

# NIH Policy Manual

## 26101-25-2-03 - Personal Property Management Guide (PPMG) - Manage Phase

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### Transmittal Notice

**1. Explanation of Material Transmitted:** This policy manual rescinds previous issuance of NIH Manual 26101-25-2-03, Personal Property Management Guide: Receiving Personal Property; NIH Manual 26101-25-2-09, Personal Property Management Guide: Movement of Personal Property; and NIH Manual 26101-25-2-16, Personal Property Management Guide: Resolution of Loss, Damage, and/or Destruction of Government Property. 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 Manage phase of the NIH Property Management Lifecycle.

### 2. Filing Instructions:

**Remove:** Manual Issuance 26101-25-2-03, dated 6/1/03  
Manual Issuance 26101-25-2-09, dated 10/16/00  
Manual Issuance 26101-25-2-16, dated 5/31/00

**Insert:** Manual Issuance 26101-25-2-03 dated 11/14/18

**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

1. This policy provides the procedures related to the Manage phase of the NIH Property Management Lifecycle. Manage is the practice of maintaining an accurate inventory of

NIH accountable property, including its current location and accountable user. The Manage phase of the Property Management Lifecycle includes the following processes:

- a. Determine accountable property holders
  - b. Record and catalog new property in the NIH Property System
  - c. Replace barcode decals (Retag)
  - d. Property passes and personal custody receipts
  - e. Return/transfer of property from separating NIH employees
  - f. Movement of property between ICs and other NIH offices
  - g. Domestic and foreign loans
  - h. Trade-ins and Exchanges
  - i. Removal of property for repair and maintenance
  - j. Storage of property
  - k. Inventory of property
  - l. Report of Survey (ROS) and Board of Survey (BOS) for loss, damage, and destruction of Government property
2. The roles and responsibilities are outlined in this chapter for NIH staff involved in property management and the processes for controlling, recording and accounting for Government property. The NIH Business System (NBS) is a financial system, which interfaces with the NIH Property Management Module used for personal property inventory management and control, to provide reasonable assurances that funds, property, and other assets are protected against waste, loss, unauthorized use, or misappropriation. The NBS Property Management Module maintains the authoritative record of accountable property at NIH.

## **B. Overview**

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. Staffs of NIH ICs and other NIH offices are responsible for accomplishing a wide range of mission-related tasks using NIH property. NIH personnel are provided property and equipment resources to accomplish these tasks, and are responsible for the prudent management and careful stewardship of resources.
2. Management of property is an important part of the system used by NIH to control its resources. To carry out its responsibilities, NIH must effectively and efficiently manage Government property with a high degree of communication between the users and property management personnel. The management of property ensures the accurate

and efficient tracking, movement, and utilization of Government property.

## **D. References**

1. [The Federal Property and Administrative Services Act of 1949 \(FPAS\), as amended: 40 U.S.C. 524 \(a\) Duties of Executive Agencies](#)
2. [31 U.S.C. 3511\(a\), Prescribing Accounting Requirements and Developing Accounting Systems](#)
3. [The Chief Financial Officers Act \(CFO\) of 1990 \(Pub. L. 101-576\), 31 U.S.C. 902](#)
4. [HHS Logistics Management Manual \(LMM\)](#)
5. [Department of Health and Human Services Logistics Management Manual, Appendix A, Report of Survey and Appendix B, Sensitive Equipment Policy](#)
6. [NIH Policy Manual, 2300-940 – Clearance of Personnel for Separation or Transfer](#)
7. [Guide for Identifying and Handling Sensitive Information at the NIH](#)

## **E. Roles and Responsibilities**

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

NIH Property users are responsible for the care and protection of Government property as an obligation inherent to all personnel employed at NIH. Property management responsibilities are applicable to all Government personnel, temporary and contract personnel, personnel in fellowship positions, volunteers, and visiting scientists, when Government property is made available to them for the discharge of their official duties, including research. Property users are not the owners, but the temporary users and caretakers of Government property.

- a. A property user is considered any person who has direct use of the property or is assigned as an Accountable User of the property. An Accountable User is identified in the property record as the person responsible for the control and management of accountable property assigned. The property record may further identify the responsible user to whom the property is exclusively issued to for use.
- b. Property users must coordinate with the Property Custodial Officer (PCO) to complete the appropriate property forms and provide proper supporting documentation required prior to the movement or removal of property from NIH.
- c. Property users must report to their PCO any change to the status or condition of property in their possession. The property user is responsible for that property until the property is returned and documented or is properly transferred to another user.
- d. Property users are responsible to decontaminate, empty, clean, and make safe all property used or controlled by the person prior to transfer, movement, or disposal. The last known property user is responsible for correcting any problems caused by improperly decontaminated or sanitized property, even if custody was transferred to another individual or organization.

e. Property users who detect or suspect loss, damage, or destruction of Government property shall immediately report the situation to the designated authorities (e.g., supervisor, PCO, PAO, or the police). Lost or stolen NIH equipment containing personally identifiable or sensitive information must be reported by the user as a security/privacy incident within one hour of discovery. To ensure an incident report is created in the NIH Incident Response Team (IRT) Portal, the user should immediately contact their IT Service Desk and/or IC Information Systems Security Officer (ISSO). The user should also alert their Supervisor, Administrative Officer and Property Custodian. Additionally, the accountable user must prepare the HHS Form 342, Report of Survey to report the loss, theft or damage of the government property.

## **2. Supervisors and Managers**

IC Supervisors and Managers are responsible for the appropriate use, maintenance and management of Government property within their areas of responsibility.'

## **3. NIH Employees**

NIH Employees is a term used to include federal employees, contractors and others. NIH employees are responsible for the proper safeguarding and accountability of government property in their possession.

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

The PCO is responsible for maintenance of personal property records within 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. They 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. PCOs are recommended by their supervisor and appointed by the Executive Officer.

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

The PAO is responsible for the management, recording, accounting, and reporting of property within their assigned organization. The PAO is appointed by the Executive Officer to maintain the viability of the property accounting system within their organization, and works closely with the appointed PCOs. PAO responsibilities may not be further delegated.

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

PMB, a branch of the 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 across all ICs and other NIH

offices.

## **7. Property Management Officer (PMO)**

The individual responsible for directing an effective personal property system, including; property accountability, inventory, utilization and reutilization, declaration of excess property and disposal for the organization. The NIH PMO is delegated to the Chief, Property Management Branch, Division of Logistics Services. PMO responsibilities are further delegated to the OD Executive Officer and the IC Executive Officers of their respective organizations. (Delegation of Authority No. 03, Property Management Officer)

## **8. Board of Survey (BOS)**

The BOS is a panel of three to five members appointed by the Appointing Official (delegated to the Executive Officer) to review the Report of Survey Officer's investigation findings and recommendations of the proximate cause of loss, damage, or destruction (LDD) to Government property, to ascertain financial liability if proximate cause was due to negligence or willful misconduct, and to assure due diligence of the survey process.

## **9. Personal Property Management Council**

The Personal Property Management Council (PPMC) is established as a forum for effective communication to facilitate change and improvements by involving representatives of the NIH property community. PAOs and PCOs, or designate alternates, comprise the membership of the PPMC which serves in an advisory capacity on all aspects of personal property accountability, utilization, policies and procedures. The PPMC meets quarterly chaired by the Chief, Property Management Branch (delegated NIH PMO) or a designated alternate.

# **F. Policies and Procedures**

## **1. Access to NBS Property System**

PAOs and PCOs require access to the NBS Property system to complete many of the property management tasks. To obtain access to the NIH Property system:

- a. PAO/PCO must be appointed in writing for their respective property roles.
- b. PAO/PCO must complete the prerequisite NIH training course "Introduction to NIH Personal Property Management (NBS)" (<http://trainingcenter.nih.gov/>) and has met the CIT computer based training course, "Computer Security and Awareness" (<http://irtsectraining.nih.gov/>).
- c. PAO/PCO completes the NBS User Account Request Form [https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/UserAccessForm/Property/ICPCO-ICPAO%20USER%20ACCESS%20REQUEST\\_Dec2010\\_v2.doc](https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/UserAccessForm/Property/ICPCO-ICPAO%20USER%20ACCESS%20REQUEST_Dec2010_v2.doc) and the respective IC Authorized Requestor (IC Executive Officer for a PAO; IC PAO

- for a PCO) certifies the user's training and appointment criteria by submitting the completed User Account Request Form to PMB at [nbsuafpmb@mail.nih.gov](mailto:nbsuafpmb@mail.nih.gov).
- d. PMB reviews and approves the form and forwards the request to the NBS Management Team for processing.

## **2. Adding and Deleting NIH Facilities (Locations)**

When an IC moves any of their departments to a different location, the NBS property records must be updated to modify the location of assets. The NBS Personal Property: Location Request Form is used to add a new facility/location, modify or remove a location.

[https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS\\_Property\\_Location\\_Request\\_Form\\_26AUG2011\\_PH\\_v5.docx](https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS_Property_Location_Request_Form_26AUG2011_PH_v5.docx)

- a. The PAO completes the form to update the property records. The completed form is emailed to PMB at [nbsuafpmb@mail.nih.gov](mailto:nbsuafpmb@mail.nih.gov) and the respective Property Liaison is courtesy copied on the email.
- b. PMB reviews and approves the form and forwards the request to NBS Management Team for processing.
- c. PAOs are responsible for updating each property record with the new location for all assets moved from the old location.

## **3. Requesting Custodial Codes**

The NBS Personal Property: Custodial Code Request Form is used to request new custodial codes and to modify or deactivate old or unused custodial codes in NBS.

[https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS\\_Property\\_Custodial\\_Request\\_26AUG2011\\_PH\\_v7.doc](https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS_Property_Custodial_Request_26AUG2011_PH_v7.doc)

- a. The PAO completes the NBS Personal Property: Custodial Code Request Form and submits the form to PMB at [nbsuafpmb@mail.nih.gov](mailto:nbsuafpmb@mail.nih.gov), to include a courtesy copy to their respective Property Liaison.
- b. PMB reviews the form and forwards the request to NBS Management Team for processing.

## **4. Cataloging Property**

PMB maintains a property catalog listing within the NBS Property system in order to standardize the description of property assets throughout NIH. The property catalog provides a list of items classified by manufacturer and model that are currently or were formerly managed as accountable property. All personal property should be classified according to the item's manufacturer, model, Federal Supply Classification Code (FSC), Object Class Code (OCC), life expectancy, and sensitivity flag as applicable. This information is submitted on the NBS Personal Property: Catalog Add/Change Request Form,

[https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS\\_Property\\_Catalog\\_Add\\_Change\\_Request\\_Form\\_26Aug2011\\_PH\\_v2.docx](https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS_Property_Catalog_Add_Change_Request_Form_26Aug2011_PH_v2.docx).

- a. The PAO or designated PCO is responsible for completing and submitting the catalog request to PMB at [nbsuafpmb@mail.nih.gov](mailto:nbsuafpmb@mail.nih.gov) and the respective Property Liaison is courtesy copied on the email.
- b. PMB reviews the Catalog Request Form and classifies the property information in the NBS property catalog.

## 5. Barcode Decal Retag

Over the course of a property's life, the affixed barcode decal may become unreadable, damaged, or defaced requiring the barcode decal to be replaced. The replacement of a barcode decal is referred to as a barcode decal retag. If property requires a retag, the PAO/PCO may request a replacement decal from PMB by submitting the NBS Personal Property: Property Record Modification and/or Retag Form [https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS\\_Property\\_Modification\\_Request\\_Form\\_19JAN2012\\_PH\\_v2.docx](https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS_Property_Modification_Request_Form_19JAN2012_PH_v2.docx)

- a. The PAO or designated PCO and PMB personnel are the only NIH staff authorized to remove and/or replace decals on property.
- b. Decals are not to be duplicated or substituted.
- c. The PCO must ensure the retag of the property is annotated in the NBS property record and updated with the new barcode decal number.

## 6. Property Pass (Accountable Property)

Property users must obtain the appropriate Property Pass to remove and utilize Government property outside of NIH facilities. Property users may request a Property Pass to regularly transfer property between locations. Government property may only be removed with permission from the appropriate authority. All Property Passes must be approved by the PAO/PCO and a copy of the approved Property Pass must be retained with the property at all times.

- a. A Property Pass is required for accountable property to be removed from an NIH facility, satellite offices, or when the property is being taken off-site by the property user. Property Passes are valid for up to one year, and if needed, can be renewed annually. Property Passes are tracked in NBS in lieu of equipment being present during the inventory process.
- b. The Property Pass for accountable property can only be generated in the NIH Property system. The person requesting the Property Pass must present the PCO with the following information:
  1. Property user's name and location of property.
  2. Decal number of the accountable item.
  3. Justification for removing property.
  4. Name of the person authorizing the removal of property.
  5. The anticipated return date of the accountable property (not to exceed one year).

- c. Once the requestor of the Property Pass submits the necessary information for the pass to the PCO, it will be processed and signed by the authorizing official(s) (varies by IC). Two copies of the pass will be processed. The employee must keep one copy with the property at all times, and one copy is kept in the PCO files.
- d. Property Passes must be approved by the PCO, are valid for up to one year, and are renewable. Approval of a Property Pass certifies:
  - 1. The off-site use of property is necessary.
  - 2. The property will be used exclusively for the performance of NIH work.
  - 3. The employee has been advised of the appropriate use of property, term of the pass, liability for the property, and ownership of the property.
  - 4. The period of the off-site use is appropriate for the work to be performed.
- e. The property user is responsible for:
  - 1. Obtaining advance approval of a Property Pass for use of NIH property at any off-site location.
  - 2. Safe and appropriate use, housing, and prompt return of the property when no longer required for its approved use.
  - 3. Returning the property for required maintenance or repair. IC will bear the cost of repair or maintenance due to normal use.
- f. As part of the NIH implementation of Government-wide telework initiatives, each IC will be responsible for defining what, if any, equipment is to be provided to a teleworker. GSA provides guidelines for teleworkers (FMR Bulletin 2007-B1). NIH property management policies shall apply to utilizing Government property for telework, to include off-site use of Government property by NIH employees.
- g. NIH Police/Security personnel are required to ask for a completed Property Pass whenever they observe anyone removing an item of property, Government or non-Government, from NIH or any building on the campus or satellite offices. It is expected that staff moving or removing Government property have the appropriate Property Pass in their possession.
- h. The individual requesting to remove the property is responsible for any costs associated with removal of the property from an NIH building or satellite office.

## **7. Personal Custody Property Receipt (Non-accountable Property)**

A Personal Custody Property Receipt is required when moving non-accountable property on a regular basis, in and out of NIH building or satellite offices. Personal Custody Property Receipts are valid for up to one year and must be approved by the PCO.

- a. Completion of HHS Form 439, Personal Custody Property Record/Hand Receipt, is required to request non-accountable property to be removed from NIH facilities by a property user. The requestor must complete the form and obtain



- the approval from the IC PAO or Administrative Officer. The requestor must provide a copy HHS Form 439, Personal Custody Property Receipt to the PCO.
- b. To initiate a Personal Custody Property Receipt, the user must submit the following information to their PCO:
    - 1. Name and location of user to whom the property is issued to.
    - 2. Name of the person authorizing the removal of property.
    - 3. Description of property (make, model, serial number) and accessories.
    - 4. Date property to be returned.
    - 5. Two copies of the Personal Custody Property Receipt are processed; one copy for the user to keep for their records and the second copy is for the PCO records.
  - c. When the property is being removed from the building, the requestor must present the Personal Custody Property Receipt to the NIH Police or security personnel upon request.
  - d. It is the responsibility of each IC PAO and PCO to track Personal Custody Property Receipts for non-accountable items and ensure all property management policies and procedures for the care and protection of Government property are adhered to.

#### **8. Clearance of Personnel for Separation or Transfer**

- a. When NIH employees separate or transfer to another organization, they must be cleared of any NIH property that has been assigned to them. NIH requires that all personnel being separated from or transferred to another organization be cleared for a number of items, including personal property indebtedness. The IC Administrative Officer shall be responsible for initiating NIH Form 2737-2, Clearance of Personnel for Separation or Transfer immediately upon learning of the separation or transfer of an employee from the organization. The PAO/PCO shall recover items issued to the employee, complete the applicable portion of NIH Form 2737-2, and return the form and related documents to the originating Administrative Officer. Refer to [NIH Policy Manual 2300-940, Clearance of Personnel for Separation or Transfer](#).
- b. Personal property that is not recoverable shall be reported immediately on HHS Form 342, Report of Survey, by the PAO to the Appointing Official. The form shall give the name and title of the employee; a complete description, including the value and date of issue of each item; and complete information on why the property is not recoverable. The Appointing Official, upon receipt of HHS Form 342, will determine the need to convene a Board of Survey to determine responsibility for the loss and personal liability, if any. As a result of the Board of Survey findings, the supervisor, Personnel Officer, and PAO will be advised of appropriate action.
- c. Supervisors are responsible for ensuring that issues of employee indebtedness to the Government are resolved and that actions taken are noted on the NIH Form 2737-2.

- d. In cases where it is an Accountable User or PAO separating or transferring, a PCO shall determine whether all property has been accounted for and complete the pertinent part of the clearance form. The PCO shall be notified in advance of the separation by the Administrative Officer so that the transfer of accountability can be accomplished in a timely manner.
- e. The PCO is responsible for collecting or transferring property prior to the employee's departure.

## **9. Moving Property Between Custodial Accounts (Transfers)**

Transfers of property occur when it is decided to be in the best interest of users and their managers in both ICs to transfer ownership of property from one IC to another. Reutilization of property is encouraged and occurs when it is decided that the property is in excess and no longer required for use by the current Accountable User or IC, and it is determined that another user or IC could benefit from ownership of the property.

- a. Transfer and reutilization of property requires advance agreement between the IC providing the property and the IC receiving the property.
- b. Property users must notify their PCO to report property for movement or reutilization. To make the request to move/transfer property, the PCO reports the transfer of accountable property through NBS by creating an Inventory Asset Change Request for the reported items. Users and their PCOs may report non-accountable property for movement or reutilization purposes on the paper version, NIH Form 649-2, Report of Property Transfer.
- c. The last known user of personal property will be responsible for correcting any problems caused by improperly decontaminated or sanitized property, even if custody has transferred to another individual or organization. Users are responsible for the security of the property pending transfer/pickup. Users may be held financially liable for any loss, damage or destruction of the property until the transfer is completed.
- d. To prepare property for movement, it is the user's responsibility to certify decontamination of property prior to transfer/movement. Property users may contact the Office of Research Services (ORS), Division of Occupational Health and Safety (DOHS), for chemical and biological decontamination requirements, or the Division of Radiation Safety Branch (DRS), ORS, for radiological decontamination requirements before requesting movement of property.  
<http://www.ors.od.nih.gov/sr/drs/>.
- e. The user is required to complete NIH Form 2683, Certification that Property is Free from Hazards, before requesting movement of the property. Any property requiring decontamination and all property leaving labs or clinical areas must display a completed certification tag.

## **10. Loans**

Loans of property require advance agreement between the ICs providing the property and the agency or organization receiving the property. The following information is

applicable to NIH users requesting loans to Federal organizations, non-Federal organizations, or foreign organizations.

- a. NIH ICs may loan, on a temporary basis, NIH personal property (except motor vehicles) when determined to be in the best interest of the Government for a period not to exceed one year.
- b. An official at least one level higher than the official proposing the loan or specifically authorized under laws, rulings, or regulations must approve the justification and must certify that the proposed use of the property has been reviewed and approved by any and all required legal, ethical and/or scientific review panels.
- c. Property may not be removed or shipped prior to loan approval.
- d. Property must be returned upon expiration of the loan.
- e. Loan renewals are not automatic. Loan renewals must be submitted to PMB at least 90 days prior to the expiration date of the current loan to avoid the need to return the property.
- f. If an NIH or HHS requirement for the property has been identified, the property must be used to fulfill that requirement before a loan is made to a non-Federal organization.
- g. To begin the loan process to an organization or individual, the user must complete:

1. NIH Form 2489-3 – Record of Personal Property Loan to Federal Organizations for domestic loan to an organization within the Federal Government.
2. NIH Form 2489-2 – Record of Personal Property Loan to Non-Federal Organizations for domestic loan to an organization outside the Federal Government.
3. NIH Form 2489-1 – Record of Loan/Donation of Personal Property to Foreign Countries for foreign loans.
4. NIH Form 2179 – Agreement for the Loan of Property to NIH.

h. Loans from NIH to Non-Federal Organizations or Institutions

1. When it has been determined the loan to an organization or institution would be beneficial to the Government, the loaning organization must complete NIH Form 2489-2, Record of Personal Property Loan to Non-Federal Organizations, and submit for prior approval. The loan must meet the following conditions set forth in the HHS LMM, paragraph 3.25.2 as follows:
  - a. The property is not currently required by another NIH organization, and its absence and use would not be used to justify new procurement of a similar article of property or acquiring a similar item from excess.

- b. The property is not excess. Excess property will be made available for other Federal use.
  - c. The permitted use of the property will not cause it to be destroyed or damaged.
  - d. The agreement is subject to termination by the Government at any time at the discretion of the NIH authorizing official.
  - e. The loan is for a specified time period, not to exceed one year.
  - f. The approving official has determined the borrower to be in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d, et seq.) by virtue of participation in other programs, or through an assurance from the borrower.
2. Instructions for completing NIH Form 2489-2, are shown on the reverse side of the form. In addition to the instructions, the loaning organization will assure that the loan document contains information set forth in the HHS, LMM, as follows:
  - a. Term of the loan (not to exceed one year).
  - b. The intended use of the item(s) and purpose (justification).
  - c. The stipulation of any reimbursement or its absence.
3. The IC PAO will review the NIH Form 2489-2 for completeness and submit the completed form to PMB. Upon PMB approval, the loan recipient arranges property movement and incurs the cost for transportation of property. Do not release property until the loan approval is received.
4. The requestor must label each piece of loaned property with a tag showing the item is:
  - a. "Borrowed Property".
  - b. The name and address and telephone number of owning IC.
  - c. The loan number assigned.
  - d. The time period of the loan (not to exceed one year).

i. Loans to Federal Organizations

1. The property lending procedures are the same as loans to Non-Federal Organizations, except NIH Form 2489-3, Record of Personal Property Loan to Federal Organizations is completed. Refer to NIH Manual Issuance 1165, "Interagency and Intra-Agency Agreements" when making loans to other agencies.
2. Accountability and Control of Loaned Equipment: Property on a loan shall remain in the subsidiary records and general ledger accounts of the NIH organization making the loan. To maintain records, the PAO or delegated official will establish a memorandum account to reflect and contain:

- a. An approved Property Loan Record signed and dated by the borrower.
- b. An inventory of the property received, signed and dated by the borrower indicating receipt of property.
- c. A copy of the agreement with the borrower.
- d. Period of the loan (not to exceed one year).

j. Foreign Loans

1. NIH allows for the limited loan of property to foreign entities as permitted by Federal regulations and Public Law 93-353. Foreign loans are only permitted when they will clearly benefit the United States.
2. IC personnel begin the foreign loan process by completing NIH Form 2489-1, Record of Loan/Donation of Personal Property to Foreign Countries.  
[https://oma.od.nih.gov/Lists/DMSFormsList/Attachments/443/NH2489\\_1.PDF](https://oma.od.nih.gov/Lists/DMSFormsList/Attachments/443/NH2489_1.PDF)
3. IC personnel must complete blocks one through eleven on the form. Block five must specify the name of the receiving individual (and not an institution) in order to be processed. The justification for foreign donation or loan (block seven) of Federal property must specifically state the benefit to the U.S. public health.
4. The completed justification statement must be included in order for the form to be processed.
  - a. PMB must return requests without justification or requests that do not clearly explain the benefit to the health of the US public.
  - b. Foreign loans cannot be foreign aid (i.e. a gift to help a lab, institution, hospital, humanitarian institution or the like) which is illegal. NIH does not have delegated authority from the U.S. Congress to provide any foreign aid to other countries.
5. When PMB receives the loan request, the property will be screened throughout NIH for the appropriate time as required by the FAR. If the property is not required during the screening process, then the written request will continue through the foreign loan process until it is ultimately approved or denied by the Fogarty International Center (FIC).

k. Loans to NIH from Non-Government Entities

1. Property loaned to NIH from outside entities can inadvertently result in; 1) unauthorized procurements, 2) improper budget augmentation, 3) liability for loss or damage, and 4) confusion over ownership during physical inventories. HHS regulations strongly discourage the practice of "borrowing" property.

2. Activities contemplating borrowing property must clearly justify how the transaction is in the best interest of the Government.
  3. If the property loaned to NIH is considered to be in the best interest of the Government, the NIH Form 2179, Agreement for the Loan of Property to NIH, must be completed and signed by the lender, the borrower, and the PAO. The completed form is submitted to PMB for approval prior to acceptance of property.
  4. Loans to NIH from non-Government entities include property left in the possession of the NIH for demonstration purposes.
  5. PCO must identify all borrowed, rented, and vendor demonstration property by attaching a tag/label which shows; 1) name and address of the owner, 2) loan number, and 3) start and end dates of the loan.
- l. To avoid confusion during the physical inventory, ICs must clearly identify and label any property not owned by NIH; property on loan to NIH from outside sources and personally owned property of an individual.
  - m. Loans of Personal Property During Disaster
    1. The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended by Public Law 106-390, October 30, 2000 and 44 CFR 206.5 authorizes Federal agencies on direction of the President or Federal Emergency Management Agency (FEMA) to provide personal property and other resources to state and local governments during any major disaster or emergency.
    2. NIH organizations will cooperate fully when a request is received for available personal property from the Executive Office of the President; FEMA; Department of Housing and Urban Development; a Governor or authorized representative; or any HHS-counterpart State agency head or authorized representative. Such property may be loaned under terms and conditions as promulgated by FEMA in execution of the President's declaration of a major disaster or emergency.
    3. PAOs will maintain proper and accurate records of loaned personal property. After the circumstances necessitating the loan have past, property will be returned or disposal action will be taken in accordance with established policies and procedures.

## **11. Trade-In Program**

- a. Trade-ins may occur when a user is upgrading or replacing property and the vendor offers a discount to the purchase price of the new property in exchange for the old, similar property (i.e., the old asset is used to offset the price of the new asset). Trade-ins require advanced approval from designated IC officials and the PMB.
- b. In general, some companies selling scientific and office equipment to NIH will accept used equipment, regardless of condition, for trade-in against the

purchase of new equipment. Trade-ins can only be made for items of a similar nature. Items are considered similar when both fall within a single Federal Supply Classification (FSC) Group. Therefore, property in FSC Group 66 (scientific equipment) may apply towards the acquisition of other property in FSC Group 66.

- c. To trade-in old equipment for new equipment, the following conditions must be met:
  1. The repair of the item would exceed 65% of the original acquisition cost to put it back in service, or
  2. The item is obsolete and/or the repair parts are no longer available.
  3. Other factors to consider include age, repair history (expense and frequency), and the trade-in amount being offered by the vendor. Requisitions must also contain adequate justification that the items meet one of the above conditions.
- d. The requesting user should contact their PCO or PAO and the Property Reutilization and Disposal Section (PRDS) at the GDC to determine if excess property is available for trade-in.
- e. The requesting user completes NIH Form 1872, Request for Trade-in or Exchange of Government Property. The PCO, budget/procurement personnel and the PAO must sign the form in Part 5 prior to sending the form to PMB for approval. A screen-shot of the old decal number for the traded item plus one of the following supporting documentation must be included with the NIH Form 1872:
  1. Official vendor price quote showing the Trade-in dollar amount offered.
  2. Copy of the purchase requisition or purchase request submitted to Procurement.
  3. Copy of a vendor's purchase order.
- f. The requesting user must submit the approved form along with supporting documentation to the IC Purchasing Agent responsible for processing the requisition.
- g. Ordering offices may not offer a vendor NIH-owned equipment as a trade-in to reduce the cost of a leasing arrangement. Only Government property can be traded-in, if approved, on the purchase of a similar item.

## **12. Exchange of Government Property**

- a. An exchange normally occurs when accountable property is determined non-functional, is still under warranty and requires replacement. Most exchanges are at no cost to NIH, but in rare cases there may be costs associated (e.g. shipping, restock, etc.). Exchanges are only authorized for like asset (e.g. Blackberry for Blackberry). Exchanges require approval from designated IC officials and the PMB.

- b. The requesting user should contact the IC PAO or PCO for details to complete NIH Form 1872, Request for Trade-in or Exchange of Government Property. The PCO, budget/procurement personnel, and PAO must sign NIH Form 1872 prior to submitting the form to PMB for approval.
- c. Required supporting documentation must be attached with the NIH Form 1872 for approval:
  - 1. Copy of property record screenshot of the old and new barcode decal of the asset being exchanged.
  - 2. Copy of the Return Merchandise Authorization (RMA) provided from the vendor.
  - 3. Copy of shipping documentation (e.g. shipping labels, courier shipping receipt).
  - 4. Copy of vendor warranty or vendor email regarding the exchange.
- d. Approval will only be granted when PMB receives a complete NIH Form 1872 with all required supporting documentation. PMB approval is not required if the asset does not meet the minimal dollar threshold for accountable property (\$5,000) or is not classified as a sensitive asset.
- e. The IC Executive Officer or IC PAO can approve exchange requests for non-sensitive items less than \$5,000. The IC PAO is responsible for maintaining the documentation for exchanges for audit purposes.
- f. PMB will final event the property record of the exchanged asset as Trade-in (Exchange) (D15). The IC PAO/PCO must decal the new asset and record the new asset information into the NIH Property system within 5 days.

### **13. Removal of Property for Repair/Maintenance**

- a. Repair or maintenance of personal property may be requested if the cost for the repair or maintenance is reasonable or as long as the cost of the repair would not exceed 65 percent of the original acquisition cost adjusted for depreciation to put it back in service.
- b. PAO/PCO must ensure property removed for repair or maintenance is on a valid Repair Pass generated in NBS.
- c. The vendor performing the repair or maintenance of the property must be listed in the NBS Property system to create a Repair Pass. The NBS Personal Property: Organization Request Form must be completed and submitted to PMB to add/modify a repair vendor into NBS.  
[https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS\\_%20Property\\_Organization\\_Request\\_26AUG2011\\_PH\\_v4.doc](https://nbrssprod.cit.nih.gov:8050/NBRSSDocs/NBSForms/Property/NBS_%20Property_Organization_Request_26AUG2011_PH_v4.doc)
- d. Government property requiring repair or maintenance requires a properly executed NIH Form 1884, Request for Shipment for shipping from NIH to the vendor. Refer to NIH Policy Manual 26101-42-F, Shipping Policies and Procedures at <https://policymanual.nih.gov/26101-42-f>



- e. Personnel releasing property to a vendor for repair shall obtain a receipt for said property from the vendor. Copies of shipping documents, receipts, return goods, or return merchandise authorization must be retained by the PCO to document these transactions pending the return of the property.
- f. Property on a Repair Pass must be returned by the estimated repair date or an extension of the expected return date is recorded in NBS. PCO must remove assets from a repair pass upon return of the asset from the vendor.
- g. PCOs are responsible for tracking assets out on a repair pass by running the Agreement Assets report in NBS to identify assets on a repair pass that are about to expire.

#### **14. Staff Assistance Visit (SAV) Program**

- a. The purpose of the Staff Assistance Visit (SAV) Program is to strengthen relationships with IC PAOs to enhance communication, and improve efficiency and effectiveness of NIH property management. The SAV Program is established as a formal review between the PMB Inventory Management Specialist (IMS) and the IC PAOs outlining asset accountability procedures in accordance with established regulations and policy guidance. In addition, training and teaching techniques are used to train and inform IC PAOs on new property management concepts, technologies and operating practices.
- b. The SAV is scheduled, at a minimum, on an annual basis with each IC unless deemed necessary by management or by IC PAO request to address special concerns or deficiencies. A SAV schedule will be developed and published at the beginning of each calendar year with consideration for the annual physical inventory schedule and any other scheduling conflicts within a particular IC.
- c. The IMS will contact the IC PAO at least 30 days in advance of the scheduled SAV. IC PAO will be provided a copy of the SAV Business Process Review Guide that highlights the major responsibilities in daily property management activities. The Business Process Review Guide is to be used as a review tool for the overall management practices within their IC.
- d. IC PAO should review the SAV Business Process Review Guide and be familiar with all questions and provide supporting notes or documentation during the SAV. It is recommended that the IC PAO poll their PCOs throughout the year and capture property management suggestions, challenges, and concerns to discuss during the SAV process to improve accountability practices. Identified suggestions or concerns should be shared with the IMS.
- e. The IMS and IC PAO will review the previous year's SAV final report, analysis reports, and review policy and guidance manuals for any changes and updates. Special attention shall be given to trends in overage and shortage reporting and the corrective actions taken by the IC PAO to reconcile those issues. Copies of these reports will be made available

during the SAV for discussion with the IC PAO to ensure procedures have not reverted back to obsolete business practices.

- f. Various reports will be reviewed, to include; Unaccounted for Asset report, Un-decaled Property report and the Expired Property Pass, Repair and Loan report. The IMS will discuss the results and purpose of those reports to ensure a clear understanding of available management tools.
- g. A final SAV report is provided to the IC PAO that documents all pertinent information gathered through the SAV process. The final report is a working document with follow-up action plans, suggestions offered, and captures best practices of an IC that could be utilized throughout NIH that enhance overall property management.

## **15. Physical Inventory**

### **a. Pre-inventory**

1. The pre-inventory process is a preliminary assessment of the property records to improve the efficiency of the annual physical inventory process. ICs are encouraged to maintain up-to-date inventory records, and periodically review property records prior to the annual physical inventory.
2. The PCO must perform the following pre-inventory activities at least 30 days prior to the scheduled physical inventory:
  - a. Review and extend any current passes (property, maintenance or repair), and property on loan, as appropriate.
  - b. Perform a location survey to ensure the current location of property, the serial number, and the model number is accurately reflected in the property record. The location survey must include reviewing property stored in the GDC.
3. Property users must perform the following pre-inventory activities prior to the scheduled physical inventory:
  - a. Identify and label privately/personally owned property.
  - b. Identify contractor-owned or contractor-controlled property.
  - c. Ensure that accountable property is readily accessible and visible (e.g., removed from desk drawers, property taken down from shelves).
4. To avoid confusion during the inventory, it is imperative that all property not NIH owned or personally owned by NIH employees be labeled with the name and address of the owner. ICs must clearly identify any property not owned by NIH; contractor-owned property or property loaned, leased, and/or rented to NIH from outside sources.

## **b. Physical Inventory**

1. A physical inventory is a periodic physical count of property that is actually on-hand and the comparison of those counts with the applicable property records. In accordance with GSA, NIH is required by law to inventory all accountable assets annually.
2. A physical inventory is necessary to 1) verify the accuracy of records which reflect the status of personal property, 2) to reconcile property records with the fiscal records, 3) discover the need for additional safeguards to prevent misuse, theft, or other losses, and 4) disclose procedural weakness posting inventory records.
3. The inventory cycle occurs throughout the calendar year annually, or bi-annually for approved remote locations. Each IC or location will have a scheduled inventory annually. The inventory is scheduled, coordinated, and overseen by PMB.
  - a. The physical inventory is scheduled January through September each year.
  - b. Monthly inventory metrics are provided to the IC PAO.
  - c. The inventory reconciliation period is October 1 through December 31.
4. The contract Inventory Team shall conduct a complete, physical inventory on all accountable assets annually by scanning the barcode decal. The IC PAO, PCO, and PMB representative shall meet with the contract Inventory Team prior to the start of the inventory of a building or floor, to review the inventory plans and will meet periodically to provide inventory progress and results.
5. Non-accountable items will not be inventoried. Non-accountable property is managed at the direction and discretion of each IC within the NIH.
6. To expedite the inventory process, the PAO or PCO must accompany the contract Inventory Team during the physical inventory to provide additional information on specific property. All accountable assets to be inventoried must be readily available and visible to be scanned; removed from desk drawers, cabinets and shelves. The contract Inventory Team will not open desks, doors or boxes.
7. IC PAO/PCO must accompany the Inventory Team for the physical inventory of IC accountable assets stored at the GDC.

## **c. Reconciliation**

1. ICs must reconcile overages, shortages, and discrepancies identified from the physical inventory by December 31. The results of the inventory are reported to the ICs on a weekly basis:

- a. Shortage report
  - b. Overage report
  - c. Damaged report
  - d. Idle report
  - e. Double decal report
  - f. Survey items found report
  - g. Inventory items found report
2. For property to be removed from the shortage list because it was inaccessible to the Inventory Team at the time of inventory (i.e., in storage, in secure locations or in use), PAOs may provide a memorandum and documentation to PMB to certify the inaccessible property is accounted for. The certification memorandum shall include the manufacturer, model, serial number, decal number and location of the asset.
  3. PAOs may trade-in, exchange, or turn-in damaged or idle property as excess.
  4. In the event a double decal is discovered, the PAO must review and verify the decal to be recorded in the property record is visibly on the asset and the decal to be deleted is covered. The PAO must contact PMB to remove the deleted decal from NBS.
  5. For previously surveyed assets found, the PAO/PCO reinstates the asset record in NBS.
  6. PAOs must reconcile inventory overages and shortages prior to the start of a new calendar year. A Report of Survey must be initiated for all shortage records not reconciled by December 31.

## **16. Report of Survey**

- a. The goal of the Report of Survey (ROS) is to protect the interest of the Government from loss for other than fair wear and tear of property. The loss, damage, or destruction (LDD) of Government property is reported on HHS Form 342, Report of Survey. The HHS Form 342 is a property accounting instrument, and may be used to find persons financially liable to the Government. It documents financial liability assessed against an individual or entity, or provides relief from financial liability.
- b. A ROS is not punitive in nature. It is an investigation to determine the proximate cause of the LDD of Government property. Administrative and legal actions may be pursued by the chain of supervision as deemed appropriate.
- c. A Report of Survey Officer is appointed by the IC Executive Officer to conduct the investigation of the circumstances that contributed to the LDD of accountable assets.

- d. Any property user or NIH employee who detects or suspects a LDD of Government property shall immediately report the incident to their supervisor or appropriate local authority. Property users shall report immediately or within 5 days of discovery, any LDD of assigned property.
- e. As a rule, the property user has the most current knowledge of the property's condition, status, and location. The accountable user must contact the PCO to provide all known facts surrounding the LDD of property.
- f. If theft is suspected, the incident must be immediately reported to the appropriate law enforcement authority. On campus, contact the NIH Police. Off campus, contact the appropriate local authority. A copy of any relevant police reports must be attached to the ROS.
- g. To warrant proper property accounting, any property identified as a shortage as a result of the physical inventory and cannot be otherwise located during the reconciliation process, must be reported on a ROS. PAOs/PCOs must generate the HHS Form 342 for asset shortages not reconciled by 31 December.
- h. Refer to Appendix A of this policy manual for the ROS process and procedures.
- i. There are special reporting, reviewing and reconciling procedures for the LDD of NIH fleet vehicles and equipment. Refer to Appendix A.
- j. Refer to Appendix B for ROS procedures for the loss or damage of controlled substances or supply.

## **17. Board of Survey**

- a. A Board of Survey (BOS) is a panel of three to five members appointed by the Appointing Official (delegated to the Executive Officer) that serves to conduct a thorough hearing to review Report of Surveys to determine the cause of property loss and report final disposition to PMB. If negligence is discovered and an individual(s) is found pecuniary liable, the BOS ensures the ROS is submitted to the Office of the General Counsel (OGC) for legal review.
- b. ICs are delegated the authority to appoint, either permanently or on an as-required basis, a BOS consisting of three or more members to review incidents of LDD of Government property.
- c. The BOS and Survey Officers have the responsibility of ensuring a complete and thorough investigation and hearing are conducted to determine the proximate cause of the LDD; examining and verifying all evidence presented, documenting findings, making written recommendations for disposition of property, making determinations and conclusions regarding financial liability, and submitting the complete ROS packet to the Determining Authority.
- d. The BOS ensures the ROS process is adhered to; ROS packets are complete with supporting documentation, appropriate reviews are conducted, and final actions are completed which authorizes the final event

- transaction to remove the asset from the official property records.
- e. The BOS may determine and recommend pecuniary liability if reported loss, damage, or destruction of Government property was the result of negligence, misconduct or reckless disregard for the property.
  - f. Individuals assessed with financial liability have the right to submit a rebuttal statement or other added evidence, and to have that statement or new evidence attached to the report of survey investigation for consideration by the Board of Survey.
  - g. PAOs shall conduct an annual review of all completed IC BOS actions for LDD of Government property. A summary report must be submitted to PMB no later than April 15 each year, for the prior calendar year. The report shall include the total number of LDD assets and the total value of loss.
  - h. Refer to Appendix A for BOS and ROS processes and procedures.

## 18. Final Event

Final Event of property is necessary to move an asset from an Active inventory status to a Retired status. The final event transaction occurs when there is a warranty replacement, property is traded-in or exchanged, a ROS is completed for LDD of property, or a disposal activity is completed.

## 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.

## **Appendix 1 – Board of Survey: Loss, Damage, and Destruction of Government Property**

### **A. Purpose**

The purpose of this appendix is to provide the National Institutes of Health (NIH) policies and procedures for reporting, reviewing, and reconciling the loss, damage, or destruction (LDD) of Government property using the Board of Survey (BOS) process. The NIH Institutes and Centers (IC) are responsible for the prudent management and careful stewardship of scarce resources as an integral part of the NIH mission and responsibility. To carry out its responsibilities, NIH must effectively and efficiently manage Government property with a high degree of teamwork and communication between the consumers and providers of logistics services.

This appendix delineates the roles and responsibilities of the NIH Property Management Branch (PMB), Property Accountability Officers (PAO), Property Custodial Officers (PCOs), Appointing Officials, Report of Survey Officers, and Determining Authorities in relation to conducting a Board of Survey (BOS) for loss, damage, or destruction (LDD) of Government property.

### **A. Background**

Materials referenced herein are based upon existing laws, executive orders, and mandatory regulations to support the implementation and supplements of laws governing property management. This guide provides policies, procedures, and guidance to support the application of regulations from General Services Administration (GSA), Federal Property Management Regulations (FPMR), Federal Management Regulation (FMR), Title 41 Code of Federal Regulation (CFR) 101-47, and HHS Logistics Management Manual (LMM).

Each IC must establish and support management functions in its organization and ensure that the property functions meet program needs economically and efficiently according to applicable Federal statutes and regulations.

The PMB maintains the record keeping of accountable property at NIH. Therefore, when there is LDD of Government property, each IC must report LDD of Government property on a completed HHS Form 342, Report of Survey (ROS), to record and present findings and recommendations concerning the LDD. A Board of Survey (BOS) is convened to determine whether negligence or willful misconduct was the proximate cause of LDD to the Government property.

## **A. Official Use of Government Property**

Department employees shall not use or authorize the use of Government property for other than official purposes. The prohibition and the penalty for misuse of Government property is: Whoever embezzles, steals, purloins, or knowingly converts to his or her use or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof; or whoever receives, conceals, or retains the same with intent to convert it to his or her use or gain, knowing it to have been embezzled, stolen, purloined or converted shall be fined under this title or imprisoned not more than ten years, or both. If the value of such property does not exceed the sum of \$1,000, the individual shall be fined under this title or imprisoned not more than one year, or both. The word "value" means face, par, or market value, or cost price, either wholesale or retail, whichever is greater (18 U.S.C. 641).

## **A. Definitions**

1. Abuse - willful misconduct or deliberate unauthorized use.
2. Accountability - the obligation to keep records (usually automated) and transactions on quantities of equipment such as identification, location, gain, loss, distribution, transfer, disposal, and balances on hand.
3. Accountable Property - personal property with an acquisition value of \$5,000 or greater and sensitive items without regard to value. Accountable property shall be identified with a property decal/barcode.
4. Appointing Official - delegated to the Executive Officer who appoints the Report of Survey Officer and Board of Survey members. The Appointing Official reviews findings and manages the survey process within the organization.
5. Board of Survey (BOS) - a panel consisting of three or more members or a Survey Officer appointed by the Appointing Official (delegated to the Executive Officer) to review the Report of Survey investigations of loss, damage or destruction of Government property. The Board of Survey makes recommendations of financial liability for such property and removal of items from the official property records.
6. Capital Property - personal property that has a unit acquisition cost of \$25,000 or more, including accessories; is a complete unit in itself; and does not lose its identity when in use. Capital property is identified in all property accounting records and with a property barcode decal affixed.
7. Collective Liability - when more than one individual may be liable for the loss, damage, or destruction of Government property.
8. Culpability - the determination of fault for an act.
9. Determining Authority - a designated official responsible for making final determinations on Board of Survey recommendations.



10. Direct Delivery - when property is delivered directly to the customer, who reviews the receiving document for completeness for transaction purposes.
11. Disposal - the practice of turning-in excess property no longer required by an organization for reutilization or final disposition.
12. Expendable Property - property which does not meet the definition for accountable property or is property which is consumed in the performance of program mission. Sometimes referred to as a consumable item.
13. Financial Liability - the statutory obligation of an individual to reimburse the LDD of Government property.
14. General Ledger - a fiscal record and the property accounting activity, which is comprised of several accounts that reflect the dollar value of assets.
15. Government Property - any property loaned, owned, leased, or held in trust by the Government.
16. Government Vehicle - any motorized vehicle owned or leased by the Government.
17. Gross Negligence - an extreme departure from the course of action to be expected of a reasonable prudent person, all circumstances being considered. The act is characterized by a reckless, deliberate, or blatant disregard of foreseeable consequences.
18. Negligence - the failure to act as a reasonable prudent person would have acted under similar circumstances. Failure to comply with existing laws, regulations, or procedures may be considered as evidence of negligence.
19. Physical Inventory - the act of personally observing and counting items, recording the count, and comparing the count with official records for the purpose of reconciliation.
20. Probable Cause - reasonable grounds for belief.
21. Proximate Cause - the cause that in a natural and continuous sequence of events unbroken by a new cause produced the loss or damage. Without this cause, the loss, damage, or destruction would not have occurred.
22. Purchase Order (PO) - used to place an order for goods or services with a supplier (vendor).
23. Quality Control (QC) - the inspection, testing, and grading of goods and services to determine whether required standards and specifications have been achieved.
24. Receive - the practice of physically receiving property and formal acceptance in NBS.
25. Reconciliation - the procedure by which records in one system are compared to those in another system. The objective of reconciliation is to compare information between two sources and to determine if it coincides. If the information does not coincide, the appropriate adjustments are made to the sources.
26. Report of Survey (ROS) (HHS Form 342) - the document used to record and present findings and recommendations concerning the LDD of Government property to approve corrective actions. This includes financial recovery and to approve the resulting adjustments to property accountability records.

27. Report of Survey Officer - appointed to investigate LDD of Government property, and the circumstances involved in the LDD. A great deal of responsibility is placed on the Report of Survey Officer to conduct a fair, impartial and thorough investigation.
28. Requirement - an established need which justifies the allocation of resources to achieve a capability to accomplish an objective or task which generated the need.
29. Responsibility - an obligation for the proper custody, care, and safekeeping of property or funds entrusted to the possession or supervision of an individual.
30. Sensitive Property - personal property that has a demonstrated susceptibility to loss, misuse, theft or requires special handling. Despite the lower value, these items must be controlled in the same manner as accountable items, and must be decaled and recorded in the accountable property records in NBS. Sensitive items include items which could easily be converted to private use. NIH has designated certain property, valued lower than the current accountability threshold, as sensitive when one or more of the following criteria apply:
  - a. There have been demonstrated and repeated instances of loss
  - b. There is a possible threat to public health or safety
  - c. The items have a strong potential for improper use or resale
  - d. The items have personally identifiable information (PII)
  - e. The item requires tracking and inventory due to environment impact
31. Specification - a document which describes the essential and technical requirements for items, materials, or services. Also contains preserving, packaging, packing, handling, containing hazardous characteristics, and marking requirements.
32. Willful Misconduct - any intentional wrongful or unlawful act or omission relating to Government property, to include misappropriation of Government property.

## A. References

The following statutory provisions establish requirements for agencies to maintain property accountability, establish internal controls and adequate inventory controls, and to provide for proper recordkeeping in the management of personal property.

1. [Section 202\(b\) of the Federal Property and Administrative Services Act of 1949, as amended \(40 U.S.C. 483\)](#), requires that each executive agency maintain adequate inventory controls and accountability systems for property under its control.
2. Title 31 of the U.S. Code (31 U.S.C. 3512), requires that each executive agency establish and maintain systems of accountability and internal controls designed to provide effective control over and accountability for all property for which it is responsible, including adequate monetary

- property accountability records.
3. Title 18 of the U.S. Code (18 U.S.C. 641), outlines penalties for embezzlement, theft, etc. of any property or thing of value of the United States, or of any Department or agency thereof.
  4. Title 16 of the U.S. Code (16 U.S.C. 18f), establishes requirements for the management and maintenance of items of museum properties.
  5. [41 CFR 101-43](#) - Utilization of Personal Property
  6. [41 CFR 102-34](#), Motor Vehicle Management
  7. [HHS Logistics Management Manual \(LMM\)](#)
  8. [Delegation of Authority, Property: Personal No. 01](#), Government Motor Vehicles
  9. [Delegation of Authority, Property: Personal No. 02](#), Board of Survey Determination
  10. [NIH Manual Chapter 26101-38, Official Use of Government Motor Vehicles](#)

## **F. Roles and Responsibilities**

### **1. Division of Logistics Services**

Division of Logistics Services (DLS) is comprised of three major operational branches; Property Management Branch (PMB), Supply Management Branch (SMB), and Transportation Management Branch (TMB). DLS receives and reviews annual reports of ROS activities and directs changes to policies or procedures to reduce the risk of loss, damage, or destruction of property.

#### **1. Property Management Branch**

Property Management Branch (PMB) is responsible for developing property management policies and overseeing the management of NIH personal property. PMB will:

- a. Review the IC ROS process for compliance to related property management policies.
- b. Execute a “Final Event” transaction upon receipt of a completed and approved ROS for all accountable property.
- c. Review ROS for all capital assets prior to submission to the Determining Authority.
- d. Review ROS for all non-capital property with an aggregate value over \$500,000 prior to submission to the Determining Authority.

#### **3. Responsible Users**

Responsible Users are NIH personnel assigned exclusive use of Government property made available for the performance of their official duties, who are responsible for the care and protection of Government property as an obligation inherent to all employed personnel at NIH. The Responsible User has the responsibility to maintain and manage

Government property in their care, and must report the LDD of Government property within five business days of occurrence or discovery to their PCO, PAO, Supervisor or local authority to initiate a Report of Survey (ROS). If for any reason there is a delay of the reporting timeline for a LDD incident, a letter of lateness must be submitted with the ROS, as an exhibit, to explain the reason for the delay.

#### **1. Property Custodial Officer**

A Property Custodial Officer (PCO), appointed by the Executive Officer, must promptly initiate a ROS upon notification by the Responsible User of any LDD of Government property, and submit the ROS to the Property Accountability Officer (PAO). The PCO must initiate a ROS for documented losses resulting from the annual inventory.

#### **1. Property Accountability Officer**

A Property Accountability Officer (PAO), appointed by the Executive Officer, is responsible for the management, recording, accounting and reporting of property within the IC. The PAO's responsibilities cannot be delegated. The PAO shall:

- a. Provide any information that may have a bearing on the Board of Survey (BOS) hearing in block 5 of the ROS, HHS Form 342, signs and dates the form. The PAO must forward the ROS with supporting documentation to the Appointing Official.
- b. Log and track all ROS to ensure the process is completed within 90 calendar days.
- c. Retain documents on all property ROS actions for the period required in accordance with record retention policies.

#### **6. Property Management Officer**

The Property Management Officer (PMO) is an individual responsible for directing an effective personal property system, including; property accountability, inventory, utilization and reutilization, declaration of excess property and disposal for the organization. The NIH PMO is delegated to the Chief, Property Management Branch, Division of Logistics Services. PMO responsibilities are further delegated to the OD Executive Officer and the IC Executive Officers of their respective organizations. (Delegation of Authority No. 03, Property Management Officer).

#### **1. Appointing Official**

The Executive Officer serves as the Appointing Official, who appoints the Report of Survey Officer and Board of Survey members. The Appointing Official may also serve as the Determining Authority for non-capital property with an aggregate value less than \$500K. This authority may not be further delegated. The Appointing Official shall:

- a. Review all submitted ROS and manage the survey process for the organization.
- b. Appoint a Report of Survey Officer and Board of Survey members within 5 days of receiving an initiated HHS Form 342, Report of Survey.
- c. Review and accept the BOS recommendations or return the ROS for further review or reconsideration.
- d. Forward the BOS recommendations to the Determining Authority or to the Office of General Council (OGC) for legal review if financial liability is assessed.
- e. Forward BOS recommendations for all capital assets and non-capital assets with an aggregate value over \$500K to PMB for administrative review prior to the Determining Authority approving the accepted BOS recommendations.
- f. If financial liability is assessed, informs the individual of pecuniary liability in writing, explains the findings and rights for reconsideration, explains the process to request a reconsideration or submission of additional statements and/or new evidence.
- g. Notify supervisory and human resources authorities, financial management and property management personnel of any necessary actions.

## **8. Determining Authority**

- a. The Determining Authority is the delegated authority (IC Directors and Deputy Director for Management (DDM)) responsible for making a final determination on BOS recommendations for all capital assets and non-capital assets with an aggregate value over \$500K. This authority may not be re-delegated. The Determining Authority shall:
  1. Review the BOS recommendations to concur and accept, or non-concur and return the ROS to the BOS for further review.
  2. Coordinate with personnel, property and supervisory authorities to assure that accepted recommendations are executed.
  3. Ensure the copies of all completed and signed ROS documentation with accepted recommended actions for capital assets and non-capital assets with an aggregate value over \$500K is provided to the PMB for appropriate property record adjustments.
- b. For non-capital assets with an aggregate value less than \$500K, the Determining Authority may delegate the Executive Officer (EO) to serve as the Determining Authority. An EO serving as a PAO cannot serve as the Determining Authority or Appointing Official. The EO serving as the Determining Authority shall:
  1. Review the BOS recommendations to concur/non-concur.
  2. Forward the ROS packet to the Office of the General Counsel (OGC) for legal review.

3. Ensure the copies of all completed and signed ROS documentation with accepted recommended actions for non-capital assets with an aggregated value less than \$500k is provided to the PMB for appropriate property record adjustments.

## **9. Report of Survey Officer (Survey Officer)**

A Report of Survey Officer (Survey Officer) is appointed by the Appointing Official to investigate the loss, damage, or destruction of Government property and the circumstances involved. The Survey Officer may serve as the Chair of the BOS.

a. Appointed Survey Officers must meet the following criteria:

1. GS-13 and above or Commission Corp Officers (any grade level).
2. Disinterested Person.
3. Property personnel are exempt from this appointment (e.g. PAO, PCO, PMB staff).

b. The Survey Officer's responsibilities include:

1. Conducting an immediate investigation after appointment received in writing, and consults with Appointing Official and/or PMB for guidance.
2. Completing a thorough investigation within 30 days; conducts interviews, obtains signed statements, compiles and reviews all evidence/exhibits, scrutinizes all available information to develop findings and recommendations.
3. Attaching additional exhibits as necessary. Uses own words to describe how losses occurred, referring to statements and evidence to support findings.
4. For asset(s) with an acquisition cost less than \$1,000, the Survey Officer can make the recommendation to assess financial liability or relieve person(s) of responsibility without convening a BOS.
5. Notifying the Appointing Official and PAO immediately if the property is discovered during the ROS process.

c. The Survey Officer determines who to interview to obtain statements from all individuals whose testimony may assist in determining the cause of the loss or those individuals who had responsibility for the loss. The ROS and all attached exhibits or other related material, is provided to the BOS, which may consider interviewing the PAO, the PCO, the accountable user, the supervisors, and other witnesses. During the interviews, other questions may arise that will require additional interviews with persons already interviewed, or with other persons not originally considered.

## 10. Board of Survey

The Board of Survey (BOS) is a panel of three to five members who are appointed by the Appointing Official to review the Report of Survey Officer's investigation findings and recommendations of the proximate cause of loss, damage, or destruction (LDD) to Government property, to ascertain financial liability if proximate cause was due to negligence or willful misconduct, and to assure due diligence of the survey process.

The appointment of employees to serve on a BOS is based on recommendations of the PAO. The BOS is convened to ensure a complete and thorough hearing is conducted that examines and verifies all evidence presented, documents findings and makes a determination to assess or relieve financial liability for LDD.

- a. The BOS shall consist of three to five members (the Recorder is a non-voting member of the BOS).
- b. Based on the completed Survey Officer's investigation, determines if the reported LDD of Government property was the result of negligence, misconduct or reckless disregard for the property.
- c. Makes determination to assess or relief financial liability and/or disciplinary action of individual(s) involved.
- d. Provides final ROS recommendations to the Appointing Official for appropriate review and disposition.

## 11. Office of the General Counsel

The Office of the General Counsel (OGC) is the legal team for HHS, providing representation and legal advice at the NIH. OGC reviews all BOS findings that recommend individual(s) be assessed pecuniary liability for the LDD of property. OGC provides a written opinion of pecuniary liability for the initial and subsequent legal reviews.

## G. Policies and Procedures: Personal Property

### 1. Report of Survey

- a. The Report of Survey (ROS) is an investigation of the loss, damage, or destruction of Government property. Each IC is responsible to initiate a HHS Form 342, Report of Survey, for all reported LDD of property. HHS Form 342 is the property accounting document used to adjust an asset record. A ROS is not punitive in nature; however, administrative and legal actions may be pursued as deemed appropriate as a result of the BOS process.
- b. A completed HHS Form 342 must be submitted for each item identified as a shortage as a result of the physical inventory.

- c. Upon immediate discovery of LDD of property, HHS Form 342 must be initiated within 5 calendar days and PMB notified.
- d. A ROS for LDD of Government Property shall be initiated for the loss of accountable and/or sensitive property as a result of the following:
  - 1. Negligence or willful misconduct is suspected as the cause, and the individual does not admit liability and refuses to make voluntary reimbursement to the Government.
  - 2. The value of the admitted loss, damage, or destruction exceeds the individual's monthly basic pay.
  - 3. The loss resulted from a fire, theft, or natural disaster.
- e. Any employee who detects or suspects the loss, damage, or destruction of Government property shall immediately report the incident to their supervisor. Responsible Users must immediately, or within 5 calendar days upon discovery, report the loss, damage, or destruction of Government property in their care. As a rule, the user has the most current knowledge of the property's condition, status, and location.
- f. The IC EO is the Appointing Official, appoints a Survey Officer who shall make a preliminary investigation and report the facts using the ROS. The Survey Officer must coordinate with the PAO and PCO to ensure all disposal avenues have been fully investigated.
- g. The PAO/PCO and individual accountable user of Government property are responsible for the initial preparation of HHS Form 342 in the event Government property is lost, damaged or destroyed. The accountable user must completely explain all known facts surrounding the LDD of property in block 4 of the ROS form. The accountable user must sign and date the form in block 4.
- h. If theft is suspected, the incident should be immediately reported to the appropriate law enforcement authority. On campus, reports should be submitted to the NIH Police. Off campus, reports should be submitted to the appropriate local authority. Users must attach copies of any relevant police reports to the ROS. Copies of the completed package may be forwarded through the supervisory chain to the responsible PAO/PCO.
- i. If the employee admits liability, a letter of indebtedness is submitted to the Office of Financial Management (OFM), Office of Management (OM), OD. Note: The amount paid cannot exceed one month of pay for the employee. The completed collection document is used as supporting documentation to the ROS to retire (Final Event) the property record by PMB.
- j. The ROS investigation for LDD property shall begin immediately upon appointment of the Survey Officer. The Survey Officer has 30 calendar days to complete the investigation and provide findings and recommendations to the BOS or Appointing Official. When the investigation is delayed beyond the required processing times, the person responsible for the delay shall prepare a written statement explaining the



reason for the delay and attach it to the ROS investigation as an exhibit. Under normal circumstances, the entire process should not exceed 90 calendar days of total processing time.

k. Exhibits shall be included with HHS Form 342 as supporting evidence. Exhibits should add to the understanding of the conclusions and recommendations. The Survey Officer should add statements from persons having knowledge of the incident which will help someone who has no previous knowledge of the incident, to understand the events of the LDD of Government property. Examples of exhibits include:

1. Sworn statements
2. Copy of Property Record
3. Copy of Asset history
4. Property/Loan Pass
5. Photographs of damage
6. Repair cost estimates
7. Police/Incident Reports

l. The following checklist includes the requirements to complete the Report of Survey before submitting to PMB:

Step	Checklist	Yes/No/NA	Comments/Remarks
1.	Was the HHS Form 342 initiated within 5 days of the item discovered lost, stolen, damaged or destroyed? If yes, skip step #2		
2	Was a letter of lateness prepared if the ROS was initiated after the required 5 days of the discovered lost, damaged, or destroyed?		
3	Is the correct information entered into the appropriate blocks/spaces on the HHS Form 342 to include Report number, date of report, pages in report and blocks 1 thru 10?		
4	Is there a grand total?		
5	Does the justification provided in Block 4 give a clear understanding of who, what, when, where, why and how, to include name and grade of individual (s)? <b>(If no, return to initiator for more details)</b>		
6	Did the Staff conduct research to assist PAO in finding property reported lost?		
7	Are all supporting documents/exhibits properly marked and attached with the HHS Form 342? Was a thorough search conducted in NBS and		

Step	Checklist	Yes/No/NA	Comments/Remarks
	warehouse databases for a possible turn-in?		
8	Is the correct report number on the HHS Form 342?		
9	Did the person completing the HHS Form 342 sign in Block 12? Original signatures are required on the form.		
10	Did the Survey Officer submit a complete HHS Form 342 to the Appointing Official?		

## 1. ROS Process Timeline

a. ROS Process timeline for all Capital and Non-Capital assets with aggregated value over \$500K (in calendar days):

- **Day 1-5:** HHS Form 342, Report of Survey is initiated and submitted to the Appointing Official within 5 days of reported discovery of LDD.
- **Day 5-10:** Appointing Official has 5 days to appoint a Survey Officer and Board of Survey panel members.
- **Day 10-40:** Survey Officer has 30 days to complete the ROS investigation with a recommendation to the Board of Survey.
- **Day 40-45:** Board of Survey has 5 days to review ROS findings/recommendation of the Survey Officer and forward the ROS packet to the Appointing Official for review.

1. If no pecuniary liability assessed, the ROS packet is forwarded to PMB for review. PMB may recommend changes and return the ROS packet to the Appointing Official for corrections if needed. After corrections, Appointing Official will forward to Determining Authority. Determining Authority will complete block 8 of HHS Form 342 and forward a copy of the complete ROS packet to PMB for Final Event action

**2. If pecuniary liability is recommended, the ROS packet is forwarded to Appointing Official for review, who forwards the ROS packet to Office of the General Counsel (OGC) for legal review.**

- **Day 45-50:** OGC has 5 days to review the ROS packet for a legal opinion. If corrections are needed, OGC will attach a detailed memorandum stating corrections to the ROS packet and forward the complete ROS Packet to PMB for review.

- **Day 50-55:** PMB has 5 days for an administrative review. PMB will attach a detailed memorandum if any corrections to the ROS packet are needed. PMB will return the ROS packet to the Appointing Official if corrections are needed. The Appointing Official has 5 days to make corrections, then forward to Determining Authority. PMB will forward the ROS packet to the Determining Authority if no corrections are needed.
- **Day 55-60:** Determining Authority has 5 days to review the ROS packet recommendations of the Survey Officer/BOS. If Determining Authority concurs with recommendation, the ROS is completed and forwarded to PMB. The Appointing Official will present in writing to individual(s) if found financially liable and explain the reconsideration process.
- **Day 60-65:** Employee held financially liable has 5 days to file a request for reconsideration and submit supporting documents to the Appointing Official. If no reconsideration is filed, the ROS is forwarded to PMB for review. PMB will forward the ROS packet to the Appointing Official.
- **Day 65-68:** The Appointing Official has 3 days to review employee's reconsideration. The Appointing Official will forward the ROS packet to OGC for a subsequent legal review.
- **Day 68-73:** OGC has 5 days to review the employee's request for reconsideration. If corrections are needed, OGC will attach a detailed memorandum stating corrections needed to the ROS packet and forward the complete ROS Packet to PMB for review.
- **Day 73-76:** PMB has 3 days to review. PMB will attach a detailed memorandum if correction is needed. PMB will forward the ROS packet to the Appointing Official if any corrections are needed. The Appointing Official has 5 days to make corrections, then forward to Determining Authority. PMB will forward the ROS packet to the Determining Authority if no corrections are needed.
- **Day 76-79:** The Appointing Official has 3 days to make corrections, then forward to Determining Authority.
- **Day 79-84:** Determining Authority (IC Director) has 4 days to complete HHS Form 342 with signature, forward the financial indebtedness document to Finance for collection from employee, and a copy of the complete ROS packet to Property Management for Final Event (D10). The original ROS packet will be maintained at the IC PAO level.
- **Day 84-90:** Office of Financial Management (OFM), Office of Management (OM), Office of the Director (OD) has 6 days to process the ROS for financial collection and forward a completed copy of the financial collection document to the IC, liable employee(s) and PMB to complete the ROS process. The Office of Financial Management will remove the capital asset from the NIH

capital ledger.

- a. For LDD of Non-Capital assets with aggregated value less than \$500K, the Executive Officer may be delegated as the Determining Authority.
1. The BOS recommendations do not require review by PMB.
  2. A copy of the final ROS packet is provided to PMB with signatures and Determining Authority has approved BOS recommendations for final event (D10) transaction.
  3. If pecuniary liability is assessed on individual(s), the ROS process timeline below is applied (in calendar days):
    - **Day 1-5:** HHS Form 342, Report of Survey is initiated and submitted to the Appointing Official to report LDD of accountable assets within 5 days of discovery.
    - **Day 5-10:** Appointing Official (IC EO) has 5 days to appoint a Survey Officer and Board of Survey panel members.
    - **Day 10-40:** Survey Officer has 30 days to complete the ROS investigation with a recommendation to the Board of Survey.
    - **Day 40-45:** Board of Survey has 5 days to review ROS findings and forward the ROS packet to the Determining Authority (IC EO).
      1. If no pecuniary liability assessed. A complete copy of the ROS packet is provided to PMB for final event (D10) transaction.
      2. If pecuniary liability is assessed, the ROS packet is forwarded to Appointing Official/Determining Authority (IC EO) for review, then forwards the ROS packet to OGC for legal review.
    - **Day 45-50:** OGC has 5 days to review the ROS packet for a legal review and returns the ROS to the Determining Authority (IC EO).
    - **Day 50-55:** Determining Authority (IC EO) has 5 days to review ROS recommendations and legal opinion. The Determining Authority (IC EO) will present the decision of financial liability in writing to individual(s).
    - **Day 55-60:** Employee(s) held financially liable has 5 days to file for reconsideration and submit supporting documents.
    - **Day 60-65:** Determining Authority(IC EO) has 5 days review the employee's reconsideration and forward ROS packet to OGC for final legal review.
    - **Day 65-75:** OGC has 10 days for final legal review and return ROS packet to the Determining Authority (IC EO).

- **Day 75-85:** Determining Authority (IC EO) has 10 days to sign and complete HHS Form 342, forward the financial indebtedness document to Office for collection from employee, and provide a copy of the completed ROS packet to Property Management for Final Event (D10). The original ROS packet will be maintained at the IC PAO level.
- **Day 85-90:** Office of Financial Management (OFM), Office of Management (OM), Office of the Director (OD) has 5 days to process the ROS for financial collection and forward a completed copy of the financial collection document to the IC, liable employee(s) and PMB to complete the ROS process.

## 1. Board of Survey

A Board of Survey (BOS) reviews the Survey Officer's investigation findings of the circumstances and conditions surrounding the LDD of NIH accountable capital and non-capital assets. The BOS documents recommended disposition for the loss. The BOS is convened for the LDD of accountable assets valued over \$1,000. The appointed Survey Officer may make recommendations directly to the Appointing Official on findings for LDD accountable assets less than \$1000, without convening a BOS.

- a. ICs may pool resources and establish Boards to consider LDD reports from two or more ICs. To avoid potential conflicts of interest, appointees to the BOS must not be individuals with property management duties (e.g., PAOs and PCOs). BOS members should be recused from BOS activities when LDD of property is reported by a direct supervisor.
- b. To determine whether individuals are held liable or relieved of liability, the facts contributing to the loss must be developed through a thorough investigation of facts and circumstances of the loss, damage or destruction. The BOS must ensure the facts are fully disclosed, the interests of the Government are fully served, and the rights of the involved individuals are fully protected.
- c. The BOS shall hold meetings as required, and all actions will be documented in written minutes. The minutes will constitute part of the hearing record, to include the statements and exhibits included in the ROS.
- d. The BOS is administrative in nature. The BOS will review the statement in block 4 of HHS Form 342 and any additional attached exhibits. If during the conduct of the hearing, theft of property or fraud is indicated, the report should be referred to the Inspector General for criminal investigation.
- e. If property is recovered during the conduct of the BOS hearing, the BOS will close out the ROS by documenting the fact and notify the PAO and PMB that the survey item was found and the ROS is closed.

- f. The BOS will review the findings of the Survey Officer's investigation. Findings are the conclusions based on the facts of the circumstances of the loss. Findings must be supported by evidence contained in block 4 of HHS Form 342 and exhibits attached to the ROS. Findings are not personal speculation, suspicion, or opinions.
- g. The findings and the total cost of LDD value are entered in block 7 of HHS Form 342, and must be complete and thorough to withstand the scrutiny of later reviews by the approval authority and legal advisors.
- h. The BOS determines if negligence or willful misconduct was the proximate cause for the loss, and makes recommendations based upon the findings.
  - 1. If the findings reveal no negligence or willful misconduct on anyone's part, a recommendation is made to relieve all persons concerned of financial responsibility. As an example, the recommendation may read: "*Recommend all persons be relieved of financial responsibility and accountability for the loss of property.*" This may not preclude the Government from taking other administrative or disciplinary actions against the individual(s) involved.
  - 2. If findings reveal the proximate cause for the LDD was due to negligence or willful misconduct on the part of one or more individuals, the BOS shall further account for the negligence.
    - a. When an individual's negligence or act of willful misconduct is the proximate cause for the loss, the individual should be recommended for assessment of financial liability. An example of the recommendation may read: *Recommend (individual's name and grade/status) be held financially liable in the amount of (\$ amount).*
    - b. When more than one person's negligence or act of willful misconduct is the proximate cause for the loss, those persons should be recommended for assessment of collective financial liability. The term "collective financial liability" is used when more than one individual is found financially liable for a loss. An example of the recommendation may read: *Recommend (individual's name, grade/status and IC) and (identify name, grade/status of others being recommended) be held collectively financially liable in the amount of (\$ amount), respectively.*
  - 3. The BOS recommendations should also include recommended disposition of the accounting requirements for any damaged property. A recommendation to relieve all concerned of financial accountability for damaged items, or a recommendation that financial accountability continue and damaged property be repaired and returned to service are appropriate, depending on the

circumstances.

4. Individuals recommended for charges of financial liability have the right to submit a rebuttal statement or other added evidence, and to have that statement or new evidence attached to the Report of Survey for consideration by the Board of Survey. A respondent has the right to:

- a. Inspect and copy NIH records relating to the debt.
- b. Seek legal advice.
- c. Request reconsideration and submit a statement and other evidence in rebuttal of the findings and recommendations.

- i. BOS recommendations are administrative and advisory, and are not binding upon the Determining Authority. All supporting documentation and exhibits should be included with the ROS packet submitted to the Determining Authority.
- j. The BOS will route all ROS packets for capital assets and non-capital assets with an aggregate value of over \$500K through PMB for administrative review.
- k. The BOS must determine the actual loss to the Government due to lost or irreparable damaged property through the depreciation method or the joint liability. When individual(s) are found pecuniary liable, the Survey Officer or BOS will use depreciation for computing charges of an item for lost or irreparable damage property. This policy requires you to determine the actual value of the property at the time of its loss or destruction. The preferred method is appraisal of fair market value at the time of the loss.

1. Depreciation Method – When an appraisal is not feasible and the property is less-than-new condition, the depreciated value will be used. Apply the depreciation value to get the value of the LDD asset on the basis of life expectancy. To compute depreciated value, the Survey Officer starts with the acquisition cost of the property and subtracts the following:

- a. 5% per year of service, to a maximum of 50%, for electronic equipment.
- b. For Capital assets: Depreciation and amortization are calculated on a straight-line basis, based on the number of days remaining in the asset's useful life. NIH capitalizes personal property with a value of \$25,000 or more and with a useful life of two years or more. (Personal Property Cycle Memo, OFM)
- c. For all other property, use 5% per year of service, to a maximum of 75%. If the time of service cannot be determined, use 25%.

2. Joint Liability – When a Survey Officer and/or BOS conclude that more than one individual is responsible for the LDD, a recommendation for joint liability is appropriate. Charges are computed as outlined below:
  - a. When the actual loss exceeds the combined monthly basic pay for each individual, the maximum amount is charged to each individual employee; maximum amount not to exceed the individual's one-month base pay.
  - b. When the actual loss is less than the combined basic pay of all individuals, compute the charges in proportion of the employee's monthly base pay.
3. For damaged property that can be repaired, the loss to the Government is the actual cost of the repairs or the value of the asset at the time of the damage, whichever is less. The cost of repair consists of the sum of material, labor, overhead, and transportation, minus any salvage or scrap value of replaced parts.
4. If repair makes the item more valuable than it was before the damage, reduce the amount of the repairs by the amount of the increase in value.
5. When the Actual Cost of Damage (ACOD) cannot be obtained in a reasonable period of time, an Estimated Cost of Damages (ECOD) may be used. You must state the reason for using the ECOD and the basis on which the estimate was made.
6. If using an appraisal or the depreciation method is either not possible, or not equitable, you may be able to use the standard rebuild cost to determine loss to the Government. This method may be used if the asset has been used long enough to warrant overhaul and a standard rebuild cost has been published. When using this method, subtract the standard rebuild cost, offset by any salvage value.
7. Salvage value can be used when property has been damaged beyond economical repair. Credit will be given for salvage or scrap value, plus the depreciated value of repair parts.
1. When an individual is determined pecuniary liable, the individual must pay the actual loss to the Government. Payment amount is not to exceed the individual's monthly base pay. This also applies to the payment of an individual's share of collective liability when more than one person has been assessed financial liability.

#### **4. Annual Review of BOS Activities**

- a. PAOs shall conduct an annual review of all completed IC BOS actions. As a result of this review, a summary report of IC loss,



damage and destruction of Government property shall be submitted to PMB no later than April 15 each year, for the prior calendar year. The report must include the total number of assets and the total value of loss.

- b. PAOs shall continually review and analyze the occurrence of ROS to determine developing trends, such as repeated losses from one location, losses of personal custody items or losses that indicate systemic failures that warrant further analysis and corrective action. If it is apparent that individual losses indicate a developing trend or that a process or procedure is insufficient, PAOs shall recommend changes to IC procedures and/or policies to IC leadership to ensure adequate controls exist for property management and accountability.
- c. Additional NIH policies and procedures may be established to alleviate the occurrence of LDD property if developing trends are evident across ICs.

#### **H. Policies and Procedures: Transportation**

1. A Report of Survey (ROS) is initiated when there is evidence of misuse or negligence of a Government vehicle. A ROS is used to determine liability (if none is admitted) for any loss, damage or destruction of Government vehicle.
2. Employee misuse of a Department vehicle is subject to disciplinary action which may range from a suspension of one (1) month or, up to and including, removal from Government employment ([31 U.S.C. 1349](#)). See also Standards of Conduct, [5 CFR 2635.101\(a\)\(11\)](#).
3. Responsible User issued motor vehicles are responsible for the safe and proper operation of the vehicle, including:
  - a. Performing a pre-operational inspection of the vehicle to assure that all safety equipment (e.g., lights, wipers) are operational and that all fluids are within operating manual requirements.
  - b. Locking and securing the vehicle when it is not in use.
  - c. Observing traffic and parking regulations (vehicle operators are responsible for any and all fines associated with traffic and parking violations).
  - d. Complying with the “Government Vehicle Operator’s Guide to Operating Responsibility, Service Requirements and Emergency Procedures” booklet in the glove compartment of the vehicle. This booklet contains accident reporting procedures and instructions for paying for fuel and other services or repairs needed. The employee’s organization reimburses all other incidental expenses (e.g., parking fees, tolls, etc.) through the SF 1164 Claim for Reimbursement for Expenditures on Official Business.
4. Accountable User and Transportation Management Branch, Fleet Management Section

- a. This guide contains the NIH policy and procedures for reporting, reviewing, and reconciling the loss, damage, or destruction of NIH fleet vehicles (both on/off road) and equipment. This includes the roles and responsibilities of Office of Logistics and Acquisition Operations (OLAO), Division of Logistics Services (DLS), NIH Executive Officers, the Transportation Management Branch Fleet Management Section Chief (TMBFMSC), and vehicle operators. It reiterates the NIH policy and procedures governing use of the agency assigned (Government, leased passenger, and light utility vehicles) and the daily use rental vehicle program.
- b. This guidance applies to all NIH locations, but the procedures described apply only to NIH headquarters in Bethesda, Maryland. IC management officials will institute local written procedures to enforce these policies for agency assigned vehicles at any NIH facility located outside of the Bethesda/Rockville area.
  1. Make copy of all forms and file.
  2. Forward a copy of the forms to the NIH tort claims office. If accident involves a civilian vehicle, the tort claims office will process accordingly.
  3. Forward a copy of the forms to the NIH Police Department.
  4. Request a Survey Officer be appointed to initiate a preliminary investigation and report the facts using HHS Form 342, ROS, and forward to the PAO. The PAO and individual accountable user of Government vehicles are responsible for the initial preparation of the ROS.
  5. The accountable user must completely explain all known facts surrounding the property damage in block 4 on HHS Form 342, ROS.
  6. PAO shall review the ROS for completeness and add any additional information available, to include any comments derived by the NIH Police Department investigation.
  7. The PAO will forward the ROS to the BOS for final recommendation.
  8. The BOS will send recommendations to the Fleet Management Section, Transportation Management Branch for review and guidance.
  9. Fleet Management Section will send the Government vehicle out for repairs and obtain 3 estimates if damage is over \$3000. If the accident is determined not the fault of the Government operator, NIH will have the vehicle repaired and provide repair costs to OGC Tort Claims office for reimbursement from outside insurance companies.
  10. All other repairs are charged to the IC to whom the vehicle is assigned through the TMB Billing Systems.

11. All motor vehicle accidents shall be reported to the HHS Fleet Manager, the HHS Office of Facilities Management Safety, and the HHS Office of General Counsel, Claims & Employment Law Branch that result in loss of life or personal injury to:
  - a. Passenger(s) in a Federally owned or leased vehicle.
  - b. Passenger(s) in a Federal vehicle – Contractor operated.
  - c. Passenger(s) in a Federal vehicle – Contractor owned or operated which are deemed Government furnished equipment.
  - d. Passenger(s) in one or more vehicles involved in an accident/incident with a Federal vehicle (on-road or off-road).
  - e. That results in any property damage to a vehicle and/or other personal or real property at a level equal to or greater than \$5,000, as required by the HHS Logistics Management Manual – Property Policy and Procedures, 4.7.1 “Reporting Accidents”.

## 5. Accident Reporting Procedures

- a. Report all accidents. Complete Standard Forms 91 and 94 (copy located in glove compartment of all Government vehicles). Notify the NIH fleet dispatcher, 301-496-3426, immediately.
  1. Call a doctor or an ambulance if someone is injured.
  2. Notify the police. DO NOT make any statements concerning the responsibility of the collision except to your supervisor or to the Government’s investigating officer. Do not sign any papers unless required by the police.
  3. Obtain the following information from the other driver(s) involved in the accident:
    - a. Name, address, and phone number
    - b. Vehicle operator’s driver/permit number and state
    - c. Vehicle registration information tag and state
    - d. Insurance company (name and address)
    - e. Vehicle owner’s name and address
- b. Provide your name, address, place of employment, and the name of your supervisor to the other driver(s) involved in the accident.
- c. Secure the names, address and phone numbers of any witness. When possible have witnesses complete the Standard Form 94 (SF-94), Statement of Witness.
- d. Complete Standard Form 91 (SF-91), Operators Report of Motor Vehicle Accident, at the scene of the accident. If the form cannot be completed at

the accident scene note the necessary information needed to complete the form.

- e. Contact the Chief, FMS at 301-496-3426.
- f. Notify your supervisor.
- g. Prepare Form CA-1, Employees notice of Injury or Occupational Disease. Deliver all reports and data to your supervisor if you are injured.
- h. Forward complete forms SF-91 and SF-94 to the Chief, FMS as soon as possible.

6. Additional Procedures

Additional procedures can be found in the [NIH Policy Manual 26101-38](#), Official Use of Government Motor Vehicles, which include:

- a. Obtaining a Daily Use Rental Vehicle
- b. Returning a Daily Use Rental Vehicle
- c. Obtaining an Agency Assigned Vehicle
- d. Annual Re-Certification of Agency Assigned Vehicles
- e. Obtaining fuel for Agency Assigned Vehicles on Campus
- f. Obtaining Unscheduled Repair Service for Agency Assigned Vehicles
- g. NIH Vehicle Preventive Maintenance Program
- h. Security Procedures for Vehicles

**Appendix 2 - Checklist and Tracking Document for Reports of Survey**

<b>Checklist and Tracking Document for Report of Surveys</b>	
To: Accountable Officer	
To: Appointing Authority	
To: Contracting Officer	
To: Determining Authority	
To: Legal Services	
<b>Complete When a Loss is Discovered</b>	
Date loss discovered _____ Unit _____	Originating
Preliminary search for item began _____ item ended _____	Preliminary search for
Date Assigned document number _____ inquiry/investigation number _____	Date assigned

Has the date the investigation of property loss initiated been entered?	<b>Yes</b>	<b>No</b>
Has the date the loss was discovered been entered?	<b>Yes</b>	<b>No</b>
Has the correct stock number(s) been entered? If more than one, use a continuation sheet.	<b>Yes</b>	<b>No</b>
Has the correct nomenclature(s) been identified to include serial numbers if items have serial numbers? For damaged property, enter the cost of repair or the estimated cost of repair if actual cost is available. Use continuation sheet when the loss to be investigated involves more than one item.	<b>Yes</b>	<b>No</b>
Has the quality of the item(s) lost, damaged or destroyed been identified. Use continuation sheet when necessary.	<b>Yes</b>	<b>No</b>
Has the unit cost of the item(s) lost, damaged or destroyed been identified. Use continuation sheet when necessary.	<b>Yes</b>	<b>No</b>
Has an accurate and concise statement of facts surrounding the loss been received? Statement should identify as much as possible what happened. How it happened, where it happened, who was involved, when it happened and any evidence of negligence, wilful misconduct, or deliberate unauthorized use or disposition of the property.	<b>Yes</b>	<b>No</b>
Has all evidence been scrutinized?	<b>Yes</b>	<b>No</b>
Interviewed witnesses and secured statements from individuals concerning: <ul style="list-style-type: none"> <li>• The cause of the loss or damage</li> <li>• The responsibility for the loss or damage.</li> </ul>	<b>Yes</b>	<b>No</b>
Consulted with the appointing/approving authority as appropriate for guidance when needed.	<b>Yes</b>	<b>No</b>
Has the action been taken to exercise control over the property recovered during the investigation	<b>Yes</b>	<b>No</b>
Has the total loss to the government been computed correctly?	<b>Yes</b>	<b>No</b>
Ensured that individuals being recommended for a possible charge of financial liability are aware of their rights.	<b>Yes</b>	<b>No</b>
Request individual(s) to acknowledge their understanding of their rights.	<b>Yes</b>	<b>No</b>
On completion of the appointing authority's review of the financial liability investigation of property loss, a recommendation is made to either approve or disapprove the Survey Officer's findings and recommendations.	<b>Yes</b>	<b>No</b>

### Appendix 3 - Sensitive Items List

<b>Category</b>	<b>Minimum Acquisition Threshold</b>	<b>Examples include but are not limited to:</b>
<b>Bio Safety Cabinets</b>	No minimum acquisition cost	All types

<b>Category</b>	<b>Minimum Acquisition Threshold</b>	<b>Examples include but are not limited to:</b>
<b>Computers</b>	No minimum acquisition cost	Includes PCs, Servers, Laptops, Computer Workstations, Tablets
<b>Laboratory Grade Freezers</b>	No minimum acquisition cost	Freezer Liquid Gas, Freezer Ultra-Low Temperature (upright, chest & bench top)
<b>Liquid Scintillation Counters</b>	No minimum acquisition cost	All types (portable, floor and bench top)
<b>Smartphones</b>	No minimum acquisition cost	iPhones, Blackberrys, Androids
<b>Printers</b>	No minimum acquisition cost	All types, does not include 3D Printers
<b>Portable Instrumentation</b>	\$300.00	Examples include Voltmeters, O-scopes, & Watt Meters
<b>Power Tools</b>	\$300.00	Includes stand-alone items such as Portable Compressors, Generators, Table Saws
<b>Still Cameras</b>	No minimum acquisition cost	Examples include Digital, Laparoscopic, & X-ray Identification
<b>Televisions &amp; Computer Monitors</b>	No minimum acquisition cost	All Types, includes VoIP Monitors
<b>Video Cameras</b>	No minimum acquisition cost	Does not include surveillance equipment
<b>Weapons</b>	No minimum acquisition cost	Includes Firearms, Tranquilizer Guns, High-Voltage Stun Guns

**Based on the Federal Management Regulation, a Sensitive item is defined as personal property items that do not meet the accountable item cost threshold (\$5,000), but require special control and accountability due to; unusual rates of loss, theft or misuse, or due to national security or export control considerations. Such property includes weapons, ammunition, explosives, designated information technology equipment with memory capability, cameras, and communication equipment.**