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I. Definitions

A. **Property Manager** - The designated University employee who will be the custodian of and will be responsible for all the moveable property within the University (Adapted from LAC Title 34 Part VII 301 & 305).

B. **Moveable Property** - All tangible, non-consumable property owned by the University with the exception of property specifically exempted by the commissioner (Adapted from LAC Title 34 Part VII 101).

C. **Supplies** - items consumable through normal use in no more than one year's time (LAC Title 34 Part VII 307).

D. **Items of Property to be Inventoried** - All items of moveable property having an "original" acquisition cost, when first purchased by the State of Louisiana, of $1,000.00 or more, all gifts and other property having a fair market value of $1,000.00 or more, all weapons regardless of cost, with the exception of items specifically excluded in 307.F and G, must be placed on inventory. The term "moveable" distinguishes this type of equipment from equipment attached as a permanent part of a building or structure. Items must have a life expectancy through normal use of more than one year. All acquisitions of qualified items must be tagged with an identification tag approved by the Commissioner of Administration, which shall bear a unique identification number, and all pertinent information must be recorded within 60 DAYS after receipt of these items (LAC Title 34 Part VII 307).

*NOTE:* In order to clarify matters and adapt these terms to those currently in use at the University of New Orleans, the term "moveable equipment" will henceforth be used to refer to "Items of Property to be Inventoried" as defined by State Property Control Rules & Regulations.

E. **Surplus Property** - Any moveable State property which is deemed to be of no further use to the agency (LAC Title 34 Part VII 101). Referred to as "excess" by Federal regulations.

F. **Departmental Equipment Custodian** - Individuals appointed by the department head to control all moveable property for their department and to be in compliance with University policies and procedures regarding moveable property.

G. **Equipment Entrustee** – An employee of the University entrusted with UNO owned equipment. This individual is responsible for the safekeeping of the UNO equipment until it is returned to his/her Departmental Equipment Custodian. Each Equipment Entrustee must complete a UNO Equipment Entrustee Form and ensure that the form is delivered to the UNO Property Control Department.

H. **Contracting Officer** - A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the contracting officer acting within the limits of their authority as delegated by the contracting officer.
"Administrative contracting officer (ACO)" refers to a contracting officer who is administering contracts. "Termination contracting officer (TCO)" refers to a contracting officer who is settling terminated contracts. A single contracting officer may be responsible for duties in any or all of these areas. Reference in this regulation (48 CFR Chapter 1) to administrative contracting officer or termination contracting officer does not-- (1) Require that a duty be performed at a particular office or activity or (2) Restrict in any way a contracting officer in the performance of any duty properly assigned. (FAR 2.101).

I. Government-Furnished Property - Property in the possession of, or directly acquired by, the Government and subsequently delivered to or made available to the University (Adapted from FAR 45.101).

J. Contractor-Acquired Property - Property acquired or otherwise provided by the contractor for performing a contract and to which the Government has title (FAR 45.101).

K. Government Property - Property owned by or leased to the Government or acquired by the Government under the terms of the contract. It includes both Government-furnished property and contractor-acquired property as defined (FAR 45.101).

II. Responsibility for Equipment

A. University Department Heads - The responsibility for the safekeeping of property is localized with the University department head. University department heads are responsible for all moveable equipment within their departments. All department heads are required to appoint a departmental equipment custodian and report any changes in their designated custodian to Property Control.
   1. At the time of an employee's termination, the Department Head is required to provide the departing employee with a copy of AP 2.9, Clearance of Employees Terminating Employment with the University (revised 10/1/2004). This AP requires all employees to checkout with Property Control.

B. Departmental Equipment Custodian - This individual will retain a copy of these procedures and perform the following functions:
   1. Retain updated departmental files of moveable equipment.
   2. Aid Property Control personnel in locating and affixing inventory decals to each piece of moveable equipment.
   3. Report to Property Control (by completing the appropriate form) any items that are transferred to another department (Interdepartmental Property Transfer form), lost (Property Deletion Request), to be traded in (Property Deletion Request), or are no longer needed by the department (Property Surplus form).
   4. Ensure that University Police is contacted immediately for any items stolen.
   5. Assist Property Control with the annual physical inventory of equipment for his/her department.
6. Insure departmental staff is aware of Property Control procedures as well as AP 5.05 Acquisition, Tracking, and Security of Notebook Computers.

7. Communicate with Property Control all location changes (building and room) of tagged equipment.

C. **Equipment Repairs** - When equipment leaves campus to be repaired the departmental equipment custodian must keep records of the complete transaction. When equipment is picked up for repair, the equipment custodian must retain a receipt indicating the inventory number and serial number. If the equipment is mailed to a repair facility, a copy of the purchase order or letter requesting the repair, a note with the inventory number and serial number, and a shipping receipt (if available) must be kept on file in the department until the equipment is returned. When the equipment is returned it should be checked to be sure it still has its inventory number attached. If an inventory tag is missing, contact Property Control immediately so that the item can be re-tagged. The receipt records can then be removed from the active file.

D. **Use of University Property** - University equipment must only be used in the performance of University duties

1. When any faculty or staff of the University must take University equipment off campus, prior to taking the equipment off campus, an "Equipment Entrustee" form must be completed and forwarded to Property Control. Only those employees who must abide by AP 2.09 Clearance of Employees Terminating Employment with the University (revised 10/1/2004) are allowed to be an Equipment Entrustee.
   A. Because notebook computers are intended to be and are routinely removed from campus, it is the policy of the University to require every notebook computer to be assigned to an individual that will be responsible for it and know the whereabouts of it at all times. The “Equipment Entrustee” form is the official record of this and must be completed and kept on file by the department as well as forwarding a copy to Property Control.
   B. Notebook computers that are turned back in to departments must be assigned to another employee. The departmental custodian will be listed as the entrustee of the equipment until a new form is sent to Property Control.
   C. The entrustee for all unassigned notebook computers (i.e. newly acquired, previously unlocated, returned etc.) is the Departmental Equipment Custodian until Property Control receives an Equipment Entrustee form designating a new entrustee.

2. Students should not be removing UNO’s moveable property from the campus. Students should only take University owned moveable property off campus while participating in an approved University program. For example, band instruments may be checked out to students participating in the band or ensemble groups. The department managing the University approved program will provide Property Control with a list of the items available for checkout by students attached to a “Equipment Entrustee” form. The Department will update the list as changes are made and
provide the updated list to Property Control. The Department will maintain an internal checkout system for any student checking equipment in and out as needed.

III. Tagging Property

Each item that meets the definition for "items of property to be inventoried" must be identified with a University identification tag within 60 days of receipt. Property Control shall be responsible for the tagging of property and the maintenance of property identification tags. Furthermore, identification numbers may be inscribed with indelible ink and/or an engraving tool.

IV. Updating the Master Equipment Inventory

A. Acquisitions of Equipment - Acquisitions of equipment will be added to the inventory as described below.

1. Purchases from General Funds - Equipment purchased with state funds will be tagged and added to the inventory.

2. Purchases from Grants
   a. Equipment Title Vests with the University - When equipment is purchased on a grant, title to the equipment vests with the University in the majority of cases. Equipment will be tagged, added to the inventory and the letters "FED" will be placed at the end of the description field if the source of funds is Federal.
   b. Equipment Title Vests with the Federal Government - In the case where title for the equipment is retained by the Federal Government (Government Property), in addition to the steps in the paragraph above, all of the procedures in Section VI – Federal Property Management Procedures will also apply. The following special measures will be taken regarding the value of the equipment:
      A value of zero will be assigned to the items. When the grant expires, action will be taken to clear up our records depending on the disposition instructions for the equipment. In most cases, title will be turned over to the University, in which case a cost adjustment will be made to reflect the value of the property, replacing the zero amount. If it is removed from the University, it will be dropped from the inventory. This procedure allows the University to maintain control of equipment in the possession of, but not belonging to UNO, for insurance and accountability purposes without distorting financial records.

3. Leased Equipment (Operating Lease) - Equipment (excluding vehicles) on lease by the University will not be assigned inventory numbers or added to the inventory. They will be accounted for only in departmental memorandum records however, all leased vehicles will be assigned an inventory number and placed onto the inventory.
4. **Lease Purchase (Capital Lease)** - Equipment on lease with the option to buy, will be added to the inventory at the beginning of the lease for the full amount of the lease.

5. **Installment Purchases** - When equipment is purchased in installments, the equipment will be added to the inventory upon acquisition for the sum of all the payments.

6. **Donations** - Parties interested in making donations to the University should contact the Office of University Advancement for instructions. It is the policy of the University for all donated equipment to be donated to and accepted by the UNO Foundation. All donations of moveable equipment must be immediately reported to the UNO Foundation. The UNO Foundation will donate all useful property to the University on a quarterly basis. Donated equipment becomes property of the University only after the Act of Donation from the UNO Foundation has been accepted by the authorized University official, Vice Chancellor for Financial Services and Comptroller or his/her designee. The University will only accept donations of equipment that it deems useful. In the case where the donor requests an R-3400 form (Certification of Donation or Contribution of Property of a Sophisticated and Technological Nature), the University will accept the donation directly. The R-3400 will be completed by the donor and the equipment becomes the property of the University once the form is signed by the authorized University official, Vice Chancellor for Financial Services and Comptroller or his/her designee. If the donated equipment is new and the donor has a copy of the invoice or receipt, the invoice or receipt amount will be the value of that equipment. If the donated property is not new and the donor provides a copy of the invoice or receipt, straight-line depreciation will be used. For computer and electrical equipment, value will be determined by using a 5-year depreciation schedule. For mechanical and all other equipment, a 7-year depreciation schedule will be used. All equipment when fully depreciated has a salvage value of zero (0). In other instances, the University will obtain an appraised value by analyzing current on-line auctions for similar equipment or through the use of other equitable methods. All donated equipment, which is valued at or above $1,000.00, will be tagged by Property Control and added to the master inventory listing. The University will only accept donations that are of use to the University and reserves the right to accept or decline donations.

7. **Loans of Equipment** - Equipment on short-term loan (six months or less) to the University from private or Federal sources will not be assigned inventory numbers or added to the inventory. They will be accounted for only in departmental memorandum records. Items of equipment on long-term loan (over six months) to the University from private or Federal sources will be assigned inventory numbers and added to the inventory. A copy of the loan agreement will be forwarded to Property Control. Property Control will add the equipment to the master inventory listing. The amount will be recorded as zero (to keep financial records correct).
For loans from private sources, the purchase order will be recorded as "PRLOAN." For Federal loans, the purchase order will be recorded as "FDLOAN." Special files will be kept by Property Control for private and Federal loans of equipment containing all information pertinent to the loan. When the equipment is returned, it will be removed from the inventory and the paperwork will be removed from the file, marked with the date of return and filed in an inactive loan file.

B. Transfers and Deletions of Equipment - The following procedures need to be taken when moveable property is to be transferred within the University or retired from the University's inventory. If an item is to be transferred to state surplus, transferred to another state agency, if it is stolen, needs to be scrapped (because it was destroyed), or if it will be dismantled for parts or traded-in, the State Form BF-11 will be filled out by Property Control. The Form BF-11 is a request to the State to allow Property Control to remove items from the inventory. No moveable equipment may be disposed of, in any manner, or transferred out of the University until a copy of the Form BF-11 is received from the Louisiana Property Assistance Agency (LPAA) with Section II "Division of Administration Only" completed and signed as approved. The departments should initiate these actions by forwarding a "Property Transfers" or a "Property Deletion Request" form to Property Control.

The "Property Transfers" form must be used when the department would like to:

- transfer equipment to another University department,
- transfer equipment to the Property Control warehouse.

The "Property Deletion Request" form must be submitted to Property Control for the following situations:

- an item was stolen,
- an item was destroyed,
- an item is to be dismantled for parts,
- an item is to be traded-in for credit toward a new purchase,
- an item is to be transferred to another State agency

1. Property Transfers within the University - To transfer an item from one department to another, both the sending and receiving departments must notify Property Control.

2. Surplus Property - All equipment should be in use or declared "surplus", as per these procedures in order to comply with State and Federal regulations. As soon as the department has determined the equipment to be surplus, the department must initiate the disposition process by informing Property Control via email, memo, fax, or on-line form: "Property Transfers". Arrangements will then be made for the equipment's removal. If it is determined that the University has no use for the item, Property Control will fill out Form BF-11 to transfer the item to
the state warehouse in Baton Rouge. The completed Form BF-11 will be forwarded to LPAA for approval. Upon receipt of the approved Form BF-11 for equipment that is no longer useful to the University, Property Control will make arrangements with LPAA to have the equipment picked-up. Due to space limitations, it may be more convenient for UNO to deliver surplus equipment to the state warehouse. Once the State has received the equipment, they will sign and return to Property Control the pink copy of Form BF-11 for our records. The surplus equipment will then be removed from inventory.

3. **Stolen Equipment** - If an item is stolen from campus, the department must notify Campus Police immediately and follow their policies. The investigating officer will complete a police report. The departmental equipment custodian must fill out the "Property Deletion Request" form, indicating the police report number and forward the form along with a copy of the police report to Property Control. If an item is stolen from an off-campus location, the appropriate police agency must be notified. As above, the departmental equipment custodian must fill out the "Property Deletion Request" form, indicating the police report number and forward the form along with a copy of the police report to Property Control. The University's Office of Risk Management should be notified in either case above. The custodian should include in the police report the tag number(s) and the serial number(s). If the Police report states that forced entry was used, Property Control will then forward Form BF-11 and a copy of the police report to LPAA. The equipment will then be removed from the inventory upon receiving the approved Form BF-11.

4. **Scrap** - When an item is in such bad shape that it is not repairable or reusable by either the University or the State, departments may request that the equipment be scrapped. A "Property Deletion Request" form must be completed and forwarded to Property Control. Property Control will then forward a Form BF-11 to LPAA requesting permission to scrap the equipment. If approved, the equipment will be picked up by Property Control or Facility Services and disposed of in the appropriate manner. These items will be removed from inventory. If not approved, the equipment will be declared surplus, a new Form BF-11 will be issued, and the property will be transferred to LPAA. No equipment is to be disposed of unless approved by LPAA (Louisiana Property Assistance Agency) via Property Control.

5. **Dismantle for Parts** - If a department wishes to dismantle a piece of equipment for parts, the "Property Deletion Request" form must be completed and forwarded to Property Control. Property Control will then complete Form BF-11 and send it to LPAA. When the Form BF-11 is approved, the department will be notified by
Property Control with a copy of the approved Form BF-11. Once approval has been received, the department may dismantle the equipment for parts. If the Form BF-11 is not approved, the equipment must not be dismantled. Upon approval, Property Control will remove dismantled equipment from the inventory. No equipment is to be dismantled, in any form, unless approved by LPAA (Louisiana Property Assistance Agency) via Property Control.

6. **Trade-ins** - If equipment is to be traded in, the Purchasing Office must solicit competition in accordance with State Purchasing Regulations. Quoted prices must include the purchase price of the equipment with the amount allowed for the trade-in. Property Control must forward a form BF-11, along with the evidence of competition, to LPAA for their approval. If approved, the equipment may be traded in. The new item should be added to the inventory at its gross value. The item traded in will be removed from the inventory.

7. **Interagency Transfer** - If UNO has surplus equipment that is needed by another state agency, Form BF-11 will be completed by UNO to request an interagency transfer. Upon approval by LPAA, the receiving agency will receive several copies of the approved Form BF-11. When the material is actually picked up, the receiving agency will sign in the box marked "Receiving Agency" and return all copies to LPAA, except the yellow copy which they will retain for their records. LPAA will then forward a copy to UNO Property Control for our records. The transferred equipment will then be removed from the inventory.

8. **Transfer of Moveable Equipment Outside Louisiana** - Equipment purchased with funds from any source will be considered the property of UNO and therefore, the State of Louisiana, unless the guidelines set forth in a grant require title be maintained by another party. A principal investigator who transfers research and/or the equipment acquired under a grant to another institution must obtain proper written approval first from his/her department chair/director, dean/vice chancellor, the Office of Research, the new institution and the funding agency. In addition, Louisiana State Property Control Rules & Regulations require written approval from LPAA through the UNO Office of Property Control Management prior to the transfer/removal of any moveable equipment. A principal investigator requesting equipment transfer/removal should allow sufficient time.

9. **Sale "As Is, Where Is"** - Sometimes it may not be feasible to transfer surplus equipment to the state warehouse. The equipment may be too large to transport economically. In these cases, a Form BF-11 may be forwarded to LPAA requesting a sale "As Is, Where Is." The proper procedures for this type of disposal are covered in
the State Property Control Rules & Regulations. It is contrary to University policy to dispose of any property prior to approval by the LPAA. If approved, these items will be removed from inventory.

10. **Disposition of Equipment Purchased with Federal Funds** - This applies to equipment that is owned by the University, but bought with Federal funds. The Form BF-11 will be submitted with the box checked "Federal Fund" only when the University has received a determination from the granting agency that indicates the agency requires the funds from the sale of surplus equipment returned to the granting agency.

C. **Combining Inventory Items** - If it becomes apparent to Property Control that the combining of tagged items under a single property number will better reflect the true state of the property, Property Control will 1) submit to the Louisiana Property Assistance Agency a Transfer Request - Inventory Adjustment for each property number that is to be incorporated, 2) increase, upon State approval, the value of the single item by the amount of the incorporated items, and 3) record the changes. The effect will not cause a change in the total dollar value of the University's inventory, only the piece count.

D. **Facility Planning Purchases** - On a monthly basis, or as often as needed, Accounting Services will supply Property Control with information concerning purchases of equipment through Louisiana Facility Planning and Control. With this information, the equipment will be tagged and added to the master inventory listing at the amount paid by Louisiana Facility Planning and Control.

V. **Annual Requirements for Inventory**

Regulations require UNO to conduct an inventory of all moveable equipment each fiscal year, not more than 12 calendar months since the last physical inventory.

A. **Cutoff Date** - A cutoff date will be determined for the annual inventory. This is the date after which no items purchased will be reflected on the annual inventory sheets.

B. **Rules for Taking Inventory**
   1. Property Control will make arrangements with the department's equipment custodian to begin scanning their physical inventory. The custodian must be available to assist Property Control with the following:
      - A room to room search scanning all items,
      - A search in all storage areas such as stockrooms, lockers, cabinets, etc., for moveable equipment.

   2. After the initial scan, Property Control will upload the findings into the master inventory. A report will be produced listing any items that have not been scanned.
3. The report will be sent to the equipment custodian for further investigation. The department will then conduct an exhaustive search to locate the items not scanned. Items on the list will fall into one of two categories.
   - Items Not Located - Items not located after an extensive search will be transferred by Property Control to the suspense account and reported to the State after a review by the department head.
   - Transferred Items - Items that have been transferred to another department will need to be verified. Once verified, Property Control will update the master inventory.

4. The department head will receive a memo for his/her review listing all items (if any) that are to be placed into the suspense account because they were not found. The department head is required to sign and return the memo to Property Control to certify his/her knowledge of the department’s unlocated items. The items are removed from the Department's inventory.

5. The department will receive its updated inventory list that reflects all known located items. This list must be reviewed for the following two remaining possible situations:
   a. Extra Numbered Items - Tagged items on hand that do not appear on the department's inventory (not seen during the initial scanning process). Property Control must first check to be sure that the item was not paid for after the inventory cutoff date and investigate accordingly.
   b. Un-tagged Items - Items on hand that are not tagged. Before being considered for tagging, it must be concluded that the item meets several criteria:
      * It must belong to the University or have been entrusted to the University's care for six months or more.
      * It must be moveable equipment as defined earlier.
      * It must be an independent unit rather than a part of another, larger unit.

6. If an un-tagged item meets the above criteria, Property Control will check the serial number of the un-tagged item to see if it matches a serial number on the master listing. If so, Property Control will reprint the bar code and affix it to the item. If the serial number is not listed on the master listing, Property Control will tag the item and add it. The Department must report any final adjustments to Property Control immediately so the inventory can be updated and completed. The items that were reported and certified as missing will be put into a suspense account. All items remaining in this account after three years will be sent to LPAA with a Form BF-11 requesting that they be dropped from the inventory. Upon approval, these items will be retired.

7. *NOTE - FOR GOVERNMENT PROPERTY, THE ABOVE PROCEDURES (SECTIONS I - V) ARE APPLICABLE, IN ADDITION
C. Non-Compliance Penalties (LAC 34 Part VII 901)

The commissioner shall have power and authority to make necessary and reasonable regulations and orders to carry out the provisions of these regulations when it serves the best interest of the State. The commissioner shall have the authority to invoke any and all of the following actions when agencies are found to be in noncompliance with these regulations.

1. Call in the good faith performance bonds of the respective property managers.
2. Take action to restrict or require acquisition of movable property only on approval of the commissioner until compliance with the movable property regulation is completed.
3. Revoke or restrict purchasing authority for movable property.
4. Contract, at the expense of the agency in noncompliance, the resources necessary to resolve the compliance problem.

VI. Federal Property Management Procedures

A. Property Management (Functional Area 1)

The following procedures apply specifically to Government property and must be followed to assure the University is in compliance with the following regulations: Office of Management Budget OMB Circular A-110, DOD 4161.2-M Manual for Performance of Contract Property Administration, Federal Acquisition Regulation (FAR) Part 45, Defense Federal Acquisition Regulation Supplement DFAR 245.5.

B. Acquisition (Functional Area 2 See Also Section IV A) The University acquires Government property one of two ways: 1) The Government furnishes the equipment directly to the University (Government-Furnished Property) or 2) the Government authorizes the University to purchase the equipment (Contractor (UNO)-Acquired Property). In most cases, the University purchases the equipment. Approvals for the purchase of Government property must be done in accordance with the specific instructions outlined in the contract between the University and the Government. All equipment purchased with Federal funds will be indicated by the placement of "FED" at the end of the "Description" field.

1. To guarantee compliance with OMB Circular A-110 regulations, Property Control will record the following information:
   - A description of the equipment;
   - Manufacturer's serial number, model number;
   - Source of the equipment including the award number;
   - With whom the title vests;
   - Acquisition date;
   - Location and condition (all equipment that is tagged and placed onto inventory is considered to be in "Good Working Condition" until otherwise determined by Property Control or until Property Control has been notified to the contrary) and the date the information was reported;
- Unit acquisition cost;
- Ultimate disposition data (date of disposal, sale price or the method used to determine current fair market value where UNO compensates the Federal awarding agency for its share).

2. In addition to the information required by the OMB-A110, Property Control will also record the following information:
   - A Business Point-of-Contact
   - A Technical Point-of-Contact
   - The Sub-Project Number

C. **Receiving** (Functional Area 3) The University of New Orleans does not operate a centralized receiving department. Shipments of University and Government property are delivered directly to each department for receipt and inspection. The department will thoroughly inspect the equipment upon receipt to determine that it is as ordered and that there is no concealed damage. If the shipment is not as ordered the Purchasing Department should be notified immediately and the shipping documents so noted. If equipment is acquired by a subcontractor, the same procedures are followed with the exception they will notify their own purchasing department for discrepancy resolution.

D. **Identification** (Functional Area 4 See Also Section III) The University's Property Control staff is responsible for identifying and affixing tags to all government property received. When the equipment is received, property control will locate the equipment and affix both a University tag and a Federal tag to the equipment in a visible position that will not interfere with the operation of the equipment. Property Control will identify Government equipment by the account number designated on the purchase order. If a tag cannot be applied to the equipment, the Property Control representative will annotate the purchase order that the equipment is "Untaggable". The tag will then be affixed to the purchase order and maintained in the file for easy identification. All pertinent information is then transferred to the master inventory database. Items that are part of an existing piece will have their value added to the unit cost of the pre-existing item to reflect the updated value. Subcontractors will be provided with the necessary tags for acquired equipment and will be required to tag the Government property upon receipt and inspection (see paragraph M Subcontractor Control). Should a tag accidentally or mistakenly be damaged, defaced or removed the equipment must be re-tagged and all records updated accordingly. Tags should be removed when equipment is traded-in, scrapped, or disposed of.

E. **Records** (Functional Area 5 See Also Section IV A2) Property Control maintains the official property records for the University. These are the official property records for all capital and non-capital equipment. Departmental systems will not be recognized as an official means of documenting property for the University. These records also include property in the possession or control of a subcontractor. Equipment that is fabricated at the University will be recorded when Property Control is notified that the fabrication is complete.

F. **Movement** (Functional Area 6 See Also Section II D and IVB)

G. **Storage** (Functional Area 7) Proper storage of property ensures ready location, identification, and accountability. When equipment is temporarily idle, but is
required for authorized future use, departments must ensure that the equipment is stored with adequate security protection. Additionally, controls and inspections must be provided for the items in storage that may be subject to corrosion, humidity, temperature, insects, rodents and that will limit pilferage, water damage, etc. Special measures should be taken for highly sensitive items. These items should be locked in containers or in a fashion (i.e. boat in a protected and locked yard) that provides a high level of security. It is important that equipment that is stored be reviewed for possible utilization or processing for disposal. Equipment that stays in storage for a considerable period of time is a candidate to declare excess.

H. **Physical Inventories** (Functional Area 8 See Also Section V) Upon termination or completion of a government contract, the University shall perform, and require each subcontractor to perform, a physical inventory of all government property applicable to the contract unless the inventory is waived by the Federal Government.

I. **Reports** (Functional Area 9) Federal Acquisition Regulation (FAR) subpart 45-505-14, OMB Circular A-110 Subpart C.33 and DoD4161.2-M require the University to submit annual inventory reports of all Government property in the University's custody to the Grants Administration office. The reports shall include all property as of September 30, and is due no later than October 31 of the same year. This report can be negative. Reports that are mandated by the Federal Government or other sponsoring agencies require the University departments to assist in order to meet the reporting requirements. Property Control will be responsible for compiling the data from the official equipment records and submitting them as required. The University's Office of Research will inform Property Control of any subcontracts upon award. Subcontractors will submit the necessary data to Property Control in order for the information to be incorporated into the report. A final inventory report of all Government property is due within 90 days of the agreement's expiration date. This report, however, can be negative. It is submitted by Property Control to the cognizant Grants Administration Office for purposes of agreement closeout and final property disposition and records reconciliation.

J. **Consumption** (AS IT RELATES TO FABRICATION) (Functional Area 10) When materials (supplies) are purchased and fabricated into "capital equipment" (equipment that is constructed and developed by combining discrete components/and or materials into one identifiable unit) the item must be added to the University's inventory. Federal regulations require that if the finished fabrication has a unit cost of $5000 or greater ($1000 or greater for State property) and a useful life of more than one year to be reported on the inventory as equipment. Upon completion of the fabrication the custodial department shall notify Property Control and provide the value of the item (sum of the parts). Property Control will tag the item appropriately.

K. **Utilization of Equipment** (Functional Area 11) The utilization of equipment acquired for use under a government contract is restricted for the purpose of that contract unless otherwise noted in the award agreement. Written approval must be received to use government property for another contract. Additionally, OMB
Circular A-110 states "The recipient (University of New Orleans) shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by the Federal statute, for as long as the Federal Government retains an interest in the equipment". Equipment needs should be periodically reviewed so that excess equipment can be identified and equipment can be disposed of accordingly. The custodial department will report excess equipment whose title vests with the government to Property Control, who will then request the disposition instructions from the Government.

L. **Maintenance** (Functional Area 12 See Also Section II C) Custodial departments shall provide the care necessary to maintain all equipment in the condition received to ensure the maximum useful life of the equipment. In addition, for Government property, the custodial department must implement a maintenance program that shall be preventive in nature (i.e. clean, lubrication, Calibrate, and inspect on a regular schedule). Prior to performing any major repair at a cost to the Federal Government, the custodial department must obtain written approval from the government Contracting Officer. The custodial department shall keep records of maintenance actions performed and any deficiencies in the Government property discovered as a result of the inspections.

M. **Subcontractor Control** (Functional Area 13) The University is responsible and accountable for all Government property in the possession of subcontractors. The University shall require each subcontractor to adhere to all requirements in these instructions and to submit property reports to the University in such a manner and frequency as to allow the University to report government property in the possession of the subcontractors in its report to the State and to the Government. Instructions related to government property will be provided to subcontractors at time of award by the UNO Office of Research. (see UNO SUBCONTRACTOR PROPERTY MANAGEMENT INSTRUCTIONS). The University shall require all subcontractors possessing or controlling Government property to adequately care for and maintain that property and assure that it is used only as authorized by that particular contract. The inventory procedures the subcontractor uses must be designed to meet the requirements of the University, the State and the Government.

N. **Disposition** (Functional Area 14 See Also IV B) Disposition of Government property begins when the property is determined to be in excess to the contract requirements. Excesses should be disclosed as they occur. Government property that becomes excess to a specific contract for which it was provided should be screened by the University Department against the need of other contracts prior to being declared excess by the University. If there is a need for the equipment within the University, authority to transfer the equipment should be requested from the Contracting Officer. If there is no need, Property Control will submit a letter identifying the excess equipment to the Contracting Officer requesting disposition instructions. Additionally, all cases of loss, damaged, or destroyed Government property must be reported to the Contracting Officer by Property Control. If applicable, a police report must also be provided to the Contracting Officer. Action to remove the equipment from the property records cannot take
place until the Contracting Officer provides instructions. Once disposition instructions are received, Property Control will assist with the disposition. These procedures apply to Government property being declared as surplus (excess), stolen, scrapped, dismantled for parts, trade-ins, or transfers to other contracts or agencies.

O. **Contract Property Close-Out** (Functional Area 15) Upon notification by the University's Office of Research of the termination or completion of a Government contract, Property Control will perform a physical inventory, if required, of all government equipment applicable to the contract and ensure that all official University records are reconciled. This will be done in coordination the custodial department. Property Control will then submit a "Final Property Report" to the Contracting Officer within 90 days requesting disposition instructions and/or relief of accountability. This report, however, can be negative. The Contracting Officer may waive the closeout requirement if the equipment applicable to the completed contract is authorized for use on a follow-on contract. In this situation, with the assistance of the custodial department, Property Control will provide a written statement indicating that record balances have been transferred and that the University accepts responsibility and accountability for the equipment under the terms of the follow-on contract.

VII. **UNO Subcontractor Property Management Instructions**

These procedures supplement the University Property Control Operating Procedures and all procedures must be strictly adhered to by all subcontractors. This includes but is not limited to the control, care and disposition of Government property: OMB Circular A-110 and FAR Part 45.510 apply to each agreement entered into by the University whereby government property may come under the control of a subcontractor. Whenever a subcontractor is in possession of Government property, the University will ensure that the subcontractor has a federally approved property system that is in compliance with these regulations. However, the University of New Orleans is responsible and accountable for all Government property in the possession of the subcontractor. It is imperative that the subcontractor adheres to all the appropriate provisions in its subcontracts providing for Government property.

A. **Acquisition** - Should the subcontract allow for the subcontractor to acquire material on behalf of the University as Government property, it must ensure the University has obtained all necessary approvals as stipulated in the contract between the University and Government. Upon receipt, title to this equipment will vest with the Government.

B. **Receiving** - When equipment is ordered by the subcontractor, equipment/material should be shipped directly to the subcontractor's location. All shipments should be inspected and the receiving date should be noted on the applicable invoice for future reference. If there are any discrepancies or damage in the shipment it should be handled immediately. Upon receipt, title to the equipment will vest in the Government and as such all procedures related to the handling, care, inventory, utilization and disposition, etc. will be done in accordance with federal regulations.
C. **Identification** - All subcontractors will be issued a block of University and Government tags to be affixed to Government equipment by the University's Property Control Office. The subcontractor will be responsible for accounting for all used and any unused tags given to them at the time of award. Both tags will be affixed to equipment in a visible location so as not to interfere with the operation of the equipment when the equipment is received. If a tag cannot be affixed because the equipment is to small, the subcontractor will so annotate a copy of the purchase order as "UnTaggable". The tag can then be affixed to a copy of the purchase order for further reference.

D. **Records** - The University will maintain the official property records for all government property. The subcontractor's records will be used as a secondary locator record. The subcontractor must maintain the same data as the University's system (see Property Control Operating Procedures section VI A2). For subcontractors with large amounts of government property and unless the Government authorizes otherwise, on-site review of records and inventory of all Government property in the possession of the subcontractor must be done periodically.

E. **Movement** - Government property should not be removed from the site of the subcontractor without prior written permission from UNO Property Control.

F. **Storage** - Government property in the possession of the subcontractor should be easily locatable, easily identifiable, and stored in such a way to ensure that it is always protected. If equipment becomes idle at any time the subcontractor should immediately, in writing, request disposition instructions from UNO's Property Control. Property Control will coordinate the request and final disposition. It is reasonable to expect that the subcontractors be able to quickly distinguish their own property from that of the government.

G. **Physical Inventories** - Because an inventory report must be submitted annually to the state (due approximately at the end of May) and also to the Government (due October 31 reflecting records as of September 30) the University requires that all subcontractors inventory all government property and report it semi-annually. The reports will be due to UNO Property Control on March 1 and again on September 1. This will allow time for all records to be reviewed accordingly. At the termination or completion of the subcontract, a final inventory will be conducted and submitted within 30 days so UNO's Property Control can coordinate final disposition.

H. **Reports** - See Physical Inventories (G).

I. **Consumption** (As it relates to Fabrication) - When equipment is fabricated and the total acquisition cost exceeds $5000 it will be immediately added to the subcontractor's equipment records and the information on this item will be transmitted simultaneously to UNO Property Control.

J. **Utilization of Equipment** - Government property in the possession of the subcontractor may only be utilized for the purpose of the contract.

K. **Maintenance** - The subcontractor is responsible for preventative maintenance on all government equipment. Should any major repairs be necessary, written approval from UNO Property Control is required.
L. **Disposition** - Should surplus property be identified by the subcontractor, it shall be reported to UNO Property Control. Instructions will be given on disposing of the equipment and making any necessary records adjustments. Prior to any Government property being scrapped, traded-in, dismantled for parts or transferred, the subcontractor must request written authority from UNO Property Control who will coordinate final disposition. Additionally, the subcontractor must immediately report to UNO Property Control all cases of loss, damage or destroyed government property. Do not remove Government property from the records until instructions are received.

**Contract Property Closeout** - The subcontractor must complete a final inventory at the completion or termination of the subcontract. Disposition instructions will be given to the subcontractor of all Government property in these situations by UNO Property Control.