NIH Policy Manual

26101-25-2-04 - Personal Property Management Guide (PPMG) - Disposal Phase

Issuing Office: OD/OM/OALM/OLAO/DLS **Phone:** (301) 496-5711

Issuing Office Email: nbsuafpmb@mail.nih.gov

Issuing Office Website: https://olao.od.nih.gov/welcome-PMB

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Transmittal Notice

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

   Insert: Manual Issuance 26101-25-2-04 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 chapter provides policies and procedures related to the Disposal phase of the Property Management Lifecycle. Disposal is the practice of transferring property no longer required by the NIH organization that managed and used the property, as excess to the Property Reutilization and Disposal Section (PRDS) for reutilization or disposal. The final phase of the Property Management Lifecycle includes the following Disposal processes:

   a. Prepare excess property for turn-in
   b. Turn-in of excess property
   c. Removal of excess property
   d. Determine excess property as serviceable or unserviceable

e. .Redeployment of serviceable property

f. Recycle of unserviceable property

2. This chapter outlines the roles and responsibilities of property management staff to ensure the disposal of Government property complies with established regulations and policies.

3. This chapter does not apply to the movement of property for repair, maintenance, or movement of property on a property pass, loan, or in connection with contracts, grants, or cooperative agreements.

B. Scope

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

1. Accountable property - property with an acquisition value of $5,000 or more, or flagged as a sensitive item, that is recorded and tracked in the NIH Property System.

2. Non-accountable property - property that does not meet the criteria for accountable property and is not considered a sensitive item.

C. Background

1. NIH utilizes a broad variety of property items that at some point come to the end of their useful life or are no longer needed by the organization. As a result, policy and procedures are established to evaluate serviceable and unserviceable property for reutilization or disposal. Property determined to be serviceable can be redeployed within NIH on a first come/first served basis or to another Federal agency.

2. NIH property may be exposed to biological, chemical, radiological, or other contaminants. NIH must take care of the property to avoid and prevent environmental, occupational, and public health problems that would result from improper movement and storage of these items. To minimize the danger to health and the environment, hazard-free certification is required before removal.

3. Computer equipment, files, and other storage media may contain sensitive or other personally identifiable information. NIH must take measures to ensure all IT property and information storage media are properly wiped and sanitized to prevent unintentional release of personal identifiable information (PII).

D. 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 disposal of personal property.

1. Code of Federal Regulations (CFR) Title 41, Part 101-43, Utilization of Personal Property

2. Federal Management Regulation (FMR), Subchapter B – Personal Property

3. [Federal Acquisition Regulations (FAR) Subpart 45.6](#), "Reporting, Reutilization, and Disposal"
4. [Department of Health and Human Services (HHS) Acquisition Regulations (48 CFR 342)](#), "Contract Administration"
5. [Section 202(b) of the Federal Property and Administrative Services Act of 1949, as amended [40 U.S.C. 483]](#)
6. [Title 18 of the United States Code (18 U.S.C. 641)](#)
7. [HHS Logistics Management Manual (LMM)](#)
8. [NIH Delegation of Authority, Property: Personal, No. 03 NIH Personal Property Management Officer](#)

E. Roles and Responsibilities

1. **NIH Property Users**

   NIH Property users are responsible for the care and protection of Government property exclusively issued for their use. Property users include permanent Government personnel, contract and temporary personnel, personnel in fellowship positions, volunteers, and visiting scientists. Property users must report to their supervisor or PCO when property in their care is lost, stolen, damaged, or is no longer needed.

2. **Property Custodial Officers (PCO)**

   The PCO is responsible to comply with excess property policies and ensure the proper procedures are adhered to for disposal of Government property. The PCO coordinates with users and IC PAO to arrange for the turn-in of all excess property.

3. **Property Accountability Officers (PAO)**

   The PAO is responsible for oversight of all IC assets identified for disposal and must ensure all IC personnel comply and adhere to turn-in procedures of excess property.

4. **Property Management Branch (PMB)**

   PMB, a branch of the Division of Logistics Services (DLS), is responsible for developing property management policies and overseeing the NIH property lifecycle management and accountability.

5. **Property Reutilization and Disposal Section (PRDS)**

   PRDS is the section within PMB responsible for receiving, storing, and disposing excess property from all NIH Institutes and Centers (IC).

F. Policies and Procedures

1. **Preparing Property for Turn-in**

a. ICs shall, to the maximum extent practicable, reutilize excess property in lieu of new procurements. ICs shall develop and implement property reutilization screening procedures to encourage the re-use of property among its departments, labs and offices. IC specific reutilization procedures should promote the maximum use of excess property before deciding to turn-in excess property.

b. All laboratory property (e.g. lab items, office furniture, IT equipment) and any potentially hazardous property must be tagged with NIH Form 2683, Certification that Property is Free from Hazards, prior to turn-in as excess. Property users should contact the Division of Occupational Health and Safety (DOHS), Office of Scientific Resources (SR), Office of Research Services (ORS) for information to determine whether an item may be hazardous: http://www.ors.od.nih.gov/sr/dohs/Pages/default.aspx

c. ICs are responsible for ensuring media and devices are properly sanitized prior to reutilization within the organization, transferred to another IC, loaned to external organizations, or turned-in as excess. NIH 2790 Form, Certification: Removal of Data and Software https://oma.od.nih.gov/Lists/DMSFormsList/Attachments/646/NH2790.pdf, signed by the IC Information System Security Officer (ISSO) or person who performs the sanitization, must accompany the media and/or devices transferred or turned-in as excess.

d. ICs are responsible for ensuring the proper decontamination and sanitization certifications for property are completed prior to reporting the property as excess. PRDS personnel will not accept any property for pick-up without the appropriate NIH Form 2683 or Form 2790 attached to the item.

2. **Decontamination**

a. Property users must contact the DOHS (301-496-2346), SR, ORS, website at https://www.ors.od.nih.gov/sr/dohs/safety/laboratory/BioSafety/Pages/decontamination.aspx for chemical and biological decontamination requirements; and the Division of Radiation Safety (DRS) (301-496-5774), SR, ORS, for radiological decontamination requirements before requesting movement of property. The appropriate contacts are contained on the DOHS website at https://www.ors.od.nih.gov/sr/dohs/aboutDOHS/Pages/contact_info.aspx; and the DRS website at http://drs.ors.od.nih.gov/Pages/contact.aspx.

b. Additional guidance on NIH Waste Disposal is available at: https://nems.nih.gov/environmental-programs/Pages/Environmental-Programs.aspx.

c. A completed NIH Form 2683 must be attached to decontaminated property prior to pick-up.

d. PCOs must retain records of NIH Form 2683, in accordance with the NIH Records Control Schedules (see section G. below).

3. **Sanitization**

a. Property users should reference their IC-specific processes for sanitization. Contact the NIH IT Service Desk to request sanitization of computer equipment and media/devices prior to movement, turn-in, or transfer.

b. Center for Information Technology (CIT) provides a Media Sanitization Service through the NIH Data Center for the secure disposal of information storage media. These include CDs, DVDs, tapes (except the old, round mainframe tapes), and disk media (e.g., hard drives and floppy disks). Magnetic media (e.g., hard drives and magnetic tape) are degaussed; optical media (e.g., CDs and DVDs) are destroyed.

c. The Media Sanitization Service meets the minimum sanitization requirements and risk levels in accordance with the NIH Sanitization Guide, based on National Institute of Standards and Technology (NIST) sanitization standards.

d. Additional guidance on [NIH Media Sanitization and Disposal](#).

e. The sanitization certification must be documented on NIH 2790 Form, Certification: Removal of Data and Software, with the following information:

  i. Method(s) used to expunge the data from the storage media
  ii. Type of equipment/media being sanitized
  iii. Property information; decal number, manufacturer, model and serial numbers
  iv. Status code
  v. Name of the person responsible for the sanitization
  vi. Date of sanitization

f. PRDS personnel will not pick-up or move any computer systems or information storage media/devices without a completed NIH 2790 form attached.

g. ICs shall retain copies of the NIH 2790 form for three years.

4. **Turn-in of Excess Property**

a. Property users must contact their IC PAO/PCO to report excess property. IC PAO/PCOs are the primary contact to the PRDS to arrange for the turn-in of excess property and must comply with the procedures outlined in this policy manual.

b. IC PAO/PCO initiates the turn-in of excess property in the NBS Property system. NBS generates the Excess Receival Form used to schedule the pick-up of excess property and its transfer of custody to PRDS.

c. IC PAO/PCO must select the appropriate asset condition code in NBS when determining excess property for disposal: new (1), useable (4), repairable (7), scrap (S), or salvage (X).

d. Reported excess property is held for seven days for IC internal screening prior to pick up by PRDS. PRDS staff will coordinate pick-up dates/time with the IC PAO/PCO.

e. Property reported for turn-in must not be moved from its location (building and room). The property user must ensure the security of reported excess assets until

its scheduled pickup. The property user may be held financially liable for any loss, damage, or destruction of the asset(s) awaiting pick-up.

f. The property user should obtain a copy of the NIH Excess Receival Form with a printed name and signature of the individual removing the property and the date property was removed from their custody.

g. A copy of the signed Excess Receival Form and the top copy of the NIH Form 2683 for the items must be provided to the PCO. The PCO must retain the signature receipt in the property records according to the requirements of NIH Manual Chapter 1743, Keeping & Destroying Records.

h. Additional forms may be required for the removal of IT equipment. Instructions on the appropriate clearance of IT software and data may be found at: http://cit.nih.gov/ServiceCatalog/Services.htm?ServiceID=145.

i. PRDS personnel will arrive at the building and room location specified on the Excess Receival Form to remove the property items with complete documentation. PRDS personnel are prohibited from removing property not listed on the Excess Receival Form.

j. PRDS personnel will sign a copy of the Excess Receival Form (transfer document) and provide a copy to the property user, PCO, or other individual responsible for securing the property items pending pickup.

k. The PCO must retain the signature receipt attached to NIH Form 2683 in the property records in accordance with the NIH Records Control Schedules (see section G. below).

5. **Receiving Excess Property**

a. Excess property received by PRDS is held for a twenty-one day screening period to allow other NIH ICs to request reutilization of excess property. If no other NIH IC acquires the excess property and the twenty-one day screening period has expired, the item may be placed in the Donation Program.

b. Excess property received by PRDS is assessed whether it is serviceable or unserviceable. Serviceable property is eligible to be placed in the Donation Program and unserviceable property is recycled as practicable. Property that is not released through the Donation Program is eligible to other Federal agencies or reported to the General Services Administration (GSA).

c. The primary functions of PRDS include:

1. Storage of excess property until final disposition.
2. Use of NBS Property system to track and locate all excess property stored in the warehouse.
3. Facilitate the redeployment of property to requesting NIH IC.
4. Movement of property to the next step in the process as screening time limits expire.
5. Direct donation of property to schools and research facilities in accordance with applicable regulations and Executive Orders.
6. Reutilization and sales support for Government property in accordance with the instructions of the GSA and NIH.

7. Support the transfer of property to eligible and approved participants in the NIH Donation Program.
8. Support the transfer of reutilization property to GSA or other Federal agencies.
9. Documents all excess activities and updates the property records with appropriate Final Event transaction.

d. Reutilization Priorities

1. PRDS initiates reutilization priority methods appropriate for the property. Authorized methods are listed in descending order from highest to lowest priority:

    i. Reuse within the agency.
    ii. Reuse within the Federal Government.
    iii. Transfer of educationally useful equipment to schools and nonprofit organizations (Executive Order 12999, Educational Technology: Ensuring Opportunity For All Children in The Next Century, April 17, 1996), and 15 U.S.C. 3710(i), Public Law 96-480, October 21, 1980, Stevenson-Wydler Technology Innovation Act).
    iv. Donate to eligible and approved participants of the NIH Donation Program.

2. To comply with the Federal Electronics Challenge, the NIH requires:

    i. Reuse and donation of electronics equipment to the maximum extent possible.
    ii. Recycle broken, obsolete, and otherwise unusable electronic equipment.
    iii. Use of GSA contract, approved recycler.

3. Property screening:

    i. All employees must have a Federal-issued employee badge. The employee must wear the badge so it is clearly visible.
    ii. PRDS personnel are responsible for screening all visitors at the warehouse and maintain a visitor's sign-in sheet. PRDS personnel shall determine visitor escort as required.
    iii. To select and remove property for official use, NIH personnel must have the following:

        1. A NIH Photo ID. The user must be a NIH Government employee. The property is available to NIH Government employees only. Government contractors are not eligible to remove and/or reutilize Government property from the GDC.
        2. An NIH Property Custodial Code (CC). This is a five-digit account number provided by the PCO.

3. The PCO name and phone number who controls the NIH Property Custodial Code. It is imperative that users pre-arrange acceptance of screened property with the PCO.
4. The PCO must accept the transfer of accountable property in NBS within fourteen calendar days. If the transfer is not accepted, PRDS will assign the accountable property to the receiving IC.

e. Foreign Donations

1. NIH allows for the limited donation of excess property to foreign entities (individuals and organizations) as permitted by Federal regulations and Public Law 93-353. Donations are only permitted when they will clearly benefit the health of the United States public. Foreign donations cannot be foreign aid (i.e., a gift to help a lab/institution/hospital/humanitarian institution with limited funds). NIH employees cannot buy new property for foreign donation purposes. NIH does not have delegated authority from the U.S. Congress to provide any foreign aid to other countries. Providing foreign aid is illegal.
2. The initiating NIH activity must complete NIH Form 2489-1, Record of Loan/Donation of Personal Property to Foreign Countries.
3. Excess property is property that is no longer required by the agency. Any internal HHS requirement legally overrides any foreign or domestic donation request.
4. Upon receipt of a foreign donation request, the property will be screened throughout NIH for the appropriate time as required by the FAR. Once the screening period expires, the written request will continue through the foreign donation clearance and approval process.
5. Do not ship any Government property prior to receiving donation approval. Foreign donation requests will not be processed if the property has already been shipped and is no longer at the NIH. Processing foreign donation documentation after the fact is not authorized.
6. Shipping cost responsibility will be evaluated for each donation on a case-by-case basis. In general, the shipping cost for a foreign donation should be borne by the recipient of the donation, and not the NIH IC. Refer to NIH Policy Manual 26101-42-F, Shipping Policies and Procedures for personal property shipping requirements.

f. Recycling

1. Property received by the Property Reutilization and Disposal Section goes through a screening process to determine if it is functional or non-functional.
2. NIH recycles broken, obsolete and otherwise unusable electronic equipment. Property determined to be non-functional is staged for a GSA

approved recycler.

3. Non-functional property is screened a second time to ensure that it is eligible for recycling and is not capital property (valued at $25,000 or more). Capital property must be reported to GSA for disposition.

g. Cannibalization

1. Appropriate cannibalization of property can be advantageous to the Government by reducing the need for new procurement, maximizing the use of property by using components and parts of items that are unserviceable, and extending the use of items that would otherwise be unserviceable. However, decisions to cannibalize Government personal property have an effect on the accuracy of property records and inappropriate cannibalization can negatively affect the availability of excess property for reuse.

2. NIH property may be cannibalized when:

   i.   Cannibalization requests are approved in writing by the PRDS before the cannibalization takes place.
   ii. The property from which the components or parts are to be removed has been determined to be unserviceable.

3. Removal of hard disks in support of the data and software sanitation policy is not considered cannibalization if the disk is reinstalled in the same computer or is affixed to the computer and reported for disposition with the computer.

4. ICs who wish to remove components from NIH property for use on other property must:

   i.   Initiate NIH Form 2741, Request to Cannibalize Personal Property.
   ii. The justification must clearly state that the cannibalization is in the best interest of the Government as a whole, the intended use of the requested parts, and the decal number of the property that will be upgraded with the cannibalized parts.
   iii. Forward NIH Form 2741 to the PCO for routing to PMB for approval.

5. ICs must not undertake a cannibalization until the request has been approved.

6. PCOs will add related data to the request from the official property record in NBS, and update changes to the property record as appropriate:

   i.   Record the value changes in the property system and the documentation must reflect the values recorded in the system. Most often, changes will affect the value of the item being cannibalized.
   ii. Note the parts removed from an asset in the comments field in the NBS Property system along with their values or estimated values.

  iii. Report residual property to the PRDS for disposal using normal disposal reporting procedures.

 7. IC PAOs will perform the following:

  i. Review all documentation to assure it is complete and accurate.
  ii. Copies of approved requests must accompany remaining parts when the remaining property is disposed.
  iii. Forward requests for cannibalization of any capital property to PMB for approval.
  iv. Advise the requestor of the approval.
  v. Maintain a file of all approved cannibalization requests for audit purposes.

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 formal and informal 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 Director.