

## Procedure: Property Management – Subcontractor Held Property

Personal Property Manual Section	3205
Revision	1
Effective Date	16 SEP 2024
Regulatory Assurance System	Property and Infrastructure
Owner	Property and Infrastructure Requirement Assurance System Owner
Review Cycle	Every 3 years

### 1 Purpose

The purpose of this procedure is to describe processes of controlling subcontractor held property in compliance with 41 CFR 109-1.5203.

### 2 Procedure

Designated sub-contractors to the Laboratory shall establish and maintain a system for the management of such property.

#### 2.1 Laboratory Provided Property

When the Laboratory enters into cost reimbursable contracts with subcontractors who receive property from the Laboratory, the Property Staff will perform or assist in the following actions,

- 2.1.1 The Custodian of the property will be the primary point-of-contact regarding FNAL property held by the subcontractor for the specific subcontract.
- 2.1.2 The Custodian will complete a Material Move Request (MMR) with a detailed listing of property being sent to subcontractor to meet the deliverables on a purchase order agreement.
- 2.1.3 Procurement Staff add a line to the purchase order agreement of the subcontract. The purchase order remains open until the property is returned along with the deliverables from the purchase order agreement.
- 2.1.4 Property Staff will coordinate with the subcontractor to enter into a mission move agreement to track DOE – FNAL owned property in the Laboratory’s personal property management system via the computerized asset management system (i.e., Sunflower). If the subcontract does not allow for managing the asset in the Laboratory’s personal property management system and will utilize the subcontractor’s personal property management system, then the subcontractor’s personal property management system shall provide, at a minimum, the following requirements,
  - 2.1.4.1 Adequate records.
  - 2.1.4.2 Controls over acquisitions.
  - 2.1.4.3 Identification as Government-owned personal property.
  - 2.1.4.4 Physical inventories.
  - 2.1.4.5 Proper care, maintenance, and protection.

- 2.1.4.6 Controls over personal property requiring special handling (*i.e.*, nuclear-related, proliferation-sensitive, hazardous, or contaminated property).
  - 2.1.4.7 Reporting, redistribution, and disposal of excess and surplus personal property.
  - 2.1.4.8 Accounting for personal property that is lost, damaged, destroyed, stolen, abandoned, or worn out.
  - 2.1.4.9 Periodic reports, including physical inventory results and total acquisition cost of Government property.
  - 2.1.4.10 An internal surveillance program, including periodic reviews, to ensure that personal property is being managed in accordance with established procedures.
- 2.1.5 Procurement Staff, Property Staff, and the Custodian follow up with the subcontractor periodically to get a status update on the property that was provided on the mission move agreement.
- 2.1.5.1 The periodicity may vary among agreements; however, no periodicity should be greater than annually.
  - 2.1.5.2 For property that has scheduled preventative maintenance, the Procurement Staff, Property Staff, and the Custodian coordinate with the subcontractor of these scheduled requirements.
  - 2.1.5.3 Inventory verification is coordinated between subcontractor, Procurement Staff, Property Staff, and the Custodian annually. Inventory is distributed to custodian and subcontractor. Subcontractor provides attestation of custody, and provides a timestamp photo of the asset, asset identifier and serial number.
  - 2.1.5.4 The subcontractor shall notify Procurement Staff, Property Staff, and the Custodian for any losses or damage to DOE – FNAL owned property as soon as possible as outlined in *Procedure: Property Management - Loss, Theft, Damage, or Destruction of Property*.
- 2.1.6 At closeout of subcontract, Procurement Staff, Property Staff, and the Custodian coordinate with the subcontractor to disposition property as outlined in *Procedure: Property Management - Disposition of Personal Property*.
- 2.2 Subcontractor Acquired Property
- When a subcontractor has acquired DOE – FNAL owned property to satisfy the requirements from the purchase order agreement, the following process will be followed:
- 2.2.1 The subcontractor, with guidance from Procurement Staff, contacts the Property Staff via email ([property@fnal.gov](mailto:property@fnal.gov)) to provide required asset information as outlined in *Policy: Property Management – Personal Property Records Requirements*.
    - 2.2.1.1 The Property Staff perform screening of the PO line items to identify accountable property acquisitions.
    - 2.2.1.2 High-Risk Reviews are completed for asset meeting this criteria and guidance is provided to the subcontractor on proper management of High-Risk property.
    - 2.2.1.3 The Property Staff enter the information into the computerized asset management system (*i.e.*, Sunflower).

- 2.2.1.4 The Property Staff will then provide a tag to the subcontractor to affix to the asset as outlined in *Procedure: Property Management – Identification and Marking of Personal Property*.
- 2.2.2 The Property Staff will create a mission move agreement in the computerized asset management system (i.e., Sunflower) adding the property to the agreement.
  - 2.2.2.1 Mission move agreements have a reference to purchase order agreement number along with the experiment and institution.
  - 2.2.2.2 Agreements have a beginning date, scheduled ending date which will be not greater than 12 months from date agreement is initiated.
- 2.2.3 At closeout of subcontract, Procurement Staff, Property Staff, and the Custodian will coordinate with the subcontractor to disposition property as outlined in *Procedure: Property Management - Disposition of Personal Property*.

### 3 Responsibilities

- 3.1 **The Property and Infrastructure Management System Owner** approves this policy, identifying necessary resources and overseeing consistent laboratory compliance.
- 3.2 **The Logistics and Property Control Department Head** is responsible for implementing and managing changes to this procedure by assigning appropriate resources.
- 3.3 **The Logistics and Property Control Department (Property Staff)** are responsible for managing property according to the responsibilities outlined in this and other policies and procedures in the Personal Property Manual.
- 3.4 **Custodians** are responsible for managing property according to the responsibilities outlined in this and other policies and procedures in the Personal Property Manual.
- 3.5 **Procurement Staff** are responsible for managing property according to the responsibilities outlined in this and other policies and procedures in the Personal Property Manual.

### 4 Definitions

- 4.1 **Custodian.** The individual who is responsible for the protection, control, and proper use of property under his or her stewardship.
- 4.2 **Government property.** All property owned or leased by the Government. Government property includes both Government-furnished property and contractor-acquired property. Government property includes material, equipment, special tooling, special test equipment, and real property. Government property does not include intellectual property and software.
- 4.3 **Personal Property.** Includes all equipment, material, and supplies not classified as real property (Refer to 41 CFR Chapter 102-71).
- 4.4 Acronyms
  - CFR** Code of Federal Regulations
  - DOE** Department of Energy

- FNAL** Fermi National Accelerator Laboratory
- FRA** Fermi Research Alliance, LL
- LPC** Logistics & Property Control Department

**5 Resources / Supporting Documents**

- 5.1 *Policy: Property Management – Personal Property Records Requirements*
- 5.2 Procedure: Property Management – Methods of Personal Property Acquisition
- 5.3 *Procedure: Property Management - Loss, Theft, Damage, or Destruction of Property*
- 5.4 *Procedure: Property Management - Disposition of Personal Property*
- 5.5 *Procedure: Property Management – Identification and Marking of Personal Property*
- 5.6 41 CFR 109-1.5203

**6 Revision History**

Version Number	Date	Author	Change Summary
0	03/04/2019	Jack Kelly LPC Department Head	First Issuance
1	09/01/2024	Kevin Coppert LPC Department Head	Updates as result of FY22 audit findings.

**7 Approvals**

Title	Name	Electronic Signature
Property and Infrastructure Requirement Assurance System Owner	Mark T. Jeffers	