

Prepared by Property and Fund Management Office
This replaces Administrative Procedure A8.535 dated January 2002.

A8.535

A8.525 Federal Personal Property February 2002

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A8.535 Disposal or Transfer

1. Disposal of Federal Personal Property

The University is responsible for disposing of personal property as directed by the Federal Contracting Officer, and to take such action for its disposition as directed or pursuant to the terms of the contract, grant or other agreement.

a. Property with No Further Use or Value

- 1) The Federal sponsoring agency shall be contacted for disposition instructions for all Federally-owned property.
- 2) Procedures

The Custodial Department or Fiscal Officer shall prepare and submit an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), to Inventory Management Section for review, approval and disposition instructions. The following information must be provided:

- a) Campus code, date, property custodian's name, telephone number, department
- b) Asset number, decal number, full description of the property, purchase price, acquired date, disposal code, and current estimated value of property. If property is federally-owned, specify the grant or contract number and attach a copy of the federal disposition instructions.
- c) The proposed method of disposal
- d) Signature of the Property Custodian, Department Head, or Administrator

e) Signature of the Fiscal Officer

After Inventory Management approves the disposal application, the Custodial Department will be responsible for disposal of the property in accordance with APM A8.518-1, Disposal of Personal Property.

b. Transfer of Property to Another Institution

1) Federally-owned property furnished to support the efforts of the transferring researcher shall be transferred along with the researcher only when written authorization from the Federal Contracting/Grants Officer has been obtained.

2) Ongoing Projects

Researchers transferring to another institution generally take with them their ongoing projects so that they can continue their research at the new institution. In such instances the property whose cost was charged to ongoing projects supported by a Federal contract, grant or other agreement, shall be transferred along with the researcher.

3) Terminated Contract, Grant or Other Agreement

Researchers transferring to another institution may wish to take property which supports their research but whose title vests with the University following termination of the contract, grant or other agreement. The following support documentation shall be required for the transfer of such property.

a) If the property was funded by a grant or other agreement, the Principal Investigator shall provide certification to the University that the property shall be used in accordance with the Office of Management and Budget Circular A-110.

b) If the property was funded by a contract, the Property Custodian or Fiscal Officer shall

obtain written authorization from the Contracting Officer.

4) Split-Funded Property

If the property in 1), 2) and 3) above has been funded in part by State funds, the property shall not be transferred from the University without the receipt of adequate compensation. Refer to APM A8.518-2, Sold or Traded-In Equipment.

5) Procedures

The Custodial Department or Fiscal Officer shall prepare and submit an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), to Inventory Management for review, approval and disposition instructions. The following information must be provided:

- a) Campus code, date, property custodian's name, telephone number, department
- b) Asset number, decal number, full description of the property, purchase price, acquired date, disposal code, and current estimated value of property. If property is federally-owned, specify the grant or contract number and attach a copy of the federal disposition instructions.
- c) The proposed method of disposal
- d) Signature of the Property Custodian, Department Head, or Administrator
- e) Signature of the Fiscal Officer

After Inventory Management approves the disposal application, the Property Custodian may transfer the property to the other institution.

2. Transfer of Property

- a. All property furnished by the Federal Government or whose cost was charged to a project supported by a Federal contract, grant or other agreement, shall be utilized in accordance with APM A8.532, Utilization. Transfer of this property shall follow the same hierarchy laid out in APM A8.532 unless specified otherwise in the contract, grant or other agreement.
- b. Procedures
 - 1) The Property Custodian of the property shall obtain the necessary documentation to support the transfer. If the transfer is in accordance with the terms of the contract, grant or other agreement, a copy of such terms would be sufficient. Otherwise, the Property Custodian shall obtain the following:
 - a) Contracts

Written authorization from the Federal Contracting Officer.
 - b) Grants or Other Agreements
 - (1) Federally-owned property

Written authorization from the Federal sponsoring agency.
 - (2) Property in which the University has title
 - (a) If transfer is in accordance with hierarchy in APM A8.532, Utilization, documentation in support of this will be sufficient.
 - (b) All other transfers will require written authorization from the Federal sponsoring agency.
 - 2) The Property Custodian shall complete Form FMIS 74, Equipment Transfer (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis74.pdf>).

- a) Indicate the campus code and date the form was prepared.
- b) Identify asset number, decal number, description, and cost of property.
- c) Indicate the total number and the total cost of the items being transferred.
- d) Complete only the attributable fields that are being transferred in the "From" and "To" sections.
- e) Original signature of the losing and gaining Property Custodians and Fiscal Officers are required to acknowledge review and approval of the transfer.

In cases where the property is transferred to more than one account, separate FMIS Form 74 transfer forms shall be prepared for each receiving account code.

- 3) The Property Custodian shall forward the Form FMIS 74 to Inventory Management for processing.

3. Lost or Stolen Property

Lost or stolen property, that cannot be found after a thorough search has been conducted, shall be reported by the Property Custodian to the campus security office, or police department and Inventory Management within ten (10) days after discovery of the loss. A Form RMP-001, Report of Loss or Damage of State Property, shall be filed for any burglary, theft, robbery, or disappearance of property, including funds, regardless of the amount. No individual should attempt to determine whether or not any loss is insured. The Department of Accounting and General Services (DAGS), Risk Management Division will decide liability for losses, if any, under coverage of the State policy. In addition, the following procedures apply:

a. Proof of Loss

- 1) The Custodial Department shall prepare an original and two (2) copies of the Report of Loss or Damage

of State Property along with an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and submit them to Inventory Management for processing. At a minimum, the following information must be provided on the Report of Loss or Damage of State Property:

- a) Statement whether police, campus security, or attorney general's office was notified, and if so, attaching a copy of the police report/report number or campus security report
 - b) The description, location, and unit acquisition cost of the property
 - c) The date and circumstances surrounding the loss, theft, or damage; condition contributing most directly to the loss; analysis of the severity of the loss and the probable recurrence rate
 - d) Description of the internal control procedures or security improvements to be implemented to prevent or minimize future losses; dates of immediate and final corrective actions
- 2) Inventory Management, upon receipt of the above forms, shall forward one (1) copy of the Report of Loss or Damage of State Property form to the Office of Procurement, Real Property, and Risk Management (OPRPRM) Risk Manager.

b. Disposal

The Custodial Department or Fiscal Officer shall prepare an original and two (2) copies of Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and forward to Inventory Management for review, approval and disposition instructions. The following information must be provided:

- 1) Campus code, date, property custodian's name, telephone number, department
- 2) Asset number, decal number, full description of the property, purchase price, acquired date, disposal code, current estimated value of property. If property is federally-owned, specify the grant or contract number and attach a copy of the federal disposition instructions.
- 3) The proposed method of disposal
- 4) Signature of the Property Custodian, Department Head, or Administrator
- 5) Signature of the Fiscal Officer

After Inventory Management approves the disposal application, the Custodial Department will be responsible for disposal of the property in accordance with APM A8.518-1, Disposal of Personal Property.

c. Relief from Accountability (Federally-Owned Property)

The Custodial Department or Fiscal Officer shall prepare Form FMIS 75, Request for Relief of Accountability for Non-Expendable Personal Property, (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis75.pdf>), and submit to Inventory Management.

Inventory Management shall review the request and will submit recommendations to the Federal Contracting Officer regarding relief of responsibility and accountability.

4. Destroyed or Obsolete Property

Upon written notification from the Property Custodian that an item of property has been damaged or destroyed beyond economical repair or is no longer useful because of its condition, it may be removed from the inventory records by:

a. Disposal

The Custodial Department or Fiscal Officer shall prepare an original and two (2) copies of Form FMIS 76, Disposal

Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and forward to Inventory Management for review, approval and disposition instructions. The following information must be provided:

- 1) Campus code, date, property custodian's name, telephone number, department
- 2) Asset number, decal number, full description of the property, purchase price, acquired date, disposal code, and the current estimated value of property. If property is federally-owned, specify the grant or contract number and attach a copy of the federal disposition instructions.
- 3) The proposed method of disposal
- 4) Signature of the Property Custodian, Department Head, or Administrator
- 5) Signature of the Fiscal Officer

After Inventory Management approves the disposal application, the Custodial Department will be responsible for proper disposal of the property in accordance with APM A8.518-1, Disposal of Personal Property.

b. Relief from Accountability (Federally-Owned Property)

The Custodial Department or Fiscal Officer shall prepare Form FMIS 75, Request for Relief of Accountability for Non-Expendable Personal Property, (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis75.pdf>), and submit to Inventory Management.

Inventory Management shall review the request and will submit recommendations to the Federal Contracting Officer regarding relief of responsibility and accountability.

5. Cannibalizing of Property

Under no circumstances shall property be cannibalized for parts without the prior approval of the Property and Fund Management Office.

The Property Custodian shall prepare Form FMIS 76, Disposal Application (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>), and forward to Inventory Management Section for review and approval.

6. Inventories Upon Termination or Completion of Government Contracts

Within thirty (30) days after termination or completion of a government contract, the custodian or custodial department shall perform a physical inventory adequate for disposal purposes of all government property applicable to the terminated or completed contracts. In submitting a terminal inventory to the federal agency, the property custodian or custodial department shall certify that all materials, supplies, and property which were furnished to the University have been or will be reimbursed by the government under the terms of the contract unless in cases when the materials or supplies are not specifically included in the inventory and were expended in performance of the work called for by the contract.

The requirement for physical inventories shall be waived when the property applicable to the completed contract is authorized for use on a follow-on contract. In those instances, the custodian or custodial department shall prepare Form FMIS 74, Equipment Transfer (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis74.pdf>), to transfer the government property to the accountable award within thirty (30) days after authorization notification to use property on the follow-on award has been obtained.