

# NIH Policy Manual

## 26101-25-2-02 - Personal Property Management Guide (PPMG) - Receive and Issue Phases

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### Transmittal Notice

**1. Explanation of Material Transmitted:** This policy manual supersedes the previous issuance of NIH Manual 26101-25-2-02, Personal Property Management Guide: Authorities and Responsibilities in Personal Property Management. The PPMG is revised to mirror the Property Management Lifecycle consisting of five phases; Order, Receive, Issue, Manage and Disposal. This chapter provides the policies and procedures related to the Receive and Issue phases of the NIH Property Management Lifecycle.

### 2. Filing Instructions:

**Remove:** Manual Issuance 26101-25-2-02 dated 2/6/01

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**PLEASE NOTE:** For information on:

- Content of this chapter, contact the issuing office listed above.
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### A. Purpose

This chapter provides the policies and procedures related to the Receive and Issue phases of the NIH Property Management Lifecycle. This chapter provides guidelines for receiving, inspecting, accepting/issuing, and identifying Government personal property in the NIH Business System (NBS). The chapter outlines the roles and responsibilities for proper receiving and issuing of accountable property at NIH.

1. In the Receive phase, information passes from the procurement system(s) to the NBS Property system for property that meets the requirements for control and record keeping. The receiving process creates the initial property management record.
2. In the Issue phase, accountable assets are bridged from the procurement process to the start of the property management process. IC procurement and property management personnel must communicate effectively to ensure all procured accountable assets are decayed and completely recorded into the NBS Property system prior to the asset being assigned to the responsible end user.

## **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. The Receive and Issue phases of the Property Management Lifecycle are integral steps for the accurate accounting and management of personal property; the point at which the responsibility of property accountability transfers from acquisition to property management. The acquisition process ends at the conclusion of the Receive phase and property management process begins at the Issue phase.
2. When property meets the requirements for control and record keeping, the information from the receiving process is passed from the procurement system to the property and financial management systems in NBS. This information creates the initial property and financial management record of the property.
3. This policy manual is applicable to the following individuals charged with the responsibility of receiving Government property:
  - a. Procurement officials who order Government property, regardless of the purchase method.
  - b. Property Accountability Officers (PAO) who are responsible for the review of IC property activities.
  - c. Property Custodial Officers (PCO) responsible for recording property transactions.
  - d. Purchase card holders who order property are required to perform the receiving activity upon receipt and acceptance of the item, not at the time of reconciliation.
4. Federal regulations require agencies to establish procedures for the use, preparation, and maintenance of receiving documentation. Each IC performs the receiving functions and maintains property records. Procurement and property personnel record property

information into NBS and must maintain sufficient documentation to confirm the receipt, report and resolve discrepancies, and establish accurate property records for accountable property.

## **D. References**

1. [Federal Acquisition Regulations \(FAR\) Subpart 46.6](#), “Material Inspection and Receiving Reports”
2. [FAR Subpart 32.9](#), “Prompt Payment”
3. [Joint Financial Management Improvement Plan \(JFMIP\) SR-00-4](#), “Property Management System Requirements”
4. [5 CFR 1315.9](#) “Prompt Payment– Required Documentation”
5. [HHS Acquisition Regulations \(48 CFR 342\)](#), “Contract Administration”

## **E. Roles and Responsibilities**

### **Receiving Official**

The designated Receiving Official is accountable for all received property until relieved of that responsibility through a documented transfer of the property to an accountable user. A designated Receiving Official should be established for every deliverable end item procured.

- a. Purchase card transactions - if a Receiving Official is not specified, the individual to whom the property is to be "Shipped To" is the default Receiving Official. The Orderer and the Receiving Official may be the same person.
- b. Purchase order transactions - the Approving Official and Ordering Official cannot be the Receiving Official. If a Receiving Official is not specified, the individual who is designated the “Ship To” is the default Receiving Official.
- c. Transfer transactions - for accountable property from the Receiving Official to the accountable user must be completed in NBS.

### **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. The PAO must ensure compliance to property policies and procedures to maintain the accurate accounting of Government property and the viability of the property accounting system within their organization.

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

The PCO, appointed by the Executive Officer as the delegated PMO, is responsible for ensuring accurate maintenance of personal property records. PCOs must be aware of all changes to personal property assigned to their Custodial Code, specifically new property that meets the criteria for control and accounting. The PCO is the primary point of contact for all property related activities for their custodial area.

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

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

## **F. Policies and Procedures**

### **1. Receiving Property**

Acquired property must be properly received for proper tracking in NBS when it meets accounting and control criteria for accountable property. ICs are responsible for tracking and accounting for all accountable Government property during inventory; it is important to properly track the receipt of property when it is purchased and delivered to NIH. The designated Receiving Official is accountable for all property received until relieved of that responsibility through a documented transfer of the property to another accountable user. The assigned Receiving Official may vary depending on the IC and the type of property that is being received. The Receiving Official:

- a. Arranges for internal material handling equipment or needed transportation services for receiving and issuing property.
- b. Receives the package(s) from the delivery agent and must clearly sign for the shipment and annotate any discrepancies in quantity or quality on the delivery agent's documentation.
- c. Removes the property from its packaging; prepares for inspection and accepts property by completing the receiving procedures.

1. The Procurement Activity must cite any extended acceptance terms in the acquisition document. If an acquisition document explicitly includes requirements after delivery, including but not limited to installation of the item(s) or operational testing, the vendor must fulfill these requirements before the Government's inspection and acceptance can occur. Extended acceptance periods should not be a routine practice, but should be included in the order only when necessary to permit installation and proper Government inspection and testing of the items delivered or services rendered. Once the vendor has fulfilled the requirements of the order, the Receiving Official has seven calendar days to perform inspection and acceptance.
2. The process of receiving property may require additional considerations if the item requires tracking in the NBS Property system but is not on the decal worksheet. These items are entered by the PAO or PCO as a "manual addition." This is considered an Initial Event transaction used to add an asset into the Property system inventory when receiving property found on station, for reutilization, produced through fabrication, received from another federal agency, through lease or rental, or the receipt of a gift.

- a. Found on Station (A10) – It is assumed that all property found within NIH facilities is NIH-owned property unless that property is clearly identified as belonging to another individual or entity. Property belonging to an individual or another entity must be identified as such. In the event that property is found on station, PCOs will take immediate action to establish control and to record all found property that meets the criteria for Government property accountability.
- b. Fabrication (A25) – NIH employees must notify the PCO upon completion of any fabricated item and provide a full description of the item, including component parts, its function, and the full cost of the item, including any supporting documentation available. The PCO uses the information to obtain an appropriate property classification for the item, creates a property record in the NBS Property system to catalog the item, and manually adds the asset into the inventory.
- c. Receipt from Other Federal Agency (A50) – When Government property from another Federal agency is needed and identified, coordinate with the party responsible for that property to begin the process to obtain the property, and contact the Property Reutilization and Disposal Section to complete the necessary paperwork required to receive the accountable item.
- d. Receipt for Lease or Rental (not tracked in NBS) – When receiving leased or rented property, the Receiving Official must maintain the records for the leased/rented item. The Receiving Official shall provide lease/rent information of the property to the PCO. The PCO shall maintain a property record, similar to the record for accountable property, for each item or group of identical items leased by the IC for which they are the accountable official. Leased or rented equipment records are the responsibility of ICs to manage, and are not tracked in NBS. The leased/rented property must be clearly identified as leased or rented property for inventory purposes. Property that is being leased to ownership with a value of \$5,000 or more shall be reported to the PAO and the Finance Office. Information that must be maintained for lease or rented property includes: condition of the property when received; reference to the lease, contract, or agreement including lease rates; the length of the lease agreement; whether the item is leased under conditions that will lead to ownership; and the date when the ownership option should be decided.
- e. Receipt of Gift/Donation (A30, A35) – Under Federal law, funds received by or for the United States or its agencies, including gifts, must be deposited in and administered through Government accounts and may not be deposited with or otherwise administered by other persons or organizations. An outside organization, such as a foundation whose mission is solely or in part to support NIH

activities, may not serve as a financial intermediary for a third party in the donation of funds, equipment, supplies, or other resources to be used in support of NIH activities or employees in the performance of their official duties, such as intramural research, unless authorized by law. Currently, the only acceptable financial intermediary for third party donation of funds is the Foundation for NIH which operates under explicit statutory authority to solicit, accept, invest, and manage third party donations to support NIH in its mission. Other than for NIH Foundation-administered gifts, NIH policy is that the statutory gift acceptance authorities provide an adequate basis for accepting all donations, if otherwise proper, directly from the donors, while allowing NIH managers to control the administration of these gift resources. In the use of gift acceptance authority, employees and managers must determine whether the acceptance of the gift would compromise or appear to compromise the integrity of NIH or any of its employees. Authority to accept gifts is set forth in Delegation of Authority, Finance No.5, Accept Gifts Under Section 231 of the PHS Act, unless exceptions or waivers have been otherwise granted under a specific separate statutory authority. More about receiving gifts and gifts in general can be found in NIH Manual Chapter 1135, [Gifts Administration](#).

## **2. Performing Inspection and Acceptance**

The inspection of deliveries is necessary to ensure the order is free of damage or breakage of property and to ensure the delivery of the product reflects the order placed.

- a. The Receiving Official must examine the delivered item(s) and arrange for necessary testing in order to determine if NIH has received the items ordered. Inspection includes, but is not limited to:
  1. Ascertaining what was ordered is what is delivered
  2. Verifying quantity
  3. Inspecting for damage or breakage
  4. Checking for operability
- b. If the item received does not meet the criteria above, the Receiving Official must contact the vendor to address issues identified during inspection.
- c. Once the property has been thoroughly inspected and the property meets the criteria defined above, the Receiving Official must accept the property. The Receiving Official will process receiving in accordance with the specifications of the acquisition document.
- d. The act of acceptance by the Receiving Official, as an authorized representative of the Government, assumes ownership of identified property and approves specific services rendered as partial or complete performance of the contract with

the vendor. Acceptance constitutes acknowledgment that the property conforms to applicable property quality and quantity requirements. Acceptance may take place at the time of delivery or after delivery depending on the provisions of the terms and conditions of the order. Property shall ordinarily not be accepted before completion of Government contract quality assurance actions or inspections. Acceptance shall ordinarily be evidenced by execution of an acceptance certificate on an inspection or receiving report form, or commercial shipping document/packing list.

- e. There may be instances when a received and inspected item requires installation or testing prior to actual acceptance, known as extended acceptance. For an extended acceptance, the PCO must check the “pending item” box in the NBS property record and annotate in the comments field of the decal worksheet the date final acceptance is expected and any additional information pertinent to the extended acceptance. The date of installation or the end of the operational testing period is considered the receiving date for record purposes.

### **3. Documenting Receipt of Property**

Receiving documentation shall comply with the FAR, HHS Logistics Management Manual and 5 CFR 1315, Prompt Payment, and applicable NIH acquisition policies. These documents may consist of hard copies, electronic copies, or a combination of both, as long as a cross reference can be made between the different documents.

- a. The Receiving Official will prepare documentation for each item of accountable property after inspection and acceptance.
- b. The Receiving Official will identify individual system components when those systems consist of components that are capable (regardless of intended use) of independent operation, and would otherwise be considered accountable.
- c. The Receiving Official prepares a receiving report for each of the accountable items, whenever a single line item of procurement consists of more than one item of accountable property (multiple quantities), noting the procurement line that they were derived from.
- d. The Receiving Official accepts the received property. It is imperative for the Receiving Official to proceed cautiously and accept the property only after it satisfies all of the requirements of the acquisition document. The acceptance ensures payment to the vendor.
- e. Multiple Deliveries (Partials) – Receiving Officials should not wait for receipt of an entire order before establishing property records. When a Receiving Official receives an item of property that meets the qualifications for property record keeping, they will complete the documentation and notifications required, unless the items are not functional without complete receipt, and they will not authorize payment until receipt is complete.
- f. For partial receiving, the PCO checks the pending items box in NBS and notes the expected complete delivery in the comment field on the Decal Worksheet.
- g. The Receiving Official must provide copies of all receiving documentation for deliverable property to the appropriate PCO within one work week of finalizing

the receipt.

- h. The PCO must be notified when there is a discrepancy between the vendor invoice and the NBS entry which causes the Receiving Official to back out receiving.

#### **4. Identifying Accountable Property**

Regulations and established property policies require that all NIH property meeting accountability criteria be individually identified and tagged with a NIH barcode decal. The decal identifies the item as Government property, owned by NIH and is printed with a unique barcode and number to serve as both a physical identification of NIH property and the unique control number of the NBS property record.

- a. The PCO reviews the incoming property queue associated with their custodial account, reviews all documentation and information provided to assure accuracy, identifies the items received, and ensures the property record in NBS includes:
  - 1. Decal number
  - 2. Serial number, Manufacturer, Model number
  - 3. Accountable user (either the Receiving Official or the property user based on documentation provided by the Receiving Official)
  - 4. Property location, including site, building, and room (accepted official codes for sites and buildings can be obtained from the relevant property system reports)
  - 5. Name of the supervisor that is accountable for the property
  - 6. For Manual Additions, include; cost, initial event, and custodial code
- b. Property that meets the criteria for control and accounting shall be decal and recorded in the NBS property management system regardless of the method of acquisition (e.g., from fabrication or gift). The PCO must affix a barcode decal to all newly received accountable property. Black printed barcode decals indicate NIH-owned property.
- c. PCOs must ensure any and all leased, rented, or personally owned property is clearly identified with the name of the individual or entity that owns it.
- d. The PCO must ensure the barcode decal is affixed and the information is entered into NBS within five working days of receipt of equipment. The barcode decal shall be affixed on the front of the accountable property so that it is visible to be scanned for inventory. Often property cannot be moved because of its size or because it is in use, therefore placement of decals on the front of accountable items is essential. The decal shall be readily visible; not placed on the back or sides of the property where it cannot be seen without moving the item.
- e. Location of the decal on the property is important. As practicable, the decal shall be affixed on the upper right side of the property or beside the manufacturer's name on the front (e.g., by the "Laserjet" name on the front of a printer). The decal shall be affixed to a clean, dry, smooth surface of the equipment. The area to be decal can be cleaned with alcohol.



- f. Do not attach decals to the doors, panels, or other removable parts of the property. The decal shall be attached on a permanent part of the item, in a location which will not affect the operation of the equipment and is easily visible without disturbing the equipment.
- g. For property items that must be decalated, but the item is too small or the decal would be destroyed in normal operation (e.g., items with special cleaning requirements or must be autoclaved or sterilized), the PCO may annotate in NBS that the decal is not located on the item and the item(s) will require individual serial number checks at the time of inventory. The PCO must maintain a readily accessible physical file of the property which cannot be affixed with a barcode decal containing the following information for inventory purposes:
  - 1. Manufacturer name, model and serial number of the item
  - 2. Original assigned barcode decal for the property
  - 3. Copy of the decal worksheet
- h. Barcode decals may not be moved, defaced, obliterated, changed or removed once the decal is affixed to the property. The decal must remain on the property throughout the property's lifecycle until disposal. If the decal is damaged or defaced and requires replacement, the PCO shall notify the PAO to request a new decal.
  - 1. Requests for replacement decals must be submitted to and approved by PMB with full documentation. The documentation for the replacement decal must match the new property decal with the previous record (e.g., manufacturer and serial number must match).
  - 2. ICs cannot and must not recreate property barcode decals for any reason. Decals are specialized in number sequence and are deemed sensitive. Replacement decals can only be acquired from PMB.
  - 3. PCO shall make the appropriate adjustments to update the NBS property record.

## **5. Assigning Accountable Property Holders**

- a. Accountable users of assigned property are recorded and maintained in the NBS Property system. PCOs are responsible for maintaining up-to-date information of the accountable users in the property record, to include initial data entry when the item is issued to the user and updated when the item is re-assigned or the user separates from NIH.
- b. Contract personnel who possess and maintain NIH property are subject to NIH policies and the Government furnished equipment provisions of their respective contracts. The contractor may be liable for the loss, damage or destruction of Government property and its replacement of fair market value at time of loss, resulting from the failure to exercise reasonable care as would a prudent owner of similar property.

- c. Property users do not own the property that NIH provides them. Property provided by NIH does not necessarily accompany individuals who transfer between NIH organizations. Property does not move with an employee whose research projects or programs move to other Government agencies or to non-Government activities.
- d. In cases where the property is used by another person other than the accountable user, NBS should be updated to reflect information about the responsible user, who can be other NIH staff, contract or temporary personnel, fellows, volunteers, or visiting scientists. Responsible users shall adhere to all property management policies in maintaining care and control of the property assigned for their use, under the supervision of the accountable user.

## **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.