

# HARVARD UNIVERSITY



## **Government-owned Property Overview and Procedures**

Originally Issued: June 20, 2013  
Last Revised: December 2, 2014  
Responsible Office: Office for Sponsored Programs

---

### **Purpose**

The following guidance outlines the responsibilities and procedures for acquisition, control, use, care, maintenance, disposition, and reporting of government-owned property.

---

### **Government-owned Property Definition**

“Government-owned property” is all property where title is retained by the federal government. Government-owned property includes government-furnished property (GFP) and government-titled equipment (GTE):

#### **Government-furnished Property (GFP) Definition**

“Government-furnished property” means property in the possession of, or directly acquired by, the government and subsequently furnished to the contractor for performance of a contract. Government-furnished property includes material, special tooling, special test equipment, and real property. Title to government-furnished property always vests in the federal awarding agency and may be recalled at the agency’s discretion.

#### **Government-titled Equipment (GTE) Definition**

“Government-titled equipment” means property purchased, or fabricated with federal funds to which the government retains title. Contractor approval by the Contracting Officer is required prior to purchase of GTE. The acquisition (or fabrication) of GTE is further subject to the terms of the funding contract. GTE may also be referred to as contractor-acquired property.

---

## **Compliance Requirements**

Harvard University is required to comply with the following federal requirements for property management on grants and contracts:

- OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200 (Uniform Guidance)
- Federal Acquisition Regulations (FAR), specifically parts 45 and 52.245
- Defense Federal Acquisition Regulations (DFARS), specifically parts 345 and 252
- NASA Grants Handbook, specifically sections 1260.130 – 1260.137

---

## **Responsibilities**

Each school is responsible for management of government-owned property, including: affixing government tags, obtaining sponsoring agency approvals, preparing government inventory reports, and notifying OSP upon receipt.

### **Principal Investigator and Custodial Department, Unit or Center:**

The principal investigator and custodial department are responsible for the care, maintenance, physical inventory, and control of all government-owned property and for notifying the Equipment Coordinator of any property received and any shortage, damage, loss or theft.

### **Equipment Coordinator:**

The Equipment Coordinator is the school-level designee who oversees department management of government-owned property. The Equipment Coordinator is responsible for managing the care, maintenance, physical inventory, and control of all government-owned property and for working with the Office of Sponsored Programs to fulfill all government reporting requirements.

### **Office for Sponsored Programs (OSP):**

OSP is responsible for submitting annual property reports to the government including DOD Form 1662 and NASA Form 1018 on behalf of the schools. OSP works with the school Equipment Coordinators to

coordinate the annual Property System Control Analysis (PCSA) with the Office of Naval Research (ONR) Property Administrator.

### **Property Administrator:**

The Property Administrator is the representative of the Office of Naval Research (ONR) assigned to administer contracts with FAR, DFARS, or other property related requirements/terms and conditions. The Property Administrator authorizes government-property reports and closeout procedures. The Property Administrator also performs the Property System Control Analysis (PCSA) to review Harvard's ability to protect, preserve, account for and control government-owned property under awards that have been delegated to ONR for administration.

---

## **Procedures for Managing Government-owned Property**

Harvard University's responsibility for government-owned property extends from the initial acquisition and receipt of property, through use, maintenance, and disposition until formally relieved of responsibility by authorized means. The following procedures apply to all government-owned property under Harvard's accountability, stewardship, possession, or control.

### **Step 1: Notification of Government-furnished Property (GFP)**

The primary objective of acquisition is to ensure that only equipment authorized by contract terms and conditions or budget requirements is acquired. There are two methods by which government-owned property may come into Harvard's possession: the government may furnish the property or the government may authorize Harvard to purchase the property with federal funds.

#### *Government-furnished Property Acquisition:*

The government may furnish property to Harvard to perform specific requirements on a federally administered contract via direct shipment or transfer from one contract to another. This type of equipment is referred to as government-furnished property or GFP. Because GFP is provided directly from the government and is not part of Harvard's established purchasing procedures, there is no record

of the acquisition in the general ledger or any other financial system. OSP relies on the use of the Action Memo and Special Equipment Flag in GMAS to maintain accurate records of GFP.

When OSP, the department, or the principal investigator is notified of a contract receiving GFP, an Action Memo must be generated and distributed to the principal investigator, pre and post-award administrators, department administrator, and Equipment Coordinator. The GMAS "Special Equipment Terms" radio button is flagged and accompanied by a note stating the award has GFP and special reporting requirements.

If the GFP is not identified at the award stage, it is the department's responsibility to identify GFP through the following methods throughout the life of the contract:

1. Modification – GFP can be issued with a contract modification. The modification is usually accompanied by a shipping document that lists the detailed equipment information.
2. Shipping Documents – The sponsoring agency may ship equipment directly to the department or principal investigator. In this case, the shipping document should be kept on record in GMAS. Department of Defense agencies use the standard shipping document DD Form 1149.
3. Contract Documents – GFP may be noted on the contract's Statement of Work, the equipment section of the terms and conditions, or in the invoked clauses section. The statement may list out the equipment details or may be very general, such as "The contractor shall provide the facilities and equipment necessary to develop the effort as described in reference." It is the department's responsibility to identify and adhere to any invoked FAR clauses related to GFP.

*Government-titled Equipment Acquisition:*

Government-titled equipment is purchased directly by Harvard using contract funds. The principal investigator and department are responsible for obtaining sponsor approval from the Contracting Officer prior to acquisition and for following the established procurement procedures. Harvard must provide the Contracting Officer a list of all government-titled equipment within 10 days following the end of the calendar quarter for which it was received.

## **Step 2: Government-owned Property Records**

Upon receipt of Government-owned property, the receiving department must promptly notify the local Equipment Coordinator. The Equipment Coordinator will work with the department to verify shipping information, inspect the equipment, affix property tags, and record necessary information. In instances when the property is unable to be tagged, the department and Equipment Coordinator must create a substitute method of assuring that the tag number and records can be matched to the equipment items.

Note: Government-owned Property cannot be used for any purpose until the Equipment Coordinator verifies shipping information and assigns a government tag. Shipping documents, including DD Form 1149, DD Form 250, or DD Form 1348, must be maintained on record in GMAS. All discrepancies (overages, shortages, or damages) should be reported to the Property Administrator. If the description of property received differs from the quantity or description on the shipping documents, the Equipment Coordinator should record the actual description and quantity received on the shipping documentation. Harvard is required to maintain a property control system that provides for adequate identification, recording, location, utilization, maintenance, and physical inventory of government-owned property. To enable a complete, current, auditable record of government-owned property, the Equipment Coordinator must record the following in the equipment management system:

1. Description of the equipment
2. Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number(s)
3. Source of the equipment, including the award number and the award end date
4. Clear acknowledgement that ownership and title rests with the federal government
5. Date property was received from the federal government
6. Location and condition and the date the information was reported
7. Unit acquisition cost, quantity received (or fabricated) and unit of measure as provided on the shipping documents
8. Ultimate disposition data, including date of disposal, method of disposal, sales price or method used to determine current fair market value (if Harvard compensates the federal awarding

agency for its share). For more information on required permissions for disposition, please see steps 5 and 6 in this document.

Current records of equipment location must be maintained in such a manner that any item of equipment can be located within a reasonable amount of time. The department must notify the Equipment Coordinator of any changes, permanent or temporary, in location. The department and principal investigator must assure that an adequate system exists within the department to track and document any temporary movement of government-owned property.

If the principal investigator needs to use government-owned property off-campus for contract-related research, the department must notify the Equipment Coordinator and provide the following information:

1. Reason for leaving Harvard campus
2. Destination of equipment
3. Duration equipment will be off-campus
4. Contact information of primary user of equipment at off-campus location

### **Step 3: Use, Maintenance, and Protection**

Government-owned property may not be used for any purpose other than to fulfill the requirements of the awarding contract. The principal investigator must obtain prior written approval from the sponsoring agency to use the equipment on another contract or for other research. Authorization to use government-owned property on another award must be in the form of a written approval from the Contracting Officer.

The department must provide the care necessary to maintain the equipment in the condition it was received. Departments should maintain records of any inspections, discovered deficiencies, and maintenance actions. When equipment is temporarily idle, but is required for authorized future use, the principal investigator and department must ensure that the equipment is stored with adequate security protection and that controls and inspection are provided for the items in storage.

*Inventory*

The Equipment Coordinator and department must take a physical inventory of government-owned property on at least an annual basis. Any discrepancies or corrections noted during the inventory must be reported to OSP.

OSP discloses the results of the inventory to the Property Administrator annually and in the event of disposal or loss. A physical inventory is also required upon termination or completion of a contract. The following information from the equipment’s record must be confirmed during inventory:

1. Harvard tag and tag to indicate government-ownership
2. Identifying information, including tag number, serial number and model number
3. Location, including building and room number
4. Equipment status (e.g. idle) and condition (excellent, usable, repairable, salvage or scrap)

**Step 4: Reporting of Government-owned Property**

All government-owned property in Harvard’s possession must be reported to the Property Administrator within OSP on an annual basis for the period ended September 30th. OSP submits the required reports as specified in the contract terms and conditions. In addition to individual award report requirements, the following reports are required annually, upon disposition and at award termination:

*Table 1 - Required Reports*

<b>Procurement Instrument</b>	<b>Format</b>	<b>Distribution</b>	<b>Notes</b>
DOD Grants	DOD Property Report Negative reports are not required	Submit to DOD Property Administrator Cognizant Office	Annual report due October 31 <sup>st</sup> of each year for preceding year ending September 30 <sup>th</sup> Closeout report due within 90 days after agreement is terminated

Procurement Instrument	Format	Distribution	Notes
NASA Contract	NASA Property in the Custody of Contractors NASA Form 1018	Submit to DOD Property Administrator and NASA Property Officer	Annual report due October 15 <sup>th</sup> of each year for the preceding year ending September 30 <sup>th</sup>  Disposition report due within 30 days after disposition of all property acquired under the NASA contract  For electronic submission of NASA Form 1018, use the NF1018 Electronic Reporting System (NESS)
NASA Grants	NASA Property Report  Negative reports not required	Submit to NASA Property Officer	Closeout report due within 60 days after agreement is terminated

**Step 5: Closeout: Reports and Relief of Stewardship**

Upon completion of the award, results from the closeout inventory must be verified by the Equipment Coordinator and submitted to OSP. OSP and the Equipment Coordinator will submit the final property report to the Property Administrator for disposition or relief of stewardship instructions. The final property report is due within 90 days of the contract termination date. If the Property Administrator instructs the department to return the equipment, the Equipment Coordinator will work with the departments to coordinate equipment shipments, complete all necessary documentation, and inform all invested parties.

If the principal investigator has a continued need for the equipment within Harvard, Harvard may request relief of stewardship or request to transfer the government-owned property to another contract. As with disposal, the Property Administrator must authorize and facilitate the request with the federal awarding agency.



## **Other Considerations: Disposal, Loss, and Damage**

Government-owned property may only be disposed of after explicit permission from the Property Administrator. If the principal investigator does not need the government-owned property for research purposes, the Equipment Coordinator and OSP will prepare the required report and submit to the Property Administrator for further instruction. Disposal may involve returning the property to the government, transferring title of ownership to Harvard, or distributing to a third party.

### *Loss, Damage, Destruction or Theft*

If government-owned property is damaged or lost, the department must immediately notify to the Equipment Coordinator. The department must report all factual data as to the circumstances that surround the loss, damage, or destruction. A complete statement must include the following information at a minimum:

1. Accountable contract number
2. Full narrative of the incident including date and last known location
3. Description of property including name, manufacturer, model number, unique item identifier and National Stock Number (if applicable)
4. Acquisition cost and estimated repair or replacement costs
5. A statement indicating current or future need
6. Corrective action to be taken to prevent recurrence and provide reimbursement
7. Copies of supporting documentation

The Equipment Coordinator will work with OSP to notify the government agency and provide the loss report, a letter requesting relief of stewardship, and any necessary forms to the Property Administrator.

Upon review of the report, the Property Administrator will determine whether Harvard should be relieved of stewardship or take any further actions deemed appropriate.

Note: If the lost property contained sensitive or hazardous material, the principal investigator and department must notify all appropriate agencies and include any related information in the loss statement.

## **Subcontracts**

The appropriate flow down provisions for property administration and disposal from the prime federal contract are incorporated into subcontracts awarded to an outside entity from Harvard. The subcontract terms and conditions must advise subcontractors of their responsibility to comply with Harvard's equipment management policies and procedures where applicable, unless the subcontractors have approved systems of their own.

Subcontractors should report to the principal investigator all instances of loss, damage, or distribution of government-owned property in the subcontractor's possession or control and submit copies of these reports to the department and the Equipment Coordinator.

---

## **Contact/Responsible Office**

If you have a question about whether to flag a contract for Special Equipment or any other government-owned property related inquiry, please contact Judith Ryan in OSP.

Judith Ryan

Director, Cost Analysis

Office for Sponsored Programs

1033 Massachusetts Avenue, 5<sup>th</sup> Floor

617-495-9047

[judith\\_ryan@harvard.edu](mailto:judith_ryan@harvard.edu)