Acquiring Personal Property

NOAA personnel acquire assets through several methods, including but not limited purchase order, purchase card, lease, transfer, donation, trade-in and found property. When acquiring property, personnel will consider the method most advantageous to NOAA and the taxpayer(s).

Regardless of the acquisition method, government regulations mandate that federal agencies consider acquiring excess personal property, as a first consideration. Moreover, GSA serves as the agency that provides regulatory governance to manage the process and to purchase new items. Finally, NOAA Property Officials are responsible for establishing timely and accurate accountability of agency-acquired personal property.

Defining Accountable Personal Property

Accountable Personal Property includes:

- Equipment with an original acquisition cost of $5,000 or more with a normal life expectancy exceeding one year, i.e. a self-contained unit not consumed in use and does not lose its identity when used. Component parts of major equipment, e.g. a computer keyboards, internal drives, etc., are NOT separately accountable under the inventory system. Please refer to the Object Classification Code (OCC) manual and guidance for appropriate accountable property and OCC use:
  http://www.pps.noaa.gov/forms_guides/guides_aids_tools/accountable_property_and_object_class_codes.html

- Sensitive property, regardless of acquisition cost that can easily be converted to private use or has high potential for theft. Please refer to the accountable property and OCC guidance for a list of sensitive items:
  http://www.pps.noaa.gov/forms_guides/guides_aids_tools/accountable_property_and_object_class_codes.html

Recording Accountable Property Additions

Timeliness – within 45 calendar days of receipt, inspection and acceptance, NOAA Property Custodians and / or Contacts must complete the Sunflower web-based CD-50, Create Asset form. Then, upload the supporting documentation, i.e. purchase order, contract, invoice, receiving report, purchase card statement, found property certification, etc., for all accountable personal property. Property Custodians and / or Property Contacts should refer to the CD-50 Create-Update Asset User Guide when creating new asset records in Sunflower:
**Recording Acquisition Cost**

Acquisition cost of all accountable property, plant and equipment should be recorded at cost to the acquiring organization. The acquisition cost should include all costs incurred to bring the accountable or capitalized asset to a form and location suitable for its intended use. In determining the acquisition cost, the Line/Staff Office (L.SO) should identify how the accountable asset was acquired.

The acquisition cost may include federal or state mandated fees required at the point of sale. Such mandatory fees may be included based on their materiality. The cost-benefit of including the fee vs separating the fee should be considered.

For construction work-in-progress (CWIP) or constructed asset(s), the L.SO should refer to the CWIP Policies and Procedures, section 5.0 (Draft March 29, 2013), *CWIP Costs*, to determine the acquisition cost [http://www.corporateservices.noaa.gov/~finance/CWIP%20Policy%20and%20Appendix.html](http://www.corporateservices.noaa.gov/~finance/CWIP%20Policy%20and%20Appendix.html)

For accountable and non-CWIP capitalized assets acquired through purchase, the acquisition cost may include:

Amounts paid to vendors for accountable property, i.e. (purchase price).

- Transportation charge(s) to the point of initial use, e.g. (shipping and handling costs). When multiple items are shipped transportation charges are calculated by finding the average, i.e. (dividing the shipping cost by the number of items shipped), and adding that amount to the cost of each accountable item.

- Installation costs

- Storage costs

- Federal or State mandated fees, e.g. (the California Electronic Waste Recycling Fee)

- NOAA Link surcharge fees

- NOAA Acquisition Fee for service on all contract actions

  Engineering, architectural and other outside services for designs, plans, Specifications and surveys

- Legal and recording fees, and damage claims. Fair value of equipment donated to the government.

- Material amounts of interest costs paid
Acquisition cost should not include:

- Sales tax
- Pass through fees, e.g. (credit card surcharges and transaction fees).
- Maintenance costs
- Non accountable asset(s) shipped together and/or included on the same invoice.
- Warranty costs.
- Service contract costs,
- Training costs
- Administrative supplies

For accountable assets, one of the following documents must be attached to the asset record to support the acquisition cost:

- Itemized Vendor Invoice
- In-store purchase receipt
- Contract/Purchase Order
- DOC Purchase Card Statement report or equivalent

Recording Acquisition Date

The acquisition date indicates when the asset is received, inspected and accepted by a NOAA representative, unless the contract specifically states otherwise, i.e. (title will pass to NOAA upon acceptance, regardless of when or where the government takes physical ownership). In which case, the delivery or constructive delivery shall be based on the terms of the contract regarding shipping and/or delivery, not based on physical possession.

For CWIP constructed assets, the acquisition date indicates when the asset meets its intended purpose and is ready to be placed in service. Supporting documentation for the acquisition date is generally an Acceptance Memorandum prepared by the L/SO. For more specifics on CWIP constructed asset(s) acquisition dates, refer to NOAA CWIP Policy & Procedures, Section 10.0 "Transferring Assets from CWIP to PP&E":

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or non-CWIP capitalized asset(s).

One of the following documents must be attached to the asset record to support the acquisition date:

- **Receiving Report** – is the date recorded next to the “Signature of Authorized U.S. Government Representative” line. If the Receiving Report is not used the documentation submitted should clearly identify the date the asset was received. A clearly identified receipt date contains a stamped or handwritten “received” along with the date and signature/initials of the receiving party.

- **Invoice Receipt Certification** – is date when certification was completed in the field “Date Goods Accepted” with the receiving employee signature or initials.

- **Receipt of Supplies or Services** – is the date stamp on the invoice with the signature or initials of the receiving employee.

- **Agency Acceptance Date** – is the date recorded by the agency on the invoice containing the stamped or handwritten “received” along with the date and signature or initials of the receiving employee.

- **Transfer Order Excess Personal Property** – is stamped or handwritten “received” along with the date and signature of NOAA representative on the SF-122 Transfer Order Request or other agency-specific transfer documentation.

For accountable assets, one of the following documents must be used to support the acquisition date:

- **Receiving Report** – is the date recorded in the “Date Received” block including signature and date.

- **Invoice or packing slip** – is the stamped or handwritten “received” along with the date and signature or initials of the receiving employee upon receipt of the property, (in the event of multiple signatures and dates, the earliest date recorded is the acquisition date).

- **In-store purchase** – is when the date is written or stamped on the receipt of purchase from the retail store with the signature or initials of the receiving employee of the property.

- **Found Assets** – is the date the memorandum is signed by Property Custodian.

**Found Property**

The acquisition cost for accountable property found without original acquisition supporting documentation shall be a current fair market value as determined by market research.

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conducted by the Property Custodian and annotated on the Found Personal Property Certification.

A copy of the fair market value source, e.g. (website, catalog, vendor quote) should also be provided and attached to the asset record.

The acquisition date for accountable property found without original acquisition supporting documentation shall be date of Property Custodian’s signature on the Found Personal Property Certification.  

**Leased Property**

For leased personal property, the acquisition cost is the cost of leasing the equipment over the lease period as stated in the lease agreement, plus other applicable acquisition costs, see (accountable and non-CWIP capitalized purchases).

For **GSA-leased vehicles**, the acquisition cost is the Manufacturer’s Suggested Retail Price (MSRP) as calculated from the Kelley Blue Book (KBB) or similar vehicle valuation tool, e.g. (Edmund’s NADA).

**Note:** A copy of the KBB or similar report should be attached along with GSA-lease documentation, e.g. (GSA Form 1152) as supporting documentation to the Agreement Asset record in Sunflower.

For leased personal property, the acquisition date is the lease start-date listed on the lease agreement.

For **GSA-leased vehicles**, the acquisition date is the date signed on appropriate documentation, e.g. (GSA Vehicle Swap-Out Form, GSA Vehicle Assignment/Termination Form, etc.), by a NOAA representative upon acceptance of the leased vehicle. For assistance contact: ppmb.financial@noaa.gov

**Contractor-acquired Property**

The transfer of contractor-acquired property can take place either at the time of acquisition or at contract termination. This is dependent on the type of contract and contract language. For contractor-acquired property, the acquisition cost should include all costs incurred to bring the accountable or capitalized asset to a form and location suitable for its intended use. Supporting documentation for acquisition cost should be attached as required for accountable or capitalized personal property additions.

For contractor-acquired property, the acquisition date is the date that the property is transferred and received by the government, indicated by the signature of Contracting Officer or representative on a Receiving Report or equivalent form which documents acceptance by the Government, e.g. a bill of laden, DD 250, etc. The transfer of contractor-acquired property...
property can take place either at the time of acquisition or at contract termination; this is dependent on the type of contract and contract language.

**Transfers, Donations, and Gifts**

For accountable and capitalized property acquired through transfer from other federal agencies, the acquisition cost recorded in Sunflower is the asset value recorded on the SF-122 Transfer Order Request or other agency specific transfer documentation that supports the asset value. All documentation and questions should go to PPMB Financial Team.

For assets with a value that meets or exceeds NOAA’s capitalization threshold of $200,000, the transferring agency should provide the remaining useful life years, and the current book value to the Property Custodian. The book value consists of the original acquisition cost minus the current amount of accumulated depreciation. If the asset is fully depreciated, the transferring agency should provide the salvage value of the asset.

For accountable and capitalized property acquired through transfer from other federal agencies, the acquisition date is written or stamped “received” and signed by a NOAA representative on the SF-122 Transfer Order Request or other agency-specific transfer documentation: 
http://www.pps.noaa.gov/training_and_education/

Policy on receiving Gifts or Bequests to NOAA can be found at the following link:

[http://www.pps.noaa.gov/personal_property_policies_procedures/Gifts_and_Bequests_to_NOAA.pdf](http://www.pps.noaa.gov/personal_property_policies_procedures/Gifts_and_Bequests_to_NOAA.pdf)

For accountable property acquired through gift or donation, the acquisition cost is the asset value recorded on the CD-210 Record of Gift or Bequest or CD-342 Record of Gifts and Decorations from Foreign Governments.

For accountable property acquired through gift or donation, the acquisition date is the date written or stamped “received” by a NOAA representative on the CD-210 Record of Gift or Bequest or CD-342 Record of Gifts and Decorations from Foreign Governments:

[http://www.osec.doc.gov/forms/direct.htm](http://www.osec.doc.gov/forms/direct.htm)

**Warranty Exchange**

Personal property acquired through a warranty exchange for the same manufacturer and model, equipment from vendor and at no additional cost to the organization should be processed as a retag of the original Sunflower asset record, with the exchange documentation attached. PCs must contact their Line Office Representative to process the retag and update of serial number to the asset record.

Personal property acquired through a warranty exchange for a different manufacturer or model

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equipment from the vendor at no additional cost to the organization should be added as a new asset record, with the acquisition supporting documentation of the original asset attached. The exchange documentation identifying the replacement equipment should also be attached to verify the acquisition date. The acquisition value should be the same as the original asset’s value. The original asset record should be retired via the CD-50/52 request for the retirement of an asset menu, with a Final Event type of “Warranty Exchange”.

Personal property acquired through a warranty exchange for a different manufacturer or model equipment from the vendor at an additional cost to the organization should be added as a new asset record, with the acquisition supporting documentation of the original asset attached. The exchange documentation identifying the replacement equipment should also be attached to verify the acquisition date. The acquisition value should be the original asset’s value plus the cost of the replacement item. The original asset record should be retired via the CD-50/52 request for the retirement of an asset menu, with a Final Event type of “Warranty Exchange”.

**Trade-In**

If the asset is being traded in for a newer model asset then specific steps need to be followed:

1. The contract must state the barcode, serial number and the trade in value given for the asset, even if the dollar value is zero.
2. The company picking up the asset that is being traded in should sign and date near the asset information stating that they have received this property.
3. When completing the final event for the asset traded in you will use the final event type of “Trade In” and you must attach the contract as supporting documentation.

**Summary**

Acquiring personal property is a vital function in support of NOAA’s mission and operations. There are various methods for acquiring personal property. Government regulations mandate that federal agencies consider acquiring excess personal property first, before purchasing new items. GSA is the agency with the regulatory responsibility to manage this process. Regardless of the acquisition method, NOAA Property Officials are responsible for establishing timely and accurate accountability of agency-acquired personal property.