



PROPERTY PROCEDURES MANUAL

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Overview

The New Mexico Institute of Mining and Technology (hereafter, New Mexico Tech) primarily located in Socorro, New Mexico, is a public university specializing in research in science, technology, engineering and mathematics. As such, New Mexico Tech is funded by the taxpayers of the State of New Mexico, as well as through federal grants and contracts, and private grants and contracts.

The New Mexico Tech Property Office, a department accountable to the Vice President for Administration and Finance, is tasked with ensuring that assets purchased with state, federal and private funds are identified, utilized and disposed of lawfully.

The Property Procedures Manual provides information necessary for managing assets in the custody of New Mexico Tech from acquisition to disposal.

This manual does not replace property directives mandated by sponsors, nor does it replace contract provisions. Our goal is to present, within the framework of one document, the routine property procedures basic to the establishment and maintenance of an adequate property control system.

In the event of inconsistency or conflict, applicable law, specific sponsor property directives, or statements of a contract supersede New Mexico Tech policies and procedures. In addition, New Mexico Tech policies supersede individual college, department or lower-unit policies or guidelines.

Mission

Our mission is to support in an unbiased manner New Mexico Tech's research and higher education directives by ensured compliance with state and federal regulations for property management, and by encouraging sound business practices.

Stewardship Responsibility

Property and equipment in the custody of New Mexico Tech are considered assets of the State of New Mexico. In some cases, when sponsored research awards are used to acquire assets, the awarding agency may retain title and final ownership.

Regardless of how they were obtained, once in the custody of New Mexico Tech all assets are subject to university policy, which is based on state and federal regulations and approved by the New Mexico Tech Board of Regents.

Federal regulations take precedent over and set standards for state and local regulations. Private grants and contracts are also subject to federal regulation. The Property Office is responsible for assisting all New Mexico Tech departments and entities to fulfill their role as stewards of the resources entrusted to their care by:

1. tagging all newly acquired capital equipment, titled assets, computers and computer servers with a barcoded New Mexico Tech Property Control Number (PCN);
2. maintaining accurate inventory records of all tagged assets, including location, custodian, equipment manager and condition;
3. facilitating the annual physical inventory of all tagged assets;
4. managing the Surplus Property Yard to maximize reutilization of capital and noncapital property, and arrange for disposal of property; and
5. complying with internal, state and federal audits, including those conducted by the NM Higher Education Department, and Defense Contract Audit Agency and the Office of Naval Research.

Each department chair, or Primary Investigator (PI) if sponsor funds are involved, is ultimately responsible for all assets in the custody of his/her department, or his/her sponsored research project, regardless of end user.

Regular internal audits, performed by New Mexico Tech personnel other than Property Office staff, are a key component in identifying deficiencies in the system, if any, and determining a corrective action plan before small oversights become a larger issue with external auditors. Results of audit findings are made available to the applicable government property administrator.

Essential Definitions

Asset Cost: Asset cost includes the vendor's invoice plus the value of any trade-in or allowances if reflected on the invoice, freight or transportation charges, site preparation costs, professional fees, sales tax, initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service.

Capital Asset: Assets with a cost greater than or equal to \$5,000, where New Mexico Tech has title, are required by governmental accounting standards to be capitalized and depreciated, and are referred to as capital assets. See also Equipment.

Equipment (as defined by New Mexico Tech): Equipment is defined as fixed or movable tangible assets costing \$5,000 or more whose benefit extends beyond one year from the date of acquisition and being rendered into service.

Other Inventoriable Property:

Computer Devices – computers, desktops, laptops and servers with an original acquisition cost or FMV greater than or equal to \$1,000, but less than \$5,000, with a life expectancy beyond one year from the date of acquisition and being rendered into service, and freestanding or an integral component of an existing item.

Vehicles, Trailers and ATVs – requiring the title and licensing of the State of New Mexico, with an original acquisition cost or Fair Market Value (FMV) greater than \$1 but less than \$5,000, with a life expectancy beyond one year from the date of acquisition and being rendered into service, and freestanding or an integral component of an existing item.

Equipment Improvements/Enhancements: Improvements or enhancements are internal or external additions to capital assets that extend their life, increase productivity or quality, or increase the value greater than \$1,000. Enhancements greater than \$1,000 will be capitalized and their cost added to the capital cost of the item being enhanced; enhancements under \$1,000 will be expensed.

A more complete list of definitions is available in Appendix A.

Section 1: Acquisition

Individual departments and entities may purchase assets using state, local, and sponsor funds. All purchases must be made in accordance with applicable federal and state law, and with New Mexico Tech policy.

Assets may also be acquired by gift, donation, loan or lease/purchase; the government may furnish it; or, it may be fabricated using materials purchased with state, local and sponsor funds.

1.1 Acquisition Authority – State Funds (Unrestricted)

For assets purchased with state funds:

1. \$1,000 and greater: approved by the Business Office, Purchasing Department and Property Office.
2. \$200,000 and greater: approved by the above and by the Office of the President or the Office of the Vice President for Administration and Finance.
3. \$250,000 and greater: New Mexico Tech Board of Regents approval must be obtained by formal correspondence through the Purchasing Services Office prior to the issuance of a purchase order

1.2 Acquisition Authority – Sponsor Funds (Restricted)

For assets purchased with federal or other restricted funds:

1. All purchases: approved by the New Mexico Tech Sponsored Projects Administration, regardless of the cost; and, if necessary, by the federal contract officer and any other person or office as required per the terms and conditions of the award.
2. \$1,000 and greater: approved by the above and by the Business Office, Purchasing Department and Property Office.
3. \$100,000 and greater require notification to the New Mexico Tech Board of Regents by formal correspondence through the Purchasing Services Office or designated satellite office.

The PI is responsible for knowing the terms and conditions of his or her sponsored research award and ensuring that all contractual obligations are met.

1.3 Categorizing Acquisitions

All purchases of assets must be charged to the correct property account code, per the New Mexico Tech Business Office's Chart of Accounts. The property account code prompts Banner (the university's financial software) to create an origination tag when the invoice is paid, thus notifying the Property Office of the existence of a new asset to be tagged.

The ordering department is responsible for assigning the proper account code for all purchasing methods, which consist of requisitions, purchase orders, direct payments or purchasing cards

A brief summary of account codes and their respective definitions that affect the purchase of property and software are listed below.

1.3.1 Taggable Property

The property account codes that result in an origination tag being created in Banner, as of March 4, 2013, are:

- 720022 - Computers and servers between \$1,000 and \$4,999
- 720023 - Vehicles, trailers and ATVs between \$1 and \$4,999
- 730101 - Assets with an acquisition cost of \$5,000 or more; and enhancements* of \$1,000 or more to existing capital assets
- 730102 - Office Equipment with an acquisition cost of \$5,000 or more; and enhancements* to existing Office Equipment capital assets
- 730103 - Lab & Science Equipment with an acquisition cost of \$5,000 or more; and enhancements* to existing Lab & Science Equipment capital assets
- 730104 – Vehicles, trailers and ATVs with an acquisition cost of \$5,000 or more
- 730109 - Software with an acquisition cost of \$5,000 or more; this is not tagged, but is capitalized and depreciated by Fixed Assets Accounting

*New Mexico Tech's capitalization policy was amended in February 2013. The university now employs a *de minimus* approach to enhancements or improvements less than \$1,000 to existing assets, and does not require the cost of such improvements to be incorporated into the asset cost. However, enhancements greater than \$1,000 to capital assets must be added to the asset cost of the equipment being enhanced.

A purchase order is required for enhancements of \$1,000 or more to existing capital assets, and must reference the PCN of the equipment being enhanced. For any improvement less than \$1,000 to existing capital assets, a purchasing card or direct payment form may be used in place of a purchase order.

Departments may voluntarily choose to incorporate the cost of enhancements under \$1,000 to existing capital assets, and may also choose to incorporate the cost of enhancements to existing non-capitalized assets. Written communication with the Property Office is requested in those cases.

1.3.2 Untagged Property

Other property-related account codes do not result in an origination tag being created, but are used by the Business Office to account for untagged property subject to capitalization and depreciation, or for other purposes:

- 710026 - Software with an acquisition cost less than \$5K
- 710411 - Software Maintenance, Renewal, and Licensing
- 720011 - Lease or rental agreements
- 720020 - Portable computing devices less than \$1,000

Systems, defined as a set of interrelated and interdependent assets (usually ordered all at the same time) that will be combined for a single application or to fulfill one intended purpose, should appear on the purchase order as one line item with one total cost.

1.4 Methods for Acquiring Property

Purchasing Documents (Purchase Orders, Direct Payments and Purchasing Cards)

Purchase Orders must be used for all assets that must be tagged, without exception. This includes computers (desktop, laptop) and servers with an acquisition cost of \$1,000 to \$4,999.99, and titled vehicles with an acquisition cost of \$1 to \$4,999.99. This also includes any and all assets that cost \$5,000 or more, as well as any upgrades or enhancements of \$1,000 or more to assets that cost \$5,000 or more.

Unallowable Methods of Purchase and Payment

Direct Payment forms (DPs) and Purchasing Cards (P-cards) **may not** be used to purchase assets that must be tagged as referenced in the above paragraph. However, DPs and P-Cards may be used for non-tagged property such as personal computing devices that cost less than \$1,000, in accordance with the policies and procedures of the New Mexico Tech Purchasing Department.

Use of personal funds to purchase assets that must be tagged is prohibited by university policy. If personal funds are used, whether in error or due to an emergency, reimbursement is not guaranteed and is determined on a case-by-case basis.

If a reimbursement payment is approved, a Direct Payment (DP) must be initiated by the department for the reimbursement, with the correct property account code for the purchase, and must be approved by the Property Office.

Government Furnished Property or Equipment (GFP & GFE)

Government-Furnished Property (GFP) or Government-Furnished Equipment (GFE) may be shipped to New Mexico Tech from government installations or other government contractors for use in the performance of a grant, contract or other type of award. The Property Office will place PCN barcode tags on GFP and GFE and enter this information into the property database for reporting purposes.

The department and PI are responsible for ensuring that the materials or property are used within the scope of the award, as well as controlling and accounting for all GFP or GFE in its custody.

Because GFP or GFE is not acquired through the normal procurement procedures, the department and PI must notify the Property Office and the Sponsored Projects Administration when acquiring GFP or GFE; all documents related to the transaction must be provided to the Property Office within 15 business days of receipt of the GFP or GFE.

Sponsored Research and Contractor Acquired Property

Contractor Acquired Property is defined as tangible property or equipment purchased using sponsor funds. The specific provisions of the sponsored research award will govern in each instance. Unless otherwise stated in the contract award:

- Purchases acquired through a cooperative agreement, grant or contract valued under \$5,000 are typically considered consumables, and title vests with New Mexico Tech. Computers, servers, vehicles, trailers and ATVs under \$5,000 are tagged.
- For property with an acquisition cost of \$5,000 or greater, purchased with funds from a grant or cooperative agreement, title usually vests with the State of New Mexico. All such assets are tagged.
- For property with an acquisition cost of \$5,000 or greater, purchased with funds from a contract, title vests with the sponsor. All such assets are tagged.

All proposed purchases of Contractor Acquired Property with a value of \$5,000 or more must be screened for like or substitutable equipment that may already exist on campus before new equipment is purchased. The department chair and PI are responsible for screening the department's existing inventory for items that can be reutilized and for checking the Property Office Surplus Reutilization webpage. Components for approved fabrications are exempt from screening requirements.

Generally, contractors are not held liable for loss, damage, destruction or theft of government property. 2 CFR 200 and FAR Subpart 45.104 are hereby incorporated by reference.

Assets Acquired During Construction

Equipment acquired by a vendor under a construction contract and paid for by New Mexico Tech must be tagged. The Property Office must be provided with itemized invoices and any other supporting documents.

Gifts/Donations

The department and PI must notify the Property Office and the Office of Advancement in writing when acquiring gifts and donations, listing donor, description of property and the donor's original acquisition cost and acquisition date for each item. All documents related to the transaction must be provided to the Property Office within 15 business days of receipt of the gifts.

The same guidelines for tagging purchased items apply to donations: a PCN is assigned to assets with a Fair Market Value of \$5,000 or more, to computers and servers with a FMV of \$1,000 to \$5,000, and to titled and licensed vehicles, trailers or ATVs.

Fair Market Value is determined by applying New Mexico Tech's depreciation schedule, based on asset type, to the original acquisition cost and date of the item as provided by the donor. If New Mexico Tech's depreciation method is not acceptable to the donor, then the donor must provide two or more independent appraisals of the item, at the donor's expense. FMV for vehicles is determined by reference to the Kelly Blue Book; if no value is shown in the Kelly Blue Book, a value of \$1 will be assigned.

For donations that are to be tagged, transportation and professional installation costs will be added to the cost of the asset; warranties, maintenance contracts, or repair parts costs are not added to the value of the asset.

Donated assets must be placed into use within 12 months, and may not be disposed of before 24 months. New Mexico Tech is the owner of all donations, without exception.

Leases

Title to leased equipment during the lease period resides with the vendor; the Property Office does not tag leased property. To track leased equipment, an annual report is generated to identify all active leases. Under a lease arrangement, New Mexico Tech does not own the item, but is using it, and may eventually return it to the owner.

Loans

A loan is equipment borrowed by New Mexico Tech for which title vests in another university or organization. A loan agreement must be completed to document the basic terms and conditions, and should include the following information:

1. Period of loan (term) - a loan must have a start and end date.

2. Name and address of the institution or agency providing the loan, to include contact name, phone and email address.
3. Name and contact information of the borrower, to include department name, and name, phone and email address of the individual taking responsibility for the property.
4. Reason for loan and relevant authorizations.
5. List of items being loaned, including PCN, item description, manufacturer, serial number, and original cost.
6. Identification of party responsible for packaging and transportation costs, if any.
7. Identification of party liable for repairs or replacement costs in the event of loss, theft or extraordinary damage while in the custody of the borrower.
8. Identification of party responsible for cost and performance of routine maintenance and calibration, if applicable.
9. Specification that property will be returned in the same condition as when it was received, with consideration for reasonable wear and tear.

New Mexico State Agency for Surplus Property (NMSASP)

Equipment secured through the New Mexico State Agency for Surplus Property (NMSASP) will be recorded at acquisition cost, and may include transportation and installation. Surplus property acquired must follow all state regulations.

Property must be placed into use within New Mexico and within one year of the acquisition, and may only be disposed of according to the following restrictions:

- Kept for one year for property with a unit acquisition value of less than \$5,000.
- Kept for 18 months for passenger motor vehicles or any item of property with a unit acquisition value of \$5,000 or more.

A clear title to donated property is not granted until all restriction criteria are met.

Violations of any of the conditions or restrictions may require return of the property to NMSASP, or reimbursement of the fair market value if the property is unable to be recovered.

During the period of restriction, New Mexico Tech may not sell, trade, lease, lend, bail, encumber, or cannibalize for parts unless provided for in New Mexico Tech's plan of utilization, or otherwise dispose without the written approval of NMSASP.

Equipment secured through NMSASP will be recorded at acquisition cost, and may include transportation and installation.

The same tagging guidelines apply to NMSASP acquisitions as to all others: equipment valued at \$5,000 or greater will be tagged, as will computers and servers \$1,000 to \$4,999, and all vehicles, trailers and ATVs.

New Faculty Research-Funded Assets Transferred to New Mexico Tech

When new faculty members transfer their research to New Mexico Tech, ownership and accountability for property being transferred is determined on a case-by-case basis. Ownership may vest with New Mexico Tech or it may remain with the sponsor and be considered GFP under a specific sponsored project.

Property which originally was federally funded should be transferred to New Mexico Tech at no charge (however, Tech may be responsible for shipping and handling fees). The organization transferring the property must provide a property listing, which should include at least the following information:

1. Transferring institution property tag number
2. Nomenclature (item specifics using descriptive nouns; i.e., printer, computer, microscope, etc.)
3. Model and serial numbers
4. Original acquisition cost
5. Last accountable agreement (grant, contract, cooperative agreement number)
6. Original source of funding

Property that was originally acquired with unrestricted funds or institutional funds may be transferred to New Mexico Tech at a negotiated cost. When this occurs, New Mexico Tech must issue a purchase order and the releasing organization must provide an itemized invoice.

The same tagging guidelines will apply to transferred property as to all other: equipment valued at \$5,000 or greater will be tagged, as will computers and servers \$1,000 to \$4,999, and all vehicle, trailers and ATVs.

Trade-Ins

The Property Office must be notified in advance of trade-ins via the Trade-In, Exchange or Repair form, available on the Property website. A description of the form and how to complete it can be found in Section 3.3 of this manual.

Trade-ins of tagged property require the use of a purchase order and the appropriate property account code for the new acquisition. The Property Office must review and approve all requisitions involving trade-ins, and the resulting POs. Any and all purchasing documents must list the PCN(s) of the property being traded in.

When the Property Office is notified that the replacement or new equipment has been received, the asset that was traded in is deactivated in Banner. If the new asset falls under the guidelines for taggable property, Property Office staff will tag it with a new PCN barcode.

Trade-ins of capital assets will be completed in accordance with the capitalization policy in effect at the time of acquisition.

Warranty Replacements

Occasionally, asset may be replaced under warranty. When this happens, the department needs to notify the property office as soon as possible. The Property Office will assist the Department with filling out the Warranty Repair/Replacement form. The form and related shipping documentation will serve as a basis for documenting the location of the equipment.

The vendor may be capable of repairing the tagged equipment and returning it to New Mexico Tech. For those occasions where the vendor is unable to repair the equipment and a replacement is required, the vendor needs to be instructed to remove the PCN from the original equipment and return it with the replacement.

The property tag should then be sent to the Property Office with the shipping documentation so a new PCN can be issued and the equipment tagged appropriately. The failed item will be removed from inventory and the replacement item will be entered into the system as a new item.

1.4.1 Fabrications

Fabrications are created when New Mexico Tech staff or students assemble a number of components (manufactured or custom-made) purchased or acquired from various vendors to produce a piece of equipment for unique research specifications; the components are usually purchased using sponsor research funds. A fabricated item must meet all of the following criteria:

- a) Unique, one-of-a-kind, and fabricated by New Mexico Tech;
- b) Upon completion, benefit extends beyond one year from the date the equipment was rendered into service; and
- c) Total combined cost of materials and components must equal between \$1,000 and \$4,999 for computers and servers, or more than \$5,000 for everything else.

(Fabrication guidelines should be followed any time there is the possibility that the criteria above may be met.)

A distinction is made between deliverable and non-deliverable fabrications. A deliverable fabrication is when the sole purpose of the sponsor contract is the creation and delivery of the fabricated item. A non-deliverable fabrication is created for use at or by New Mexico Tech.

Fabricated items delivered to sponsors or sponsor directed third parties before it has been used in place at NMIMT for at least one year will not be considered Capital Equipment. Instead the items will be coded as account: 720024 SPA Fabricated Deliverable End Item and will incur F&A.

Before any components are purchased, a memo must be sent to the Property Office containing the following information:

- a) The name of the project and of the project's PI;
- b) A description of the item(s) being fabricated;
- c) Whether the project is for deliverable or non-deliverable assets;
- d) Whether the materials will be ordered from a single or multiple vendors;
- e) The anticipated total value* and completion date; and
- f) The fund code that will be used for purchases.

The department must determine and report the direct costs of all materials, supplies and components to the fabrication of the item, up to the time the item is put into initial use. Once the fabricated item is put into use, it is considered complete.

Internal department labor, department travel or other operating expenses associated with the fabrication such as salaries of PIs, graduate student researchers, or other comparable personnel who participate in the fabrication process **are not** included in the acquisition cost of the item and are subject to indirect costs.

Ongoing maintenance or repair costs or purchased extended warranties are not included as part of the acquisition cost of the fabrication.

Capitalized costs for fabrications include:

- a) Components or parts
- b) Initial supplies and parts to be incorporated or consumed in the research, development and creation of the fabrication
- c) Freight and handling
- d) Third-party installation charges including travel costs for installation plus applicable tax on the installation costs.

The following account codes provide a method for flagging and tracking expenses associated with fabrications, and should be used whenever there is a possibility that the project will fall into the described categories:

- 720021 – computers and servers, \$1,000 to \$4,999
- 730106 – non-deliverable fabrications, \$5,000 or greater
- 730107 – deliverable fabrications \$5,000 or greater

When a non-deliverable fabrication is complete, the department or PI must submit a journal voucher for the entire amount of the capitalized costs associated with the completed fabrication. Costs charged to 720021 should be totaled and charged to 720022. Costs charged to 730106 should be totaled and charged to 730101. The JV should include a Banner generated expense detail for all of the associated costs of the fabrication and should be sent to the Property Office for review and approval. The Property Office will then tag the non-deliverable fabrication.

1.5 Identification and Tagging

When payment is made for an item charged to a property account code, Banner creates an origination tag, or temporary identification number, based on the information on the purchase order. That information typically includes the item description, PO number, date received, purchasing department, vendor, source of funds and unit cost.

The Property Office prints a New Asset Tagging Summary for the origination tag, researches the asset and fills in as much of the following information as possible based on the purchase order and invoice: manufacturer, model number, serial number, custodial department if different from the purchasing department, custodian, equipment manager and location.

A representative of the Property Office will then find the asset, verify the existing information or fill in any missing information, photograph the item and affix a Property Control Number (PCN) barcode tag to it. If the property was purchased with sponsored funds, labels with the fund code will also be affixed to the asset.

For property delivered to any of the university's satellite locations, PCN barcode tags will be sent by mail.

Every effort will be made to tag the property within 15 business days of receipt. After the asset has been found, photographed, verified and tagged, the origination tag will be converted to a permanent tag in Banner and the information will be corrected or updated if necessary.

In the event property is acquired through non-procurement means, the Property Office relies on information provided by the person or department responsible for the acquisition. In those cases, as soon as sufficient information is available, the Property Office will manually create an origination tag in Banner. The process is then the same as for assets procured through a purchase order.

1.5.1 Barcode Tag Types and Placement

Different PCN barcode tags are used to help identify at a glance which assets were purchased with sponsor funds and which were purchased with unrestricted funds.

- White tags are used for assets purchased with unrestricted or state funds; the PCNs on these tags are six digits in length and contain no letters.
- White tags are also used for assets that were acquired through gift or donation; the PCNs on these tags are six characters long and begin with the letter 'D.'
- Red tags are used for assets purchased with restricted or sponsor funds; the PCNs on these tags begin with the letter 'R.'
 - Tags for assets purchased per a grant or cooperative agreement use a total of six characters, beginning with R.

- Tags for assets purchased per a contract use a total of seven characters, beginning with R and ending with C to denote Contract.

In some cases, where it's impractical or impossible to apply a full-size barcode tag to an asset, a Small Asset Tagging Certificate may be used. The tag is affixed to the form instead of the asset, and signed copies of the form are kept both by the asset's custodian and the Property Office.

If an asset has multiple pieces, the main component receives the PCN barcode tag, and each dependant component receives a non-barcoded tag with the same PCN.

In addition, for any assets provided by the Federal Sponsor as GFP or GFE, regardless of the value, a PCN and a tag denoting that it is Property of the U.S. Government will be provided by the Property Office.

Tags must be placed on the property in a highly visible location, preferably near the manufacturer's identification plate and protected if possible from damage by sun or friction. In vehicles, tags should be placed on the steering column rather than the back of the rearview mirror.

For large assets, such as vehicles, heavy equipment and portable buildings, a large-size label with the PCN will be provided to assist with visual identification. However, because the Property Office will be utilizing a barcode scanning system for inventory control, a large-size label may not substitute for a barcode tag.

PCN barcode tags should not be removed, except under certain conditions: for example, the asset is being traded in or returned to the sponsor. In the event an asset needs to be retagged, because the original tag has fallen off or become illegible, or for any other reason, the Property Office should be notified and the tag will be replaced with an identical barcode sticker.

1.5.2 Vehicle Registration and License

When vehicles are purchased, the invoice, Bill of Sale and title provided by the dealer must be forwarded to the Property Office. The Property Office will apply to the NM Motor Vehicle Department for the registration and license. When these are received, Property Office staff will install the license plate on the vehicle and place a copy of the registration and proof of insurance in the vehicle glove-box. The Property Office will also affix a PCN barcode tag on the steering column and a larger PCN tag on the back of the vehicle.

Only a representative of the Property Office will install license plates; plates will not be turned over to the custodian or department for installation.

The Property Office maintains the original title and registration documents in secure files.

When the vehicle is being disposed of, the Property Office will remove the license plate, take the registration and proof of insurance from the glove-box, and remove the PCN barcode and larger tag. The Property Office provides the title and Bill of Sale to the auctioneer, and the license plate is mailed back to the MVD after the transfer is complete.

Section 2: Receiving

New Mexico Tech utilizes a central receiving process for the receipt of shipments. Central Receiving is presently under the management of Facilities Management.

The steps involved in the receiving process are receipt, inspection, delivery to the end user and documentation.

1. Receipt: The receiving clerk accepts delivery and signs for all packages and freight. The date of delivery establishes the point at which New Mexico Tech assumes accountability for the asset or shipment. The clerk records the following information:
 - Carrier or method of delivery
 - Date of receipt
 - Type and quantity of packages received
 - Name of personnel accepting delivery
 - Name of personnel conducting inspection
2. Inspection: The packaging is inspected for obvious signs of damage. The packing slip and any associated paperwork are examined for discrepancies such as shortage or overage. Damage and discrepancies are recorded in the event a claim is to be filed.
3. Delivery: The shipment is then delivered to the person or department who placed the order. The individual receiving the package should:
 - Inspect the package again for outward signs of damage
 - Immediately open the package to determine if there is internal damage
 - Match the shipment to the ordering document to verify that the correct items were received and that all parts appear to be intact and ready for use or installation

Packages should be opened for inspection within 10 business days of delivery. The carrier's liability usually ends within 10 business days of delivery.

In cases where the property is to be professionally installed, only the authorized installer may open the parcels and verify receipt of the products. The PI or department should only authorize payment after installation and verification that the product meets required expectations and is in working order.

Failure to perform a timely inspection of received goods could result in the department being financially liable for the damaged goods. If sponsored research funds were used for the acquisition, the department would be liable for any loss.

Taggable property may not be drop-shipped to field research sites without prior approval from the Property Office.

Section 3: Records

The Property Office is responsible for creating, maintaining and accessing property records in Banner. Entries in the Banner database must be supported by signed documents including purchase orders and invoices, property transfer and movement forms, loan agreements and email confirmations containing written verification where the use of existing property forms is not indicated, as outlined in Section 3.3.

Supporting documents are maintained both physically and electronically in the Property Office. This information is available to individuals, departments, auditors and sponsors upon request.

The custodian or custodial department is responsible for informing the Property Office of any changes in location, custodian, department and condition of any and all tagged items. When tagged assets are shared by multiple users, the department should maintain a check-out list or system, and be able to discover the physical location of the assets at any given time.

3.1 Record Creation

As soon as an asset has been verified and tagged, an entry is made in Banner to convert the temporary origination tag, created when payment was made, into a permanent record. The permanent record includes information about the location, custodian, equipment manager and condition of the asset, as well as make, model and serial number, any other particular identifying features that can be included in the asset description, and any attachments included in the total acquisition cost.

Shipping, delivery and installation costs are included in the asset value; if they are billed separately, they may be attached in Banner to the PCN and incorporated into the total cost. Other attachments may include non-interchangeable parts without which the asset is not fully or optimally operational, which were shipped or billed separately. However, every effort should be made when ordering to group all essential components of a single asset as a system; i.e. as one line item on the purchase order, with one total cost.

3.2 Record Maintenance

Once an asset is tagged, the custodial department is responsible for reporting any changes in location, condition, custodian and equipment manager to the Property Office, using the forms available on the Property Office website. A description of each form and its use is provided in Section 3.3 of this manual.

The forms cover the majority of changes to the status of an asset. When the Property Office receives a completed form, Banner is updated to reflect the new information and a signed and executed copy is returned to the person who submitted it. The form is then scanned and saved electronically, and filed.

Any situation not covered by the available forms must be handled in writing, including loans of equipment to other schools or universities.

The Property Office keeps physical records for the current and past fiscal year on file. Older physical records are kept in storage for a minimum of three years. Electronic records are kept, at a minimum, for the life of the asset. Records are retained for audit purposes in accordance with sound business practices and in accordance with terms and specifications outlined in sponsor award documents.

Once acquired, assets can only be disposed of and deactivated in Banner with the approval of the Property Committee and the New Mexico Tech Board of Regents, with the exception of assets traded in or replaced under warranty. In addition, assets valued at \$5,000 or more must be submitted to the State Auditor for approval before they can be disposed of and deactivated in Banner.

Assets may be deactivated if they were lost, stolen, destroyed, returned to the vendor or sponsor, transferred to another agency or sent to auction. All such transactions must be supported in writing and receive the appropriate approvals. Records of deactivated assets are available for viewing in Banner, but the assets will not appear on inventory and other reports.

Assets acquired with sponsor funds may require written authorization for repairs or modifications. When an asset owned by New Mexico Tech is determined not to be economically feasible to repair, authorization to cannibalize the asset and reutilize the parts on other assets may be requested in advance by submitting a Cannibalization Request.

Requests to cannibalize the asset must be approved by the Property Committee and the Board of Regents prior to the act. New Mexico Tech also is required to notify the New Mexico State Auditor 30 days in advance of the intended action. Any parts not reutilized must be turned in to the Property Office for proper disposal.

Sponsor-funded assets may not be cannibalized without prior written consent of the sponsor, who should provide information on how any parts may be reutilized. Sponsor instructions supersede New Mexico Tech policy.

The Property Committee is responsible for the review and approval of the following actions:

- Cannibalization requests
- The removal of assets from Banner due to Loss, Damage, Destruction or Theft
- Disposal of assets

3.3 Forms

Annual Off-Campus Receipt: This form must be provided to the Property Office for any tagged asset being used off-campus for research, teaching or work, before it initially leaves the premises, and must be renewed each fiscal year. A copy of the form should be retained by the custodian of the asset, who should be able to produce it upon request for audits or other purposes.

Annual Property Self-Assessment/Review Worksheet: Worksheet for independent review of processes associated with Government property currently under cognizant agency for all current contracts. FAR 52.245-1 is hereby incorporated by reference.

Calibration & Repair Receipt: This form must be provided to the Property for any tagged asset sent off campus for calibration, repair or maintenance, within 5 days. When the asset is returned, the department must notify the Property Office, and verify whether the PCN barcode is still in place. In the event an asset can't be repaired it must be returned to New Mexico Tech for disposal.

Cannibalization Request: When an asset owned by New Mexico Tech fails and it is determined that it is not economically feasible to repair, written authorization to cannibalize the asset and reutilize the parts on other assets may be granted.

Requests to cannibalize the asset must be approved by the Property Committee and the Board of Regents prior to the act. New Mexico Tech also is required to notify the State Auditor 30 days in advance of the intended action. Any parts not reutilized must be turned in to the Property Office for proper disposal. Sponsor-funded assets may not be cannibalized without prior written consent of the sponsor, who should provide information on how any parts may be reutilized. Sponsor instructions supersede New Mexico Tech policy.

Interdepartmental Loan of Assets: This form must be completed when property is loaned by one department to another, and must state the duration of the loan period, the name of the temporary custodian and the temporary location of the assets.

Long-Term Storage Request: Placing items in long-term storage requires written justification; more specifically, the responsible department must identify the specific need for which the property is to be kept, before placing the item in long-term storage.

Loss, Damage, Destruction or Theft: This form is for reporting the loss, damage, destruction or theft of property, and contains space for a written narrative outlining the nature of the incident. A police report must be filed in the event of theft, and a copy of the police report must accompany the form. LDDT forms must be provided to the

Property Office within 15 business days of the event with any and all supporting documents.

If the lost, damaged, destroyed or stolen asset was acquired with sponsor funds, the PI must notify the sponsor, in writing, within 15 business days. The sponsor may, but does not have to, grant relief of liability.

In addition to filing an LDDT, the department must take immediate steps to determine how the loss occurred and develop a plan of action to prevent such incidents from happening in the future. FAR 52.245-1 is hereby incorporated by reference.

Pickup and Disposal Request: This form must be completed for any property, even if not tagged, that is to be turned over to the Property Office for reutilization or disposal. Upon receipt of the form, arrangements will be made for the property to be picked up or delivered to the Property Yard.

Property Movement: When tagged assets are to be moved to a new location for longer than 30 days, this form should be used to notify the Property Office. This form is only for a change in location; for changes in custodian or department, a Transfer of Assets form should be used.

Small Asset Tagging Confirmation: A Small Asset Tagging Confirmation form is used in situations where it's impractical or impossible to apply a full-size barcode tag to an asset. The tag is affixed to the form instead of the asset, and signed copies of the form are kept both by the asset's custodian and the Property Office.

Sponsor Owned Disposition: This form must be completed and provided to the Property Office before assets are returned to the sponsor or awarding agency. Only one sponsor may be indicated per form. A digital picture must be taken of each asset prior to shipment and kept on file with the department, and a copy forwarded to the Property Office.

Surplus Property Transfer: Surplus property may be transferred to another state, city or county agency, educational institution, public school, or Indian tribe at a negotiated sale price. Before any transfer can be made, the Surplus Property Transfer form must be completed and provided to the Property Office. Transfers of surplus property must be vetted by the Office of the Vice President for Administration and Finance and must be consistent with NMSA 13-6-1.

Surplus Reutilization: All New Mexico Tech departments and organizations may claim surplus property for reutilization from the Property Yard, at no cost. This form provides the necessary information to update Banner with the new location, custodian, department and condition, and must be completed before any assets are removed from the Yard.

Trade-In, Exchange or Repair: This form covers three situations:

- 1) When an asset is being sent to the manufacturer or vendor as a trade-in;
- 2) When an asset is being sent to the manufacturer or vendor to be exchanged for

- a like item; and
- 3) When an asset is being sent back to manufacturer or vendor and it is unknown whether it will be repaired or replaced.

In all three cases, the PCN barcode tag must be removed from the asset and affixed to this form, and the completed form must be provided to the Property Office before the asset is shipped. The custodial department must notify the Property Office when the replacement or repaired asset is received back on campus, so that the record can be updated accordingly and the asset retagged.

Transfer of Assets: When assets are transferred from one custodian to another, a completed Transfer of Assets form must be submitted to the Property Office within 30 days of the transfer. The form has fields for department, custodian and location, and requires the signatures of the transferring party, the recipient and the department chair or chairs.

Warranty Replacement: When an asset under warranty is replaced, the department needs to notify the Property Office as soon as possible. The form and related documentation will serve as a basis for documenting the status of the asset. The PCN barcode tag must be removed from the asset and affixed to the form.

3.4 Property Condition Codes

The property record for each asset includes a two-character condition code that serves multiple purposes: it can help a department see which of its assets may need to be replaced, which assets are in the Property Surplus Yard awaiting disposal, which assets have been reported lost or stolen, and which assets have been cannibalized or scrapped.

There are five condition codes that can be updated by the departments during the annual physical inventory or by notifying the Property Office by memo or email, as follows:

- A1 – New or used in excellent working condition
- A2 – Usable, good condition, may show some wear but can be used without repair
- A3 – Repairable; property which has limitations or is unusable in its current condition but can be economically repaired
- A4 – Salvage – Repair or rehabilitation is impractical or uneconomical
- A5 – Scrap – has no value except for its basic material content

Three condition codes are used to document the status of lost assets. They are:

- L1 – Lost, first year
- L2 – Lost, second year
- L3 – Lost, third year

Property Office staff will update the condition code of an asset to L1 only upon receipt of a fully completed and signed “Loss, Damage, Destruction or Theft” form. If the lost asset is not found during the next annual physical inventory, the code will be updated to L2. If the asset is still not found after another annual physical inventory, the code will be updated to L3.

Lost assets stay on the department’s inventory for a minimum of three years. If after three years or three inventories the asset is still not found, the Property Office will submit a request to the Property Committee and the Board of Regents for approval to remove the asset from inventory. If the total asset cost was \$5,000 or more, the request must then also be submitted to the State Auditor. Only when the necessary approvals are received will the Banner record for that asset be deactivated.

Condition code for surplus property received at the Property Yard, for use only by Property Office personnel:

- AC – Auction Item

Property Office staff will update the condition code of a tagged asset to AC when the asset has been received at the yard, accompanied by a properly completed Pick-Up and Disposal Request that is signed for by a member of the Property Office staff. This code is not for assets that a department is intending to send to the Property Yard for auction; it’s only for assets that have been documented and signed for by Property staff.

Two other conditions codes are commonly used, for situations that must be fully documented with the appropriate form as described in Section 3.3:

- CR – Cannibalization Requested
- ST - Stolen

University policy requires that permission be obtained before tagged property is cannibalized or disassembled and used for parts, using the Cannibalization Request form described in Section 3.3. When a completed Cannibalization Request is received, the Property Office will update the condition code of the asset to CR and submit the request to the Property Committee, Board of Regents and State Auditor. If or when authorization is granted, the requesting department will be notified and the cannibalized asset will be deactivated in Banner.

If a tagged asset is stolen, the Property Office must be notified and a police report must be submitted along with the Loss, Damage, Destruction or Theft form. The Property Office will update the condition code of the asset to ST, and submit the LDDT form and accompanying documentation to the Property Committee, Board of Regents and State Auditor, as appropriate, with a request for permission to deactivate the asset in Banner.

Section 4: Physical Inventory

4.1 Annual Physical Inventories

New Mexico Tech is required to perform an annual physical inventory to verify the accuracy of the property records. The inventory is an opportunity to bring all records up to date, and is required for compliance with state and federal regulations.

Physical inventory for each department/division will be conducted by the department/division by completing the Annual Property Certification given to a Property representative. Upon completion of physical inventory, the data collected is analyzed and cross-referenced with the initial inventory list. The department will be informed of any discrepancies or missing items. The Property Office will then work with the department to resolve any discrepancies or other issues that may have arisen during the inventory process.

The department chair, or PI if sponsor funds are involved, is ultimately responsible for all assets in the custody of his/her department, regardless of end user. For this reason, the department chair or PI is required to sign and date Annual Property Certification accounting for any Damage, Destruction or Theft forms or any other necessary forms. Upon completion, the updated information from the scanning system database will be transferred to Banner Fixed Assets to support 2 CFR 200.313(d)(2).

A critical element of the barcode scanning system is the unique location identification barcode tag placed on the middle hinge of the door of each room where tagged property might be kept. The Property Office should be notified if this location identification barcode tag appears to be missing.

4.2 Property Self-Assessment

The Property Office working in coordination with the Vice-President of Administration and Finance, will determine if there is a suitable internal New Mexico Tech associate to perform the self-assessment procedure on an annual basis. This individual needs to be able to read and interpret State and Federal regulation and has to be objective in determining compliance between regulation, the application of the current Property procedures, and the written Property procedural manual. If there is no such individual available, then an external individual will be selected to perform the task.

Section 5: Sub-Contractor Control

When New Mexico Tech awards a sub-contract, the university is responsible for equipment and acquired with government funds through that award. The Sponsored Projects Administration is responsible for ensuring that sub-awards meet all applicable terms and conditions of the sponsored agreement. In addition, SPA should obtain

certification from the sub-contractor that it has a property management system in place for the control, protection, preservation and maintenance of property either acquired or furnished under the agreement.

The terms and conditions of a sub-contract must protect New Mexico Tech from risks associated with property management. Therefore, sponsor-owned property, accountable under a sub-contract and located at a sub-contractor's facility, is subject to the same regulations outlined in this manual for all other sponsor-owned property. New Mexico Tech reserves the right to inspect the sub-contractor's control of property.

Any clause relevant to property management in the prime contract should also be in the sub-contract; sub-contractors are accountable under FAR clauses listed in the prime contract and regulations outlined in 2 CFR 200, or other regulations specified and referenced in the prime grant or cooperative agreement.

Sub-contractors must submit appropriate documentation to SPA on an interim basis identifying property that was acquired as part of the sub-award. A copy of the approved documentation must be sent to the Property Office; upon receipt, any taggable property will be entered in Banner and the sub-contractor will be provided with a PCN and appropriate stickers to be affixed to the property.

Government furnished property or sub-contractor acquired equipment at sub-contractor facilities must be inventoried annually, or as otherwise required by the sponsor. An inventory report must be submitted to the SPA, the PI and to the Property Office. The inventory report must include each asset's property control number, description, manufacturer, model and serial number, location, custodian and value.

The Sub-Contractor is required to submit a final inventory report to SPA and the Property Office at the conclusion of the contract for all equipment currently on hand and accountable to the agreement.

Disposition of equipment will be in accordance with the sponsor's contract guidelines. Under awards subject to 2 CFR 200, title vests with New Mexico Tech and property must be returned.

Section 6: Reports

The Property Office maintains the electronic record of all tagged assets, and provides reports as needed. It is the responsibility of the department or PI to maintain records of any materials and acquisitions that do not meet the guidelines set out in Section 1 of this manual for tagging.

Property reports can be created by department, accounting fund number, custodian, and location, and are provided upon request in a timely manner. Other non-standard reports with different specifications can also be created, but may require more time to produce.

The Sponsored Projects Administration is responsible for requesting, on a timely basis and by accounting fund number, such reports as may be needed to fulfill the requirements of sponsoring agencies, including regular reporting and award closeout.

Property reports are also provided to the Business Office, Cost Accounting Office, and the Office of the Vice President for Administration and Finance, upon request to support year-end financial reporting of assets per 2 CFR200.313(d)(1). Departments, PIs and custodians may also request reports of all tagged assets for which they are responsible, for their own records.

DoD Form DD 1662 is no longer required. In lieu of the DD 1662, an annual report as a spreadsheet is required in October for the prior fiscal year (October 1 through September 30) meeting the requirements of FAR 52.245-1.

The Property Office is responsible for submitting an annual report of NASA equipment acquired under contract, on NASA Form NF 1018, due every October 15 for the period ending September 30. NASA reports are submitted to the NASA Deputy Chief Financial Officer and NASA Industrial Property Officer administering the award and to the Office of Naval Research. A negative report is not required unless otherwise specified in the award document.

The Department of Energy may also require that quarterly, semi-annual or annual reports be submitted, using DOE Form 4300.

Section 7: Relief of Stewardship Responsibilities

Unless the contract provides otherwise, New Mexico Tech shall be relieved of stewardship responsibility for government property when such property is:

1. consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the contract, including reasonable inventory adjustments of material as determined by the sponsor's administrator; or a sponsor's

administrator granted relief of responsibility for loss, damage, destruction or theft of government property;

2. delivered or shipped from the contractor's plant, under government instructions, except when shipment is to a subcontractor or other location of the contractor; or
3. disposed of in accordance with New Mexico Tech disposal procedures.

When government-owned property is no longer needed for research purposes, disposition instructions will be requested from the contract or grant-contracting officer or sponsor's property administrator. The property shall be disposed of in accordance with the U.S. Government instructions.

Under no circumstances may property be removed from New Mexico Tech and deactivated in Banner unless or until the appropriate authorizations and permissions have been documented and New Mexico Tech has been officially relieved of stewardship responsibilities for that property.

7.1 Disposition of Sponsor-Owned Assets

Title to property acquired under a contract vests with the sponsor throughout and beyond the contract period. If disposition instructions are not written into the terms and conditions, it is the responsibility of the Sponsored Projects Administration and PI to obtain instructions during contract close-out. For grants and cooperative agreements, if specific disposition instructions are not written into the terms and conditions, disposition is handled per the standards outlined in 2 CFR 200.

At the end of a contract, the federal sponsor may direct New Mexico Tech to dispose of the property using the following disposal methods:

Allowable methods of disposal are:

- Transfer the property to another Federal Agency
- Transfer the property to another contract within New Mexico Tech
- Directed to sell the equipment
- Transfer to a third party
- Transfer title to New Mexico Tech

If assets are to be retained by the university upon completion of a sponsored project, the Sponsored Projects Administration and PI must provide the Property Office with all documents transferring title to New Mexico Tech in accordance with FAR 35.014.

Under no circumstances may property be removed from New Mexico Tech and deactivated in Banner unless or until the appropriate authorizations and permissions have

been documented and New Mexico Tech has been officially relieved of stewardship responsibilities for that property.

In the event the sponsor transfers the property to New Mexico Tech, a review of the depreciation costs for each piece of property is made by Fixed Assets Accounting in a manner consistent with New Mexico Tech's Capitalization Policy.

The Property Office will then update Banner to reflect the change in title. Before requesting or accepting title to the assets, it should be determined if there are any hazardous material or contamination issues associated with the asset, and how much it would cost New Mexico Tech to deal with those issues.

If assets are to be returned to the sponsor, the PI must provide the Property Office with a signed, completed Sponsor Owned Disposition form. A digital picture must be taken of each asset prior to shipment and a copy forwarded to the Property Office. The Property Office will then deactivate the Banner records for those assets.

If assets are to be transferred to a third party, the PI must provide the Property Office with a signed, completed Sponsor Owned Disposition form and copies of the written instructions from the sponsor pertaining to the transfer. A digital picture must be taken of each asset prior to shipment and a copy forwarded to the Property Office. The Property Office will then deactivate the Banner records for those assets.

If the Contract Officer for the award authorizes assets to be donated to a local school, charity or shelter, the PI must provide the Property Office with a signed, completed Surplus Property Transfer form. Transfers of surplus property must be approved by the Office of the Vice President for Administration and Finance. To protect the federal government from future liability, the CO must have the donation recipient sign an indemnity agreement certifying that the property eventually will be disposed of in accordance with all federal, state and local laws. A copy of that agreement must be provided to the Property Office along with the form.

7.2 Disposition of State-Owned Property

New Mexico Tech follows state regulations regarding the disposal of excess and surplus property, as follows:

1. by negotiated sale or donation to an Indian nation, tribe or pueblo located wholly or partially in New Mexico, or to a governmental unit of an Indian nation, tribe or pueblo in New Mexico that is authorized to purchase land and control activities on its land by an act of Congress or to purchase land on behalf of the Indian nation, tribe or pueblo;
2. by negotiated sale or donation to other state agencies, local public bodies, school districts or state educational institutions; and

3. by means of competitive sealed bid or public auction.

Any property to be disposed of through public offering must be checked for environmental, hazardous, security, reporting or other concerns before being offered for public sale. Hard drives, because they may contain sensitive information, are removed from all computers before disposal and destroyed.

Upon approval from the Property Committee, New Mexico Tech Board of Regents and, when applicable, the State Auditor (property \geq \$5K requiring a 30-day hold), surplus property that has not been claimed for reutilization is transferred to New Mexico Tech's contracted auction company for sale by public auction. At that time, the tagged assets are deactivated in Banner.

If state-owned assets are to be transferred to another state, city or county agency, educational institution, public school, or tribal government at a negotiated sale price, they should not be picked up or brought to the Property Yard. A Surplus Property Transfer form must be completed, and signed by representatives from New Mexico Tech and the receiving entity. New Mexico Tech does not have authority to give the property away. All transfers of surplus property must be vetted by the Vice President for Administration and Finance, and must comply with NMSA 13-6-1.

The Property Office does not accept hazardous materials for reutilization or sale at public auction. Property meeting that description is referred to the New Mexico Tech Hazardous Waste group for resolution and proper disposal.

Section 8: Utilization of Government Property

Good stewardship of government property requires maximizing the use of assets from the time they are acquired until the time they are disposed of. This includes ensuring assets are used for the purpose they were acquired, maintaining assets in good working condition, identifying when assets are not being fully used and could be shared or transferred, and making surplus assets available for reutilization.

The annual physical inventory process is helpful in flagging assets that are being under-utilized, through the entry in the “Percentage of Use” field on the handheld barcode scanners. Departments are encouraged to submit a Pick-Up and Disposal Request to the Property Office (see Section 3.3: Forms) for any assets not in use, that could potentially be reutilized by other departments.

This section of the manual addresses the utilization of government property, including consumption, identification of excess or surplus property, movement of assets by transfer or loan to an area where they can be better utilized, movement of assets into short- or long-term storage, and reutilization.

8.1 Consumption

Consumption occurs when components are incorporated into an end product, and when materials are consumed or altered during the performance of a contract or grant.

Each PI, working with the Sponsored Projects Administration, is responsible for maintaining a system to document and account for the acquisition, handling and utilization of all consumable materials related to the sponsored project, including identifying and reporting any excess material and residual stock.

Federal guidelines dictate that award recipients should not keep large quantities of materials on hand. Materials issued but not used are considered excess, and must be documented and returned or disposed of, according to the terms and conditions of the award and the instructions of the Contract Officer. The Property Office will accept excess contract materials for disposal only with written documentation.

8.2 Movement

Movement includes moving an asset from one point to another within the university and moving assets between facilities, for any purpose. Loans include lending property to an individual or another entity for a specified, temporary period of time. Transfers involve conveying an asset, along with any right, title or interest, from one department to another, or from one institution to another.

Research, instruction, and other university activities often require frequent changes in the location of equipment. If the duration of the move is less than 30 days, the move is considered temporary. Location changes lasting 30 days or longer are considered permanent.

For permanent location changes Banner must be updated to reflect the new location. When tagged assets are to be moved to a new location, a signed, completed Property Movement must be provided to the Property Office within 30 days. If the

custodian and/or custodial department changes in the move, a Transfer of Assets form should be used.

Research staff and administrators may use property while on travel or at home in support of official work for New Mexico Tech or sponsor-related program. The individuals are responsible for the protection of property while in their custody. Property used off campus must be tagged prior to removal and is subject to physical inventory rules. An Annual Off-Campus Receipt form must be completed and submitted to the Property Office prior to removing the property. The Annual Off-Campus Receipt form must be updated on an annual basis.

In the case of sponsored awards, the PI is responsible for ensuring that proper authority exists to relocate the item or change its status per the terms and conditions of the award, and for obtaining the authority if it does not already exist.

For any tagged assets being shipped off campus, written notification of shipments with appropriate information and justification must be received by the Property Office within 15 business days of the shipment leaving New Mexico Tech or a satellite location.

A Sponsor Owned Disposition form must be completed and provided to the Property Office before assets are returned to the sponsor or awarding agency. Only one sponsor may be indicated per form. A digital picture must be taken of each asset prior to shipment and kept on file with the department, and a copy forwarded to the Property Office.

All shipments returning property to the vendor must be authorized by the vendor and coordinated with the Purchasing Department, per the university's purchasing policy.

8.3 Storage

If an item is not in current use but will be used again, it may be temporarily placed in storage. Storage of property should be on a temporary basis for no more than one year. Storage areas must be kept secure, and while in storage assets must still be inventoried and maintained. The sponsor may require that government property be segregated from other property.

If the property was acquired with sponsor funds, the PI is responsible for obtaining written approval for long-term storage exceeding one year from the sponsoring agency.

When property is returned to use, the department must provide the Property Office with relocation information, including the new location and custodian.

If the property is idle for a long period of time with no foreseeable use, it should be turned in as surplus property.

8.4 Shipments

Shipment involving the use of a commercial carrier may also involve the transfer of accountability for the property. Return authorizations from a vendor may be required for shipments that involve an open purchase order, or for shipments for repairs and calibrations. Written notification of shipments with appropriate information, justification and custodian transfer forms should be sent to the Property Office within 15 business days of the shipment leaving New Mexico Tech or one of its satellite locations.

Shipping instructions must be in writing and include the date, address and point of contact. If the property being shipped was acquired under a Department of Defense award, DD Form 1148 must be included.

The group or department originating the shipment is responsible for packaging, preservation, marking, and other costs associated with the transportation or shipment of the property. If hazardous or restricted items are being shipped, the regulations set forth in 40 CFR (code of federal regulations) Part 178 (dangerous goods packaging) must be followed.

When assets meeting New Mexico Tech's guidelines for tagging are drop-shipped to a satellite location, PCN barcode tags and instructions will be mailed to a designated individual to be affixed to the assets.

Property earmarked for research at a field site must be tagged prior to leaving campus. Satellite locations are not considered research field sites.

8.5 Loans to Outside Organizations

By state statute, New Mexico Tech may only loan items to other state agencies and educational institutions, federal, city or county government agencies, public schools and Indian nations, tribes or pueblos. Loans to "for profit" organizations are not authorized in order to comply with the State of New Mexico Anti-Donation Laws.

A loan of property to an outside organization requires prior approval from the Vice President for Administration and Finance, and verification from the Property Office that there are no use restrictions for the property. A loan agreement must be completed to document the basic terms and conditions of the loan, and should include the following information:

- Period of loan
- Department loaning the property
- Borrower (name of institution or government agency, and name and title of individual taking responsibility for the property)
- List of items being loaned (including PCN, item description, manufacturer, serial number, and original cost)

- Reason for item being loaned, and under whose authority
- Requirement that item be returned in the same condition as when it was received, with consideration for reasonable wear and tear
- Party responsible for repairs or replacement costs if item is lost, damaged, destroyed or stolen while in custody of the borrower
- Party(ies) responsible for meeting routine maintenance and calibration requirements, and for cost liability
- Party responsible for packaging and transportation costs, if any
- Statement that item will be used for work-related purposes only: any personal use is prohibited

8.6 Loans to Internal Organizations

The department loaning the property within New Mexico Tech should notify the Property Office in writing by executing the Internal Department Loan of Asset Form of any property leaving its custody. The also requested information must be provided, including:

- Duration of loan
- PCN
- Item description
- Manufacturer's name
- Serial and model number
- Receiving department
- Custodian (person responsible)
- Location including building and room number

When a department transfers property to another department or organization within the university, a Transfer of Assets form must be provided to the Property Office within 15 business days. The form must specify the new custodian and location, and be signed by the former and new custodians and both department chairs.

8.7 Transfers to an Outside Agency

Surplus property may be transferred to qualified outside institutions or organizations, in accordance with NMSA 13-6-1. The Property Office must be provided in advance with a completed Surplus Property Transfer form (see Section 3.3) for any transfers of tagged or untagged property, and will obtain the necessary approvals from the Property Committee and/or the Vice President for Administration and Finance, the New Mexico Tech Board of Regents and the State Auditor if required.

Transfers typically include conveyance of right, title or interest in the property. The following information must be submitted to the Property Office to ensure the item is properly documented for audit purposes:

- PCN (if applicable)
- Item description
- Manufacturer
- Funding source
- Justification for transfer

8.8 Interdepartmental Transfers of Property

When a department transfers property to another department or organization within the university, a Transfer of Assets form must be provided to the Property Office within 15 business days. The form must specify the new custodian and location, and be signed by the former and new custodians and both department chairs.

8.9 Transfers within a Department

When an employee leaves a department, most often any property for which he or she was the custodian is transferred to another employee within that department. If the property will be assigned to a new employee not yet hired, assets can be transferred to the Department Chair or Department Administrative Secretary. A Transfer of Assets form must be provided to the Property Office within 15 business days of the change.

To assist in verifying property assigned to a departing employee, the department can request a property listing for the property presently assigned to the individual. The listing can then be updated by the Department to show the new custodian and location of the property.

8.10 Reutilization

All property and materials transferred to the custody of the Property Office are available to be reutilized by any university department or organization, free of charge.

The Property Office maintains a Surplus Property Reutilization Bulletin Board on the Property website (at <http://www.nmt.edu/property-office-bulletin-board>.) The bulletin board is updated weekly, and allows visitors to open or download two PDF documents; one contains a current list of all untagged property available for reutilization, and the other contains a current report of all tagged property available.

Untagged surplus is held and made available for a minimum of two weeks before disposal. Tagged surplus assets are held for a minimum of 46 days.

University employees interested in reutilizing available property within their departments or offices may arrange to visit the yard any time during business hours by calling the Property Office. Business hours are from 8 a.m. to noon and 1 p.m. to 5 p.m., Monday through Friday; however, because Property Yard personnel may be busy picking

up or tagging property elsewhere on campus, calling ahead to make arrangements is recommended.

Property claimed for reutilization may not leave the Property Yard until a Surplus Reutilization form is completed and signed. This is necessary in order to provide the Property Office with the information to update Banner with the new custodian, custodial department, location, and condition.

Departments are responsible for physically moving reutilized property to its new location, although Property Yard personnel may occasionally assist if time and resources permit. Installation is the sole responsibility of the department.

Section 9: Maintenance

All assets should be periodically inspected, serviced and repaired in order to maximize their useful life. Routine maintenance can detect and correct minor problems before they become major malfunctions, and ensure the accuracy of measuring and electrical instruments. The manufacturer's maintenance requirements should be followed for warranty purposes (if applicable,) and for the useful life of the asset.

The departments are responsible ensuring that all preventative maintenance, calibration and repairs are performed in accordance with the manufacturers' technical specifications in a timely manner. Preventative maintenance, calibration and repair records for each asset should be maintained in departmental files.

When assets are sent off-campus for calibration and repair, the Property Office must be notified by means of a Calibration and Repair Receipt. When the asset is

returned, the custodian must check to make sure the PCN barcode tag is still in place, and notify the Property Office of the return by re-submitting the original Repair and Calibration Receipt with the Return section completed.

Each department is responsible for maintaining its own preventive maintenance, calibration and repair records for the assets in its custody, and for ensuring that maintenance and calibration are performed at the requisite intervals. Assets held in storage must also be inspected and maintained at the requisite intervals, and should be calibrated, if applicable, before being returned to use.

Section 10: Contract Closeout and Disposal

10.1 Closeout

The Sponsored Projects Contract Administrator reviews the expenditures for capital equipment purchases for the contract, grant or cooperative agreement. The contract's PI is responsible for physically verifying all items on the report.

The report, along with any specific agency forms, is submitted to the sponsor; a copy of the closeout documents should be provided to the Property Office. In the event the Office of Naval Research has been assigned property delegation on the award, the Sponsored Projects Administration is responsible for sending and confirming the receipt of the reports to ONR and the funding agency. ONR expects the reports to be submitted 60 to 90 days after the award has terminated.

If the terms of the award do not automatically give title to the university, the Sponsored Projects Administration is responsible for requesting transfer of title to the

university. The PI may be required to assist by answering any questions or addressing any issues that arise regarding equipment or property.

If applicable, the final report will also include a listing of government-furnished property. It is the responsibility of the contract's PI to physically verify all items on the report.

The Property Office must be notified of any assets returned to sponsor or transferred to a third party. In the event title to all or part of the sponsor-owned property is transferred to New Mexico Tech, a list must be provided to the Property Office so the change may be noted.

Assets returned to the sponsor or transferred to a third party will be deactivated in Banner upon approval received by Sponsored Projects Administration office.

10.2 Disposal

The Property Office is responsible for all disposal of property, regardless of value or acquisition method. State regulations allow New Mexico Tech to dispose of surplus at public offering only, by sealed bid or public auction.

Unallowable methods of disposal include:

- Throwing property away
- Taking property home for personal use or to sell to others
- Giving property away to staff, faculty, students, private individuals, or private for-profit organizations
- Donating property to outside agencies without proper authorization
- Burying or sinking property in bodies of water, thereby endangering the environment or general public

The following steps should be taken when reporting property as surplus:

- Verify that New Mexico Tech has title to the property.
- Keep the property in a secure location. The department is responsible for the item until a Property Office representative picks it up.
- Provide the Property Office with a completed Pick-up and Disposal Request.

Sealed Bid

If a department wishes to have specific items sold at sealed bid, a complete list of items must be given to the Property Office so that the appropriate documents may be sent for approval. After approval has been received by the Property Office, the Purchasing Office will be notified. The Purchasing Office will request a "Statement of Work" from the department/division requesting the sale at sealed bid. At a minimum, the statement of work must include: The property's location, when it may be viewed by prospective bidders, the name and contact information of at least one "point of contact," any restrictions, and an itemized list of items for bid. The Purchasing Office will advertise the

items for sealed bid, open the bids as described in the request for bids, and award the bid as outlined in procedures.

Auctioneer Services

Auctions are conducted on a regular basis by a company contracted by New Mexico Tech for that purpose. Auctions may take place on campus or at satellite locations, on-line and in-person at the auctioneer's location, which is advertised in the local newspaper of record and by other methods.

A Pick-Up and Disposal form must accompany all property transferred to the custody of the Property Office, without exception. Any items listed that have a PCN barcode tag beginning with the letter R and ending with a C, denotes that the asset was acquired through a sponsored contract. The Property Office will be checked to ascertain that title vests with New Mexico Tech before being accepted. New Mexico Tech may not dispose of property to which it does not have title; therefore the Property Office may not accept any such property.

All surplus property that comes to the yard is posted to the Property website on the Bulletin Board and is available to be reutilized by other departments at no charge. Tagged assets are held for a minimum of 46 days. Untagged property is held for a minimum of two weeks. Departments can arrange to visit the Property Yard to view the available surplus property at any time during normal business hours.

In the event surplus property is reclaimed by another department prior to sending to auctioneer, a Surplus Reutilization form must be filled out for any property removed from the yard, in order to provide the necessary information to update the asset record in Banner and the available surplus lists.

The Property Office is required to receive approval from both the Property Committee and the New Mexico Tech Board of Regents before disposing of any tagged assets. In accordance with NMSA 13-6-1 and NMSA 13-6-2, the State Auditor and New Mexico Higher Education Department must also be notified, and given 30 days to disapprove any action.

While being held at the Property Yard, every effort is made to store surplus securely and protect it from the elements. When space and size permit, surplus items are stored in a trailer or portable building, otherwise they are placed on pallets, wrapped in plastic and sheltered with tarps.

Hard drives are removed from all computers and destroyed as soon as possible after being received at the Property Yard, regardless of the cost or acquisition method of the computer.

Before property is turned over to the auction company, all PCN barcode tags or other tags denoting ownership are removed and placed with the shipping manifests, which are kept both electronically and in physical files along with all other relevant materials.

When payment is received from the auction company and at the discretion of the Vice President of Administration and Finance, net proceeds for PCN property are recorded as expense recovery to the department of record.

Net proceeds from the sale of untagged property, including scrap metal such as electrical wire, telephone wire, used plumbing pipe or brass valves, will be recorded as expense recovery to the department of record at the discretion of the Vice President of Administration and Finance.

Hazardous Materials/Sensitive Items

The Property Office does not handle hazardous materials or waste; these items must be disposed of through the university's Hazardous Waste department.

Other sensitive items include data storage devices, proprietary data, intelligent or intellectual property, ordnance, weapons, classified materials and data, and test range residue. Departments and organizations which routinely sensitive and/or hazardous materials must have proper handling procedures in place and/or their own standard operating procedures (SOPs) for handling these items.

Vehicle Disposal

For vehicle disposal, see section 1.5.2 (page 16).

Appendix A - Definitions

Accessory Item: Any item which facilitates or enhances the operation of plant equipment, but is not essential for its operation. (FAR 45.501)

Account Code: That part of the Banner FOAP which indicates the category of the expenditure.

Accountability: The obligation imposed by law, lawful order, or regulation, accepted by a person for keeping accurate records to ensure control of property, documents or funds, with or without possession of the property. The person accountable is concerned with control, while the person who has possession is responsible for custody, care and safekeeping.

Acquisition Cost: The cost to acquire a tangible item including the purchase price of the item and costs necessary to prepare it for use. Costs necessary to prepare the item for use include the expense of placing the item in location and bringing it to a condition necessary for normal or expected use. It does not include repairs, maintenance service contracts, or calibration service contracts. (Refer to FAR 45.101 – rewrite 2007)

Acquisition Cost of Equipment: The net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices. (2 CFR 200)

Acquisition Type: Purchased, donated, furnished, etc.

Agency: Any governmental entity; i.e., any department, institution, board, bureau, court, commission, district or committee of the government of the state; district courts, magistrate courts, district attorneys; charitable institutions for which appropriations are made by the legislature; every political subdivision of the state created under general or special act which receives or expends public money from whatever source derived, including but not limited to counties, county institutions, boards, bureaus or commissions; municipalities; drainage, conservancy, irrigation or other special districts; and every office or officer of any of these organizations (New Mexico Administrative Code 2.20.1.7).

Asset Cost: Asset cost should be recorded and reported at its historical cost (which include the vendor's invoice, plus the value of any trade-in or allowances, if reflected on the invoice), sales tax, initial installation cost (excluding in-house labor), modifications, attachments, accessories or apparatus necessary to make the asset usable and render it into service. Historical costs also include ancillary charges such as freight or transportation charges, site preparation costs and professional fee. *See Acquisition Cost.*

Asset Type: The group or category to which an asset belongs; i.e. heavy equipment, vehicles, data processing equipment, etc. The asset type is linked in Banner to the fixed asset depreciation schedule, which varies in number of years according to asset type.

Asset Value: Based on federal regulations, asset values for government-furnished property (GFP), government-furnished materials (GFM) or government-furnished equipment (GFE) are based on original acquisition cost of the property, regardless of age or use.

Auxiliary Item: An item without which the basic unit of plant equipment cannot operate. (FAR 45.501)

Award: Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the Federal Government to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and, contracts which are required to be entered into and administered under procurement laws and regulations. (2 CFR 200)

Banner: New Mexico Tech's administrative and financial software, used by the Property Office to maintain the property database.

Barcode Scanning System: the use of handheld barcode readers to scan and validate all tagged property when conducting an annual physical inventory.

Cannibalize: To remove parts from Government property for use or for installation on other Government property. (FAR Rewrite)

Capital Asset: Assets with a cost (*see Asset Cost*) greater than or equal to \$5,000, where New Mexico Tech has title, are required by governmental accounting standards to be capitalized and depreciated, and are referred to as capital assets. *See also Equipment.*

Capital Expenditures: The cost of the asset, including the expense to put it into place. Capital expenditure for equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation (if any) can be included in, or excluded from, capital expenditure cost in accordance with the Institution's regular accounting practices. (2 CFR 200 .12 Capital Assets (a), (b))

Closeout: The process by which a federal awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and federal awarding agency. (2 CFR 200)

Cognizant Agency: The federal agency responsible for negotiating and approving indirect cost rates for a non-profit organization on behalf of all federal agencies.

Common Item: Material that is common to the applicable government contract and the contractor's other work. (FAR 45.601)

Condition: Functional and physical state of an asset.

Condition Code: A two-character code denoting the functional and physical state of an asset. *See Section 3.3 of this manual for description of condition codes and their use.*

Contract: A mutually binding legal relationship obligating the seller to furnish supplies or services (including construction), and the buyer to pay for them. It includes all types of commitments that obligate the government to expend appropriated funds; and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; job orders or task letters issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C. 6301, (FAR Part 2 – Definitions of words and terms).

Contractor: The Board of Regents of New Mexico Institute of Mining and Technology.

Contractor-Acquired Property (CAP): Property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the government has title. (FAR 45.101 Rewrite)

Contractor Inventory: (1) Any property acquired by and in the possession of a contractor or subcontractor under a contract for which title vests with the government, and which exceeds the amounts needed to complete full performance under the entire contract; (2) Any property that the government is obligated or has the option to take over under any type of contract, e.g., as a result either of any changes in the specifications or plans there under, or of the termination of the contract (or subcontract there under), before completion of the work, for the convenience or at the option of the government; and (3) government-furnished

property that exceeds the amounts needed to complete full performance under the entire contract. (FAR 45.101 – Rewrite 2007)

Contracting Officer: The duly authorized individual delegated by appropriate authority to enter into a contract and thereafter administer the contract on behalf of the federal government.

Consumable: Able or intended to be discarded after use, rather than reused. A consumable is something that is capable of being consumed; that may be destroyed, dissipated, wasted, or spent. Consumables are products that consumers buy recurrently, i.e., items which "get used up" or discarded.

Cost-Sharing or Matching: That portion of project or program costs not borne by the federal government. (2 CFR 200)

Custodial Records: A written memorandum of any kind, such as a requisition, issued hand-receipts, tool checks, and stock record books, used to control items issued from tool cribs, tool rooms, and stockrooms. (FAR 45.501)

Date of Acquisition: Date on which a check is cut and payment is made for an asset.

Date of Completion: Date on which all work under an award is completed, or the date on the award document, or any supplement or amendment thereto, on which federal sponsorship ends. (2 CFR 200)

Date Put Into Service: Date item was actually put into use, as determined by installation. This date is used if the asset was acquired via state surplus, loaned, GFE, donated, etc.

Deliverable: An item fabricated by the contractor to be turned over to the awarding agency at the end of the award.

Demilitarization (D-mil): Rendering a product unusable for, and not restorable to, the purpose for which it was designed or is customarily used. (FAR 45.101 – Rewrite 2007)

Department: A New Mexico Tech department, division, entity, program, or group within the university.

Depreciation Method: Method used for asset depreciation. Note: Depreciation does not affect inventory status. Items don't "depreciate" off inventory. Property still has a physical existence and is owned by the State of New Mexico, regardless of Fair Market Value. Depreciation is not applicable to federal sponsor-owned property.

Depreciation Total: Accumulated depreciation to date.

Disallowed Costs: Charges to an award the federal awarding agency determines to be unallowable, in accordance with applicable federal cost principles or other terms and conditions contained in the award. (2 CFR 200)

Discrepancies Incident to Shipment: Any differences (e.g., count or condition) between the items documented to have been shipped and items actually received. (FAR 45.101 – Rewrite 2007)

Disposal or Retirement Date: Date asset was removed from inventory.

Disposal Method: How the asset was disposed of; i.e., cannibalized, sold, transferred, traded, returned, etc.

Equipment (as defined by New Mexico Tech): A fixed asset which meets the following criteria: a) an item with per-unit original acquisition cost or value greater than \$5,000, b) has a reasonable life expectancy beyond one year from date of acquisition and rendering into service, and c) is free-standing or is an integral component of existing equipment.

Equipment Improvements/Enhancements: Improvements or enhancements are internal or external additions to capital assets that extend their life, increase productivity or quality, or increase the value greater than \$1,000. Enhancements greater than \$1,000 will be capitalized and their cost added to the capital cost of the item being enhanced; enhancements under \$1,000 will be expensed.

Excess Property: Property under the control of any federal agency that, as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities. (2 CFR 200)

Exempt Property: Tangible personal property acquired in whole or in part with federal funds, where the federal awarding agency has statutory authority to vest title in the recipient without further obligation to the federal government. An example of exempt property authority is contained in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), for property acquired under an award to conduct basic or applied research by a non-profit institution of higher education or non-profit organization whose principal purpose is conducting scientific research. (2 CFR 200)

FAR: Federal Acquisition Regulations

Fabricate: To manufacture, build, make, or otherwise put parts together to make a whole unit.

Fabricated Equipment: Components or parts purchased from one or more vendors and put together in-house (by New Mexico Tech staff or students) to form a single item meeting the State of New Mexico definition of equipment.

Facilities: When used in other than a facilities contract, means property used for production, maintenance, research, development, or testing. It includes plant equipment and real property (see 45.10). It does not include material, special test equipment, special tooling, or agency-peculiar property. (FAR 45.301)

Fair Market Value (FMV): The price property would currently sell for on the open market, regardless of original acquisition cost. *For determination of FMV, see Section 1.4 Methods for Acquiring Property, under Gifts/Donations, p11.*

Federal Funds Authorized: The amount of federal funds obligated by the federal government for use by the recipient. This amount may include any authorized carryover of unobligated funds from prior funding periods when permitted by agency regulations or agency implementing instructions. (2 CFR 200)

Federal Requisition Number: Document number assigned by the federal government.

Federal Stock Number: The stock number assigned to the asset category by the federal government, usually found on the manufacturer's plate.

Fixed Asset (Accounting): Also known as property, plant, and equipment (PP&E), a term used in accounting for assets and property, which cannot easily be converted into cash. In most cases, only tangible assets are referred to as fixed. Fixed assets normally include items such as land, buildings, vehicles, furniture, office equipment, computers, fixtures and fittings, and plant and machinery.

FOAP Funding: An abbreviation in Banner of Fund, Organization, Account and Program The fund used to pay for the property, which may include multiple funding sources if the asset was acquired with approved cost-share funding or shared funding; must be “tied” to a department fund, cost center, or sponsor funds.

Found Equipment or Property: Equipment discovered either by the Property Office or by a department that is not on inventory, and meets the State of New Mexico definition of equipment or other taggable property.

Funding Period: The period of time when federal funding is available for obligation by the recipient. (2 CFR 200)

Furniture and Fixtures (a classification of fixed assets): Assets not permanently fixed to land, that comprise the contents of a building. (NMAC Chapter 20 {2.20.1.9})

Government: United States of America; federal government, unless otherwise specified, as in "state government."

Government-Furnished Property (GFP): Property in the possession of, or directly acquired by, the government and subsequently furnished to the contractor for performance of a contract. (FAR 45.101 – Rewrite 2007)

Government Material: Government property that may be incorporated into or attached to an end item to be delivered under a contract, or that may be consumed in the performance of a contract. It includes, but is not limited to, raw and processed materials, parts, components, assemblies, and small tools and supplies. (FAR 45.101)

Government Property: All property owned or leased by the government, including both government-furnished property or contractor-acquired property. (FAR 45.101 – Rewrite 2007)

Government Production and Research Property: Government-owned facilities, government-owned special test equipment, and special tooling to which the government has title or the right to acquire title. (FAR 45.30)

Grantee: The Board of Regents of New Mexico Institute of Mining and Technology.

Individual Item Record: A separate card, form, document or specific lines of computer data used to account for a single item of property. (FAR 45.501)

Industrial Plant Equipment (IPE): Plant equipment in federal stock group 34 (metal-working machinery) with an acquisition cost of \$15,000 or more used for cutting, abrading, grinding, shaping, forming, joining, heating, treating, or otherwise altering the physical properties of materials, components or end items entailed in manufacture, supply, process, assembly, or research and development operations. (DFAR 245.301)

Information Technology Equipment: This equipment includes computers and peripherals, and all equipment related to electronic communications (including software). (NMAC Chapter 20 {2.20.1.9})

Intangible Property and Debt Instruments: Includes, but is not limited to, trademarks, copyrights, patents and patent applications; such property as loans, notes and other debt instruments; lease agreements; stock and other instruments of property ownership, whether considered tangible or intangible. (2 CFR 200)

Inventoriable Equipment: Equipment with an acquisition value of \$5,000 or more that is freestanding and has a normal life expectancy of two or more years.

Other Inventoriable Property includes:

Computer Devices – consisting of computers, desktops, laptops and servers with an original acquisition cost or FMV greater than \$1,000, but less than \$5,000, with a life expectancy beyond one year from the date of acquisition and rendered into service, and is freestanding or an integral component of an existing item.

Vehicles, Trailers and ATV's – requiring title and licensing by the State of New Mexico, with an original acquisition cost or FMV greater than \$1, but less than \$5,000, with a life expectancy beyond one year from the date of acquisition and being rendered into service; and freestanding or an integral component of an existing item.

Institute: The New Mexico Institute of Mining and Technology; New Mexico Tech.

Institute Property: Property for which title vests with New Mexico Tech, whether secured with New Mexico Tech funds or with funds derived from external sponsors, regardless of cost.

Inventory Date: Date item was last physically inventoried.

Invoice Number: Vendor invoice number; could be multiple invoice numbers. Invoices must be itemized and include item descriptions.

Item Description: Descriptive noun(s) used to identify asset (i.e., laptop computer, LaserJet printer, pickup, sedan, etc.)

Land: Real property, not including fees for appraisals, title searches, attorney's fees, demolition of structures (less any salvage) as part of site preparation, and agent's commission. (NMAC Chapter 20 {2.20.1.9})

Land Improvements: Improvements subsequent to the acquisition of land. Such assets have a limited economic life. Examples are roadways, landscaping, utility infrastructure and fencing. This category also may be used to record leasehold improvements. (NMAC Chapter 20 {2.20.1.9})

Loaned Equipment: Equipment either borrowed by New Mexico Tech from an external agency, or by one New Mexico Tech department from another. Loaned equipment also may be loaned by New Mexico Tech to an external agency.

Location or Other Location: The physical location of the item, including the room number, whether on- or off-campus, used for travel, or at the home of primary user.

Loss, Damage, Destruction, or Theft (LDDT): Lost, damaged, destroyed, or stolen, equipment or other tagged property in the custody of New Mexico Tech.

Manufacturer: Name of the original manufacturer of the asset.

Material: Property that may be consumed or expended during the performance of a contract; component parts of a higher assembly; or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling, and special test equipment. (FAR 45.101 – Rewrite 2007)

Model Number: Manufacturer’s model number.

Motor Vehicle: Any motorized carrier designed primarily for the transportation of persons or property that is operated on a public road. Not included is any implement intended solely for agricultural operations and only incidentally operated or moved over a public road. This does not include leased motor vehicles or aircraft. (NMAC Chapter 20 {2.20.1.9})

Net Book Value: Remaining value after deduction of accumulated depreciation.

Non-Profit Organization: Any corporation, foundation, trust, or institution operated for scientific, educational, or medical purposes, not organized for profit, and no part of the net earnings of which inures (effects) the benefit of any private shareholder or individual. (45.301)

Or: **Non-Profit Organization:** As used in this special condition, a domestic university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501 (c)), and exempt from taxation under section 501 (a) of the Internal Revenue Code (26 U.S.C. 501(a)), or any domestic nonprofit scientific or educational organization qualified under a state nonprofit organization statute. (NASA Grant and Cooperative Agreement Handbook Property Reporting: Section 1260.57 "New Technology")

Non-severable: Property that cannot be removed after construction or installation without substantial loss of value or damage to the installed property or to the premises where installed. (FAR 45.101 – Rewrite 2007)

Obligations: The amounts of orders placed, contracts and grants awarded, services received and similar transactions during a given period that require payment by the recipient during the same or a future period.

OMB Circular: Office of Management and Budget Circulars (federal government) contain clauses pertaining to grants and cooperative agreements and other federal guidelines pertaining to federal monies.

Outlays or Expenditures: Charges made to the project or program which may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of cash disbursements for direct charges for goods and services; the amount of indirect expense charged; the value of third party in-kind contributions applied; and the amount of cash advances and payments made to sub-recipients. For reports prepared on an accrual basis, outlays are the sum of cash disbursements for direct charges for goods and services; the amount of indirect expense incurred; the value of in-kind contributions applied; and the net

increase (decrease) in the amounts owed by the recipient for goods and other property received, for services performed by employees, contractors, sub-recipients and other payees and other amounts becoming owed under programs for which no current services or performance are required.

Part Number: Manufacturer's part number.

Percentage of use: Estimate of how often an item is used.

Personal Property: Property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities. (2 CFR 200)

Physical Inventory: The process of verifying that fixed assets owned by or in the custody of New Mexico Tech is present in their assigned locations, and evaluating their condition.

Previous Department: Prior department having custody of item (historical transactions).

Previous Tag: Prior inventory or federal identification tag number (historical transactions).

Principal Investigator (PI): The academic or administrative staff member responsible for initiating and conducting an externally funded project. The individual may also be known as the Project Director or Administrator.

Project Costs: All allowable costs, as set forth in the applicable federal cost principles, incurred by a recipient, and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period.

Project Period: The period established in the award document during which federal sponsorship begins and ends.

Property: All tangible property, both real and personal. (FAR 45.101 – Rewrite 2007)

Property Administrator: An authorized representative of the contracting officer appointed in accordance with agency procedures responsible for administering contract requirements and obligations relating to government property in the possession of a contractor. (FAR 45.101 – Rewrite 2007)

Property Control Number (PCN): A six- or seven-character, numeric or alpha-numeric, barcoded tag assigned by the Property Office as an inventory item number. The PCN is used to record a piece of non-expendable personal property, industrial plant equipment, other plant equipment, or items deemed necessary to be tracked in the property database.

Prototype: is defined as “a physical or virtual model used to evaluate the technical or manufacturing feasibility of a particular technology or process, concept, end item, or system.”

Purchase Order Number (or other acquisition or purchasing document): Purchase order (PO), direct payment (DP), government bill of lading, etc.

Real Property: Land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. It does not include foundations and other work necessary for installing special tooling, special test equipment, or plant equipment. (FAR 45.101)

Or: **Real Property:** Land, including land improvements structures and appurtenances thereto, but excludes movable machinery and equipment.

Recipient: New Mexico Tech and/or an organization receiving financial assistance directly from federal awarding agencies to carry out a project or program. The term includes public and private institutions of higher education; public and private hospitals; and other quasi-public private non-profit organizations such as, but not limited to, community action agencies, research institutes, educational associations, and health centers. The term may include commercial organizations, foreign or international organizations (such as agencies of the United Nations) which are recipients, sub-recipients, or contractors or subcontractors of recipients or sub-recipients at the discretion of the federal-awarding agency. The term does not include government-owned, contractor-operated facilities or research centers providing continued support for mission-oriented, large-scale programs that are government-owned or controlled, or are designed as federally-funded research and development centers.

Repair Information: Identifies assets sent for repairs.

Replacement Cost: Cost to replace asset.

Reportable Item: All property regardless of original acquisition cost in which ownership vests with the sponsor or the federal government.

Or: **Reportable Item:** Any invention, discovery, improvement, or innovation of the grantee, whether or not patentable or otherwise protectable under Title 35 of the United States Code, made in the performance of any work under any NASA grant or in the performance of any work that is reimbursable under any provision in any NASA grant providing for reimbursement of costs incurred before the effective date of the grant. Reportable items include, but are not limited to, new processes, machines, manufactures, and compositions of matter; and improvements to, or new applications of, existing processes, machines, manufactures, and compositions of matter. Reportable items also include new computer programs, and improvements to, or new applications of, existing computer programs, whether or not copyrightable or otherwise protectable under Title 17 of the United States Code. (Defined in NASA Grant and Cooperative Agreement Handbook - Property Reporting Section 1260.57 "New Technology")

Research and Development: All research activities, both basic and applied, and all development activities supported at universities, colleges, and other non-profit institutions. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful material, devices, systems, or methods, including design and development of prototypes and processes. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

Responsibility for Property: The obligations of an individual for the proper management, custody, care, and safeguarding of property entrusted to his or her possession or under his or her supervision.

Responsible Person: The dean, department head, division head, or PI responsible for the control, maintenance and accountability of the equipment or property.

Restricted Funds: Monies received from any award, grant, contract, cooperative agreement or other legal agreement.

Sales Proceeds: Amount received upon sale of asset; used to calculate gains or losses.

Salvage: Property that, because of its worn, damaged, deteriorated, or incomplete condition or specialized nature, has no reasonable prospect of sale or use as serviceable property without major repairs, but has no value in excess of its scrap value. (FAR 45.501)

Sensitive Property: Property potentially dangerous to public safety or security if stolen, lost or misplaced; or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals. (FAR 45.101 – Rewrite 2007)

Serial Number or Vehicle Identification Number (VIN): Manufacturer's assigned serial number or VIN.

Software: A computer- or instrument-operating program, database and any documentation associated with the operating program.

Software License: The legal authority to use a computer- or instrument-operating program, database and documentation thereof.

Source of Funds: The agency providing the monies, i.e., the State of New Mexico, federal government, Department of Defense, NASA, private industry, etc.

Special Purpose Equipment: Equipment usable only for research, medical, scientific, or technical activities; i.e., microscopes, x-ray machines, surgical instruments and spectrometers.

Special Test Equipment: Either single- or multipurpose-integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment including standard or general-purpose items or components that are interconnected and interdependent as to become a new functional entity for special testing purposes. It does not include material, special tooling, facilities (except foundations or similar improvements necessary for installing special test equipment,) and plant equipment items used for general plant-testing purposes. (FAR 45.101)

Special Tooling: Jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aides, all components of these items, and replacement of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. It does not include material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items. (FAR 45.101)

Sponsored Agreement: Any grant, contract, or other agreement between the institution and the federal government.

Sponsor Asset Type or Equipment Code: Asset-type category for sponsor reporting purposes; primarily used for government-owned assets.

Sponsor Identification Number: Unique number provided by the sponsor for the asset.

Sponsoring Departments: Departments within New Mexico Tech responsible for the administration of a grant, contract, cooperative agreement or similar award.

Sponsored Research: Work performed under a grant, contract, subcontract, or cooperative agreement with an outside agency, a private corporation, or the federal government.

State: The State of New Mexico

State Educational Institution: Those institutions designated by Article 12, Section 11 of the constitution of New Mexico. The New Mexico Institute of Mining and Technology is listed as a state educational institution under this provision. (New Mexico State Statutes Section 13.6.4(c))

Status: Active, inactive, new, sold, etc.

Sub-Award: An award of financial assistance in the form of money, made under an award by a recipient to an eligible sub-recipient, or by a sub-recipient to a lower-tier sub-recipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract; but does not include procurement of goods and services, nor does it include any form of assistance excluded from the definition of "award" 2 CFR 200.

Sub-Recipient: The legal entity to which a sub-award is made and which is accountable to the recipient for the use of funds provided. The term may include foreign or international organizations (such as the United Nations) at the discretion of the federal-awarding agency.

Supplies: All property excluding equipment, intangible property, and debt instruments as defined in 2 CFR 200; and inventions of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement.

Surplus Property: Excess personal property not required by any federal agency as determined by the Administrator of General Services (GSA). (FAR 45.101 – Rewrite 2007)

Suspended Asset: An asset that was previously on active inventory but is no longer tracked by the Property Office per the university's Capitalization Policy approved February 2013.

Suspension: An action by a federal awarding agency that temporarily withdraws federal sponsorship under an award, pending corrective action by the recipient or pending a decision to terminate the award by the federal awarding agency. Suspension of an award is a separate action from suspension under federal agency regulations.

Tangible Personal Property: Tangible property other than real property having a physical existence, including but not limited to, supplies, equipment, materials and printed materials. (Statutory Chapters of New Mexico Annotated 1978, 13-1-93)

Termination: The cancellation of federal sponsorship, in whole or part, under an agreement at any time prior to the date of completion.

Third Party In-Kind Contributions: The value of non-cash contributions provided by non-federal third parties. Third party in-kind contributions may be in the form of real property, equipment, supplies, and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

Title: Ownership; used to designate title of asset.

Transaction Date: Used to record last date the item record was accessed for any revision.

Units: With the exception of materials, each item is recorded individually.

User, Custodian or Person Responsible: Individual (excluding students) who is the end user, PI, department head.

Useful Life: Specified in years (standard useful life of item) and used for depreciation.

Value: Worth or usefulness of any item to an individual; monetary value in exchange for something; rate, charge, assessment.

Vehicle License Plate Number: MVD-assigned license plate number, if required.

Vendor: Name of company or individual from which asset was purchased.

Voucher or Reference Number: Unique accounting control number, such as a check number.

Weight: For vehicles and heavy equipment.

Work-in-Process: Material that has been released to manufacturing, engineering, design, or other services under the contract and includes undelivered manufactured parts, assemblies, and products, either complete or incomplete. (FAR 45.501)

Year of Manufacture: The year an item was manufactured, which usually appears on the manufacturer's data plate with serial and model numbers.