

Montana State University

Procedures for the Management of Equipment Acquired Under Federal Acquisition Regulation (FAR)

In accordance with [Federal Acquisition Regulation Part 45 – Government Property \(FAR45\)](#) and clause [52.245-1 Government Property Section \(f\)\(1\)](#), the University must establish and implement property management plans, systems, and procedures to ensure the proper safe keeping of government property.

Acquisition of Property (FAR 52.245-1 (f)(1)(i))

Principals Investigators (PIs) must follow the contractual provisions for the acquisition of property. The Office of Sponsored Programs (OSP), Property Management (PM), and Research Integrity and Compliance (RIC) will document and manage any government titled property furnished for an award.

Receipt of Government Property

When the University procures government property, it is obligated to adequately process the property immediately.

Responsibilities:

PI is required to report the following information to RIC:

- Document the receipt of the government property and record the first five criteria of “*Records of Government Property*” via template provided by RIC.
- Check for discrepancies in what was ordered versus delivered. If there are any discrepancies, RIC shall be notified via email.

RIC is required to:

- Record the property in the University’s FAR asset record, assign a unique asset number and affix the property with a *Property of Montana State University* tag. If titled to the government, a green *Property of U.S. Government* tag will be affixed.
- If an Intent to Fabricate (ITF), a unique fabrication number shall be assigned to the ITF project and recorded in the FAR asset record. The appropriate tag will be affixed upon completion of the ITF once the total value of the asset is known.
- Record remaining criteria as applicable.

Documentation kept within the asset record includes requisition documents, purchase orders, packing slips and other documents as appropriate.

Records of Government Property (11 Outcomes)

The asset record must contain the following information:

- 1) The asset name (i.e. general name of the equipment such as confocal microscope)
 - I. Manufacturer
 - II. Model
 - III. Serial Number
 - IV. Part Number
 - V. Description of the asset
- 2) Quantity received or fabricated, and balance on hand
- 3) Unit acquisition cost
- 4) Unit of measure (i.e. per each, foot, bag, etc.)
- 5) Location (building and room number)
- 6) Asset tag number or fabrication number
- 7) Award or contract number
- 8) Property Type (Contract-Acquired Property or Government-Furnished Property)
- 9) Disposition
- 10) Posting reference and date of transaction (date of PO)
- 11) Date first placed into service

Government property must have a *Property of Montana State University* tag with its associated asset number affixed upon receipt. If the title vests with the federal government, a green *Property of US Government* tag shall be affixed.

Physical Inventory

The University must conduct an inventory of all capital and non-capital government property in its custody. This process occurs biennially, but contracts may require increased frequency.

During the process:

- A report summary of capital property will be generated.
- During inventory, each asset must be physically located and status assessed.
- Any changes or discrepancies from the record are recorded.
- The asset record is updated in the University's official asset record.

Property Reporting

OSP must submit an Annual Property Report and Closeout Property Report reflecting the status of property as required by the contract or regulation.

Utilizing Government Property

Equipment under contract shall only be used for contractual purposes unless authorization has been granted by the granting agency. Additionally, property shall receive maintenance as needed.

Property Closeout

PIs, OSP, and RIC work together to fulfill contractual provisions for handling equipment on a closing contract. OSP and RIC will:

- Provide a listing of contract-acquired equipment property to granting agency at the end of the contract.
- Request that the title vest with the University for use in further, on-going research if the title remained with the government at the beginning of the contract.
 - If title is given to the University, RIC will replace the *Property of U.S. Government* tag with a *Property of Montana State University* tag.
- Work with PI to resolve all inventory adjustments and other property issues before the contract is closed.
- Inform the granting agency when all pending actions on property-related matters are completed.

Disposal of Government Property (FAR 52.245-1(j))

The PI, OSP, and RIC will work together to dispose of government titled property. No property shall be disposed of without prior approval from the University or granting agency. The University shall reimburse the government for property that is lost or stolen as directed by the Controlling Officer.

Before disposal, the University must determine if the property can fulfill requirements under other contracts. If so, the Contracting Officer will be requested to transfer the property to the contract or provide authorization as appropriate.

An inventory disposal schedule shall be submitted to the Plant Clearance Officer should disposal be necessary. [FAR 52.245-1 \(j\)\(3\)](#) provides more information regarding disposal timelines.

Property Management System Analysis (PMSA)

As a recipient of federal grants and contracts, University is subject to audits of its equipment management standards, which encompasses the full lifecycle of an asset. This process assesses the ability of the University to protect, preserve, and manage government owned property in its possession. The University's assigned cognizant authority is the Department of Health and Human Services, who conducts annual audits as per [2 CFR 200.504](#) and [2 CFR 200.513](#). Audit findings contribute to more frequent audits and an increased risk for paybacks or other corrective actions.