

SOUTHERN METHODIST UNIVERSITY

GOVERNMENT PROPERTY MANAGEMENT PLAN

Effective: January 15, 2015

SCOPE

This Government Property Management Plan applies to Government Property (**GP**) furnished or acquired under any contract or subcontract (**Contract**) that includes a property clause under FAR 52.245-1. For all other property furnished or acquired under Sponsored Projects, refer to the [Sponsored Project Property Management Procedure](#).

Southern Methodist University (**SMU**) will manage (control, use, report as required, preserve, protect, repair and maintain) all GP in its possession and will initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective control of GP, consistent with voluntary consensus standards and/or industry-leading practices and standards for GP management except where inconsistent with law or regulation. During the period of performance, the University will disclose any significant changes to this Property Management Plan to the Contracting Agency and to the Property Administrator, as identified in the contract or letter of appointment to another agency by the Contracting Agency, prior to implementation. Property Administrator is, as defined in FAR 52.245-1 (a), "...an authorized representative of the Contracting Officer appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to Government property in the possession of a Contractor." If SMU is a subcontractor to a prime contractor, then the disclosure will be made to the prime contractor (**Prime**).

The University's responsibility extends from the initial acquisition and receipt of GP, through stewardship, custody, and use until formally relieved of responsibility by authorized means, including delivery, consumption, expending, sale (as surplus property), or other disposition, or via a completed investigation, evaluation, and final determination for lost, stolen, damaged, or destroyed property, and applies to all GP under the University's accountability, stewardship, possession or control, including its vendors or subcontractors.

Throughout this Plan, reporting and notification will be understood to be to the Contracting Agency and to the Property Administrator (collectively, **Government**) when the University is the prime contractor and to the Prime when the University is a subcontractor.

MANAGEMENT OF GOVERNMENT PROPERTY

Written procedures for the management of government property are included in this plan. The Plan is a collaborative effort of the Office Research Administration and Technology Management (**ORA**), Grant & Contract Accounting (**GCA**), University Purchasing Department (**UPD**), and Asset Management (**AM**) to establish and maintain a property control system for the control, use, maintenance, repair, protection and preservation of government property in the custody of SMU, its agents, and its subcontractors.

ORA is the primary institutional contact for matters relating to government property management. ORA works closely with the Principal Investigators, Grant & Contract Accounting, Asset Management, and Purchasing to facilitate effective property control.

ACQUISITION OF GOVERNMENT PROPERTY

The primary objective of acquisition is ensuring that only those items and quantities authorized by contract terms and conditions or budget requirements are acquired or fabricated and to ensure the validity of property

classifications. Government property may be acquired as follows:

- A. Contractor-Acquired Equipment: Equipment purchased by the University with funds provided by the Federal Government. The policy and procedure governing Sponsored Project Procurement shall govern the acquisition of property by purchase for use under any government contract. It shall be the responsibility of the Principal Investigator (**PI**) to see that this procedure is followed as well as obtaining the sponsor's approval, through ORA, for the purchase if such is required.
- B. Government-Furnished Equipment: Equipment owned by the Government but furnished to the University for use under a federally-funded project. Transportation and installation costs are not considered as part of the unit price for this purpose. Normally, the unit price of government-furnished equipment is provided on the document covering shipment of the property.
- C. Contractor-Fabricated Equipment: Special purpose equipment that is assembled or fabricated by the University and that results in a piece of capital equipment. The fabricated unit consists of items or an assemblage of parts that are interconnected and interdependent so as to become a new functional unit for a special purpose. When fabrication is completed, the Principal Investigator will notify the GCA and AM offices in writing. At that time, appropriate accounting entries will be made, which will record the value of the equipment in the Asset Management system. AM will provide identification tags to be affixed to the equipment.

Process of Capital Equipment Purchases (See [Sponsored Project Procurement Policy and Procedure](#) for details):

1. PI obtains agency prior approval, if required for purchase, through ORA.
2. PI initiates purchase requisition after following screening and vendor selection processes outlined in above referenced policy/procedure. This includes completion of the Capital Asset section of the purchase requisition to identify the expected location, responsible custodian and funding contract number of the asset.
3. PI routes requisition to GCA for approval. This may be accomplished by mailing or delivering the completed and signed paper requisition or through the electronic requisition process, as appropriate under the Procurement Procedure.
4. GCA reviews for budget availability and allowability, requisition contents and attachments. If the requisition is not properly completed and actions are not documented, GCA will return the requisition to the PI. If the budget is not adequate to support the purchase or the item being requisitioned is not included in the equipment list approved by the agency, GCA will contact ORA and the PI for a budget revision and/or agency approval.
5. GCA approves requisition and forwards to Purchasing for further review and generation of purchase order. A copy of the requisition is provided to AM to prepare for recording.
6. Purchasing issues purchase order to vendor and provides copy to GCA.
7. Vendor supplies equipment to PI or off-site location, if so indicated on the order.
8. PI receives property, inspects it for condition and quantity and records identifying information such as serial number, if not included on the packing slip. PI retains copies of shipping documents.
9. PI approves vendor invoice. This approval not only authorizes use of government funds for the payment, but also serves as acknowledgement that the property was received and in good condition.
10. PI completes Accounts Payable (**AP**) Payment Request form, attaches invoice, copy of packing slip or other form documenting identifying information and forwards to GCA.
11. GCA reviews for appropriate completion, follows-up with PI, rejects or approves as applicable.
12. GCA forwards original payment request with vendor invoice to AP, copy to AM and retains copies as matched with Purchase Order/Requisition for project file.
13. AM enters the item(s) into the Asset Management system and ensures that SMU and Government Property tags are affixed to the item(s).

RECEIVING

The PI will receive GP, document such receipt, record information as defined below, identify the property as Government owned, and manage any discrepancies incident to shipment. If the receiving task is performed by someone other than the PI, the PI will ensure that the designee has the guidance and/or technical expertise to assess that the appropriate property has been received, its condition, document the items received and report discrepancies when needed.

The University will notify the Government or Prime when it receives GP and will provide to the Government or Prime necessary invoices, form DD-1149, or other documents on how the GP was acquired in accordance with the requirements of the Contract. The University will track all GP through its Asset Management System and provide inventory reports to the Government or Prime as described below.

If overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government Furnished Property, the University will provide a written statement to the Government or Prime containing all relevant facts, such as cause or condition and a recommended course(s) of action.

For University-acquired property, the University will take all actions necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon receipt from a vendor or supplier so as to ensure the proper allocability and allowability of associated costs, and will notify the Government or Prime when such actions impact costs or schedules.

RECORDS

The University will create and maintain records of all Government-Furnished and University-acquired property accountable to the Contract. Property records will enable a complete, current, auditable record of all transactions and will contain the following:

- (1) The name, part number and description, manufacturer, model number, serial number, and National Stock Number (if applicable).
- (2) Quantity received (or fabricated), issued, and balance-on-hand.
- (3) Unit acquisition cost.
- (4) Unique-item identifier (if available).
- (5) Unit of Measure.
- (6) Contract number.
- (7) Location.
- (8) Disposition.
- (9) Posting reference and date of transaction.
- (10) Date placed in service.

PHYSICAL INVENTORY

The University will perform a physical inventory, no less frequently than every two (2) years, of property for which it is accountable to the Government and will report such inventories to the Government or Prime. Inventories will be performed more frequently if required by the Agency/Contract. Inventories will be initiated by AM who will provide a current listing of property to the PI for which he/she is accountable. The PI will verify the existence, condition, location and continued need and return the certified listing to AM. AM will update the Asset Management System as appropriate based on any reported changes.

SUBCONTRACTOR CONTROL

If the University issues a subcontract under the Contract and provides to the subcontractor property for which the University is accountable to the Government, ORA will ensure that the requirements of this Government Property Management Plan flow down to the subcontractor, with all reporting to be made through SMU to the

Government or Prime. ORA will ensure its subcontracts are properly administered and reviews will be periodically performed to determine the adequacy of the subcontractor's property management system.

LOSS, DAMAGE, DESTRUCTION OR THEFT

The PI will contact the proper authorities, when necessary; initiate investigations and report all incidents of loss, damage, destruction, or theft (LDDT) of GP to the Government or Prime. Such reports will comply with the requirement of FAR 52.245-1 or other applicable requirements. Reports submitted in accordance with FAR 52.245-1 should include:

- (1) Date of incident (if known).
- (2) The name, commercial description, manufacturer, model number, serial number, and National Stock Number (if applicable).
- (3) Quantity.
- (4) Unique-item Identifier (if available).
- (5) Accountable Contract number.
- (6) A statement indicating current or future need.
- (7) Acquisition cost, or if applicable, estimated scrap proceeds, estimated repair or replacement costs.
- (8) All known interests in commingled property of which the Government property is a part.
- (9) Cause and corrective action taken or to be taken to prevent recurrence.
- (10) A statement that the Government will receive any reimbursement covering the loss, theft, damage or destruction in the event the Contractor was or will be reimbursed or compensated.
- (11) Copies of all supporting documentation.
- (12) Last known location.
- (13) A statement that the property did or did not contain sensitive or hazardous material, and if so, that the appropriate agencies were notified.

RELIEF OF STEWARDSHIP

Unless the Contract provides otherwise, the University will be relieved of stewardship responsibility for GP when such property is:

- (A) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the Contract, including reasonable inventory adjustments of material as determined by the Property Administrator;
- (B) Lost, damaged, destroyed or stolen and the Property Administrator has granted relief of responsibility for such loss, damage, destruction or theft;
- (C) Delivered or shipped from the University's facilities, under Government instructions, except when shipment is to a subcontractor or other location of the University; or
- (D) Disposed of as provided for in the Contract or as authorized by the Government. Disposition may involve transfer of GP to the Government or to another organization, transfer to another contract with SMU or donation to SMU. Documentation shall be retained to include authority, disposal action, date of disposal, and bills of lading or other shipment documents, when applicable.

UTILIZATION

The University will use, consume, move or store GP, either furnished or acquired under the contract, only as authorized by the contract. PIs will be responsible for ensuring that property is used in accordance with contractual authorization, when appropriate, according to the purpose for which it was designed, and in a safe manner. It is the responsibility of the PI to promptly notify ORA and AM when GP in his/her possession becomes excess to contract performance to allow for timely disclosure and reporting to the Government or Prime.

MAINTENANCE

The PI is responsible for the care, maintenance and utilization of government property in his/her possession or control from the time of receipt of the property until relieved of responsibility by the agency. The PI will ensure that the property is maintained and repaired by qualified technicians or return it to the manufacturer for repair as the situation may require. The PI is also responsible for ensuring that only qualified technical project personnel use the property and that the property is protected from any deteriorating elements. The PI shall establish a program of regular preventative maintenance and keep records reflecting the nature and cost of repairs and parts replaced. Such records will be analyzed when breakdowns occur to determine the cause and to ascertain the possibility of inadequate preventive or routine maintenance.

CLOSE-OUT

The University will promptly perform and report to the Government or Prime property closeout, consistent with contract terms and to include reporting, investigating and securing closure of all loss, theft, damage or destruction cases; physically inventorying all property upon termination or completion of the Contract; and disposing, in accordance with Government instructions, of items at the time they are determined to be excess to contractual needs.

GCA shall analyze each project that is in the close-out process to determine property assigned to such project for which the University is accountable and notify AM when GP is detected. A final property report shall be prepared by AM according to the Contract guidelines and submitted to the Government or Prime. Disposition of GP shall be requested or, if in the best interest of the University, title to the property shall be requested with the final property report. If the Government specifies transfer of property from a completed contract to another active contract, AM shall annotate the property and project records of such transfer. If the Government transfers title or abandons property to SMU, AM shall annotate property and project records accordingly.

AUDIT AND SELF-ASSESSMENT

The University shall establish and maintain procedures necessary to assess the property management system's effectiveness and shall perform periodic internal reviews and audits that are consistent with the requirements of FAR 52.245-1(f)(3) and/or other applicable requirements.

Periodic internal reviews include, but are not limited to, periodic physical inventory; the University's annual financial audit; the University's audit under OMB A-133 or as superseded by OMB Uniform Guidance Subpart F; as well as a physical inventory at the close-out of the contract. In addition, the University's Government Property Management System will be audited periodically by the Internal Audit Services.

Significant findings and/or results of such reviews and audits pertaining to Government property shall be made available to the Government or Prime.

ACCESS BY GOVERNMENT

The University will provide access to the Government or Prime, at reasonable times, to University facilities and all GP for the purposes of reviewing, inspecting and evaluating the University's property management plan, systems, procedures, records, and supporting documentation that pertains to GP. Records of GP shall be readily available to authorized Government and Prime personnel and shall be appropriately safeguarded.