



PROPERTY MANUAL

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Property Manual

Further information about Berkeley Laboratory policies is available in the [Regulations and Procedures Manual \(RPM\)](#).

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Property Management System Review

Overview of Property Management Policies

This Manual sets forth Property Management policies, practices and protocols regulating the control and protection of property entrusted to Lawrence Berkeley National Laboratory (Berkeley Laboratory) by the U.S. Department of Energy (DOE). The Property Management charter ensures the efficient and effective protection and control of property utilized in a broad spectrum of research and administrative programs at Berkeley Laboratory. Uniform principles, policies, and standards for cost-effective management are established and supported in partnership with each scientific and administrative Division.

Conventions used throughout this Manual

Personal Property

Personal Property is defined by the Code of Federal Regulations as equipment, supplies, and materials owned by the United States Government, the University of California, or some other legal entity and used in support of the DOE mission-driven work at Berkeley Laboratory. It is distinct from "*Non-Government-Owned* (privately-owned) personal property."

NOTE

Non-Government-owned personal property shall not be installed in, affixed to, or otherwise made a part of, any Government-owned personal or real property. This restriction does not apply to the use and installation of privately owned decorative items or memorabilia in the workplace, provided that the structure or safety of the facility is not thereby degraded.

Property Management Group

This entity is abbreviated to "Property Management," and consistently refers to the core property group members.

Official Use Regulations

Laboratory Property is U.S. Government property and must be used solely for official purposes, which are defined as, "the performance or support of Laboratory work or other purposes authorized by the Laboratory." Government-funded property, facilities and services may not be used for private commercial gain or personal benefit, but may be used for "incidental personal use", which means limited, occasional use.

Theft of Laboratory Property

Theft, illegal possession, unlawful disposition, appropriation, or misuse of government property constitutes federal offenses. Employees who engage in conduct prohibited by the Laboratory Property Management policies are subject to corrective action up to and including dismissal. The U.S. Attorney General or District Attorney may pursue criminal prosecution with consequences including fines and/or imprisonment.

Non-Laboratory Employees

Division Line Management must approve all assignments of Laboratory equipment to non-laboratory employees. Non-Laboratory employees who are furnished Government property in the name of their supervisors may forfeit their Laboratory assignment and/or affiliation if they engage in conduct prohibited by Laboratory policies. User privileges may also be revoked if non-laboratory employees fail to obtain required authorization before moving, removing, or loaning property.

I.0 Parties and Organizations Responsible for Property

The Laboratory is required to maintain a management system that provides the most efficient use and control of the government-owned property entrusted to its care.

I.1. University / Laboratory Director

The University of California, through the Berkeley Laboratory Director, is responsible for the efficient and economical management of all property in the custody of the Laboratory. Areas of responsibility include proper acquisition, receiving, identification, storage, use, excess, salvage, and disposal of supplies, materials, and property.

I.2. Division Director Responsibilities

I.2.1. Responsibility for Assigned Property

Property Management insures both the security and best use of resources through the establishment of a hierarchy of accountability from Division level through its Line Management to individual Property Custodians.

Division Directors are responsible for the general management, proper use, and protection of property entrusted to their Divisions. Their decisions regarding acquisition, need, and storage of property items as well as the management of storage and operating areas, must be in compliance with Laboratory policies.

I.2.2. Appointment of a Division Property Representative

The Division Director or proxy appoints a Property Representative to manage Division property activities following DOE guidelines and in partnership with the Laboratory Property Management.

I.3. Division Property Representative

The Property Representative represents the Division in property policy matters and acts to assure Division compliance with property policies consistent with the authorities granted by the Division Directors. Property Representatives are responsible for ensuring that all records are accurate and current for all property assigned to their Divisions.

Although some Property Representative functions may be appropriately delegated to others, the Property Representative remains the sole point of contact for the Division on property management activities.

Responsibilities of the Property Representatives include the following:

- Formulating Division procedures aligned with Laboratory policies and procedures.
- Ensuring that assignments and locations of tagged property are current.
- Ensuring that inventories and reconciliations are performed.
- Processing documentation and updating the Property Database for property used at employee homes.
- Approving lost, damaged, or destroyed property reports.
- Participating in Walk-Through Programs, Property Reviews, and other property management audits.
- Ensuring that property reassignment protocols are followed upon the termination of an employee.

Property Representatives are required to stay current with modifications to Property Management policies and procedures.

I.4. Division Line Management

Line Management takes appropriate action to

- Inform all property custodians/users of their responsibilities toward property.
- Determine the need for assigning "taggable" property to custodians/users.
- Evaluate and approve as appropriate, requests for removal of property from the Laboratory.

- Ensure effective management of property within the Division.
- Take corrective action on violations of property policy.

I.5. Division Property Coordination

Property Coordinators are appointed by Divisions to assist their Property Representatives in the administrative details of property stewardship. Property Representatives and Coordinators work together to support Property Management functions by

- Recording initial custody for all controlled and sensitive property.
- Processing custodian, location, and other detail changes.
- Maintaining all records associated with property transactions, including but not limited to
 - Securing and retaining signed receipts for sensitive property items from property custodians.
 - Securing, retaining, and recording shipping and material pass transactions.
 - Processing home-use transactions.

Each Division Property Representative is responsible for ensuring that its own data management conforms to Laboratory Property Management policies and procedures. If a Property Coordinator is not appointed, the Property Representative is responsible for all activities.

I.6. Property Custodians

Property Custodians are career employees who are assigned one or more items of property to use in the performance of their work. Custodians must follow Laboratory Property Management policies and procedures and take reasonable measures consistent with the environment in which the property is being appropriately used. They are required to safeguard their assigned property against loss, damage, destruction, or theft and must cooperate in the investigation of lost or stolen items.

NOTE

If there is evidence that property has been lost, damaged, destroyed, or stolen as a result of willful misconduct or gross negligence of the property custodian, the Government and/or the employer may hold the Property Custodian financially liable for repair or replacement. "Gross negligence," in this context, is defined as intentional neglect or wanton disregard for the duty to protect Government property. Corrective action consistent with Laboratory Personnel and Property Management policies and procedures will be pursued.

I.7. Property Management Organization

Property Management is responsible for 1) reviewing division property management activities and recordkeeping, 2) serving as a focal point for developing policy and, 3) providing policy guidance to the Laboratory. Property Management maintains the Property Database, establishes Laboratory Property Management standards and criteria, and ensures that property is effectively managed.

Property Management is responsible for establishing and implementing procedures that address the acquisition, control, use, disposition, and required inventory of property at the Laboratory. Each Division is responsible for property accountability through its Line Management.

Property Management will conduct audits every two years with the participation of the Property Representative. The audits encompass the following activities:

- Walk-Through of operating and technical areas. The purpose of this review is to identify idle, non-essential or infrequently used property, or material and property exposed to environmental damage.
- Visual inspection of storage areas to ensure that divisions follow established Laboratory property management policies and procedures for storing property.
- Review of property records to ascertain that the division is maintaining adequate records and to ensure proper management of assigned property.

- Audit of division and/or Property Representative property removal records.
- Oversight of the accuracy and currency of the Property Database.
- Physical Property Reviews.

If deficiencies are observed or discrepancies arise during audit activities, Property Management will make recommendations for corrective action by the Division.

Property Management will plan additional inventories and reviews as required by Laboratory operating procedures.

1.8 Property Management Advisory Board

The Property Management Advisory Board was established in 1994 to provide a forum for the Property Manager and Division Property Representatives to focus on improvements to the property system. The members review procedures and recommend modifications or alternative methodologies to simplify the complexities of managing property in Berkeley Lab's dynamic and robust environment. Over time, the Board proposed to augment their efforts by including representatives from the Business Managers cohort, and two were appointed in November 2004. As representatives of the financial aspect of property life cycling, the Business Managers balance and strengthen the collaboration and provide a valuable interface with Laboratory Management.

II. Acquiring Property

All Laboratory property acquired through Government funding is owned by the United States Government.

Property Management and the various Procurement entities are responsible for identifying acquired items as "controlled" or "sensitive."

Property that has been designated excess by the General Services Administration, the Department of Energy, the Department of Defense, or other federal agency, is considered the first source of supply to the Laboratory.

Property acquired by a university campus entity for use in work under an Intra-University Transaction is considered Government property and therefore subject to the same level of control consistent with this policy.

II.1. Requisition Process

Every requisition form must identify the Division of the requestor in order to establish organizational responsibility and eliminate confusion about stewardship of property.

II.2. Receiving Property

Required Action

II.2.1. All property items must be received in the Receiving department or at an officially designated forward delivery location. Under unusual circumstances Property Management may authorize an exception for delivery to another location. If an exception is granted, the individual who takes delivery of the item(s) must, upon receipt of the item, create an official record and forward copies to Property Management and the Receiving Department the same day.

II.2.2. Property tagging must be completed as part of the official receiving function for all controlled and sensitive items. Payment will not be authorized until the item has been officially received. Unusual circumstances may dictate an exception to this procedure, but it must be authorized by Property Management but only upon completion of an official receiving record.

II.3. Marking Property

Property will be marked as Government property in order to establish Government ownership. Marking methods may include special labels, etching, dye marking, or other suitable means of establishing ownership when a method beyond conventional tagging is required.

Two types of Laboratory property are tagged with a unique number and recorded in the Property Database:

Controlled Property

An item that does not lose its identity throughout the lifecycle, has a useful life of two or more years, and an acquisition or fabrication cost of at least \$5,000, regardless of funding.

NOTE

This property category was established following a October 1, 1996 increase in the capitalization threshold from \$5,000 to \$25,000.

Sensitive Property

An item with a life expectancy of at least two years, highly portable, easily converted to personal use and more susceptible to theft than other Laboratory property. (Appendix B details the Sensitive Item Policy.)

All controlled and sensitive property items are subject to inventory, assigned and tagged with a unique property identification number and recorded in the database. Tagging allows property to be assigned to an individual custodian, enables tracking and inventory of the property throughout its life cycle, and provides an easily identifiable visual display of its status. Property transactions for tagged items are recorded and maintained in the Property Database.

II.4.1. Tagging and Recording Controlled and Sensitive Property

Required Action

Every property item subject to inventory must be tagged as part of the official receiving function, per the Department of Energy Property Management Regulations. .

II.4.2. Tagging Controlled and Sensitive Property Delivered to Off-Site Locations

Required Action

Laboratory property delivered to off-site subcontractor locations must always be promptly identified and meet the terms and conditions of use as stated in the contract. Property Management will tag the item in its location with the assistance of the custodian and enter the identifying information into the Property database.

II.4.3. Tagging Fabricated Property Items

Required Action

When a Division or the Budget organization notifies Property Management that a fabrication has been completed and the account has been closed, Property Management will tag and record the item in its location. The required data that must be submitted in the fabrication close-out memo are the following:

- § Project Id
- § Description of the asset
- § Location of asset
- § Principle Investigator and/ Custodian
- § Total cost of project by fiscal year

II.4.4. Construction

Required Action

The designated Facilities Division Resource Manager of a completed and accepted construction project will arrange for the structure to be identified and recorded into the Real Property Database.

III. Property Control

The Laboratory imposes levels of control over property that are consistent with its useful life, cost, and sensitivity:

- Administrative controls.
- Property marking.
- Property number tagging and recordkeeping.
- Sensitive property determination.
- Physical control.

III.1. Administrative Controls

Administrative controls are placed on all property, regardless of useful life, cost, or sensitivity. The various checks and tracking include

- Independent authorization for purchase.
- Independent verification of receipt.
- Independent authorization for payment.
- Corrective actions for the misappropriation of property.
- Material pass or shipping document for removal of property.

III.2. Property Marking

Where the property surface is suitable for marking, it will be marked as Government property in order to establish ownership. The range of marking methods that may be used include special labels such as the Low Value Tag or Barcode Label, etching, dye marking, or other suitable means of establishing ownership.

RATIONALE

Marking deters theft or diversion by placing a subsequent purchaser on notice of the true owner of the property and by establishing a critical element of proof.

III.3. Property Number Tagging and Recordkeeping

Property subject to inventory will be tagged with a unique property number—typically a barcode label—and a detailed record will be established in the Property Database so that it can be tracked throughout its useful life at the Laboratory. The record will show the name of each person who has been assigned responsibility for the tagged property and its location throughout its history. Tagged property will be inventoried, and its ultimate disposal will be documented.

III.4. Sensitive Item Policy

Appendix B contains the Sensitive Item Policy that was implemented on October 1, 2004.

III.5. Physical Control

Property must be appropriately secured to ensure protection from theft or damage. Custodians/users must promptly report missing property to the security organization.

IV. Property Tracking and Recordkeeping

Laboratory policy requires that records of tagged property must accurate and current (See Section III.3, "Property Numbering and Recordkeeping.")

IV.1. Property Database

The Laboratory maintains an automated and centralized property record of all tagged property in the Property Database, which is called Asset Management System (AMS).

Required Action

The Property Database may be used for reviewing records of tagged items. Information about property including its current custodian, location and status may be viewed. Some of the information that may be accessed by employees during inventories are

- Nomenclature.
- Model and serial number
- Manufacturer.
- Acquisition value.
- Acquisition date.
- Acquisition account.
- Property number.
- Purchase-order number
- Asset type.
- Use status.
- Division/steward and Property Representative.
- Property custodian.
- Location.
- Owner/funding organization.

IV.2. Stewardship, Property Representative, Custodian, and Location

All items of controlled or sensitive property will be associated with a Steward, Property Representative, and a Property Custodian, each with specific responsibilities for the care and recordkeeping of property items.

IV.2.1. Steward

As Steward, the Division Director has global accountability for all property within the Division.

Stewardship refers to responsibility and accountability for the proper use, care, and protection of property. Stewardship responsibilities flow through a Property Representative, line manager, and a property custodian, who is then responsible for ensuring that property is cared for in a manner consistent with the Laboratory's policies and procedures. The line manager is also responsible for ensuring that property is cared for consistent with the Laboratory's policies and procedures, and is responsible for maintaining a secure environment for property.

IV.2.2. Property Representative

Divisions appoint Property Representatives to carry out the administrative details associated with property stewardship.

The Property Representative is responsible for

- Ensuring that all requisitions for property reference the correct Division.
- Recording the initial property custodian for all controlled and sensitive property items.
- Processing custodian and location changes.
- Maintaining all records associated with property transactions.
- Supporting and participating in audits and reviews.

IV.2.2.2. Change in Division and Property Representative Accountability

Any Property Representative may initiate a transfer of accountability to another Division/Property Representative, but both Divisions/Property Representatives must agree to and record acknowledgement of the action.

The relinquishing Property Representative must provide documentation that supports the transfer. The property custodian and location of the item must be verified before the transaction can take place. Accountability remains with the relinquishing organization until the transfer has been acknowledged in writing by both Property Representatives.

IV.2.3. Property Custodian

Property Custodians are individuals who have been assigned one or more property items for use in the performance of their work. **A property asset may have only one custodian at a time.** Property Custodians are responsible for

- Accounting for all property assigned to them.
- Signing receipts for sensitive items.
- Remaining accountable until property is formally reassigned to a new property custodian.
- Accepting ultimate responsibility for knowing where assigned property is located.

IV.2.3.1. Assignment of Initial Property Custodian

Required Action

The Property Representative is initially responsible for two actions: assigning the property to a custodian and recording identifying information in the Property Database. Custodians of Controlled or Sensitive property may provide a statement of acceptance of responsibility.

The Property Representative or Property Coordinator maintain a hard copy file of all property records, so that custodian information can be accessed on demand.

As part of the FY2004 annual performance review, a new personal property accountability expectation is being incorporated. The intent of this process is to ensure that property custodians confirm the status and location of assets under their custodianship on an annual basis.

IV.2.3.2. Change in Property Custodian

Required Action

The documentation for processing custodian changes may be initiated by any of the following: the existing Custodian, Line Management, Division Property Representative, Property Coordinator, or by the new Custodian who will accept assignment.

When a transfer occurs between Divisions, the Property Representative ensures that the relinquishing Division/Custodian forwards the required documentation to the new Division/Property Representative for recording in the Property Database.

If the item is in the “sensitive” class, the relinquishing Property Representative ensures that the new Custodian accepts by signature the new assignment of property.

The Property Representative maintains an ongoing file and updates records as changes occur, keeping all documentation and updating information in the Property Database.

IV.2.3.3. Employee Termination

When an employee’s association with the Laboratory is terminated, all tagged property currently assigned to the terminating employee must be accounted for and immediately reassigned by the home Division. If the Division fails to reassign property immediately upon termination, Property Management will transfer custodian responsibility to the supervisor of the terminated employee.

Required Action

If the property assigned to a terminating property custodian cannot be accounted for, the Property Representative or Line Manager may request that the item be retired from the Database. All associated documents must accompany the request. The “audit-trail” documentation submitted to Property Management must include a statement of appropriate remedial action to preclude future occurrences. Property Management will then approve the retirement and update the information in the Database.

IV.2.4. Location

Property custodians are responsible at all times for the location as well as the condition of all property assigned to them.

IV.2.4.1. Establishing Initial Location

Required Action

The Division Property Representative or Coordinator records the location of a property item at the same time as the custodian assignment is entered.

IV.2.4.2. Change in Location

Required Action

The Property Custodian is required to notify the Division Property Representative when property changes location for a period of more than 30 days duration so that the property record can be updated in the Property Database.

V. Inventory and Reconciliation of Tagged Property

The Property Manual designates the inventory requirements as specified per the DOE property Management Regulations. However, on an annual basis an Inventory Plan is prepared which may differ from the stated regulations. An example of this is that statistical sampling may be used as a methodology for both controlled and sensitive property for one or two years, followed by a wall-to-wall inventory.

V.1. Controlled Property

Each division will inventory and reconcile controlled property every other year. Independent audits will be conducted to verify the results of the physical inventory of property.

V.2. Sensitive Property

Each division will inventory and reconcile sensitive property on an annual basis. (The biannual inventory and reconciliation of controlled property can occur simultaneously with the sensitive property inventory for

that year.) Independent audits will be conducted to verify the results of the physical inventory of sensitive items.

V.3. Write-On Adjustments

Controlled and sensitive property discovered to be untagged during an inventory or observed at any other time, will be reported to Property Management who will subsequently tag and record it in the Property Database.

V.4. Identifying, Tagging, and Recording Untagged Controlled and Sensitive Property Found on the Worksite (Property Found on Works)

Required Action

Untagged controlled and sensitive property found on the worksite during an inventory or other observation, is noted and reported to Property Management. Property Management coordinates the tagging of the item and records the identifying information in the Property Database.

Property Management maintains a discrete listing of Property Found on Works (PFOW), which are included in the annual inventory report.

V.5. Inventory Adjustments

Property Management reviews adjustments to inventory and determines whether or not appropriate reconciliation efforts and remedial action have been taken. When the Found Property has been identified and documented to satisfy the procedures for recording property in the Database, Property Management formalizes the adjustment and approves the inventory.

V.6. Nonconforming Inventories

Division must report to Property Management if it is unable to satisfy even the minimum requirements, despite strenuous efforts to reconcile its inventory. If this occurs, the Division Property Representative will prepare a report explaining the causes for loss of control and outlining the remedial actions planned and implemented to safeguard against waste, loss, theft, and misuse of property. The report will be signed by the Division Director and sent to Property Manager along with the list of property that cannot be located. Property Management will forward the summary inventory report to DOE for review.

In some cases, especially based on a statistical sampling inventory, a division with non-conforming inventory results may be required to perform a 100% inventory.

V.7. DOE Access to Inventory Records

In accordance with the terms of the contract, DOE has the right to inspect inventory records.

V.8. Conducting the Inventory

An established inventory process for effectively managing and accounting for controlled and sensitive property. The inventory procedure described here does not include Walk-Throughs or the review of equipment Held for Future Projects (HFFP); these subjects are covered in separate sections of this manual. Inventories of "Loans" and "Controls" are conducted as part of the extension process.

Required Action

An inventory consists of the following steps:

1. Defining the inventory criteria.
2. Conducting the inventory.

3. Identifying, investigating, tagging, and recording untagged assets.
4. Reconciling the inventory.
5. Validating the inventory process.
6. Retiring unaccounted-for property items.
7. Reporting the results of the inventory to Laboratory Management and DOE.

V.8.1. Defining the Inventory Criteria

Property Management will determine the dates of the inventory, items and the criteria that will be used to document that a property item has been accounted for during the inventory.

Required Action

The inventory will be conducted with the following steps:

1. Establish starting and ending dates for the inventory.
2. Define the criteria for the inventory base.
3. Produce the list of items in the inventory base.
4. Establish the criteria for determining that an item in the inventory base has been accounted for.
5. Determine who performs the inventory.
6. Establish the reconciliation schedule.
7. Define the method used to perform the audit of the physical inventory.
8. Establish the inventory status-reporting schedule.
9. Include a member of Office of the Chief Financial Officer in both the inventory population selection, to ensure that all items of personal property are subject to possible selection and oversee the statistical sampling methodology used in the validation process.

V.8.2. Conducting the Inventory

Each Division will utilize barcode readers, online database transactions, or the Property Removal/Inventory forms to conduct the inventory according to the property selection criteria.

Required Action

There are four main drivers in the inventory process:

1. Account for property items in the inventory base consistent with the inventory criteria.
2. Record the items that have been accounted for.
3. Generate inventory progress reports for the institution.
4. Include a member of Office of the Chief Financial Officer to ensure that the physical inventory is accurately reported.

V.8.3. Reconciling the Inventory

Required Due Diligence

If the inventory results in unaccounted-for items, Property Management will conduct a formal review of the process to determine whether or not all due diligence has been applied to locate any unaccounted-for property. Items that remain unaccounted for are considered to be candidates for retirement.

Each division prepares documentation for all unaccounted-for property items, submits the documentation to Property Management, and formally recommends unaccounted-for property items for retirement. Property Management reviews the Division list and if it concurs with the recommendations, initiates retirement of the unaccounted-for items.

V.8.4. Validating the Inventory Process

Required Action

Property Management will validate the inventory process by taking a statistical sampling of the inventory base, or by some other method of validating the inventory.

V.8.5. Reporting the Inventory Results

Required Action

Divisions will report results of the inventory to their Senior Management.

V.8.6. Retiring Unaccounted-for Property Items

Required Action

Property Management approves retirements retires the unaccounted-for items in the Property Database and notifies Office of the Chief Financial Officer.

V.8.7. Reporting the Inventory Results

Required Action

At the completion of the inventory and retirement of unaccounted-for property items, Property Management submits a report of inventory results to DOE, Laboratory Senior Management, and Lab Security.

VI. Property Review

The Laboratory Review ensures the quality and accountability of the property management systems by conducting a review of each division's administrative areas every three years. The purpose of the review is to monitor the accuracy of property custodian assignment, the property number, the serial number, and location and to verify that property assets identified with a barcode number are entered into the property database.

Property Management is responsible for ensuring that reviews are scheduled every three years. Exceptional property activities may occasionally necessitate rescheduling. Property Management and the Division Property Representative perform the review together or designee and a representative from DOE is invited to participate.

The Property Management organization establishes the review process and recommends actions to the division management. The division receiving the recommendations is responsible for correcting any deficiencies or discrepancies within a specified time.

Untagged controlled and sensitive property items found on the worksite during a review will be appropriately tagged and recorded into the property database.

The goal of the Review is to ensure the quality and integrity of the property database and accountability for property by

- Ensuring appropriate application of policies and procedures.
- Comparing property items identified with a barcode number to the property database for accuracy of custodian.
- Comparing property items identified with a barcode number to the property database to ensure that the property has been recorded.

VI.1. Planning the Review

Required Action

Property Management determines the number of assets to be reviewed—10% of all assets owned by the division—and formalizes a schedule.

VI.2. Conducting the Review

Required Action

Property Management, together with the Property Representative or designee, will review the administrative areas and list the date, division, location, barcode property numbers, and the name of the physical custodian supplied by the Property Representative. Once the required number of assets are randomly selected from various buildings and rooms, the assets will be compared to the database. Property Management will monitor the follow up actions to update the property database.

VI.3. Reviews and Reports

Required Action

Following the Review, the Property Representative reviews the list of assets to determine whether or not they have been correctly entered into the property database.

Property Management maintains a file of conclusions and recommendations resulting from the Review, and determines division compliance with property management policies and procedures.

VII. Utilization Walk-Through Program

The objective of the Utilization Walk-Through every two years is to ensure maximum use of all property. Property Management together with the selected Division Property Representative, conduct a Walk-Through of non-administrative areas to identify property not being used or part of a planned project.

Property Management, through the Property Representative, is responsible for ensuring that reviews are scheduled every two years. In some cases, the Division's prior year's performance may allow for a one-year extension. Property Management conducts the Walk-Through with the participation of the Property Representative and Senior Line Managers.

A representative from DOE is invited to participate.

Property Management validates Walk-Through actions and, if necessary, recommends any remedial action to the division management, who is responsible for developing a plan to correct the deficiencies or discrepancies within a specified time.

Untagged controlled and sensitive property items found on the work site during a Walk-Through will be appropriately tagged and recorded into the Property Database.

The goal of a Walk-Through is to ensure effective use of property by

- Ensuring appropriate application of policies and procedures.
- Reusing property within the program.
- Assigning property to equipment pools.
- Placing property in the HFFP program.
- Releasing property to the Offsite Warehouse excess program.
- Ensuring that property outside is protected from the elements.

VII.1. Planning the Walk-Through

Required Action

Property Management develops a plan for the Walk-Through activity that defines the areas to be covered and formalizes a schedule.

VII.2. Conducting the Walk-Through

Required Action

Property Management, with the Property Representative and senior Line Management, inspects the scientific, technical, or local storage areas within the division and identifies any property that is unused or unnecessary and has been identified as having no foreseeable use by that division. Idle or unprotected assets will be placed on a list and will form the basis for reporting closure on all items.

Property Management invites a representative of DOE to participate in all Walk-Through activity.

VII.3. Reviews and Reports

Required Action

The Property Representative reviews any property discovered unused and develops remedial action as appropriate.

Property Management maintains a file of all Walk-Through results and reviews division compliance with property management policies and procedures.

VIII. Equipment Held for Future Projects

VIII.1. Definition, Use, and Storage of Equipment Held for Future Projects

It is the policy of the Laboratory to maximize the use of property. Therefore, storage of property will be limited and will be in conformance with the provisions of this section.

The equipment Held for Future Projects (HFFP) program enables management to

- Retain property that is not currently in use but that has a known use in future Laboratory programs.
- Identify the types and amounts of property HFFP through reviews and reporting procedures.

The intent of the equipment HFFP program is that property will be

- Retained when economically justified.
- Made available for use by others.

On the basis of approved economic justification for retention, requesting groups place in storage such property for a known future use or a potential use in either planned projects or future experiments.

The equipment HFFP program excludes the following:

- Spare equipment that is a backup for equipment in service.
- Spare equipment and equipment that is defined as standby.
- Excess plant equipment.
- Original crating material held for reuse.

VIII.2. Reviews and Approvals

The Line Manager reviews and approves the initial request for retaining Equipment HFFP. The responsible Division Director or designee must formally review and sign the re-justification.

Property Management will review the re-justifications and will check for the approvals described above.

The equipment HFFP program is used for property that has a specific future use but is not expected to be used for at least one year.

A division, through its Property Representative, retains stewardship of any property it places in storage.

Required Action

To meet the requirement for re-justification, the Facilities/Off-Site Storage group annually submits reports to divisions of property HFFP. The subsequent results will be submitted to Property Management, for reporting to DOE.

During annual reviews of Equipment HFFP, the Division Director or designee will indicate, item by item, property that is available for reassignment to other Laboratory groups. Some items may not be suitable for reassignment if they are costly or include a unique instrument that requires special skills for operation. A listing of items eligible for reassignment is made available throughout the Laboratory.

IX. Excess Process

Laboratory policy dictates that when property no longer meets the needs of the Laboratory, it will be made available for re-deployment to Government and state agencies or be sold through the Excess Program.

Required Action

Property is declared excess by a property custodian. After receiving the item along with required documentation, the Offsite Warehouse records the item as excess and accepts accountability.

The excess organization reviews the explanation of the condition of the item and assigns a General Services Administration Condition Code. Items coded 1-9 are processed as excess items. Items coded "X" or "S" are processed as scrap or salvage. (See the Appendix A for a complete listing of Condition Codes).

IX.1. Notification of Availability for Reutilization

Required Action

Excess items are made available to groups within the Laboratory as soon as they are received by the offsite warehouse based on

1. Acquisition Value
2. Federal Supply Classification (FSC) Code
3. Condition Code

and are documented as follows:

- Reportable.
- Non-reportable.
- Automatic Data Processing Equipment (ADPE) reportable.

Property is screened for reutilization by other Government agencies through the DOE Reportable Excess Automated Property System (REAPS). In addition, a representative of the General Services Administration (GSA) performs occasional site visits to evaluate reuse of Berkeley Laboratory assets.

IX.2. Redeployment of Property

The Laboratory encourages the redeployment of property within and between Divisions, and to other Government agencies.

Required Action

Upon redeployment to another Laboratory steward, the Excess Group assigns the asset to the new division and custodian.

If transfer is to another Government agency, the property item is retired from the Property Database.

If a property item completes the reutilization cycle without being re-deployed within the Laboratory or transferred to another Government agency, the item will be disposed of through donations to nonprofit schools and organizations or sold through Bid-Lot Sales. (Section X.10. below)

IX.3. Acquisition of Property Through the Excess Process

All acquisitions of property through the excess process must be processed through Procurement.

The requesting group or division is charged for normal packaging, crating, handling, and transportation costs.

X. Disposition of Property

X.1. Reasons to Retire Property

Property Management alone is authorized to retire actual property. The Offsite Warehouse may retire assets as salvaged, donated or sold "as is" in Bid-Lot-sales. Some of the criteria for retirement of property are that it has been

- Traded in/replaced.
- Lost, destroyed, or damaged.
- Dismantled.
- Stolen.
- Abandoned.
- Unaccounted-for as a result of inventory.
- Transferred outside the Laboratory.
- Donated to a nonprofit organization.
- Sold in Bid-Lot-Sale.

X.2. Trade-Ins/Replaced Property

Property Management may authorize retirement of property that has been traded-in for new items or replaced through upgrades or other exchanges. This policy includes property under warranty where the vendor has a policy of replacement rather than repair. Property Management adjusts the records following such exchanges.

The acquisition value of the newly acquired trade-in assets are recorded based on the purchase order dollar value. Any adjustment to the acquisition value based on trade-in is an Office of the Chief Financial Officer function.

Required Action

The requester declares to the procurement organization its intent to trade in, upgrade, or exchange a property item. A Shipping Document is prepared by the requester or buyer, indicating the property number of the asset being traded in. The bar-coded property number is removed from the equipment and placed on the shipping document.

Property Management adjusts the record after the item has been exchanged and authorizes retirement of the original item and records the replacement item in the Property Database.

X.3. Lost, Destroyed, or Damaged Property

This is property that has been documented as lost, destroyed, or damaged, as for example in an experiment.

Property Management authorizes the retirement of lost, destroyed, or damaged property upon receipt of a request by the Property Representative. Supporting documentation must accompany the request. Property Management cannot authorize retirement of the item unless the circumstances are documented in sufficient detail to establish that the property is lost, destroyed, or damaged beyond repair. Upon acceptance, the Property Management authorizes retirement of the property number.

Line Management is responsible for formally reviewing the circumstances surrounding the loss, destruction, or damage and taking action as appropriate.

NOTE

This policy applies to all Government property and is not limited to tagged property.

Required Action

The property custodian reports that the item has been lost, destroyed, or damaged either to the Property Representative or directly to Property Management, who review the documentation.

Line Management performs a formal review of the circumstances surrounding the loss, destruction, or damage. Line Management takes action as appropriate, and reports the results of the formal review and the action taken to Property Management and to the Property Representative.

Property Management reviews the documentation and prepares the Retirement of Accountable Item (RAI) form. If the documentation substantiates the loss, destruction, or damage, Property Management retires the item in the Property Database.

X.4. Dismantlement of Property

Property Management retires dismantled, or cannibalized, property upon receipt of a Property Representative request to retire the item, which must include supporting documentation and approval by the Divisional senior management. Property Management cannot retire the item unless the circumstances are documented in sufficient detail to establish that the property has been dismantled. Upon acceptance of the evidence, Property Management authorizes retirement of the property number. Any residual property is either defined a new property asset, added to an existing asset acquisition value or sent as scrap to the Excess facility for processing.

Required Action

The Property Custodian reports to the Property Representative the intent to dismantle the item. The Division must request in advance approval from the Property Manager to dismantle the asset. The request to dismantle must have Divisional senior management approval. When the item has been dismantled, the Property Representative verifies and documents the action and then forwards a request to Property Management for retiring the item.

Property Management reviews the documentation and, if the documentation is sufficient to substantiate the dismantling, authorizes retirement of the item in the Property Database. The residual property is then forwarded to the Offsite Warehouse for salvaging.

X.5. Stolen Property

The Laboratory security organization investigates missing property reports to establish whether in fact a theft has taken place. When the Laboratory security organization establishes that property has been stolen, it is officially classified as stolen and reported to Property Management, who authorizes retirement of the item in the Property Database.

NOTE

This policy applies to all Government property and is not limited to tagged property.

Required Action

The property custodian reports to the security organization that an item may have been stolen. The security organization reviews the circumstances to establish whether the item was stolen and provides a report to Property Management. Upon receipt of the report from the security organization establishing that the item was stolen, Property Management authorizes retirement of the item from the Property Database.

A report of the stolen item is provided to DOE.

X.6. Abandonment of Property

Property is considered to be abandoned when it is determined to have no commercial value, or if the value of the property is so low that the cost of its care and handling would exceed the estimated proceeds from its sale.

Requests to abandon property are reviewed and approved as appropriate, by the Division Property Representative. The request along with supporting documentation is then forwarded to Property Management for final Laboratory approval and authorization of retirement.

DOE must approve all abandonment actions.

Required Action

The Property Custodian or a Division technical representative may initiate a request to abandon property. The request is reviewed, and if approved by the Property Representative, is sent to Property Management for its review and approval and then forwarded to DOE for final approval. Property Management coordinates the abandonment of the property, which may be scrapped or salvaged. If salvaged, the recipient of the salvaged property must accept title to it. Upon completion of all required documentation, Property Management then authorizes retirement of the item in the Property Database.

X.7. Property Unaccounted-for as a Result of Inventory

Property Management ensures that appropriate reconciliation efforts and remedial action have been performed before it approves the results of the inventory. Upon approval of the inventory results, the Property Management will initiate the process to formalize the inventory adjustment once "due diligence" has been expended in locating the property.

X.8. Property Transferred Outside the Laboratory

Property may be transferred to DOE or other federal, state, or local government agencies. These types of transfers include Excess and Administrative Transfers.

An Excess Transfer transfers both title and accountability to another federal agency or contractor. Such items must be screened appropriately within DOE before transfer.

In an Administrative Transfer of accountability to a DOE agency or contractor, the title remains with DOE. Transfer to non-DOE agencies are non-reconciling Administrative Transfers.

Property Management must review and approve all transfer agreements. When the transfer documentation is complete, Property Management authorizes retirement of the item in the Property Database.

Required Action

Property Management must be contacted for preparation and processing of an administrative transfer of property, either in or out of the Laboratory. The transfer is not authorized until the Laboratory receives a signed copy of the Standard Form 122.

X.9. Donations of Property

Research equipment no longer needed by the Laboratory and screened through the DOE REAPS system may be donated to an educational institution or nonprofit organization for use in conducting their scientific research activities.

DOE offers a unique donation program called Energy-Related Laboratory Equipment (ERLE), wherein educational institutions may request a grant for excess assets. Approval to provide this property must be from DOE and the organization receiving the grant must pay for all crating and freight charges.

Required Action

The Offsite Warehouse supervisor maintains a list of assets available for donation. Nonprofit institutions or organizations may submit written requests for specific types and quantities of items, along with a copy of their tax-exempt statement. The request will be reviewed by the Property Manager and if approved, the supervisor will prepare a shipping document for signature.

The donated assets are noted in the record and retired from the Property Database.

X.10. Sale of Property

Public sales or scrap and salvage sales to vendors are additional allowable dispositions of surplus items and may be sold only after completion of the excess screening process. Surplus items are retired from the Property Database at the time of sale, and all Government markings are removed.

X.10.1. Fixed Pre-priced Sales

The Laboratory establishes a fixed pre-priced sale amount for specific commodities such as furniture items and consumer electronic equipment. These goods are available for sale only when there is an excess supply on hand.

Required Action: Fixed Pre-priced Sale

The Warehouse Supervisor and the Property Manager will agree on the commodities as well as the Pre-priced Sale amount for the specific goods available for sale to the public. This price list will be published at the warehouse and available from the Property Management Home page. Neither the Warehouse Supervisor or the Warehouse staff and the Property Manager may purchase the pre-priced sale items.

X.10.2. Bid-Lot Sales

Bid-Lot sales are conducted for all other items not covered by the Pre-priced policy. The goods are available only when there is an excess supply on hand.

Required Action: Bid-Lot Sale

The Offsite Warehouse supervisor establishes Bid-Lot-Sale lists and distributes them to established bidders. The submittal deadline is included with the lists and after that date no other bids are accepted. A comparison of the bids is performed by lot and the supervisor notifies the high bidder. A shipping document is prepared, the successful bidder signs for acceptance of the property, and provides payment in the form of a company check, cashier's check or money order. These funds are then processed through Financial Management.

Laboratory employees, who were either prior custodians of the property or assisted in establishing the condition code of the property, may not bid, nor may employees working at the Excess warehouse procure any assets.

Offsite Warehouse retires the assets from the Property Database based on the shipping document documentation.

X.11 Requirements for Recordkeeping

Files are maintained on all property disposition, including retirement, disposal, sale, and transfer.

XI. Property Removal

Property may be removed from the Laboratory with proper authorization and documentation. The documentation identifies the individual removing the property and the property being removed. Three types of removal are authorized:

1. Material Passes are used for removals by individuals for specifically-identified items (a wallet-sized Property Pass will be issued by the Property Representative for routine and frequent movement between Laboratory and off-site locations).
2. Dual-signature inventory forms may also be used to document Government property at home.
3. Shipping documents are used for shipments by commercial carrier or items hand-delivered by Laboratory personnel to off-site facilities or subcontractors.

Laboratory personnel may use Laboratory property for official work performed at home or at off-site locations. Personnel regulations for timekeeping approvals must be observed for nonexempt personnel.

This policy applies to the removal of all property in the custody of the Laboratory, all property identified as property of the Laboratory, and all property known by the individual removing the item to be in the custody of the Laboratory.

The following are exceptions to this policy. A Material Pass is not required for removal of the following items from a Laboratory worksite:

- Stationery items such as pens and pencils.
- Work papers and binders.
- Laboratory briefcases.
- Radio pagers.
- Books.
- Computer diskettes.
- Vehicles used as a mode of transportation or being sent off-site for servicing.

There are two additional types of property that meet the same exception because of the fact that they are used both on and off site to conduct Laboratory business. They are

- Cellular Telephones.
- Personal Data Assistants.

NOTE

Telephone services policy regarding policy regarding cellular telephones requires quarterly reviews of the usage and reimbursement for personal calls.

XI.1 Responsibilities

XI.1.1. Line Management

Line Management is responsible for

- Authorizing Material Passes.
- Approving Property Removal/Inventory forms.
- Monitoring the use of issued Material Passes and shipping documents.

XI.1.2. Property Representative

The Property Representative is responsible for

- Annually reviewing employee use of Laboratory property for official work performed at home or at off-site locations to ensure compliance with policy.
- Reviewing and Issuing Material Passes.
- Maintaining documentation and approvals of property removal forms, and entering into the Property Database the designation "Home" in the Area data field.

XI.1.3. Property Custodian

The property custodian is responsible for

- Protecting the property that he or she removes with a Material Pass.
- Submitting to all random inspections and searches by the Laboratory security organization and presenting the Material Pass to the security personnel at that time.
- Notifying the security organization immediately if property is lost, stolen, or missing.
- Cooperating in investigations of lost, stolen, or missing property.

XI.2. Use of a Material Pass

Required Action

In order to remove property from the Laboratory, the Custodian completes a Material Pass and submits it to the Line Manager for approval.

The Line Manager then reviews and approves the Material Pass and forwards a copy to the Division Property Representative.

The Custodian retains a copy of the Material Pass until the property is returned to the Laboratory.

The Property Representative maintains a file of Material Passes and reviews them on an annual basis.

NOTE

A Material Pass cannot be used to transport property to vendors or subcontractors.

XI.3. Property Removal/Inventory Form

Property Removal/Inventory forms may be used to document both the removal of property and the inventory of property located at the homes of employees. The document for verifying Property at Home can be selected from the menu on the Property Management forms website located at <http://www.lbl.gov/Workplace/Property-Management/forms/index.html>. The completed form should be submitted to the appropriate Division Property Representative (See Division Contact List at <http://www.lbl.gov/Workplace/Property-Management/contacts/contacts11-14-01.html>).

XI.4. Removal by Shipping Document

The following authorizations are required in shipping property:

- All shipment of tagged property requires prior approval of Property Management, except those involving purchase activities. The Shipping group must obtain approval from Property Management before shipping any Government assets; this is not applicable to shipments involving only reports.
- If the property shipped is associated with a purchase order, authorization by the procurement organization is required.

- Property subject to the technology transfer rules found in Section XII.7, "Technology Transfer," also requires authorization by the Technology Transfer Office.

Required Action

Shipping documents are generally used for shipments by commercial carrier.

A property custodian who wishes to remove property completes a shipping document and forwards it to the Property Representative for authorization to ship the requested property.

If the property shipped is associated with a purchase order, authorization by the procurement organization is required.

XI.5. Audits of Property Removals

Property Management may audit division and/or Property Representative records of property removals as part of their general audit responsibilities.

Required Action

An annual review of division and/or Property Representative records may be performed by Property Management to ensure accuracy and completeness of the records.

XII. Property Loans

Laboratory property may be loaned to another group or organization for official purposes in accordance with the policies, procedures, conditions, and approvals given in Sections XII.1–XII.8.

Property Management enters into a written agreement with the borrower that covers all the terms of the loan. Records are maintained and reviewed annually for information updates or renewals, and tagged property is included in inventories.

Loans to entities located in foreign countries require the Department of Energy – Headquarters approval, prior to the asset being shipped.

If property is lost, damaged, or destroyed while on loan, the borrowing agency may be required to replace or repair the property in accordance with the loan agreement.

XII.1. Conditions of Property Loans

The loan must qualify as one of the following:

- In the performance of Laboratory work.
- In support of
 - Mathematics and science education.
 - Technology transfer.
 - Director's outreach program.
- Collaborations with other researchers.
- For disaster relief or emergencies involving the loss of life or property.

NOTE

Removal of property by an employee for official use off-site is not considered loaned property.

XII.2. Approvals and Loan Terms

Property Management approves all loans to external organizations.

The initial loan period will not exceed one year and loan extensions must be renewed annually. Property Management and the Property Representative will follow up on these loans annually and ensure that the appropriate approvals have been given for the extensions and that the loan continues to conform to the loan policy.

At the end of the loan period (including extensions), the Property Representative will request that the Property Management close the loan with appropriate documentation.

XII.3. Written Agreement

All loans will be covered by a written agreement that will include the following the terms:

Loan period, delivery time, method of transportation, payment of transportation costs, point of delivery and return, responsibilities of the borrower for the condition of the property upon its return, conditions of use, and inspection requirements.

XII.4. Initiating, Processing, and Closing Loans

Required Action

1. A requester or property custodian notifies the Property Representative of the intent to loan property.
2. Property Management reviews the request for appropriateness.
3. All loans must be approved by Property Management who will then prepare the Loan Agreement.
4. After a formal agreement is reached with the borrowing organization, the Laboratory ships the property.
5. The borrowing organization returns a signed agreement to Property Management.
6. Property Management maintains loan documentation.

XII.5. Director's Outreach Program

The Laboratory sponsors a number of outreach efforts. Property may be loaned to nonprofit organizations in support of such programs. Although loans to nonprofit organizations are administered by the organization responsible for coordinating the outreach effort, the Property protocols must be followed.

XII.6. School Loans for Mathematics and Science Education

Loans to schools in support of mathematics and science education are administered by the organization responsible for coordinating the program. A DOE-approved Memorandum of Understanding between the Laboratory and the recipient school is required for all loans to schools in support of mathematics and science education.

XII.7. Technology Transfer

Property developed by the Laboratory that advances the national technology base may be provided to outside researchers or to commercial firms capable of marketing the technology. The property will be loaned, not granted, to recipients in every case in which the use is consistent with the nature of the property and the technology development strategy. However, property may be transferred as part of a licensing agreement.

The Sponsored Projects Office is responsible for

- Reviewing and approving requests to transfer Laboratory-developed property that advances the national technology base to outside researchers and commercial firms.
- Determining whether Laboratory-developed property should be loaned or transferred to the outside researcher or commercial firm.
- Maintaining supporting records on Laboratory-developed property loaned or transferred to outside researchers and commercial firms.

Each employee who possesses Laboratory-developed property that advances the national technology base must obtain prior approval from the Sponsored Projects Office before requesting removal or shipment to an outside researcher or commercial firm. For tagged property, the approval of the Property Representative is also required.

Property Management is responsible for formalizing loan agreements between the Laboratory and outside organizations. Property Management will process any loans or shipments that involve Laboratory-developed property that advances the national technology base provided the transfer has been approved by the Technology Transfer Office.

XII.8. Situations Not Treated as Loans

Property cannot be loaned to consultants by the Laboratory for work under the consultant agreement. The agreement under which the consultant is working must set forth the conditions governing the use of property.

XIII. Property Belonging to Others

Property belonging to others is property that has been acquired through the Laboratory procurement organization; belongs to other federal agencies, vendors, subcontractors, or other entities; and is in the possession or custody of the Laboratory.

All property belonging to others that meets the criteria for *controlled* or *sensitive* property must be tagged. Property belonging to others is documented upon its arrival and is included in inventories as appropriate. Records are maintained to ensure accountability by the Laboratory until the property is returned to the owner.

Required Action

All property belonging to others that has been acquired through the Laboratory's procurement organization remains the responsibility of the Laboratory. Controlled or sensitive property in the possession or custody of the Laboratory must be tagged with a property number.

Controlled and sensitive property belonging to others will be identified as such in the Property Database, and included inventories as appropriate.

XIII.1. Property Borrowed by the Laboratory

Borrowed property has been loaned to the Laboratory from an external entity. Property Management administers all property borrow agreements involving the Laboratory. A request to borrow items totaling more than \$50,000 requires the prior approval of the appropriate Division Business Manager as well. Laboratory responsibility for liability and indemnity for losses is communicated by Property Management to the lender.

XII.2. Initiating, Processing, and Receiving Borrowed Property

Required Action

1. The requester notifies Property Management of the proposed borrow activity.
2. Property Management maintains records for all borrowed items and processes renewals.

XIV. Property Furnished to or Acquired by Subcontractors

Property that is furnished to, or acquired by a subcontractor in the course of performing work under a subcontract is Government property.

All *controlled* and *sensitive* property at a subcontractor location will be identified with a unique number and recorded in the appropriate Laboratory's Property Database.

Subcontractors are accountable for all Laboratory/DOE property in their possession. Laboratory subcontractors are required to demonstrate their ability to adequately manage, control, and protect property entrusted to their care. All subcontractors who will be furnished or will acquire Government property are required to have a Property Management system approved by the Laboratory's Property Management organization. The system will include equipment lifecycle plan elements of identification, planned use, control, and protection of all Government property.

Subcontractors who have systems certified by other Government agencies (e.g., by the Department of Defense, Office of Naval Research, etc.) may have their systems recognized by the Laboratory.

XIV.1 Responsibilities

XIV.1.1. Subcontractor

The subcontractor is required to safeguard Government property against loss, damage, theft, or destruction, consistent with the terms of the subcontract. The subcontractor is responsible for ensuring that Laboratory property is used only for purposes authorized by the subcontract.

Government property is to be shipped to the Laboratory upon completion of the subcontract, unless the Laboratory approves an alternate means of disposal.

XIV.1.2. Procurement Organization

The procurement organization is responsible for enforcing the terms of the subcontract consistent with the Laboratory Property Management policies and procedures.

The procurement organization is responsible for notifying Property Management that a subcontract has been awarded that authorizes furnishing Government property to a subcontractor, and to provide the Certificate of Use at the close of the subcontract.

XIV.1.3. Technical Representative

The laboratory organization requesting the subcontract will appoint a technical representative to represent them in the accomplishment of the subcontracted work. The technical representative acts under the authority of the procurement organization and must take no action that interferes with the right of the Government or the Laboratory to enforce the subcontract provisions relating to property. The technical representative will cooperate with Property Management in the proper disposition of property during the subcontract and at its close.

XIV.1.4. Property Management Organization

Property Management acts on behalf of the Procurement's subcontract administrator to review and approve the measures taken by the subcontractor to safeguard property (as outlined above) and to coordinate disposition of the property at the close of the subcontract.

Subcontractors in possession of property valued at \$500,000 or more will be subject to audit and/or inventory by Laboratory Property Management. Property Management will perform a site inspection to ensure the proper utilization of Government property.

Subcontractors in possession of property valued at less than \$500,000 may be subject to audit and/or inventory and will be required to submit a self-evaluation questionnaire. Subcontractors will be required to furnish utilization reports annually and may be subject to site inspections.

XIV.2. Identifying Property at Subcontractor Locations

Required Action

If property is acquired and received by the Laboratory before being shipped to subcontractor locations, the property items are tagged and recorded into the Property Database as part of the receiving function. The property may then be forwarded to a subcontractor location.

Property Delivered Directly to the Subcontractor Location

Property acquired by the Laboratory but delivered directly to a subcontractor location must be tagged *in situ* as soon as possible after receipt. When the Property Representative, Finance, or Procurement Group notifies Property Management that controlled or sensitive items have been purchased but delivered in the field, Property Management creates a property number, records the item into the Property Database, and mails the tag to the subcontractor for placement on the item.

XIV.3. Managing and Controlling Property at Subcontractor Locations

Required Action

The subcontractor must demonstrate that it has a system of property control and accountability in place that meets Laboratory requirements for an approved Property Management system. The Laboratory may accept prior certification and reviews or audits by another Government agency (such as the Department of Defense).

The subcontractor must conduct annual inventories at subcontractor locations of controlled, sensitive, and other property items specifically designated by the Laboratory.

- Results of the inventory will be reported to the Laboratory's Property Management within 30 days after the inventory has been completed.
- Acquisitions and dispositions of all property during the inventory period must be detailed in the inventory report.

Subcontractors are required to request authorization from the procurement organization's contract administrator before disposing of Laboratory property. The contract administrator must obtain disposition instructions from Property Management.

Subcontractors are required to review periodically their utilization of Government-furnished property in order to ensure maximum use. They will furnish reports to Property Management via the procurement organization's contract administrator.

XIV.4. Closing Out a Subcontract

Required Action

The procurement organization's subcontract administrator is responsible for ensuring that all property is recovered or accounted for at the completion of the subcontract.

The procurement organization notifies the subcontractor, Property Management, and the Property Representative that Closeout has been initiated.

The subcontractor must provide a list of any Laboratory/DOE items still in the subcontractor's possession to the Procurement group contract administrator, who forwards it to Property Management.

- Property Management compares the subcontractor's list with its property records.

- Property Management, the technical representative, and the Procurement Group subcontract administrator jointly resolve any discrepancies.

The Property Representative recommends purchase by the subcontractor, return, abandonment, or transfer of subcontractor property. Property Management issues final disposition instructions to the procurement organization's contract administrator.

The subcontractor disposes of property in accordance with Laboratory instructions. If the subcontractor assumes ownership of property items, those items are retired in the Laboratory property records.

If property is transferred to another Laboratory subcontract, the Procurement Group subcontract administrator authorizes the transfer and advises Property Management, the appropriate Property Representative, and the subcontractor.

XV. Miscellaneous Property

XV.1. Precious Metals

As defined by DOE, precious metals are “uncommon and highly valuable metals characterized by their superior resistance to corrosion and oxidation”. They are made available to Laboratory researchers and engineers and may be held only by Laboratory career employees, who are accountable for validating their holdings. As of May 1, 2004, holdings valued at less than an acquisition cost of \$250 will not be tracked and will be considered consumed at the point of receipt. Previous holding below the \$250 threshold will also be considered to have been consumed. Precious Metals are listed in the Glossary.

Required Action

Through a designated Procurement specialist, career staff employees may acquire Precious Metals from the DOE Business Center for Precious Metals Sales and Recovery or justify procurement from an alternative vendor. Property Management tracks the acquisition and transfer of Precious Metals throughout the year. Property Management coordinates an annual self-inventory of Precious Metals and prepares a report for DOE.

XV.2. Gifts

Gifts of property may be given to the University of California with stipulated use at the Laboratory. The Sponsored Projects Office will process the gift in accordance with University requirements and submit documentation to Property Management so that a record can be created in the Property Database.

XV.3. Controlled Materials

The following materials are controlled:

- Sealed radioactive sources—EH&S Division controls this activity.
- Controlled substances—Property Management performs an annual inventory of holdings by holder.
- Miscellaneous controlled materials, such as lead, ethanol, hypodermic needles, etc. are managed at the Division level.

XV.4. Materials and Equipment in Stores

Stores policies and procedures for materials and equipment are found in the designated Laboratory manual.

XV.5. Property Reports

The Laboratory provides the DOE with the following annual and on-occurrence property reports:

Annual

- Exchange/sale transactions.
- Excess property furnished to nonfederal recipients.
- Precious Metals.
- Stolen Property Report.

On Occurrence

- Physical inventories of controlled property.
- Physical inventories of sensitive property.
- Walk-Through reports.

XVI. Vehicle Fleet

In accordance with the prime contract, the Laboratory will comply with all applicable vehicle fleet regulations and/or will meet the requirements and regulations of the GSA Fleet Management organization.

XVI.1. Use of Laboratory-Furnished Vehicles

Laboratory-furnished vehicles must be used solely for official use. The driver of any Laboratory-furnished vehicle must produce a valid California driver's license. Any passengers must also be on official business. It is Laboratory policy not to require employees to use privately owned vehicles on official business.

Requests for official use of Laboratory-furnished vehicles and passenger carriers between an employee's residence and place of employment must meet at least one of the following criteria:

- The nature of work requires that an employee have ready access to a vehicle at all times in order to minimize emergency response time.
- The employee normally proceeds directly from his or her residence to points of duty so geographically located that transportation to his or her domicile and storage site would substantially increase efficiency and economy.
- The employee is required to depart on and return from, field trips in a Laboratory-furnished vehicle at unusually early and/or late hours.
- Public transportation is not available between isolated work camps and the nearest towns providing necessary supplies and services.
- The employee is required to work overtime due to an unexpected emergency and does not have transportation home.

XVI.2. Vehicle Reports

The Laboratory will provide the following reports to DOE according to the schedule below:

Annual

- Motor vehicle/truck data.
- Unused passenger vehicle authorizations.
- Exempt motor vehicles.
- Annual forecast of passenger vehicles.
- Annual motor vehicle use objectives.

Quarterly

- Motor vehicle use.

On Occurrence - Lost/stolen license plates.

APPENDIX A: GSA Condition Codes

GSA CONDITION CODES

Code (Brief) and Expanded Definition

1. (Unused—good) Unused property that is usable without repairs and identical or interchangeable with new items from normal supply sources.
2. (Unused—fair) Unused property that is usable without repairs but is deteriorated or damaged to the extent that utility is somewhat impaired.
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. (Used—good) Used property that is usable without repairs, and most of its useful life remains.
5. (Used—fair) Used property that is usable without repairs but is somewhat worn or deteriorated and may soon require repairs.
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. (Repairs required—good) Required repairs are minor and should not exceed 15% of the original acquisition cost.
8. (Repairs required—fair) Required repairs are considerable and are estimated to range from 16 to 40% of the original acquisition cost.
9. (Repairs required—poor) Required repairs are major because the property is badly damaged, worn, or deteriorated and are estimated to range from 41 to 65% of the original acquisition cost.

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

S (Scrap) Material has no value beyond its basic material content.

APPENDIX B: Sensitive Item Policy

DOE Regulation CFR 109-1.100-51a

Sensitive items are defined as personal property that is considered to be susceptible to being appropriated for personal use or which can be readily converted to cash, for example: firearms, portable photographic equipment, binoculars, portable tape recorders, portable calculators, portable power tools, portable computers, and portable communications equipment.

Berkeley Laboratory List of Sensitive Items as of 10/1/0204

- ALL Personal Digital Assistants w/PC Connection(e.g., Palm Pilots, Palm M505, Handspring, Sony) regardless of cost.

- All of the following with an acquisition cost at or above \$300:
 - Cameras (Still & Digital) Exceptions: Instant cameras, close-up, oscilloscope, x-ray, surveillance, photomacrographic, photomicrographic and Charge Coupled Device (CCD)
 - Cellular Telephones
 - Multi-Functional Office Equipment: Printers, Scanners, fax, copiers (all in one unit)
 - Personal Computers
 - Printers
 - Radio, Two-Way
 - Recorders
 - Scanners, computers
 - Video Cameras
 - Video Projectors

APPENDIX C: Glossary

Abandonment-In-Place

When property located off-site ceases to have commercial value, or if the value is so low that the cost of its care and handling would exceed the estimated proceeds from its sale, abandonment of the property in place can be considered. Abandonment must be the choice of last resort, only after other means (sales, transfer of accountability, Energy-Related Laboratory Equipment (ERLE) transfer, etc.) have been pursued without success.

Accounted-for Item

An item whose existence and location has been confirmed during an inventory.

Administrative Transfer

A transfer of accountability for property to another DOE agency or contractor. The title remains with DOE, regardless the location of the item.

Asset Management System

The property database is known by this name.

Book Value

The acquisition cost minus the accumulated depreciation.

Borrowed Property

Property that has been loaned to the Laboratory.

Capital Property

The capitalization of property at the \$25,000 threshold is performed by Financial Services Department.

Component

Equipment that is physically incorporated into other equipment. Components are not property-numbered. If a component is a controlled item, then the equipment into which it is incorporated is to be property-numbered. The record for that equipment will reflect the incorporation of all controlled components.

Controlled Property

Two absolute criteria determine Controlled Property status:

1. Purchase or fabrication cost of at least \$5,000 and a
2. Life expectancy of more than two years.

Property that has a purchase or fabrication cost that justifies maintaining continuous records on it (currently equipment valued at \$5,000 or more) and has a life expectancy of more than two years. May also be a component of a larger piece of equipment when the component substantially retains its original physical appearance.

A component of a larger piece of equipment qualifies as Controlled Property if it substantially retains its original physical appearance. Continuous records must be maintained on Controlled Property.

Controlled Storage

See Equipment Held for Future Projects.

Custodian

See Property Custodian.

Depreciation

The Office of the Chief Financial Officer depreciates assets that have been capitalized (assets with an acquisition value =>\$25K).

Dismantled Property

Property that has been taken apart or dismantled (cannibalized) to use components as parts.

DOE

United States Department of Energy.

Due Diligence

Reasonable level of judgement, care, prudence, determination, and effort in protecting and controlling property.

Equipment Held for Future Projects

Property that is not in use in current programs but has a known use in future Laboratory programs may be retained as "Controlled Storage."

ERLE

Energy-Related Laboratory Equipment. DOE, in accordance with its responsibility to encourage research and development in energy, awards grants (transfers title and accountability) of used energy-related laboratory equipment. Equipment is granted (transferred) under this program to universities, colleges, junior colleges, technical institutes, hospitals, museums, and other nonprofit educational institutions of higher learning for use in energy-oriented educational programs in the life, physical, and environmental sciences and in engineering. ERLE grants can be used only if the proposed transferee does not have an active contract or grant.

Excess

Property that is no longer required for the needs of the Laboratory. Excess property is made available to first within the Laboratory, then to Government and state agencies, or is ultimately sold. Excess equipment conditions range from new and highly valued to scrap material that will be sold for the value of its material content.

Excess Transfer

When title and accountability is transferred from the Laboratory to another federal agency or contractor.

Fabricated Property

Physical objects and equipment originally created at the Laboratory or property purchased but subsequently and significantly modified by the Laboratory to transform them into something new and different.

Facilities

Facilities include all Laboratory buildings and structures.

FSC

Federal Supply Classification.

GSA

General Services Administration.

Intra-University Transaction (IUT)

Internal administrative agreement whereby the Laboratory sponsors or supports the efforts of collaborative research at a UC campus. The purpose of an IUT is to fund activities directly related to the accomplishment of specific DOE-assigned project/program responsibilities and/or efforts supporting these activities. An IUT is not a grant, fellowship, scholarship, or philanthropic award. It is allowable work performed by UC campus personnel under the prime contract between the Department of Energy and the University of California. However, because the work is performed by non-laboratory UC personnel using UC-owned facilities, not all the terms and conditions of the prime contract are directly applicable.

Inventory

Process of periodically accounting for controlled and sensitive property on a scheduled basis.

Inventory Base

List of property items that will be accounted for in an inventory. The inventory base is selected by applying specific inventory criteria.

Inventory Criteria

The selection rules defined and used as the basis for generating the list of property to be accounted for in a given inventory. The inventory criteria may include such parameters as the type and location of property and the accountable group or organization.

Inventory Property at Home

Property located at employee's homes should be inventoried annually regardless whether they are tagged with a barcode label. The Inventory at Home form can be found on the Property Management website at <http://fac.lbl.gov/Facilities/SiteSvcs/forms/DualSig/dualsig.pdf>

Lost Property

A property item is considered lost if it is not in the last location known to the custodian and has not been found after a thorough search of the premises. An item is also considered lost if its location is known but the item is physically unrecoverable.

Marking

All equipment suitable for marking as Laboratory property is permanently marked to establish ownership and to identify it as property of the US Government. Marking methods may include special labels, etching, dye marking, or other suitable means of establishing ownership.

Material Pass

Three-part form (Stock Form 7600-67344) used to document frequent movement of property such as notebook computers, cellular telephones, personal data assistants, etc. that are transported by employees between the Laboratory and other destinations. The online pass is located at <http://fac.lbl.gov/Facilities/SiteSvcs/forms/MatPass/matypass.pdf>

Materials

Property consumed in normal use in the performance of a subcontract, program, or experiment. (See also *Supplies*.)

Modification

The transformation of existing property or a unique combination of pre-existing component parts.

Non-Government-Owned Personal Property

Equipment, material, or things owned by private individuals.

Non-reportable Property

Property that does not meet the condition codes for reportable property (primarily codes 9, X, or S), was acquired at a cost of less than \$1,000, and does not have an FSC code that meets reportable standards is considered non-reportable. (The term non-reportable is imprecise. Non-reportable property is actually reportable, but only to some agencies.) These items are processed through a limited DOE screening, GSA screening, and GSA Donation screening.

Outside Researcher

A non-laboratory employee pursuing a field of study related to the fabricated property.

Owner

The entity that holds title to the property (i.e., DOE, IBM, NIH, etc.

Personal Property

As defined in the Code of Federal Regulations, any property (except real property) special source material, and records owned by the federal Government.

Precious Metals

Valuable and uncommon metals with characteristics suitable for use in research: Gold, Iridium, Osmium, Palladium, Platinum, Rhodium, Silver.

Property

Materials or supplies, equipment, facilities, and services owned by the U.S. Government. General prohibitions about improper use of property apply to all classifications of property.

Property Custodian

An individual who has been assigned one or more property items for use in performing his or her work. The custodian is responsible for knowing the location of the property and is accountable for its maintenance, condition, and physical security.

Property Found on Works

Assets found on-site that meet the identification criteria will be identified and tracked as DOE assets.

Property Management Advisory Board

Selected members of the Property Representatives are requested to participate in the Property Management Advisory Board. This Board is intended to support the Property Manager in making recommendations and potential alternatives relative to property management policies and procedures.

Property Management System

Identification, control, inventory, and disposing of property assets throughout the property-item life cycle.

Property Representative

Each Laboratory division must appoint a Property Representative to manage the stewardship of the Division property. The steward of record continues to be the Division Director.

The Property Representative represents the division in property policy matters and takes action necessary to assure division compliance with property policies either directly, through Line Management, or through matrix Line Management, consistent with the authorities granted by the Division Director(s). The functions of the Property Representative may be delegated as appropriate, but the designated Property Representative remains the single point of contact for the division on property management activities.

Property Reuse

The Laboratory's goal is to maximize resources by matching surplus equipment to requests and coordinating the redistribution of assets.

Requestor

Any employee who initiates a property action is the requestor, but not necessarily the custodian or user of the property.

Property Management Organization

The Property Management Group is the responsible organization.

REAPS

Reportable Excess Automated Property System: a system supporting the DOE-centralized reuse of DOE-owned property.

Recording Property

Entry of identifying information into the property database.

Related Personal Property

As defined in the Code of Federal Regulations, any personal property that is an integral part of real property and is related to, designed for, or specially adapted to the functional or productive capacity of the real property, the removal of which would significantly diminish the economic value of the real property or the related personal property.

Reportable Property

Property that meets certain condition codes (primarily codes 1 - 8), acquired at a cost of \$1,000 or more, and has an FSC code that meets federal reportable standards is considered reportable. These items are subject to screening processes by the Laboratory (preliminary screening), DOE, ERLE, GSA, and the GSA Donation screening.

Requestor

A Requestor may place an order for property but is not necessarily the custodian or user.

Retirement

The act of removing a property item from the Property Database.

Salvage

Personal property with value greater than its basic material content but which is in such condition that it has no reasonable prospect of use for any purpose as a unit.

Scrap

Personal property that has no value beyond its basic material content.

Security Organization

The Laboratory contracts for protective services.

Sensitive Property

An item with a life expectancy of two or more years, highly portable and easily converted to personal use, and thus more susceptible to theft than other Laboratory equipment.

Services

Services involve acquisition or use rather than ownership of a tangible item. Examples include equipment rentals and leases, long-distance telephone calls, and computer network subscriptions.

Special Source Material

Special nuclear material and other materials to which the provisions of DOE Order 5630.2, Control and Accountability of Nuclear Materials, Basic Principles, apply, such as deuterium, enriched lithium, neptunium 237, and tritium; and atomic weapons or byproduct materials as defined in Section II of the Atomic Energy Act of 1954 as amended, including enriched uranium in stockpile storage and petroleum in the Strategic Petroleum Reserve and the Naval Petroleum Reserves.

Statistical Sampling

The process of applying a statistical sampling algorithm to obtain a representative sample of the inventory base to verify the validity of the inventory process. It is used in conjunction with a random sampling program embedded in the Property Database.

Steward

A Division Director who is accountable for all property assigned to his or her division.

Stewardship

Division-level responsibility and accountability for the proper use, care, and protection of all property assigned to its employees. The Division Director appoints a Property Representative to oversee property activity including delegating some of the recordkeeping to a Property Coordinator. The Property Custodian is responsible for the care and security of assigned property. The Line Manager is responsible for ensuring that property is cared for consistent with the Laboratory's policies and procedures and for maintaining a secure environment for property.

Sub-Contract Administrator

The Procurement Group subcontract administrator. The subcontract administrator is a Laboratory representative with sufficient procurement authority to commit Laboratory funds in a contractual relationship with a seller. A subcontract administrator performs the administrative duties associated with Laboratory subcontracts awarded to commercial firms, universities, and other educational institutions.

Supplies

Property consumed in normal use in the performance of a subcontract, program, or experiment. (See also *Materials*.)

Tagged Property

Controlled or sensitive property is given and tagged with, a unique number so that it can be tracked and inventoried throughout its life cycle.

Tagging

All controlled and sensitive property items are assigned and tagged with a unique property identification number. Tagging links property to an individual custodian, so that it can be tracked and inventoried throughout its lifecycle. Property transactions for tagged items are recorded and maintained in the Property Database.

Technical Representative

A technical representative designated by a subcontract requesting organization to represent that organization in the accomplishment of the subcontracted work.

Unaccounted-for Item

An item whose location and existence has not been confirmed during the inventory and reconciliation process.

Write-off

Adjustment to the dollar value of a property item in the financial records. Authority and responsibility for performing the Write-off resides solely with the LBNL Property Manager.