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**Subject: Administration of Property in the Custody of Award Recipients**

**Responsible Office: Office of Strategic Infrastructure**

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# Preface

## P.1. Purpose

1. The largest quantities and values of government-owned and acquired property for execution of NASA programs are in the hands of NASA’s award recipients. This NASA Procedural Requirements (NPR) document concerns all property furnished by NASA or acquired by an award recipient on behalf of NASA and describes the responsibilities and requirements for ensuring uniformity and consistency in the administration of award provisions relating to the government property (GP) being used by and in the possession or custody of award recipients. This NPR refers to all NASA award recipients as award recipient(s) vs. contractor(s) because not all entities with NASA awards are contractors (i.e., universities, grant and cooperative agreement recipients, etc.). Recipients are entities that receive NASA awards.
2. This NPR provides specific procedures and techniques for the administration of GP consistent with award requirements, voluntary consensus standards (VCS), customary commercial practices (CCPs), and industry leading practices and standards (ILPS) to ensure performance of property management to protect the interests of the government at best value through uniform administration of NASA and other Agency award property practices.
3. Generally, this NPR is intended to address administration of property that has been provided to award recipients under the requirements of the Federal Acquisition Regulation (FAR) Solicitation Provision and Contract Clause for Government Property, 48 Code of Federal Regulations (CFR) § 52.245-1; the United States (U.S.) Office of Management and Budget (OMB) Guidance for Grants and Agreements, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part (pt.) 200; and NASA Policy Directive (NPD) 9680.1, Use and Authority of the GCAM, which establishes policy for the applicability, use, and maintenance of the NASA GCAM. However, when award recipients are required to perform within NASA Centers and Installations, management of property used by recipients and record-keeping is predominantly conducted in accordance with the NASA FAR Supplement (NFS) Solicitation Provision and Contract Clause for Installation-Accountable Government Property (IAGP), 48 CFR § 1852.245-71 and the NPDs and NPRs cited therein.

## P.2 Applicability

1. This NPR is applicable to NASA Headquarters (HQ) and NASA Centers, including Installations, Component Facilities, and Technical/Service Support Centers. This procedural requirement is applicable to the Jet Propulsion Laboratory, a Federally Funded Research and Development Center (FFRDC); other contractors, recipients of grants or cooperative agreements, or parties to other agreements only to the extent specified in contracts, grants or cooperative agreement, or other agreements.
2. Policy and procedures for the conduct of property administration and plant clearance when delegated to individuals from other agencies are contained in their own guidance and within official LODs.
3. In this NPR, all mandatory actions (i.e., requirements) are denoted by statements containing the term “shall.” The terms “may” or “can” denote discretionary privilege or permission, “should” denotes a good practice, and is recommended, but not required, “will” denotes expected outcome, and “are/is” denotes descriptive material.
4. In this NPR, all document citations are assumed to be the latest version unless otherwise noted.
5. This NPR is applicable to contractors, recipients of grants or cooperative agreements, or parties to other agreements only to the extent specified in contracts, grants or cooperative agreements, or other agreements with GP associated to their NASA awards.
6. If a portion of this document conflicts with the requirements of the FAR (48 CFR Chapter (ch.) 1) or the NFS (48 CFR ch. 18), the requirements of the CFR, GCAM, FAR, or NFS take precedence.
7. A document categorized and listed as an authority (P.3), an applicable document (P.4), or a reference (Appendix C), may be cited in the text using language appropriate to its function in the specific context.
8. In this directive, the FAR, 48 CFR ch. 1, is referred to as “FAR” when cited.
9. In this directive, the NASA FAR Supplement (NFS), 48 CFR ch. 18 is referred to as “NFS” when cited.

## P.3 Authority

1. The National Aeronautics and Space Act, 51 United States Code (U.S.C.) et seq.
2. OMB Guidance for Grants and Agreements, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR pt. 200.
3. FAR for Grants and Agreements, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR pt. 1800. This is the NASA supplement to 2 CFR pt. 200.
4. Public Contracts and Property Management, Federal Property Management Regulations System, Federal Management Regulation (FMR), 41 CFR ch. 102.
5. FAR, Government Property, 48 CFR pt. 45.
6. FAR, Solicitation Provisions and Contract Clauses, 48 CFR pt. 52.
7. NFS, Government Property, 48 CFR pt. 1845.
8. NFS, Solicitation Provisions and Contract Clauses, 48 CFR pt. 1852.
9. NPD 4500.1, Administration of Property in the Custody of Award Recipients.

## P.4 Applicable Documents and Forms

1. Public Money, Property or Records, 18 U.S.C. § 641.
2. Federal Property and Administrative Services Act, 40 U.S.C. § 101 et seq.
3. Applicability, 2 CFR § 200.101.
4. Federally-Owned and Exempt Property, 2 CFR § 200.312.
5. Equipment, 2 CFR § 200.313.
6. Supplies, 2 CFR § 200.314.
7. Closeout, 2 CFR § 200.344.
8. Written Approval, 2 CFR § 200.407.
9. Equipment and Other Capital Expenditures, 2 CFR § 200.439.
10. Applicability, 2 CFR § 1800.3.
11. Federally-Owned and Exempt Property, 2 CFR § 1800.312.
12. Cross-Waiver of Liability, 14 CFR pt. 1266.
13. FAR, Deviations Pertaining to Treaties and Executive Agreements, 48 CFR, § 1.405.
14. FAR, Required Sources of Supplies and Services, 48 CFR pt. 8.
15. FAR, Cost Accounting Standards Administration, 48 CFR pt. 30.
16. FAR, Contract Cost Principles and Procedures, 48 CFR pt. 31.
17. FAR, Contract Administration and Audit Services, 48 CFR pt. 42.
18. FAR, Novation and Change-of-Name Agreements, 48 CFR Subpart (subpt.) 42.12.
19. FAR, Responsibility and Liability for Government Property, 48 CFR § 45.104.
20. FAR, Contractors' Property Management System Compliance, 48 CFR § 45.105.
21. FAR, Transferring Accountability, 48 CFR § 45.106.
22. FAR, Contract Clauses, 48 CFR § 45.107(a)(2).
23. FAR, Support Government Property Administration, 48 CFR subpt. 45.5.
24. FAR, Reporting, Reutilization, and Disposal, 48 CFR subpt. 45.6.
25. FAR, Solicitation Provisions and Contract Clauses, Allowable Cost and Payment,   
    48 CFR § 52.216-7.
26. FAR, Solicitation Provisions and Contract Clauses, Cost Accounting Standards,   
    48 CFR § 52.230-2.
27. FAR, Solicitation Provisions and Contract Clauses, Progress Payments,   
    48 CFR § 52.232-16.
28. FAR, Solicitation Provisions and Contract Clauses, Performance-Based Payments,   
    48 CFR § 52.232-32.
29. FAR, Solicitation Provisions and Contract Clauses, Government Property,   
    48 CFR § 52.245-1.
30. FAR, Solicitation Provisions and Contract Clauses, Government Property Installation Operation Services, 48 CFR § 52.245-2.
31. FAR, Solicitation Provisions and Contract Clauses, Use and Charges, 48 CFR § 52.245-9.
32. NFS, Procedure for Requesting Deviations, 48 CFR subpt. 1801.471.
33. NFS, Contract Clauses, 48 CFR § 1845.107.
34. Abandonment or Destruction of Personal Property, 48 CFR § 45.603.
35. NFS, Support Government Property Administration, 48 CFR subpt. 1845.5.
36. NFS, Delegation of Property Administration and Plant Clearance, 48 CFR § 1845.503-70.
37. NFS, Retention of Property Administration and Plant Clearance, 48 CFR § 1845.503-71.
38. NFS, Responsibilities of the Property Administrator, 48 CFR § 1845.505-70.
39. NFS, Transfers of Property, 48 CFR § 1845.7101-2.
40. NFS, Contractor Use of Interagency Fleet Management System (IFMS) Vehicles,   
    48 CFR subpt. 1851.2.
41. NFS, Solicitation Provisions and Contract Clauses, Federal Automotive Statistical Tool Reporting, 48 CFR § 1852.223-76.
42. NFS, Solicitation Provisions and Contract Clauses, Contractor Requests for Government-Furnished Property, 48 CFR § 1852.245-70.
43. NFS, Solicitation Provisions and Contract Clauses, Installation-Accountable Government Property, 48 CFR, § 1852.245-71.
44. NFS, Solicitation Provisions and Contract Clauses, Financial Reporting of NASA Property in the Custody of Contractors, 48 CFR § 1852.245-73.
45. NFS, Solicitation Provisions and Contract Clauses, Identification and Marking of Government Equipment, 48 CFR § 1852.245-74.
46. NFS, Solicitation Provisions and Contract Clauses, Property Management Changes,   
    48 CFR § 1852.245-75.
47. NFS, Solicitation Provisions and Contract Clauses, List of Government Property Furnished Pursuant to FAR 52.245-1, 48 CFR § 1852.245-76.
48. NFS, Solicitation Provisions and Contract Clauses, Physical Inventory of Capital Personal Property, 48 CFR § 1852.245-78.
49. NPD 4300.1, NASA Personal Property Disposal Policy.
50. NPR 4100.1, NASA Supply Support and Materiel Management.
51. NPR 4200.1, NASA Equipment Management Procedural Requirements.
52. NPR 4300.1, NASA Personal Property Disposal Procedural Requirements.
53. NPR 6200.1, NASA Transportation and General Traffic Management.
54. NASA Form (NF) 1018, NASA Property in the Custody of Award Recipients.
55. NF 1019, Property Management System Analysis (PMSA).
56. NF 1430, Letter of Contract Administration Delegation, General.
57. NF 1430A, Appendix A-Contract of Administration: Letter of Delegation for NASA Contracts.
58. NF 1430C, Appendix C-Property Administration: Letter of Delegation for NASA Contracts.
59. NF 1430D, Appendix D-Plant Clearance: Letter of Delegation for NASA Contracts.
60. NF 1674, Letter of Delegation for Grants and Cooperative Agreements for Property Administration and/or Plant Clearance.
61. NF 1876, NASA Property Loss Report.
62. NASA Official Fleet Management Handbook. <https://nodis3.gsfc.nasa.gov/npg_img/Portal/index.htm>.
63. Department of Defense (DoD) Form (DD) 250, Material Inspection and Receiving Report.
64. DD 1149, Requisition and Invoice/Shipping Document.
65. DD 1593, Contract Administration Completion Record.

**P.5 Measurement/Verification**

Measurement occurs through various reports defined in Chapter 6 and through the NASA Electronic Submission System (NESS) for NASA award recipients via <https://ness.nasa.gov/contractor> and for NASA and Federal Industry Partners (FIPs) (e.g., Defense Contract Management Agency (DCMA), etc.) administering NASA awards via <https://ness.nasa.gov>. NESS is the Agency’s Accountable Property System of Record (APSR) for reporting NASA GP off-Center/Facility/Installation unless otherwise specified in the award.

## P.6 Cancellation

NPR 4500.1, Administration of Property in the Custody of Contractors, dated February 24, 2014.

# Administration of NASA Property in the Custody of Award Recipients

## Objectives of Property Administration

* + 1. The primary objective of property administration is to efficiently and economically manage all GP provided to or used by NASA’s award recipients in the performance of awards. Meeting this objective is based on managing the risk and realizing the cost benefits associated with the recipient effectively managing GP. A secondary objective of effective property administration is ensuring the availability of GP for effective award performance. A third objective is ensuring the availability of the award recipient’s inventory for reutilization on other U.S. Federal Government or public activities. Both the Government and the award recipient balance the benefits of property administration against the cost.
    2. All recipients of NASA awards with listed GP shall make annual and final property submissions to the NASA Headquarters Contract Property Program in NESS, the Agency’s APSR.
    3. All award recipients (foreign and/or domestic) off Center with GP unless otherwise specified in the award shall submit annual and final property submissions by individual award number via <https://ness.nasa.gov/contractor> starting October 1st-31st each calendar year; this allows the three federal employees to review and approve prior to December 31st when reports are due to NASA Office of Chief Financial Officer (OCFO) and OMB. (See Table 6-1 for more information.) NESS will capture all data until the final disposition property submission is submitted prior to award closeout.

## Scope and Process

### The scope of property administration efforts is determined by the NASA award and regulatory requirements, the amount, and types of GP, the complexity of the recipient’s property management system (PMS), compliant with NPD 4500.1, Administration of Property in the Custody of Award Recipients, and the requirements in this NPR.

### Property administration begins prior to award when the Industrial Property Officer (IPO) participates in the construction of the solicitation by assisting the CO/GO in determining the application of clauses, terms, and solicitation provisions based on the anticipated award circumstances. Solicitations for grants and cooperative agreements are drafted by various grant program Technical Officers (TOs), who are located at NASA Centers and in Mission Directorates.

### Property administration continues through the solicitation phase where the IPO provides guidance to the CO/GO regarding GP issues that may arise while evaluating proposal materiel related to GP and evaluating or providing any known information on the award recipient’s past performance of property management. In the award process, the IPO may seek the assistance of a Government Property Administrator (GPA) in evaluating the recipient’s proposed plans, methods, standards, procedures, and practices and in providing any known information on the recipient’s past performance of property management.

### Property administration is required only when NASA awards have GP.

### a. COs/GOs shall notify the Center IPOs immediately when GP is required on and/or removed from an award.

### b. All awards with GP associated shall have updated descriptive property listing at the beginning of property administration, when period of performance is updated; and if there are any PMSAs, changes with property (e.g., acquiring, adding, deleting, transferring, disposal, loss, etc.)

### Property administration continues throughout award execution as the IPO/GPA reviews and approves property submissions by award number in NESS, oversees and evaluates award recipient’s performance of GP management through the PMSA process, and reviews property reports (including but not limited to OMB-controlled NF 1019, Property Management System Analysis (PMSA) used when awards are not delegated to FIP and NF 1876, NASA Property Loss Report) of loss, damage, destruction, or theft of GP. These evaluations are critical to determining the level of risk to the government associated with providing property.

### Property administration concludes only when all GP is dispositioned and all property-related actions are completed and documented in all NASA systems (e.g., NESS by IPO/GPA, Equipment Systems by Supply and Equipment Management Officer (SEMO)) by award number and award files.

## Responsibilities

### The Assistant Administrator (AA) of the Office of Strategic Infrastructure (OSI) delegates authority to the Division Directors for formulation and implementation of policy guidance.

### The Division Director, Logistics Management Division (LMD) is responsible for functional oversight and guidance.

### The HQ-Contract Property Program Manager (CPPM), LMD, OSI is a civil servant designated by and reporting to the Director, LMD. Oversees a group of individual projects linked together through a shared Agency goal or common area of impact or for greater visibility to stakeholders related to NASA awards associated with GP off NASA Centers and placed in award recipients NASA awards. Establish metrics on the performance of property in the hands of award recipients and provide routine trend reports to Center and NASA senior management and define training requirements for all personnel under the program.

#### 1.3.3.1 The HQ-CPPM function requires significant training and experience in program and property management in the award and administration processes, implementation of management controls and accountability, and audit requirements and performance. Additional training related to management of personnel, leadership, mentoring, and supervision is also necessary. Training in industrial property management; contract, grant, and cooperative agreement awards; and administration where available from Federal Acquisition Institute (FAI), training modules in the System for Administration, Training, and Educational Resources for NASA (SATERN) (<https://satern.nasa.gov>), etc. Prior to appointment, the HQ-CPPM shall have completed sufficient coursework and experience to qualify for and maintain credentials of FAI Program Manager Level III Certification; Contracting Officer’s Representative (COR) Level III Certification; and Industrial and/or Contract Property Management Certification Level III and may have equivalent certification as a Certified Professional Property Manager (CPPM) from the National Property Management Association (NPMA) specializing in contract property. There is no substitution of education for experience for this position.

#### 1.3.3.2 When an award has accountable GP, it should automatically import the award recipient’s prime award number information electronically in the NESS via NASA’s Enhanced Procurement Data Warehouse (EPDW) system. If award is not in NESS, the Center IPO is accountable for notifying the HQ-CPPM via e-mail with supporting documents (e.g., CO/GO originally signed award and descriptive property listing, Mission Directorate, Program Office Name, etc.) to enter it directly into NESS for visibility in the APSR and audit-readiness in the Agency.

#### 1.3.3.3 The NASA HQ-CPPM reviews for acknowledgement copies of an award, latest award modification, novation, and justification received from the IPO. (See Section 3.2.2.1 for more information.)

#### 1.3.3.4 With concurrence from the Center hiring official, the HQ-CPPM should be considered for the hiring panel for Center IPOs/GPAs; and may assign the IPO to assist other IPOs with their awards, according to workloads.

#### 1.3.3.5 The LOD process and related updated NFs were approved by the Headquarters Office of Procurement (OP) via Control Board December 8, 2020, the HQ-CPPM shall create and sign NF 1430C, Appendix C-Property Administration: Letter of Delegation for NASA Contracts, and NF 1430D, Appendix D-Plant Clearance: Letter of Delegation for NASA Contracts, delegating the authority to perform property administration and or plant clearance duties for NASA off-Center, Facilities and Installations awards when NASA does not have qualified personnel, personnel not present, or otherwise stated in award recipients’ signed awards; and prior to the CO/GO executing the delegation. From FIPs[[1]](#footnote-2), the HQ-CPPM receives hours associated with worked requested to be performed and the original NASA LODs signed by the FIP and HQ-CPPM who is also the LOD owner for Property Administration and Plant Clearance off NASA Centers. (See Section Chapter 3, Delegation and Oversight of Property Administration and Figure 3-1 for more information.)

#### 1.3.3.6 PMS metrics should help NASA management determine whether the program is succeeding, whether the resources allocated to the program are sufficient, and whether they are being effectively utilized. Internal metrics and reports should provide insight into whether the requirements of regulations are being met. The HQ-CPPM, NASA’s OP, Procurement Management and Policy Division (PMPD), and the NASA Shared Services Center (NSSC) will monitor certain critical issues on a regular basis to ensure compliance. (See Section 6.2.1 for more information.)

#### 1.3.4 The Director, NSSC shall provide direction to ensure that personnel under his or her authority comply with the requirements of this NPR.

#### 1.3.5 Center Directors have operational roles and responsibilities, are responsible for executing assigned projects, and have the authority to delegate duties and responsibilities.

#### a. Because each Center retains the ability to award, Center Directors shall appoint a qualified individual to serve as the IPO at their Center and notify responsible division at the Center.

#### b. Center division shall notify HQ-CPPM within 30 business days. The IPOs at Centers are responsible for all NASA Installations and Facilities assigned to their Centers.

#### 1.3.6 The CO/GO shall ensure the offeror’s property management plans, methods, practices, or procedures for accounting for GP are consistent with the requirements of the solicitation in accordance with the CFR and FAR.

#### 1.3.6.1 COs/GOs perform the functions and activities of the position as specified in their appointment or warrant in accordance with the CFR, GCAM, FAR, and NFS. Property administration is one of the functions of overall award administration.

#### 1.3.6.2 The CO/GO is responsible for all business activities under NASA awards. Effective property management is one of the business activities. As such, the CO/GO is required to ensure that GP is managed throughout the life cycle according to the FAR, the FMR at 41 CFR ch. 102, the NFS, NPDs, and NPRs.

#### 1.3.6.3 NASA award recipients are ordinarily required to furnish all property needed to perform Government awards. However, under certain circumstances, the CO/GO may determine that it is in the Government’s best interest to provide GP to recipients. Providing property includes the physical transfer to a recipient of Government-owned property, then known as Government-furnished property (GFP). Providing property also includes authorizing the recipient to acquire property when the property becomes titled to the government under Provisions and Contract Clauses, Government Property, 48 CFR § 52.245-1, and the section Federally-Owned and Exempt Property, 2 CFR § 200.312 on behalf of the Government.

#### 1.3.6.4 When GFP is associated with NASA awards, the CO/GO shall consult and include (if possible) NASA IPOs as the subject matter expert on property matters. Based on the requirement, an assigned NASA IPO/GPA may be asked to serve on the Source Evaluation Boards (SEBs) and/or Requirements Development Teams (RDTs).

#### 1.3.6.5 Authority to perform property administration duties for off-Center awards.

#### a. If the CO/GO retains property administration functions in accordance with Delegation of Property Administration and Plant Clearance, 48 CFR § 1845.503-70, Retention of Property Administration and Plant Clearance, 48 CFR § 1845.503-71, Retention of Property Administration and Plant Clearance, when property is associated. All duties need to be performed in accordance with this NPR. (See Sections 3.3 and 8.4 for more information.)

#### b. A Center IPO/GPA may be assigned to perform property administration duties for an off-Center award if not delegated.

#### (1) For awards performed outside of the Center, NASA Center IPOs/GPAs are responsible for overseeing the implementation of property administration responsibilities delegated to other Federal agencies referred to as FIPs.

#### (2) The CO/GO may delegate authority to perform property administration and plant clearance duties off Center to a FIP with coordination of IPO and HQ-CPPM. (See Chapter 3 for more information)

#### (3) Although the CO/GO may delegate authority to perform GPA duties for off-Center awards to FIPs by other means, such alternate delegations need to comply with award property management and general property management requirements including those of the GCAM, CFR, FAR, and NFS and therefore need to have the concurrence of the HQ-CPPM prior to the CO/GO executing the delegation.

#### 1.3.6.6 When key personnel who are the points of contact on the awards change, the CO/GO or TO shall notify the Center IPO within 30 business days and the IPO to update NESS, the APSR.

#### 1.3.6.7 Copies of approved requests for providing property.

#### a. Unless award recipients have been approved to “self-screen,” COs shall provide copies of approved requests for providing property to the Center IPO so screening of available NASA inventory and other agencies’ excess may take place in accordance with Required Sources of Supplies and Services, 48 CFR pt. 8. (See the Uniform Administrative Requirements, 2 CFR pt. 200, and the GCAM for more information.)

#### b. COs/GOs shall provide copies of approved requests for coordinating property requests with the OCFO when it is likely that the unit cost of items to be acquired, furnished, constructed, or fabricated will meet or exceed the NASA capitalization threshold of $500,000 or above. (See 2 CFR pt. 200 and the GCAM for more information.)

#### 1.3.6.8 Providing transportation assets to recipients.

#### a. COs/GOs shall consult with NASA Center Transportation Officer (CTO) prior to providing transportation assets on contracts, grants, and cooperative agreement recipients.

#### b. In accordance with FAR, 48 CFR pt. 51, Use of Government Sources by Contractors, Contractor Use of Interagency Fleet Management System (IFMS) Vehicles, 48 CFR subpt. 1851.2, COs shall obtain the concurrence of the CTO before providing transportation assets to the award recipient.

#### 1.3.6.9 Novation and change-of-name agreements.

#### a. Novation and change-of-name agreements are administrative actions requiring the involvement of the CO/GO. These actions are completed in accordance with Novation and Change of Name Agreements, 48 CFR subpt. 42.12.

#### b. Section 48 CFR subpt. 42.12, requires the CO to ensure the Office of General Counsel (OGC) has reviewed a recipient’s novation and/or change-of-name agreement for legal sufficiency before the agreement is executed.

#### c. The CO/GO shall notify the Center IPO and HQ-CPPM when a novation agreement is executed with an award recipient by sending an electronic copy via e-mail within 30 days after the agreement is signed.

#### d. The HQ-CPPM shall immediately update the novation and change-of-name agreement information in the NESS award(s) associated with audits in the Agency regarding NASA property in the hands of award recipients.

#### 1.3.7 The NASA Center Industrial Property Officer (IPO) is an inherently Governmental civil servant appointed by the Center Director to coordinate and provide Center-level management oversight of all award property administration activities at and between NASA Centers.

#### 1.3.7.1 The IPO shall serve as the NASA Center/Installation expert in award recipients’ property matters, advising COs/GOs, TOs, program and project managers, and other Center officials on Center logistics activities and on the correct methods, processes, and requirements for managing GP in the custody of NASA award recipients. After consensus with the Center senior management, IPO may be assigned to assist other IPOs with their workload.

#### 1.3.7.2 The IPO function requires significant training and experience in property management, award and administration processes, implementation of management controls and accountability, and audit/analysis requirements and performance. Additional continuous learning and training related to soft skills, management of personnel, leadership, and supervision is also necessary. Continuous learning and training in industrial property management in contract, grant, and cooperative agreement awards and administration where available from FAI, and training modules in SATERN, etc. is recommended. It is recommended prior to appointment or within one year, the IPO complete sufficient coursework and obtain sufficient experience to qualify for and maintain credentials for FAI Industrial and/or Contract Property Management Certification Level III. Equivalent certification as a CPPM from NPMA specializing in contract property is also acceptable along with continuous education and training in either case to keep credentials. Additional coursework can be found on <https://satern.nasa.gov> for Grants and Cooperative Agreements. There is no substitution of education for experience for this position. The IPO shall:

#### a. Participate in acquisition planning sessions to advise on logistics and GFP aspects of planned acquisition actions.

#### b. Remind all parties of the increased risk to both performance and to the property itself associated with providing GP to award recipients.

#### c. Attend all SEB and RDT meetings (when invited) if property is associated.

#### d. Review proposed solicitations to ensure property management issues are correctly addressed in appropriate award property language and clauses.

#### e. Ensure the solicitation response establishes appropriate management controls and addresses any special anticipated property-related award circumstances. (See Chapter 9 in this NPR for more information on grant and cooperative agreement solicitation.)

#### f. Advise the CO/GO of any needed changes to awards.

#### g. Review award recipient’s solicitation to determine if they are responsive to solicitation provisions requiring the submission of plans, practices, systems, and standards and if they address all award requirements and relevant property system functions.

#### h. The IPO will consult with cognizant GPAs to determine whether the recipient’s proposed plans, practices, systems, and standards differ significantly from those already employed at the recipient’s place of performance.

#### i. Seek the GPA’s assessment of past and current performance of property management at that award recipient’s place of performance.

#### j. Participate in proposal evaluations (pre-award or change proposals) and provide written findings to the CO identifying proposal strengths and weaknesses relative to GP issues.

#### k. Provide evaluations of award recipient’s past and present property management performance during the acquisition process.

#### l. Notify the HQ-CPPM within 14 business days upon knowledge of a CO/GO not placing reporting requirements to the Agency’s APSR/NESS in the NASA awards when GP is associated.

#### m. Assist the CO/GO and HQ-CPPM in establishing appropriate property administration and plant clearance for awards by providing property listing, original signed and last modified award information for off-Center delegations.

#### n. Notify the HQ-CPPM upon knowledge of Center IPOs/GPAs giving presentations outside of their perspective Center on Contract Property Program information needs to be sent to HQ-CPPM for approval/comments/review 14 business days in advance prior to presenting. Centers are not authorized to speak on behalf of HQ programs.

#### o. Participate in post-award conferences when requested by the CO and when adequate property management is needed to ensure timely and cost-effective performance.

#### p. Review all NASA awards associated with property and ensure they are loaded in NESS. If there are any discrepancies, the IPO will immediately notify the COs/GOs.

#### q. Review periods of performance in NESS 45+ days out with COs/GOs to determine whether award modifications will take place and send the modifications to HQ-CPPM when awards are delegated to update NESS. No award modifications are needed when a Center IPO/GPA is administering an award; only a notification to change the period of performance in NESS with the award number is needed. Examples of NASA award modifications may include extension to the award and/or GP, or funding being added to or removed from an award recipient.

#### r. Review all property awards and data are in NESS for completeness and accuracy.

#### s. Notify the HQ-CPPM within five business days when awards are not recorded in NESS to ensure they are added immediately.

#### 1.3.7.3 Annual and Final Property Submissions

#### a. Recipients without property associated with their awards are not required to report in NESS. NESS only tracks GP in the hands of NASA award recipients.

#### b. Award recipients with GP are required to create and submit their own annual and final property submission by each prime award number. If assistance is needed, award recipients will contact the Center IPO and HQ-CPPM immediately. If the IPO is unable to resolve, the IPO will contact HQ-CPPM (the program system administrator of NESS) immediately. This submission produces results in OMB-controlled NF 1018, NASA Property in the Custody of Award Recipients, via portable document format (pdf) file once property submission is submitted via https://ness.nasa.gov/contractor. The results from property submissions are sent to NASA’s OFCO and OMB by close of business each calendar year on December 31st.

#### c. Award recipients with GP are required to submit their own final property submission once property is dispositioned at the end of the award according to Solicitation Provisions and Contract Clauses, Financial Reporting of NASA Property in the Custody of Contractors, 48 CFR § 1852.245-73, and the GCAM. If assistance is needed, award recipients will contact the Center IPO and the HQ-CPPM. If additional assistance is needed, the Center IPO will contact HQ-CPPM.

#### d. Each property submission (annual and final) is completed and entered in NESS by the award recipients with GP via https://ness.nasa.gov/contractor.

#### e. If award recipients have any challenges with property submissions, the IPO, GPA, OCFO Property Accountant, or award recipient shall notify the HQ-CPPM via e-mail immediately when aware for resolution. IPOs, GPAs, nor OCFO Property Accountants are authorized to create property submissions without approval via e-mail from HQ-CPPM stating justification on why it authorized. The IPOs may be given writing authority by HQ-CPPM to create submission and place in comments of the submission once created; otherwise, the HQ-CPPM will create the submission with comments.

#### f. All support documents with related to the award (e.g., original signed award, award modifications adding/removing property, disposals, transfers, updated descriptive property listing, extending period of performances, LODs, etc.) will be required to be uploaded by name and date via the Contracts screen under Documents tab in the NESS for Agency audits by GPA or IPO until award recipient gains access.

#### 1.3.7.4 In the performance of PMSA, the IPO shall:

#### a. Perform a joint PMSA with the assigned GPA when property is associated with the award and the GPA is located within a NASA Facility and/or Installation if not delegated to FIP.

#### b. Review and approve or disapprove the work of cognizant GPAs to ensure compliance with Generally Accepted Government Audit Standards (GAGAS) prior to making recommendations to the CO/GO. (See the GAO Yellow Book webpage at http://www.gao.gov/yellowbook for current information and access to the most recent U.S. Government Auditing Standards publication.)

#### c. Ensure for all awards that the PMSA Summary and Outcome tabs are populated and have the latest information and that the PMSAs are uploaded to the Document tab in NESS within 30 business days including any supporting documentation (e.g., CO/GO signed letter of determinations, corrective action plans including resolutions, current/descriptive property listing, disposal documentation, etc.).

#### d. Notify the GPA to ensure the PMSA task is completed according to the result of the Risk Assessment Matrix (Table 5-1) and, if no response is received from the GPA within 14 business days of written notification, notify the HQ-CPPM via e-mail with the notification that was sent to the assigned GPA included as an attachment.

#### e. Use the NF 1019 to accomplish awards assigned when GP and acquired property are associated with NASA awards off-NASA Centers and not delegated; and a similar format is used by FIP. The PMSA is performed to satisfy the NF 1018 section 20 (a.-Property System Approved (Yes or No) and b.-System Analysis (Satisfactory or Unsatisfactory) and the PMSA screen in NESS.

#### f. Notify the CO/GO, OCFO Property Accountant, and HQ-CPPM immediately by award number once the NASA award recipient does not submit an annual property submission by October 31 each year or does not submit a final property submission within 14 business days after property is dispositioned.

#### g. Review reports submitted GPAs and/or external FIP GPAs and provide the NASA CO/GO with an evaluation of whether the award recipient’s system adequately performs within award requirements and a recommendation of any necessary remedial actions. An IPO can function as a GPA, when required.

#### 1.3.8 NASA GPAs are inherently Governmental civil servants appointed in accordance with Agency guidance as GPAs. Property administration involves tasks that often call for the evaluation of a recipient’s performance of GP management of award requirements. The GPA reviews, provides feedback, and suggests changes to property clauses.

#### 1.3.8.1 To function effectively as the individual responsible for the evaluation of award recipient’s property performance, the GPA needs significant training and experience in property management and in the award and administration processes, implementation of management controls and accountability, and audit requirements and performance. Additional continuous learning and training in soft skills, industrial property management and contract, grant, and cooperative agreement awards and administration where available from FAI and SATERN training modules, etc. is recommended. It is recommended prior to the appointment or within one year, the GPA should have completed sufficient coursework and obtained adequate experience to qualify for and maintain credentials for FAI Industrial and/or Contract Property Management Certification Level II or equivalent or certification as a Certified Professional Property Administrator (CPPA) from NPMA with specialization in contract property management along with continuous education and training to keep credentials. Additional coursework can be found on <https://satern.nasa.gov> for Grants and Cooperative Agreements. There is no substitution of education for experience for this position.

#### 1.3.8.2 The GPA is the appointed representative of the CO/GO regarding the award and technical aspects of GP. As such, the GPA is part of the award administration team. The principal responsibility of the GPA is line administration of the property management-related terms of the award. These terms are specifically related to the award recipient’s obligations to acquire, control, protect, use, maintain, report, disposition, and in some cases deliver GP. NASA is not responsible for duplication of efforts when property administration is delegated to FIPs. After consensus with the Center senior management, GPA may be assigned to assist other IPOs with their workload.

#### 1.3.8.3 This point forward in the document, GPA duties refer to NASA and FIP. The GPA shall:

#### a. Accept appropriate delegations of property administration and acknowledge that acceptance according to the Agency’s procedures.

#### b. Perform property administration functions in accordance with this NPR.

#### c. Establish and maintain the official award property data files and supporting documentation in NESS Contracts screen under Documents (e.g., Original signed awards, award modifications acquiring, adding/removing property and extending period of performance, descriptive property listing, signed LODs, etc.).

#### d. Review the award recipient’s reports regarding investigation of reported physical inventory discrepancies and variances to determine actual gains and or losses and notify the Center IPO and CO/GO with written correspondence regarding discrepancies resulting in loss of GP.

#### e. Review the award recipient’s reports regarding investigation of occurrences of loss of GP and recommend remedial action by the CO/GO, including holding the recipient liable for loss when the recipient’s property system is deemed inadequate and corrective actions are not taken or when the circumstances surrounding incidents of loss indicate fraud or lack of good faith by the award recipient’s managerial personnel. Award recipients may use the NF 1876 if needed to assist in their reporting.

#### f. Provide the CO/GO with recommendations concerning award recipient responsibility and liability for loss of property based on award terms and conditions.

#### g. Perform the duties and responsibilities prescribed under 48 CFR § 52.245-1; , Responsibilities of the Property Administrator, and 48 CFR § 1845.505-70; the GCAM; 2 CFR pt. 200; and this NPR.

#### h. Develop and apply risk-based assessment strategies in the performance of property management.

#### i. Plan, develop, and perform the PMSA to assess and determine the effectiveness of the award recipient’s PMS, which can include limited or full PMSA outcomes by using the NF 1019. NASA is not responsible for duplication of efforts when property administration is delegated to FIPs.

#### j. Complete PMSA screen for all awards’ PMSA Summary and Outcome tabs, upload all related documents by award number, name of document, date of performance (i.e., PPP, PMSA, signed determination letter(s), corrective action plans and results, loss and disposal reports, updated descriptive property listing, etc.) to Documents tab in NESS according to the risk matrix applied, and signed determination letter(s) is sent to the IPO via e-mail for CO/GO signature. (See Appendix A, Definitions)

#### k. Evaluate the award recipient’s internal audit processes, procedures, and results and assist in the development of the protocols for their use in evaluating the award recipient’s property management processes.

#### l. Evaluate the award recipient’s compliance with award requirements to determine the adequacy of the recipient’s property management processes throughout the property life cycle.

#### m. Ensure the correction of property management process inadequacies, defects, and deficiencies and notify the award recipient when system defects or deficiencies create an unacceptable risk to the Government.

#### n. Advise the CO/GO and other appropriate Government customers regarding the award recipient’s failure to perform in accordance with award requirements, including failure to maintain a PMS adequate for protection, preservation, and appropriate disposition of property under award circumstances and conditions.

#### o. Notify the CO/GO in the event of excessive or improper acquisition by the award recipient and recommend cost disallowance or other appropriate remedy.

#### p. Perform, to the degree resources are available, program-requested reviews of property acquisition, control, management, use, and disposition at a minimum.

#### q. Support and assist the award recipient’s personnel, COs/GOs, TOs, program managers, and other personnel in the resolution of property administration matters.

#### r. Forward requests for furnished materiel from NASA supply activities and assist the Center SEMO in receipt and reconciliation in accordance with NPR 4100.1, NASA Supply Support and Materiel Management.

#### s. Provide guidance and direction to all levels of government and award recipient personnel relating to regulatory and award GP requirements.

#### t. Review award recipients’ records and operations to ensure the recipient promptly reports GP no longer required for performance of the award for disposition in accordance with award provisions, clauses, and/or special directions.

#### u. Recommend that any corrective actions be identified as an area of emphasis to the CO/GO and IPO when significant deficiencies exist that require corrective actions during an upcoming award period.

#### v. Support the CO/GO, Plant Clearance Officer (PLCO), or Property Disposal Officer (PDO), TO, COR and other Government representatives to ensure timely, complete, and proper disposition of GP.

#### w. Obtain and review the award’s required reports of property for all assigned awards. These reports include but are not limited to NESS annual/final property submissions and NF 1019, etc.

#### x. Review, for approval, a submitted annual property submission by award for accuracy and completion and have auditable documentation to support the submission.

#### y. Obtain the award recipient’s supporting documentation (e.g., accurate property listings, records of acquisition, deletions, acquire, transfers to NASA Centers and open NASA award number(s), etc.) for validation of annual property submissions. Documents need to reflect data in the award recipient’s PMS by close of business September 30th of the fiscal year. Supporting documentation is required for validation of final property submissions.

#### z. Complete validation of the award recipient’s property submission report prior to approving or disapproving the report in NESS.

#### aa. Ensure that NASA award recipients with property submit annual property submissions in NESS by award number until all property is dispositioned and make a final property submission at the end of the award.

#### bb. If the award recipient does not submit a property submission, notify the Center CO/GO, IPO, and OCFO Property Accountant in writing and, if no response is received in 14 business days, notify the HQ-CPPM in writing in an e-mail with associated award number and property listing.

#### cc. Prepare and submit other reports and data requested by, for example, program offices and NASA HQ.

#### dd. Perform requested support for property administration in accordance with the FAR subpt., Support Government Property Administration, 48 CFR subpt. 45.5, NFS 1845.5; 2 CFR pt. 200; GCAM; and this NPR.

#### ee. Recommend remedial action by the CO/GO, including holding the award recipient liable for loss when the recipient’s property system is deemed inadequate and corrective actions are not taken or when the circumstances surrounding incidents of loss indicate fraud or lack of good faith by the recipient’s managerial personnel.

#### ff. Recognize the technical responsibilities of other government personnel who are involved with GP and obtain their assistance when required. These functions include but are not limited to award administration, property administration, plant clearance, award audit, quality assurance, engineering, pricing, subcontracting, production, transportation, and other technical areas. When required, Defense Contract Audit Agency (DCAA) assistance and advice on matters involving analyses of the award recipient’s accounting records, financial aspects of property reports, and any other appropriate financial audit matters may be obtained through the CO/GO.

#### gg. Notify the CO/GO on completion of all plant clearance actions and closure of property administration within 14 business days after award performance has ended.

#### hh. Report all property administration challenges to the Center IPO in writing and notify the HQ-CPPM with the original notification if the IPO does not address the matter within 21 business days.

#### 1.3.8.4 The IPO/GPA shall ensure all information is included in the NESS PMSA screen by completing Summary and Outcome tabs each PMSA term; under Documents tab (all PMSAs performed, latest descriptive property listing, corrective action plans and resolutions documentation, CO determination letters, entrance/exit information, disposal documentation, etc.). Under award-fee awards, the GPA may:

a. Provide evaluations relative to the award recipient’s performance of its GP responsibilities to support the award fee process.

b. When significant deficiencies exist requiring corrective actions during an upcoming award fee period, recommend that any corrective actions be identified as an area of emphasis.

#### 1.3.8.5 The NASA Center PDO is appointed to specific awards by the Center. When property located within a NASA Center/Installation is dispositioned through the Center PDO, the Center PDO shall instruct the award recipient to:

a. Use the NASA Disposal Component of the NASA Property, Plant, and Equipment (PP&E) system for processing and reporting property disposition transactions.

b. Administer property until it is either removed by Center property disposition personnel or dispositioned in place.

#### 1.3.8.6 When awards are performed outside of a NASA Center/Installation, property administration and plant clearance may be retained by the NASA IPO/PDO. If not, 48 CFR § 1845.503-70 provides that plant clearance is normally delegated to the FIP’s PLCO. Regardless of the option selected, the individual with responsibility for plant clearance is required to disposition property according to Reporting, Reutilization, and Disposal, 48 CFR subpt. 45.6; NPR 4300; GCAM; 2 CFR pt. 200; and the appropriate chapters of the FMR. NASA is not responsible for duplication of efforts when plant clearance is delegated to FIPs.

## Deviation From This NPR

### 1.4.1 A deviation is any of the following:

a. Use of a form different from a Standard Form (SF) or NASA Form (NF) prescribed by this NPR.

b. Alteration of an SF or NF, except as authorized by this NPR.

c. Alteration of the existing content for NF 1430, Letter of Contract Administration Delegation, General, NF 1430A, Appendix A-Contract of Administration: Letter of Delegation (LOD) for NASA Contracts, NF 1430C, NF 1430D, NF 1674, Letter of Delegation (LOD) for Grants and Cooperative Agreements for Property Administration and/or Plant Clearance, NF 1876, NF 1018, and NF 1019.

1. Any policy, procedure, method, or practice inconsistent with this NPR.

### 1.4.2 Deviations from this NPR will be authorized only when special circumstances make such deviations clearly in the best interests of the government. With concurrence of the LMD Director, the HQ-CPPM is authorized to approve such deviations.

# Pre-Award Processes

## 2.1 Solicitation Preparation

### 2.1.1 Procurement Support

The IPO and GPA may begin their support of award administration activity with the solicitation preparation process. IPOs and GPAs provide valuable professional guidance in property management, ensuring use of appropriate award language during preparation of the solicitation and assisting in the collection of property-related information such as the quantity and value of inventory holdings and lists of available property. As the correct selection of award property clauses and the correct collection of property-related information are critical to the eventual success of property management efforts, the IPO review of any awards with a potential for providing property is essential. (For information related to grant and cooperative agreement solicitation preparation, 2 CFR pt. 200 and the GCAM.)

### 2.1.2 Review of Solicitation/Award

#### 2.1.2.1 The IPO shall review the requirements of the solicitation or award, in particular any requirement related to property management.

#### 2.1.2.2 The review begins with the Statement of Work to determine if it contains property management tasks, tasks related to property management, or tasks that will not be successful without effective property management. This review should be used to guide the IPO in selecting appropriate award property clauses and coordination of Center and other NASA property in support of the property management effort.

2.1.2.3 When consulting on future acquisitions prior to issuance of solicitations or reviewing solicitations after issuance, the IPO shall:

a. Recommend appropriate solicitation provisions in accordance with Contract Clauses, 48 CFR § 1845.107.

b. Advise the CO to use the appropriate provision with its alternate for prospective award recipients to review the existing property for function and condition.

c. Assist the CO in determining the appropriate application of Solicitation Provisions and Contract Clauses, Government Property Installation Operation Services, Government Property Installation Operation Services, 48 CFR § 52.245-2, and which property may be offered under its authority.

#### 2.1.2.4 The IPO should recommend including Alternate II to the clause in any award where research property will be provided to nonprofit institutions of higher education or nonprofit research institutions. The IPO may recommend including items of contractor -acquired property valued at greater than $5,000 when it is likely that NASA will have no further need for the property and at the conclusion of the award, the award recipient expresses an interest in retaining the property, and the program office concurs. The IPO should consult the Center Equipment Manager and the Center PDO to determine the likelihood of further use by NASA activities prior to making this recommendation.

* + - 1. In all awards that contain 48 CFR § 52.245-1, the IPO shall recommend including:

a. 48 CFR § 52.245-9.

b. Solicitation Provisions and Contract Clauses, Property Management Changes, 48 CFR § 1852.245-75.

2.1.2.6 The IPO may recommend including 48 CFR § 52.245-2, in an award where there is exclusive on-Center performance by the award recipient, existing GFP will be provided, and it is expected that the serviceable life of the GFP will not survive the term of the award. Weapons, property controlled under the International Traffic in Arms Regulation (ITAR) and Export Administration Regulations (EAR), and items requiring demilitarization may not be included under this clause. This property may only be provided at award inception. Additional property cannot be added to that identified in the award.

2.1.2.7 The IPO should recommend including Solicitation Provisions and Contract Clauses, Contractor Requests for Government-Furnished Property, 48 CFR § 1852.245-70, in all awards with property associated.

2.1.2.8 When NASA anticipates an award with on-site performance, the IPO should recommend including the IAGP clause, 48 CFR § 1852.245-71. This clause requires the use of Center property management processes and practices for the on-Center activities of the award recipient. Center property information systems are to be used to maintain records to the degree that they are available unless otherwise specified in the award.

a. If a Center property information system is not available or is inadequate to support award performance, the award recipient is required to manage property and record property in accordance with 48 CFR § 52.245-1. This includes any property that does not qualify for control under NASA procedural guidance or Center procedural guidance. IPOs should note that the recipient should propose the system of record-keeping and it may include recording of low-cost durable items in quantity when cost-effective and there is low risk of loss, damage, or destruction.

b. The IPO should coordinate the use of the IAGP clause with the Center SEMO to determine its effect on Center operations. When Center operations are unable to support any or all the effort and the award recipient will perform some or all property management activities, the IPO shall work with the SEMO to provide language for inclusion in the award that provides the description of appropriate property management tasks to be accomplished by the recipient. Tasks may be included within the clause requirements or within the Statement of Work.

c. The IPO shall:

1. Recommend including the IAGP clause 1852.245-71 with its alternate if the award recipient is to perform receiving activities.
2. Ensure all IAGP 1845.245-71(c) section checkmarks correctly reference the service or listing being provided. For example, “(c) 3. Property listed in [Insert attachment number or ‘not applicable’ if no equipment is provided]” should reference an IAGP listing attachment or be marked “not applicable.”
3. Recommend including the NFS clause Liability for Government Property Furnished for Repair or Other Services, 48 CFR § 1852.245-72, when the exclusive purpose of the award is the repair, maintenance, or calibration of NASA equipment.
4. Recommend including 48 CFR § 1852.245-73, in any award when GP is furnished or when a cost line item and any off-Center performance requirement exists. The clause should also be included in any award that contains the FAR clause Progress Payments, 48 CFR § 52.232-16.
5. Recommend including Solicitation Provisions and Contract Clauses, Identification and Marking of Government Equipment, 48 CFR § 1852.245-74, in any award that contains 48 CFR § 52.245-1, or that requires the delivery of property.
6. Recommend including Solicitation Provisions and Contract Clauses, List of Government Property Furnished Pursuant to FAR § 52.245-1, 48 CFR § 1852.245-76, and 2 CFR pt. 200 in any award where the award recipient has requested property and ensure that either the property is listed within the 48 CFR § 1852.245-76 clause or a property list is referenced in an attachment. The government will provide GP under 48 CFR § 52.245-1.
7. Recommend including Solicitation Provisions and Contract Clauses, List of Government Property Furnished Pursuant to FAR 52.245-2, 48 CFR § 1852.245-77, in on-Center awards when property will be furnished as is to the award recipient in an initial provision; the IPO, program officials, and CO/GO anticipate that the performance life span of the furnished property will not survive the performance period of the award; and the recipient will be required to replace nonfunctional property with contractor-owned property unless otherwise stated in the award.
8. Recommend including Solicitation Provisions and Contract Clauses, Physical Inventory of Capital Personal Property, 48 CFR § 1852.245-78, in any award where property will be provided. The requirement to conduct physical inventory of items under this clause is limited to those items with a value of $500,000 or above where the award recipient does not have custody of items under that value. Including 48 CFR § 1852.245-78 provides assurance that the recipient will identify and ensure the existence of any items that may meet NASA’s capitalization criteria on an annual basis.
9. Recommend including Solicitation Provisions and Contract Clauses, Records and Disposition Reports for Government Property with Potential Historic or Significant Real Value, 48 CFR § 1852.245-79, in awards that are likely to generate property of this nature. The Center Cultural Resource Manager (CRM) and the CO/GO are required by the NFS prescription to determine the appropriate use of the clause. However, the IPO should be aware of its use to ensure award recipients’ compliance with record-keeping and reporting requirements.
10. Recommend including Solicitation Provisions and Contract Clauses, Government Property Management Information, 48 CFR § 1852.245-80, in all awards with GP solicitations, carefully review all responses, and advise the CO/GO when there is a significant response that will require further consideration.
11. Recommend including Solicitation Provisions and Contract Clauses, List of Available Government Property, 48 CFR § 1852.245-81, in all solicitations where GP will be made available for award performance and ensure that property lists are referenced in the applicable sections.
12. Work with the Center facilities and real property offices to ensure the correct insertion of real property clauses (i.e., Solicitation Provisions and Contract Clauses, Occupancy Management Requirements, 48 CFR § 1852.245-82, and Solicitation Provisions and Contract Clauses, Real Property Management Requirements, 48 CFR § 1852.245-83) in awards.
13. Consult with Center CTO when transportation assets (such as motor vehicles, trailers, and vessels) are to be provided to award recipients, to ensure that the award contains Solicitation Provisions and Contract Clauses, Federal Automotive Statistical Tool Reporting, 48 CFR § 1852.223-76, as well as NFS clauses 48 CFR § 1852.228.75, 1852.245-73, 1852.245-74, and FAR clauses 48 CFR § 52.208-6, 52.228-7, 52.228-8, 52.228-10, 52.247.21, and 52.251-1.
    * + 1. Award Property Clauses

a. The IPO shall review award terms and conditions and apply professional judgment to determine the appropriate FAR and NFS clauses to be used in the award. IPOs should consider costs associated with implementing property clauses within the award in addition to the requirements of associated laws and regulations.

b. The IPO should recommend including 48 CFR § 52.245-1, in any award where property is furnished or associated.

c. The IPO should recommend including Alternate 1 to the clause in any fixed price award when the conditions of the FAR section Contract Clauses, 48 CFR 45.107(a)(2), apply.

d. The IPO should recommend including Alternate II to the clause in any award where research property will be provided to nonprofit institutions of higher education or nonprofit research institutions. The IPO may recommend including items of contractor -acquired property valued at greater than $5,000 when it is likely that NASA will have no further need for the property and at the conclusion of the award, the award recipient expresses an interest in retaining the property, and the program office concurs. The IPO should consult the Center Equipment Manager and the Center PDO to determine the likelihood of further use by NASA activities prior to making this recommendation.

e. In all awards that contain 48 CFR § 52.245-1, the IPO shall recommend including:

(1) 48 CFR § 52.245-9.

(2) 48 CFR § 1852.245-75.

f. The IPO may recommend including the 48 CFR § 52.245-2, in an award where there is exclusive on-Center performance by the award recipient, existing GFP will be provided, and it is expected that the serviceable life of the GFP will not survive the term of the award. Weapons, property controlled under the ITAR and EAR, and items requiring demilitarization may not be included under this clause. This property may only be provided at award inception. Additional property cannot be added to that identified in the award.

g. The IPO should recommend including 48 CFR § 1852.245-70, in all awards with property associated.

h. When NASA anticipates an award with on-site performance, the IPO should recommend including the IAGP clause, 48 CFR § 1852.245-71. This clause requires the use of Center property management processes and practices for the on-Center activities of the award recipient. Center property information systems are to be used to maintain records to the degree that they are available unless otherwise specified in the award.

(1) If a Center property information system is not available or is inadequate to support award performance, the award recipient is required to manage property and record property in accordance with 48 CFR § 52.245-1. This includes any property that does not qualify for control under NASA procedural guidance or Center procedural guidance. IPOs should note that the recipient should propose the system of record-keeping and it may include recording of low-cost durable items in quantity when cost-effective and there is low risk of loss, damage, or destruction.

(2) The IPO should coordinate the use of the IAGP clause with the Center SEMO to determine its effect on Center operations. When Center operations are unable to support any or all the effort and the award recipient will perform some or all property management activities, the IPO shall work with the SEMO to provide language for inclusion in the award that provides the description of appropriate property management tasks to be accomplished by the recipient. Tasks may be included within the clause requirements or within the Statement of Work.

(3) The IPO shall:

(a) Recommend including the IAGP clause 1852.245-71 with its alternate if the award recipient is to perform receiving activities.

(b) Ensure all IAGP 1845.245-71(c) section checkmarks correctly reference the service or listing being provided. For example, “(c) 3. Property listed in [Insert attachment number or ‘not applicable’ if no equipment is provided]” should reference an IAGP listing attachment or be marked “not applicable.”

(c) Recommend including the NFS clause Liability for GFP for Repair or Other Services, 48 CFR § 1852.245-72, when the exclusive purpose of the award is the repair, maintenance, or calibration of NASA equipment.

(d) Recommend including 48 CFR § 1852.245-73, in any award when GP is furnished or when a cost line item and any off-Center performance requirement exists. The clause should also be included in any award that contains the FAR clause Progress Payments, 48 CFR § 52.232-16.

(e) Recommend including 48 CFR § 1852.245-74, in any award that contains 48 CFR § 52.245-1, or that requires the delivery of property.

(f) Recommend including 48 CFR § 1852.245-76, and 2 CFR pt. 200 in any award where the award recipient has requested property and ensure that either the property is listed within the   
48 CFR § 1852.245-76 clause or a property list is referenced in an attachment. The Government will provide GP under 48 CFR § 52.245-1.

(g) Recommend including 48 CFR § 1852.245-77, in on-Center awards when property will be furnished as is to the award recipient in an initial provision; the IPO, program officials, and CO/GO anticipate that the performance life span of the furnished property will not survive the performance period of the award; and the recipient will be required to replace nonfunctional property with contractor-owned property unless otherwise stated in the award.

(h) Recommend including 48 CFR § 1852.245-78 in any award where property will be provided. The requirement to conduct physical inventory of items under this clause is limited to those items with a value of $500,000 or above where the award recipient does not have custody of items under that value. Including 48 CFR § 1852.245-78 provides assurance that the recipient will identify and ensure the existence of any items that may meet NASA’s capitalization criteria on an annual basis.

(i) Recommend including 48 CFR § 1852.245-79, in awards that are likely to generate property of this nature. The CRM and the CO/GO are required by the NFS prescription to determine the appropriate use of the clause. However, the IPO should be aware of its use to ensure award recipients’ compliance with record-keeping and reporting requirements.

(j) Recommend including 48 CFR § 1852.245-80, in all awards with GP solicitations, carefully review all responses, and advise the CO/GO when there is a significant response that will require further consideration.

(k) Recommend including 48 CFR § 1852.245-81 in all solicitations where GP will be made available for award performance and ensure that property lists are referenced in the applicable sections.

(l) Work with the Center facilities and real property offices to ensure the correct insertion of real property clauses (i.e., the NFS clause Occupancy Management Requirements,   
48 CFR § 1852.245-82, and 48 CFR § 1852.245-83) in awards.

(m) Consult with Center CTO when transportation assets (such as motor vehicles, trailers, and vessels) are to be provided to award recipients, to ensure that the award contain 48 CFR § 1852.223-76, as well as NFS clauses 48 CFR § 1852.228.75, 1852.245-73, 1852.245-74, and FAR clauses 48 CFR § 52.208-6, 52.228-7, 52.228-8, 52.228-10, 52.247.21, and 52.251-1.

#### 2.1.2.10 Offering Property for Award Performance

While the decision to provide property to an award recipient is a decision reserved for the CO/GO, the IPO shall advise the CO/GO regarding the provision of property, noting such factors as the risk to both award performance and to the loss, damage, destruction, or misuse of the property, as well as the increased cost of administration and disposition of property.

#### 2.1.2.11 Funding for Administration and Disposition of GP

#### a. The Mission Directorates shall identify and provide funding in the award for the administration and disposition of GP.

#### b. The NFS solicitation provision 48 CFR § 1852.245-80 requests information from the award recipient regarding the direct charging of property. Under cost award, property that is directly charged to the Government becomes titled to the Government and is considered “provided” to the award recipient. As a result, the IPO shall:

(1) Consider that in awards with cost components, some award recipients may not request property in response to the solicitation but will acquire it as a direct cost after award in accordance with their disclosed cost accounting practices.

(2) Advise the CO/GO of this possibility when the IPO believes it to be appropriate.

### 2.1.3 Award Recipients Operating Within NASA Facilities

#### 2.1.3.1 In accordance with IAGP clause, 48 CFR § 1852.245-71, on Center recipients operating within NASA Centers and Installations are required to utilize available NASA systems to maintain property records and to follow NASA policies and procedures for the management of GP unless stated otherwise in the award.

#### 2.1.3.2 The IPO shall ensure that the Center SEMO is informed of any use of the IAGP clause and obtain the Center SEMO’s concurrence prior to completing the solicitation evaluation.

#### 2.1.3.3 Center procedures need to provide for any additional coordination of award reviews. When additional coordination is required, Center procedures will include instructions and assign responsibility for proper maintenance of any procurement-sensitive information.

#### 2.1.3.4 IPOs shall monitor the receipt and, if required, ensure the prompt completion of any additional reviews.

### 2.1.4 Award Recipient Use of NASA Property Management Information Systems

a. The IPO shall work with the SEMO to ensure that Center procedures provide clear implementation of the requirements of Chapter 4 of this NPR regarding processing transfers of property to and from awards.

b. The IPO, working with the CO/GO and SEMO, shall ensure that language is included within the IAGP clause or that other appropriate guidance is provided to award recipients regarding:

(1) When property will be managed within a recipient’s system.

(2) When property will be managed within NASA systems.

(3) How it will be managed during transitions between the two (recipient and NASA systems).

c. The IPO shall work with the SEMO and real property personnel to identify local procedures that require incorporation in the appropriate section of the IAGP clause.

d. IPOs should also ensure the proper notation of the IAGP clause related to the services and property to be provided from Center sources.

e. When award recipients are required to perform significant property management tasks, i.e., logistics support or program logistics, the IPO shall assist in the development of special requirements for inclusion in the Statement of Work.

### 2.1.5 Award Recipient with Mixed On- and Off-Center Performance

#### 2.1.5.1 IPOs shall pay special attention to awards when it is anticipated that recipients will have both on- and off-Center performance requirements. Proper application of the IAGP clause is essential.

a. The IPO shall work with the SEMO and the CO/GO to ensure that language is included in the IAGP clause to provide clear guidance to award recipients regarding:

(1) When property will be managed according to award recipient plans and recorded in the recipient’s system.

(2) When it will be managed according to Center process and systems.

(3) How it will be managed during transitions between the two.

#### 2.1.5.2 Receiving Activities

The IPO shall:

a. Ensure that the award contains the appropriate alternates regarding award recipient’s receiving facilities.

b. Consult with the SEMO to determine the impact of award receipts on Center operations.

c. After consulting with the SEMO, advise the CO/GO of any requirement for use of the alternate clause.

d. Establish processes to ensure the Center Equipment Manager is advised of the recipient’s acquisition and receipt of Government-owned property when the property will be used within the Installation or Center.

### 2.1.6 Documentation of Recommendations

a. The IPO shall:

(1) Establish an award property file for each solicitation or award reviewed. The folder should contain all relevant documents. Electronic files are adequate for this purpose if they can be readily referenced and are organized consistently.

(2) Document any recommended changes to the solicitation or award in the form of a memorandum or e-mail to the CO/GO and retain a copy in the award property file and follow any special communication and data storage methods of sensitive information.

## 2.2 Evaluation of Award Recipient’s Proposed Property Plans

### 2.2.1 Completeness of Proposed Property Plans

#### 2.2.1.1 Prior to review of the award recipient’s proposed property plan (PPP), the IPO shall identify applicable segments or outcomes required by the circumstances of the award. Some awards may not require all segments or outcomes. For example, some recipients may not be required to store GP, or all property provided to a recipient may be consumed during performance, negating the requirement for maintenance as none of those items would fall within equipment, special test equipment (STE) or special tooling (ST) categories. As such, the IPO needs to be familiar with all aspects of the award’s GP requirements.

#### 2.2.1.2 For grants and cooperative agreements with recipient-purchased equipment that vest in the Federal Government, the PPP does not apply. However, 2 CFR pt. 200 does establish minimum equipment management requirements for grant and cooperative agreement recipients. The IPO shall document the solicitation/award file as to whether a particular segment or outcome of the property system is applicable and, if not, why not.

#### 2.2.1.3 After determining the applicability of segments or outcomes, the IPO shall:

#### a. Determine whether the PPP addresses all applicable segments or outcomes.

b. Consider the factors associated with risk to safety, performance, and cost when determining the criticality of property plan performance to the overall award effort and when establishing the scope and depth of the review of the award recipient’s PPP for acceptability.

c. If an applicable segment or outcome is not adequately addressed, advise the CO/GO that the award recipient’s PPP is deficient in that regard, and that the recipient is required to address the deficient areas prior to award.

d. Ensure the award recipient’s property management procedures clearly describe how they will perform physical inventories, identify by title, the employees responsible for performing each phase of the inventory, and specifically define the frequency of physical inventory performance. e. The physical inventory method and frequency need to be sufficient to ensure the accuracy of the balance on hand as reflected in the award recipient’s records. The procedures need to clearly define a process for normal and reasonable inventory adjustments.

f. Ensure the award recipient’s procedure requires that severable items of commercially available equipment incorporated into STE or systems are uniquely within the recipient’s record system.

g. Ensure the award recipient’s PMS enables correct categorization of GP for property submission reporting purposes in accordance with the GCAM and 48 CFR § 1852.245-73.

### 2.2.2 Award Recipients’ Proposed Standards, Practices, Processes, and Systems

#### 2.2.2.1 Use of Voluntary Consensus Standards (VCS)

1. Federal Law, the FAR, Executive Orders, OMB Circulars, and U.S. Department of Commerce regulations encourage the use of VCS in lieu of creating and implementing specific Federal or Agency standards and practices, except where VCS do not satisfy the specific, justified requirements of the Agency. NASA or Center-specific requirements may drive additional award cost, so the application of NASA or Center-specific requirements should be considered carefully and added only when the need for the additional activity, report, or record outweighs possible costs, schedule delays, or other negative outcomes.
2. It is important to establish whether an award recipient’s proposed VCS satisfy both Government and NASA-specific requirements. While VCS are likely to be sufficient and applicable for most awards and should be approved for those segments or outcomes of the property systems they address, the IPO should work with program and project management personnel to determine whether the circumstances of the award justify NASA-specific procedural requirements or performance requirements. For example, property acquired for human-rated space flight systems is likely to require a higher level of quality to ensure safety. As such, the award recipient’s property system may require specific shelf-life standards and special storage requirements. The recipient’s records and supply issue processes may need to have a high level of accuracy to ensure that the correct, authentic, and current part is used. Similarly, the award’s circumstances may require retention of sufficient inventory or the ability to acquire sufficient inventory within limited, award-required timeframes to avoid flight delays. Higher performance standards may be required within the award recipient’s acquisition and consumption segments or outcomes to ensure this.
3. Voluntary Consensus Standards — Procedural. Some VCS provide procedural guidance or instructions on how to perform an activity. These standards describe the award recipient’s methods for performing property activities. These standards generally provide minimal standard requirements that can be agreed to by all parties. To the degree that these procedures are both adequate to ensure the proper use and protection of NASA property and the execution of the requirements of the award, the IPO should accept them.
4. Voluntary Consensus Standards—Performance. Some VCS specify levels of performance. For example, a standard may categorize a PMS’s risk based on the loss rate experienced over a period, recognized during a physical inventory, or based on the criticality of the item to mission performance. The FAR places greater emphasis on the outcomes of a property system than on the methods used to achieve the outcome; performance standards should be preferred to procedural standards. IPOs should encourage use of performance standards or a combination of their use with procedural standards.

#### 2.2.2.2 Use of Industry Leading Practices and Standards (ILPS).

The IPO should take care in accepting the use of ILPS. While the FAR allows for their use, it does not define their term. Considering this, it is important to differentiate between CCP and ILPS. When all members of a representative industry group develop a practice, it is a CCP. NASA expects ILPS to exceed the CCP or the VCS. When a recipient proposes ILPS, it should be ready to provide data that proves the ILPS’s efficacy, cost-effectiveness, and status as the “industry leader.” Some award recipients may propose a CCP. This is not prohibited but should be treated more as an existing procedure, process, or system with greater scrutiny during the evaluation process.

#### 2.2.2.3 Use of Customary Commercial Practices (CCPs).

Award recipients may propose, and the IPO may accept CCPs when they are adequate to satisfy the specific requirements and circumstances of the award and when they are fully documented as accepted CCPs or standards by a recognized industry group.

#### 2.2.2.4 Use of Existing Procedures, Processes, and Systems

1. IPOs shall evaluate the efficacy and applicability of existing award recipient’s procedures, processes, and systems.
2. Use of existing systems is not prohibited; however, in lieu of award recipient-specific standards and practices, IPOs shall recommend the use of VCS, ILPS, and CCPs when available and to the degree they are applicable to the award circumstances.

#### 2.2.2.5 Use of Award Recipient Self-Assessment Processes

Contract award recipients are required to establish, maintain, and execute internal self-assessment processes adequate to ensure the efficiency and effectiveness of controls for the management of GP in their possession. Programs may vary widely in scope and content depending on factors such as the complexity of the recipient’s operations and the amount and types of GP to be managed. Programs may be self-contained or may relate to or be part of an overall self-assessment program such as a corporate internal audit program, an internal International Organization for Standardization (ISO) audit, or an external ISO certification program when the program contains specific GP audit requirements. Award recipient’s self-assessment programs are not a substitute for government oversight and for Government insight as they lack the critical element of independence.

### 2.2.3 Risk Considerations

#### 2.2.3.1 Proportional Value of Property

a. The IPO shall consider the expected value of GFP and the potential value of contractor -acquired property (CAP). When the estimated average annual value of property does not exceed $10 million, risk should be assessed based on the ratio of property acquisition value to the estimated annual value of the award according to the following:

(1) When the estimated annual average value of provided GP exceeds $10 million or above, the award recipient is required to report monthly in NASA’s OCFO Contractor Held Asset Tracking System (CHATS) via <https://chats.nasa.gov> or exceeds 10 percent, the risk is considered high and greater oversight and control should be exercised.

(2) Awards where the estimated annual average value of provided GP is between 5 and 9.9 percent of the estimated annual average value of the award should be considered medium risk for value factors and require moderate levels of oversight and control.

(3) Awards where the estimated annual average value of provided property is less than 5 percent of the estimated annual average value of the award should be considered low risk for value factors and require only minimal oversight and control.

#### 2.2.3.2 Award Type

1. The IPO shall consider all cost type awards to have greater risk as the likelihood of award recipient’s acquisition of property titled to the Government under 48 CFR § 52.245-1, is high and the recipient’s risk of responsibility for loss, damage, or destruction of that property is lower than most fixed price awards.
2. The IPO shall consider fixed price awards under Alternate 1 of 48 CFR § 52.245-1, to be of lower risk as property acquired by the recipient is titled to the recipient and the recipient is fully liable for loss, damage, destruction, or theft of the GFP.
3. The IPO shall consider fixed price awards under Progress Payments, 48 CFR § 52.232-16 and Performance-Based Payments, 48 CFR § 52.232-32, to have a low risk unless the value of actual and potential property titled to the government during the award exceeds the $10 million threshold or one of the value thresholds under Section 2.2.3.1.

#### 2.2.3.3 Relationship with Award Tasks/Products

The use and management of property may have a profound effect on an award recipient’s ability to perform and to complete the requirements of the award. This may be applicable both to deliverable property and deliverable service awards. The following factors should be considered when establishing risk:

1. Logistics Support Awards
2. Logistics support award recipients are responsible for significant amounts of Government personal property. Their procedures and standards are likely instituted to ensure compliance with NASA procedural guidance required by the NFS clause IAGP, 48 CFR § 1852.245-71.
3. When Centers prescribe implementing procedures, the IPO shall work with the SEMO to ensure that the award recipient’s PPP complies with NASA procedural guidance.
4. When the award allows the recipient to provide implementing procedures, the IPO should work with the SEMO to ensure that the recipient’s PPP is adequate for implementation of NASA procedural requirements and NASA policy guidance.
5. High-Risk Program Suppliers

(1) Award recipient supply of property to high-risk NASA programs increases risk in a variety of ways. First, there is a risk of late delivery of procured items, which may be related to a deficiency in the award recipient’s property program. While failure of any aspect of a recipient’s property system will increase risk to the Government, the property plan of high-risk suppliers should receive greater scrutiny in the areas of subcontract property management, acquisition, records, and physical inventory.

1. Award Recipients with Significant Property Management Duties

(1) An award recipient, other than a logistics support recipient, may be required to provide property custodians to support Center property management operations by entering data into NASA systems, processing receipts, reporting disposition actions, and performing other related activities. This may result in increased risk to Center property and operations. When the Center SEMO determines that it is necessary to task recipients with property management support activities, the IPO should coordinate the review of the recipient’s PPP with the SEMO to ensure their compliance with property management requirements.

#### 2.2.3.4 Special Requirements

1. Hazardous Property

When required by the circumstances of the award, special attention should be given to award recipient qualifications and experience in handling hazardous items. The CO/GO and program, environmental, and safety officials shall provide the required Safety Data Sheet (SDS) when hazard material is associated with property. Prior to the award the IPO should ensure the recipient’s PPP appropriately addresses storage, handling, and disposition of these items. The IPO should coordinate their response to these plans with the Center environmental activity.

1. Human-Rated Flight Activities
2. As human-rated flight activities involve risk to the life, health, and safety of the crew and the condition of the craft, the IPO shall work with program officials and safety officials to ensure the award recipient’s PPP adequately addresses these topics. Special consideration may be given to acquisition of qualified, authentic supplies; storage and preservation; accuracy of inventory records; receiving; and issuance.
3. The IPO should work with program officials and quality assurance personnel to ensure that the recipient’s property system properly addresses documentation in support of Flight Readiness Certification when such certification is required by the award.
4. Special Program Requirements

The IPO shall work with the program to ensure the PPP addresses all specific program requirements.

1. Foreign Awards
2. Foreign awards require special attention as the disposition of property in foreign countries may be subject to a variety of U.S. laws and regulations including ITAR and EAR. These awards require a great deal of scrutiny.
3. Foreign awards are likely to be governed by international agreements and property management activity may be subject to foreign law. As such, the IPO shall request copies of the international agreement under which the award will be executed.
4. International agreements may require alteration of standard FAR clauses or use of entirely different language. If other than standard FAR clauses are used, deviations authorizing the use of that language should be in place prior to award and evidenced in the award property file.
5. The IPO shall work with the Center Export Administration Officer to ensure that property under the award is properly approved for export and that the conditions for disposition are identified in the award at award inception.
6. Some property may require return to the United States for disposition or demilitarization on Center.
7. Awards Likely to Produce Historically Significant Property

The IPO shall review awards likely to produce historically significant property when the CO/GO, working in consultation with the Center CRM, inserts 48 CFR § 1852.245-79, in an award. The award recipient’s PPP should address the record-keeping requirements under this clause.

### 2.2.4 Pre-Award Evaluation of Past Property Management Performance

#### 2.2.4.1 Under 48 CFR § 1852.245-80, offerors are required to submit the results of their latest PMSA and award information for the assigned GPA. The IPO shall:

1. Review the offeror’s submissions to determine the status of the award recipient’s system and who conducted the audit.
2. Advise the CO/GO immediately of any instances where the GPA found the offeror’s PMSs or practices to be inadequate or the Agency’s Administrative CO/GO/Grant TO removed approval for the property system.
3. Consult the cognizant GPA to determine if there have been any updates to the last PMSA and to compare the proposed system to the system last rated by the GPA. Changes to the offeror’s system may signify improvements required by the GPA or the implementation of new, improved processes and standards. They may also signal a retreat to a lower standard or unacceptable procedure. In either case, instances in which the award recipient’s proposed system and the existing system differ significantly should be considered as a possible risk by the IPO and carefully reviewed.

# Delegation and Oversight of Property Administration

## 3.1 Letter of Delegation of Off-Center Property Administration Activities

3.1.1 It is NASA policy to delegate property administration activities for award recipients performing off Center unless the Center IPO retains the activities. Delegation allows NASA to utilize resources that are already in place geographically and organizationally and that are ready to perform these functions. Delegations are made to Federal agencies who are FIPs (e.g., DCMA, etc.). FIPs assist NASA with property administration and plant clearance off Center for private-for-profit and non-profit research entity and educational institution award recipients. This allows NASA to better utilize its own resources and presents “one face of the Government” to award recipients.

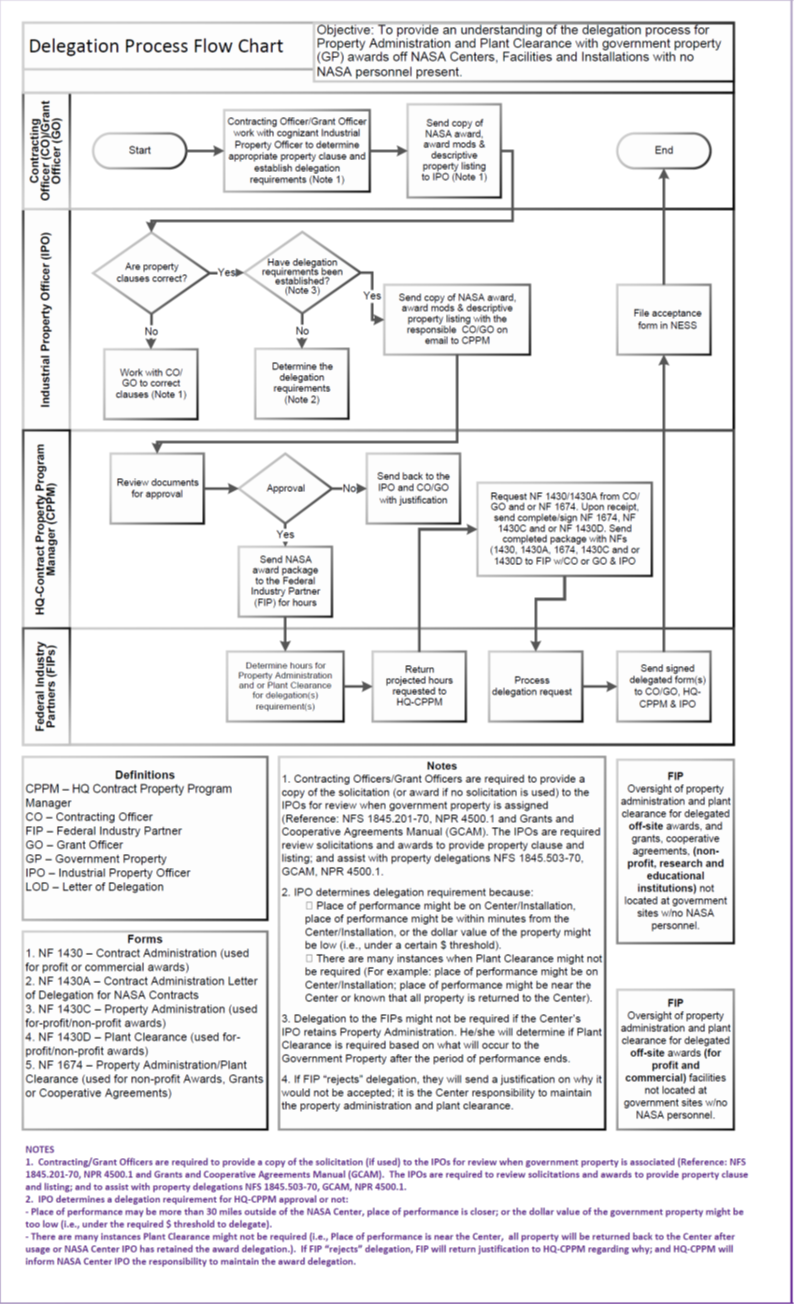
3.1.1.1 External agencies do not provide oversight for an award recipient when the recipient does not perform within a geographical area under the oversight of an external agency, or the place of performance is within a NASA Center when IPO retains the authorities and responsibilities associated with property administration. The requirements for delegation are set forth in Support Government Property Administration, 48 CFR subpt. 1845.5 and 2 CFR 200.

3.1.1.2 This chapter provides guidance on NASA oversight of delegated activities and   
NASA-retained property administration activities.

3.1.2 Oversight of Delegated Property Administration Activities

3.1.2.1 NASA IPOs and GPAs shall use NESS via <https://ness.nasa.gov> to maintain records of property administration activity, whether delegated or retained.

1. The IPO shall maintain a record of the cognizant GPA when notified by the delegated FIP of the acceptance of a delegation or a change of personnel in NESS. The signed LOD(s) with Mission Directorate identified and Program Office, updated descriptive property listing, original signed award and award modification are uploaded by IPO in NESS Contracts screen under Documents tab.
2. The IPO shall send descriptive property listing with all updated period of performance requirements.
3. When a CO/GO delegates authority to perform GPA and PLCO duties for off-Center awards to FIPs by means other than LODs (i.e., alternate delegation), the HQ-CPPM is responsible for ensuring through a concurrence that the delegation complies with award property management and general property management requirements including those of the GCAM, CFR, FAR, and NFS prior to the CO/GO executing the delegation.
4. Figure 3-1, LOD Process Flow Chart, depicts the LOD process of approval for NASA awards assigned off Center. The requirement for property administration is sent by Center IPO to HQ-CPPM with supporting documentation (e.g., original signed award, last award modification,



**Figure 3-1 Letter of Delegation (LOD) Process Flow Chart**

descriptive property listing indicating Mission Directorate and Program Name, etc.). LODs need to be 12+ months for the period of performance, and plant clearance LODs can be requested separately as a one-time assist (if necessary) but it usually with both (property administration and plant clearance). Once HQ-CPPM acknowledges for approval, the CO/GO shall create, sign, and send the NF 1430, NF 1430A and NF 1674 to HQ-CPPM. The HQ-CPPM creates and signs NF 1430C, NF 1430D, and NF 1674 prior to execution by the CO/GO. HQ-CPPM sends supporting documentation (e.g., signed LOD(s), original signed award, last award modification, descriptive property listing, etc.) to FIP cc: CO/GO, and IPO.

1. The FIP shall accept NASA’s LODs by providing hours to the HQ-CPPM and by signing the acceptance and returning the original NF 1430C, NF 1430D, or NF 1674 to the CO/GO, Center IPO, and HQ-CPPM within 30 business days of receipt. The LOD(s) are valid throughout the period of performance of the award unless NASA terminates, transfers to another award/Center, NASA or FIP rescinds it; or property is no longer associated.
2. The FIP or NASA’s CO/GO can also rescind the LOD(s) by notifying HQ-CPPM and Center IPO with the originally signed LOD(s) by FIP and HQ-CPPM; and by signing the “Rescind” portion. HQ-CPPM will notify the FIP to close LOD(s) per Center request.
3. The IPO shall send all signed LODs (acceptance and any rescinds) to award recipients’ POCs via e-mail within 30 business days and add HQ-CPPM to e-mail transmission. Afterwards, upload signed LODs, and current property listing in NESS via Contracts screen under Documents tab.
4. The IPO shall ensure the GPA create and update all individual award records including Summary and Outcome tabs and upload reports and supporting documents under the Documents tab of PMSAs upon 30 days of receipt and more current than that existing in NESS according to LOD instructions and contact HQ-CPPM via e-mail with award number within 30 business days if not performed according to schedule provided. (See Chapter 5, Property Management System Analysis (PMSA) for more information.)
5. The IPO shall review report submissions in NESS to ensure GPA verification of property reports according to supporting documentation, delegation instructions and reporting requirements.
6. The IPO shall review the GPA’s reports of property system deficiencies identified during the PMSA and based on the recommendations of the GPA, determine whether to provide further recommendations to the CO/GO to remedy the situation. These recommendations may include but are not limited to holding the award recipient liable for property loss until any deficiencies are corrected.

## 3.2 Support of Delegations

### 3.2.1 NASA GPAs may seek support delegations from FIPs for any off-Center award performance where no NASA personnel are located. For all such delegations required, the FIP has the prime award delegation to avoid any duplication of effort. GPAs should ensure that support delegation instructions comply with the requirements of this NPR, the NFS, and the award language.

### 3.2.2 Support Delegation Requirements

#### 3.2.2.1 The IPO shall forward copies of the award, latest award modification, novation, descriptive listing of property listing, and delegation justification to the NASA HQ-CPPM for review and approval. There may be approvals for medium and low risk categories if other awards are delegated at the same location. Property Administration delegations are based on the high-risk category under Risk Assessment Matrix under this program. (See Table 5-1 for more information.)

#### 3.2.2.2 The IPO shall include the prime award under which the charges for FIPs property administration will be billed within the support delegation instructions. There are no duplications of efforts in delegations in which FIP is performing the same activity as NASA.

#### 3.2.2.3 The GPA shall provide NASA’s IPO with a determination letter if the award recipient has an existing award belonging to another FIP’s agency.

#### 3.2.2.4 The NASA cognizant CO/GO shall write determination letters and make the determination of the property system acceptability if there are no existing awards with the FIP.

## 3.3 Retention of On-Center Property Administration Activities

### 3.3.1 NASA requires the use of NASA systems, as available, for record-keeping of on-Center IAGP being used by award recipients. NASA procedures are used to manage IAGP being used by on-Center award recipients performing within NASA Centers. Because external award property administration personnel might not be familiar with internal NASA systems and guidance, award property administration activities are retained for recipients performing on Centers/Installations. When required, NASA IPOs and GPAs shall perform on-Center reviews of recipient performance unless otherwise specified in the NASA award.

### 3.3.2 On-Center Property Administration Requirements

3.3.2.1 The IPO shall work with the SEMO to define the depth and extent of audits of on-Center award recipient performance.

1. IPOs and SEMOs should consider the need to audit award recipient property performance when the Statement of Work requires significant independent recipient action in the execution of property transactions and activities.
2. Centers should seek the review and the opinion of the IPO in preparing performance evaluations when significant award recipient property management activities are specified within the Statement of Work.

# Performance of NASA-Retained Property Administration Activities

## 4.1 Property Transfers

### 4.1.1 The IPO shall assist the CO/GO and SEMO in ensuring that transfers to award recipients from NASA Installations and Centers and transfers from recipients to NASA Centers/ Installations are appropriately documented and that appropriate transactions are processed in NASA equipment and supply information systems.

a. COs/GOs and IPOs shall retain copies of transfer documentation in the award files and the award property files.

### 4.1.2 Transfers to NASA Award Recipients

4.1.2.1 COs shall document all transfers to NASA award recipients within the award by inclusion in 48 CFR § 1845.103-70, § 1845.106, § 1845.7101-2, § 1845.7101-3, or   
§ 1845.7101-4.

1. IPOs shall advise the CO to list property under NFS clause § 1852.245-76 when the government will retain title to the property transferred as part of the award through completion.
2. IPOs shall advise the CO to list property under NFS clause § 1852.245-77 when that property is not likely to physically survive the performance period of the award and the award is to be performed within the confines of a NASA Center/Installation.

4.1.2.2 After award, the CO shall document transfers to recipients by an award modification per NFS clause § 1852.245-76, this NPR, and GCAM.

1. As the FAR limits the use of 48 CFR § 52.245-2 to initial provisioning on a Government installation, property may not be transferred under the authority of FAR clause § 52.245-2 after award. As a result, the NFS clause § 1852.245-77 will be used only at award.
2. In addition, shipping documents provided by the CO/GO provide detailed lists of items to be furnished to award recipients.

4.1.2.3 NASA equipment managers shall ensure that equipment information systems are updated with the appropriate transaction recording transfer of controlled equipment to an award recipient when that occurs, regardless of value.

4.1.2.4 Any property transfers between awards are recorded within the NESS. Award documentation (i.e., DD 1149, Requisition and Invoice/Shipping Document, DD 250, Material Inspection and Receiving Report, etc.), including the schedule, modifications, and associated shipping documentation serves as the official record of the transfer in accordance with this NPR and Transferring Accountability, 48 CFR § 45.106. Award property listings need to be complete; shipping documents alone do not serve as the official record. NASA IPOs shall retain copies of these transfer documents within their NESS initial award under Contracts screen Documents tab and under PMSA screen Documents tab.

4.1.2.5 The NASA Equipment Manager and SEMO handle all NASA-controlled equipment at the Center valued at or greater than the capitalization threshold. Such equipment will be recorded in accordance with NPR 4200.1, NASA Equipment Management Procedural Requirements, within NASA systems each time the property is transferred to an award. IPOs shall ensure that documentation of these transfers is provided to the Center Equipment Manager when received from the CO/GO.

4.1.2.6 Post-award Transfers

With the approval of the CO/GO, property may be transferred to an award recipient after awarded. IPOs should advise the CO/GO that property provided after award may only be offered under 48 CFR § 52.245-1. IPOs should review documentation to ensure that it distinguishes between capital-valued property and property of lower value. (For grants and cooperative agreements, See Chapter 9.)

1. GCAM and 48 CFR § 45.106, require COs/GOs or CORs to prepare shipping documents (i.e., DD 1149 and DD 250, etc.) and obtain CO/GO approval, or supervisor approval if the GO is completing a document for providing property prior to movement of the property to an award recipient. Separate shipping documents should be prepared for property valued at or above the capitalization threshold with notification to the Center IPO.
2. Multiple quantities may be listed on the same shipping document, but the NASA CO/GO/Program/COR shall differentiate between individual items using Equipment Control Numbers, when available, or using unique identifying data elements such as a combination of manufacturer (cage code), model number, and serial number.
3. IPOs shall advise COs/GOs that, in accordance with Chapter 9 of this NPR or Contract Clauses at 48 CFR § 45.107(a)(2), property furnished after award is required to be added to the list of property under 48 CFR § 1852.245-76 or Chapter 9 of this NPR by modification.

4.1.3 Transfers from Award Recipients to NASA

Two basic types of transactions may occur when property is transferred to NASA from an award recipient: receipt of non-capital items and receipt of capital items. Property from either of these types may, once received, be used internally by a Center, transferred to another Center, or transferred to another NASA award. This section does not include property delivered to NASA in compliance with an award line-item deliverable and processed as a “new receipt” transaction. Both capital and noncapital property that is required for automated record-keeping within the NASA PP&E System by NPR 4200.1 is considered “controlled equipment.” Equipment that does not qualify for automated record-keeping due to value or other criteria is considered “administratively controlled equipment.”

## 4.2 Transfers Between Awards

### 4.2.1 When NASA property is transferred from one award to another award off Center, the current award number to existing award number and shipping documents (i.e., DD 1149 and DD 250, etc.) plus additional information will be provided in accordance with Transfers of Property, 48 CFR § 1845.7101-2, and GCAM. Immediately after the period of performance ends on the NASA award, the recipient is to release the property for disposition (i.e., transfer to an active award, return to NASA, transfer to another federal/state agency, sales, or final disposal, etc.) by the Government PLCO assigned.

1. Any challenges with transfers will be reported to the Center IPO and CO/GO.
2. If there is no resolution in 30 business days, the IPO shall report the information to the   
   HQ-CPPM.

### 4.2.2 When GP moves from an award at a Center to another award at the same Center, GP needs to be transferred from the losing award to the cognizant NASA Center and then from that Center to the gaining award. No transfers off from or onto an award may be accomplished without including the applicable Center on the appropriate shipping document.

# Property Management System Analysis (PMSA)

## 5.1 Purposes of a PMSA

### 5.1.1 Establishing the Adequacy of Award Recipient Performance

Through the PMSA, the GPA evaluates the award recipient’s management (control, use, preservation, protection, repair, and maintenance) of GP in its possession. The recipient’s performance needs to meet the GPA’s evaluation criteria, which will be consistent with the award requirements as well as with VCS, ILPS, and CCPs for property management that have been determined to be adequate for the performance of the applicable contracts. Determination of adequacy of VCS, ILPS, and CCPs may occur either as part of the award process or in response to a recipient’s reported changes. Subjective evaluations may include outlining the scope of the system analysis performed, summarizing the processes and process segments or outcomes audited, and examining any deficiencies identified for possible negative trends.

### 5.1.2 Ensuring Adequate Management Control

The award recipient’s use, stewardship, and management of government assets in no way negates NASA’s responsibility to provide reasonable management controls to protect the assets, preserve them, ensure their proper use, and, when no longer required, dispose of them appropriately. While the recipient retains the principal stewardship responsibility and their property standards, practices, and procedures serve as the principal management control, the PMSA provides the management control and oversight audit needed to ensure the public that NASA is appropriately managing the resources assigned to administer the award.

### 5.1.3 Ensuring Appropriate Accounting for Property

Tests of the award recipient’s records, physical inventory, loss identification and reporting, and the various transactions within the recipient’s PMSA should establish the accuracy of those records and transactions. A primary function of any property records system is to ensure there are appropriate records for all property and that the property on record exists. As such, tests within the PMSA should establish reasonable assurance of existence of property and completeness of records for accountability and accounting purposes. Documentation is audited to ensure that records are properly supported. Transactions are reviewed to ensure that processes are documented appropriately for audit-readiness in the Agency.

### 5.1.4 Ameliorating Risk to the Government

While providing property to an award recipient increases risk to the Government, the PMSA should reduce risk by identifying areas of award noncompliance or inadequate processes or actions, as well as any incidence of fraud, waste, or abuse. The process of auditing, identification and correction of deficiencies provides a method for continuous improvement of process and standards.

## 5.2 Risk Assessment

### 5.2.1 The GPA shall review the award recipient’s PMS at the inception or within 30 days after award. This includes review of the property plan, policies, number of personnel, property management training, and systems being utilized. This information and review will be documented as a memorandum for the record indicating the initial review of the recipient’s system and documenting any deficiencies and resolutions by the recipient.

#### 5.2.1.1 The availability of personnel and travel resources will be effectively managed by the award recipient and applied to those situations posing the greatest risk to NASA, its mission, and the public resources entrusted to the Agency.

#### 5.2.1.2 Risks will be identified and incorporated into decisions regarding the resources to be assigned to the PMSA.

a. Award recipients that have not changed principal property, personnel, or systems and have maintained a minimum adequate PMSA rating for two consecutive cycles may be conducted as full or limited outcomes of PMSA (i.e., NF 1019, etc.).

b. When only limited PMSA has been performed, the GPA shall evaluate the award to determine if a full outcome area is warranted according to the Risk Assessment Matrix. (See Table 5-1 for more information.)

### 5.2.2 Method of Risk Assessment

IPOs shall collect information on the award recipient and ensure the recipient is sufficiently able to perform an evaluation of risk. Risk should be based on the entirety of the recipient’s activities at a place of performance rather than activities for a single award. IPOs should refer to existing recipient records within NESS to determine if there are other NASA awards performed at a recipient’s place of performance including all cage codes associated with that place of performance and including property from the other Centers within their risk determinations.

### 5.2.3 Criticality of Risks

Table 5-1, Risk Assessment Matrix, provides a matrix that relates different evaluation factors to levels of risk. IPOs/GPAs should use this table to evaluate the risk associated with an award recipient and particular place of performance. IPOs/GPAs should assign the highest level of risk related to any of the evaluation factors identified for a recipient and place of performance. For example, if there is a change to a recipient’s management personnel, a high risk should be assigned regardless of whether any of the other situational aspects falls within the high-risk category.

### 5.2.4 Exceptions

IPOs/GPAs may increase risk levels or sampling confidence levels when their knowledge of problems with award recipient processes or activities provides sufficient justification.

**Table 5-1 Risk Assessment Matrix**

| **RISK CATEGORY** | **MINIMAL** | **LOW** | **MEDIUM** | **HIGH** |
| --- | --- | --- | --- | --- |
| **EVALUATION FACTOR** |  |  |  |  |
| **Value of Provided/Scheduled to be Provided Property** | < $100,000 | > $100,000 – $4,999,999 | > $5 Million –$9,999,999 | > $10 Million |
| **Individual Items**  **> $500,000** | None | < 5 | < 10 | > 10 |
| **New Award Recipient** | No | No | No | Yes |
| **Last PMSA** | N/A | Adequate or returned to Adequate with No Unresolved Deficiencies | Adequate or returned to Adequate with unresolved Deficiencies | Inadequate |
| **Loss** | None | Minimal/Relieved | Significant /Relieved | Significant /Not Relieved |
| **Change in Personnel** | N/A | None | Principal Property Personnel | Management Personnel or Property Manager |
| **Process/Plan Change** | N/A | None | Insignificant | Significant |
| **New Awards** | Single Award | < 3 at Place of Performance | 3 – 5 at Place of Performance | > 5 at Place of Performance |
| **Progress/Performance Based Payments** | Yes | No | Yes | No |
| **Program Impact** | None | None | Schedule/Cost | Safety |
| **Audit Frequency** | Inception  and If Terminated for Cause | Inception – Then Every 3 Years | Inception – Then Every 2 Years | Annual |
| **Nonprofit and Educational Institutions** | Inception  and if Terminated for Cause | Inception – Then Every 2 Years | Inception – Then Every 2 Years | Annual |
| **Audit Type** | Limited (Desk Audit) | Limited (Desk Audit) | All Applicable Outcomes Physical Inventory | All Applicable Outcomes, In-Depth Physical Inventory, Records and Reports |

### 5.2.5 Application of Risk to the PMSA Schedule and Sampling Populations

### 5.2.5.1 Table 5-1, Risk Assessment Matrix, provides an audit frequency associated with risk level. IPOs/GPAs should use the risk frequency to determine how often an audit will be scheduled at the award recipient’s place of performance.

### 5.2.5.2 Double sampling confidence levels may be based on the risk assessment. For aid in determining the appropriate use of double sampling confidence levels, the GPA may use the following table for weighting the risk to sample size and error rates. The individual items will be weighted in order of precedence, with one being the highest priority and three being the lowest priority. An assessment may be made for the overall PMSA or by the segment/outcome. (See Section 5.6.2.3 c(4) for more information.)

### 5.2.5.3 IPOs shall ensure all GPA documents on awards according to the risk level for all awards with GP in NESS PMSA’s section under all tabs. (See Section 1.3.8.3(j) for more information.)

### 5.2.6 Full and Limited PMSA

#### 5.2.6.1 The GPA shall conduct a full or limited PMSA based on the performed and documented Risk Assessment Matrix.

1. The full PMSA shall have a formal entrance and exit conference. The limited PMSA permits less formal testing methods and techniques. The limited PMSA methodology uses responses to the PMSA questionnaire covering each segment or element of the award recipient’s PMS.
2. Performance of a limited PMSA.
3. PAs shall ensure that the level of review is sufficient to determine the adequacy of the award recipient’s property management system. The GPA will conduct interviews, review submitted information, and conduct sample testing of selected processes if necessary.
4. If a limited PMSA reveals deficiencies, the GPA may visit the award recipient to resolve issues or expand the scope to a full PMSA.
5. The GPA oversight at inception includes reviewing award recipient’s PMS, written procedures, and property plan.
6. For high-risk or new awards, the assessment will begin within 12 months of the award recipient’s receiving or acquiring property.

#### 5.2.6.2 Conducting a Limited PMSA.

#### 5.2.6.2.1 For a limited PMSA, the GPA shall at a minimum:

a. Review the award recipient’s property plan, policies, systems, and past PMSA results prior to interviews and evaluation of current submitted information.

b. Check for any changes to the award recipient property plan in accordance with 48 CFR § 52.245-1, and 48 CFR § 1852.245-75.

c. Using NF 1019, cover each applicable element of the recipient’s PMS requesting additional information as needed.

d. Review requested information that includes:

* 1. Current records listing all GP for all categories of furnished or provided property (equipment, STE, ST, and materiel).
  2. Additions, deletions, and reported losses of both GP furnished or acquired property.

e. Ascertain that authorization was obtained for acquisitions in accordance with 2 CFR pt. 200, subpt. E, 48 CFR § 1852.245-70, and for deletions from records.

f. Verify that the property listing contains the required Equipment section, 48 CFR § 52.245-1, property record data elements and that the recipient maintains source documentation and audit traceability for transactions.

g. Verify completeness and timelines of submitted reports to include property submissions in accordance with 48 CFR § 1852.245-73, self-assessment, loss, discrepancy, and physical inventory results (for capital property according to 48 CFR § 1852.245-78).

h. Verify physical inventories are conducted per the approved plans and procedures.

i. Evaluate utilization elements to include authorized use, screening for continued use/need or timely disposal.

j. Verify processes for materiel consumption, receipt, and issue.

k. Ascertain if the award recipient has property that requires scheduled preventative maintenance (PM) or calibration, and records validating the performance of maintenance activities.

l. Verify the recipient retains complete, authorized records for relief of stewardship for any dispositioned property.

m. Verify the award recipient has plans and procedures for award closeout activities, or the performance activities if awards have closed during the review period.

n. Prepare a determination letter for the CO/GO to sign that includes at a minimum:

1. Findings and conclusions,
2. A statement addressing the adequacy of the overall system, and
3. Document resolution of any corrective actions and deficiencies.

## 5.3 Establishing the Annual PMSA Schedule

5.3.1 Award recipients with GFP or who acquire it will receive a PMSA according to Table 5-1, Risk Assessment Matrix.

5.3.2 The Center IPO and FIP shall establish the annual schedule of PMSAs stating what type is being performed during the fiscal year.

1. The IPO and FIP schedules need to allow for the performance of PMSAs in accordance with the frequencies cited in Table 5-1.
2. The schedule being conducted by FIP and NASA for off-Center awards will be forwarded to the NASA HQ-CPPM by IPO and FIP no later than November 30 of each fiscal year.

## 5.4 Pre-Audit Communications with the Award Recipient

5.4.1 Under 48 CFR § 52.245-1, the Government has access, at reasonable times, to the award recipients’ and any of their subcontractors’ premises and records for the purpose of establishing the effectiveness of the contractor’s plans, systems, practices, and procedures. All full PMSAs require an entrance conference and if the GPA determines that a limited PMSA is appropriate (based on risk), there is no formal entrance briefing required.

### 5.4.2 The GPA shall notify the recipient, CO/GO, and IPO of their intent to conduct a PMSA.

1. The notification will provide the times and dates of the proposed audit, and alternate times and dates to the extent they may be available within the GPA’s schedule.
2. The notification should request any necessary data in a form that would be useful to the GPA to identify appropriate populations, generate appropriate samples, and otherwise provide information in support of the audit.
3. The notification should also request any information on the recipient’s self-assessment practices and the result of any external independent audits involving the recipient’s property systems and practices.
4. The GPA should prepare (select) all samples prior to the audit. However, to preserve the integrity of the audit sample, samples will not be provided to the recipient in advance except as needed for recipients to obtain their information such as access to files, personnel, and or secure areas.

### 5.4.3 Within the PMSA, the GPA may request and audit support documentation including but not limited to:

1. The award recipient’s internal audit work papers and reports.
2. VCS, ILPS, and the recipient’s procedures as part of its PMS.
3. Awards and associated modifications.
4. Correspondence and other official records relating to GP.
5. Past PMSAs to identify systemic deficiencies and associated corrective action plans.
6. Reports of loss of GP, any report register, and loss case files.
7. Findings from other Government or third-party audits involving GP.
8. Property records required to be maintained according to this NPR.

### 5.4.4 After establishing the firm dates for the audit and after receipt of the requested materials, the GPA shall prepare an entrance conference presentation. The presentation should include:

1. Award information for the GPA and any supporting personnel.
2. Dates and times of the audit.
3. Tentative dates for:
4. Discussion of interim findings and recommendations.
5. A draft report, if required.
6. The final report.
7. A tentative schedule for receipt of recipient response and a corrective action plan, if needed.
8. A description of the audit, including a list of the outcomes of the property system to be audited.
9. A summary of the techniques and methods that will be used to test the outcomes.

### 5.4.5 The GPA may, at their own discretion, provide a copy of the entrance conference presentation to the recipient prior to the date of the conference. The GPA shall include the CO/GO and IPO in the entrance conference.

## 5.5 Award Recipient Self-Assessments

### 5.5.1 Participation in Award Recipient’s Self-Assessments

#### 5.5.1.1 The GPA may participate as part of or serve as a control point in the recipient’s self-assessment program. Grant and cooperative agreements are not required to conduct self-assessments or maintain a self-assessment program.

#### 5.5.1.2 The GPA may build upon or incorporate the results of the recipient’s assessment process in conjunction with, but not in lieu of, the performance of the PMSA nor for a particular property test or segment.

#### 5.5.1.3 The GPA shall test recipient performance and compliance in accordance with the procedures in this chapter and GAGAS to provide an independent verification of the recipient’s findings and to provide reasonable assurance of the adequacy of the recipient’s property management practices and systems.

### 5.5.2 Review of Proposed Standards and Practices

#### 5.5.2.1 The GPA shall review the recipient’s standards submitted at the time of proposal to determine whether those standards will serve as indicators of the adequacy of recipient performance.

#### 5.5.2.2 The GPA shall review the recipient’s proposed practices to determine whether the actual operations of the recipient comply with those practices.

#### 5.5.2.3 The GPA shall not use the recipient’s self-assessment in lieu of the Government’s PMSA.

1. The GPA may use portions of the recipient’s self-assessment in lieu of performing a separate government review. This may only be done if the recipient’s self-assessment methodologies and techniques provide the same reliability, validity, accuracy, completeness, and confidence level produced by the Government surveillance.
2. If the results of the recipient’s self-assessments are to be integrated into the PMSA, the GPA shall validate the recipient’s internal audit practices through either visual observation conducted during the recipient’s internal audit and/or judgement sampling of the recipient’s work papers, verifying the reliability, validity, accuracy, and completeness of the data.

## 5.6 Testing Award Recipient Performance

### 5.6.1 Evaluation and Identification of Applicable System Segments

#### 5.6.1.1 The GPA shall review past PMSAs and the award recipient’s PMSs, plans, processes, procedures, practices, and standards to determine the segments of the property system that will be subject to audit.

#### 5.6.1.2 If the recipient meets the qualifications for a “high-risk recipient” as determined by the Center Deputy Chief Financial Officer with OP’s PPMD, the GPA shall, at minimum, audit the records, physical inventory, and reporting segments of the property system annually without regard for past performance.

#### 5.6.1.3 The GPA shall document the rationale for evaluation or non-evaluation of segments of the property system.

### 5.6.2 Test Methods

#### 5.6.2.1 Population Selection

Within each segment of the property system, the GPA shall select an appropriate population for audit referenced in Section 5.2.5.2 for double sampling confidence level.

1. Definition of the population is to be carefully performed. Improper population selection may render the results obtained from sampling techniques unsupportable. Also, improper population selection may cause a random sample to be invalid as it may not represent the entire population and it may not be possible to generalize the results of sample tests to the full population.
2. The use of sampling techniques ensures recipient records show property within the recipient’s custody. Particular attention should be given to ensure the recipient obtained NASA’s CO/GO approval to transfer award accountability of GP in accordance with this NPR and FAR and NFS requirements.
3. The GPA shall determine the purpose of the test and ensure that the population is fully inclusive of all situations, documents, records, or items associated with the test area.
4. The GPA shall not include items in the population that are dissimilar or unrelated to the process being tested. For example, all receiving reports could be considered a population if the test involves validation of documentation supporting the receiving process and the recipient’s processes call for the creation of receiving reports to document the transaction. Conversely, a purchase document may provide proof of acquisition but not necessarily provide proof of receipt. As such, it should not be included in the population.

#### 5.6.2.2 Full Population Testing

GPAs should evaluate the need for testing an entire population as opposed to sampling. GPAs shall employ full population testing when the nature of the test is critical to safety or health; when inventory is critical to the execution of the award; or when items to be tested are of a specialized nature (i.e., national security items) and, therefore, necessitate absolute control. Full population testing should also be used when populations are small and the cost to determine and generate random samples exceeds the cost to evaluate the entire population.

#### 5.6.2.3 Sample Types

1. Judgment Samples
2. Judgment samples may be used to evaluate process segments that do not lend themselves to any other methods of sampling.
3. Prior to using judgment samples, the GPA shall evaluate whether it is possible to use random samples.
4. If the GPA determines that random, statistical sampling is not applicable or cannot be used, the GPA shall document the file with the rationale.
5. Purposeful Samples
6. Purposeful samples are used when a specific sample is selected to test for the possible systemic impact of a critical or substantial condition or situation and there is suspicion or reports of significant noncompliance.
7. The GPA should limit the use of purposeful sampling to situations in which the GPA believes the severity of the situation is likely to result in a systemic deficiency.
8. Purposeful samples may also be used in root cause analysis and related efforts after establishing the inadequacy of a property segment through random statistical sampling.
9. Random Statistical Samples
10. The GPA shall select a sample size sufficient to support generalization to the entire population.
11. To support the adequacy of the statistical sample, the GPA shall, at minimum, use a double sampling plan where the government’s risk may not exceed 10 percent (and a 90 percent confidence level) except for slight variations due to changes in population sizes.
12. Use of automated systems to determine sample size and to generate the random sample is encouraged. Automated systems help control cost and increase the efficacy of the sample. When applicable, a statistical double sampling plan is the technique utilized to select samples from the recipient’s total universe using a Web-based number generator (<https://www.calculator.net/random-number-generator.html>).
13. GPAs who intend to use automated systems should request electronic versions of the recipient’s records, sufficient to generate the sample, as part of the initial PMSA data collection effort. Various tools exist to determine an appropriate sample size. The DCMA Property Administration Procedural Guidance at: <https://www.dcma.mil/Portals/31/Documents/Contract%20Property%20Guidebook/Contract_Guidebook_Aug2022.pdf>provides a double sampling table for this purpose and <https://www.dau.edu/tools> Determination of Anomalous Errors.

#### 5.6.2.4 Anomalous Errors

Anomalous errors are those that are either within the sample’s expected error rate or are not repeated in succeeding samples when double sampling techniques are used. While anomalous errors are not normally indicative of systemic deficiencies, GPAs shall note anomalous errors and, if sufficiently serious as to warrant further action, determine the cause of the error and require its correction.

### 5.6.3 Determination of Systemic Deficiencies

#### 5.6.3.1 GPAs shall retest to determine whether errors found within an initial sample are repeated. If the errors are repeated, it should be assumed that segment of the award recipient’s system is deficient in that it has not produced the outcome required by the property clause or the standards and practices within the recipient’s property management plan.

#### 5.6.3.2 A deficiency or deficiencies should be considered systemic when, in the professional determination of the GPA, the deficiency or deficiencies are deemed sufficiently significant to risk loss of GP, cause delays to mission schedule, affect the safety of personnel or the public, or significantly increase award cost.

#### 5.6.3.3 The GPA shall require the recipient to perform a root cause analysis to determine the scope and source of the deficiency and require the recipient to provide a corrective action plan.

### 5.6.4 Correction of Deficiencies and Errors Identified During Evaluation

#### 5.6.4.1 Systemic deficiencies will be reported to the recipient’s management personnel upon discovery. Correction of systemic deficiencies should be acted on immediately and not postponed until the completion of the report.

#### 5.6.4.2 The GPA shall note systemic deficiencies in the report along with the corrective action taken when that action is completed during the conduct of the PMSA.

#### 5.6.4.3 The GPA may document anomalous errors corrected during the PMSA with summary notations to the report.

### 5.6.5 Outcome of Segment Testing

#### 5.6.5.1 Evaluation of Acquisition

1. Acquisition is tested to ensure that it is limited to those quantities authorized by the award. Acquisition includes any property acquired, constructed, fabricated, or furnished by the Government or via other methods. Random sampling techniques should be utilized unless acquisition activity is so limited as to warrant a full population audit.
2. The population for this process may consist of all acquisition and fabrication transactions as evidenced by the documents of those transactions for the past year or since the last PMSA, whichever is more recent. The GPA shall audit the procurement, requisitions, purchase orders, subcontracts, fabrication, or transfer documents. These documents may serve as the appropriate population for testing acquisition.
3. The GPA may also audit the acquisition cost vouchers submitted to the CO for payment to determine whether the dollar value of direct charges for property against the awards are appropriate for the circumstances of the award. Grant and cooperative agreement recipients are not required to submit cost vouchers to GOs when the recipient procures equipment that remains vested in the Federal Government.
4. The GPA should also audit bills of materials or material requirements lists to determine if the quantities of acquired material are appropriate or excessive. GPAs should consider minimum buys, bulk purchases, shelf life, and similar conditions that warrant acquisition of quantities that differ from specific award requirements. Further, the GPA should evaluate the recipient’s performance considering the recipient’s proposed practices, procedures, and standards.
5. The GPA shall treat Federal Standard Requisitioning and Issuing Procedures (FEDSTRIP) and Military Standard Requisitioning and Issuing Procedures (MILSTRIP) acquisition audits as separate populations under the process of acquisition due to the unique requirements of the MILSTRIP process, i.e., form and format, authority needed to use the MILSTRIP system including priority codes. The population consists of all FEDSTRIP/MILSTRIP requisitions made by the recipient for the appropriate timeframe. (See the GSA FEDSTRIP Operating Guide (2006) at <https://www.gsaadvantage.gov/images/muffin/fedstrip_guide_2006.pdf> and/or   
   DOD 4000.25-1-M, Military Standard Requisitioning and Issuing Procedure.)
6. The GPA shall review documentation of equipment acquisitions to ensure recipient compliance with the requirements of 48 CFR § 1852.245-70, and the section Equipment and Other Capital Expenditures, 2 CFR § 200.439.
7. Award recipients should have written CO/GO approval to acquire or begin fabrication items of equipment that were not approved as part of the initial award.
8. The GPA shall review recipient requests to ascertain that they were submitted to CO/GO for approval no later than 30 days prior to the acquisition date.
9. When recipients are authorized to self-screen for available NASA inventory or the excess of other agencies, the GPA shall review documentation to determine if that screening has taken place and that the results of that screening are supportable.
10. The GPA shall review all transportation asset records to ensure that they were requested and approved in accordance with the requirements of 48 CFR subpt. 1851.2, and NPR 6200.1, NASA Transportation and General Traffic Management.
11. In addition, award recipients shall obtain the approval of the NASA CTO prior to the acquisition of additional transportation assets.
12. The GPA shall test transportation asset acquisition approval documents to ensure the approval was received prior to acquisition.

#### 5.6.5.2 Evaluation of Receiving

1. The award recipient shall have documentation of receipts, either in manual or electronic form. These documents constitute the population for evaluation of receiving practices.
2. The recipient shall have documentation of identified discrepancies and their resolution. Receiving records constitute the initial entries into the property record or provide evidence that the property was issued directly to work in progress.
3. At a minimum, the GPA shall audit receiving documentation and practices to ascertain the following:
4. Whether the receiving activity ensured that quantities ordered were received and whether the condition of acquired item(s) meets the acquisition specifications.
5. Whether receiving documentation provides evidence of corrective actions in the case of discrepancies.
6. Whether receiving documentation provides evidence of prompt processing activity as delays in the receiving process can affect overall production.
7. Whether receiving documentation provides evidence that items were promptly entered in property records or issued to work in progress.

#### 5.6.5.3 Evaluation of Identification

1. The GPA shall test to ensure the award recipient has established a process for the identification of GP upon receipt or fabrication in accordance with 48 CFR § 52.245-1(f)(1)(ii), and 48 CFR § 1852.245-74. The basic objective is to determine the effectiveness of the recipient’s system of physically identifying GP.
2. A thorough analysis would validate that the assigned numbers are recorded on all applicable documents; marked on the components or parts of GP; and marks are readable using appropriate equipment and are, when required, human readable.
3. The GPA may use the same population to test the process of identification as used in testing the process of “records” of GP. The testing of this process may be accomplished during the testing of other process segments (i.e., when testing “Records of all Government Property” by establishing two column headings on the GPA’s worksheets reflecting “identification number on record” and “identification number on asset.”)
4. To ensure that records accurately reflect items on the floor, the GPA shall also perform a “property to records” audit using a separate population as discussed in evaluation of records, Section 5.6.5.4.
5. The GPA may also use a separate population for testing the process of identification. This would entail using the population used in testing receiving and then ensuring that the items received have been identified. The GPA may consider alternating these two methodologies to ensure broad coverage of this process requirement.

#### 5.6.5.4 Evaluation of Records

1. The GPA shall audit the award recipient’s records systems to ensure that the records are established and maintained according to their proposed property plan, system, practice, and/or standards.
2. In addition, Equipment, 2 CFR § 200.313, and 48 CFR § 52.245-1, require recipients to retain records sufficient to support audits and set forth minimum requirements for data elements. The GPA shall ensure that the recipient’s property records contain the appropriate data elements.
3. The GPA shall:
4. Ensure the recipient’s records of GP contain the data elements of 48 CFR § 52.245-1 (f)(1)(iii) (A), and the same property value as the supporting documentation provision.
5. Ensure the unit acquisition cost of CAP is supported by and derived from data in the recipient’s cost accounting records or processes (e.g., obtain a copy of the purchase order to validate equipment cost).
6. Request that the recipient provide information on the results of any Government review of their cost accounting processes.
7. If any of the above conditions have not been met, include in the PMSA the following statement, “The review of the recipient records is qualified because there is insufficient information for the GPA to validate unit prices of Government property.”
8. While some data elements required within the FAR clause Government Property (i.e., description) are applicable to all classifications of property, some data elements may not be. For example, quantity received or fabricated and quantity on hand are applicable to material items. However, equipment items (especially serially numbered equipment items) are tracked as individual units; therefore, the quantity will always be one. Conversely, a unique item identifier or equivalent and date placed in service are applicable to serially numbered equipment items but not to material. Disposition, posting reference, and transaction information are only applicable when those activities take place.
9. Care needs to be taken in the selection of populations for testing. The GPA may determine it appropriate to test the property using stratified statistical samples in which different values or types of property are tested separately from other types. Differentiation may be based on property value such as capital valued property as opposed to lower valued property. Differentiation may be based on the physical makeup or use of the property. For example, weapons or other property may be subject to a higher level of control because they pose a hazard to persons or property, or property that is critical to mission performance may be subject to a higher level of control. Such property should be tested using a stratification based on these factors.
10. Records should be tested to determine whether transactions are posted. Timeliness of transaction posting should be defined in the recipient’s system plan, standards, and/or practices. GPAs should test to determine if transactions are posted accordingly.
11. The GPA shall test the accuracy of quantity and location to evaluate:
12. The existence of property on record.
13. Whether items on record are in correct locations and quantity (record-to-floor checks).
14. The completeness of records, testing whether items on the floor have corresponding and appropriate records (floor-to-record checks).
15. The GPA shall conduct tests using appropriately sized random statistical samples or full population testing for the record-to-floor checks.
16. The GPA shall use an untested Government-owned item adjacent to an item tested during the record-to-floor checks to perform the floor-to-record check. The GPA should be careful to consistently check for a floor-to-record check item in the same position in relation to the randomly selected record-to-floor check item. For example, the GPA could establish that they will always check the Government-owned item closest to the right-hand side of the randomly selected record-to-floor check.
17. When a recipient is authorized to use a “receipt and issue” record-keeping system, the GPA shall review receipt and issue records to determine whether received items have been issued directly to the floor for consumption, whether items are consumed and whether unconsumed items or items that will not be consumed for a period exceeding the recipient’s plan are placed on record in a perpetual inventory system.
18. In accordance with 48 CFR § 1852.223-76, Federal automotive recipients who are authorized to use Government-provided transportation assets are required to report into the Federal Automotive Statistical Tool (FAST) annually. The GPA shall consult with the CTO to ensure that FAST records are up to date and complete.

#### 5.6.5.5 Evaluation of Physical Inventory

1. Section 2 CFR § 200.313 and 48 CFR § 52.245-1(f)(1)(iv) require recipients to perform, record, and report the results of physical inventories. Physical inventories are essential in the validation of records, transactions, and practices. Physical inventories provide insight into the overall effectiveness of management controls employed by the recipient over GP. As such, they are an equally essential part of the Government’s oversight and review processes. Further, GCAM and 48 CFR § 1852.245-78 require recipients to validate the existence of items valued $500,000 or above on an annual basis.
2. The GPA shall evaluate the recipient’s physical inventory execution to determine whether the inventory is being scheduled, performed, recorded, and reported in accordance with the recipient’s property management practices, standards, plans, or systems. The basic objective is to determine the effectiveness of the physical inventory process, physically locate and count GP, compare the results to the records, post the findings, reconcile the inventory, make physical inventory adjustments, report the adjustments and losses to the GPA, and perform a physical inventory at award completion, termination, or when otherwise required.
3. The GPA has the option of performing audits of the recipient’s physical inventories either during the performance of the inventory or after its completion. In either case, the tests need to evidence performance of the physical inventory at the time(s) stated in the recipient’s PMS, physical counts of selected items, verification of the entries on count slips, comparisons with records, preparation of documents necessary for any adjustments required, internal recipient approval of adjustments, and the referral of lists of all recorded adjustments to the GPA. Populations and their respective samples may be drawn from physical inventory documentation such as count slips, inventory tickets, computer printouts of automated inventories, or similar items.
4. To ensure that the recipient’s inventory practices encompass all property under contract, the GPA shall select an appropriate sample of items from the recipient’s work areas (i.e., storage, manufacturing, and fabrication) to determine if items within those areas have been verified during the inventory process.
5. The GPA shall review an appropriate stratified sample or stratified population of the recipient’s records to determine whether items valued $500,000 or above have been verified on an annual basis in accordance with the requirements of the NFS clause Physical Inventory of Capital Personal Property, 48 CFR § 1852.245-78. Special attention should be given to any instance where an item was not found to determine whether the discrepancy was reported according to the requirements of 48 CFR § 52.245-1, and whether the associated records were updated.
6. The GPA shall ensure the award recipient has updated/descriptive property listing in NESS in Contract screen under Documents tab or in PMSA screen under Documents tab as supporting documentation. If any GP experienced any adjustment, acquired, transfer, disposal, loss, etc., an updated/descriptive property listing is warranted for upload in NESS. Accurate property listing ensures NASA and PLCO knows what is needed for final disposition and timely closure of the award.

#### 5.6.5.6 Evaluation of Subcontractor Control

1. Though it is not a widespread practice for commercial companies to provide their assets to their vendors, it is occasionally in the Government’s best interest to provide property to contractors performing government awards. When a subcontractor requires property to perform duties associated with the prime award, prime award recipients may provide that GP to subcontractors. As the Government does not have “privity” into the relationships between the prime recipient and subcontractors, the prime award recipient is responsible for the management of GP in the possession of its subcontractors in accordance with 48 CFR § 52.245-1(f)(1)(v).
2. The GPA shall ensure the prime award recipient has established a process to manage its subcontractors who have been provided GP. The basic objective in testing subcontractor control is to ensure that the contractor has a process for properly applying the GP clauses requirements in its subcontracting processes and providing the required information in the subcontracting process, and then to ensure sufficiency of the subcontractor’s PMS to protect the Government’s interests in the GP.
3. The GPA should be aware of all subcontracts, purchase orders, interdivisional work authorizations (IDWAs), inter-organization transfers (IOTs), and other documents that furnish GP or authorize the acquisition and fabrication of items that become GP. Applicable documents to review as part of this process may include purchase orders/subcontracts with GP, and awards, as well as associated modifications and correspondence relating to GP provided to subcontractors, flow down of risk of loss and control of GP, and supporting correspondence and reports. The populations for this process and their respective samples can be taken from these documents.
4. When subcontractor acquisitions of property will result in Government-titled property in accordance with the title provisions of 48 CFR § 52.245-1, the GPA shall test to ensure that:
5. The prime award recipient requested approval of the CO/GO for the acquisition in accordance with 48 CFR § 1852.245-70.
6. The appropriate title provisions of the FAR clause Government Property are included in subcontracts.
7. The GPA should be aware that there are numerous different award relationships between a prime award recipient and a subcontractor as well as differing relationships between and recipient and the recipient’s alternate locations. A determination should be made concerning the type of award relationship, i.e., whether the business relationship is that of a prime award recipient with a subcontractor or is that of an alternate location as a physical extension/location of the recipient. Where the GPA is unable to ascertain the type of relationship, the GPA shall request clarification of the relationship from the recipient. The recipient is in the best position to provide this information to the GPA.
8. When the prime award recipient has retained property management responsibilities for its subcontractors, the GPA shall ensure that adequate processes have been established in the award recipient’s PMS. Areas within the subcontract process that are of critical concern are:
9. The flow down requirements (i.e., 48 CFR § 52.245-1(b)(3)).
10. The adequacy of the recipient’s system of surveillance incorporated in its PMS and applied throughout the life of the subcontract.
11. The adequacy of the recipient’s surveillance documentation of the subcontractor’s PMSA, to include but not limited to types, quantities, and dollar value of property; methods of performing the analysis; subcontractor performance and reporting of physical inventories; evaluation criteria; and conclusions including disclosure, follow up, and final resolution of deficiencies.
12. Property administration may have been delegated through a support property administration delegation requested by the NASA Center IPO. Where the prime award recipient has retained the oversight process, the GPA shall, as part of the PMSA, perform an analysis of the recipient’s oversight of their subcontractors in accordance with its PMS.
13. Where the prime award recipient and the prime’s GPA have agreed in writing to a support property administration delegation, the cognizant GPA for the subcontractor shall perform a PMSA on that subcontractor, including the GP accountable under the subcontract delegated for property administration, and provide their findings to the prime’s GPA promptly upon completion of the PMSA.

#### 5.6.5.7 Evaluation of Utilization

1. 48 CFR § 52.245-1(f)(1)(viii) combines five distinct processes under the outcome of utilization. These include use, consumption, movement, storage, and reporting of property no longer required for performance. GPAs need to be aware that, though these distinct processes are combined into a single FAR clause outcome, the processes have different populations and different criteria that are subject to review. Within this NPR, distinct evaluation requirements are identified for each of these processes.
2. During evaluation of utilization, the GPA should be particularly concerned with any unauthorized use, use more than allowable time on non-government work, improper recording of actual use, and failure to maintain any required utilization records. There needs to be an award requirement or justification for retention for each item in the possession of the award recipient. GPAs should be aware that the utilization levels of property may be affected by the purpose of the award (i.e., operations and maintenance (O&M), production, research, and development (R&D)); the type of testing the item was used for; continuous versus final acceptance; and the reason the property was provided (i.e., as a model or for configuration standards).
3. Recipients are required by 48 CFR § 52.245-1 to restrict use of GP exclusively for the performance of the award under which the property was provided. Use on other Government awards may be allowed after receipt of noninterference use approval from the CO/GO for the providing award. Approval should also be garnered from the CO/GO responsible for the use award. GPAs shall check to ensure that any identified use on other awards has been appropriately authorized.
4. Conversion of public property to private use without authority is a criminal act under Public Money, Property or Records, 18 U.S.C. § 641. GPAs shall review recipient use records and operations to determine whether property is being used exclusively for authorized purposes. When the GPA suspects that property is being used for unauthorized purposes, the GPA should immediately report such conditions in writing via e-mail with prime award number within two business days to the CO/GO, HQ-CPPM and NASA Inspector General for further investigation and should request advice from the Inspector General on whether and to what extent the PMSA should continue.
5. Recipients who identify a commercial or private use for GP shall obtain the approval of the providing CO under 48 CFR § 52.245-9 and comply with the CO’s direction.
6. GPAs shall review recipient records to ensure recipients have obtained the CO’s advanced approval of commercial use and that the recipient’s plans, practices, procedures, or systems provide accurate means to collect use data; for example, hours used for performance of commercial work versus hours used for performance of Government work.
7. Recipients shall have processes and standards to determine when property is no longer required for performance of the providing contract and to report that property for disposition in accordance with 48 CFR § 52.245-1 and 48 CFR subpt. 45.6. Disposition is completed throughout the award period of performance.
8. The GPA shall evaluate recipient records of use and observe the use of property to determine whether property that is no longer required for contract performance has been reported for disposition in accordance with the recipient’s processes and standards. This portion of the utilization evaluation applies only to non-consumable types of GP (i.e., equipment, STE, durable ST, and real property).
9. The GPA shall review the activity level of the items sampled to identify idle or underutilized GP.
10. Where the GP does not reflect current or recent use, the GPA shall request the recipient to provide justification that the GP is required for planned or “in process” continuing award efforts.
11. If not justified for retention, inactive GP should be declared excess.
12. The population for utilization evaluation should be selected from all utilization records, either manual or automated, and should be stratified by property type with common utilization characteristics. The GPA shall use sound judgment in determining the populations selected for testing the utilization process. If the recipient uses the same process for tracking the utilization of equipment, STE, and ST, it would be appropriate to use the records of all equipment, ST, and STE as the population of utilization. If a different process is used to track the utilization of the various classes of GP, then separate populations should be used for this test rather than combining all equipment, ST, and STE.
13. GPAs shall conduct specific reviews of transportation assets and other material handling equipment, as part of the PMSA based on special award provisions. Such reviews should be made to ensure Government-owned transportation assets are:
14. Approved and justified in accordance with award requirements. Specific approval requirements exist for transportation assets in 48 CFR subpt. 1851.2, and NPR 6200.1.
15. Subject to controls in the recipient’s procedures to prevent unauthorized home-to-work or work-to-home use of transportation assets.
16. Utilized in accordance with NPR 6200.1 and the NASA Official Fleet Management Handbook. If underutilization is identified, the GPA should further report that underutilization to the CTO. If the justification for acquisition is insufficient to determine level of use, the GPA shall recommend that the CO require a more detailed justification of the projected use of the transportation assets.
17. The GPA should review the recipient’s processes for responding to award completions, terminations, modifications, and engineering changes to identify property no longer required for award performance.
18. When GP will be retained beyond the original period of performance or termination, the GPA shall ask the CO/GO to provide documentation of award extension or award of a new storage award.
19. When property is to be transferred between a complete award and an executed follow-on award, the CO/GO will give authorization in writing in the complete award. The complete award cannot be closed for property or award administration until the GP is either transferred to the follow-on award or disposition is directed by a PLCO or the NASA PDO and completed by the recipient.

#### 5.6.5.8 Evaluation of Storage

1. Award recipients are required to properly store property under their stewardship. The GPA shall ensure that the recipient has established a proper method of storage for all GP in accordance with 48 CFR § 52.245-1(f)(1)(viii). The basic objective in testing storage is to determine the recipient’s effectiveness in controlling, protecting, and preserving GP while in storage. Assessing the effectiveness of recipient storage practices is normally accomplished by visual inspections of GP storage areas. Special inspections may be made of some, or all storage areas or review may be made in conjunction with verification of location or control processes.
2. The population for this process consists of all locations where GP is being stored.
3. Evaluations are to include the overall safeguarding aspects, review of housekeeping, temperature, and static controls (if required), physical security, and preservation of GP within storage areas (i.e., storage areas are clean and well organized with access strictly limited to authorized personnel and with processes established to appropriately preserve GP in storage).
4. The GPA should review storage records to compare the date or timeframes that assets were originally placed into storage with completion dates for the accountable award to determine whether the award is active or complete. If GP is discovered in storage and the award is complete, the GP should have been declared excess and processed through the appropriate disposition process. The GPA shall issue a corrective action plan and report the information to the Center IPO and CO/GO and, if no resolution occurs as specified by the schedule within the corrective action plan, contact the HQ-CPPM in writing via e-mail within 10 business days.
5. All corrective action plans will be uploaded to the award’s PMSA section under Document tab in the APSR/NESS within five business days of receipt.
6. Preservation processes should ensure that materials stored indoors or outdoors are protected from corrosion or other deteriorating conditions. Hazardous material and other sensitive GP may require more stringent storage processes. Where appropriate, the review of special storage areas should be coordinated with other Government or recipient technical functional specialists, including safety, security, quality assurance, environmental, or production personnel.

#### 5.6.5.9 Evaluation of Movement

1. The FAR clause Government Property, 48 CFR § 51.245-1 requires award recipients to properly move GP under their stewardship. The GPA shall ensure the recipient has established effective processes for movement of GP while in use, into and out of storage, or in transit. The basic objective in testing movement is to ensure that GP is moved under the appropriate authority and with the appropriate documentation, adequate protection is provided during movement, and location changes are promptly posted to records.
2. Assessing the effectiveness of the recipient’s process for protection of GP in use or in transit is generally accomplished by day-to-day observations of recipient actions. All Government personnel who have visibility of recipient operations should monitor recipient protection of GP being prepared for or while in transit.
3. The population for this review may consist of all issue slips, shipping tickets, location change orders, custodial transfer documents, maintenance work orders that require the movement of GP, routers/travelers, and other similar documents, and the GPA shall review one year or back to the last PMSA, whichever is less. This process verification may also be supplemented by information obtained from reports of loss of GP when the item was damaged during movement, either internal or external. The overall effectiveness of the process may be assessed based on the frequency and magnitude of loss of GP while property is in movement. Where losses are frequent and due to movement-related circumstances, a systemic deficiency may exist.

#### 5.6.5.10 Evaluation of Consumption

1. The GPA shall evaluate the award recipient’s consumption of GP to ensure reasonable levels of inventory are on hand. Excessive quantities or out-of-stock conditions should be noted. Random statistical samples of records of item quantity and supporting consumption records should be used for this purpose.
2. The GPA shall determine whether quantities of material inventory on hand are reasonable based on blueprints, production schedules, and parts lists at a minimum. The GPA should consider other factors such as supplier’s bulk purchase requirements when they are relevant to the analysis.
3. When consumption analysis or other evidence shows that costs charged to Government awards do not appear to be reasonable, allowable, or allocable per the requirements in Contract Cost Principles and Procedures, 48 CFR pt. 31; Allowable Cost and Payment, 48 CFR § 52.216-7; Cost Accounting Standards, 48 CFR § 52.230-2; the GPA shall determine the extent of the deficiencies.
4. If items appear to be unallowable, unreasonable, or not allocable, the GPA shall notify the CO for appropriate action. The notice will include proper documentation of findings serving as the basis to suspect an unallowable, unreasonable, or not allocable cost.
5. If it appears that a systemic problem exists, the GPA notice to the CO/GO may recommend a DCAA audit for possible impact to the recipient disclosure statement.
6. The GPA shall review the recipient’s records to ensure that the value of items issued from stock for use in award work is incorporated into the costs of the item either constructed, manufactured, or kitted.
7. The item resulting from the consumption process should be valued according to consistently applied, sound accounting practices.
8. Items undergoing these processes are considered work in progress. An item should be considered a new item when complete, whether returned to stock in an altered form or delivered.
9. New items that are returned to stock should be entered into the recipient’s records with appropriate value and quantities.

#### 5.6.5.11 Evaluation of Reporting

1. 48 CFR § 52.245-1(f) requires award recipients to have a process to properly prepare and submit reports related to GP under their stewardship. VCS, ILPS, and CCPs provide significant guidance on reporting processes and typical metrics. Reports required by the Government Property clause include but are not limited to reports of discrepancies, loss, physical inventory results, audits and self-assessments, corrective actions, reanalysis reports and other property-related reports and, as directed by 48 CFR § 1852.245-73, also require annual and final property submission reports of NASA property in the custody of recipients. All recipients with GP complete electronic submission of these reports through NESS (<https://ness.nasa.gov/contractor>).
2. The GPA shall test the recipient’s processes to determine whether they meet award requirements for preparing and submitting reports of GP. This test typically involves a review of the full population of award-required reports, either manual reports or electronic versions based upon the recipient’s process that cover either one year or back to the last PMSA, whichever is less. Where the GPA chooses to treat this in a combined fashion, all these reports may be viewed as one population. Care should be taken in the evaluation process as the timeframes, forms, or data requirements for reporting these various actions may differ depending upon the recipient’s PMS and the type of report required.
3. In lieu of testing reports as a separate group or outcome, the GPA may evaluate this process in any other applicable process that requires the creating of a report, i.e., reports of discrepancies may be evaluated by the GPA when performing the audit of the receiving process; physical inventory reports may be evaluated when performing the audit of the physical inventory process; loss reports may be evaluated by the GPA when performing the audit of the relief of responsibility/liability process. When these reports are tested under the related process, the GPA shall ensure that a review is performed on any reports that were not addressed under the other processes.
4. Special attention should be given to award compliance for those recipients required to submit the annual property submission in accordance with GCAM and 48 CFR § 1852.245-73. Recipients will be evaluated on the timeliness of correct submissions starting October 1–31 each year until the end of award performance. As this report is pivotal to the completion of NASA’s financial reports, timeliness and correctness are equally important. Evaluation of the recipient’s ability to generate quality data may be based more on the recipient’s performance in the records, acquisition, and disposition segments of the property system than on the report itself. Failure to maintain accurate records or properly record addition and deletion transactions would obviate the recipient’s ability to submit an accurate report.

#### 5.6.5.12 Evaluation of Maintenance

1. Award recipients are required to properly maintain property in their stewardship. The GPA shall ensure that the recipient has established and follows a process for properly maintaining GP in accordance with the section Equipment, and 48 CFR § 52.245-1(f)(1)(ix). The basic objective in testing the process of maintenance is to ensure that the recipient’s system of maintenance contains a process for disclosing the need for and performing routine, normal preventive maintenance, and unscheduled maintenance; disclosing and reporting to the Government the need for capital-type rehabilitation; and obtaining the CO/GO’s approval prior to commencement of work.
2. The population for analysis may be selected from all items that require maintenance as part of their normal operation or stratified by GP type requiring varying levels of maintenance actions, e.g., equipment, STE, ST, real property. The GPA shall review maintenance actions and records to determine that they have been performed and recorded in accordance with the maintenance standards and plans in the recipient’s PMS.
3. The GPA will analyze maintenance and repair records to determine the cause of breakdown and ascertain the possibility of inadequate preventive or routine maintenance.
4. The GPA may request assistance from other technical specialists (e.g., quality assurance representatives) in the review of this process.
5. Recipients may also be required by their award to comply with NASA technical manuals and orders when performing work on items of GP. GPAs shall familiarize themselves with and become knowledgeable of these requirements and obtain assistance from the appropriate Government technical personnel when needed.

#### 5.6.5.13 Evaluation of Disposition

1. The GPA shall evaluate the award recipient’s property practices to ensure that the recipient reports excess GP in accordance with this section and 48 CFR § 52.245-1(j), any other terms and conditions of the award, any applicable law, and the recipient’s PMS. The basic objective of testing disposition is to determine the effectiveness of and compliance with the disposition process on screening for reutilization of property in support of other Government awards; identifying property that is excess to the requirements of the active award; submission of inventory schedules to the appropriate Government representative, generally the PLCO; obtaining the proper authority for transfer or disposal of excess and surplus GP; and reviewing the disposal of GP in accordance with Government direction or under an adequate scrap process.
2. This process is normally reviewed by selecting a random statistical sample from the population of disposal records including plant clearance cases, transfers, scrap tickets, GFM return documents, and other appropriate documents. These records should reflect in-house screening for reutilization and proper authority for disposal.
3. The GPA shall ensure the recipient has a system for properly reporting and submitting or crediting the Government with the proceeds realized from the authorized sale of assets.
4. If assistance is needed in verifying the crediting use of these proceeds, the GPA shall request assistance, through the CO/GO responsible for administration of the award, that a review be conducted by the cognizant audit authority.
5. The GPA shall evaluate the recipient’s scrap procedures.
6. Recipients’ procedures may allow for the disposition of common scrap through a single scrap disposition process. The GPA should review the process to determine whether it is capable of fairly identifying the ratios between scrap generated from government work and scrap generated from the recipient’s other work.
7. The GPA may select a random statistical sample of the population of all property that has been processed through the recipient’s scrap procedure for the past year or back to the last system audit.
8. The GPA shall review the process and the documentation to ensure that the items processed through the recipient’s scrap procedure have been verified as being in “scrap” condition by an appropriate Government representative.
9. The GPA shall review the recipient’s process to ensure for properly reporting and submitting or crediting the Government with the proceeds realized from the sale of scrap through scrap procedures.
10. If assistance is needed in verifying the use of these proceeds, the GPA shall request assistance through the CO/GO administering the award from the cognizant DCAA auditor.
11. The GPA shall evaluate the recipient’s procedures to establish whether they have acted under appropriate authority for disposition.
12. The GPA shall determine that the actual disposition of GP is based on award or other CO/GO, PLCO, or PDO authorization.
13. When all GP has been dispositioned through the plant clearance process, the GPA may select samples from inventory schedules or other plant clearance documentation to determine that actions taken were properly authorized.
14. If the disposal action was unauthorized, procedures for the GPA’s reporting loss are required before a determination to relieve the recipient of responsibility may be considered.
15. The GPA shall review the recipient’s records and practices to ensure that they obtain any required CO/GO consent to disposition property provided under 48 CFR § 52.245-2 that disposition takes place only after notification to the CO/GO; that disposition is carried out by the recipient if there is no PLCO LOD; and that property is not returned to the Government for disposition.

#### 5.6.5.14 Evaluation of Closeout

1. The GPA shall evaluate the recipient’s methods of ensuring award closeout actions related to property are completed in an accurate, effective, and timely manner in accordance with   
   48 CFR § 52.245-1(f)(1)(x).
2. This process may be analyzed during the GPA’s final review of recipient closeout actions or over a period. Subjective evaluation may include reviewing the timeliness of initiation and submission and the adequacy of the recipient’s method for tracking awards nearing completion to close out affected awards. Objective evaluations may include verifying required authorizations for property transfer, completed disposition actions, completion of liability determinations, and completions of award required reports, including closeout forms and/or correspondence with zero dollars remaining.
3. The GPA should review for any completed awards for which formal award closeout actions have not been taken or reported, including all final property submissions completed in NESS.

#### 5.6.5.15 Evaluation of Loss/Relief of Stewardship Responsibility

1. Prior to conducting the PMSA, the GPA shall review reports of loss previously submitted and ensure that the reports have sufficient documentation of the reason for loss, the steps to be taken to prevent recurrence, the data elements required by 48 CFR § 52.245-1, and all supporting documentation.
2. The GPA shall note any incidence of failure to report loss in accordance with the requirements of 48 CFR § 52.245-1. Particular attention should be paid to losses discovered because of the recipient’s physical inventory. Timing between the completion of inventory and the submission of any report should be considered.

#### 5.6.5.16 Evaluation of Overall Property Management

1. The GPA shall determine the effectiveness of the recipient’s PMS seen as a whole and identify possible systemic impacts of deficiencies identified within multiple segments of the PMSA. As such, this segment should provide a more holistic picture of the recipient’s PMSA. An additional objective of this audit is to provide a management overview that identifies causal factors that may contribute to deficiencies in other processes.
2. In their analysis of the overall PMS segment, the GPA should:
3. Evaluate the property management activity (PMA) location within the organizational hierarchy.
4. Establish whether the PMA is sufficiently independent from operational activities.
5. Evaluate the authority of the PMA to develop, disseminate, and enforce property management policies, standards, practices, systems, and procedures.
6. Consider whether the PMA is sufficiently resourced to execute the requirements of the award, execute the procedures and practices proposed by the recipient, and meet any performance standards. It is important to consider the balance between the cost and the effectiveness of the PMA operations.
7. Evaluate the recipient’s self-assessment processes to determine the authority of the PMA to identify, report, and correct deficiencies in performance both within the PMA itself and within production, program, or project activities.
8. Identify any instance in which the recipient’s management failed to correct identified deficiencies; failed to establish and implement adequate plans, standards, practices, or procedures; or failed to provide protection for GP adequate to prevent its loss.
9. Evaluate the recipient’s self-assessment control environment as detailed in their procedures. The GPA’s audit of this process segment should utilize the products of the recipient’s assessment activities to direct attention to areas of concern and to support tests and findings.

## 5.7 Documentation of Audits

### 5.7.1 Documentation of Evaluations

#### 5.7.1.1 The GPA shall fully document the processes used to test, the sample sizes, and the populations of each segment tested.

#### 5.7.1.2 The GPA shall provide the results of the tests for each segment audited. The results will indicate whether the recipient performed satisfactorily, unsatisfactorily, or partially satisfactorily for that segment.

#### 5.7.1.3 The GPA shall provide a summary of any actions taken by the recipient during the performance of the audit to ameliorate any risks or to address any findings related to the audit. The summary will indicate whether the actions were sufficient to restore any unsatisfactory or partially satisfactory segments or outcomes to satisfactory status or whether further action is required.

### 5.7.2 Preparation of Audit Report

#### 5.7.2.1 The GPA shall prepare an audit report that contains the following at a minimum:

1. An executive summary that delineates and summarizes significant findings and recommendations as well as the award recipient’s responsiveness and cooperation in completion of the audit.
2. Details of findings and recommendations by segment.
3. Details of all tests to fully support any subsequent findings and recommendations.
4. Descriptions of test samples and procedures, along with documentation of detail supporting findings, produced for each applicable segment or outcome of the property system.
5. A full description of any situations requiring corrective action.
6. A requirement for the recipient to submit a response or to complete all actions required to correct deficiencies identified in the report, specifying an overall completion date in accordance with Contractors’ Property Management System Compliance,   
   48 CFR § 45.105(b), and this NPR.
7. A requirement for the recipient to provide a schedule for completion of individual remedial actions within the overall timeframe.

#### 5.7.2.2 With the recipient’s consent, the report may record and acknowledge any processes, standards, or practices that exceed those typically required by VCS or that exceed CCPs and that prove to be cost-effective. The report will recommend recipient documentation and dissemination of such processes, standards, and practices as examples of potential ILPS.

### 5.7.3 Notification of Authorities

#### The GPA shall:

#### a. Notify the CO/GO and the Center IPO of any findings that may result in an overall determination of system inadequacy or failure to comply with award requirements within 30 days of the exit conference.

#### b. Notify the NASA CO/GO, IPO and HQ-CPPM via e-mail with award number when PMSA reports are identified with significant deficiencies, and ensure all information is uploaded to the NESS PMSA section Documents tab by award number. (See Section 1.3.8.3(j) for more information.)

#### 5.7.3.2 After completion of the PMSA, the letter of determination is signed by the CO/GO and sent electronically to the award recipient, GPA, and IPO.

1. The GPA and IPO shall upload the PMSA, corrective action plan and reanalysis report into the NESS award under the PMSA Documents tab and complete the Summary and Outcome tabs in the PMSA screen.
2. The IPO shall ensure the determination letter is on each award in NESS PMSA section under Documents tab.

### 5.7.4 Receipt of Award Recipient Comments, Actions, and Plans

#### 5.7.4.1 The GPA shall incorporate award recipient comments, actions, and plans into the final report.

#### 5.7.4.2 Recipient responses should be evaluated to determine any corrective actions that may have been taken after the completion of the audit. If the recipient has taken corrective actions, the GPA shall evaluate those actions and determine if they are responsive to the findings and recommendations provided in any interim or draft report.

#### 5.7.4.3 If the corrective actions are not completed, the GPA shall perform a reanalysis based on the circumstances and nature of the initial finding. The reanalysis tests the success of the correction action plan’s implementation, only transactions that occur after the corrective actions are completed will be included in a reanalysis population, unless the reanalysis is performed concurrently with a regular scheduled PMSA.

#### a. The GPA shall perform the reanalysis within 180 calendar days of issuance of CO/GO final determination.

#### b. If the corrective actions are completed, the GPA shall note their completion in the final report.

### 5.7.5 Post-Audit Communications with the Award Recipients

#### 5.7.5.1 An exit conference is required for all PMSAs (Full or Limited). A full PMSA based on risk is more formal. A limited PMSA based on risk is more informal and can be performed via teleconference.

### 5.7.5.2 GPA shall hold exit conferences upon the completion of each element to keep the award recipient informed and provide timely feedback.

### 5.7.5.3 The GPA shall prepare a separate file for each PMSA to be uploaded to NESS PMSA screen under the Document tab by award number as follows:

1. The filename will be labeled noting the award number, recipient name, cage code, and date of review completion.
2. Correspondence advising the recipient of the scheduled PMSA, any associated response from the recipient, and documentation of the entrance conference will be placed on the filename.
3. Documentation of the GPA’s determination of whether segments of a property system should be reviewed will be labeled on the filename.
4. Findings of tested property segments will be placed on the file.
5. Correspondence with the recipient regarding the results of the audit along with the final report, the recipient’s response, and the exit conference documentation will be labeled and placed on the file.
6. Correspondence related to actions taken after the final report will be labeled and placed on the file.
7. Supporting documentation and the segment or segments tested labeled on filename.
8. Documentation of a desk audit with the findings and any associated correspondence and supporting documentation labeled on filename.

### 5.7.6 Recording PMSAs in NESS

#### 5.7.6.1 Based on the audit report, the IPO or GPA shall record the results of the PMSA by award number along with any significant findings, either positive or negative, etc., in the APSR/NESS.

#### 5.7.6.2 The IPO or GPA shall upload copies of all PMSAs, corrective action plans and reanalysis reports in pdf files when conducted by NASA or received from the FIP.

#### 5.7.6.3 The IPO or GPA shall update the PMSA’s Summary and Outcome tabs and upload the PMSAs, corrective action plans, and reanalysis reports in the Documents tab by award number in NESS. (See Section 1.3.8.3(j) for more information.)

## 5.8 Loss of Government Property

### 5.8.1 Receipt of Award Recipient Reports

#### 5.8.1.1 GPAs shall establish a file for all reports of loss within the award property file. All loss reports will then be uploaded to the NESS PMSA screen in the Documents tab by the IPO or assigned GPA.

#### 5.8.1.2 IPOs shall establish files for all reports of loss for awards administered by other agencies within the award property file. (See Section 1.3.8.3(c) for more information.)

#### 5.8.1.3 All property loss will be reported by award recipient to the GPA when notified and reported on annual or final property submission in NESS with supporting documentation.

#### a. GPAs shall notify the CO/GO, IPO, and HQ-CPPM of any instance in which property loss value exceeds $100,000 threshold.

#### b. The NASA IPO and HQ-CPPM reserve the right to request the entire report of findings.

### 5.8.2 Evaluation of Award Recipient Reports

#### 5.8.2.1 GPA and/or IPO shall review the award recipients annual/final property submissions to determine whether the losses reported for the period are reflected in the documents received throughout the year.

#### 5.8.2.2 In the event the GPA finds GP not entered in the recipient’s property system, the GPA shall report the finding within one business day to the NASA IPO and HQ-CPPM for further guidance. The finding needs to include property listing and description at a minimum.

### 5.8.3 GPA Authorities

#### 5.8.3.1 The GPA shall review each incidence of loss. Based on the requirements of the award and the circumstances of the loss, when appropriate, GPAs are authorized to grant relief from responsibility to the recipient that is not processed through the Center report of survey (ROS) under 48 CFR § 45.105(d); Cross-Waiver of Liability, 14 CFR pt. 1266; the LOD; the GCAM; and this NPR.

1. The recipient may use NF 1876 if needed.
2. Loss incidents need to be reported within 30 calendar days after the action.

#### 5.8.3.2 The GPA shall upload the loss report in NESS under the Document tab within 14 days of receipt. At a minimum, the report will include the following for each item of property:

1. Description of property; data elements required under 48 CFR § 52.245-1(f)(1)(iii)(A).
2. All applicable identification data.
3. The unit acquisition cost/value of each item as defined in the FAR section Definitions, 48 FAR § 45.101, and the section Definitions, 2 CFR § 200.1.
4. NASA identification number issued.

#### 5.8.3.3 When the award language or the circumstances of the loss, (i.e., managerial neglect, fraud, or abuse) demand it, the GPA shall recommend to the CO/GO that the recipient be held responsible for the loss.

### 5.8.4 Decisions to Hold Award Recipients Responsible

#### 5.8.4.1 In accordance with Responsibility and Liability for Government Property, 48 CFR § 45.104, and after consideration of the GPA’s recommendation and the overall circumstances of the award, the CO is required to render a decision on whether to hold recipients responsible and liable for property in their custody or whether to take an alternate action to protect the government’s interests in its property.

#### 5.8.4.2 For grants and cooperative agreements, GOs shall consult with the NASA OGC to determine if an award recipient can and should be held liable for the loss of GP.

#### 5.8.4.3 The GPA shall follow up with the CO/GO to obtain information regarding the CO’s/GO’s decision under sections 5.8.4.1 and 5.8.4.2, including documentation when available.

# Award Recipient Property Management Reporting

## 6.1 Support for Financial Reporting

### 6.1.1 While the GCAM, CFR and FAR intend that award recipients’ property records are to be used as custodial records, several areas of those records serve cross-functional purposes with financial management activities. To that extent, property systems need to provide reports that can also be used for financial reporting purposes. Reports used to support financial statements need to be accurate, complete, and submitted in accordance with award requirements by individuals who are authorized by the recipient to submit them.

### 6.1.2 Review of Annual Government Property Financial Reports (NASA Property Submissions)

#### 6.1.2.1 All property submission reports need to be supported by a GPA’s PMSA verification that the award recipient’s property system can produce accurate reports. Accuracy is determined using several methods. They include reviews of the recipient’s physical inventory process, which are expected to provide reasonable assurance of the existence and completeness of the property records. Determination of accuracy is also facilitated by the PMSA, where the GPA obtains insight into, evaluates, and provides oversight for the recipient’s entire property management effort. The recipient’s PMS is reviewed at inception and the Agency’s audit frequency can be found in Section 5.2, Risk Assessment and Table 5-1, Risk Assessment Matrix.

#### 6.1.2.2 Special Considerations of High-Risk Award Recipients

a. To validate information contained in property submission reports, GPAs, annually prior to September 30, regardless of the FIP risk assessment, shall:

1. Ensure the validity of the recipient’s property records by reviewing the Records, Physical Inventory, and Reports segments of the recipient’s annual PMSA prior to approving the property submission.
2. Test the recipient’s records or system to ensure they are correct, valid, and either based on appropriate supporting documentation or derived from other validated recipient systems.
3. For international awards (i.e., awards to entities outside the United States, its possessions, and its territories), ensure the recipient’s recorded property values remain constant and do not change due to fluctuations in exchange rates.
4. Check to ensure the recipient does not prematurely record deletion transactions. Transactions associated with physical transfers between recipients should be recorded only as instructed by the award language or written instructions from the Government.
5. Upload the adjustment records (deletions or additions, etc.) into NESS awards under the Documents tab for IPO, OCFO Property Accountant, and audit trail in the Agency.

#### 6.1.2.3 Use of NESS

1. Award recipients shall not report property submissions in NESS when no GP was ever awarded to them. If award recipients currently have a requirement in their non-GP award for annual property submissions and a final property submission, the recipients will request the latest NF 1018 from <https://nef.nasa.gov> via their Center CO/GO or IPO and submit a $0 value version to the Center CO/GO and IPO until the CO/GO removes the requirement in their updated award modification.
2. All NASA reporting related to the annual and final property submissions occurs in the Agency’s APSR/NESS when GP is associated with the award. After property submissions are completed and submitted by award recipients, NESS produces the results in NF 1018. Recipient use of NESS for all property submission reports is mandatory. If an award recipient has any challenges gaining access to NESS, the recipient is to contact the Center IPO immediately.
3. NESS opens on October1st each calendar year for annual property submissions. All final property submissions with GP associated in the award can be submitted year-round in NESS at <https://ness.nasa.gov/contractor>.
4. When an award recipient’s unit cost of items to be acquired, furnished, constructed, or fabricated will meet or exceed the capitalization threshold of $500,000 or above, the recipient shall report monthly in NASA/OCFO CHATS via <https://chats.nasa.gov> for more information. OCFO is tracking embedded leases according to Accounting Standards Codification (ASC) 842 for required reporting in annual property submission in NESS. ASC 842 is a lease accounting standard by the Financial Accounting Standards Board (FASB), requiring all leases longer than 12 months to be reflected on the award recipient’s balance sheet. Some common types of awards that may contain embedded lease include agreements for information technology arrangements, transportation, inventory management and warehousing, cable, and satellite, etc., Heritage Assets will be captured by award recipients under annual/final property submissions and reported monthly in NASA/OCFO CHATS. (See Center OCFO and NPR 9250.1, for additional information).
5. Table 6-1 indicates the Agency’s APSR/NESS annual/final property submissions reporting deadlines for all internal/external stakeholders set by NASA’s OCFO.

Table 6-1 NESS Annual/Final Property Submission Approvals and Reporting Deadlines

|  |  |
| --- | --- |
| **Roles** | **Submissions** |
| Award Recipient | **NESS October 1 – 31** |
| Government Property Administrators | **NESS Second Friday of November** |
| NASA Industrial Property Officers | **NESS First Friday of December** |
| NASA OCFO Property Accountants | **NESS December 31** |
| **NESS Final Property Submission Approval Deadlines** | |
| GPAs, IPOs, and OCFO Property Accountants | Year-round, complete approval within 2 weeks at each property submission queue |

#### 6.1.2.4 GPA Verification of Adequacy

The GPA shall verify the figures in the property submission reports.

1. The GPA shall verify that the recipient’s property system can produce correct and accurate reports based on the GPA’s evaluation of the recipient’s property system.
2. The GPA will consider the most recent complete PMSA findings related to records, physical inventory, or reporting outcomes and any recipient actions to address the findings and will annotate the property submission accordingly.

#### 6.1.2.5 IPO Responsibilities

1. The IPO shall review the property submission reports to ensure that the GPA verification is completed, and the report appears to contain correct information based on documents and data retained in NESS and resolve any identified discrepancies with the GPA and the recipient prior to verification.
2. The IPO shall maintain the award with award recipients, GPAs, and other personnel to ensure the timely submission of property reports in NESS.
3. For reports that are not submitted by the award recipient within the requirements established in the award, the IPO shall report the award number, name, and points of contact on the award to the CO/GO and HQ-CPPM in 10 business days for further action. (See Table 6-1 for more information.)

#### d. For more information on financial management reporting requirements for personal property, including property in the custody of award recipients, refer to the GCAM; NPR 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies; and this NPR.

## 6.2 Property Administration Reporting/Metrics

### 6.2.1 PMS metrics not only support financial reporting but should also help NASA management determine whether the program is succeeding, whether the resources allocated to the program are sufficient, and whether they are being effectively utilized. Internal metrics and reports should provide insight into whether the requirements of regulations are being met, and the HQ-CPPM, the Center OCFO Property Accountants, the OP PMPD, and the NSSC will monitor certain critical issues on a regular basis to ensure compliance.

### 6.2.2 Solicitations Issued Versus Solicitations Reviewed

#### IPOs shall establish a method for collection and reporting of information on the number of solicitations issued versus the number of solicitations reviewed.

#### IPOs shall submit the report annually to the HQ-CPPM.

#### The following data are required: (See Table 6-2 for more information.)

(1) Subtotal number of solicitations issued for cost awards.

(2) Subtotal number of fixed price solicitations with GFP issued or anticipated.

(3) Total number of solicitations reviewed by the Center GP activity.

(4) Ratio of solicitations reviewed to applicable award solicitations issued.

Table 6-2 Solicitation Review Metric

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Total Solicitations Issued | Cost Award Solicitations | Other Solicitations with Property | Applicable Sollicitations (Column a - (b+ c)) | Number of Solicitation Reviews | Ratio of Reviews to Solicitations Issued (Column e/d x 100) |
| Column a | Column b | Column c | Column d | Column e | Column f |
|  |  |  |  |  | % |

### 6.2.3 Review of Recipient Proposed Systems

#### 6.2.3.1 IPOs shall establish a method for collecting and reporting information on the number of off-Center recipient systems reviewed versus the number subject to review.

#### 6.2.3.2 IPOs shall submit the report annually to the HQ-CPPM.

#### 6.2.3.3 The following data are required: (See Table 6-3 for more information.)

1. Subtotal number of cost type awards issued.
2. Subtotal number of fixed price awards with known GFP issued.
3. Total number of applicable awards issued by Center procurement activities.
4. Total number of proposed PMSAs reviewed by the Center industrial property activity.
5. Ratio of audits to applicable awards.

Table 6-3 Proposed System Reviews

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cost Awards | Fixed Price Awards with GFP | Total Applicable Awards (Column a + b) | Total Reviews | Ratio (Column d/c x 100) |
| Column a | Column b | Column c | Column d | Column e |

### 6.2.4 Ratio of High-Risk Awards to PMSA Performance

#### 6.2.4.1 IPOs shall establish a method for collecting and reporting metrics on the performance of PMSAs. The most critical PMSAs are audits associated with high-risk recipients.

#### 6.2.4.2 IPOs shall submit the report annually to the HQ-CPPM.

#### 6.2.4.3 The following data are required: (See Table 6-4 for more information.)

1. The number of audits of high-risk recipients completed by NASA and delegated GPAs during the fiscal year.
2. The number of audits required for high-risk recipients according to the risk matrix shown in   
   Table 5-1.
3. The ratio between the number of required reviews and the number performed.

Table 6-4 High-Risk Reviews

|  |  |  |
| --- | --- | --- |
| # of High-Risk Recipient Reviews Required per Table 5-1 | # of Reviews of High-Risk Recipient Reviews | Ratio (Column b/a) x 100 |
| Column a | Column b | Column c |
|  |  | % |

### 6.2.5 Ratio of Overall Awards to PMSA Performance

#### 6.2.5.1 The IPO shall report the overall effort as of the end of the fiscal year to the HQ-CPPM.

#### 6.2.5.2 The following data are required: (See Table 6-5 for more information.)

1. The number of audits of all recipients completed by NASA and delegated GPAs during the fiscal year.
2. The number of reviews required for all recipients according to the risk matrix shown in   
   Table 5-1.
3. The ratio between the number of required audits and the number performed.

Table 6-5 PMSA Reviews Conducted

|  |  |  |
| --- | --- | --- |
| # of Recipient Reviews Required by Table 5-1 | # of Recipient Reviews Completed | Ratio (Column b/a) x 100 |
| Column a | Column b | Column c |
|  |  | % |

### 6.2.6 Number of Awards with Unresolved Findings at End of Period

6.2.6.1 The IPO shall report the number of awards with unresolved findings as of the end of the fiscal year to the HQ-CPPM.

## 6.3 Annual Award Recipient Property Reporting Requirements

### 6.3.1 Information on recipient property holdings needs to be accumulated for a variety of management activities. In addition to the financial reporting activities discussed in Section 6.1, reports are used to determine risk levels associated with recipient possession of GP, to appropriately allocate industrial property resources, and to provide information for planning future activities such as disposition. Information will be reported by the recipient in accordance with the GCAM, 48 CFR § 52.245-1, and 48 CFR § 1852.245-73.

### 6.3.2 Property Information Derived from Property Submissions

In support of property management activities, NESS provides significant data on recipient holdings of GP. This information should be used to determine risk and to support PMSA audit scheduling. NESS data includes:

1. Overall acquisition value of property on hand at the beginning and end of a period.
2. Overall number of line items of property on hand at the beginning and end of the period.
3. Value of items acquired by the recipient or furnished to the recipient over the period.
4. Value of property by 2 CFR pt. 200 and FAR property classification.
5. Value of items dispositioned over the period.
6. Summary of disposition activities by disposition type.
7. Values of items lost.
8. Quantity of equipment, ST, and special test items on hand at the end of the period.
9. Embedded lease.
10. Heritage assets.

### 6.3.3 NASA Electronic Submission System

#### 6.3.3.1 All NASA recipients with GP shall submit property submissions electronically via <https://ness.nasa.gov/contractor>. Once three levels of approvals are completed by Federal employees in NESS, the system produces a pdf version of the OMB-controlled NF 1018. Its principal use is the collection of GP and financial management information in support of financial and audit reporting. In addition to the data elements listed above, NESS also accumulates data in support of PMSAs.

#### 6.3.3.2 Additional NESS property datasets include:

1. Awards in the enterprise management resource system, (i.e., the System Applications and Products (SAP), EPDW, etc.).
2. Awards with GP accepted into NESS, with detail.
3. History of property submissions which produced NF 1018s for completed annual and final awards.
4. Status of PMSA and the status of property system segments.
5. Contact information associated with awards.
6. An audit trail of transactions and supporting documentation associated with the NESS award records.

#### 6.3.3.3 Maintenance of NESS Data

1. IPOs shall assess the list of incoming SAP awards to determine whether it is appropriate to add the skeletal records for awards in the list to NESS and accept or reject the award skeletal records accordingly.
2. GPAs and IPOs shall update information in the NESS Contract/Award Details page regularly as changes are received, including updates to periods of performance, assigned personnel, and addition or deletion of clauses.
3. GPAs and IPOs shall update the recipient’s system status (from PMSAs) when received from NASA or delegated GPAs and when the date of the audit is more recent than the date on file.
4. GPAs and IPOs shall ensure that copies of reviews are stored in NESS electronically for the Agency’s record-keeping and audits.
5. IPOs at other Centers may request copies of the reviews from the HQ-CPPM when needed in support of activities such as proposals.
6. IPOs may request several actions from the HQ-CPPM who is the system administrator at Headquarters. These include resetting an award to pending so that a recipient may resubmit a rejected annual or final property submission report, moving an award from history to active status, and adding a new cage code with novation letters from CO/GO and related recipient information when not part of the system.

# Special Situations

## 7.1 Progress Payments Awards

### 7.1.1 Title Under Progress Payments Awards

While the Government holds absolute title to limited classifications of property under the terms of 48 CFR § 52.232-16, that title is limited to the value of property acquired allocable to or reasonably charged to the award. Title is also limited to the duration of the award. At the conclusion of a fixed-price progress payments award, any deliverable remains titled to the Government and title to any residual property reverts to the recipient.

### 7.1.2 Property Administration Under Progress Payment Awards

Property provided exclusively under 48 CFR § 52.232-16, is not subject to the terms and conditions of FAR section Government Property, 48 CFR pt. 45, NFS section Government Property, 48 CFR pt. 1845, and the property clauses. Such property is to be managed in accordance with the FAR clause Progress Payments. Property control will be in accordance with accounting systems and controls rather than property systems and controls. As such, the property is not subject to PMSAs.

### 7.1.3 Property Reporting Under Progress Payment Awards

As PMSAs are not applicable to progress payments awards, GPAs and IPOs cannot verify the adequacy of the recipient’s systems for recording and managing property under those awards. GPAs and IPOs should only verify reports from those recipients whose property systems are audited due to the issuance of another award that is subject to 48 CFR § 52.245-1. The IPO should recommend that the Center OCFO Property Accountant request verification of the recipient’s cost accounting practices from DCAA or another appropriate Government agency.

### 7.1.4 Administration When Government Property is Furnished

#### 7.1.4.1 When GP is furnished to a recipient operating under 48 CFR § 52.232-16, the IPO shall advise the CO/GO to include 48 CFR § 52.245-1, 48 CFR § 52.245-9, and applicable NFS clauses.

#### 7.1.4.2 GFP stewardship and disposition requirements will be established and monitored when property is provided. Property administration and plant clearance will be accomplished by a GPA and PDO/PLCO according to Abandonment or Destruction of Personal Property, 48 CFR § 45.603, , 48 CFR subpt. 1845.5, and this NPR.

## 7.2 Small Business Innovation Research Property

### 7.2.1 Title Under Small Business Innovation Research Awards

#### 7.2.1.1 Title to property under Small Business Innovation Research (SBIR) awards is governed by 48 CFR § 52.245-1. Most SBIR awards are awarded as fixed-price awards. As such, the property acquired by the recipient is titled to the recipient, subject to any use of 48 CFR § 52.232-16. (See Section 7.1.)

#### 7.2.1.2 Recipients may retain GP under Phase III SBIR awards when:

1. Property remaining in the custody of a recipient, after delivery and acceptance by the government, is added to appropriate property systems and is furnished as GP under the award in accordance with the requirements of 48 CFR § 52.245-1; or
2. Property is accepted by NASA, added to NASA property systems (e.g., On Center Equipment Property System or NESS), and loaned to the recipient using NASA property loan procedures unless stated otherwise in the award as GFP; or
3. The recipient requests transfer of title and the CO/GO, working with the Center PDO/PLCO, provides a written determination and findings that:
4. NASA has no further requirement for the property.
5. It is more cost-effective to leave the property in place than to screen and disposition the property through NASA and/or delegated disposition activities.
6. Findings and determinations contain data on disposition costs (i.e., storage, transportation, packing, crating, warehousing, performing any required destruction), and those combined costs exceed the acquisition value of the item.

## 7.3 Storage of Property Under Awards

### 7.3.1 Policy

Property may only be stored under awards for the life of the current award and only when there is a firm requirement for the present or future use of property under that award.

### 7.3.2 Documentation

When recipients request authority to store property and a GPA has determined that it is no longer required for performance of the award, the GPA should request a determination from the CO/GO that:

1. The replacement value of the item(s) to be stored exceeds the continued costs associated with storage of the property; or
2. The storage of the property is required to support a safety requirement, such as retention of test articles; or
3. Storage of unique items or items out of production is required to maintain a mission capability.

### 7.3.3 Storage Beyond Physical Award Completion

As the GCAM and 48 CFR § 52.245-1 require that property no longer required for performance of an award be reported for disposition and property can no longer be required by a recipient for performance of a complete contract, any requirement for storage beyond the completion date, excepting normal disposition requirements, is likely to exceed the scope of the providing award. GPAs and IPOs shall advise the CO/GO of any instance where a recipient report being required to store property more than award requirements.

## 7.4 Property Administration for High-Risk Programs

Under high-risk programs, success of PMAs and possibly success of the program itself may require establishing property management organizations. When a high-risk award is anticipated, the Center IPOs may assess whether a central property management activity responsible for coordination of all property management activities at prime and alternate worksites may be appropriate with the approval of the HQ-CPPM with justification. Section B of NF 1430C addresses NASA awards outside of NASA Centers/Installations when a Center IPO is not assigned. Upon the HQ-CPPM’s approval, the IPOs may:

1. Assume the role of prime GPA or assign a Center GPA the responsibility of prime GPA for the overall effort.
2. Coordinate with the CO/GO and program officials to establish an award requirement that a management individual or position be identified within the prime award to be directly responsible for property management across all locations of the award, which may include subcontractor locations. A FIP does not accept prime award without a subcontractor.
3. Property management should be the principal or sole responsibility of this individual.
4. This requirement should be clearly established within the Statement of Work or in a special provision.
5. Support delegations will be forwarded by the Center IPO to the HQ-CPPM for concurrence prior to issuance.
6. The HQ-CPPM shall coordinate, as necessary, the implementation of support delegations with counterparts at cognizant activities.
7. When Center IPO is unable to handle the award with justification and approval by the HQ-CPPM, the award will be delegated to FIP if it meets the acquisition threshold or additional awards are in the vicinity.

## 7.5 Foreign Awards

### 7.5.1 Treaties and International Agreements

#### 7.5.1.1 Deviations Pertaining to Treaties and Executive Agreements

Under the FAR section Deviations Pertaining to Treaties and Executive Agreements,   
48 CFR, § 1.405, which addresses the special situations that may arise when awarding in foreign countries, deviations associated with treaties and executive agreements are authorized unless those agreements are overturned by law after they are issued. HQ-CPPM, IPOs and GPAs shall be aware in writing by NASA Center Program/Procurement Office, etc., of all treaties and executive agreements that could or will affect the management of property under an award. (See the Applicability, 2 CFR § 1800.3(c), and the GCAM for information related to foreign grants and cooperative agreements.)

#### 7.5.1.2 Deviations Associated with Foreign Awards

1. When a treaty or international agreement requires deviation from the FAR or NFS, that deviation needs to be processed in accordance with Procedure for Requesting Deviations, 48 CFR subpt. 1801.471.

b. HQ-CPPM, CO/GO, and IPOs shall receive advance notification and be aware of request copies of all requested and approved FAR and NFS deviations related to property management and disposition from the Center procurement office along with the treaties or executive agreements supporting the deviation.

### 7.5.2 Administration and Disposition of Property in Foreign Countries

1. IPOs shall recommend delegation of property administration and plant clearance to the   
   HQ-CPPM for the international office responsible for the country in which the award will be performed.
2. The FIP will determine whether it can accept the delegation in the international location. If the FIP accept award(s), it will follow the delegation process in this NPR.
3. Disposition of property involves compliance with regulations outside the CFR, FAR, and NFS. FMR requires that agencies establish guidance for the disposition of property in foreign countries. NASA requirements are found under NPD 4300.1, NASA Personal Property Disposal Policy and NPR 4300.1, NASA Personal Property Disposal Procedural Requirements. When awards are delegated, they will follow the delegation process in this NPR.
4. IPOs shall review deviations from the FAR for disposition and either recommend changes to ensure compliance with the documents listed in Section 7.5.1.2.b above or request appropriate deviation from those documents.

## 7.6 Award Recipients Performing Within NASA Facilities

### 7.6.1 On-Center award recipients shall manage and disposition property according to NPRs and in accordance with the IAGP clause, 48 CFR § 1852.245‑71, unless otherwise specified in their award.

### 7.6.2 Use of NASA Record Keeping Processes

#### 7.6.2.1 In accordance with 2 CFR § 200.313, and 48 CFR § 45.106, the CO/GO shall approve movement of property between the Center and the recipient’s locations prior to movement and record the movement using appropriate transactions in NASA record-keeping systems. Such property becomes GFP and is subsequently recorded in the recipient systems through disposition or until it is returned to the Government.

#### 7.6.2.2 Records of equipment being used by on-Center recipients are to be maintained in NASA record-keeping systems.

#### 7.6.2.3 NASA’s Equipment Manager or SEMO will maintain records of on-Center supplies within NASA record-keeping systems to the extent those systems are available.

### 7.6.3 Use of Award Recipient Record Systems

a. When the CO/GO or a responsible program foresees possible delays or problems that may be associated with using the NASA record-keeping systems, particularly in conjunction with using the recipient’s systems to procure supplies and materials:

(1) The recipient may maintain the record of material in accordance with the NFS clause IAGP, 48 CFR § 1852.245-71, and 48 CFR § 52.245-1.

(2) To ensure continued visibility and availability of all supplies located on NASA installations, the IPO should advise the CO/GO and the program that the award should contain language requiring transmission of detailed supply data to NASA’s supply systems monthly and in a format prescribed by the NASA Supply Program Manager, HQ LMD.

# Award Recipient Inventory Disposition

## 8.1 Property Disposition

### 8.1.1 Appropriate and prompt disposition of property that is no longer required for award performance (recipient inventory) is essential to maintaining compliance with both Federal law and regulation. The primary purpose of the disposition process is to ensure that property is fully used for public purposes before it is sold or destroyed. As such, 48 CFR subpt. 45.6, the associated property clauses, 2 CFR pt. 200, GCAM, and the FMR provide guidance on proper disposition priorities and methods. When disposition of property in the custody of award recipients is anticipated, the additional costs associated with disposition should be considered.

### 8.1.2 IPOs shall work with COs/GOs, PLCOs, and Center PDOs to ensure that disposition is carried out in accordance with regulation and in the most cost-effective way possible.

### 8.1.3 The GPA shall confirm, based on information received from the PDO/PLCO and the recipient’s records, that all property has been appropriately dispositioned.

### 8.1.4 The GPA shall confirm, by accepting the recipient’s final property submission report in NESS, that the recipient has no remaining GP under the award. The final property submission in NESS may not be submitted until all property has been dispositioned and the recipient’s award records have been reduced to a zero balance.

### 8.1.5 The GPA shall, in conjunction with the acceptance of the final property submission in NESS, provide DD 1593, Contract Administration Completion Record, or equivalent and any closeout documentation uploaded in NESS under the award Documents tab.

## 8.2 Delegation of Off-Center Plant Clearance Activities

### 8.2.1 While NASA remains accountable for on-Center property during disposition, NASA PDOs are not authorized to conduct the sale of GP. A PLCO has authority to award for the sale of GP, acting under a FIP’s Sales CO’s warrant. Further, PLCOs exercising cognizance over a particular territory should be used to preclude duplication of effort by NASA.

#### 8.2.1.1 In accordance with this NPR, 48 CFR § 1845.503-70, and Contract Administration and Audit Services, 48 CFR pt. 42, COs/GOs are required to delegate off-Center plant clearance activities when property is associated and when it follows the LOD process flow. The NASA forms used for delegated plant clearance for contracts, grants, and cooperative agreements are NF 1430D (plant clearance for NASA contracts) and NF 1674 (plant clearance for grants and cooperative agreements). (See Figure 3-1, Letter of Delegation (LOD) Process Flow Chart for more information.)

#### 8.2.1.2 For awards performed outside of a NASA Centers past 30 miles or Center unable to handle the disposal, the COs/GOs shall execute delegated plant clearance responsibilities through NASA’s approved LOD process.

### 8.2.2 Award Recipient Disposition Costs

#### 8.2.2.1 The award recipient’s disposition systems and processes are considered part of the recipient’s overall management systems and, as such, are normally treated as overhead or as General and Administrative expenses charged indirectly to awards. To avoid duplication of costs or the transfer of these costs to the Government, the recipient should maintain property in its custody at the recipient’s locations within a 30-mile radius of a NASA Center in lieu of transporting the property to NASA facilities for disposition unless otherwise specified.

#### 8.2.2.2 Plant clearance for NASA is to be performed in accordance with 2 CFR § 200.313, 48 CFR subpt. 45.6, delegated Agency procedures including notifying the NASA IPO, and the additional instructions outlined below:

The PDO/PLCO shall review the recipient’s inventory schedules for complete and accurate information, ensuring that descriptive information is full and complete to enable NASA to determine whether the property could have further use, including preservation and display as a historical artifact. Descriptive information should include complete commercial descriptions, accurate condition codes, and any hazardous material content. Items flown in space or on NASA’s research aircraft are to be submitted on separate reports that indicate the flight(s) or program(s) in which the items were flown. Ground support equipment will indicate the flights or programs under which items were used.

The PDO/PLCO shall ensure that the schedules with award recipients differentiate between GFP~~-~~acquired property.

The PDO/PLCO shall return inadequate schedules to the recipient for correction.

Upon receipt of acceptable inventory schedules, the PDO/PLCO shall provide instructions to the recipient for disposal of excess property (except ST, computer equipment and research property, precious metals, and flown hardware) that is:

1. For grants and cooperative agreements, the recipient may retain, sell, or otherwise dispose of items of equipment with a current per unit fair market value to less than $5,000 or $1,000 for furniture less with no further responsibility to NASA unless disposition instructions outline otherwise. (See 2 CFR § 200.313(e)(1).)
2. In condition code X (salvage has no value) or S (scrap has no value).
3. The PDO/PLCO should submit inventory schedules for all other excess property to the NASA Center IPO for Agency screening.
4. The PDO/PLCO shall ensure that the excess ST, precious metals, and flown hardware, regardless of condition or acquisition value, are identified as such and reported to the NASA IPO for Agency screening.
5. The PDO/PLCO shall ensure computer equipment and other excess research property, regardless of acquisition value, is reported to the NASA IPO for selection of schools or non-profit research institutions in accordance with NPR 4300.1.
6. The NASA IPO, in coordination with the NASA PDO, is authorized to return excess property in plant clearance to an installation disposal operation up to 30 miles away from the Center only.

## 8.3 Retention of On-Center Plant Clearance Activities

### 8.3.1 The Center PDO shall retain and carry out NASA plant clearance activities according to the requirements of NPR 4300.1 for recipients with an on-Center place of performance. Property will only be transported from off-Center locations to NASA Centers by NASA personnel or award recipients for disposition when the Center PDO determines that facilities are available to accommodate the disposition and the CO/GO determines that the transportation cost to the award associated with disposition is allocable as a direct charge to the award that provided the property.

### 8.3.2 Support Delegation

When a portion of the recipient’s performance is off Center or when property in the custody of off-Center subcontractors is to be dispositioned, the CO/GO is required by 48 CFR § 1845.503-70 to work with the HQ-CPPM for approval to issue a delegation for plant clearance.

## 8.4 Retention of Off-Center Plant Clearance by the CO/GO

### 8.4.1 COs/GOs are not required to retain off-Center plant clearance. Any NASA awards with property associated within a 30 miles radius of a NASA Center will be returned to the Center by NASA personnel or award recipients if required by the terms of the award. All other NASA awards with property more than 30 miles from a NASA Center will be dispositioned by FIPs with a signed LOD or disposition instructions given to the award recipient.

### 8.4.2 Plant Clearance Plan

The IPO, working with the Center PDO, shall review the plan submitted by the CO/GO to determine that sufficient procedural detail is included to ensure the performance of all applicable disposition requirements contained in 2 CFR pt. 200, the FAR, and the FMR.

### 8.4.3 Performance of Plant Clearance

#### 8.4.3.1 When plant clearance is not delegated, it goes through the Center disposal operation in accordance with NPR 4300.1. All requests will disclose the method used to determine costs, the projected cost of disposition, and the projected sale value or reutilization potential for the item.

#### 8.4.3.2 The Center PDO is accountable for all complete retained plant clearance actions, which are accumulated automatically and documented as required by applicable sections of the FAR, NFS, FMR, NPR 4300.1, and this NPR. In accordance with NPR 4300.1, the PDO who retains plant clearance authority is required to provide annual reports of all completed plant clearance cases to the Center IPO.

### 8.4.4 IPO Oversight of Plant Clearance Activities

1. The IPO shall review all delegated and retained plant clearance activities to ensure compliance with applicable Federal and NASA regulations as well as instructions in the signed LOD.
2. The IPO shall ensure the property is properly excessed to the Center disposal operations within a 30-mile radius of the Center.
3. The IPO shall work with the Center CO/GO, COR, TO, GPA to ensure the award recipient has updated/descriptive property listing in NESS in Contracts screen under Documents tab or in PMSA screen under Documents tab as supporting documentation. If any GP experienced any adjustment, acquired, transfer, disposal, loss, etc., an updated/descriptive property listing is warranted for upload in NESS. Accurate property listing ensures NASA and PLCO knows what is needed for final disposition and timely closure of the award.
4. The IPO shall ensure the CO/GO removes all dispositioned property from the recipient’s award property listing if the period of performance continues past the disposition timeframe, which is 200 days or less depending on the amount of property associated.
5. The IPO shall notify the delegated PLCO to obtain information on completed or delegated plant clearance actions according to signed LOD timeframe. The FIP’s plant clearance system serves as the official record of completed plant clearance cases.
6. The IPO shall ensure the award recipient submits the final property submission in NESS after disposition is complete to close out award in NESS and the Agency.

## 8.5 Coordination of Property Administration and Plant Clearance

### 8.5.1 As the responsible individual at each NASA Center, the IPO shall coordinate the activities of GPAs and, to the extent they are involved with the disposition of property requiring final paperwork to upload in NESS Contracts and PMSA Documents tabs. (See Section 1.3.8.3(c) for more information)

### 8.5.2 Reporting Underutilized Property

#### 8.5.2.1 IPOs shall advise all officials on 2 CFR pt. 200 and FAR requirements for prompt disposition of GP when it is no longer required for award performance.

#### 8.5.2.2 As storage of property that is no longer required for performance is not part of the property management activity contemplated under 2 CFR § 200.313, and FAR property clauses, continued retention may be outside the scope of existing awards.

#### 8.5.2.3 Only the CO/GO, in accordance with applicable laws, has the authority to instruct recipients to retain property that is no longer required for performance of awards.

1. Except as provided in Section 7.3, property may not be stored on awards beyond the period of performance except for property in the process of disposition.
2. The IPO shall refer to the CO/GO the discovery of incidents of storage of property beyond award performance periods or when no longer required for performance.

### 8.5.3 Involvement of Program Officials in Retention of Underutilized Inventory

To preclude the possibility of exceeding the scope of an award, program officials who desire recipient retention of underutilized inventory should make that requirement known to the CO/GO for consideration of a storage award, modification of the existing award, or other award instrument. Comparison of the costs of continued storage and retention should be weighed against the costs for future production of the property.

### 8.5.4 Identification and Reporting of Deficient Conditions by PLCO

#### 8.5.4.1 NASA PDOs who serve as the disposition authority for on-Center recipient inventory shall report any deficiencies in description, quality, or quantity to the IPO for resolution. PLCOs are responsible for off-Center awards outside the 30-mile radius of the Center for FIP delegated awards.

#### 8.5.4.2 IPOs shall direct the GPA to investigate circumstances of disposition discrepancies in accordance with the terms and conditions of the award.

## 8.6 Disposition of NASA Installation Property Used by Award Recipients

### 8.6.1 Reporting Through NASA Systems

#### 8.6.1.1 NASA’s IPO/PDO shall manage property utilized by on-Center award recipients according to NPRs and NPDs.

#### 8.6.1.2 To the degree NASA PMSs are available, IAGP will be recorded in those systems. This includes disposition reporting.

### 8.6.2 Property Disposal Officer Actions

PDOs shall disposition excess property being used by recipients performing on NASA facilities in accordance with NPR 4300.1.

### 8.6.3 Abandonment or Destruction Authorities

The NASA PDO will grant authority to abandon or destroy property being used by award recipients performing on NASA facilities and installations in accordance with NPR 4300.1, if not specified otherwise in the NASA signed award.

## 8.7 Disposition of Property Through Delegated Plant Clearance

### 8.7.1 Property dispositioning through delegated FIP PLCO activities will be conducted according to GCAM, the FAR section Government Property, 48 CFR pt. 45, the FMR, the award language, the procedures of the cognizant organization, and NASA delegation instructions.

### 8.7.2 Recipient Use of Systems of Cognizant Organizations

To facilitate prompt reporting and disposition of off-Center property, NASA GPAs shall require recipients to utilize the property systems of the delegated FIP and ensure that recipient systems contain the requirement.

### 8.7.3 NASA Review of Recipient Inventory Reports and Systems

PDOs/IPOs shall review the FIP’s disposal system or other available reports to determine if available recipient inventory can be used to satisfy identified NASA requests for property.

### 8.7.4 Exchange/Sale Authority

#### 8.7.4.1 NASA maintains its authority over property reported as recipient inventory for the period designated in the delegation instructions. During that period, property may be recalled for use or in support of exchange/sale activities. After expiration of the NASA internal screening period, property is considered NASA excess and can no longer be used for exchange/sale activities.

#### 8.7.4.2 PDOs who become aware of recipient inventory that could be processed under NASA’s authority to perform exchange/sale of NASA inventory may request removal of those items from the FIP’s disposal system for internal NASA disposition.

#### 8.7.4.3 When IPOs become aware of the possibility for acquisition of items like those reported as no longer required for award performance, IPOs may advise the PLCO to utilize exchange/sale procedures and shall work with the Center OCFO on the retention and use of sales proceeds.

#### 8.7.4.4 FIPs will use their approved policies and procedures for the disposition of delegated awards. IPOs shall respond to the FIP’s disposition requests within 14 business days.

## 8.8 Reports

### 8.8.1 Delegated plant clearance activities perform mandatory reporting for compliance with the Federal Property and Administrative Services Act, 40 U.S.C. § 101 et seq., and these statistics are not to be duplicated.

### 8.8.2 Disposition activity for award recipients performing on NASA Centers/Installations will be collected and compiled in accordance with the requirements of NPR 4300.1 using NASA information systems.

### 8.8.3 The NASA PDO and delegated PLCO shall provide completed plant clearance cases to the IPO.

# Requirements for Grants and Cooperative Agreements

## 9.1 General

### 9.1.1 The NASA OP PMPD GPC Team writes, maintains, and distributes the GCAM as part of its NASA-wide grant and cooperative agreement policy roles and responsibilities. On the other hand, NSSC is responsible for issuing, administering, and managing all grants and cooperative agreements for NASA. Grants and cooperative agreements are part of the HQ-Contract Property Program for off-Center NASA awards with GP and plant clearance.

### 9.1.2 NPD 9680.1, Use and Authority of the Grant and Cooperative Agreement Manual, provides policy guidance to NASA GOs, TOs, program managers, and all other award-management-related personnel to implement Government-wide and NASA-specific regulations for awarding and administering grants and cooperative agreements with State, local, and indigenous tribal governments; with educational and non-profit organizations; and with for-profit organizations.

### 9.1.3 Policies established in the GCAM are based primarily on the following regulations:

1. The requirements in 2 CFR pt. 200 apply to all Federal agencies that issue awards for grants and cooperative agreements to non-Federal entities that receive such Federal awards. Subpts. A through F of 2 CFR pt. 200 apply to all recipients of NASA grant and cooperative agreement awards except for for-profit entities. For-profit entities adhere to 2 CFR pt. 200, subpts. A through D and Cost Accounting Standards Administration, 48 CFR pt. 30, and 48 CFR pt. 31.
2. Federal Agency Regulations for Grants and Agreements, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR pt. 1800. This is the NASA supplement to 2 CFR 200. The requirements in this part are applicable to awards issued by NASA to non-Federal entities, for-profit organizations, and foreign organizations as required by the Applicability sections 2 CFR § 200.101 and 2 CFR § 1800.3.

### 9.1.4 All requirements in 2 CFR pt. 200, 2 CFR pt. 1800, and an award’s terms and conditions flow down to subaward recipients unless stated otherwise. All recipients shall ensure that subaward recipients comply with all applicable sections of the regulations mentioned in Section 9.1.3. (See the GCAM for more information.)

## 9.2 Type of Award Instruments

The Federal Grant and Cooperative Agreements Act of 1977 (FGCAA), 31 U.S.C. § 6301 et. seq., was enacted to give agencies a better understanding of the types of instruments executive agencies may award by characterizing the relationship between executive agencies and award recipients (States, local governments, and other recipients) in acquiring property and services and in providing federal financial assistance (See 2 CFR pt. 200 for a definition of Federal financial assistance. See the GCAM for more information.)

## 9.3 Relationship between the GCAM and Grant Information Circulars (GICs)

### 9.3.1 GPC may issue policies or guidance periodically using a Grant Information Circular (GIC) to supplement, clarify, augment, remove, and/or alter information included in the GCAM or to provide other important updates. GPC will make GICs publicly available at: <https://www.nasa.gov/offices/ocfo/gpc/regulations_and_guidance/active_gics> and will distribute GICs to NASA personnel via e-mail.

### 9.3.2 During the annual GCAM update process, GPC incorporates relevant and active GICs into the text of the GCAM and then retires the active GICs to the GIC archive for future reference. Expired GICs are stored at <https://www.nasa.gov/offices/ocfo/gpc/regulations_and_guidance/gics_archive>. (See the GCAM for more information.)

## 9.4 Relationship between the GCAM and the FAR

### A grant and cooperative agreement award issued to a for-profit organization is governed by the FAR cost principles in accordance with 48 CFR pt. 30, and 48 CFR pt. 31, 2 CFR pt. 200 subpts. A through D, and the GCAM. Additionally, a NASA Research Announcement (NRA) that may result in an award (grant, cooperative agreement, and/or contract) is subject to the GCAM Appendix A, Standard Format for a NASA Notice of Funding Opportunity (NOFO). (See the current version of the GCAM for more information about the relationship between GCAM and the FAR.)

## 9.5 Roles and Responsibilities

### 9.5.1 GPC is responsible for developing Agency-wide award policies and guidance, for ensuring that NASA complies with applicable statutes and regulations, and for providing technical assistance and training to NASA’s award-management community.

### 9.5.2 Each NASA award is assigned a NASA Grants TO to manage the programmatic, scientific, and technical aspects of the award. Program offices are responsible for identifying funding; soliciting, evaluating, and selecting proposals; and monitoring awards to ensure performance goals are met and deliverables are achieved. TOs are responsible for reviewing the technical aspects of performance reports and providing feedback to recipients, addressing recipients’ technical questions, conducting site visits as necessary, and working with the NSSC to provide programmatic input on recipients’ requests for any changes to the award (e.g., key personnel changes, no-cost extension requests). Only NASA civil servants or personnel participating in the Intergovernmental Personnel Act (IPA) Mobility Program, 42 U.S.C. § 4701 et seq., may serve as TOs on NASA grants and cooperative agreements. When key personnel who are the points of contact on NASA awards change, the TO shall notify the Center IPO when property is associated.

### 9.5.3 Only an NSSC GO (who may also be a CO) may issue new awards, amend awards, and provide prior approval for certain post-award actions in accordance with the section Prior Written Approval, 2 CFR § 200.407. Only GOs may make the final determination regarding the allowability, allocability, and reasonableness of a recipient’s expenditures charged to an award. If an award needs to be terminated, a GO is the final approving official on such termination decisions. (See the GCAM for more information on roles and responsibilities.)

## 9.6 Performance Report Requirements

9.6.1 All NASA award recipients with GP associated with their awards shall submit an annual and final property submissions via <https://ness.nasa.gov/contractor> for audit-readiness in the Agency. (See Section 1.3.7.3, Annual and Final Property Submissions and Table 6-1 for more information.)

9.6.2 All earlier chapters (1-Administration of NASA Property in the Custody of Award Recipients, 2-Pre-Award Process, 3-Delegation and Oversight of Property Administration Activities, 4-Performance of NASA-Retained Property Administration Activities, 5-Property Management System Analysis (PMSA), 6-Award Property Management Reporting, 7-Special Situations and 8-Award Recipient Inventory Disposition) are applicable according to the terms and conditions of grant and cooperative agreement awards with GP associated. (See 2 CFR 200, GCAM for more information.)

9.6.3 Awards that are in their final year or have a period of performance of less than a year are only required to submit final performance reports. Final performance reports are due within 120 days after the expiration of the award’s period of performance. Note that subaward recipients are still required to submit their final reports to their pass-through entity within 90 days after the expiration of their subaward’s period of performance. (See the GCAM for more information on reporting requirements, public release of Scientific and Technical Information (STI) by NASA, methods of procurement, administrative change and supplements, approval of equipment, exempt equipment, and other topics.)

## 9.7 Continued Services

### 9.7.1 One of NASA’s FIPs terminated their memorandum of agreement (MOA) for university and grants and cooperative agreements, and research institutions LODs prior to the end of FY23. NASA has an extremely low number of grants and cooperative agreements with GP associated; and many of the awards do not meet the acquisition threshold and others are part larger acquisition awards that are delegated to another FIP. (See Table 5-1 for more information.)

### 9.7.1.2 The majority of awards received PMSAs by the previous FIP that had GP associated according to the FIP’s risk category schedule. Awards that meet the acquisition threshold and located at larger acquisition award locations will be included in FIP PMSAs (if not currently reporting); and other low-risk awards will remain with the NASA Centers to manage according to the terms and conditions with GP associated and Risk Assessment Matrix. Any NASA retained awards will follow the applicable outcomes for PMSAs via NF-1019.

9.7.1.3 Although recipients of grants and cooperative agreements are not required to maintain a property plan, minimum equipment requirements for grants and cooperative agreement recipients are established under 2 CFR § 200.313.

9.7.1.4 NF 1019 is used for the following but not limited to additional outcomes by the GPA:

1. All full PMSAs require an entrance conference. If limited PMSA is appropriate (based on risk), there is no formal entrance briefing required but an exit conference is required. (See Chapter 5 for applicable items and Access to Records, 2 CFR § 200.337 for more information)
2. Current records listing all GP for all categories of furnished or provided property (equipment, STE, ST, and materiel).
3. Additions, deletions, and reported losses with supporting documentation.
4. Cost principles are still applicable according to 2 CFR pt. 200.
5. Verify that the property listing contains the required Equipment section, 2 CFR § 200.313, property record data elements and that the recipient maintains source documentation and audit traceability for transactions.
6. Verify completeness and timelines of submitted reports to include property submissions.
7. Evaluate utilization elements to include authorized use, screening for continued use/need, storage and or timely disposal.
8. Verify processes for materiel consumption, receipt, and issue.
9. Verify the recipient retains complete, authorized records for relief of stewardship for any dispositioned property.
10. Verify the award recipient has plans and procedures for award closeout activities, or the performance activities if awards have closed during the review period.
11. Prepare a determination letter for the CO/GO to sign that includes at a minimum:
12. Findings and conclusions,

(2) A statement addressing the adequacy of the overall system, and

(3) Document resolution of any corrective actions and deficiencies.

#### 9.7.1.5 The IPO or GPA shall update the PMSA’s Summary and Outcome tabs and upload the PMSAs, corrective action plans, and reanalysis reports in the Documents tab by award number in NESS. All required reports associated with PMSA. (See Section 1.3.8.3.j. for more information.)

## 9.8 Overview of the Closeout Phase

Award closeout is the process by which NASA, or a pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed by the award recipient. The closeout process ensures that all applicable final reports are received; award deliverables are documented; amounts due to the award recipient are paid; unexpended funds are returned to NASA; and equipment is properly dispositioned, as necessary. All awards with GP associated follow the final property submissions in NESS to close out awards in the Agency. (See Section 1.3.7.3, Annual and Final Property Submissions, Table 6-1, and GCAM for more information on the award recipients’ and NASA’s responsibilities.) The key closeout activities that award recipients and NASA perform in accordance with Closeout, 2 CFR § 200.344 are:

1. Limitations.
2. Program Planning Design (Pre-Award Phase).
3. Competitive Awards.
4. Non-Competitive Awards.
5. Information Contained in a NASA Award (Award Phase).
6. Terms and Conditions.
7. Pre-Award Risk Assessment.
8. Performance Measurement, in accordance with:
   1. Equipment and Other Capital Expenditures, 2 CFR § 200.439.
   2. Exempt Equipment.
      1. Federally Owned and Exempt Property, 2 CFR § 200.312.
      2. Equipment, 2 CFR § 200.313.
      3. Supplies, 2 CFR § 200.314.
      4. Federally Owned and Exempt Property, Federally Owned and Exempt Property, 2 CFR § 1800.312.
9. Delegation of Property Administration and Plant Clearance.
10. NASA Insignia Guidelines.

**Appendix A. Definitions**

**Accountable Property System of Record.** An auditable system of record in which all NASA recipients report annual and final property submissions for Government property in the hands of award recipients.

**Accounting Standards Codification.** A systematic framework used in the United States to organize and present accounting stands and principles. It is the current single source of United States Generally Accepted Accounting Principles. It is maintained by the Financial Accounting Standards Board.

**Acquired Property**. Property acquired, fabricated, or otherwise provided by the contractor, grants, and cooperative agreement recipient for performing an award and to which the Government has title. (See the FAR sections Policy, 48 CFR § 45.102, 48 CFR § 45.106, and 2 CFR pt. 200.)

**Administratively Controlled Equipment.** Equipment located within a NASA Center that does not meet the criteria for record-keeping within NASA’s property management information systems.

**Center Transportation Officer.** A NASA civil servant who serves as a technical advisor to the Center Director for all transportation assets and traffic management activities and serves as the focal point for all transportation and traffic management functions at the Center in accordance with NPR 6200.1 and other applicable references.

**Contracting Officer**. A NASA civil servant with the authority to enter, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the CO acting within the limits of their authority as delegated by the CO. (See the FAR section Definitions, 48 CFR § 2.101.)

**Contracting Officer’s Representative.** Exercise technical direction within the scope of the contract. Assist CO/GO with completion of the performance evaluations, inspect, and accept completed work on behalf of the Government.

**Contractor Acquired Property**. Property acquired, fabricated, or otherwise provided by the contractor for performing an award and to which the Government has title. (See the FAR sections Policy, 48 CFR § 45.102, and 48 CFR § 45.106, and 2 CFR pt. 200).

**Controlled Equipment**. Equipment that meets the criteria for control and record-keeping under NPR 4200.1.

**Cooperative Agreement**. A legal instrument of financial assistance between a Federal awarding agency and a recipient or a pass-through entity and subrecipient that is consistent with 31 U.S.C. § 6302-6305 that is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by the law of the United States, 31 U.S.C. 6101(3), and not to acquire property or services for the Federal Government or pass-through entity’s direct benefit or use. A cooperative agreement is different from a grant in that it provides for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

**Cooperative Research and Development Agreement**. An instrument that provides authority for and sets the terms and conditions for Federal laboratories to conduct collaborative research and development activities with other governmental entities, persons, or corporations.

**Corrective Action Plan.** Helps prevent the same issues from happening again. It strengthens business processes, products, and employee performances to avoid errors that cause nonconformities.

**Cost Accounting Standards.** Regulations governing the treatment of award costs. (See 48 CFR pt. 31.)

**Cultural Resource Manager**. The manager of NASA’s historic architectural and archeological resources. Architectural resources mainly refer to real property such as buildings, test stands, and launch pads; however, these resources can also include personal property assets that are considered historically significant such as rockets, equipment, and airplanes. Archeological resources include assets and artifacts from past uses of a property.

**Customary Commercial Practice**. A documented practice or standard accepted across an industry and developed through a consensus process limited to that industry.

**Determination Letter.** Highlights the overall health and any risk of the award recipient’s property system based on the result of the PMSA. Additional information captures non-compliances, deficiencies, and corrective actions identified throughout the audit. This letter is only signed by the CO/GO after the GPA concludes the PMSA.

**Export Administration Regulations**. (See NPR 2190.1, NASA Export Control Program.)

**Federal Acquisition Regulation**. The codification and publication of uniform policies and procedures for acquisition by all executive agencies. (See 48 CFR § 1.101.)

**Federal Automotive Statistical Tool**. An automated system developed to assist U.S. Federal Government fleets in meeting the data reporting requirements of Executive Order 13990, Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis of 2021, 86 FR 7037; the Energy Policy Act of 1992; the Energy Policy Act of 2005; the Energy Independence and Security Act of 2007 (EISA); GSA’s SF 82 Agency Report of Motor Vehicle Data, and OMB’s Circular A-11, Preparation, Submission and Execution of the Budget.

**Federal Industry Partner**. For the purposes of this NPR, a partnership between NASA and another Federal agency that assists NASA with off-Center property administration and plant clearance as specified in a LOD that provides the other Federal agency with limited authority to perform a function for NASA. The other Federal agency is considered a Federal Industry Partner (FIP) once delegated to an award.

**Federal Management Regulation.** The successor regulation to the Federal Property Management Regulation (FPMR). It contains updated regulatory policies originally found in the FPMR. (See the FMR at 41 CFR § 102-2.5.)

**Federal** **Standard** **Requisitioning** **and Issuing Procedures**. A requisitioning system available to Federal civilian agencies and authorized award recipients for ordering supplies from the GSA.

**Generally Accepted Government Auditing Standards**. Auditing standards issued by the Comptroller General of the United States that are applicable to financial audits. (See GAO-21-368G. Government Auditing Standards, 2018 Revision, Technical Update April 2021. U.S. Government Accountability Office (GAO), Comptroller General of the United States.) Also called the Yellow Book. (For the most recent information, see also GAO’s Yellow Book webpage at <https://www.gao.gov/yellowbook>.)

**Government-Furnished Property.** Property in the possession of or directly acquired by the Government and subsequently furnished to the recipient for performance of an award. It includes but is not limited to spares and property furnished for repair, maintenance, overhaul, or modification. It also includes contractor-acquired property if such property is a deliverable under a cost award when accepted by the Government for continued use under the award. (See the FAR section Government Property Definitions at 49 CFR § 45.101.)

**Government Property.** For the purposes of this NPR, all property owned or leased by the Government including both GFP and recipient/contractor-acquired property. GP includes materiel, equipment, ST, STE, real property, and other personal property to which the government has obtained title due to delivery and acceptance. GP does not include intellectual property and software. (See the FAR section Government Property Definitions at 48 CFR § 45.101.)

**Government Property Administrator**. Term used in this NPR for a Property Administrator. (See the definition for Property Administrator below.)

**Grant Agreement.** A legal instrument of financial assistance between a Federal awarding agency and a recipient or a pass-through entity and non-Federal entity that is consistent with 31 U.S.C. § 6302-6304. A grant agreement is used to enter a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States, 31 U.S.C. 6101(3), and not to acquire property or services for the Federal awarding agency or pass-through entity’s direct benefit or use. A grant is different from a cooperative agreement in that it does not provide for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

**Grant Officer.** A NASA civil servant, typically a warranted contract specialist, who is assigned the responsibility of negotiating and/or administering grants and cooperative agreements and is the only one who has the authority to enter, administer, and/or terminate contracts related to grants and cooperative agreements and make related determinations and findings. (See the GCAM.)

**Industrial Property Officer.** A NASA civil servant,typically appointed by the Center Director to manage and coordinate property matters among the various COs, GOs, TOs, recipient officials, delegated property administrators, plant clearance officers, and property disposal officers. Generally, the IPO is responsible for the entire award property management function. (See 48 CFR subpt. 1845.5.)

**Industry Leading Practice and Standard.** A documented, proven practice or standard that exceeds common industry practice or standard in performance or effectiveness and in cost control. ILPS prove increased performance or effectiveness and decreased or constant cost through their acceptance and publication in refereed, professional journals.

**Installation-Accountable Government Property.** NASA property that is located within a NASA Center or installation, is accountable to that Center or Installation, and is recorded on that Center or Installation’s property management records, regardless of whether an award recipient or civil servant is using it.

**International Traffic in Arms Regulations.** Regulations promulgated by the U.S. Department of State that control the import and export of defense-related property and services.

**Letter of Delegation.** A document that provides an individual with limited authority to perform a function for another individual. For this document, a LOD is given to other Federal agencies who assist NASA with off-Center property administration and plant clearance. These Federal agencies are considered FIPs once delegated to an award**.**

**Materiel.** Supplies, parts, components, assemblies, and items that are held in inventory prior to issue that do not meet the criteria for controlled equipment.

**Military Standard Requisitioning and Issuing Procedures.** Uniform procedures, data elements and codes, formats, forms, and time standards for the interchange of logistics information relating to requisitioning, supply advice, supply status, materiel issue/receipt, lateral redistribution, and materiel return processes.

**NASA FAR Supplement.** The codification of NASA-specific requirements for award issuance and management and for contractors. This document, along with the FAR, establishes uniform policies and procedures relating to the procurement of property and services. It applies to all purchases and awards made by NASA for property and services that obligate appropriated funds. It does not apply to grant and cooperative agreement award recipients.

**NASA Electronic Submission System.** NASA’s APSR/NESS is used by award recipients with Government property in their custody off NASA Centers, Facilities, and/or Installations unless otherwise specified in the award. The award recipients submit their annual and final property submissions in this system. Once the completed and submitted report has been fully approved, the system produces an NF 1018 with the result in a pdf file.

**NASA Property, Plant, and Equipment System.** The Integrated Asset Management (IAM) System used throughout the Agency to identify, control, and account for Government-owned equipment acquired by or in use by NASA and its on-Center NASA award recipients under the IAGP clause, 48 CFR § 1852.245-71.

**Notice of Funding Opportunity.**A formal announcement of the availability of Federal funding through a NASA financial assistance program. It provides information on the award (grant or cooperative agreement), who is eligible to apply, the evaluation criteria for selection of an awardee, required components of an application, and how to submit the application. It is any paper or electronic issuance that NASA uses to announce a funding opportunity, whether it is called a NASA Research Announcement (NRA), a Broad Agency Announcement (BAA), a Cooperative Agreement Notice (CAN), a solicitation, or any other term.

**Novation.** A mutual agreement among all concerned parties to substitute a new contract/award in place of a valid existing agreement. A novation is often used when the parties find that payments or performance are impossible under the terms of the original agreement, or the debtor will be forced to default or go into bankruptcy unless the debt is restructured. The novation can have a name change and cage code associated with it.

**Plant Clearance Officer.**  A civil servant authorized representative of the CO/GO, appointed in accordance with Agency procedures and responsible for screening, redistributing, and disposing of award recipient inventory from a recipient’s plant or work site. The term “recipient’s plant” includes but is not limited to Government-owned recipient-operated plants, Federal installations, and Federal and non-Federal industrial operations, as may be required under the scope of the award. A PLCO is also a civil servant appointed by a FIP as part of a LOD under NASA awards outside of NASA Centers. In this NPR, PLCOs operate under recipient-owned and operated plants and non-Federal industrial operations. (See the FAR section Definitions, 48 CFR § 2.101.)

**Property Administrator.** A civil servant authorized representative of the CO/GO appointed in accordance with Agency procedures and responsible for administering the award requirements and obligations relating to GP in the possession of an award recipient. (See the FAR section Government Property, Definitions, 48 CFR § 45.101.) A property administrator is also a civil servant appointed by a FIP as part of a LOD under NASA awards outside of NASA Centers. In this NPR, they are referenced as GPAs. (See the FAR section Support Property Administrator Findings, 48 CFR § 45.503.)

**Property Disposal Officer.** A civil servant appointed by the Center Director, the PDO is responsible for the Center’s screening, redistribution, and marketing activities of NASA-owned excess, surplus, and exchange/sale personal property. This includes transfer, exchange, sale, and abandonment or destruction of NASA-owned personal property as well as acquisition of other Federal agencies’ excess personal property for NASA’s use to reduce NASA’s new procurement and infrastructure costs. (See NPR 4300.1.)

**Property Management Plan.** The award recipient’s proposed plan for the management of GP in their possession. This plan may include, but is not limited to, procedures, voluntary consensus standards, performance stands, industry leading practices and standards, as well as customary practices.

**Property Management System.** The documentation of and performance of property management activities.

**Property Management System Analysis.** A review of the recipient’s performance of property management to determine compliance with award requirements and the recipient’s documented property management plans, standards, practices, and processes.

**Proposed Property Plan.** The written consolidation of the recipient’s standards, processes, policies, schedules, metrics, and reports that are provided to NASA in response to the requirements of 48 CFR § 1852.245-80 and other solicitation instructions related to GP management.

**Safety Data Sheet.** A document containing information about the potential hazards of a product, and how to safely handle it.

**Small Business Innovation Research.** A highly competitive program that encourages domestic small businesses to engage in Federal Research/Research and Development (R/R&D) that has the potential for commercialization.

**Source Evaluation Board.** The group responsible for evaluating proposals and presenting the findings to the Source Selection Authority (SSA). The SEB’s findings need to provide sufficient information to allow the SSA the opportunity to make an informed and objective award selection.

**Special Test Equipment.** Either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing an award. STE consists of items or assemblies of equipment including foundations and similar improvements necessary for installing STE and standard or general-purpose items or components that are interconnected and interdependent so that they become a new functional entity for special testing purposes. STE does not include material, ST, real property, and equipment items used for general testing purposes or property that with relatively minor expense can be made suitable for general purpose use. (See the FAR section Definitions, 48 CFR § 2.101.)

**Special Tooling.** ST includesjigs, dies, fixtures, molds, patterns, taps, gauges, and all components of these items. These components include foundations and similar improvements necessary for installing ST, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the development or production of supplies or parts thereof or to the performance of services. ST does not include material, STE, real property, equipment, machine tools, or similar capital items. (See the FAR section Definitions, 48 CFR § 2.101.)

**Supply and Equipment Management Officer.** The principal official appointed by the Center Director for functional administration of supply and equipment management at the Center. (See NPR 4200.1.)

**Technical Officer**. A NASA civil servant or IPA Mobility Program, 42 U.S.C. § 4701 et seq., participant responsible for managing the scientific, technical, and programmatic aspects of NASA awards. TO responsibilities include such tasks as evaluating award proposals, recommending proposals for funding, and engaging in certain post-award monitoring activities.

**Voluntary Consensus Standards.** Standards developed or adopted by voluntary consensus standards bodies, both domestic and international. (See OMB Circular A-119, Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities.)

**Appendix B. Abbreviations and Acronyms**

AA (NASA) Assistant Administrator

ASC Accounting Standard Codification

APSR Accountable Property System of Record

BAA Broad Agency Announcement

CAN Cooperative Agreement Notice

CAP Contractor -Acquired Property

CCP Customary Commercial Practice

CFR Code of Federal Regulations

ch. Chapter

CHATS Contractor-Held Asset Tracking System

CO Contracting Officer

COR Contracting Officer’s Representative

CPPA Certified Professional Property Administrator

CPPM Certified Professional Property Manager

CRM (NASA) Cultural Resource Manager

CTO (NASA) Center Transportation Officer

DCAA Defense Contract Audit Agency

DCMA Defense Contract Management Agency

DD Department of Defense Form

DoD Department of Defense

EAR Export Administration Regulations

EISA Energy Independence and Security Act (of 2007)

EPDW Enhanced Procurement Data Warehouse

FAI Federal Acquisition Institute

FAR Federal Acquisition Regulation

FAST Federal Automotive Statistical Tool

FEDSTRIP Federal Standard Requisitioning and Issuing Procedures

FFRDC Federally Funded Research and Development Center

FGCAA Federal Grant and Cooperative Agreements Act

FIP Federal Industry Partner

FMR Federal Management Regulation

FPMR Federal Property Management Regulation

GAGAS Generally Accepted Government Audit Standards

GAO (U.S.) Government Accountability Office

GCAM (NASA) Grant and Cooperative Agreement Manual

GFP Government Furnished Property

GIC (NASA) Grant Information Circular

GO Grant Officer

GP Government Property

GPA Government Property Administrator

GPC (NASA Office of Procurement) Grants Policy and Compliance (Team)

GSA (U.S.) General Services Administration

HQ (NASA) Headquarters

HQ-CPPM (NASA) Headquarters - Contract Property Program Manager

IAGP Installation-Accountable Government Property

IAM Integrated Asset Management

IDWA Interdivisional Work Authorization

IFMS Interagency Fleet Management System

IHE Institutions of Higher Education

ILPS Industry Leading Practices and Standards

IOT Inter-Organization Transfer

IPA (U. S.) Intergovernmental Personnel Act

IPO Industrial Property Officer

ISO International Organization for Standardization

ITAR International Traffic in Arms Regulation

LMD (NASA OSI) Logistics Management Division

LOD (NASA) Letter of Delegation

MILSTRIP Military Standard Requisitioning and Issuing Procedures

MOA Memorandum of Agreement

NESS NASA Electronic Submission System

NF NASA Form

NFS NASA FAR Supplement

NOFO (NASA) Notice of Funding Opportunity

NPD NASA Policy Directive

NPR NASA Procedural Requirements

NRA NASA Research Announcement

NSSC NASA Shared Services Center

O&M Operations and Maintenance

OCFO (NASA) Office of the Chief Financial Officer

OMB (U.S.) Office of Management and Budget

OGC Office of General Counsel

OP (NASA) Office of Procurement

OSI (NASA) Office of Strategic Infrastructure

PDF Portable Document Format

PDO Property Disposal Officer

PLCO Plant Clearance Officer

PM Preventive Maintenance

PMA Property Management Activity

PMPD Procurement Management and Policy Division

PMS Property Management System

PMSA Property Management System Analysis

PP&E Property, Plant, and Equipment

PPP Proposed Property Plan

PPS Procurement for Public Sector

pt. Part

R&D Research and Development

R/R&D (Federal) Research/Research and Development

RDT Requirements Development Team

ROS Report of Survey

SAP System Applications and Products

SATERN System for Administration, Training, and Educational Resources for NASA

SDS Safety Data Sheet

SBIR (U.S.) Small Business Innovation Research (program)

SEB Source Evaluation Board

SEMO Supply and Equipment Management Officer

SF Standard Form

SSA Source Selection Authority

ST Special Tooling

STE Special Test Equipment

STI Scientific and Technical Information

subpt. Subpart

TO Technical Officer

U.S. United States

U.S.C. United States Code

VCS Voluntary Consensus Standards

Appendix C. References

1. Cooperative Research and Development Agreements, 15 U.S.C. § 3710a.
2. Intergovernmental Personnel Act of 1970 (IPA), 42 U.S.C. § 4701 et seq.
3. Money and Finance, Program Information, Definitions, “assistance,” 31 U.S.C. § 6101(3).
4. Federal Grant and Cooperative Agreements Act of 1977 (FGCAA), 31 U.S.C. § 6301 et. seq.
5. Money and Finance, Using Procurement Contracts and Grant and Cooperative Agreements, Purposes, 31 U.S.C. § 6301.
6. Money and Finance, Using Procurement Contracts and Grant and Cooperative Agreements, Definitions, 31 U.S.C. § 6302.
7. Money and Finance, Using Procurement Contracts and Grant and Cooperative Agreements, Using Procurement Contracts, 31 U.S.C. § 6303.
8. Money and Finance, Using Procurement Contracts and Grant and Cooperative Agreements, Using Grant Agreements, 31 U.S.C. § 6304.
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10. Energy Policy Act of 1992, 42 U.S.C. § 13201 et seq. (1992).
11. Energy Policy Act of 2005, 42 U.S.C. § 13201 et seq. (2005).
12. Energy Independence and Security Act of 2007, 121 U.S. Statutes (Stat.) 1492 (2007).
13. Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis,   
    E. O. 13990, 86 FR 7037.
14. Cost Principles, 2 CFR pt. 200 subpt. E.
15. Definitions, 2 CFR § 200.1.

C.16 Access to Records, 2 CFR § 200.337.

C.17Federal Management Regulation (FMR), 41 CFR § 102-2.5.

C.18FAR, Federal Acquisition Regulations System, Purpose, 48 CFR § 1.101.

C.19 FAR, Definitions, 48 CFR § 2.101.

C.20 FAR, Government Property, Definitions, 48 CFR § 45.101.

C.21 FAR, Government Property, Policy, 48 CFR § 45.102.

C.22 FAR, Support Property Administrator Findings, 48 CFR § 45.503.

C.23 Liability for Government Property Furnished for Repair or Other Services, 48 CFR § 1852.245-72.

C.24 NFS, Solicitation Provisions and Contract Clauses, List of Government Property Furnished Pursuant to FAR 52.245-2, 48 CFR § 1852.245-77.

C.25 NFS, Solicitation Provisions and Contract Clauses, Records and Disposition Reports for Government Property with Potential Historic or Significant Real Value, 48 CFR § 1852.245-79.

C.26 NFS, Solicitation Provisions and Contract Clauses, Government Property Management Information, 48 CFR § 1852.245-80.

C.27 NFS, Solicitation Provisions and Contract Clauses, List of Available Government Property, 48 CFR § 1852.245-81.

C.28 NFS, Solicitation Provisions and Contract Clauses, Occupancy Management Requirements, 48 CFR § 1852.245-82.

C.29 NFS, Solicitation Provisions and Contract Clauses, Real Property Management Requirements, 48 CFR § 1852.245-83.

C.30 FAR, 48 CFR ch. 1.

C.31 [NFS](https://www.hq.nasa.gov/office/procurement/regs/NFS.pdf), 48 CFR ch. 18.

C.32 Office of Management and Budget (OMB), Circular A-11, Preparation, Submission and Execution of the Budget (8/15/22).

C.33 OMB, Circular A-119, Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities (01/27/2016).

C.34 NPD 1050.7, Authority to Enter into Partnership Agreements.

C.35 NPD 9680.1, Use and Authority of the Grant and Cooperative Agreement Manual (GCAM).

C.36 NPR 2190.1, NASA Export Control Program.

C.37 NPR 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies.

C.38 SF 82, Agency Report of Motor Vehicle Data. General Services Administration (GSA).

C.39 SF 1428, Inventory Disposal Schedule.

C.40 DCMA GUIDEBOOK FOR GOVERNMENT CONTRACT PROPERTY ADMINISTRATION, <https://www.dcma.mil/Portals/31/Documents/Contract%20Property%20Guidebook/Contract_Guidebook_Aug2022.pdf>.

C.41 DoD 4000.25-1-M, [Military Standard Requisitioning and Issuing Procedure](https://apps.dtic.mil/sti/pdfs/ADA311587.pdf).

C.42 GSA, FEDSTRIP Operating Guide (2006) at <https://www.gsaadvantage.gov/images/muffin/fedstrip_guide_2006.pdf>.

C.43 GAO-21-368G. Government Auditing Standards, 2018 Revision, Technical Update April 2021. U.S. Government Accountability Office (GAO), Comptroller General of the United States. Called the Yellow Book. (For the most recent information, see also GAO’s Yellow Book webpage at <http://www.gao.gov/yellowbook>.)

C.44 Determination of Anomalous Errors <https://www.dau.edu/tools>.

C.45 Web-based number generator <https://www.calculator.net/random-number-generator.html>.

1. Other federal agencies to which NASA has delegated property administration and plant clearance responsibilities (e.g., the Defense Contract Management Agency (DCMA), etc.). [↑](#footnote-ref-2)