- **Costs \$5K or more.** In this context, the FA would include those components necessary for the item to perform its intended function. For example, a workstation without a monitor cannot function and, therefore, the monitor is part of that FA; a workstation without a printer can function and, therefore, a printer is not part of the FA.

It is sometimes unclear whether a component is part of a FA or not. In such cases, please call the Property Office for assistance.

Types of Fixed Assets

In the UCAR environment, costs which constitute the "acquisition cost" of a FA depend upon whether that asset is useable upon receipt, requires some assembly, or is constructed from basic materials and supplies. The designations used to identify these FA categories are as follows:

Basic

Useable upon receipt. May require minimal setup but basically can be connected to a power source and used as is. Basic FAs tend to be "off the shelf" items in one piece. The "acquisition cost" of a Basic FA is the amount paid for the item itself.

A 55xx object code is used on the requisition and in the UCAR accounting system to identify the purchase as a FA.

Assembled (System)

Received in multiple components and readily assembled into a functioning asset. An Assembled FA is a standard "off the shelf" purchase (using one or more Purchase Orders) received as multiple components and assembled after receipt. Components must all be ordered and received within approximately a six (6) month time frame. The acquisition cost of an Assembled FA is the total amount paid for its individual components. Individual components (excluding materials and supplies such as additional cords) use a 55xx object code.

Constructed (CIP; Construction In Process)

Received as equipment, materials, services, and supplies and constructed (and often designed) by UCAR (includes design by UCAR-employed subcontractor). The key to a constructed FA is that the final, functioning asset is not available "off the shelf" but is built or constructed by UCAR to unique specifications. These are referred to as CIPs (construction in process) or Constructed Assets.

The acquisition cost of a Constructed FA is the total paid for all costs (equipment, materials, services, supplies, freight, salaries, benefits, overhead, etc.) incurred in the process of designing and building the asset. Only equipment that would have been stand-alone FAs if not incorporated into the Constructed FA use a 55xx object code. Other items use a 52xx or a 53xx object code as appropriate.

Prior to starting work on a Constructed FA, the division must set up a unique account key designated "CIP" to electronically collect all costs associated with construction of the asset. This is one account key for one constructed asset. In some circumstances the division may establish more than one account key for one constructed asset but never the reverse, multiple constructed assets to one account key, unless the constructed assets are identical and constructed at the same time.

Only costs associated with constructing the asset are charged to the key(s) and when the construction is complete and the asset placed in service, that key is closed. It is the responsibility of the DPA or division administrator to notify the Property Office when the asset is placed in service so that the FADB record can be adjusted to reflect this "placed in service" status. (This status change starts depreciation for the FA.) As soon as all construction costs

have hit the account key, the division requests that the account key be closed so that no further costs accumulate in that key.

The variables involved in Constructed FAs make it impossible to provide exhaustive guidance in this format. Therefore, if your division is planning to acquire a FA that might be considered a Constructed FA, please contact the Property Office and your Project Accountant before beginning the project and/or procurements so that costs can be collected in the most efficient manner possible. This will save the division substantial time in identifying all the costs later.

Add-Ons

In this context, an Add-On is a component (1 item) added to a FA more than 6 months after the original acquisition (or completion, if a constructed asset) and which can be procured in a 55xx object code with its cost added to the original depreciable cost of the asset.

To qualify as an Add-On to the existing FA, the new component must:

- Be permanently and intrinsically tied to the FA for the duration of the FA's UCAR-life and
- Have an acquisition cost of at least 10% of the current FA cost (minimum \$1K).
If the current FA cost is greater than \$50K, the new component must cost \$5K or more but need not meet the 10% requirement and
- Increase the FA's capacity, functionality, or operating efficiency and/or extend its useful life by at least 1 yr, and
- Be purchased with an account key that preserves the integrity of original title assignment.

Title to equipment is based on the terms and conditions of individual agreements. Account keys will be evaluated to allow for the appropriate assignment of ownership.

See the [Add-On Decision Tree](#) to make this determination. If the above criteria are met, submit an [Add-On Form](#) to the Property Office when the Requisition is issued to the Contracts Office.

Upgrades

In this context, an upgrade is a replacement component that will now perform a function or provide additional capabilities it was unable to perform previously.

(This is a new function, not an enhancement of a function performed previously)

To qualify as a capitalized upgrade to the existing FA, the new component must:

- Be permanently and intrinsically tied to the FA for the duration of the FA's UCAR-life and
- Have an acquisition cost of at least 10% of the current FA cost (minimum \$1K).
If the current FA cost is greater than \$50K, the new component must cost \$5K or more but need not meet the 10% requirement and
- Perform a function or provide additional capabilities it was unable to perform previously and be documented through the Capitalization Decision Form and
- Be purchased with an account key that preserves the integrity of original title assignment.

If above statements hold true, the additional purchase may be included in the cost of the FA and depreciated. Issue a requisition using a 55xx object code and reference the existing FA PPE tag number. Fill out a Capitalization Decision form, **documenting the functionality of the asset and how it will perform with the new purchase**, and send it to the Property Office.

To access the decision tree and form, click on the links below.

[Capitalization Decision Tree](#)

[Capitalization Decision Form](#)

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Section 3-3: Managing UCAR-Accountable Property

UCAR manages Property in accordance with [OMB Circular A-110](#) - Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations. However, when the sponsoring agreement imposes other terms and conditions, such as the FAR, UCAR will comply with the applicable terms and conditions. Access to the premises in which any Government property is located, for the purpose of inspection, will be made available at reasonable times.

Property Acquisition

The division is responsible for reviewing the agreement terms and budget to verify that purchases are appropriate before property is ordered. If the funding agreement requires special purchasing approval, the division will ensure such approval is in order before the Requisition is issued. In agreements subject to [NASA FARSUP 1852.245-70\(b\)\(2\)](#), submission of form [DD1419](#) is required prior to equipment purchases. The program manager and division administrator will ensure that property acquisitions are properly authorized and used in the project or program (hereinafter referred to as project) for which acquired. Federal property can not be used to provide services on non-Federal awards.

Receipt of Government Furnished Equipment (GFE, also known as GFP)

In agreements subject to [FAR 52.245-1\(f\)\(ii\)](#), when UCAR receives GFE, the property is identified as such in the FADB. UCAR must provide a list detailing the GFE to the applicable federal government Property Administrator including information such as condition, damages if any, etc., identifying any discrepancies between UCAR's receipt and the government records.

Deliverables

UCAR may enter into a contract with a sponsor to procure or construct a Fixed Asset strictly for the sponsor's use (not for research conducted by the division). This is referred to as a Deliverable (produced exclusively for delivery to the sponsor).

Property Utilization

Some UCAR funding agreements, such as those subject to the FAR, require that use of equipment on a project other than that for which it was acquired must be authorized by the sponsor's Contracting Officer. Therefore, changes in utilization must be communicated to the Property Office. The Property Office will review the funding agreement and, when appropriate, issue a request for authorization to use the equipment on the project indicated by the division.

For equipment acquired under UCAR's NSF Cooperative Agreement, when no longer needed for the original project, OMB A-110 allows the division to use the property in connection with other federally sponsored UCAR activities in the following order of priority:

- Activities sponsored by the Federal awarding agency which funded the original project, then
- Activities sponsored by other Federal awarding agencies.

During the time property is used on the project for which it was acquired, the division shall make it available for use on other projects if such other use will not interfere with the work on the project for which the property was originally acquired.

- First preference for such other use shall be given to other projects sponsored by the Federal awarding agency that financed the property.
- Second preference shall be given to projects sponsored by other Federal awarding agencies.
- Use on other activities not sponsored by the Federal Government may be permissible if authorized and applicable user charges treated as program income. Contact the UCAR Property Office for assistance if use is desired on such activities.

When acquiring a replacement, the division may use the property to be replaced as trade-in or sell it and use the proceeds to offset the costs of the replacement or like services subject to the approval of the Federal awarding agency. The division will coordinate this approval through the UCAR Property Office.

(See the [UCAR Contracts Office](#) Web site for procurement procedures.)

Provisions for Controlling Property with Sub-Contractors

UCAR Contract Procedure I.13, Applicable Government Regulations, requires that Contract Administrators review the Government's flow down requirements before making any award and incorporate required provisions in awards. With respect to government titled equipment, FAR and OMB Circular requirements would apply to any equipment on loan to a sub-contractor via flowdown terms and conditions.

The following are requirements of awards subject to [FAR 52.245-1\(f\)\(v\)](#):

Subcontractor awards must include any assets to be provided and flow down appropriate award terms and conditions (e.g., liabilities for loss, damage, destruction or theft of property). UCAR shall assure its subcontracts are properly administered and reviews are periodically performed to determine the adequacy of the subcontractor's property management system.

Title Vestment

Determination of title vestment is addressed in the award document. Upon receiving a copy of the Purchase Requisition from the UCAR Contracts Office, the UCAR Property Office will identify title vestment and ensure that it is appropriately identified in the Fixed Asset Database (FADB) record.

Records: Entry of Data to FADB

The Contracts Office sends copies of all property Purchase Requisitions to the Property Office. The Property Office generates a Purchase Order report twice weekly to verify receipt of all such Requisition copies.

The Property Office assigns property numbers and tracks receipt with assistance from the Division Property Administrator (DPA). Once received, the property tag is sent to the DPA and affixed to the property in a location that is easily visible and scannable.

Receipt authorizes UCAR Accounts Payable to issue payment against the vendor invoice. Issuance of payment records the expense in the UCAR General Ledger (GL). Property payments in the UCAR GL are

downloaded to the FADB monthly creating the database record for each asset.

Per the [OMB Circular A-110](#) and/or the [FAR 52.245-1\(f\)\(iii\)\(A\)\(1\)-\(10\)](#), as applicable, the FADB record for each asset shall contain the following information:

- Fixed Asset Unique item Identifier (PPE tag #)
- Asset description
- Serial number (may be the NSN National Stock Number)
- Model number
- Vendor or other source
- Funding source, including award number
- Acquisition date (or date received, if GFE)
- Ownership (where title vests)
- Posting reference (requisition # and check #)
- Location
- Condition
- Unit acquisition cost
- Placed in service date
- Final disposition data

Identification of Government Property

The UCAR Property Office tracks all property for which UCAR is accountable using bar-coded property tags (PPEtags) and corresponding records in the FADB. All tags have "University Corporation for Atmospheric Research" printed above the barcode and PPE#.

Government Furnished Equipment

In the case of Government Property (Government Furnished or Contractor Acquired) subject to conditions of the Federal Acquisition Regulations(FAR), when said property becomes excess to the needs of the specific award through which it was funded or to which it was assigned, it must be reported in writing to the Federal Contracting Officer who will issue disposition instructions. In reporting the equipment, UCAR will include a recommendation for final disposition; however, the Contracting Officer or her/his designee has final authority regarding disposition.

Storage and Movement

When property is temporarily not in use but is required for authorized future use, it must be adequately stored to protect it from theft or damage. The division is responsible for ensuring that property is appropriately stored.

Care and Maintenance

The division is responsible for providing the care necessary to maintain the property in the condition received or better (normal wear excepted). Property maintenance, performed by the division, shall be preventive in nature, providing lubrication, cleaning, calibration, and inspection on a regular schedule as appropriate. The division keeps maintenance records.

Loss, Damage, or Destruction

All cases of loss, damage, or destruction (LDD) involving property for which UCAR is accountable shall be thoroughly documented and immediately reported to the UCAR Property Office. The documentation will include:

- Details on when, where, and how the LDD occurred (attach police or similar report filed with the local authority).

- An explanation of steps taken by the division to locate or recover the equipment.
- A description of security procedures in effect at the time LDD occurred. (This allows for a determination of whether or not different or additional security procedures should be enacted.)

Based on the above documentation, the UCAR Property Office will report LDD of government property to the government property administrator. Release from accountability is subject to a written release from the government property administrator.

(See [Section 3-4](#) for additional detail.)

Property Inventories and Updates

Each DPA must complete a [100% inventory](#) of property (FAs) assigned to their division at least once every 2 years. The inventory will be performed with guidance and assistance from the UCAR Property Office. The division shall, in connection with the inventory, verify the existence, current utilization, and continued need for the property.

For agreements subject to [FAR 52.245-1\(f\)\(viii\)\(A\)-\(B\)](#), regarding utilizing Government property.

(A) The Contractor shall utilize, consume, move, and store Government Property only as authorized under this contract. The Contractor shall promptly disclose and report Government property in its possession that is excess to contract performance.

(B) Unless otherwise authorized in this contract or by the Property Administrator the Contractor shall not commingle Government property with property not owned by the Government.

For agreements subject to [FAR 52.245-1\(f\)\(iv\)](#), upon completion of the periodic inventory, UCAR will notify the cognizant government property administrator by e-mail.

Twice each year, a [Responsible Person Update](#) is performed by all Responsible Persons. An Update form is generated from the FADB by the Property Office and distributed to each Responsible Person who reviews, updates, and returns it to their DPA by the end of the month in which it is received.

Agreement Closeout

Upon completion of an agreement, the DPA(s) applicable division(s) will conduct a physical inventory of all property assigned to the related agreement. The UCAR Property Office will initiate this task by providing a list of the property. In this inventory the DPA will verify database information for the property items acquired, confirming the condition and location of all items, and assist in determining the appropriate disposition actions. Per the [FAR 52.245-1\(f\)\(x\)](#) UCAR is responsible for reporting the results of the final physical inventory to the Property Administrator.

The Program Manager must identify property from the expiring agreement to be retained for use either on another current project or authorized future projects and submit a brief written justification for this retention to the UCAR Property Office. The Property Office will work with the agreement contracts officer or property administrator to obtain authorization to retain the property and notify the DPA when such authorization is received.

Disposition of Property

Property excess to the needs of a division must be reported promptly to the DPA. The DPA will contact other UCAR DPAs to determine whether another division can use the property. (This process must consider appropriate utilization based on ownership and conditions of the sponsored agreement.) If not usable by another division, the DPA will work with the Property Office to determine suitable final disposition. The Property Office will obtain appropriate written approval and, once that approval is received, notify the division to execute appropriate disposition. It is against UCAR policy to loan or donate property

to employee's for personal use.

Insurance

UCAR procures and maintains insurance consistent with prudent practices to protect its personnel and corporate assets. This coverage satisfies the requirements of the NSF-UCAR cooperative agreement, other contracts, and requirements of the corporation.

For additional information regarding insurance, contact [David Sundvall](#), Insurance Manager.

Reporting

UCAR is required to send reports on a periodic basis. Typically the submission of final property reports is due within 60-90 days of the award expiration depending on the terms of the agreement. Each agreement must be reviewed for the specific due dates to ensure timely reporting. In agreements subject to the [NASA Grants Handbook Section 1260.27\(b\)](#), final reports are due within 60 days of the award expiration. (See [Reporting Matrix](#) for more information.)

Property Management Self Assessment

Per the [FAR 52.245-1\(f\)\(3\)](#) requirements, UCAR will assess its property management system effectiveness by performing periodic internal reviews and audits. Significant findings and/or results of such reviews and audits pertaining to Government property will be made available to the Property Administrator.

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Section 3-4: Disposition of Property

| | | | |
|---|--|---------------------------------|---|
| Abandoned | Government Excess (GSA) | Surplus |  |
| Closeout | Lost/Damaged/Destroyed | Theft | |
| Consolidated | Property Cage Guidelines | Trade-In | Disposal Flowchart |
| Deliverable | Returned to Vendor | Other |  |
| Dismantle/Scrap | Salvage | Non-Fixed-Asset | |
| Donation/Title Transfer | Sold | | |

Government regulations and UCAR procedures require that when a Fixed Asset is no longer needed for use by UCAR, that asset must be disposed of in a manner which ensures appropriate use in its after-life and provides an auditable trail to prove UCAR has managed its assets correctly.

In the case of Government Property (Government Furnished or Contractor Acquired) subject to conditions of the [FAR 52.245-1\(f\)\(vii\)\(A\)-\(C\)](#), when said property becomes excess to the needs of the specific award through which it was funded or to which it was assigned it must be reported in writing to the Contracting Officer who will issue disposition instructions. In reporting the equipment, UCAR may include a recommendation for final disposition, however, decisions regarding final disposition will be made by the Contracting Officer or her/his designee.

Divisions must notify the Property Office of any planned disposal action before it occurs. The Property Office will:

- Review the Fixed Asset Database (FADB) and the funding agreement for issues of title and disposal restrictions,
- Obtain necessary authorization or issue appropriate notification, and
- Inform the DPA when they can proceed with disposition.

In the context of Section 3-4, a disposal action applies to disposal of the entire asset. When a division needs to dispose of part of an asset, please contact the Property Office for guidance as disposal of part may impact the whole.

The most frequently used methods for disposing of Fixed Assets at UCAR are explained below (in alphabetical order):

Abandoned in place

Occasionally, equipment condition or other circumstance necessitate that it be abandoned at a field site. When this occurs, the division will notify the Property Office immediately. Notification should include:

- The PPE#, description, and serial number.
- The asset's condition at the time abandoned.
- The circumstances that made abandonment necessary or advantageous.

The Property Office will communicate with the appropriate Government and/or UCAR contacts to obtain release from accountability. Once that is received, a disposal record will be created in the FADB and the item will no longer appear on the division's list of active assets.

Consolidation with another asset

If an asset is permanently integrated with another asset, the two should thereafter appear as one asset on the UCAR FADB records. Therefore, if this is to be done, the DPA will notify the Property Office prior to integration. The Property Office will verify that, based on funding and agreement terms, this will not create an ownership conflict and then notify the division that they may proceed.* The Property Office will also instruct the division to remove one of the PPE tags and merge the relevant FADB records into one record (corresponding to the remaining PPE tag#) so that all combined data pertinent to the new asset is reflected correctly in the FADB.

*If a conflict is identified, the Property Office will work to resolution with the division enabling the integration to proceed.

Closeout

Upon completion of an agreement, the DPA(s) for the applicable division(s) will conduct a physical inventory of all property assigned to the related agreement. The UCAR Property Office will initiate this task by providing a list of the property. In this inventory the DPA will verify database information for the property items acquired, confirming the condition and location of all items, and assist in determining the appropriate disposition actions. Per the [FAR 52.245-1\(f\)\(x\)](#) UCAR is responsible for reporting the results of the final physical inventory to the Property.

The division must identify property from the expiring agreement to be retained for use either on another current project or authorized future projects and submit a brief written justification for this retention to the UCAR Property Office. The Property Office will work with the agreement contracts officer or property administrator to obtain authorization to retain the property and notify the DPA when such authorization is received.

Deliverable

When a division is contracted to procure or construct a Fixed Asset strictly for the sponsor's use (not for research conducted by the division), it is referred to as a Deliverable (produced exclusively for delivery to the sponsor).

Because the item is a Fixed Asset and is procured by a UCAR division, it will electronically feed into the FADB and remain on the division's list of active assets until documentation of its status as a Deliverable and verification of delivery are provided to the Property Office. The nature of such documentation varies depending upon the agreement language and the method of delivery.

These steps should be followed to ensure that a Deliverable is clearly documented and can be removed from the division's list of active assets as soon as delivery occurs.

- When the division issues the Requisition for the asset, note "deliverable" or "PPE8" in the PPE# block on the Requisition. If the Requisition is for more than one asset, be sure to note how many are Deliverables and how many are regular assets to be tagged and remain with the division. For

example, a Requisition for four workstations might have a notation in the PPE # block such as "3 PPE8s, 1 regular tag" or "4 PPE8s."

- PPE8 is a special prefix used in the FADB to identify the asset as a Deliverable and, therefore, one which should not be physically tagged. It also denotes one that should be tracked to ensure a disposal is recorded in the FADB as soon as the delivery is complete and documented.
- The DPA provides documentation to the Property Office that the asset is defined in the agreement as a Deliverable. The Property Office can work directly with the DPA to accomplish this step. Sometimes the asset is actually referred to in the Scope of Work as a "deliverable" and sometimes it is implied by other agreement language or identified by subsequent written communications. Whenever disposition is uncertain, contact the Property Office, who will then work with Sponsored Agreements to resolve any outstanding issues.
- When the asset has been delivered to the sponsor, the DPA provides documented verification of delivery to the Property Office, as follows:
 - If the asset has been shipped and confirmation of delivery provided to the division by the shipper, a copy of that confirmation can be sent to the Property Office annotated with the Fixed Asset ID# (PPE#).
 - If the asset was delivered by a division employee, an e-mail from the recipient confirming receipt is adequate.
 - If neither of these is available, please work with the Property Office to determine what type of available documentation will meet this requirement.

Once documentation of both issues (deliverable status and confirmation of delivery) has been received in the Property Office, a "disposal" record will be created in the FADB and the asset(s) will no longer appear on the division's list of active Fixed Assets.

If there is an actual property tag on the asset, the DPA must remove any UCAR identification (PPE or RED tags) from the equipment upon receiving the authorization to dispose.

Note: All associated costs must be posted to the GL prior to disposal.

Dismantle/Scrap

Also referred to as "cannibalizing," this means that the asset is dismantled for parts to be used on other assets and any remaining pieces are sent to a scrap dealer. If the Division plans to dismantle an asset notify the Property Office by e-mail:

- Stating "[division] wants to dismantle the following asset and use the parts to maintain other equipment."
- Providing a list of the assets to be dismantled including PPE#, description, and serial number.

The Property Office will notify and, when appropriate, obtain approval from the government property administrator or other agreement contact. Then a disposal record will be created in the FADB to remove the asset from the division's list of active assets.

NOTE: This notification must occur prior to the dismantle.

If the equipment is GFE (Government Furnished Equipment) you must contact the property office prior to taking any action.

The DPA must remove any UCAR identification (PPE or RED tags) from the equipment upon receiving the

authorization to dispose.

Donation/Title Transfer

Donations or Title Transfers (hereinafter referred to as Transfers) occur when Fixed Assets (or non-Fixed Assets; see [footnote](#))¹ are no longer useable by UCAR and the division requests they be transferred to a non-profit U.S. educational and/or research institution.²

Prior to initiating a donation, the DPA must offer the asset(s) to other divisions/programs within NCAR/UCAR/UCP via an e-mail to "dpaalias@ucar.edu."

The Stevenson-Wydler Technology Innovation Act was designed to facilitate such transfers of equipment to enhance education in the U.S.

To initiate a Transfer, the division sends an e-mail to the UCAR Property Administrator which:

- Has the PPE tag#, description, and serial number.
- Identifies the receiving entity including address, contact name, e-mail address, and telephone number.
- Explains briefly why the donation is being requested. For example:

"This equipment is obsolete to UCAR needs; however, it would be useful as an educational tool for the University." OR

"Dr. Zic used this equipment on a project and has now accepted a position with XYZ University where she will continue the project. Therefore, she needs to take the equipment with her."

Reasons vary widely so let the Property Office know if you are uncertain what to include.

The Property Office issues a Transfer request to the appropriate government agency or other contact.

Once authorization is provided, the Property Office contacts the property representative at the receiving entity (recipient), requesting that they accept accountability and release UCAR from any further liability related to the equipment transferred. (In the case of U.S. Government Property, the government transfers the asset to UCAR for subsequent transfer by UCAR to the recipient.)

When acceptance is received by the Property Office from the recipient, the division is informed and the asset may be released to the recipient. If the asset needs to go to the recipient before the above takes place, the division can issue a loan form as appropriate authorization until the Transfer is complete.

¹Non-Fixed Assets may also be donated and require the same UCAR/recipient communication in order to release UCAR from further accountability and liability.

²Some UCAR equipment (depending on the original funding source and agreement title provisions) may be donated to non-profit entities other than educational and/or research institutions; however, educational and/or research entities have priority over other non-profits. UCAR equipment may not be donated to any political or religious organizations. UCAR equipment may not be donated to for-profit entities or private individuals.

Software must be removed from computer equipment before it is donated. UCAR purchases a license to use the software but does not actually own it and is not authorized to transfer the use of the license to another entity.

If the equipment is GFE (Government Furnished Equipment) you must contact the property office prior to taking any action.

The DPA must remove any UCAR identification (PPE or RED tags) from the equipment upon receiving the authorization to dispose.

Surplus

If an asset is no longer needed by a division it is considered Surplus equipment. Not the same as Excess equipment that goes out on GSA ([see below](#)).

- First, offer the asset to other divisions/programs within NCAR/UCAR/UCP via an e-mail to "dpaalias@ucar.edu". If no other division claims it,
- If another division claims the asset, notify the Property Office.

If no other division claims the asset then go to procedures for Salvage, Dismantle, etc.

Government Excess (GSA)

If an NSF asset is no longer needed by UCAR it is considered excess equipment. The Property Office will initiate the Excess process:

- First, offer the asset to other divisions/programs within NCAR/UCAR/UCP via an e-mail to "dpaalias@ucar.edu". If no other division claims it,
- Complete a Fixed Asset Excess Form provided by the Property Office. Please note that software must be removed from computer equipment before it is sent to the Property cage for storage. A signature line is provided on the form so that the division can confirm this has been done.
- Affix a label (provided by the Property Office along with the Excess Form) to each Fixed Asset or component of the Fixed Asset.
- Send the original form with division signatures to the Property Office. (Assets will not be accepted in a designated Property storage area until the Property Office receives the form.)
- Call [Logistics Operations](#) (x1922 or x1151) and request that the asset be transported to the Property cage. The Property Office will request the dimensions of the item(s) before transport to ensure it will fit in the Property cage. If not, arrangements will be made for storage elsewhere.

A Property Office representative will check the Property into the Property cage. Only after the asset has been signed in will it be removed from division accountability. Assets misdelivered (wrong destination or not signed in by a Property Office representative) will remain the responsibility of the division. Therefore, please be sure Logistics Operations knows that the Property cage is the destination.

Part of the property storage receiving process is identifying the entire asset based on the form provided. Therefore, if the asset is in multiple parts be sure this is clearly stated on the form so that it can be excessed in its entirety.

After receipt, the Property Office will complete and submit Standard Form 120* to the appropriate government agency. Information from that form is made available to other government agencies so that those agencies and/or their contractors can claim the asset if desired.

If not claimed by another agency, the information is forwarded to the General Services Administration (GSA) who offers the asset for sale. Interested buyers make an appointment with the Property Office to view the asset and, if they choose to bid and are successful, return to pick it up. When an asset is physically removed from the UCAR site a disposal record is created to remove it from UCAR responsibility.

*Excess NSF equipment will be offered to other NSF National Research Centers before submittal of the SF120, according to Clause 14.11.c of the NSF/UCAR Cooperative Agreement.

Here is a list of the most commonly used Condition Codes:

| | |
|---------------------|---|
| 1 Excellent | Property which is in new condition or unused condition and can be used immediately w/o modifications or repair. |
| 4 Usable | Property which shows some wear but can be used w/o significant repair. |
| 7 Repairable | Property which is unusable in its current condition but can be economically repaired. |
| X Salvage | Property which has value in excess of its basic material content but repair or rehabilitation is impractical and/or uneconomical. |
| S Scrap | Property which has no value except for its basic material content. |

If the equipment is GFE (Government Furnished Equipment) you must contact the property office prior to taking any action.

Loss, Damage, or Destruction of UCAR-Accountable Property

- A. Subject to the terms of the agreement and circumstances surrounding individual cases, UCAR may be liable for loss, damage, or destruction (LDD) of Government property.
- B. The division shall investigate and report to the UCAR Property Administrator all cases of loss, damage, or destruction of property for which it is accountable.
- C. UCAR shall require any of its subcontractors possessing or controlling property accountable under the agreement to investigate and report all instances of loss, damage, or destruction of such property to UCAR.
- D. It is the responsibility of divisions to report all property losses/thefts to the local police or other appropriate authority.
- E. When there is a loss of property made known to the UCAR Property Office, the procedures for rectifying the situation are as follows:
 1. The division provides documentation (e-mail or memo) to the Property Office detailing the LDD event, accompanied by copies of any reports issued by police or other appropriate authority.
 2. Documentation shall include an explanation of measures taken to ensure the safety of the equipment and an assessment of what, if anything, might be done differently in the future to avoid such LDD.
 3. The Property Office will review the submittal and forward to the Vice President of Finance & Administration and the Associate VP of Business Services with a statement addressing whether UCAR needs to change any equipment handling procedures to avoid such LDD in the future.
 4. If the LDD was Government property, a report will be submitted to the funding agency government property administrator detailing the LDD and requesting release from accountability.
 5. The division remains liable for the equipment and it remains on the division's inventory list until such time as UCAR is relieved of accountability by the sponsoring agency.

6. If the LDD was owned by a non-UCAR entity other than the Government, the same steps mentioned above will be taken with the property representative of that entity.
7. If possible the DPA or user must remove any UCAR identification (PPE or RED tags) from the equipment upon receiving the authorization to dispose.

Returned to Vendor

If the division returns an asset to the vendor, the DPA will immediately notify the Property Office. The Property Office will track the credit to ensure that the asset cost is reversed in the FADB. Once the total cost in the FADB record nets 0.00, a disposal record will be created and the item will no longer appear on the division's list of active assets.

If applicable, the DPA must remove any UCAR identification (PPE or RED tags) from the equipment upon receiving the authorization to dispose.

Salvage

If an asset can no longer be used by a division, either because it is obsolete or does not work, the division may select to send it to salvage. The salvage process requires the following steps:

- DPA - offer the asset to other divisions/programs within NCAR/UCAR/UCP via an e-mail to "dpaalias@ucar.edu" noting description, serial no, and condition (working or not working), and a response deadline. (If the asset is deemed to be non-functional and would not be of any use to another division, the DPA must state the reason for NOT offering to the DPA alias.)
- If no other division claims it, the DPA must e-mail the Property Office that the asset has not been claimed and request authorization to send it to salvage; the e-mail must include the PPE, description, serial no., and condition.
- Property Office - issue a request for salvage authorization to the appropriate government agency or UCAR contact, depending on the terms of the funding agreement.
- Property Office - notifies the DPA, when authorization is received, to proceed with salvage. Salvage authorization must be obtained prior to the salvage action.
- DPA - contacts Logistics Operations (x1151 or x1922) and requests that the equipment be taken away for salvage.
- LO - removes equipment and determines whether it should go to recycle or salvage.
- Property Office - creates a disposal record in the FADB to remove the asset from the division's list of active assets.

If the equipment is GFE (Government Furnished Equipment) you must contact the property office prior to taking any action.

The DPA must remove any UCAR identification (PPE or RED tags) from the equipment upon receiving the authorization to dispose.

Sold

Selling assets is an exception to UCAR's standard procedures; however, it does occur periodically. In such cases, the division and the Property Office will work together to obtain special authorization from the

appropriate sponsor. This authorization will include direction on how the sales proceeds are to be used.

The UCAR Contracts Office will create the sales agreement, addressing relevant Government and UCAR conditions of sale, including procedures "which provide for competition to the extent practicable and result in the highest possible return," as required by [OMB A-110](#), Subpart C.34(f)(6).

When necessary, the [UCAR Office of General Counsel](#) will participate to ensure all legal issues have been addressed.

Under some circumstances, UCAR may be required to reimburse the Federal awarding agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. In such cases, UCAR shall be permitted to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for selling and handling expenses.

If the equipment is GFE (Government Furnished Equipment) you must contact the property office prior to taking any action.

The DPA must remove any UCAR identification (PPE or RED tags) from the equipment upon receiving the authorization to dispose.

Theft



In case of theft, immediately

- **Secure the health and safety of persons injured, threatened, or placed at risk by the incident.**
- **Notify local authorities (i.e., UCAR Security, if at a UCAR site [emergency ext. 1911, non-emergency ext. 1139; they will notify Steve Sadler], police, facility security, or other as appropriate).**
- **Notify Steve Sadler, Director of UCAR Safety and Site Services (303-497-8550 or cell phone 303-550-2272) and Betsy Hulsing, UCAR Property Administrator (303-497-8858). If leaving a voice-mail or e-mail message, state clearly that a theft has occurred and provide the name, phone number, and e-mail address of the appropriate contact for more information. (If UCAR Security is the initial contact, they will notify Steve Sadler.)**

After the initial notification, provide the following information according to the schedule indicated. Delays in adhering to this schedule should be communicated immediately along with a proposed specific schedule adjustment. ("As soon as we can" will not be acceptable.)

1. Within 24 hours, submit to [Steve Sadler](#) (by e-mail or hardcopy):
 - A. An incident report stating the location, date, time, and circumstances of the theft.
 - B. An inventory of items stolen, including make, model, and serial number. If any items stolen were fixed assets, provide asset ID number (PPE#).

Depending on the items stolen, UCAR may be required to make further immediate notification to other authorities (i.e., NSF, FBI). Therefore, adherence to this schedule is critical.

Steve Sadler's office will distribute copies of the report and inventory to Betsy Hulsing and the UCAR [Insurance Manager](#).

2. As soon as available, fax or Black Bag a copy of the police or other official report to Steve Sadler (fax no. 303-497-8552). He will distribute copies as appropriate.

Trade-In

The government allows UCAR to use government-funded equipment as trade-in for replacement equipment procured under the same agreement (or a follow-on agreement) and some Agencies require that UCAR obtain their prior approval before the trade-in takes place. Therefore, when a division plans a trade-in, notify the Property Office by e-mail well before it takes place so that approval can be obtained, if necessary. Once approval is received or if prior approval is not required, the Property Office will notify the division to proceed. Once the trade-in has taken place, the division will notify the Property Office and a disposal record will be created for that asset, removing it from the division's list of active assets.

The DPA must remove any UCAR identification (PPE or RED tags) from the equipment upon receiving the authorization to dispose.

Other

The above are many of the disposal scenarios used by UCAR. If an asset needs to be removed from UCAR accountability but the situation is not covered by one of the procedures explained above, please call the Property Office for guidance.

Disposition of NON-fixed-assets

A NON-fixed asset is basically an item that is UCAR owned and does not qualify as a fixed asset. It is equipment purchased for less than \$5,000 and may or may not be identified as sensitive property. If a NON-asset can no longer be used by a division, either because it is obsolete or does not work, the division should do the following:

- DPA - offer the NON-fixed-asset to other divisions/programs within NCAR/UCAR/UCP via an e-mail to "dpaalias@ucar.edu" noting description, and condition (working or not working), and a response deadline. (If the NON-asset is deemed to be non-functional and would not be of any use to another division, the DPA must state the reason for NOT offering to the DPA alias.)
- If no other division claims it, the DPA may coordinate a donation to a non profit educational institution following the same [guidelines](#) as with fixed assets.
- DPA may dispose of the item through Logistics Operations at x1922 or refer to the recycling section of the [Sustainable UCAR Web site](#) for further information.
- If the equipment is GFE (Government Furnished Equipment) you must contact the property office prior to taking any action.
- The DPA must remove any UCAR identification (RED tags) from the equipment upon receiving the authorization to dispose.

Property Cage Guidelines

Normally when the Property Office requests disposal for an asset we receive the disposition instructions within several weeks or even within a few days. Occasionally disposal requests take longer than normal. Some sponsors have a longer disposition process and it can take several months or more to complete the disposal of the fixed asset. In those instances we will have the division turn over the equipment to the Property Office, at that point we will store the asset in our locked property cage in CG3 during this holding period. The Property Assistant maintains a log of current fixed assets in the cage. The log is updated every time there is a change to the list of assets in the cage. Once the Property Office has the necessary disposition instructions we will then complete the disposal process on behalf of the division.

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Section 3-5: Physical Inventories and Responsible Person Updates

To ensure the security and utilization of assets and the accuracy of FADB records, UCAR conducts a 100% physical inventory of UCAR-accountable assets at least every two years, in accordance with [OMB A-110](#). This is performed as a perpetual inventory and is executed at the division level, with each cycle of the perpetual inventory being completed within the two year time frame.

In addition, a desktop review of active assets is performed by Responsible Persons twice yearly and returned to the Property Office. This is to verify that the location information in the UCAR FADB is current.

100% Physical Inventory

The UCAR Property Office initiates the physical inventory by working with the DPA to [schedule](#) their inventory. Each division inventory must begin not more than one year nine months after their last inventory to allow time for completion before the two year deadline.

The division's assets are downloaded from the FADB to a scanner and a list of those assets is formatted to allow for manual inventory initials and date if an item is not scannable. For scanned inventory items, the inventory date is recorded by the scanner.

(UCAR implemented the use of scanners for the physical inventory in 1999 because such use adds a high level of objectivity to the inventory process, thereby increasing the integrity of the results.)

The inventory process includes verifying

- property tag number,
- description,
- model number, and
- serial number

on the physical asset as well as confirming that each asset is

- in a secure location (not prone to loss or theft),
- being used appropriately (see [Section 3-3, Property Acquisition and Property Utilization](#)), and
- still needed to perform division research.

The Property Office reconciles the inventory data to the original list and if 100% of division assets were inventoried, the division inventory is finished.

Periodically, fixed assets are located offsite. This includes non-UCAR sites, field projects, and assets on loan. In this situation, in order to properly inventory these assets, the Property Office sends an e-mail request to the off-site contact. The e-mail requests verification of the fixed asset serial number and PPE

tag # as documentation that said item was properly inventoried. If a photograph of the item is provided, it also becomes part of the inventory record.

When items are not inventoried (either on-site or off-site), the Property Office works with the division to resolve the discrepancy immediately. Within two working days the Property Office with assistance from the DPA, initiates a full investigation through interviews with applicable division staff into any discrepancies noted. The asset location will be retraced through inventory and responsible person update documents to determine a chronological history of the item.

For agreements subject to [FAR 52.245-1\(f\)\(iv\)](#), upon completion of the periodic inventory, UCAR will notify the cognizant government property administrator by e-mail.

Responsible Person Update

Twice each year, a Responsible Person Update is performed by all those assigned responsibility for assets by their division. A Responsible Person Update form, listing all of their active assets, is generated from the FADB by the Property Office and distributed to each Responsible Person. In addition, each DPA is sent a set of the forms issued to their division so they can track responses. Upon receipt, the Responsible Person

- reviews the form,
- writes in any corrections or updates,
- signs to verify it has been reviewed and updated, and
- returns her/his form(s) to the DPA.

The DPA tracks return of the forms and ensures all forms from the division are completed and returned to the Property Office by the end of the month in which they were issued.

The Property Office verifies that the FADB record information matches the edits on the returned forms. If not, the FADB records are updated accordingly.

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Section 3-6: Related Links

The following UCAR links to UCAR documents, Web sites, and Federal Publications provide valuable information regarding procedures on Equipment Management matters:

- [F&A Issued Guidelines](#) are issued on various subject (including accounting) matters that require unique processing procedures or clarification beyond previously documented information.
- [GSAXcess](#) makes excess government equipment available to other government agencies for the cost of shipping. UCAR is not a government agency but can acquire excess equipment through NSF. Contact the [Property Office](#) for the Access Code, Password, and instructions for navigating the Web site.
- [OMB Circular A-110](#) establishes the general requirements of an acceptable property control system.
- [OMB Circular A-122](#), addresses cost principles for non-profit organizations.
- [OMB Circular A-133](#) establishes audit requirements and defines Federal responsibilities for implementing and monitoring such requirements for institutions of higher education and other nonprofit institutions receiving Federal awards.
- [UCAR Contracts, Procurement Guide](#) is to assist UCAR\NCAR\UCP employees in the acquisition of equipment, goods and services.
- UCAR Policies and Procedures Manual, [Section 3-1-4 Property Management](#), states UCAR Policy regarding management of all property acquired for and used in the performance of its mission. The purpose of said management is to exercise fiscal responsibility and satisfy requirements of the Federal Government and other applicable contract terms and conditions.

[UCAR Sponsored Agreements](#) Web site provides guidance regarding management of agreements issued to UCAR by external sponsors.

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Section 3-7: UCAR - Life of a Fixed Asset



DIVISION

- Issue Requisition (Req)
- Send to Purchasing



PURCHASING

- Place order
- Send copy of each Req with a 55xx object code to Property Office



PROPERTY OFFICE

- Associate tag# w/ each fixed asset (FA) on Req
- Notify Division so that # is referenced if add'l Reqs issued for asset



DIVISION

- Enter location & asset ID info in FADB
- Initiate disposal documentation



PROPERTY OFFICE

- Download fixed asset transactions from GL, review
- Upload GL data to FADB
- Capitalize & post to GL property funds
- Calculate & post depreciation
- Direct 100% inventory
- Facilitate audit inquiries
- Obtain approval or issue notification for disposals
- Create FADB disposal record & post to GL



ACCOUNTS PAYABLE

Pay invoice & post payment to GL



Division

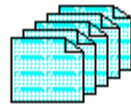
- Affix property tag to physical asset
- Monitor location of assets
- Facilitate physical inventories & updates
- Provide utilization & maintenance info
- Facilitate final disposition
- Ensure appropriate usage





RECEIVING

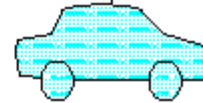
From this point there is a process for the physical asset & one for the electronic record of that asset. See right.



Electronic Asset

(fixed asset database record)

Record receive date in Bi-Tech.



PHYSICAL ASSET

Deliver to the division

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Section 3-8: Equipment Loans

Overview

Equipment (assets and non-assets) for which UCAR is accountable shall be loaned between divisions, to an employee at a non-UCAR site, or to a non-UCAR entity only with appropriate authorization. DPAs will work with division staff and the UCAR Property Office to ensure that all equipment loans are documented with appropriate authorization.

When UCAR or UCAR-accountable equipment is loaned to a non-UCAR entity, such entities must be either a U.S. Government agency or a non-profit educational and/or research institution. UCAR does not loan equipment to for-profit entities unless directed to do so by the sponsor that funded the equipment purchase. In such cases, documentation of that direction (e-mail or other) from the sponsor must be provided to the Property Office along with the UCAR Equipment Loan Agreement.

Equipment acquired under agreements subject to the Federal Acquisition Regulations (FAR) may require authorization from the Government Contracting Officer before it is loaned away from the project for which it was acquired. FAR 45.401 states that "Prior approval of the contracting officer having cognizance of Government production and research property is required for any use, whether Government or non-Government, to ensure that the Government receives adequate consideration."

Types of Loans

- **Internal UCAR Loans.** Divisions will notify the UCAR Property Office of equipment loans between UCAR divisions before they occur. Many UCAR funding agreements require that the sponsor's Contracting Officer approve use of equipment on a project other than that for which it was acquired. Notifying to the Property Office will allow for review of the funding agreement to determine whether such approval is necessary.

Appropriate utilization within the division is the duty of the [Responsible Person](#) to whom the equipment has been assigned by the division.

- **Employee Loans.** Divisions loan equipment to an employee (for the benefit of UCAR and convenience of the employee) to be used by the employee at non-UCAR sites, usually the employee's home. All such loans must be documented using the [Equipment Loan Form for Employees](#) on the Property Website. Equipment assigned to an employee for use at UCAR corporate or field sites does not require a loan form.

Loan forms are completed by the DPA and submitted to the Property Office for tracking. DPAs retain copies for division records. As equipment is returned and other equipment is loaned, the appropriate lines should be dated and initialed in the body of the form and a copy sent to the Property Office. When all equipment on the form has been returned to the division, the DPA signs off on the return portion (bottom) of the form and sends the completed form to the Property Office.

The Property Office reviews employee loans before signing off on Corporate Property Recovery forms when an employee leaves UCAR. Therefore, incomplete information submitted to the Property Office can delay an employee's final paycheck.

- **Loans to non-UCAR Entities.** For specific projects or collaborative efforts, divisions may want to loan UCAR-accountable equipment to non-UCAR entities, such as Universities or U.S. Government Agencies. Some UCAR funding agreements require that the sponsor's Contracting Officer approve use of equipment on a project other than that for which it was acquired. Notification to the Property Office will allow for review of the funding agreement to determine whether such approval is necessary. If the loan pertains to government funded or furnished equipment, authorization must be obtained from the cognizant Contracting/Grants Officer prior to loaning the equipment unless it is to be GFE under a subaward with the appropriate flowdown provisions and controls.

These loans must be documented on the [UCAR Equipment Loan Agreement](#) form and appropriate authorization, including that of the UCAR Property Administrator, must be obtained before the loan is executed.

Appropriate utilization is the duty of the [Responsible Person](#) to whom the equipment has been assigned by the division.

Information regarding property loans is entered in the FADB, FASITE screen. This information includes a scheduled return date that is tracked by the Property Office to ensure that all loans to non-UCAR entities are returned or extended, as appropriate.

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Section 3-9: Depreciation

Assets titled with the federal government are not depreciated.

UCAR depreciates assets titled with UCAR monthly and posts that depreciation to the General Ledger (GL). Assets titled to non-UCAR entities may be depreciated, as directed by each entity, but such depreciation is calculated and reported manually. It is not recorded in the Fixed Asset Database (FADB) or posted to the UCAR GL.

UCAR-titled assets are depreciated according to the straight-line depreciation method. This means the total cost of the asset is divided by the number of years in its useful life and that amount is depreciated annually, posted in monthly increments. UCAR also uses the convention of posting six months of depreciation in the first fiscal year of an asset's useful life and six months of depreciation in the last fiscal year of its useful life. Therefore, depreciation of an asset with a 3-year (36-month) useful life will occur over four fiscal years, 4-year (48-month) useful life over five fiscal years, and so on. Following is an example of depreciation on a \$5,000 computer over the course of its 4-year useful life.

| Fiscal Year | # Mos Depr'd | FY Depreciation | Accumulated Depreciation |
|--------------------|---------------------|------------------------|---------------------------------|
| 1 | 6 | \$625.00 | \$625.00 |
| 2 | 12 | \$1,250.00 | \$1,875.00 |
| 3 | 12 | \$1,250.00 | \$3,125.00 |
| 4 | 12 | \$1,250.00 | \$4,375.00 |
| 5 | 6 | \$625.00 | \$5,000.00 |

Useful lives for assets purchased with bond funding are established by the UCAR Treasury Office.

Most UCAR depreciation costs are posted to a fund level account key and, therefore, do not impact the divisions. Depreciation costs related to bond-funded assets are posted to division (or department) account keys and the impacted divisions are notified by e-mail when depreciation is posted.

If your division expects to be impacted by depreciation costs, contact the UCAR Property Office and request that an appropriate e-mail address for your division be added to the depreciation e-mail distribution.

Questions regarding how UCAR manages depreciation, including depreciation calculations and GL postings, should be directed to the UCAR Property Administrator at ext. 8858.

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Section 4: UCAR Property Contacts

UCAR Property Office

| Title | Name | Extension | E-mail |
|----------------------------|----------------|-----------|--|
| Property Administrator | Betsy Hulsing | 8858 | bhulsing@ucar.edu |
| Property Assistant | Chris Knoetgen | 8573 | knoetgen@ucar.edu |
| Director, Budget & Finance | Melissa Miller | 8575 | melissa@ucar.edu |

Division/Department Property Administrators

| Division | Name | Extension | E-mail |
|--------------------------------|--------------------|-----------|--|
| ACD | Rudy Montoya | 1484 | rmontoya@ucar.edu |
| ASP | Scott Briggs | 1607 | sbriggs@ucar.edu |
| CGD | Gaylynn Potemkin | 1618 | potemkin@ucar.edu |
| CISL | Dorothy Bustamante | 1232 | dorothy@ucar.edu |
| CISL/NETS | Susan Guastella | 1812 | susang@ucar.edu |
| CISL (Sens Prop) | Joan Fisher | 1207 | jfish@ucar.edu |
| COMET | Lorrie Alberta | 8344 | fyffe@ucar.edu |
| COMET | Liz Lessard | 8475 | lessard@ucar.edu |
| CORP AFF | Yvonne Mondragon | 8601 | yvonnem@ucar.edu |
| COSMIC | Ingrid Moore | 2678 | imoore@ucar.edu |
| COSMIC | Dawn Williams | 2600 | dawnw@ucar.edu |
| DIR OFC | Cindy Worster | 1101 | cmw@ucar.edu |
| DLS | Pat Steinkamp | 2626 | pats@ucar.edu |
| EO | Annette Lampert | 2592 | annette@ucar.edu |
| EO | Vicki Holzauer | 2593 | vicki@ucar.edu |
| EOL/DFS, RAF, RAS, RTF, CDS | Marcel Verstraete | 8740 | verstrae@ucar.edu |
| | Rochell Sherman | 8821 | rochell@ucar.edu |
| F&A - Budget & Finance | Chris Knoetgen | 8573 | knoetgen@ucar.edu |
| F&A - FSS | Matt McMullen | 2060 | mattm@ucar.edu |

| | | | |
|------------------|-------------------|------|--|
| F&A - HR | Betty Singleton | 2005 | bettys@ucar.edu |
| F&A - IT | Kelly Box | 8558 | kbox@ucar.edu |
| F&A - PHYS PLANT | Shannon Miller | 1149 | smiller@ucar.edu |
| F&A - SASS | Liz Kriete | 8556 | kriete@ucar.edu |
| GLOBE | LeeAnn Prodoccini | 8041 | leeann@ucar.edu |
| HAO | Amy Knack | 2174 | knack@ucar.edu |
| JOSS | Amy Honchar | 8689 | ahonchar@ucar.edu |
| MMM | Bobbie Weaver | 8946 | weaver@ucar.edu |
| NSDL | Donna Cummings | 2943 | donnac@ucar.edu |
| RAL/DTC | Kim Agado | 8461 | kimagado@ucar.edu |
| U PRES | Susie Siders | 1650 | siders@ucar.edu |
| UCARF | Gail Rutledge | 8889 | gailr@ucar.edu |
| UNIDATA | Tina Campbell | 8639 | campbell@ucar.edu |
| VSP | Susan Baltuch | 8627 | sbaltuch@ucar.edu |

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Section 5: Division/Department Property Administrator Duties and Responsibilities

Division/Department Property Administrator (DPA) guidelines relate to division responsibilities for effective property control. In this context, "division" is used to denote any division, facility, department, group, etc. Divisions may delegate property duties among staff as best suits their purposes, recognizing that guidelines must be adhered to.

Each DPA will work with the Property Office to ensure UCAR compliance with the property terms of [OMB Circular A-110](#), Subpart C, Property Standards, or other contract terms as applicable. DPAs should click on the [OMB Circular A-110 link](#) and familiarize themselves with these terms.

[Divisions will designate one DPA](#) as the primary contact with the UCAR Property Office. Their duties and responsibilities include, but are not limited to, the following:

- Understand the definition of a fixed asset and asset types (basic, assembled, and constructed) to ensure proper management of the division assets from the planning or acquisition stage through final disposition.
- Attend scheduled DPA meetings as appropriate to division property needs.
- Provide guidance and/or training within the division as appropriate. (The UCAR Property Office is available to assist with this process.)
- Tag Fixed Asset (FA) acquisitions (including those received from Government excess) in coordination with the Property Office.
- Identify, tag, track, and report on non-fixed assets as required by agreement terms and conditions. DPAs should coordinate this with their division administrator who has copies of all agreements for the division. The Property Office is available to assist in setting up appropriate procedures as requested by the division. However, since non-fixed assets are the responsibility of the division, assistance will only be provided as requested by the DPA. The Property Office will not initiate procedures to manage non-fixed assets.
- Identify a Responsible Person for each asset assigned to the division. This should be

someone in close contact with the property who will know its location, can ensure proper utilization, storage, and maintenance, and provide advance notice when disposal is anticipated.

(The FADB is programmed to populate the FASITE screen, Responsible Person field with the DPA name. The DPA is responsible for identifying the correct Responsible Person and updating that field.)

- Communicate needs for on-site training and consultation regarding property issues to the Property Office.
- Document and track property loans to employee homes or other institutions.
- Notify the Property Office when equipment borrowed from other institutions is received, returned, or transferred. This facilitates maintaining temporary accountability records.
- Know the disposal processes and notify the Property Office in advance when the division intends to dispose of an asset (whole or in part). (Disposal often requires prior approval from the funding entity.) The DPA is responsible for ensuring disposals are properly documented by the division.
- Tag and track the division's Sensitive Property according to the Sensitive Property Procedures on the Property Website.
- Perform periodic 100% physical inventories of division assets in accordance with OMB Circular A-110 and as directed by the Property Office.
- Track responses to the biannual Responsible Person Updates to ensure all Responsible Persons in that division respond within the month designated.
- Provide supporting information/documentation to the Property Office as requested in the UCAR annual audit.

The Property Office is available to provide additional guidance, instruction, or assistance to DPAs as requested. Please contact [Chris Knoetgen](#) (ext. 8573) or [Betsy Hulsing](#) (ext. 8858) with questions or requests.

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Section 6: Division/Department Property Administrator Meeting Notes

UCAR Division/Department Property Administrators (DPAs) meet regularly to receive guidance and instruction on property issues. These meetings also provide a forum for discussions regarding UCAR property procedures and how they may be improved.

DPAs are responsible for information provided through these meetings, whether or not they attend. These Notes are provided for review by DPAs unable to attend and future reference for all DPAs.

[Click here to access DPA Meeting Notes.](#)

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Section 7: Responsible Person Duties and Responsibilities

For each Fixed Asset accountable to UCAR, the responsible division will assign a Responsible Person. This individual's name and employee ID are recorded in the FADB record for that asset. The Responsible Person must fulfill the following duties in relationship to their Fixed Assets so that UCAR remains compliant with [OMB Circular A-110](#) and other Government guidelines and agreement provisions, including the [FAR](#):

Location

Know the location of the asset at all times and report changes in location to the DPA. UCAR is required to maintain accurate location information for each asset in the UCAR Property database.

If an item has been temporarily moved and will be returned to the location in the database in 10 business days or less, it is not necessary to change the location fields in the database. However, the Responsible Person must know where the item is during this time. The DPA will update location information in the FADB as required based on communications from the Responsible Person.

Utilization

Ensure that the equipment is used appropriately, according to provisions of the agreement through which the asset(s) was financed. For most UCAR agreements, this means use on the project that financed the purchase. Many UCAR funding agreements require that use of equipment on a project other than that for which it was acquired must be approved by the sponsor's Contracting Officer. The Responsible Person must notify the DPA, and the DPA the Property Office, if s/he intends to use equipment on a different project. This notification will allow for review of the funding agreement to determine if approval is required.

(See [Section 3-3, Property Acquisition](#) and [Property Utilization](#) for use priorities.)

If equipment is not in use, determine the cause. If between projects, no action is required. However, if the equipment is obsolete, broken, to be dismantled and used for parts, or for any other reason will not be used again, notify the DPA immediately. The DPA will work with the Property Office to identify appropriate disposal action and have the item removed from the list of active property for the division.

Storage and Maintenance

Property must be stored so that it is reasonably protected from loss or damage. It must also receive the care necessary to maintain it in the condition received or better (normal wear excepted). The Responsible Person will make sure their property is both stored and maintained appropriately.

Disposition

When the Responsible Person becomes aware that equipment will not or cannot be used any longer, s/he will notify the DPA immediately. The DPA will work with the Property Office to identify the appropriate disposal process, which, depending on the terms of the agreement, may include authorization from the sponsor's Contracting Officer. After authorization has been received or notification issued, whichever is appropriate, the item will be removed from UCAR's list of active property for the division.

Responsible Person Updates

Twice each year, a [Responsible Person Update](#) is performed by all Responsible Persons. An Update form is generated from the FADB by the Property Office and distributed to each Responsible Person who reviews, updates, and returns it to their DPA by the end of the month in which it is received.

Apart from the biannual updates, the Responsible Person can obtain a list of equipment assigned to them at any time from their DPA.

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Section 8: Sensitive Property Procedures

Overview

It is UCAR's policy to maintain specific and appropriate accountability for all property purchased for and used in the performance of its mission. UCAR follows the property guidelines of [OMB Circular A-110](#), Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, and [FAR 52.245](#) Federal Acquisition Regulations, Government Property as applicable. The UCAR property control system accounts for all nonexpendable, tangible personal property with a useful life of one year or more and an acquisition cost of \$5,000 or greater defined as Fixed Assets. In addition, UCAR recognizes the need to maintain an additional layer of property accountability for those property purchases with an acquisition cost less than \$5,000 or that might be sensitive in nature.

Definition

Sensitive Property can be characterized as "walk-away" items, or items that are:

- easily portable
- adaptable to personal use
- potential for theft

The DPAs are knowledgeable about what constitutes Sensitive Property, and division employees must consult the DPA regarding what qualifies. Items which are prone to theft based on the characterization above and which have an acquisition cost less than \$5,000 must be RED tagged and tracked as Sensitive Property. The DPA must affix the RED tag (see below) to the item and track the information on the Sensitive Property List.

Example of RED tag:



Examples of Sensitive Property are:

- Cameras & video camera recorders
- Portable projectors
- Modems
- GPS receivers
- Portable computers, laptops, notebooks, iPads, etc.
- Aviation spares (specific tracking required)
- Special tooling, and special test equipment

Given the rapid changes in technology, there will always be new items not on the above list of examples that fall under the definition of "Sensitive Property." UCAR employees need to consult with their DPAs regarding the definition of Sensitive Property when determining whether tagging of items is appropriate. If questions arise, the DPAs should contact the Property Office for additional guidance.

Items acquired via GSA surplus, items donated to UCAR, or on loan to UCAR should be reviewed for sensitivity as well. Further, DPAs may want to include equipment with an acquisition cost less than \$5,000 which is used in field experiments or frequently taken off-site to facilitate accountability for and tracking of these items.

Also a DPA may RED tag and track any additional property items deemed appropriate. For example, although we do not require it, if a division decides that cellular communication devices are Sensitive Property, document that decision in the desktop procedure and be sure that all such devices acquired by that division are RED tagged and tracked.

Procedures

The DPAs must establish and maintain Sensitive Property desktop procedures. The DPA must keep a Sensitive Property list (see Recordkeeping below) and make it available to the Property Office upon request.

Record Keeping

The DPAs will maintain a property control record for sensitive property, which may be subject to annual review by the UCAR Property Administrator. At a minimum, these records should contain:

- Sensitive Property Tag Number*
- Item Description
- Responsible Person
- Location (building)
- Location (room)
- Manufacturer
- Serial Number
- Model
- Acquisition Cost
- Date of Purchase
- Purchase Requisition Number
- Requisitioning Account Key
- Final Disposition

* Sensitive property items will be tagged using a different alphanumeric code (i.e., RED000000174) to distinguish them from tagged Fixed Assets (items with an acquisition cost greater than \$5,000). RED tags should be placed in a conspicuous place on the item (front, top, or side) so that at the time of inventory the RED tag is easily visible to staff conducting the inventory. Periodically, at least every two years, the Property Assistant will compile all the lists of sensitive property into one master list.

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Section 9: UCAR Capital Projects – Capitalization Guidelines

Following are procedures for the purchase of property, plant & equipment (PPE) as a capital project. The cost of the capital project is equal to or greater than \$25,000. The procedure requires accounting for capital projects by a project stage or timeline framework and PPE assets are accounted for at a component level. Costs incurred for capital projects are classified into four stages: preliminary, pre-acquisition, acquisition-or-construction, and in-service. It is important to note that only costs directly identified with the project may be capitalized. The following table defines project stages and the capitalization requirements associated with each stage:

| | <u>Preliminary Stage</u> | <u>Pre-acquisition Stage</u> | <u>Acquisition/ Construction Stage</u> | <u>In-Service Stage</u> |
|--------------------------|--|---|--|--|
| Timeline | Period where exploration of opportunities for acquisition or construction are conducted | Acquisition of a specific asset is probable (i.e. Board approval has been received, funding is available) (1) | Acquisition has occurred or construction has commenced. This stage includes construction (including supervision) and installation. Asset is not yet completed and ready for intended use (3) | Asset is substantially complete and placed in service (Certificate of Occupancy) or other official review for completion has been done |
| Sample Activities | Consideration of alternatives, feasibility studies, traffic studies, surveys, utilities analysis, planning, scope development, preliminary | Planning/Design, scope definition, surveys, soil testing, PUD modifications/city review, engineering studies, design estimate, vendor selection | Construction/renovation, utilities expansion/taps, testing, concrete, electrical. Acquisition of equipment (4), commissioning | Move in, maintenance/repairs, warranty work, upgrades |

| | | | | |
|-----------------------------|-----------|--|--|--|
| | estimates | | | |
| Accounting for Costs | Expense | Capitalize costs directly identifiable with the specific PPE (inc. Labor (project mgmt) charged through independent third party invoicing) (2) | Capitalize costs directly identifiable with the specific PPE (inc. Labor (project mgmt) charged through independent third party invoicing) (2) | Expense repairs and maintenance. Capitalize acquisition of additional components (5) or qualified upgrades (6) |

(1) In assessing probability, the division/program should consider whether all three of the following considerations exist. (a) The Board has formally authorized and committed to funding the acquisition or construction of a specific capital asset (b) the financial resources are available, consistent with such authorization and (c) the ability exists to meet the requisite local and other governmental regulations.

(2) Construction projects for identifiable assets should be charged to a specific account key, set up exclusively for receiving costs pertaining to this asset. The property designation should be pre-fixed with 'CIP'.

(3) Asset is in the active construction stage and is not yet completed or ready to be placed in service.

(4) Guidelines for the acquisition of purchased equipment meeting the definition of a Fixed Asset may be found [here](#).

(5) Normal, recurring, or periodic repairs and maintenance related to the PPE in this stage are to be expensed as incurred, **unless** incurred for acquisition of additional components. Add-on components, when meeting the pre-designated guidelines, are capitalized. See the [add-on decision tree](#).

(6) In this context, an upgrade refers to the replacement of a major building component that is at the end of its useful life. Many times improvements and replacements result from the modernization or rehabilitation of an older building. The challenge is in differentiating these types of expenditures from normal repairs. Does the expenditure **increase the future service potential** of the asset, or does it merely **maintain the existing level of service**? If it is determined that the **expenditure increases the future service potential** of the asset, it should be **capitalized**. When an upgrade (e.g., roof replacement) needs to be performed, additional steps must be taken to ensure the validity of capitalization. To determine legitimacy, the requesting party should refer to the [Capitalization Decision Tree](#).

When a project requires demolition, additional steps may be required to 'write-off' all or a portion of the existing book value of the asset, therefore the requester should contact the Property Office for further discussion.

PPE Component Accounting

Capitalization of the project must be made on a component basis. Components are a tangible part or portion of a PPE that can be separately identified and meet the capitalization

requirements described above. For example, components such as electrical, HVAC, fire systems, etc. The useful life of each component will be determined by Physical Plant Services personnel.

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