

U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)

MD 13.1		PROPERTY MANAGEMENT		DT-11-01	
Volume 13:		Transportation, Facilities, and Property			
Approved By:		R. W. Borchardt Executive Director for Operations			
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EXECUTIVE SUMMARY					
Directive and Handbook 13.1 have been revised to remove the requirement for offices to maintain internal control procedures for property items under the threshold of \$1,000 and to clarify the reporting requirements for Commercial Contractor-Held Property.					

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I. POLICY

It is the policy of the U.S. Nuclear Regulatory Commission to manage property in its possession or its contractors' possession effectively and efficiently and to provide sufficient controls to deter or eliminate loss through fraud, waste, or misuse.

II. OBJECTIVES

To establish and apply NRC standards and procedures for the use and control of property in accordance with Federal Management Regulations (FMR), the Federal Acquisition Regulation, and guidance provided by the Office of Management and Budget, the General Services Administration (GSA), and the Government Accountability Office.

III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY

A. Executive Director for Operations (EDO)

Oversees the NRC property management program.

B. Inspector General (IG)

1. Investigates reports of theft or diversion of NRC assets and reviews reports of lost, damaged, or destroyed NRC property.
2. Designates two members and the chair of the Office of the Inspector General (OIG) Property Survey Board.

C. Chief Financial Officer (CFO)

Maintains overall responsibility for accounting for and reporting on agency assets in the NRC's financial statements.

D. Director, Computer Security Office (CSO)

Plans, directs, and oversees the implementation of a comprehensive and cost-effective NRC Information Technology Security Program.

E. Director, Office of Information Services (OIS)

Approves requests for the acquisition, repair, transfer, or disposal of information technology (IT) hardware and software, network equipment, automated systems, telecommunications equipment, filing equipment and systems, micrographics equipment, library materials, and printing and copying equipment.

F. Director, Office of Administration (ADM)

1. Manages the NRC property management program.
2. Independently reviews NRC Property Survey Board decisions if the affected party appeals.

3. Monitors and documents purchases for furnishing, redecorating, or making improvements to the offices of NRC Presidential appointees to ensure that the \$5,000 limit is not exceeded (Pub. L. 101-136).

G. Office Directors and Regional Administrators

1. Ensure that requests for furniture, equipment, and related services are fully justified and support mission-related activities.
2. Submit NRC Form 776, "Property Custodian Delegation," to the Property Management Officer (PMO), ADM, listing those individuals who serve as property custodians and alternates to perform the duties specified in Directive Handbook 13.1.
3. Support waste reduction and recycling programs implemented by GSA and building lessors.

Additional Responsibilities of Regional Administrators:

1. Oversee regional self-inventories.
2. Ensure compliance with NRC procedures for issuance and disposal of Government personal property, including reporting excess property for the Computers for Learning Program.
3. Submit estimated requirements for furniture, equipment, and other property (e.g., the special needs category) to ADM for planning and budgeting purposes.

H. Director, Division of Contracts (DC), ADM

1. Ensures that statements of work contain adequate property controls and that appropriate terms and conditions regarding the title of property purchased with NRC funds are included in solicitations and contracts.
2. Administers the NRC program for Government personal property held by an NRC commercial contractor.
3. Provides an annual report regarding contractor-held capital property to the Office of the CFO (OCFO).
4. Ensures that purchase card holders are trained regarding reporting requirements associated with the purchase of property.

I. Director, Division of Facilities and Security (DFS), ADM

Manages the NRC waste reduction and recycling program in accordance with Executive Order 13423, "Strengthening Federal Environment, Energy, and Transportation Management" and prepares annual reports to Montgomery County and the Federal Environmental Executive.

J. Directorate for Space Planning and Consolidation (ADSC)

1. Implements NRC Government personal property policies and develops procedures.
2. Oversees NRC equipment through tagging and inventory programs.

3. Directs Headquarters equipment inventories, oversees regional equipment inventories.
4. Provides agency oversight, including prompt notification to the OIG of suspected instances of loss, damage, or theft of property.
5. Approves requests for acquisition, transfer, or disposal of security equipment, systems furniture, and climate control and facility equipment.
6. Designates the PMO.
7. Manages the electronic Space and Property Management System (SPMS).
8. Establishes use standards¹ to ensure uniformity, flexibility, and proper use and disposal of furniture, equipment, and related services.

K. Controller, Division of the Controller (DOC), Office of the CFO (OCFO)

1. Manages the financial records for NRC capital property and provides financial reports, as required.
2. Collects reimbursements from employees determined to be liable by the NRC Property Survey Board for lost, stolen, destroyed, or damaged property.

IV. APPLICABILITY

The policy and guidance in this directive and handbook apply to all NRC employees and, where applicable, to NRC contractors.

V. DIRECTIVE HANDBOOK

Directive Handbook 13.1 contains guidelines and procedures for control and accountability of NRC property, including property held by commercial contractors, and to ensure that Government personal property is protected against waste, theft, or misuse. MD 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)," governs property purchased with NRC funds through DOE laboratory work orders.

VI. REFERENCES

Code of Federal Regulations

Federal Acquisition Regulation—

48 CFR Part 45, Federal Acquisition Regulations System, "Government Property."

¹ Use standards are a combination of authority to obtain an item of property together with a justification of why the property is needed. The *Code of Federal Regulations*, 41 CFR Subpart 101-25.3, prescribes the minimum use standards for certain types of Government-owned property. Generally, use standards provide the criteria through which a determination may be made as to when, and in what quantity, certain types of equipment are authorized for use within an Executive agency.

Federal Management Regulations—

41 CFR 101-25.100, “Use of Government Personal Property and Nonpersonal Services.”

41 CFR 101-25.301, “General.”

41 CFR 101-25.302, “Office Furniture, Furnishings, and Equipment.”

41 CFR 101-26.2, “Federal Requisitioning System.”

41 CFR 101-45, “Sale, Abandonment, or Destruction of Personal Property.”

41 CFR 102-36, “Transfer of Excess Personal Property.”

41 CFR 102-37, “Donation of Surplus Personal Property.”

41 CFR 102-38, “Sale of Personal Property.”

Executive Orders

Executive Order 12999, “Educational Technology, Ensuring Opportunity for All Children in the Next Century,” April 17, 1996.

Executive Order 13423, “Strengthening Federal Environmental, Energy, and Transportation Management,” January 24, 2007.

Government Accountability Office (GAO)

GAO, Statement of Federal Financial Accounting Standards No. 6, “Accounting for Property, Plant, and Equipment,” February 28, 1997.

Nuclear Regulatory Commission (NRC)

ADM Service Request System:

<http://hqntas08/menu.html>

ADM Web site, Supply Services:

<http://www.internal.nrc.gov/ADM/admservicecenter/supply.html>

ADM Web site, List of Sensitive Equipment:

<http://www.internal.nrc.gov/ADM/spaceplanning/propmgmt.html>

Management Directives—

MD 3.53, “NRC Records and Document Management Program.”

MD 7.4, “Reporting Suspected Wrongdoing and Processing OIG Referrals.”

MD 11.7, “NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE).”

NRC Announcement, “Security/Safety: Security of Laptop Computers,” dated April 2, 2009, at <http://www.internal.nrc.gov/announcements/items/3957.html>.

NRC Division of Contracts Instruction 94-05, “Incorporating Property Accountability Standards in Contracts,” November 3, 1994.

United States Code

Budget and Accounting Act, Pub. L. 84-863 (31 U.S.C. 3512).

Debt Collection Act of 1982 (5 U.S.C. 5514 Note).

Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 501 et seq.).

Inspector General Act of 1978 (5 U.S.C. App 3), as amended.

Resource Conservation and Recovery Act of 1976, Section 6002 (42 U.S.C. 6962).

Treasury, Postal Service, and General Government Appropriations Act, 1990, (5 U.S.C. 5343 note).

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I. NRC PROPERTY

A. General

1. Official NRC personal property records are maintained in an online interactive computer system that functions as the official database for NRC property transactions. The Space and Property Management System (SPMS) is managed by the Directorate for Space Planning and Consolidation (ADSC), Office of Administration (ADM). All other property records are subordinate to those maintained in the SPMS.
2. "Government personal property" is defined as any equipment, furniture, or supply items that are owned, leased, borrowed, donated, forfeited, or transferred from another Federal agency, purchased with NRC funds, or otherwise in the possession or control of NRC.
3. "Capital Property" is any NRC-purchased property with an initial acquisition cost of \$50,000 or more.

B. Property Management Officer (PMO)

The Chief of the Property and Labor Services Branch (PLSB) serves as the NRC PMO. The NRC PMO or his designee—

1. Reviews and approves destruction or abandonment of NRC surplus property with an acquisition cost of \$100,000 or less.

2. Approves requests for acquisition of non-information technology (non-IT) equipment, furniture (except systems furniture), and the transfer, trade-in, and disposal of Headquarters property (except systems furniture, climate control and facility equipment, and security equipment).
3. Annually reports excess and exchange/sale property to the General Services Administration (GSA).
4. Approves Headquarters reports of excess property.
5. Refers determinations of the NRC Property Survey Board to the Controller, Division of the Controller (DOC), Office of the Chief Financial Officer (OCFO), for collection of debts from employees, as appropriate.
6. Authorizes removal from the SPMS records of lost, stolen, or damaged property reported on an NRC Form 395, "Report of Property for Survey," with a depreciated value of \$1,000 or less.
7. Is responsible for the SPMS, including approval of changes to the system and maintenance of data to ensure control of accountable property.
8. Provides training, guidance, and assistance to designated property custodians.
9. Designates two members and the chair of the NRC Property Survey Board.

C. Property Custodians

All property custodians—

1. Must conduct a joint inventory with his or her successor before custodial responsibilities are reassigned. The successor will have 30 workdays from the date of his or her custodial training to take appropriate followup action needed to resolve discrepancies. If a successor is not in place before the outgoing custodian leaves, a temporary custodian should be appointed to assist with the inventory. The outgoing custodian must certify to his or her supervisor that the information contained in the account is accurate. The supervisor shall ensure that this process is followed.
2. Shall manage and control assigned property by maintaining and updating the SPMS records to include equipment location, end user, and sensitive equipment holder supported by a completed NRC Form 119, "Custodial Receipt for Sensitive Personal Property."
3. Will be required to conduct a review of their property account in the off-year from the physical inventory. The property custodian shall verify and certify to the Chief, PLSB that all SPMS equipment records are accurate and include the assignment of sensitive equipment supported by the completed NRC Form 119. The timing and scope of the review will be determined by the NRC PMO.
4. Responsible for property located at the Technical Training Center and in the regions are required to ensure that property certifications at their site include independent verification of the property by someone other than the property holder. This also includes property held by Resident Inspectors. By signing the certification, the

property custodian is certifying that the inventory was conducted independent of the property holder and all discrepancies have been resolved.

5. Shall ensure procedures are in place to receive notification when a staff member transfers out of or into their property account and adjust property records accordingly.
6. Shall coordinate equipment moves, pickups, and exchanges with the Information Technology (IT) Coordinator. This task requires that the property custodian be proactive to ensure that such coordination takes place.
7. Shall perform a search of the SPMS records before a departing employee leaves the agency to see which property is assigned to the individual and shall recover the equipment. Equipment can be reassigned to another individual within the property account or transferred to the property custodian for holding purposes for 30 workdays. The IT coordinator shall contact the Customer Support Center to have IT equipment that does not belong to NRC picked up. An NRC Form 30, "Request for Administrative Services," must be completed and submitted to the PLSB for return of NRC-owned IT and non-IT equipment. If equipment cannot be located, an NRC Form 395 must be submitted to PLSB before the employee separates from the agency. NRC Form 270, "Separation Clearance Form," will be signed by the ADSC staff and no longer requires a signature by the property custodian.
8. Shall maintain a sign-out/sign-in log for property that is picked up by employees for use on a temporary basis. Property custodians shall review the log regularly to ensure that the property is returned to the central location in a timely manner. In general, any property to remain with an individual for more than 30 workdays should be assigned to that individual on a permanent basis.
9. Shall accept or reject proposed transfers in SPMS within 3 workdays of receiving notification that a transfer has been put in action.
10. Shall ensure that property holders are made aware of their responsibilities for the use and care of NRC property at the time the property is assigned to them.
11. Shall participate in official property inventories by accompanying the PLSB inventory team, assisting in locating missing equipment, and providing purchase documentation for any non-tagged equipment.
12. Shall attend periodic training provided by ADM to keep current on procedures governing the agency's property management program.
13. Shall tag new equipment immediately upon receipt and forward the tag assignment sheet (NRC Form 747, "Equipment Data Sheet") and purchase documentation to PLSB no later than 3 workdays after the tag is placed on equipment.
14. Shall keep tags secure at all times and use tags sequentially. Ensure that there are no gaps in tag numbers assigned. (The SPMS administrator must assume that gaps serve as an indication that property has been tagged but acquisition documentation has not been provided to PLSB in a timely manner.)

D. NRC Employees

NRC employees have the responsibility to—

1. Properly care for, protect, and conserve NRC property assigned to them.
2. Use NRC property for officially approved purposes only, including property leased to NRC.
3. Promptly report the loss, damage, theft, destruction, or removal of property from its assigned location to the property custodian.
4. Account for all property listed on receiving documents (i.e., packing slips, receipts, invoices) before acceptance and provide copies of the documents to the property custodian.
5. Sign NRC Form 119 before receiving custody of sensitive property.

E. Accountable Property

Accountable property is defined as any equipment, excluding furniture and supplies, that is complete in itself, is of a durable nature with an expected life of 2 years or more, does not ordinarily lose its identity or become a component of another article, and is not consumed in its useful life. Accountable property is either classified as “sensitive” or “nonsensitive.”

1. Sensitive Equipment

Sensitive equipment is any accountable property that is desirable for personal use and can be easily removed from the premises. A list of the current sensitive equipment may be found at <http://www.internal.nrc.gov/ADM/spaceplanning/propmgmt.html>. ADSC may add new items as necessary.

2. Nonsensitive Equipment

Nonsensitive equipment is any accountable property that does not meet the definition of sensitive equipment.

F. NRC Space and Property Management System (SPMS)

1. The SPMS contains records of—

- (a) NRC sensitive and nonsensitive equipment, acquisition and depreciated costs,¹ date of acquisition, item description, manufacturer, model number, serial number, stock number, property custodians, and sensitive equipment holders, when appropriate.
- (b) Repairs that PLSB, ADSC, ADM, makes on NRC equipment.
- (c) Furniture purchases.

¹ A 5–7 year useful life span serves as the initial base for calculating the depreciated value for property. The SPMS calculates depreciation at a rate of 20% per year based on the acquisition date.

2. ADSC manages the SPMS, which is accessed by PLSB staff for recordkeeping on equipment and furniture purchases. Property custodians also access the system for information and to change location of property in their accounts.

G. Tagging and Control of Equipment

1. Tagging of Equipment

- (a) Property custodians are responsible for tagging all accountable property meeting the criteria for recording in the SPMS immediately upon purchase and acceptance and forwarding the tag assignment sheet (NRC Form 747, "Equipment Data Sheet") and documentation necessary to establish equipment records to PLSB no later than 3 workdays after receipt of the item. ADM provides Headquarters and regional property custodians a block of sequentially numbered blue and red tags for this purpose.
- (b) Documentation submitted to PLSB includes the tagging data sheet containing the model number, the serial number, the manufacturer, the warranty information (if appropriate), and a copy of the acquisition document (purchase order, contract, or Purchase Card Log). Purchase Card holders must enter the tag number on the Purchase Card Log sheet and provide the property custodian with a copy at the time the item is tagged. An NRC Form 119 must also accompany the tagging sheet if the item being tagged is sensitive equipment. Regional offices shall retain copies of their NRC Form 119s. PLSB staff enter all tagging information in the property system.
- (c) If an item is delivered to the warehouse, PLSB staff will receive, inspect, and tag the item before it is delivered to the requester. When sensitive equipment is received in the warehouse, the NRC Form 119 is prepared by PLSB and delivered to the appropriate property custodian when the equipment is delivered. Although PLSB will prepare the form, it is the responsibility of the property custodian to ensure that the form is complete and accurate, to obtain the appropriate signature, to forward the original copy to PLSB, and to retain a copy for his or her files.

2. Control of Equipment (NRC Tags)

The criteria for tagging accountable property and recording in the SPMS are as follows:

- (a) Blue tags – sensitive equipment, regardless of cost and nonsensitive equipment with an acquisition cost of \$1,000 or above.
- (b) Red tags - nonsensitive equipment with an acquisition cost below \$1,000.
- (c) Nonsensitive property below \$1,000 is not recorded in the SPMS.

H. Custody of Equipment

1. Sensitive equipment is assigned to a specific individual. NRC Form 119 is used to establish responsibility for the physical protection and safekeeping of sensitive equipment. At Headquarters, the property custodian will submit to PLSB an NRC Form 119 signed by the user for each piece of sensitive equipment assigned. The

property custodian shall also retain a copy of the form for his or her files. In regional offices, the property custodian retains the NRC Form 119 after obtaining the signature of the individual using the property.

2. An individual who is assigned sensitive equipment shall safeguard and protect it. The individual who signs the NRC Form 119 may be found financially liable for the loss, theft, or damage of sensitive equipment if the NRC Property Survey Board determines that the individual exhibited careless disregard in protecting the equipment.
3. Nonsensitive equipment is assigned to the individual using it or to the property custodian if the equipment is for general office use.

I. Reassignment or Transfer of Equipment

1. When nonsensitive equipment is to be reassigned from one individual to another or transferred from one property account to another, the property custodian can document the transfer in the SPMS and electronically notify the property custodian of the recipient of the property. The property custodian to whom the property is being transferred must physically verify the location of the property before accepting the transfer. Property custodians must take action on transfers within 3 workdays of receiving notification. If the equipment cannot be physically verified, the receiving property custodian must notify the sender in order to rectify discrepancies.
2. When sensitive equipment is to be reassigned from one individual to another, the responsible property custodian initiates a new NRC Form 119, obtains the signature of the individual using the property, and sends the new form to PLSB. In regional offices, the property custodian retains the form for his or her files.

J. Equipment Inventories

1. Physical inventories of all NRC equipment will be conducted every 2 years. The Associate Director of ADSC determines the scope and timing of inventories.
2. At Headquarters, PLSB staff will conduct physical inventories jointly with the responsible property custodian. Regional offices will conduct self-inventories and report the results to PLSB.
3. Once an inventory is completed, all recorded information must be reconciled in the SPMS. PLSB staff and the property custodian will resolve discrepancies in data. The property custodian will submit a completed NRC Form 395 for missing equipment at the time the reconciliation report is turned in to PLSB.
4. After final reconciliation, the results of the inventory will be reported to NRC senior management and a final accounting of all capitalized property will be provided to the Controller, DOC/OCFO.

K. Maintenance and Repair of Property

1. The maintenance and repair of NRC-owned or -leased property will be accomplished by the most cost-effective method available to accomplish the NRC mission.

2. Maintenance and repair of the following property, located at Headquarters, may be obtained by contacting the responsible offices listed below.
 - (a) Audio-visual/photographic equipment (e.g., televisions, VCRs, and cameras): Multimedia and Communication Support Services Branch, ADM.
 - (b) Telecommunications, computers, and all other IT items: Network Operations and Customer Services Branch, Office of Information Services (OIS).
 - (c) Copy equipment or electronic easels: Designated equipment key operator or the Reproduction and Mail Services Branch, ADM.
 - (d) Microfiche reader-printers: Records and Archives Services, OIS.
 - (e) Lock services or filing cabinets: ADSC, ADM.
 - (f) Systems furniture: Space Acquisition and Consolidation Branch (Space Design Branch), ADM.
 - (g) General office furniture: ADSC, ADM.
 - (h) General office equipment (e.g., typewriters, calculators, and time stamps): PLSB, ADSC, ADM.
3. In the regions, maintenance and repair requests are submitted to the Division of Resource Management and Administration.

L. Transfer or Donation of Excess Computer Property

1. General Procedures
 - (a) At Headquarters, the PLSB coordinates the program and makes the transfer after the approval of the NRC PMO.
 - (b) In the regions, the property custodians coordinate the program and the Director of the Division of Resource Management and Administration approves transfers. Regional property custodians forward copies of completed transfer documents to PLSB.
 - (c) Donations will be made as equipment becomes available. Related peripheral equipment, such as printers, copiers, modems, routers, servers, telecommunications equipment, and research equipment (including equipment in any Federal laboratory), also may be donated.
 - (d) Generally, transfers are made to school districts because they can best determine which schools have the greatest computer needs; however, transfers may be made to an individual school. The receiving school picks up and transports the equipment. Any damage to the property after it is picked up will be the school's responsibility; the property is not returnable to NRC.

2. Available Receiving Organizations

(a) Organizations Administering or Participating in NRC Mission-Related Programs

These organizations include Agreement States needing computers to run required agency codes or Native American groups requiring enhanced environmental data to monitor NRC waste disposal decisionmaking. If the requesting organization is not a Federal agency, the transfer or donation must be coordinated through the GSA.

(b) Other Federal Agencies

NRC may directly transfer excess computer equipment to other Federal agencies.

(c) Computers for Learning Program

This program was originally established under Executive Order (E.O.) 12821, which was superseded on April 17, 1996, by E.O. 12999. Under this program, schools are eligible to receive donations if they are public, private, or parochial schools serving pre-kindergarten through grade 12 students. Nonprofit educational organizations also are eligible if they are classified as tax-exempt under Section 501(c) of the United States Tax Code and serve pre-kindergarten through grade 12 students.

II. REQUESTS, DELIVERY, AND REMOVAL OF NRC PROPERTY

A. Property Requests

1. At Headquarters, requests for non-information technology (non-IT) equipment valued at over the micropurchase level (\$3,000) and for all furniture must be submitted to the PLSB, ADSC, ADM, using the ADM Service Request System (available on the internal Web site) or NRC Form 30. These requests require a justification, and the following approvals are required:

Item	Approval Level	Approval Authorities
Furniture	All purchases	Property custodian Branch chief or his designee
Non-IT equipment	Below \$300	None
	\$300 and above	Property custodian Branch chief or his designee

2. In the regions the Directors of Resource Management and Administration (DRMA) should submit an NRC Form 30 to "Property" for approval of all furniture purchases.
3. The PMO determines if suitable substitutes may be made from NRC stock or excess property before approving a procurement action.

4. ADSC sends requests for certain property to the following offices for review before approval:

PROPERTY	REVIEWING OFFICE
Safes, document shredders, secure communications and equipment, and other security-related items	Division of Facilities and Security, ADM
Filing equipment and systems, nonstocked filing supplies, bookcases, micrographics equipment, file folders, and records holding boxes	Chief, Records and FOIA/Privacy Services Branch, OIS
Copy and printing equipment, electronic easels, colored paper, and related printed items	Reproduction and Mail Services Branch, ADM
IT equipment, including graphics, network, automated systems, and telecommunications equipment	OIS
Systems furniture	Space Acquisition and Consolidation Branch (Space Design Branch), ADSC, ADM
Items that require mounting on walls (e.g., planning boards, pamphlet racks)	Facilities Management Branch, Division of Facilities and Security, ADM
Equipment or furniture to accommodate employees with disabilities	Human Resources Operations and Policy, Office of Human Resources

5. Once the PMO has approved a request, PLSB forwards the request directly to the Division of Contracts (DC), ADM, or to the DRMA in the regions for procurement, except when funding has not been certified. If funds have not been certified, PLSB forwards an e-mail request to the appropriate funding office.

B. Deliveries

1. Delivery of Newly Acquired Property Directly to NRC Buildings

Requests for small items (70 lbs. or less) in limited quantities should specify delivery to the building of the recipient. The purchaser must sign appropriate paperwork (receiving report or Purchase Card statement) certifying receipt of items and forward it for payment to the Controller, DOC/OCFO. The purchaser is responsible for notifying his or her property custodian to have items tagged and recorded in the

property system. The property custodian shall ensure that this process is followed. (See Section I.G, "Tagging and Control of Equipment," of this handbook.)

2. Delivery of Newly Acquired Property to the Warehouse

- (a) Requests for large equipment items or bulk quantities of items should specify delivery to the warehouse (5008 Boiling Brook Parkway, Rockville, MD 20852). The purchaser should e-mail the warehouse in advance of the delivery and supply the following information: name of vendor, list of item(s), quantity, contact name, phone number, and anticipated delivery date. PLSB will receive, inspect, and tag the item before it is delivered to the requester. The warehouse receiver will send completed Receiving Reports to the Controller, DOC/OCFO, and to ADSC. PLSB will then coordinate delivery of the item from storage to the requester.
- (b) For Purchase Card purchases requiring warehouse delivery, warehouse personnel will receive, inspect, and tag the item before it is delivered to the purchaser. The purchaser must sign appropriate paperwork (Purchase Card statement) certifying receipt of items and forward it to the Controller, DOC/OCFO, for payment.

3. Movement of Items To and From Storage

Requests to store or remove items from storage must be processed through PLSB. PLSB will arrange for warehouse delivery to the customer, and the customer will sign a receipt for items delivered.

4. Regional Office Delivery

PLSB provides the regional offices with blocks of NRC property tags. The regional property custodian ensures that the property tags are affixed to equipment in accordance with ADSC guidance. The property custodian will provide copies of completed receiving documents, tag assignments, and other data necessary for establishing equipment records to PLSB within 3 workdays of receipt of equipment.

C. Bringing Privately Owned Property to NRC

Sales representatives, contractors, and other personnel who are not NRC employees and bring privately owned equipment into an NRC building must declare such property at the nearest security guard station. The guard will issue a pass for the declared property using NRC Form 466, "Property Pass." The individual must return the property pass to the guard station when leaving NRC premises with the property.

D. Removing Government Property From NRC

When NRC property is to be removed from the premises for any reason, the property custodian prepares NRC Form 466, citing the reason the property will be removed and the expected return date. The property custodian keeps one copy of the form for his or her files and a copy is given to the security guard. If property is being removed for purposes of repair, the repair contractor will be instructed to show the item and the property pass upon his or her return to NRC. The property custodian will note on the

property pass that the item has been returned. In regional offices, the NRC Form 119 serves the same purpose as an NRC Form 466.

E. Returning All Property Upon Separation From NRC

1. NRC requires that all Government-furnished property, including supplies, assigned to NRC employees be returned or accounted for at least 10 workdays before separation, and all items must be returned before clearance from NRC. For members of the Advisory Committee on Reactor Safeguards and on Nuclear Waste and Materials, property must be returned 30 workdays before separation. The property custodian will recover all equipment and either reassign it within the property account or complete an NRC Form 30 for return of the equipment to PLSB. Sensitive equipment must be reassigned before PLSB can approve separation clearance for an individual. All furniture items will remain in place pending determination of future space occupation.
2. If sensitive equipment cannot be found, an employee may be held financially liable by the NRC Property Survey Board on the basis of the standards described in Section III of this handbook.

III. FINANCIAL LIABILITY FOR LOST, STOLEN, OR DAMAGED PROPERTY AND FOR THE TRANSFER OF PROPERTY

A. Financial Liability

Unless relieved of liability, employees may be held financially liable for the loss or disappearance of or damage to property entrusted to them. If liable, an employee shall reimburse the Government for the depreciated value of the property at the time of loss or disappearance or for cost of repair if damage to the property was the result of the employee's careless disregard or wilful act. "Careless disregard" is defined as the failure to maintain adequate due care, awareness, or proper safekeeping that a reasonable person would be expected to use in the same or similar circumstances. Employees should provide the same degree of safeguards and care for Government property as a reasonable person would provide for his or her own personal property.

B. NRC Property Survey Board

1. The three-member NRC Property Survey Board, appointed by the PMO, performs the functions described below for the agency.
 - (a) Reviews property reported for survey on NRC Form 395.
 - (b) Determines the financial liability, or release from liability, of property custodian(s) or accountable individuals.
 - (c) Acts as reviewing authority for the destruction or abandonment of surplus property with an acquisition cost exceeding \$100,000.
2. In its role of determining financial liability, the board is tasked with distinguishing between simple negligence and careless disregard. The board considers the ease with which an item may be misplaced, the environment in which it is used, and the

difference between negligence and disregard. To assist the board, the following guidance and examples are provided:

- (a) The loss or disappearance of an item entrusted to one's care that is not determined to be stolen is considered at least simple negligence. Simple negligence is not necessarily sufficient to hold an individual financially liable. For example, an individual assigned a personal digital assistant (PDA) loses it during an airline flight. This simple negligence is insufficient as a single incident to cause an individual to be held financially liable. The loss of a PDA coupled with a history of other documented lost items for which the individual has been adequately warned may be considered careless disregard.
- (b) An individual may be held financially liable for stolen equipment if it can be shown that the individual did not take proper due care that a reasonable person would take under similar circumstances. For example, a laptop computer is stolen because an individual left it in plain sight in an unlocked car. Individuals should take extra precautions for items that are targeted for theft such as laptop computers, cameras, and cellular telephones.
- (c) An individual may be held financially liable for missing equipment attributable to lack of due care and safekeeping when the individual has little or vague recollection of subsequent events after taking possession of the property.
- (d) If the board determines that recordkeeping and notification practices are inadequate or not followed and it is not clear who was the last person accountable for the missing item, the property custodian may be held financially liable for these items. Property custodians must ensure that adequate procedures are in effect and followed so that accountability may be determined.
- (e) An accountable individual will normally be excused from liability when it is shown that the property missing is the result of a natural disaster (i.e., fire, flood, earthquake).
- (f) An accountable individual will be held financially liable if he or she refuses to provide information necessary for the board to make a determination of liability.

C. Office of the Inspector General (OIG) Property Survey Board

- 1. In accordance with the Inspector General Act of 1978, OIG has established its own Property Survey Board to review instances of lost, stolen or damaged property involving OIG personnel.
- 2. The OIG has sole responsibility for any decisions or financial liability affecting OIG employees. The Director of ADM is informed of all decisions rendered by the OIG Property Survey Board.

D. Loss or Theft of NRC Property

- 1. Loss of NRC Property

In the event of loss of NRC property, the employee who had custody of the property should immediately notify the property custodian so that he or she can conduct a

thorough search to ensure that the item has not been moved or misplaced. If the property is not recovered within 10 workdays, the responsible property custodian will submit an NRC Form 395 to the PMO. The PMO will send to the OIG Assistant Inspector General for Investigations all reports (NRC Form 395s) of missing sensitive property and missing non-sensitive property with a depreciated value of at least \$1,000. If the missing property contains, or may contain, personally identifiable information (PII) (i.e., a laptop containing social security numbers), the employee should immediately notify the Computer Security Office. See NRC Announcement, "Security/Safety: Security of Laptop Computers," dated April 2, 2009, at <http://www.internal.nrc.gov/announcements/items/3957.html>.

2. Theft of NRC Property

- (a) When theft is suspected at Headquarters, the following steps are to be followed immediately:
 - (i) The employee who had custody of the property shall notify the nearest guard station.
 - (ii) The guard will complete an NRC security incident report (NRC Form 135, "Security Incident Report") and submit it to the Chief of Facilities Security Branch (FSB), DFS, ADM. Copies of the NRC Form 135 are not provided to NRC employees unless specifically requested from FSB.
 - (iii) The Chief of FSB will forward the results of his or her investigation, along with a copy of the NRC Form 135, to the OIG within 24 hours after the loss or suspected theft. If the theft occurs at a regional office or a remote NRC location, the employee must notify the property custodian, FSB, and the OIG within 24 hours of the loss or suspected theft.
 - (iv) If the equipment is not located by FSB, the property custodian will submit an NRC Form 395 to PLSB within 10 workdays of the loss. The property custodian should note on the NRC Form 395 if an investigation is ongoing.
- (b) When a theft occurs outside Headquarters (e.g., airline, car, home burglarized, etc.), the theft must be reported to the appropriate authorities immediately. It is the responsibility of the employee to file a claim with the airline or insurance carrier for all Government property as soon as possible after the theft occurs. The employee must also obtain a copy of the police report and statements received from the insurance company as supporting documentation for NRC records. If the property is not recovered within 10 workdays, the employee's property custodian will submit an NRC Form 395 to the PMO. The PMO will send a copy of the NRC Form 395 to the OIG.

E. Reporting Government Personal Property for Survey

NRC Form 395 provides the means for determining financial liability, if any, for Government personal property that is lost, stolen, or damaged. This form also authorizes property records to be adjusted to reflect such occurrences.

1. Preparing a Report of Property for Survey

The accountable individual or the responsible property custodian shall complete items 2 through 7 of NRC Form 395 within 10 workdays of the incident. A copy of the NRC incident report (NRC Form 135) must be attached if theft is suspected. Whenever the accountable individual cannot or will not initiate the report, the property custodian initiates it with reasons clearly stated. Only one item of equipment may be included on each report. The reporting individual forwards the NRC Form 395 to the property custodian who shall sign under item 11 and forward it for signature to the office/division director at Headquarters or the regional administrator/division director in the region. The accountable individual must also certify on the form as to whether or not the lost equipment contained, or may have contained, PII. If the missing property contains, or may contain, PII, the property custodian shall forward a copy of the NRC Form 395 to the Computer Security Office.

2. Certification to the PMO and the NRC Property Survey Board

The Headquarters office/division director or regional administrator/division director reviews NRC Form 395 and ensures the statements made by the accountable individual are responsive. The Headquarters office/division director or regional administrator/division director obtains any additional information if necessary, signs under item 12 of NRC Form 395, and forwards the report to the PMO, who—

- (a) Verifies that information on NRC Form 395 is in agreement with the agency property management system records.
- (b) Reviews NRC Form 395 and, if the depreciated value in item 10 is \$1,000 or less, the PMO signs under item 13 authorizing the removal of a lost or damaged item from the property records without action by the NRC Property Survey Board. In this situation, completed action constitutes authority to remove subject property from NRC records. However, if the depreciated value is greater than \$1,000, circumstances indicate that an NRC employee's action may meet the criteria for careless disregard, or if there are indications of waste or misuse, the PMO signs under item 13 referring the report to the NRC Property Survey Board for action.

3. Actions by the NRC Property Survey Board

- (a) The board shall complete action within 30 workdays from receipt of NRC Form 395.
- (b) The board examines all data included in the report and takes any or all of the following additional actions deemed necessary to establish the facts and complete its findings and recommendations:
 - (i) Requires additional statements, preferably in writing, from anyone having direct knowledge or responsibility relating to the case.
 - (ii) Refers the case for investigation to OIG if there is an indication or allegation of theft, embezzlement, fraud, or other unlawful activity.
- (c) If the board decides, on a preliminary basis, that the employee should be held liable, it will give the employee an opportunity to present all relevant facts to the board at a subsequent meeting by sending a memorandum to the employee. A

bargaining unit employee would have the right to union representation at this time, if he or she so desired.

- (d) After the employee has been heard, or has been given an opportunity to be heard, the board will finally determine whether the employee is financially liable and, if so, in what amount on the basis of standard methods of depreciation.
- (e) The board enters its findings and recommendations under item 14 on the original of NRC Form 395 over the signature of the Board Chairman and all concurring members and forwards its findings to the PMO and the accountable individual. Completed action constitutes authority to remove the subject property from the SPMS.
- (f) Employees wishing to appeal the decision of the NRC Property Survey Board may, within 10 workdays of receipt of the board's final decision, appeal in writing to the Director of ADM.

4. Certificates of Accomplishment

- (a) The PMO completes item 15a of NRC Form 395 for the certificate of accomplishment. Where financial liability has been determined, the PMO forwards the original of NRC Form 395 to the Controller, DOC/OCFO.
- (b) The Controller, DOC/OCFO, institutes collection procedures and completes item 15b of NRC Form 395, which is returned to the PMO, within 30 workdays, to be filed in accordance with established retention schedules.

F. Destruction or Abandonment of Property

- 1. An NRC employee may not destroy or discard any agency equipment, regardless of its condition. Any item of equipment being retired from service must be reported to the PLSB for a decision on disposal. The PMO or his designee makes final determinations concerning the destruction or abandonment of excess property with an acquisition cost below \$100,000 and the NRC Property Survey Board for property with an acquisition cost exceeding \$100,000, in accordance with 41 CFR 101-45.9.
- 2. The PMO will exhaust all efforts through the sale or donation process before abandoning the property.
- 3. Regional property custodians must submit all items for abandonment or destruction on GSA Form 120 to the PMO for review and approval before abandonment or destruction can take place.

IV. COMMERCIAL CONTRACTOR-HELD PROPERTY

A. General

1. DC, ADM, administers NRC's program for Government personal property held by an NRC commercial contractor. This program pertains to property purchased with NRC funds by the contractor or to property furnished by NRC to the contractor. It does not cover property purchased with NRC funds through a Department of Energy laboratory work order (see Management Directive 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)," for property purchases of this nature).
2. All commercial contractors in possession of NRC property must comply with the provisions of the Federal Acquisition Regulation (FAR, 48 CFR Part 45). Specifically, a contractor shall establish and maintain a system to control and protect, preserve, and maintain all Government property. DC may audit contractor property management systems when there are indications that a contractor is not in compliance with the FAR.

B. Property Records

An NRC contractor's records of property must be detailed for any contractor-acquired or Government-furnished equipment. These records must include a description of the property; the manufacturer, model, and serial numbers; and the acquisition cost and date. For contractor-acquired items, the contractor will be required to track them in its own property system along with the NRC-furnished items.

C. Reporting Requirements

1. DC, ADM, maintains a copy of any contract, task order, or modification that contains a provision for Government-furnished property.
2. Contractors must report the purchase of any item of capital property (any property purchased with NRC funds with an initial acquisition cost of \$50,000 or more) to DC. DC will provide the contractor with an NRC bar code and Equipment Data Sheet to record detailed information for each item (NRC bar code number, description of item, serial number, model number, manufacturer, location, date purchased and purchase price). The contractor will have 10 workdays to return the required documentation to DC. DC will then provide the information to PLSB for recording in the SPMS. DC will obtain any additional information required by the NRC Chief Financial Officer. Contractors must conduct an annual inventory and report at the end of each fiscal year all capital property in their possession that was purchased with NRC funds to DC. DC will remind Project Officers at least twice each year of their responsibilities to monitor contractor held property in accordance with pertinent management directive requirements.
3. At the time the contract is closed, the contractor must provide a final reconciled report to DC listing all NRC-funded property in its possession. DC will contact the PMO, or designee, for disposition instructions for any contractor-held property during the closeout process.

V. FURNITURE

A. Furniture Inventories

1. A complete inventory of all furniture held in the warehouse is conducted every 2 years or more frequently when directed by the Associate Director of the ADSC. A statistically sampled inventory will be conducted in the year a complete inventory is not conducted. A plan for the inventory is developed in conjunction with the agency statistician and stratified to focus on high-volume or high-dollar items.
2. Furniture transactions are reviewed in conjunction with the warehouse inventory to ensure accurate documentation is on file for all ADSC furniture purchases.

B. Stocked Furniture

ADSC stocks standard furniture at the NRC warehouse. Records of this furniture are maintained in the SPMS. Furniture may be requested using the NRC Form 30 submitted through the requestor's division director to the PLSB, ADSC, ADM. Delivery of stocked items from the warehouse is normally accomplished within 10 workdays of receipt of the request.