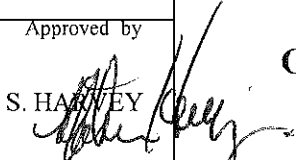


FINANCIAL MEMORANDUM

Memorandum No. 186	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	Page 1 of 6
Approved by  S. HARTLEY	Government Furnished Property – Policy	Date Issued/Amended 3/16/15
		Replaces 3/24/14

Icahn School of Medicine at Mount Sinai (ISMMS) is obligated to protect and account for government property. This includes both government furnished property (GFP) and government titled property (GTP). This policy outlines the basic features of the ISMMS system for fulfilling the obligation.

Federal and other governmental sponsors require ISMMS to comply with the property standards set forth in 2 CFR Chapter I, Chapter II, part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final rule, a.k.a Uniform Guidance UG, sponsoring agency regulations, and terms and conditions as set forth in the agreement. ISMMS is required to maintain a property system that records and manages equipment acquired with federal funds and federally-furnished equipment.

For Federally funded contracts, ISMMS must also comply with the requirements for US Government-owned property set forth in Parts 45.5 and 52.245-1 of the Federal Acquisition Regulations (FAR). Other contractual requirements for US Government-owned property may also exist, such as Defense Supplement requirements to the FAR (DFARS 245.5) or DoD Grant and Agreement Regulations (DoDGAR Part 22) or specific contract terms. ISMMS is directly responsible and accountable for all US Government-owned Property in its possession or control.

Administering departmental personnel and Principal Investigators (PI) should understand and have knowledge of the provisions of their sponsored program agreements.

Definitions

Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year, and an acquisition cost of \$1500 or more per unit.

Government-furnished property (GFP) includes property in the possession of or directly acquired by the government and subsequently furnished to a contractor for performance of a contract. Title to government-furnished property vests in the federal awarding agency and may be recalled at the agency's discretion.

Government-titled property (GTP) is also called contractor acquired property (CAP)

GTP or CAP includes property purchased or fabricated with federal funds to which the government retains title. Contracting Officer's Approval (COA) is required to purchase GTP under the contracts. The purchase of a GTP is subject to the terms of the contract.

Government Property Administrator (GPA) - an authorized representative of the Government assigned to administer the contractual obligations relating to Government Property. GPA authorizes government property reports and closeout procedures. GPA performs review of ISMMS' property management system to assess ISMMS' ability to protect, preserve, account for and control government-owned property under federal awards.

Responsibilities

ISMMS is responsible for the management of government-owned property, including obtaining appropriate approvals internally and from sponsoring agency, affixing property tags, preparing government inventory reports and filing required annual and close out reports to the GPA.

Principal Investigator(PI), Department Chair and Administrator: The Principal Investigator and his/her department are responsible for the care, maintenance and control of all government-owned property and for notifying the School General Accounting (SGA) and Sponsored Projects Finance (SPF) of any property received and any shortage, damage, loss or theft.

School General Accounting (SGA): SGA oversees department's management of government-owned property. SGA is responsible for managing the care, maintenance, physical inventory, and control of all government-owned property and for working with the PI, the Department and the SPF to fulfill all government reporting requirements.

Sponsored Projects Finance (SPF): S P F is responsible for submitting annual property reports to the government.

Acquisition of Property

Property acquisition is often addressed by a contract article and may be further governed by specific agency regulations. There are two methods by which government-owned property may be acquired by ISMMS - the government may furnish the property or the government may authorize ISMMS to purchase the property with federal funds.

Government-owned Property Records

ISMMS is required to maintain a property control system that provides for adequate identification, recording, location, utilization, maintenance, and physical inventory of government-owned property.

Therefore, upon receipt of Government-owned property, the receiving PI and the Department must promptly notify the SGA. SGA will work with the department to verify shipping information, inspect the equipment, affix property tags, and record necessary information.

To enable a complete, current, auditable record of government-owned property, SGA must record the following in the property management system:

1. Description of the equipment
2. Manufacturer's serial number, model number, federal stock number or other identification number(s) as applicable
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

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 SGA of any changes in location. The department and the PI must assure that an adequate system exists within the department to track and document any permanent movement of government-owned property.

Use, Maintenance and Care- Government-owned property may not be used for any purpose other than to fulfill the requirements of the awarding contract. The PI must obtain prior written approval from the sponsoring agency to use the equipment on another contract or for other research.

It is the responsibility of the PI and the department to protect Government property against loss and damage. They must ensure that the property is maintained and repaired by qualified person/manufacturer for repair as the situation may require. Departments should maintain records of any inspections, discovered deficiencies, and maintenance actions. They must ensure that the equipment is stored with adequate security protection and that controls and inspection are provided for the items in storage. SGA and department are responsible for maintaining the physical inventory of government –owned property on a current basis.

Inventory

In order to comply with external regulations, as well as to ensure that the institution's property controls are adequate, periodic inventories of fixed assets are conducted on a cyclical basis. It is essential that departments return the forms, after conducting the inventory, by the date indicated. This will ensure that the appropriate changes are made so as to reflect the status of such assets at the institution.

Closeout

Upon completion of the award, the PI, department, SGA and SPF will work together to finalize the closeout inventory. SPF will submit the final property report to the Government Property Administrator for disposition or relief of stewardship instructions. If the Government Property Administrator instructs the department to return the equipment, the department will coordinate the equipment shipments, complete all necessary documentation, and inform all invested parties.

If the PI has a continued need for the equipment, ISMMS may request relief of stewardship or request to transfer the government-owned property to another contract.

Other Considerations: Disposal, loss, and Damage

Government-owned property may only be disposed of after explicit permission from the GPA. If the PI does not need the government-owned property for research purposes, SGA and SPF will prepare the required report and submit to the GPA for further instruction. Disposal may involve returning the property to the government, transferring title of ownership to ISMMS 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 SGA. 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. Account Number and the 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

SGA works with SPF to notify the government agency and provide the loss report, a letter requesting relief of stewardship, and any necessary forms to the GPA. Upon review of the report, the GPA will determine whether ISMMS should be relieved of stewardship or take any further actions deemed appropriate.

If the lost property contained sensitive or hazardous material, the PI 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 ISMMS. The subcontract terms and conditions must advise subcontractors of their responsibility to comply with ISMMS' equipment management policies and procedures where applicable, unless the subcontractors have approved systems of their own.

Subcontractors should report to the PI 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 SGA.

Please contact the following for any questions regarding this policy:

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