

Property Management

1. OVERVIEW

The Astrophysical Research Consortium (ARC) is responsible for ensuring that adequate accountability systems are established and administered for acquiring, using, maintaining, controlling, and disposing of property and that policy and procedure is written to conform with sound business practices. ARC property matters related to sponsored grant and contract programs are coordinated with the Principal Investigator for that contract or grant per agreement and the ARC Property Coordinator. ARC is also responsible for providing and maintaining a public record of state, federal, or other agency property related to outside contracts or grants.

2. USER RESPONSIBILITY

The primary responsibility for the physical custody and maintenance of ARC property rests with the ARC Property Coordinator, the Project Director, and the member-institution Principal Investigator. Title and ownership are vested in ARC except where the contract agency retains title as defined in the specific grant or contract document. Property is not insured with ARC but through the member-institution where the property is located. An ARC Property Coordinator is appointed to perform duties necessary to achieve compliance with ARC property management policy and procedure.

3. PROPERTY COORDINATOR

ARC property management policy and procedure complies with applicable federal laws governing federal agencies and their grantees (see Attachment C), individual agency regulations for equipment accountability, and any other sound business practice deemed appropriate.

The Property Coordinator develops property accountability procedures to comply with policies and regulations of ARC. This accountability includes, but is not exclusive to:

- A. Review property purchases to check for proper expenditure coding.
- B. Initiate and maintain property records (see Attachment A).
- D. Prepare and distribute physical inventory listings.
- E. Develop and review physical inventories of property in accordance with policies and regulations.
- F. Prepare reports as requested by ARC.
- G. Responsible for contract agency-owned property.

Property Management

- H. Represent ARC to satisfy any government regulations on equipment acquisitions, accountability, and disposal.

4. DEFINITIONS

Accessory Items: items which facilitate or enhance the operation of an item of property, placed outside (external) the base unit but is not essential for its operation. These are considered property and tagged individually when they are usable by themselves, or with several different base units, and costs over \$1,000. Items might include additions to telescope or instruments.

Acquisition Cost: the net invoice price, including cost of any modification, attachment, auxiliary item, in-transit insurance, freight, and installation.

Agency: entity, i.e., organization, corporation, foundation, or person from which ARC derives outside support through grant or contract.

Auxiliary Item: any item required to operate the basic unit of property and placed inside (internal) the base unit. If the cost is over \$1,000, the value is added to the acquisition cost of the base unit and the property identification tag number of the base unit noted on the inventory record. Items might include additions to instruments or telescopes.

Fabricated Item: those items which meet property definitions and are interconnected so as to become a new functional unit that is essential in the performance of some activity. Information to complete an inventory record includes as complete a description of the item as possible, location, account number materials were charged to, value which includes all materials, supplies, fixtures, freight charges, and labor costs. Drawings and documentation are considered part of the fabricated item. Items might include structural design additions or alterations to telescope or instruments.

Found Property: item discovered either by ARC Personnel or Property Coordinator which is not on inventory records. A fair market value must be estimated and the date found used as the date of acquisition. Property must have a value of over \$1,000 or meet other property definitions to receive a property identification tag.

Gift: items considered property if they meet property definitions. Affix a property identification tag and complete an inventory record when the fair market value is \$1,000 or more, or when property is classified as sensitive (see next page).

Inventoried Property: an item which receives a property identification tag and the Property Management system maintains a separate record. Each record may be for one or more items of property.

Inventory Record: each record maintains the following information: ARC asset number, description, location, manufacturer, serial number, model number, acquisition cost, purchase

Property Management

order number including issuing member institute initials, acquisition date, and vendor. See Attachment A.

Loaned Property: either borrowed by or loaned to an external agency or individual.

Modification/Upgrade: if cost is greater than \$1,000: and is placed internal to the base unit, the inventory record for the base unit is adjusted for the cost; if placed external to the base unit, a separate inventory record is created. If the cost is less than \$1,000, no inventory record is created or adjusted. If the modification/upgrade increases the value of the base unit over \$1,000, then the item would be considered inventoried property and the appropriate tag and inventory record completed.

NOTAG Item: those items which have serial numbers, meet the definitions of inventoried property, but are too small or too large to affix with a property identification tag.

On Site: Apache Point Observatory, Sunspot, NM.

Principal Investigator: The ARC member-institution's personnel responsible for initiating and conducting ARC-funded projects.

Property: items which are tangible assets acquired through donation, gift, purchase, capital lease, or self-construction, with a life expectancy of more than two years. Title is vested with ARC whether secured with ARC funds or funds derived from external agencies.

Property Identification Tag: a bar-coded tag that is affixed to each ARC-owned property item.

Purchase by Construction Contract: equipment acquired under construction contracts. The inventoried equipment is listed and priced by the Property Coordinator. Equipment over \$1,000 or meets property definitions are assigned a tag number and an inventory record is created and maintained. Items include refrigerators, stoves, or other kitchen appliances.

Remote Site: any location away from Apache Point Observatory.

Replacement Parts or Supplies: items that are acquired as part of normal repair and maintenance expenses which are recurring and regular in nature. Replacement parts or supplies consumed in the performance of work are not considered property, but supplies.

Sensitive Items: items which cost more than \$150.00 and less than \$1,000, freestanding, easily removed, with a normal life expectancy of two or more years, and/or are desirable for personal use and/or sale. These items receive a property identification tag and inventory record.

Transferred Items: treated as property if it meets property definitions. A fair market value is determined and the date received is the date of acquisition. If the fair market value is greater than \$1,000, the item is tagged and an inventory record established.

Property Management

Variable Item: vary in size, usage, cost, or life expectancy; may or may not be considered property. This determination is made by the Site Manager or Property Coordinator.

5. CODING EQUIPMENT FOR PURCHASE

Careful recording of expenditure codes on purchase requisitions ensures that property is properly included in the inventory record. Although individual ARC member-institutions have different internal account codes, ARC institutional Principal Investigators should be familiar with the definitions of ARC property and institutional property object codes.

Contract agency acquisitions should be assigned an expenditure code based upon ARC definitions of supplies and equipment as previously defined. The award document and/or sponsor regulations contains information regarding budget restrictions, prior approval requirements, and re-budgeting.

Those items or parts which, once assembled, meet the definition of fabricated items are initially expended using a general supply code. When construction of the equipment is completed, the accumulated expenses for design, labor, supplies, materials, and individual components must be transferred to the appropriate code. If construction lasts a year or more, a record must be completed at least once a year.

Capital lease of equipment of \$10,000 or more is treated as an asset acquisition and liability; operational leases of less than \$10,000 are treated as operating leases.

The following codes are offered as guidelines for equipment expenditures, but are not exclusive:

- NMSU: 8070: equipment
8076: additions to existing equipment
8570: fabricated equipment
- IAS: intellectual property only
- JHU: .19: equipment less than (\$500)
.4F: equipment no subject to IDC\
- PU: contact D. Hortenbach
- UC: 6100 - 6199: scientific and technical property
6200 - 6299: fabricated property
6300 - 6399: computing property
6400 - 6499: office and educational property
6500 - 6599: furniture and fixtures
6600 - 6699: shop machinery and tools
6700 - 6799: vehicles
6900 - 6999: all other equipment

Property Management

UW: 05-10: sensitive inventory items
 05-40: inventoried items (over \$500)
 06-10: inventoried items (over \$500);
 computers & data processing
 06-90: inventoried items; other property
 06-xx: fabricated inventory items
 (materials to be charged 05)
 09-04: capital lease inventory items
 09-05: capital lease inventory items (computers)

WS: contact J. Lutz

When purchasing equipment over \$1,000 with federal funds, the Principal Investigator and Property Coordinator are responsible for completing a screening procedure of ARC-owned property to make sure that similar and suitable equipment is not already available. Upon the completion of screening, a statement to the fact is completed and signed by the Principal Investigator and forwarded to the Property Coordinator.

6. RECEIVING

Property acquired by purchase, gift, or found, is to be inspected and tested immediately upon receipt. If acceptable and meets property definitions, the item receives a property identification tag; if unacceptable, ARC personnel will return the item(s) according to ARC member-institution's procedures for Purchasing.

Equipment received and accepted at remote sites are reported no more than 30 days after receipt to the Property Coordinator, who will complete an inventory record for the item(s). If appropriate, property identification tags are forwarded to the member-institution or location to be affixed to the item(s).

Property received and accepted by on site personnel and which meet the appropriate property definitions, are handled by the designate of the Property Coordinator. On site personnel are responsible for notifying this designate when property is received.

Equipment acquired by federally-funded grants/contracts or outside agency contracts which have been stipulated within the contract/grant language are handled as stated in that language. Items requiring approval for receipt need written authorization by the outside agency forwarded to the Principal Investigator and the Property Coordinator. This equipment may or may not be titled with ARC; each item is handled on an individual basis.

7. EXPENDITURE RETURNS

Property Management

Regulations for expenditure restrictions conform to the individual member's Purchasing policies and procedures. It is the responsibility of the individual buyer to adhere to the published policies of the member institution.

8. TRANSFERRED EQUIPMENT

Transferred items received from outside agencies or member institutions are treated as property if they meet property definitions. Cost is defined as fair market value and the date of receipt is the date of acquisition. In the case of outside agencies, written approval must be received from the agency by the Principal Investigator of the grant/contract prior to the transfer of equipment. Upon receipt of the equipment, if appropriate, an equipment identification tag is issued and an inventory record created and maintained by the Property Coordinator (see Attachment A).

9. TAGGING AND IDENTIFICATION OF EQUIPMENT

ARC must tag equipment which meets appropriate property definitions and is accepted. Equipment which is too small or impractical to tag is listed on the inventory record as a "NOTAG." According to where the item is received, tagging property requires the following steps:

ON SITE: After notifying the appropriate designate, the item is made available to attach an equipment identification tag number. The tag should be visible in order to facilitate ARC physical inventories and contract agency audits. An inventory record is created and maintained.

REMOTE SITE: The Principal Investigator notifies the Property Coordinator within 30 days and, if appropriate, a property identification tag is forwarded to the member institution for application on the item. The Property Coordinator creates and maintains the inventory record.

Contract agency- or federally-owned equipment is so noted on the inventory record but does not receive any additional identification. The Principal Investigator is responsible for maintaining a record of the property according to equipment definitions.

Sensitive items are treated as inventoried equipment and have a separate inventory record maintained for each item. It is under the discretion of the Site Manager, Site Director, or Property Coordinator to determine items that are not included in the definitions which are internally inventoried and either tagged or not tagged.

Equipment purchased and received through construction contracts is treated as inventoried property and processed according to these definitions of property. The Property Coordinator assigns a fair market value and the date received is the date of contract completion.

Property Management

Should the property number be accidentally or mistakenly obliterated, defaced, or removed the equipment shall be marked again with the original number.

Easily moved component parts of a system valued over \$1,000 must be individually marked. If the fair market value is less than \$1,000, the item is tagged and treated as sensitive property. The value is not added to the base unit.

10. PHYSICAL INVENTORIES

Equipment inventories of contract agency- and ARC-owned equipment is taken on site by the Site Manager or his designate and by the remote site Principal Investigator every year. Audits of the physical inventories are conducted by the Property Coordinator every two years. Compliance with physical inventory requirements is mandatory.

Physical Inventory Listings are published and distributed annually to the ARC Property Coordinator with a letter of transmittal indicating the contents. Physical inventories are verified or conducted by a person having no direct responsibility for the assets involved, nor supervised by the person responsible.

The following steps are necessary to complete the physical inventory:

- Using the numeric inventory list, place a check mark on the printout by the tag number to indicate items located, usable, and needed.
- Add any information not on the printout.
- Equipment items which appear on the listing, but cannot be found, are identified with an “X”. If the items have been disposed of, transferred, lost, or stolen, disposition of the item(s) should be noted on the listing and the inventory record adjusted accordingly.
- Upon completion of the physical inventory, the list must be signed as followed:
 - **ON SITE:** Site Manager, then Property Coordinator;
 - **REMOTE SITE:** Principal Investigator, then Property Coordinator.

The inventory for equipment furnished by or purchased with agency (federal or private) funds is taken by the Principal Investigator and a copy forwarded to the Property Coordinator upon termination of contracts or agreements. The Property Coordinator should verify the physical presence of equipment and may then recommend that it be donated to ARC for continued use, or to an outside agency with similar research.

11. BORROWED EQUIPMENT, EXHIBITS, DEMONSTRATION EQUIPMENT

Property Management

When equipment is loaned to or borrowed by ARC, all arrangements should be approved in writing by authorized ARC personnel and the outside agency. This document should include ARC's responsibility for the equipment. If the owner requires ARC to provide insurance for damage to or loss of loaned or borrowed equipment, the Property Coordinator must be contacted in sufficient time to review the possible insurance needs and to acquire any necessary insurance.

12. PERSONALLY-OWNED EQUIPMENT ON ARC PREMISES

ARC personnel who keep items of personal equipment at ARC facilities should label those items to indicate personal ownership. Unless there is written agreement approved by the appropriate authority at the facility, personal equipment is utilized at the owner's risk.

13. UTILIZATION OF ARC EQUIPMENT

ARC-owned equipment should be used only in the performance of ARC duties. Personnel may use ARC equipment at home if items are tagged and proper notification given the Site Manager.

If it is necessary to remove equipment from ARC premises for more than one month, the item's inventory record is noted as to location and person responsible for the item(s), and the Site Manager or Principal Investigator notified.

14. UTILIZATION OF FEDERAL- OR OTHER AGENCY-OWNED EQUIPMENT

Personal use of federal- or other agency-owned equipment is prohibited. Obsolete, unneeded, or unusable equipment should not sit idle for an extended period of time before disposal.

When equipment is no longer needed or usable, notify the Property Coordinator as soon as possible. The Coordinator will either request disposition instructions or try to relocate the equipment to another area with a requirement. Whichever action is appropriate, it is a contractual commitment that agency-owned equipment be in active use while in custody of ARC, and that disposal action be taken in a timely manner.

15. SECURITY AND MAINTENANCE

ARC is responsible for the security, care, maintenance, and use of all equipment in their custody. For equipment acquired under grants and contracts, the Principal Investigator shares this responsibility. Principal Investigators should be aware of any specific equipment care and maintenance requirements defined by grants or contracts.

Property Management

16. LOST OR STOLEN EQUIPMENT

Any on site theft should be immediately reported to the Otero County Sheriff's Office; or off site theft to the appropriate police agency. Documentation should be completed and must include police case number, date, and circumstances of loss. The inventory of the missing item should reflect this change (see Attachment B).

17. DISMANTLED/CANNIBALIZED EQUIPMENT

Relief of accountability for ARC and other agency-owned equipment must be received by the Principal Investigator and the Property Coordinator notified prior to cannibalization. The inventory record for the item should reflect this change (see Attachment B).

18. TRADE-INS AND DEFECTIVE EQUIPMENT

Defective equipment should be recognized upon receipt and returned to the vendor for replacement. To delete equipment that is traded in, or new equipment from inventory, or to delete defective equipment, written documentation must be received by the Property Coordinator or Principal Investigator and include the tag number with the reason for trade-in or why it is defective (see Attachment B).

19. DISPOSAL

ARC must dispose of all property (equipment, material, and supplies) through established disposal procedures. Federal- or other contract agency-owned equipment cannot be disposed, cannibalized, transferred, or removed without prior written approval from the funding agency. Upon receipt of contract agency approval, the inventory record will reflect the change (see Attachment B).

When equipment retains substantial value, ARC may take the option of auction, bid, or other form of resale. A member-institution, state or federal institution, or bidder must pay at least the "acceptable amount" as determined by the Principal Investigator or Property Coordinator to acquire the property. When an item is sold any proceeds (less handling costs) are credited to ARC.

The Property Coordinator must request disposal instructions from the appropriate federal or outside agency prior to any disposal action of inventory purchased from a federal or other agency grant/contract. The Property Coordinator will expedite disposal actions upon receipt of these instructions and will handle the selling and proper distribution of the proceeds.

Property Management

When buildings are demolished or alterations made, there are usually some materials which are salvageable. Normally, under the terms of the contract, salvageable materials become the property of the contractor. The contractor is responsible for removing this material physically from ARC-sponsored facilities and may dispose of it as the contractor sees fit. This removal requirement ensures that ARC personnel will not remove such materials from the site and thus appear to be taking ARC materials for their own personal use.

20. CONTACTS

Questions related to the interpretation of this policy should be directed to the ARC Secretary/Treasurer.

21. EFFECTIVE DATE

November 6, 2013

Attachment A

Astrophysical Research Consortium

INVENTORY RECORD

DATE: _____ ARC Asset Number: _____

ITEM: _____

DESCRIPTION: _____

LOCATION: _____

MANUFACTURER: _____

MODEL #: _____ SERIAL #: _____

ACQUISITION COST: _____ ACQUISITION DATE: _____

PURCHASE ORDER #: _____ VENDOR: _____

COMMENTS: _____

Property Management

Attachment B

Astrophysical Research Consortium

INVENTORY CHANGE REPORT

ARC ASSET NUMBER: _____ ITEM DESCRIPTION: _____

MANUFACTURER: _____ MODEL NUMBER: _____

SERIAL NUMBER: _____ COST: _____

Transfer to: _____

Surplus

Trade-in to: _____

Cannibalized

Missing

Stolen

COMMENTS: _____

FROM: _____

SIGNATURE: _____

Cannibalized: complete appropriate sections of report. Turn in all residual parts together with the property tag to Principal Investigator or Property Coordinator. 2 copies -- originating area and original to Property Coordinator.

Missing/Stolen: for missing--complete appropriate sections of report and detail steps taken to relocate in "Comments"; for stolen--complete appropriate sections of report and attach copy of the police report. 2 copies -- originating area and original to Property Coordinator.

Surplus: complete appropriate sections of report and indicate contract/grant/agency/member institution property was obtained from/through. 2 copies -- originating area and original to Property Coordinator.

Trade-ins: complete appropriate sections of report. List name of vendor receiving item and state the purchase order number and details of trade-in under "Comments". The Principal

Property Management

Investigator at remote site or the Site Manager at APO is to complete. 3 copies -- originating area, receiving area, and original to Property Coordinator.

Transfers: complete appropriate sections of report, and under “Comments” indicate new location by member-institution’s name and Principal Investigator or APO Site Manager. Principal Investigator from old location, or APO Site Manager if transferring to a remote site, must sign and forward. 3 copies -- originating area, receiving area, and original to Property Coordinator.

Property Management

Attachment C

Code of Federal Regulations

Title 2 – Grants and Agreements

§ 215.34

(1) Equipment records shall be maintained accurately and shall include the following information.

(i) A description of the equipment.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(iii) Source of the equipment, including the award number.

(iv) Whether title vests in the recipient or the Federal Government.

(v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.

(vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).

(vii) Location and condition of the equipment and the date the information was reported.

(viii) United acquisition cost.

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.