

# NIH Policy Manual

## 26101-25-2-01 - Personal Property Management Guide (PPMG) - Order Phase

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### Transmittal Notice

**1. Explanation of Material Transmitted:** This policy manual is a new issuance as part of the updated NIH Personal Property Management Guide (PPMG). The PPMG is revised to mirror the Property Management Lifecycle consisting of five phases; order, receive, issue, manage and disposal. This chapter outlines the policies and procedures related to the Order phase of the NIH Property Management Lifecycle.

### 2. Filing Instructions:

**Insert:** Manual Issuance 26101-25-2-01, dated 11/14/2018

**PLEASE NOTE:** For information on:

- Content of this chapter, contact the issuing office listed above.
- NIH Policy Manual, contact the Division of Management Support, OMA on 301-496-4606, or enter this URL: <https://oma.od.nih.gov/DMS/Pages/Manual-Chapters.aspx>

### A. Purpose

This chapter provides broad policies and procedures for the Order phase of the NIH Property Management Lifecycle, and outlines the roles and responsibilities of NIH staff involved in acquisition and property management functions when procuring property items at the NIH.

Order is the practice of procuring property for use at the NIH. The Order Phase incorporates policies for property management considerations applied in conjunction to Federal, departmental, and NIH policies and regulations governing the acquisition of property.

The Office of Acquisition Management and Policy (OAMP) has oversight of NIH acquisition policies <http://oamp.od.nih.gov/> and the HHS acquisition policies are available at <http://www.hhs.gov/policies/hhsar/subpart301-1.html>.

## **B. Scope**

This policy manual is applicable to Government-owned personal property, accountable and non-accountable property.

1. Accountable property - property with an acquisition value of \$5,000 or more, or flagged as a sensitive item, that is recorded and tracked in the NIH Property System.
2. Non-accountable property - property that does not meet the criteria for accountable property and is not considered a sensitive item.

## **C. Background**

1. NIH personnel are responsible for accomplishing a variety of complex and challenging missions and tasks. Resources are provided to personnel to accomplish these responsibilities. Prudent management and careful stewardship of these resources are integral to accomplishing the NIH mission.
2. This manual and its application through the phases of the property lifecycle is an important part of the system used by NIH to control its resources and perform its mission. A high degree of teamwork and communication between the acquisition and property management staff are required to achieve positive control and accountability of NIH property resources.
3. NIH property users, acquisition and property management personnel must understand the process and requirements for acquiring property to ensure accurate procurement information related to property records are correctly transmitted through the NBS Property management system.

## **D. References**

1. [Title 41 Code of Federal Regulations \(CFR\), 101-25](#), Subchapter E, Supply and Procurement
2. [Federal Acquisition Regulation \(FAR\), Part 8](#), Required Sources of Supplies and Services
3. [HHS Logistics Management Manual](#)
4. [HHS Acquisition Regulation System \(HHSAR\), Part 301](#)
5. [HHS Purchase Card Program Guide, Version 6, July 2010](#)

6. [NIH Purchase Card Supplement, Version 6.1, October 2015](#)
7. [NIH Policy Manual 6307-3 - Special Clearance and Other Acquisition Procedures](#)
8. [NIH Delegation of Authority, Property: Personal No.3., Property Management Officer](#)

## **E. Roles and Responsibilities**

### **1. NIH Property Users**

NIH Property Users are responsible for the care and protection of Government property made available for the performance of their official duties, including research. The users are not the property owners, but have the responsibility for the care and protection of Government property assigned exclusively for their use. NIH property users may sometimes be the “requestor” for property purchases. The user/requestor and procurement personnel must work together to ensure the requirement to use mandatory sources of excess property is met prior to ordering new property items (refer to paragraph F.1., Checking Mandatory Sources for Excess Property).

### **2. Purchasing Agent**

The Purchasing Agent is a designated person authorized to purchase goods and services for the organization by gathering and screening information about products, prices, and suppliers.

### **3. Receiving Official**

The Receiving Official is a designated person responsible for acknowledging receipt of inbound goods and services. In a purchase card transaction, the Receiving Official may be the same person that ordered the item.

### **4. Approving Official**

The Approving Official is designated as the authorized person responsible for reviewing and approving purchases to acquire goods or services, ensuring the appropriate use of fiscal appropriations and timely payment is made for purchases.

### **5. Property Accountability Officer (PAO)**

The PAO, appointed by the Executive Officer as the delegated PMO, is responsible for the management, recording, accounting, and reporting of property within their assigned organization. PAOs work closely with the PCOs within their organizations to ensure the purchase of new property that meet the criteria for management and control are properly processed, a correct property record is established, and the property is appropriately decaled.

### **6. Property Custodial Officer (PCO)**

The PCO, appointed by the Executive Officer as the delegated PMO, is responsible for maintenance of personal property records for their assigned asset area. PCOs must remain aware of all changes to personal property occurring in their Custodial Accounts. They are also the property user's initial point of contact for policy, procedure, and information pertaining to a specific property item. PCOs maintain a working knowledge of property management policies and regulations and are able to assist property users, supervisors and managers in the management of NIH property.

## **7. Property Management Branch (PMB)**

PMB, Division of Logistics Services (DLS), Office of Logistics and Acquisition Operations (OLA), is responsible for developing property policies and overseeing the management of NIH personal property.

## **F. Policies and Procedures**

1. Checking Mandatory Sources for Excess Property
  - a. Each IC is required to establish a process for checking mandatory sources prior to procuring new property items. ICs must satisfy the FAR Part 8 - Required Sources of Supplies and Services requirements from the sources and publications listed below:
    - i. IC Inventories – Property that is under the control of the individual IC. When practicable, ICs must use excess personal property as the first source of supply. NIH personnel must make positive efforts to satisfy the requirements by obtaining and using excess personal property (including that suitable for adaptation or substitution) before initiating a new purchase. ICs are required to establish a mechanism to identify excess property within its control available for reutilization. The mechanism should be made available to the acquisition staff, and if practicable, to all users within the IC.
    - ii. NIH Excess Inventories – Property turned-in by ICs to the Property Reutilization and Disposal Section (PRDS) as excess property, stored at the GDC and is available for reutilization. A query through nVision for custodial code “GDC” can be run to view the current inventory of excess property at GDC, or contact PRDS at 301-496-4247 for more information.
    - iii. GSA Surplus – Property reported to General Services Administration (GSA) as surplus. For more information on GSA <http://gsaccess.gov/> or contact PRDS at the GDC, 301-496-4247.
    - iv. Federal Prison Industries, Inc. (FPI) (also known as UNICOR) – ICs are encouraged to purchase Federal Prison Industries, Inc. supplies and services to the maximum extent practicable. <http://www.unicor.gov/>.
    - v. Procurement List – The Committee for Purchase From People Who Are Blind or Severely Disabled maintains a Procurement List of all supplies

and services required to be purchased from AbilityOne participating nonprofit agencies. The Procurement List may be accessed at: <http://www.abilityone.gov/index.html>.

- vi. Wholesale Supply Sources – This includes stock programs of the GSA (41 CFR 101-26.3), the Defense Logistics Agency (41 CFR 101-26.6), the Department of Veterans Affairs (41 CFR 101-26.704), and military inventory control points. <http://www.gsa.gov/portal/category/21342>.
  - vii. Mandatory and Optional Federal Supply Schedules (also referred to as the GSA Schedules Program or the Multiple Award Schedule Program) – The Federal Supply Schedule program is directed and managed by GSA and provides Federal agencies with a simplified process for obtaining commercial supplies and services at prices associated with volume buying. [www.gsaadvantage.gov](http://www.gsaadvantage.gov) or <http://www.gsaelibrary.gsa.gov>.
  - viii. Commercial Sources (including educational and nonprofit institutions) – This is the last source for supplies that cannot be obtained through the mandatory sources listed. For additional information on required sources, visit the NIH Office of Acquisition and Management Policy website at: <https://oamp.od.nih.gov/>.
- b. The property user/requestor and Purchasing Agent must jointly certify that available excess inventories were checked prior to ordering property for purchase. The Purchasing Agent must comply with use of mandatory sources for the purchase of property items.
  - c. When practicable, purchase cardholders shall use excess personal property as the first source of supply in fulfilling requirements. Accordingly, cardholders shall ensure that all personnel make positive efforts to satisfy this requirement by obtaining and using excess personal property (including that suitable for adaptation or substitution) before initiating a purchase or contracting action.
  - d. Prior to purchasing property, the PAO/PCO or Purchasing Agents can visit the NIH Property Reutilization and Disposal Section to obtain clearance. To determine availability of excess property, the PAO/PCO or Purchasing Agent can contact PRDS at 301-496-4247 with a complete description (preferably a visual example with specifications of the item) to check excess items stocked at the GDC.
  - e. The procedures for requesting excess property from the PRDS at GDC or the Surplus Yard on the NIH campus are different depending on whether the property is accountable or non-accountable.
    - i. To screen accountable excess property for redeployment from the GDC, NIH employees must bring the following:
      - 1. NIH Employee ID – only NIH Government employees are authorized to screen and request excess property for reutilization. Contract personnel are not eligible to screen or remove Government property from the GDC.
      - 2. IC Property Custodial Code (CC) - This is a five-digit account number obtained from the PCO for the organization location for the

property.

3. Common Account Number (CAN) - for the cost of transporting redeployed property if the user is not able to transport the property.
  4. PCO Name and Phone Number - provide the PCO name and phone number who manages the IC Property CC. It is imperative that users pre-arrange excess property screening with their PCO before going to the GDC. If the employee fails to contact the PCO at the time of pick up, the property will be held for one business day before it is put back into excess inventory. The PCO must accept the transfer of property selected for redeployment from the GDC.
- ii. The Reutilization and Surplus Yard on the main NIH campus has used furniture (e.g., chairs, file cabinets, credenzas, etc.) and used large lab equipment (e.g., refrigerators, hoods). This property is available for reutilization by NIH ICs on a first come, first serve basis. To screen excess non-accountable property for redeployment from the Reutilization and Surplus Yard:
1. Property is available for screening Monday through Friday at the Surplus Yard. All screening must be done in person. The Surplus Yard does not accept phone orders.
  2. Property removed from the Surplus Yard must be for official use only. Only NIH Government employees can screen for property. NIH employees should pre-arrange screening for non-accountable property with their respective PCO to coordinate the removal and transfer of property from the Surplus Yard.
  3. NIH employees must bring an NIH Employee ID, PCO name and phone number, and custodial code. The screener should tag selected property items and complete NIH Form 1514, Property Utilization Record of Non-Accountable Property Issued for furniture or Standard Form (SF) 122, Transfer Order Excess Property for all other non-accountable property.
  4. The screener/user must arrange for transportation to remove the property from the Surplus Yard. Transportation for moving the property is at the IC's expense.

## 2. Purchasing Controls for Property Assets

- a. ICs are responsible for establishing adequate internal controls to ensure property accountability. ICs are strongly encouraged to: 1) centralize ordering and receiving of IT equipment/property, 2) consider full-time PCOs to perform property management functions, or 3) assign property specific Purchasing Agents or designated purchase cardholders strictly for property purchases, to strengthen purchasing controls of property.
- b. IT equipment must be decaled immediately upon receipt to ensure prompt and proper tracking in NBS, and be processed through the IC's IT department prior to issue to the user. To avoid discrepancies in tracking property, users should not receive IT equipment directly.

- c. IC Acquisition and Property personnel should carefully review requests for new phones or other IT equipment that may be subject to service plan renewal discounts that result in a zero or near zero cost. The actual retail value of the device must be listed in the property record for financial or liability purposes.
- d. The Purchasing Agent must select the appropriate Object Class Code (OCC) when creating the purchase requisition to ensure that property is recorded and tracked correctly in NBS. OCC 31 must be selected for property items. A complete list of OCC is available at <https://nvision.nih.gov/scripts/objclass/occ.cfm>.
- e. In the case of a cooperative, joint purchase of property or a capital asset (e.g., an MRI) by multiple ICs, the ICs must determine the appropriate requisitioner and responsible custodian for the property. The custodian IC is responsible for maintenance and inventory of the capital asset. More information on joint purchases is available at <https://nbrssprod.cit.nih.gov:8050/NBSJobAids/Acquisition.aspx> or contact your servicing Acquisition Office.

## G. Records Retention and Disposal

All records pertaining to this chapter must be retained and disposed of under the authority of NIH Manual 1743, "Keeping and Destroying Records," Appendix 1, "NIH Records Control Schedules" (as amended). These records must be maintained in accordance with current NIH Records Management and Federal guidelines. Contact your [IC Records Liaison](#) or the NIH Records Officer for additional information.

## H. Internal Controls

1. **Office Responsible for Reviewing Internal Controls Relative to this Chapter:** Property Management Branch (PMB), Division of Logistics Services (DLS), Office of Logistics and Acquisitions Operations (OLAO).
2. **Frequency of Review (In years):** A physical inventory of accountable assets is conducted for each IC on an annual basis. On-going reviews of ICs are conducted on a rotating basis, at least annually.
3. **Method of Review:** Annual physical inventories and special inventories coupled with reviews of property records, systems, selected transactions and practices are used to determine procedural compliance with the requirements of this manual.
4. **Type of Review:** The Staff Assistance Visit (SAV) Program is established as a formal review session between PMB Inventory Management Specialists and the IC PAOs to enhance communication and assess the efficiency and effectiveness of property management policies and procedures throughout NIH. The SAV is scheduled annually; however reviews may vary in frequency and scope, or may be directed at specific circumstances or problem areas. Regulatory infractions or deficiencies identified require IC response of corrective actions taken. ICs must also conduct Report of Survey investigations and Board of Survey reviews to resolve

incidents of loss, damage or destruction of Government property.

5. **Review Reports are sent to:** Deputy Director for Management (DDM); Director, Office of Acquisition and Logistics Management (OALM); and the appropriate IC Executive Officer.