
PROPERTY MANAGEMENT POLICY

Property Management Policy

Procedure Sections

Last Revised: June 2014

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Reason for Policy

This policy outlines the proper management of property purchased either with a Federal grant or with Center funds and maintained by the Aspen Center for Physics.

Who Should Know This Procedure

- Principal Investigators
- Administrative Staff
- Winter Conference/Summer Workshop Organizers
- Proposal Committee
- Officers
- Trustees
- General Members
- Other: _____

Contacts

Subject	Contact
Property Management Questions	Administrative Vice President



Applicable ACP Policies

- None
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Property Management Policy at ACP

Amount of Property Acquired with Federal Funds:

It is ACP policy to purchase capital items with ACP General Funds rather than with Federal award monies. As of 2014, the only capital items on ACP's books that were purchased with Federal funds are \$209,326.83 in library acquisitions. Most of these are journals that are outdated, but still in ACP's possession. All of these journals are fully depreciated. Should ACP acquire additional property with Federal funds, it will include on the depreciation schedule:

- Serial or Identification Number
- Source
- Who holds title
- Acquisition date and cost
- Percentage of Federal participation in the cost
- Location
- Condition
- Disposition data if applicable

Should ACP require Federal funds to purchase capital items, a special request will be sent to the appropriate Federal agency. Should Federally funded property be disposed, the Administrative Staff will determine how much reimbursement, if any, is due to the Federal awarding agency.

Insurance and Maintenance:

ACP will monitor and provide insurance coverage adequate for protecting the fixed assets owned by the Center and for any capital items purchased with Federal funds. ACP will also maintain its fixed assets in a reasonable and prudent manner.

Acquisition and Disposition of Fixed Assets:

In general ACP purchases fixed assets using General Fund monies. For items over \$5,000, straight-line depreciation for the number of years based on the type of asset according to GAAP standards, is then included in its Indirect Cost Rates. If Federal grant funds are used to purchase a fixed asset, title vests with ACP unless the asset is used for a purpose other than the grant's. ACP will request written approval for alternative uses. ACP Administrative Staff will request disposition instructions for Federal-grant purchased assets from the awarding agency. Proper sales procedures will be followed if the asset to be disposed retains value. Value of items to be disposed with a worth above \$5,000 will be assessed using comparatives for equipment of equal vintage and wear. If the asset is



of considerable value, such as art work, ACP will hire a professional assessor, appraiser or analyst to ensure that a fair-market value is assigned.

Property Records and Safe Keeping:

ACP will maintain accurate records of owned fixed assets. ACP's accountants retain an off-site list of all capitalized assets. The Finance Manager periodically reviews these lists against actual inventory to ensure accuracy and to make any accounting adjustments for disposed assets. Due to the small nature of the Center and the minimal number of assets, property tags are not necessary as each asset is readily identifiable. ACP will ensure a reasonable amount of precaution in securing the safe-keeping of all assets.

Copyrighted and other Research Material:

ACP may copyright any work that is subject to copyright and that was developed under a Federal award. The Federal awarding agency reserves a royalty-free, nonexclusive, irrevocable right to reproduce, publish or otherwise use the work for Federal purposes and to authorize others to do so.

Under the Freedom of Information Act, request for research data relating to published research findings produced under an award must be turned over to the Federal awarding agency making such a request.

Control Environment, Risk Assessment:

The Administrative Vice President approves all property dispositions either for disposal or for sale and follows the guidelines in this policy. Misuse or misappropriation of property would be easily identified since all property is centralized on the ACP 4.3-acre campus and is under constant staff surveillance. Should a problem arise, management will address the issue with the employee or individual involved or will right the problem with whatever avenue is necessary. Egregious misuse of Center property could be considered misconduct and grounds for dismissal. Should participants misuse property either owned or rented, management will address the problem with the participant, and if necessary engage an appropriate Board physicist for intervention.

As for safety issues, insurance consultants periodically examine the ACP property and recommend best practices. The ACP fire alarm and fire extinguishers are checked annually. The Smart Hall fire extinguisher system is checked annually. Computerized temperature monitors in Stranahan and Bethe buildings provide round-the-clock temperature information to prevent frozen pipes. Trees are monitored for age and condition and are removed when they become a hazard. Paint is stored away from furnaces and other hazards. Winter snow removal is contracted to ensure cleared driveways and pathways. Walks and stairwells are kept free of debris and hazards.

Control Activities:

Key items are noted above.



Information and Communication:

The ACP accounting system identifies by GL code property purchased with ACP General Funds and property purchased with Federal funds. Fixed Asset Codes 1700, 1710 1720, 1730, 1750, 1760, 1770 and 1920 are for property purchased by ACP. Currently only library acquisitions were purchased with Federal funds and were coded to GL code 1721.

The ACP Whistleblower Policy enables staff to report any improprieties, including any related to property. These policies are available online and are provided to Board Trustees, PIs, staff and any other invested parties.

Monitoring:

The Administrative Vice President reviews assets on a near daily basis because all assets are visible and easily to assess as to condition and location. If assets are missing, the Administrative Vice President immediately reports the loss to the local police department and to insurance, if the value is high enough to warrant insurance reimbursement.

It is ACP policy to immediately address any auditor concerns.

Roles & Responsibilities

Administrative Staff: Responsible for property management including maintenance, insurance, disposition and acquisition.

Appendix: Applicable Federal Regulations & Criteria

ACP Property Management procedures adhere to the NSF AAG and to OMB Circular A-110 as posted below:

___30 Purpose of property standards. Sections ___31 through ___37 set forth uniform standards governing management and disposition of property furnished by the Federal Government whose cost was charged to a project supported by a Federal award. Federal awarding agencies shall require recipients to observe these standards under awards and shall not impose additional requirements, unless specifically required by Federal statute. The recipient may use its own property management standards and procedures provided it observes the provisions of Sections ___31 through ___37.

___31 Insurance coverage. Recipients shall, at a minimum, provide the equivalent insurance



coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient. Federally-owned property need not be insured unless required by the terms and conditions of the award.

___32 Real property. Each Federal awarding agency shall prescribe requirements for recipients concerning the use and disposition of real property acquired in whole or in part under awards. Unless otherwise provided by statute, such requirements, at a minimum, shall contain the following. Title to real property shall vest in the recipient subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed and shall not encumber the property without approval of the Federal awarding agency. The recipient shall obtain written approval by the Federal awarding agency for the use of real property in other Federally-sponsored projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under Federally-sponsored projects (i.e., awards) or programs that have purposes consistent with those authorized for support by the Federal awarding agency. When the real property is no longer needed as provided in paragraphs (a) and (b), the recipient shall request disposition instructions from the Federal awarding agency or its successor Federal awarding agency. The Federal awarding agency shall observe one or more of the following disposition instructions.

(1) The recipient may be permitted to retain title without further obligation to the Federal Government after it compensates the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project.

(2) The recipient may be directed to sell the property under guidelines provided by the Federal awarding agency and pay the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the recipient is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(3) The recipient may be directed to transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the recipient shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

___33 Federally-owned and exempt property.

(1) Federally-owned property.

(a) Title to Federally-owned property remains vested in the Federal Government. Recipients shall submit annually an inventory listing of Federally-owned property in their custody to the Federal awarding agency. Upon completion of the award or when the property is no longer needed, the recipient shall report the property to the Federal awarding agency for further Federal agency utilization.

(b) If the Federal awarding agency has no further need for the property, it shall be declared excess and reported to the General Services Administration, unless the Federal awarding agency has statutory authority to dispose of the property by alternative methods (e.g., the authority provided by the Federal Technology Transfer Act (15 U.S.C. 3710 (I)) to donate research equipment to



educational and non-profit organizations in accordance with E.O. 12821, "Improving Mathematics and Science Education in Support of the National Education Goals.") Appropriate instructions shall be issued to the recipient by the Federal awarding agency. (1) Exempt property. When statutory authority exists, the Federal awarding agency has the option to vest title to property acquired with Federal funds in the recipient without further obligation to the Federal Government and under conditions the Federal awarding agency considers appropriate. Such property is "exempt property." Should a Federal awarding agency not establish conditions, title to exempt property upon acquisition shall vest in the recipient without further obligation to the Federal Government.

___.34 Equipment.

(1) Title to equipment acquired by a recipient with Federal funds shall vest in the recipient, subject to conditions of this section.

(2) The recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.

(3) The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other Federally-sponsored activities, in the following order of priority: (i) Activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.

(4) During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency. User charges shall be treated as program income.

(5) When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency.

(6) The recipient's property management standards for equipment acquired with Federal funds and Federally-owned equipment shall include all of the following.

(7) Equipment records shall be maintained accurately and shall include the following information.

(i) A description of the equipment.



- (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
 - (iii) Source of the equipment, including the award number.
 - (iv) Whether title vests in the recipient or the Federal Government.
 - (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
 - (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
 - (vii) Location and condition of the equipment and the date the information was reported.
 - (viii) Unit acquisition cost.
 - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.
- (8) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.
- (9) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
- (10) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify the Federal awarding agency.
- (11) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
- (12) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.
- (a) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the recipient



has no need for the equipment, the recipient shall request disposition instructions from the Federal awarding agency. The Federal awarding agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported to the General Services Administration by the Federal awarding agency to determine whether a requirement for the equipment exists in other Federal agencies. The Federal awarding agency shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.

(13) If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse the Federal awarding agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the recipient shall be permitted to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

(14) If the recipient is instructed to ship the equipment elsewhere, the recipient shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the recipient's participation in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(15) If the recipient is instructed to otherwise dispose of the equipment, the recipient shall be reimbursed by the Federal awarding agency for such costs incurred in its disposition.

(16) The Federal awarding agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards.

(i) The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.

(ii) The Federal awarding agency shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with grant funds and Federally-owned equipment. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar day period, the recipient shall apply the standards of this section, as appropriate.

(iii) When the Federal awarding agency exercises its right to take title, the equipment shall be subject to the provisions for Federally-owned equipment.

___35 Supplies and other expendable property.

(1) Title to supplies and other expendable property shall vest in the recipient upon acquisition. If there is a residual inventory of unused supplies exceeding \$5000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federally-sponsored project or program, the recipient shall retain the supplies for use on non-Federal sponsored activities or sell them, but shall, in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as



for equipment.

(2) The recipient shall not use supplies acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute as long as the Federal Government retains an interest in the supplies.

___36 Intangible property.

(1) The recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. The Federal awarding agency(ies) reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

(2) Recipients are subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements."

(a) The Federal Government has the right to:

(3) obtain, reproduce, publish or otherwise use the data first produced under an award; and

(4) authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

(b) (1) In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by the Federal Government in developing an agency action that has the force and effect of law, the Federal awarding agency shall request, and the recipient shall provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If the Federal awarding agency obtains the research data solely in response to a FOIA request, the agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the agency, the recipient, and applicable subrecipients. This fee is in addition to any fees the agency may assess under the FOIA (5 U.S.C. 552(a)(4)(A)).

(5) The following definitions apply for purposes of paragraph (d) of this section:

(i) Research data is defined as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This "recorded" material excludes physical objects (e.g., laboratory samples). Research data also do not include:

(6) Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and



(7) Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

(ii) Published is defined as either when:

(8) Research findings are published in a peer-reviewed scientific or technical journal; or

(9) A Federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(iii) Used by the Federal Government in developing an agency action that has the force and effect of law is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(a) Title to intangible property and debt instruments acquired under an award or subaward vests upon acquisition in the recipient. The recipient shall use that property for the originally-authorized purpose, and the recipient shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property shall occur in accordance with the provisions of paragraph __.34(g).

__.37 Property trust relationship. Real property, equipment, intangible property and debt instruments that are acquired or improved with Federal funds shall be held in trust by the recipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. Agencies may require recipients to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with Federal funds and that use and disposition conditions apply to the property.

