

Policy: Property Management – Inventories

Personal Property Manual Section	3108
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 policy is to identify FNAL requirements for all FNAL government-owned personal property inventories and ensure that they are in compliance with 41 CFR 109-1.5110.

2 Scope / Applicability

This policy applies to Property staff in the Logistics and Property Control Department and any personnel authorized to be assigned personal property in accordance with the Policy of Taxonomy and Nomenclature Matrix (i.e., DOE Site Office staff, FRA employees, joint-appointees per terms of agreement, and subcontractors if allowed by subcontract).

3 Policy

3.1 Physical inventories and the frequencies of those categories of personal property listed below shall be conducted at FNAL.

3.1.1 Equipment—biennial 98%. Inventory accuracy.

3.1.2 Sensitive items—annual 100%. Inventory accuracy.

3.1.3 Stores inventories—annual.

3.1.4 Precious metals—annual 100% Inventory accuracy.

3.1.5 High-Risk Personal Property (HRPP)—annual 100% Inventory accuracy.

3.1.6 All other accountable property every three years 98% Inventory accuracy.

3.2 Physical inventories shall be performed by Property Staff as much as practicable. Where staffing restraints or other considerations apply, the inventory may be performed by the custodian with verification by a second party (e.g., custodian supervisor).

3.3 The conduct of a physical inventory will be observed, or follow-on audits made, by independent representatives (e.g., finance, audit, or property personnel) to the extent deemed necessary to assure that approved procedures are being followed and results are accurate. These observations or audits shall be documented, and the documentation retained in the inventory record file in the computerized asset management system (i.e., Sunflower).

3.4 The DOE capitalization threshold for items acquired prior to October 1, 2005 was

\$25,000. Items acquired October 1, 2005 until October 1, 2011 was \$50,000. For items acquired on or after October 1, 2011, the threshold is \$500,000.

- 3.5 Detailed procedures for the taking of physical inventories shall be developed for FNAL. Procedures that are limited to a check-off of a listing of recorded property without actual verification of the location and existence of such property do not meet the requirements of a physical inventory.
- 3.6 Physical inventories shall be performed at intervals more frequently than required when experience at any given location or with any given item or items indicates that this action is necessary for effective property accounting, utilization, or control as directed by OPMO/PA.
- 3.7 Physical inventories of equipment may be conducted by the “inventory by exception” method. The system and procedures for taking physical inventories by this method must be fully documented and approved in writing by the OPMO/PA.
 - 3.7.1 Approved physical inventories shall be documented in Attachment A – Inventory by Exception Approvals
- 3.8 The results of physical inventories shall be reconciled with the property records, and with applicable financial control accounts.
- 3.9 The results of physical inventories shall be reported to the OPMO/PA.
- 3.10 Physical inventories of equipment and stores inventories may be conducted using statistical sampling methods in lieu of the normal wall-to-wall method. The sampling methods employed must be statistically valid and approved in writing by the OPMO. If use of the statistical methods of physical inventory does not produce acceptable results, the wall-to-wall method shall be used to complete the inventories.
 - 3.10.1 Approved physical inventories shall be documented in Attachment B – Approved Statistical Sampling Inventories
- 3.11 If an asset is not readily located during an inventory, all efforts shall be exhausted to locate the property. When efforts to locate the property become unreasonable by the property administrator; or loss, damage, or destruction of personal property not previously reported by the Custodian, the Custodian shall report loss, theft, damage, or destruction to Security Personnel, who will report it to DOE as soon as it is a known loss.

4 Responsibilities

- 4.1 **Property and Infrastructure Requirement Assurance System Owner** approves this policy, identifying necessary resources, and overseeing consistent laboratory compliance.
- 4.2 **Logistics and Property Control Department Head** is responsible for implementing and managing changes to this policy by assigning appropriate resources.
- 4.3 **Logistics and Property Control Department (Property Staff)** are responsible for creating inventory campaigns, performing visual verification of assets, and documenting results in the computerized asset management system (i.e., Sunflower).

- 4.4 **Laboratory Custodians** are responsible for performing inventory actions when directed by Property Management staff. This includes physically verifying the asset, knowing its location at all times, and reporting any loss, theft, damage, or destruction of property to Security Personnel.
- 4.5 **Supervisors of Custodians or second-party verification designees** are responsible for ensuring their staff assigned as Custodians perform the required inventories and report any discrepancies appropriately.

5 Definitions

- 5.1 **Custodian.** The individual who is responsible for the protection, control, and proper use of property under his or her stewardship.
- 5.2 **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.
- 5.3 **Inventories.** Stocks of stores, construction, supplies, and parts used in support of DOE programs.
- 5.4 **Inventory by Exception.** A physical inventory method approved by the OPMO that is used to verify and document the existence and location of those items of property whose existence and location have not been verified and documented since the last physical inventory. This method may be used for property that is subject to calibration, maintenance, movement, network operation, or some other form of activity that is documented by a controlling entity.
- 5.5 **Personal Property.** Includes all equipment, material, and supplies not classified as real property (Refer to 41 CFR Chapter 102-71).
- 5.6 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
 - OPMO/PA** Organizational Property Management Officer / Property Administrator

6 Authorities

- 6.1 Prime Contract No. DE-AC02-07CH11359 CLAUSE I.66 - FAR 52.251-2 INTERAGENCY FLEET MANAGEMENT SYSTEM VEHICLES AND RELATED SERVICES (JAN 1991)
- 6.2 Prime Contract No. DE-AC02-07CH11359 CLAUSE I.129 - DEAR 970.5245-1 PROPERTY (AUG 2016) (ALTERNATE I) (AUG 2016)

7 Attachments

7.1 Attachment A – Inventory by Exception

7.2 Attachment B – Approved Statistical Sampling Inventories

8 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.

9 Approvals

Title	Name	Electronic Signature
Property and Infrastructure Requirement Assurance System Owner	William Mairson	