Foreword

The department of Receiving & Property Control is an integral part of Mississippi State University under the oversight of Budget and Planning. Receiving & Property Control serves a dual role in the university community. The Receiving function serves as a point of entry for all incoming freight delivered to the University. Incoming freight is verified with purchase orders, processed and delivered to departments by the Receiving delivery crew members. Additionally, Receiving picks up and processes surplus/disposal equipment for departments.

Property Control maintains the official record of inventory for fixed assets owned by or under the control of Mississippi State University, the Mississippi Agricultural & Forestry Experiment Station, the Forest and Wildlife Research Center, the Mississippi State University Extension Service and the Mississippi State Chemical Laboratory. This office is responsible for submitting monthly transactions reports for fixed assets to the Office of the State Auditor-Property Division for the State of Mississippi as required by state law. The University must also comply with the provisions of Office of Management and Budget Circulars A-21 and A-110 and Federal Acquisition Regulation (FAR) 31.2.

This Property Management Procedures Manual for Government Property is designed as a reference guide toward ensuring that the laws of the Federal Government, the State of Mississippi and the policies of the Board of Trustees of State Institutions of Higher Learning are closely followed as related to the proper management of fixed assets. Its intended purpose is to instruct employees of their responsibilities governing stewardship of government-owned property as well as that property entrusted to their care while carrying out the three-pronged mission of Mississippi State University: learning, service and research. It does not include, nor is it intended to include, all of the duties or responsibilities related to inventory that exist.

The procedures governing property management, acquisition, disposition and reporting of state-owned equipment through the State of Mississippi are detailed in the MSU Property Management Procedures Manual. It is available through Receiving & Property Control.

Sharon L. Hamlin Property Officer Mississippi State University
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I. UNIVERSITY REGULATIONS

General

The laws of Mississippi impose stringent requirements with reference to control of state-owned property. The University is required to maintain property records on all property costing in excess of $1,000.00 with an expected life of one year or longer. Additionally, there is a group of items which will be reported as equipment regardless of their acquisition value:

1. Motorized Vehicles
2. Chain Saws
3. Tractors
4. Air Compressors
5. Welding Machines
6. Generators
7. Computer Equipment (hard drives, handhelds, printer/multi-function printer)
8. Two Way Radio Equipment
9. Weapons
10. Cellular Telephone/Satellite Phones
11. Lawn Maintenance Equipment

Once a property record is established, disposition of an item can take place only after properly authorized disposition forms are completed by the University and approved by the State Department of Purchasing and Travel and the Office of the State Auditor-Property Division. The State Property Officer will periodically conduct an audit of the University's state-owned property. Receiving and Property Control devotes full time to the control of University and Government property. (Throughout this manual, the term Government refers to the federal government.)

The Office of Sponsored Programs at Mississippi State University reports to the Office of Research and Economic Development and is delegated the responsibility of obtaining external funding for projects by sponsoring agencies, i.e., federal, state, foundation, or other. The process of securing external funding is detailed in the Faculty and Staff Guide To Sponsored Programs Administration at Mississippi State University available through the Office of Sponsored Programs or on their website at http://spa.msstate.edu/. This Guide defines a sponsored program as “any project supported by external funds received by the University as a result of some communication such as a letter, application, or other written proposal approved and submitted by an authorized University office.” The Guide further defines a sponsored program as normally having one or more of the following additional characteristics required or specified by the funding source:

- published application guidelines or procedures
- restrictions on the use of funds
- specified staff performances and/or project outcomes (objectives or products)
- limitations on the use of project data, inventions, and other products
- programmatic, technical and/or financial reports

The Office of Sponsored Programs is responsible for coordinating these activities. Further, the Federal Acquisition Regulation (FAR) at 4.804-5 charges the office administering the contract with the closeout responsibility after receiving evidence of its physical completion. It also provides detailed procedures for the process. Most of the requirements are applicable to grants. The purpose of the closeout process is to ensure that:
1. the Awardee has complied with the terms and conditions set forth in the award, including timely submission of all deliverables
2. disposition of classified material is completed
3. final patent report and royalty reports are cleared
4. plant and property clearance report is received and all property is fully dispositioned
5. final costs have been reviewed and accepted by any one of several audit approaches, any disallowed or open elements of costs are settled or dispositioned, including
   - subcontract settlement closeouts
   - open year indirect cost rates
   - submission of the awardee’s final invoice, and
   - deobligation of excess funds has been recommended

Additionally, concerning grants and cooperative agreements, OMB Circular A-110, Subpart D – entitled, After-the-Award Requirements, contains closeout guidance and procedures for subsequent disallowances and adjustments. Further instructions in __.71 Closeout procedures state “Recipients shall submit, within 90 calendar days after the date of completion of the award, all financial, performance, and other reports as required by the terms and conditions of the award.”

Acquisition
The University’s office of Procurement and Contracts is vested with the sole authority to obligate University funds other than for personal services. Procurement and Contracts, however, may not purchase any item until requisitions are approved by the appropriate department head and administrator. (Refer to the University’s Policy and Procedure Manual regarding the office of Procurement and Contracts.) All equipment requisitions on restricted funds are first reviewed by Sponsored Programs Accounting of the Office of the Comptroller in order to ensure compliance with grant/contract and current regulations. Upon approval of the requisition by Sponsored Programs Accounting, the requisition is returned to Procurement and Contracts for the processing of the purchase order.

Record of Inventory
Receiving and Property Control ensures that equipment provided for sponsored projects by acquisition or furnished through the sponsor is properly accounted for through the procedures contained in this Manual. The office works closely with the Office of Sponsored Programs to ensure that the property reporting requirements for sponsored projects are met and that the final reports required during the close-out phase of a project are provided to the Office of Sponsored Programs for submission to the respective sponsoring authority as specified in the award.
II. INTRODUCTION

This manual sets forth basic procedures to be followed by Mississippi State University in the management of Government or sponsored property under its control. In Government contracts in which the Federal Acquisition Regulation (FAR) - Part No. 45 requires control of property over and above the University's requirements, the FAR requirements will prevail. If there is any inconsistency between this manual, the Government's manuals referenced and the contract under which the Government property is provided, the terms of the contract shall prevail.
III. ORGANIZATION

A. Property Administrator

The Property Administrator (ACO) is the Government's authorized representative for administering contract requirements and obligations relative to property. He/she is responsible for reviewing all contractor property control procedures, examining the records maintained by the contractor on Government property and making usage analysis of Government property records as required by DOD 4161.2M entitled *A DOD Manual for the Performance of Contract Property Administration* dated December, 1991. Copies of all correspondence and transactions with the Property Administrator concerning Government property will be furnished to Sponsored Programs Administration and the Property Officer.

B. Sponsored Programs Administration

Sponsored Programs Administration will peruse all federal grants/contracts for equipment information. During the award process, notification will be submitted by Sponsored Programs Administration to Sponsored Programs Accounting regarding title ownership, special conditions regarding the purchase of equipment and other conditions required by the sponsor. Sponsored Programs Accounting will generate an e-mail with the Assignment of University Account Number regarding title to equipment. A copy of the Assignment of University Account Number will be sent to the Project Leader, Property Officer and Sponsored Programs Administration (see Appendix).

Requests for University title to equipment and required agency approval for equipment purchases will be the responsibility of Sponsored Programs Administration. A copy of all correspondence regarding equipment will be submitted to the Property Officer, Sponsored Programs Accounting and the Project Leader.

Sponsored Programs Administration will be responsible for ensuring that the principal investigator provides a complete property listing, in written and file format, for all government-titled (either through acquisition or furnished through the award) to Receiving & Property Control. The property listing should include any/all equipment acquired by any and all subcontractors to the award.

C. Project Leader or Principal Investigator

The department head and project leader and/or principal investigator (hereinafter referred to as project leader) shall be responsible for all property assigned to the project. The project leader may appoint a project property officer and delegate the responsibility of discharging the duties set forth in these procedures. Depending upon the project size, the project property officer may attend to property matters only, or he/she may double as the project property officer and regular project staff member. Accountability will remain with the department and the project leader. Responsibilities for reporting equipment acquired by a subcontractor on an award to Sponsored Programs Administration are also assigned to the project leader. See Appendix for the specific information required for reporting purposes. It should be provided in written format and file-format.

Identification and Marking
Each department head is charged with the responsibility for property assigned to his/her department. Each department is required to affix a tag or otherwise satisfactorily mark each piece of inventory equipment to show the property inventory number of the item. Marking is accomplished in a manner consistent with the peculiarities of the equipment. The department head will be responsible for maintaining a separate inventory listing of all Government property, either Government-furnished or contractor-acquired (purchased), and all identification markings for this property will be in accordance with the requirements of the Federal Acquisition Regulations - Part No. 45, dated January 31, 1984. For general guidance, the following instructions apply:

(a) Special test equipment, special tooling, minor plant equipment, plant equipment and industrial plant equipment will be marked with the designation of the military department responsible for funding control as follows: Army - "USA", Navy - "USN", Air Force - "USAF" and NASA - "NASA".

(b) Plant equipment including industrial plant equipment (IPE), but not minor plant equipment, will be assigned a Government identification number which will be affixed directly to the piece of equipment in a form of a metal, fiber, plastic or other permanent plate in a tamper-proof manner.

(c) Normally, identification of plant equipment is permanent unless the equipment is transferred from the control of the Department of Defense.

(d) ID numbers and Government identification will be removed when title is transferred to the University, or when disposed of or scrapped.

D. Property Officer

The department of Receiving and Property Control falls within the division of Finance and Administration at Mississippi State University. The Property Officer will maintain a detailed listing of all University acquisitions coded as capital equipment. The Property Officer provides property tags for proper identification of equipment. The Property Officer will print a June 30 detailed listing of all Government/University titled equipment and distribute this listing to the appropriate department for their review. The Property Officer will maintain a listing of Government-furnished and contractor acquired property for all projects. All correspondence and all property transactions shall be channeled through Receiving and Property Control. The Property Officer will perform periodic property audits to verify that all equipment is properly tagged and accounted for within departments.
IV. DEFINITIONS

A. Government Property

All property owned by or leased to the government or acquired by the government under the terms of a contract. Government property includes both government-furnished property and contractor-acquired property as defined below:

1. Government-furnished property is property in the possession of, or acquired directly by, the government and subsequently delivered or otherwise made available to the contractor.

2. Contractor-acquired property is property procured or otherwise provided by the contractor for the performance of a contract, title to which is vested in the government.

B. Government Material

Government property which may be incorporated into or attached to an end item to be delivered under a contract or which may be consumed in the performance of a contract. It includes, but is not limited to, raw and processed material, parts, components, assemblies, and small tools and supplies.

C. Special Test Equipment

Single or multipurpose integrated tests units engineered, designed, fabricated, or modified to accomplish special purpose testing in the performance of the contract. Such testing units comprise electrical, electronic, hydraulic, pneumatic, mechanical, or other items or assemblies of equipment, that are mechanically, electrically, or electronically interconnected so as to become a new functional entity, causing the individual item or items to become interdependent and essential in the performance of special purpose testing in the development or production of particular supplies or services. The term "special test equipment" does not include:

1. material;
2. special tooling;
3. buildings and nonseverable structures (except foundations and similar improvements necessary for the installation of special test equipment);
4. plant equipment items used for general plant testing purposes.

D. Facilities

Industrial property (other than material, special tooling, military property, and special test equipment) for production, maintenance, research, development or test, including real property and rights therein, building, structures, improvements, and plant equipment.

E. Plant Equipment

Personal property of a capital nature (including equipment, machine tools, test equipment, furniture, vehicles, and accessory and auxiliary items, but excluding special tooling and special test equipment) for use in the manufacturing of supplies, in performing services, or for any administrative or general plant purpose.
F. Industrial Plant Equipment (IPE)

In accordance with the DOD FAR Supplement, Part 245.301, industrial plant equipment (IPE) is that part of plant equipment with an acquisition cost of $15,000 or more; used for the purpose of cutting, abrading, grinding, shaping, forming, joining, testing, measuring, heating, treating, or otherwise altering the physical, electrical, or chemical properties of materials, components, or end items entailed in manufacturing, maintenance, supply, processing, assembly, or research and development operations; and IPE is further identified by name in Joint DoD Handbooks.

G. Other Plant Equipment (OPE)

That part of plant equipment, regardless of dollar value which is used in, or in conjunction, with the manufacture of components or end items relative to maintenance, supply processing, assembly, or research and development operations; but excluding items categorized as IPE.

H. Centrally Reportable Equipment (CRE)

Plant equipment, special test equipment (including components), special tooling, and non-flight space property (including ground support equipment) which is (i) generally commercially available and used as a separate item or component of a system, and (ii) is valued at $1,000 or more, and (iii) is identifiable by a manufacturer and model number. (This applies to NASA property.)

I. Accessory Item

Items which facilitate or enhance the operation of plant equipment, but which is not essential for operation of the equipment, such as remote control devices.

J. Auxiliary Item

An item without which the basic unit of plant equipment cannot operate, such as motors for pumps and machine tools.

K. Salvage

Salvage means property which because of its worn, damaged, deteriorated, or incomplete condition, or specialized nature, has no reasonable prospect of sales or use as serviceable property without major repairs or alterations, but which has some value in excess of its scrap value.

L. Scrap

Scrap means property that has no reasonable prospect of being sold except for the recovery value of its basic material content.
V. PROPERTY SYSTEM

To ensure that property accountability is established in accordance with guidelines of the Government and with the provisions of this manual, and that the property provisions of the contract or grant are understood fully, the Project Leader of a newly established project should review the contract or grant and discuss any special conditions with the Property Officer and Sponsored Programs Administration.

A. Acquisition of Property

Upon receipt, Project Leaders or their designated representatives, are responsible for completing an MSU Acquisition Form for each individual item of Federal Property under their control. The form should be submitted to Receiving & Property Control at the following address:

P.O. Box 6177     MS State, MS 39762     Mail Stop 9605     Phone: 662-325-2545 Fax: 662-324-4551

The MSU Acquisition Form is available on the internet at www.property.msstate.edu.

Project Leaders, when submitting proposals for research contracts and grants should provide details of the types and quantities of property required for the project. A check should be made to determine if there is any surplus property available before preparing a requisition. The acceptance of a proposal budget does not necessarily constitute an approval to purchase equipment even though the equipment is itemized in the budget. Property may fall into one of the following categories:

1. Government-furnished property may be:
   a. furnished as a condition of the contract or grant;
   b. requested from a government agency, as required, under the conditions of a contract or grant;
   c. transferred from another government contract or grant upon written approval of the Contracting Officer.

2. Contractor-acquired property may be obtained as a result of the contract or grant and purchased in accordance with Mississippi State University purchasing procedures:
   a. when authorized by the conditions of the contract or grant;
   b. upon written approval of the Contracting Officer;

3. Government-owned excess personal property may be acquired when the Project Leader has located and identified property at a General Services Administration (GSA) regional office.

   Procedures for: Approval:
   a. Completion of a DD Form 1348-1, per property item, by the Project Leader. Upon completion, DD Form 1348-1 will be forwarded to the Property Officer for transmittal.
   b. The Property Officer will notify the Project Leader of authorization for transfer of excess personal property when DD Form 1348-1 is approved.
   c. When property is received, a signed copy of the receipt document is forwarded by the Project
Leader to the Property Officer. Verification of receipt of each property item is imperative.

d. Generally, a modification will be issued by the Contracting Officer to incorporate Government Property in the contract.

Equipment that is specifically identified in the contract or grant award is considered approved for the purchase of equipment with federal funds. If the equipment is not specifically identified in the contract or grant award, prior approval must be obtained from the Sponsoring Agency or ACO to purchase the equipment. Prior approval requests must be submitted through Sponsored Programs Administration in order to obtain the Sponsoring Agency or ACO approval.

Sponsored Programs Accounting of the Office of the Comptroller will use an approval stamp for all equipment requisitions purchased with federal funds. The approval stamp includes the department: “Sponsored Programs Accounting”, a “Federal Funds” stamp to indicate that the items on the requisition are being procured with federal funds; Sponsored Programs Accountant typed name and space for their initials, date of approval, and a Prior Approval check box to indicate if prior approval was required for the procurement. The requisition will be placed in the Procurement & Contracts purchase order file.

External Screening:

For DOD contracts and grants, Government Procurement Regulations require that the Defense Industrial Plant Equipment Center (DIPEC) screen for idle or excess Industrial Plant Equipment (IPE) costing $15,000 or more prior to authorization to purchase certain controlled equipment.

For DOD contracts, DD Form 1851 must be submitted to the ACO or Sponsoring Agency official prior to the purchase of any Automated Data Processing Equipment (ADPE) over $25,000. This form is processed to insure, prior to purchase, that an item is not available from Government Sources.

For NASA contracts and grants, NASA will perform the Equipment Visibility System (EVS) prior to approval of the budget that includes equipment costing $1,000 or more.

Project Leaders must check with the Property Officer to determine if the required equipment qualifies for DIPEC action. If it does qualify, the Property Officer will assist in preparation of the required form (DD 1419) for submission (see Appendix).

A certificate of non-availability from DIPEC must accompany the requisition for industrial plant equipment. Purchase of industrial plant equipment without prior authority from DIPEC and the Contracting Officer may result in disallowance by the auditing agency. A certificate of non-availability from the ACO or Sponsoring Agency must accompany the requisition for Automated Data Processing Equipment over $25,000. Sponsored Programs Accounting will review the requisition to insure that these requirements are met.
Internal Screening:

Internal Screening of restricted federal equipment acquisitions on a per item basis is required in order to avoid the purchase of unnecessary or duplicate items in accordance with Subpart C to OMB Circular A 110. The internal screening system for Mississippi State University is:

- $5,000 and above Departmental Screen (performed by the department)
- $50,000 and above University Inventory Screen (performed by the Property Officer)

A form signed by the Property Officer/Department Head/Project Leader will be attached to the requisition stating the following (see Appendix for sample form):

- a. Internal screening has been performed.
- b. Equipment is not available within the department/college/university for the performance of work on the contract/grant.
- c. Recommendation for Procurement and Contracts to process the requisition for the purchase of the equipment.

B. Receiving Property

Receiving and Property Control is the primary receiving location for the University. Copies of all purchase orders are routed to Receiving and Property Control where most property is received from vendors and either routed to the requisitioning department or delivered by Receiving and Property Control. General inspection for condition at time of receipt is made by Receiving and Property Control and a detailed inspection is made by the requisitioning department after delivery. Authorization to pay vendor invoices is made by the requisitioning department after the detailed inspection of all goods received.

Records

To prevent multiple payments for the same item, all payments are recorded on the audit file copy of the purchase order showing the voucher number under which the payment was made.

Receiving and Property Control maintains a property database of all capital expenditures, as coded in the financial module of the University accounting system, BANNER. The database includes a detailed listing of government furnished and contractor acquired property (see Appendix for the specific information required for the detail of the property records). Receiving and Property Control will print a June 30 detailed listing of all Government property and distribute this listing to the appropriate departments for review. All correspondence and all property transactions are channeled through Receiving and Property Control. Title to equipment will be based upon the information contained in the title screen of BANNER which is provided by Sponsored Programs Accounting. Any transaction which affects government property will be entered in the property database. Receiving and Property Control will perform periodic audits to verify that all equipment is tagged and accounted for properly.
C. Storage

Storage of property assigned to a department becomes the responsibility of the department head. Storage must be in accordance with acceptable commercial housekeeping procedures, with adequate protection from corrosion, contamination, and damage.

D. Movement of Property

Before government property is moved from one physical location to another, the Project Leader must complete and submit to Receiving and Property Control written instructions that detail the movement and purpose.

If the property is to be moved to an off-campus or another on-campus location, Sponsored Programs Administration will obtain necessary approvals (i.e. agency, ONR Property Administrator, etc.). After necessary approvals are obtained, the Property Officer will approve the MSU Federal Property Relocation form and return a copy of the approved form to the Project Leader and provide any specific instructions that may pertain to the movement of the property. Specific instructions may include shipping instructions or handling of the property. The new location will be entered in the property database.

E. Loss, Theft, Damage or Destruction of Property

Loss, theft, damage, or destruction of government property must be promptly reported in writing to Receiving and Property Control for appropriate action. Project Leaders must furnish all factual data as to the circumstances surrounding such loss, theft, damage, or destruction.

F. Alterations, Additions, Improvements

No substantial alterations, additions, or improvements shall be made to items of government property unless authority is contained in the contract or grant or received from the Contracting Officer.

G. Disposition of Property

During the course of a project, the Project Leader should periodically assess the continued need for the government property assigned to his/her project and if finding that certain property is no longer needed, should request disposition of the excess property. At the completion of a contract, recommendations for disposal of government property should be furnished by the Project Leader to Receiving & Property Control (see Appendix for MSU Federal Property Disposal Form). Sponsored Programs Administration will obtain the necessary disposition instructions.

Various methods of disposal are as follows:

1. transfer of title;
2. transfer accountability to another government contract or grant;
3. purchase by Mississippi State University;
4. donation to the Mississippi State Agency for Federal Property Assistance;
5. utilization within the Government (through application of prescribes screening procedures);
6. return to sponsoring agency;
7. abandonment or destruction.
Recommendations for disposal should include all pertinent information available. Disposition must be approved by the ACO or Sponsoring Agency Official before removal of the item from inventory.

I. Transfer of Title

Federal agencies have the authority to transfer to educational institutions the title to equipment purchased with contract or grant funds. Most agencies vest title with the university at the onset of research which is funded by grants. Title to contractor-acquired equipment having an acquisition cost of less than $1,000 will be transferred to Mississippi State University upon acquisition provided written approval of the Contracting Officer is provided prior to purchase such equipment. A list of all such equipment must be provided to the Contracting Officer within ten days following the end of the calendar quarter in which the equipment was acquired. MSU title to contractor-acquired equipment having an acquisition cost of $1,000 or more may be requested provided written approval of the Contracting Officer is acquired prior to purchase such equipment. Requests for title may be submitted through Sponsored Programs Administration. A copy of the request will be sent to Receiving and Property Control.

J. Maintenance

The Project Leader is responsible for the maintenance of all property accountable under his/her contract or grant. He/she shall establish and administer a program for the maintenance, repair, utilization and protection of Government property to insure that proper measures are taken to comply with sound business practices and applicable provisions of Subpart 45.5 of the FAR. Generally, the cost of maintenance or minor repair of Government property is an allowable charge against contract funds. If major repairs are necessary, the Project Leader should contact Sponsored Programs Administration to determine if agency approval is required.

K. Scrap

Normally, scrap generated from the performance of a project is not substantial enough to justify the man hours expended in the maintenance of records. In the event the scrap is substantial in amount, it should be handled in such a manner that the project will receive the benefit from the disposal. It shall be the responsibility of the Project Leader to notify Receiving & Property Control when such disposition is necessary.

L. Salvage

In the event property under a Government contract or grant becomes worn, damaged, deteriorated, or because of its incomplete condition or specialized nature does not have a reasonable prospect of sale or use without major repairs or alterations, then this information shall be reported to Receiving & Property Control with recommendation for its disposal. Upon receipt of disposition instructions and after disposition has been made, appropriate inventory record entries shall be made. Salvage does not include the dismantling of experimental setups which are inherently temporary in nature. These components will normally be carried on the inventory as separate items. In the event an item of controlled property is expended in the course of research and development work, a letter containing the facts shall be prepared and transmitted to the Contract Administrator requesting deletion of the item from the property account. A copy of this request must go to Receiving and Property Control. Salvage of property will be made by separating the useful component and setting aside the remainder as scrap for disposal, if the amount so warrants.
M. Other/What-if Situations

If any situations or circumstances concerning government property arise which are not specifically addressed elsewhere in this manual, the Project Leader should contact Receiving and Property Control or Sponsored Programs Administration for instructions or proper procedures, to be determined on a case-by-case basis.
VI. PROPERTY RECORDS

A. Property Control System

The control system for Government owned property is maintained in a computerized property database. An entry will be made in the database for each equipment item acquired. Modifications will be maintained to reflect the current status of the equipment at all times. The database shall contain the following:

1. department name;
2. acquisition type (government furnished-GF or contractor acquired-CP);
3. MSU government property identification number;
4. item description;
5. manufacturer's name, model number, and serial number;
6. condition code;
7. total item cost and percentage of federal funding where applicable
8. date;
9. location, to include building and room number;
10. property custodian;
11. contract/grant number;
12. university account number;
13. awarding agency.

B. Shipping Document

Items of government-furnished property will be accompanied by a government shipping document. Items of contractor-acquired property will be accompanied by a copy of the manufacturer's or vendor's invoice. The shipping document or vendor's invoice will be used to enter into the property database.

C. Material (Expendable Property)

Material is considered expended on receipt by the project. However, the portion of this material not consumed by the project must be included in the final inventory. Government invoices or the University's purchasing documents are acceptable as property control records.

D. Reports - Dollar Amount

1. DOD Reporting Requirements

Contractors shall furnish to the Property Administrator, as of September 30 of each year, a report by contract, of the total acquisition cost of Government property for which MSU is accountable. Reports shall be prepared on DD Form 1662 (DOD property in the custody of contractors), and furnished to the Property Administrator in duplicate no later than October 31 of each year.
Contractors shall furnish to the Property Administrator, as of September 30 of each year, a report by contract of the total acquisition cost of Government facilities and the quantity of IPE for which the institution is accountable. This shall include facilities at subcontractor plants and at alternate locations for which the prime contractor is accountable.

Reports shall be prepared on DD Form 1419 (DOD Industrial Plant Equipment Requisition) and furnished to the Property Administrator no later than October 21 of each year.

2. NASA Reporting Requirements

The contractor shall prepare and submit annually a "Report of Government Owned/Contractor-Held Property" (NASA Form 1018) in accordance with the instructions on the form for each NASA contract (sample attached). Four copies of the NASA Form 1018, or a negative letter report, when appropriate, for the period ending September 30 shall be submitted to the Property Administrator by October 31 of each year. For NASA grants, an annual inventory listing is required for the same reporting period as the NASA 1018's.

3. DOE Reporting Requirements

The contractor shall prepare and submit DOE Form 4300.3 "Semi-Annual Summary Report of DOE-Owned Plant and Capital Equipment". A report shall be prepared semi-annually on February 28 and August 31 of each year and submitted to the DOE Property Administrator.
VII. CONDITION CODES

Mississippi State University shall use the following codes together with the disposal codes 1 through 9, X and S (e.g., A1, F7, SS) to indicate the condition of the property in accordance with DFAR 245.606-5(d) and FAR 45.606-5(4):

1. Code 1, Unused-good. Unused property that is usable without repairs and identical or interchangeable with new items from normal supply sources.

2. Code 2, Unused-fair. Unused property that is useable without repairs, but is deteriorated or damaged to the extent that utility is somewhat impaired.

3. Code 3, Unused-poor. Unused property that is usable without repairs, but is considerably deteriorated or damaged. Enough utility remains to classify the property better than salvage.

4. Code 4, Used-good. Used property that is unable without repairs and most of its useful life remains.

5. Code 5, Used-fair. Used property that is usable without repairs, but is somewhat worn or deteriorated and may soon require repairs.

6. Code 6, Used-poor. Used property that may be used without repairs, but is considerably worn or deteriorated to the degree that remaining utility is limited or major repairs will soon be required.

7. Code 7, Repairs required-good: Required repairs are minor and should not exceed 15 percent of original acquisition cost.

8. Code 8, Repairs required-fair. Required repairs are considerable and are estimated to range from 16 percent to 40 percent of original acquisition cost.

9. Code 9, Repairs required-poor. Required repairs are major because property is badly damaged, worn, or deteriorated, and are estimated to range from 41 percent to 65 percent of original acquisition cost.

10. Code 10, Salvage. Property has some value in excess of its basic material content, but repair or rehabilitation to use for the originally intended purpose is clearly impractical. Repair for any use would exceed 65 percent of the original acquisition cost.

11. Code S, Scrap. Material that has no value except for its basic material content.
VIII. INVENTORIES

Inventory of government property is generally of three types:

A. Interim Inventories should be conducted once a year. A statement is required that is signed by the Project Leader or his representative, indicating a physical inventory was completed on a given date and the official property records were found to be in agreement with the physical inventory except for discrepancies noted. A listing will be attached or included that properly identifies all discrepancies disclosed by the physical inventory. The inventory must be submitted to Receiving and Property Control.

B. Joint Inventory and Selective Checks may be made by the Property Administrator whenever he deems it necessary to protect the Government's interest.

C. Terminal Physical Inventory shall be taken at the completion or termination of a contract or grant.

D. The inventory shall be adequate for disposal purposes of all government property applicable to the contract or grant in the custody, control, or possession of Mississippi State University. The terminal inventory shall be prepared on a quantitative and monetary basis and submitted to Receiving and Property Control. This inventory is required even though the property is to be transferred "in place" to a follow-on contract. If there is no government property, a negative letter report will be submitted in lieu of an inventory report. Recommendations for disposal will be indicated on a separate sheet, not on the inventory report.
IX. CLOSEOUT OF GRANTS AND CONTRACTS

The Federal Acquisition Regulation (FAR) at 4.804-5 charges the office administering the contract with the closeout responsibility after receiving evidence of its physical completion. It also provides detailed procedures for the process. Most of the requirements are applicable to grants. The purpose of the closeout process is to ensure that:

1. Awardee has complied with the terms and conditions set forth in the award, including timely submission of all deliverables
2. disposition of classified material is completed
3. final patent report and royalty reports are cleared
4. plant and property clearance report is received and all property is fully dispositioned
5. final costs have been reviewed and accepted by any one of several audit approaches, any disallowed or open elements of costs are settled or dispositioned, including
   - subcontract settlement/closeouts - open year indirect cost rates
   - submission of the awardee’s final invoice, and
   - deobligation of excess funds has been recommended

Additionally, concerning grants and cooperative agreements, OMB Circular A-110, Subpart D – entitled, After-the-Award Requirements, contains closeout guidance and procedures for subsequent disallowances and adjustments. Further instructions in __.71 Closeout procedures state “Recipients shall submit, within 90 calendar days after the date of completion of the award, all financial, performance, and other reports as required by the terms and conditions of the award.”

Sponsored Programs Administration will submit a written request to Receiving & Property Control for all property reports necessary for closeout of an award in compliance with the sponsoring agency’s requirements. The request should include the following information: award name, sponsoring agency, principal investigator, award beginning and ending dates, all funds/orgs associated with the award, subcontracts included under the award, equipment title code, equipment amount budgeted for award and/or subcontract(s), amount of equipment expenditures under award and/or subcontract(s). Receiving & Property Control will use this information for verification purposes against what is contained in the property system.

Receiving & Property Control will submit to Sponsored Programs Administration the requested property reports for completion of the closeout of the award.
X. APPENDIX

1. MSU Federal Property Screening Form
2. MSU Federal Property Disposal Form
3. Sponsoring Agencies
4. Sample Federal Property Record
MSU Federal Property Screening Form

An internal screening of equipment purchases on a per item basis is required in order to avoid the purchase of duplicate items. This form is to be completed and attached to each federal equipment requisition and any supporting documents with a purchase cost of $5,000 and above before being forwarded to Procurement & Contracts for processing.

Principal Investigator: ___________________________ Date: ____________
Department Name: ___________________________ Phone Number: ____________
Campus Address: ___________________________ Fax Number: ____________
Sponsoring Agency: ___________________________ BANNER Fund Number: ____________
Award Number: ___________________________ Requisition Number: ____________

Description of item requested:

Internal Screening: □Departmental Screen - performed for individual equipment items with a purchase cost of $5,000 or greater. Approval items with a purchase cost of $5,000 or greater. Approval at this level of screening requires the signature of the principal investigator and dean, director, or department head only.

□University Screen - performed for individual equipment items with a purchase cost of $50,000 or greater. Approval at this level of screening requires the signature of the principal investigator, dean, director, or department, and either the MSU Property Officer or the Assistant Property Officer.

<table>
<thead>
<tr>
<th>SIGNATURE OF APPROVING OFFICIALS</th>
<th>TITLE</th>
<th>DATE</th>
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<tbody>
<tr>
<td></td>
<td>Principal Investigator</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dean, Director, or Department Head</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Property Officer/Asst. Property Officer</td>
<td></td>
</tr>
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</table>

This form prepared by:
Name: ___________________________
Phone: ___________________________
# MSU Federal Property Disposal Form

This form is to be submitted by the Principal investigator of the award for the approval of the disposal of sponsored title equipment. Please complete this form and return to MSU Receiving & Property Control at Mail Stop 9605.

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<tbody>
<tr>
<td>Department Name:</td>
<td>Phone Number:</td>
</tr>
<tr>
<td>Campus Address:</td>
<td>Fax Number:</td>
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<tr>
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<td>Award Number:</td>
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<table>
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<tr>
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<th>Description</th>
<th>Serial Number</th>
<th>Disposal Reason</th>
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</table>

**SIGNATURE OF APPROVING OFFICIALS**

<table>
<thead>
<tr>
<th>Title</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Principal Investigator</td>
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<td>Dean, Director, or Department Head</td>
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<td>Property Officer/Asst. Property Officer</td>
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</table>

This form prepared by:

<table>
<thead>
<tr>
<th>Name:</th>
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<table>
<thead>
<tr>
<th>Phone:</th>
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# Sample Federal Property Record

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<td>1) United States Department of Agriculture</td>
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<tr>
<td>2) United States Department of Commerce</td>
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</tr>
<tr>
<td>6) United States Department of Health and Human Services</td>
<td><a href="http://www.hhs.gov">http://www.hhs.gov</a></td>
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<tr>
<td>8) United States Department of Justice</td>
<td><a href="http://www.justice.gov">http://www.justice.gov</a></td>
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