

Procedure: Property Management – Precious Metals Responsibilities

Personal Property Manual Section	3210
Revision	1
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Regulatory Assurance System	Property and Infrastructure
Owner	Property and Infrastructure Requirement Assurance System Owner
Review Cycle	Every 3 years

1 Purpose

This procedure outlines the responsibilities of custodians and the Precious Metals Control Officer (PMCO) for precious metals throughout the property's lifecycle.

2 Procedure

The Laboratory's precious metal management program establishes, implements, and maintains a cost-effective, risk-based, economical, secure program for the appropriate use of precious metals procured by the Laboratory. It is intended to prevent fraud, waste, and abuse in the use of such precious metals.

2.1 Custodian Responsibilities

2.1.1 Acquisition

- 2.1.1.1 Prior to placing an order with an outside source of precious metals, the Custodian will contact the PMCO.
- 2.1.1.2 The custodian will identify an alternate custodian for the precious metals to the PMCO.
- 2.1.1.3 The Laboratory manages its programmatic activities to minimize the quantity of precious metals purchased, and to ensure that excess quantities of such metals are returned to the DOE Business Center for recovery and are not stored by the custodian for future use.
- 2.1.1.4 Upon receipt of Precious Metals, the PMCO contacts the custodian to proceed with receipt processes.
- 2.1.1.5 The precious metals custodian and PMCO weighs the precious metals. It is the custodian's responsibility to document this transaction in a logbook.
- 2.1.1.6 The PMCO provides the custodian with written guidance for consumption and physical protection of precious metals when not in use.

2.1.2 Utilization

- 2.1.2.1 Custodians of precious metals maintain logbooks to document use.
- 2.1.2.2 Logbooks are kept in locked, non-combustible repositories with Precious Metals.
- 2.1.2.3 The combination to the locked, non-combustible repository should be maintained by the precious metals' custodian and only one alternate

- custodian.
- 2.1.2.4 Precious metals custodians document any usage of precious metals in the logbooks.
- 2.1.2.5 Custodians weigh the precious metals prior to usage, annotate in logbooks, indicate date of usage along with reason (experiment).
- 2.1.2.6 After usage custodians weigh the precious metals again and annotate in logbooks.
- 2.1.2.7 Custodians maintain a scale and follow the manufacturer's guidance for calibration and preventative maintenance schedules.
- 2.1.2.8 Custodians submit annual justification memos of obviously idle metals to the Logistics and Property Control Manager or designee, as well as approved by one level above the custodian, to retain precious metals.
- 2.1.3 Physical Inventory
 - 2.1.3.1 Custodians conduct physical inventories of Precious Metals Assets annually.
 - 2.1.3.2 Conducting the inventory is the responsibility of each person to whom Precious Metals assets are assigned (custodian) and the PMCO.
 - 2.1.3.3 Precious metals are weighed and compared to the previous year's inventory balance.
 - 2.1.3.4 Custodians provide the PMCO with information from the logbook which documents usage/consumption since the previous inventory.
 - 2.1.3.5 An annual inventory is begun as early in the year as possible to ensure completion before fiscal year end.
 - 2.1.3.6 Custodians assist the PMCO when conducting a random inventory verification.
 - 2.1.3.7 The PMCO provides inventory results to the DOE Site Office and OPMO within 60 days of completion of the inventory.
- 2.1.4 Disposal
 - 2.1.4.1 Custodians transfer precious metals purchased but not utilized to PMCO for timely disposal through approved re-utilization procedures.
 - 2.1.4.2 PMCO works with the DOE Precious Metals Center to return any and all excess precious metals.
- 2.2 Precious Metal Control Officer (PMCO) Responsibilities
 - 2.2.1 Acquisition
 - 2.2.1.1 Upon arrival of any precious metals, the material is weighed by the custodian and the PMCO.
 - 2.2.1.2 The PMCO provides the custodian written guidance for consumption and physical protection of precious metals when not in use.
 - 2.2.1.3 The PMCO ensures a custodian and an alternate are identified as the custodians of the precious metals. The specific names and badge numbers are captured in the computerized asset management system (i.e., Sunflower).
 - 2.2.1.4 Precious metals purchased but not utilized by the custodian are transferred to the Property Office for timely disposal through approved re-utilization procedures.
 - 2.2.2 Physical Inventory
 - 2.2.2.1 A physical inventory of Precious Metals Assets is conducted on an

- annual basis.
- 2.2.2.2 Conducting the inventory is the responsibility of each person to whom Precious Metals assets are assigned (custodian) and the PMCO.
- 2.2.2.3 Precious metals are weighed and compared to the previous year's inventory balance.
- 2.2.2.4 Custodians provide the PMCO with information from logbook which documents usage since previous inventory.
- 2.2.3 Disposal
 - 2.2.3.1 The PMCO works with the DOE Precious Metals Center to return any excess precious metals.
 - 2.2.3.2 All excess precious metals are returned to the DOE Precious Metals Center.
 - 2.2.3.3 Custodians return excess materials to the PMCO.
 - 2.2.3.4 The PMCO contacts the DOE Precious Metals Center for guidance to return the material.
- 2.2.4 Precious Metals Control Officer Other Responsibilities
 - 2.2.4.1 Ensure that precious metals activities are conducted in accordance with DOE requirements.
 - 2.2.4.2 Maintain an accurate list of custodians that possess precious metals.
 - 2.2.4.3 Provide instructions/training to precious metals custodians as necessary to assure compliance with DOE requirements.
 - 2.2.4.4 Witness annual physical inventory.
 - 2.2.4.5 Perform periodic unannounced inspections of a custodian's precious metals inventory and associated records.
 - 2.2.4.6 Conduct an annual review of precious metals to determine if any material can be returned to precious metals center.
 - 2.2.4.7 Prepare and submit to DOE Precious Metals Center annual forecast of anticipated withdrawals from and returns to precious metals pool.

3 Responsibilities

- 3.1 **Property and Infrastructure Requirement Assurance System Owner** approves this policy, identifying necessary resources, and overseeing consistent laboratory compliance.
- 3.2 **Logistics and Property Control Department Head** is responsible for identifying the PMCO, implementing, and managing changes to this policy by assigning appropriate resources.
- 3.3 **Precious Metal Control Officer** is responsible for following guidance for the lifecycle of high-risk personal property from acquisition to disposal.
- 3.4 **Custodians** that have precious metals are responsible for following guidance in this procedure.

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 **Precious metals.** Uncommon and highly valuable metals characterized by their superior resistance to corrosion and oxidation. Included are gold, silver, and the platinum group metals—platinum, palladium, rhodium, iridium, ruthenium, and osmium.
- 4.4 **Personal Property.** Includes all equipment, material, and supplies not classified as real property (Refer to 41 CFR Chapter 102-71).
- 4.5 Acronyms
 - CFR** Code of Federal Regulations
 - DOE** Department of Energy
 - FNAL** Fermi National Accelerator Laboratory
 - FRA** Fermi Research Alliance, LLC
 - PMCO** Precious Metal Control Officer

5 Resources / Supporting Documentation

N/A

6 Revision History

Version Number	Date	Author	Change Summary
0	03/04/19	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	