

PERSONAL PROPERTY MANAGEMENT GUIDE – RECEIVING PERSONAL PROPERTY

A. PURPOSE

This chapter provides the NIH property management policy and procedures for receiving, inspection, acceptance, and identification of Government personal property. General receiving procedures are contained in the DELPRO user's guide at http://www.nih.gov/od/olao/oa/delpro/delpro_refguide.pdf. This issuance provides additional requirements for individuals who are designated receiving officials for personal property, regardless of procurement method.

B. OVERVIEW

The property management cycle has four basic parts, planning, acquisition, management and disposal. The acquisition portion of the cycle ends with the receipt of property. The management portion of the cycle begins with the receipt of property. When property meets the requirements for control and record keeping, receiving information passes from the procurement system(s) to the property and financial management systems. Information from the receiving process becomes the initial property and financial management record. As such, receiving serves as the linchpin for several important administrative functions.

This issuance is applicable to any individual charged with the responsibility of receiving Government property; Procurement Officials who order Government property, regardless of the purchase process; Property Custodial Officers responsible for recording property transactions; and IC Property Accountability Officers who are responsible for the review of IC activities. ***Credit card holders who receive property are also required to perform the receiving activities herein, upon receipt and acceptance, not at the time of reconciliation.***

C. DEFINITIONS

ACCEPTANCE – is defined by FAR as “the act of an authorized representative of the Government by which the Government, for itself or as agent of another, assumes ownership of existing identified supplies tendered or approves specific services rendered as partial or complete performance of the contract.”

ACCOUNTABLE PROPERTY - is property that meets the criteria for control and recording in the property management system.

**PERSONAL PROPERTY MANAGEMENT GUIDE –
RECEIVING PERSONAL PROPERTY**

EXTENDED ACCEPTANCE - occurs when a received and inspected item requires installation or testing prior to actual acceptance.

INSPECTION - Inspection is the process where NIH personnel examine and test the delivered item(s) in order to determine if NIH has received the items ordered. If the item satisfies the description set forth in the order, the next step, acceptance, can take place. Inspection includes, but is not limited to:

- Making sure what was ordered is what was delivered;
- Verifying quantity;
- Inspecting for damage or breakage; and
- Checking for operability.

RECEIVING - Receiving means the items are actually in the possession of NIH. NIH may become responsible for the property at the manufacturer's or vendor's dock when NIH is responsible for shipping and the order is marked FOB Origin. This does not mean that NIH has assumed responsibility for payment. Those decisions occur upon inspection and acceptance.

D. REFERENCES

1. Federal Acquisition Regulations (FAR) Subpart 46.6, "Material Inspection and Receiving Reports."
2. FAR Subpart 32.9, "Prompt Payment"
3. Joint Financial Management Improvement Plan JFMIP-SR-00-4, "Property Management System Requirements."
4. 5CFR1315.9 "Prompt Payment Act – Required Documentation."
5. HHS Logistics Management Manual (LMM) Part 103-26.155 "Receiving Reports."
6. HHS Acquisition Regulations (48CFR342), "Contract Administration".
7. NIH Manual 1130, Delegations of Authority, Property: Personal #03 available at

**PERSONAL PROPERTY MANAGEMENT GUIDE –
RECEIVING PERSONAL PROPERTY**

<http://www3.od.nih.gov/oma/manualchapters/delegations/propp/pp03/>.

E. POLICY

1. Federal regulations require agencies to establish procedures for the use, preparation and distribution of receiving documentation.
2. Department Manuals require receiving offices to prepare receiving documentation and notify appropriate financial, property and procurement officials of the receipt in a timely manner. They also prescribe required data elements for the receipt of property items.
3. NIH has no central receiving facility and delegates its property receiving activities throughout the agency. These activities will assure that receiving procedures provide sufficient documentation and information to confirm receipt, to report and resolve discrepancies, and, for recorded property, to establish basic property records.
4. Requesting offices will propose and Contracting Officers, purchasing agents and other procurement officials will designate Receiving Officials for every deliverable end item procured.
5. Exclusive of purchase card transactions, the Approving Official and Ordering Official cannot be the Receiving Official. If the procurement official fails to designate a Receiving Official, the individual who is designated the "Ship To" is the default Receiving Official. In a purchase card transaction, the Ordering Official and the Receiving Official may be the same person. The Card Approving Official is the Approving Official in purchase card transactions.
6. The designated Receiving Official is accountable for all received property until relieved of that responsibility through a documented transfer of the property to another accountable user.
7. Property Survey Boards will review any incidence of loss, damage or destruction of received property, whether the property has been entered in the property record or not. A Property Survey Board may hold that individual monetarily liable for any received property that is lost, damaged or destroyed, unless that individual has been relieved of that responsibility by transfer of accountability. For more

**PERSONAL PROPERTY MANAGEMENT GUIDE –
RECEIVING PERSONAL PROPERTY**

information on Property Survey Board activity see the chapter on “**Resolution of Loss, Damage and/or Destruction of Government Property**” at:

<http://www1.od.nih.gov/oma/manualchapters/acquisitions/26101-25-2-16/>

8. Only the Property Custodial Officer responsible for the custodial account of the Receiving Official may propose a transfer the property to another accountable user. All such transactions must be accomplished with full documentation and using the Property Management Information System (PMIS) or its successor.
9. The Procurement Activity must cite any extended acceptance terms in the acquisition document. If an acquisition document explicitly includes requirements after delivery, including but not limited to installation of the item(s) or operational testing, the vendor must fulfill these requirements before the Government's inspection and acceptance can occur. Extended acceptance periods should not be a routine practice, but should be included in the order only when necessary to permit installation and proper Government inspection and testing of the items delivered or services rendered. The FAR discourages application of this practice to commercial items. Once the vendor has fulfilled the requirements of the order, the Receiving Official has seven calendar days to perform inspection and acceptance. The lack of planning is an unacceptable reason to withhold entry of receiving information into the Administrative Database (ADB).

F. PROCEDURES

1. The assigned Receiving Official will:
 - a. Arrange for necessary internal material handling equipment and services as well as any needed transportation services;
 - b. Receive the package(s) from the transportation contractor, sign for the shipment and annotate any discrepancies in number or quality on the transportation contractor's documentation;
 - c. Remove the property from its packaging and inspect the property for hidden damage;
 - d. Perform quality assurance, inspection and acceptance in accordance with the requirements of FAR part 46;

**PERSONAL PROPERTY MANAGEMENT GUIDE –
RECEIVING PERSONAL PROPERTY**

- e. Prepare documentation for each item of accountable property. Receiving officials will identify individual system components when those systems consist of components that are:
- 1) capable (regardless of intended use) of independent operation; and
 - 2) which would otherwise be considered accountable.

Examples of these types of items are: computers and display units integrated into scientific equipment; and computer-servers racked together in a single rack.

Receiving documentation shall comply with the FAR, HHSAR, HHS Logistics Management Manual and 5CFR1315. These documents may consist of hard copy documents or, if the record exists in the NIH administrative systems, electronic copies or a combination of both as long as a cross reference can be made between the different documents.

Receiving documents shall contain **AT A MINIMUM**:

- 1) Name of the vendor;
- 2) Contract or other authorization number;
- 3) Description of goods;
- 4) Quantities received;
- 5) Manufacturer name (not vendor name);
- 6) Model, (the official model number from the item's identification plate);
- 7) Serial number for each unit of property
- 8) Date(s) goods were delivered;
- 9) Date(s) goods were accepted;
- 10) Signature of receiving official (or electronic alternative when supported by appropriate internal controls);
- 11) Signature of receiving official (or electronic alternative when supported by appropriate internal controls)
- 12) Title of receiving official; and,
- 13) Any additional information required by the IC.

Appendix 1 is a sample "Notification of Receipt of Personal Property"

**PERSONAL PROPERTY MANAGEMENT GUIDE –
RECEIVING PERSONAL PROPERTY**

NIH Form 2818. It provides an example of a document that the receiving official could use to assure that he/she obtains necessary data elements.

- f. Note whenever multiple procurement lines are consolidated into a single accountable item, including consolidation of acquisition value.
 - g. Prepare a receiving report for each of the accountable items, whenever a single line item of procurement consists of more than one item of accountable property (multiple quantities), noting the procurement line that they were derived from.
 - h. Accept the received property. It is imperative for the receiving official to proceed cautiously and accept the property only after it satisfies all of the requirements of the acquisition document.
 - i. Provide copies of all receiving documentation for deliverable property to the appropriate Property Custodial Officer (PCO) within one workweek of finalizing the receipt.
2. The Property Custodial Officer will:
- a. Determine whether the item of property qualifies for record keeping in the property management system, or for some other form of accountability according to the requirements of NIH Manual 26101-25-2, Personal Property Management Guide at <http://www1.od.nih.gov/oma/manualchapters/acquisitions/26101-25-2/>;
 - b. Place decals on property items that qualify for record keeping in the property system;
 - 1) The property decal shall be readily visible. Do not place the property decal on the back or side of the equipment.
 - 2) Do not attach the decal to doors, panels or other removable portions of the item.
 - 3) PCOs should place decals on the front of the property, if possible on the upper right side. If this is not possible, another good location is beside the manufacturer's name, for example by the

**PERSONAL PROPERTY MANAGEMENT GUIDE –
RECEIVING PERSONAL PROPERTY**

- “Laserjet” name on the front of a printer.
- 4) The PCO should not place the decal in a location that will affect the operation of the equipment.
 - 5) The PCO should use a smooth surface on the equipment to place the decal number, rather than a rough or crinkled surface.
 - 6) PCOs may contact DPPS to obtain specialized property decals for smaller items and for items that are subject to wet, hot or other extreme conditions. DPPS also maintains etching equipment for items that cannot maintain a decal when etching will not harm the items operation or function.
- c. Assemble the following package for all items that must be controlled, but cannot contain a decal or items where the decal would be destroyed in normal operation, for example: items too small to hold a decal; items with special cleaning requirements; and items that must be autoclaved or sterilized. These items will require individual serial number checks at the time of inventories. The manufacturer and serial number on the item must match both the index card and the automated equipment record.
- 1) Place the assigned decal on a 3”X5” index card. Note on the index card the manufacturer, model and serial number of the item.
 - 2) Note in the comments section of the automated equipment record that the decal is not located on the item.
 - 3) Attach a printed copy of the equipment record (all pages, including comments) from the automated property management system.
- d. Review all documentation and information provided from other sources to assure accuracy and completion;
- e. Review the incoming property queue associate with their custodial account, identify the item or items received and complete the automated “skeletal” property record by including;
- 1) The decal number;
 - 2) The accountable user (either the receiving official or the final user based on documentation provided by the receiving official);
 - 3) The property location, including site, building, and room (official, accepted codes for sites and buildings can be obtained from the

**PERSONAL PROPERTY MANAGEMENT GUIDE –
RECEIVING PERSONAL PROPERTY**

- relevant property system reports);
- 4) The name of the supervisor for the area that is accountable for the property.
 - f. Correct erroneous information received from prior sources, including values, and record those corrections in documentation and property management systems.
 - g. WHENEVER POSSIBLE, THE PCO WILL ASSURE THAT ALL ACCOUNTABLE PROPERTY ITEMS OF CAPITAL VALUE ARE ENTERED WITHIN THE CALENDAR MONTH OF THE RECEIVING OFFICIAL'S NOTIFICATION OF RECEIPT. If an item is not entered within the calendar month, the PCO will note the reason for the delay in the comment field.

3. Extended Acceptance

- a. The receiving official will process receiving in accordance with the specifications of the acquisition document.
- b. When items are finally accepted, the process and time limits described above are in effect.
- c. The date of installation or the end of the period of operational testing is considered the receiving date for record purposes.

4. Multiple Deliveries (Partials)

- a. Receiving officials should not wait for receipt of an entire order before establishing property records. When a Receiving Official receives an item of property that meets the qualifications for property record keeping, they will complete the documentation and notifications required by section F, above, unless the items are not functional without complete receipt, and they will not authorize payment until receipt is complete.

NIH MANUAL 26101-25-2-3

PAGE 9

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**PERSONAL PROPERTY MANAGEMENT GUIDE –
RECEIVING PERSONAL PROPERTY**

G. RECORDS RETENTION AND DISPOSAL

Records associated with this issuance must be maintained as described in [NIH Manual 26101-25-2](#), “Personal Property Management Guide.”

H. MANAGEMENT CONTROLS

Management Controls related to property management are in [NIH Manual 26101-25-2](#), “Personal Property Management Guide.”

Appendix 1 – Form NIH 2818, “Notification of Receipt of Personal Property”

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