Acquiring Personal Property

Version 2

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

Government regulations mandate that federal agencies consider acquiring excess personal property first, before purchasing new items, and 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.

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, a self-contained unit, which is not consumed in use, and does not lose its identity when put into use. Component parts of major equipment (e.g. a computer), such as keyboards, internal drives, etc., are NOT separately accountable under the inventory system. Please refer to the Object Classification Code manual and guidance for appropriate accountable property 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) which can easily be converted to private use or that 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 or Contacts must complete the Sunflower web-based CD-50, Create Asset form and upload supporting documentation (i.e. purchase order, contract, invoice, receiving report, purchase card statement, found property certification, etc.) for all accountable personal property. Property Custodians/Property Contacts should refer to the CD-50 Create-Update Asset User Guide when creating new asset records in Sunflower:

http://www.pps.noaa.gov/Documents/CD%2050_Create-Update_Asset_User_Guide.pdf

Purchased Property

Recording Acquisition Cost

All accountable property, plant, and equipment should be recorded at-cost to the acquiring organization (i.e. acquisition cost). 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 or capitalized asset was acquired.

For construction work-in-progress (CWIP) or constructed assets, 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

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 charges to the point of initial use (e.g. shipping and handling costs),
- installation costs,
- storage costs,
- 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, or
- material amounts of interest costs paid.

Acquisition cost should ***not*** include:

- sales tax
- Pass Through Fees (e.g. credit card surcharges and transaction fees, NOAA Link surcharge fees)
- maintenance costs
- 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 is the date 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, and not based on physical possession.

For **CWIP** (constructed) assets, the acquisition date is the date 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 acquisition dates, refer to NOAA CWIP Policy & Procedures, Section 10.0 "Transferring Assets from CWIP to PP&E": **http://www.corporateservices.noaa.gov/~finance/CWIP%20Policy%20and%20Appendix.html**

For **non-CWIP capitalized assets**, one of the following documents must be attached to the asset record to support the acquisition date:

- **Receiving Report** – date recorded next to the "Signature of Authorized U.S. Government Representative" line. If the Receiving report is not used the documentation submitted needs to **clearly identify** the date that the asset was received. A clearly identified receipt date contains a stamped or handwritten date **and** signature/initials of the receiving party.
- **Invoice – Receipt Certification** – date the certification was completed in the field "Date Goods Accepted" with the receiving employee signature or initials
- **Receipt of Supplies or Services** – date stamp on the invoice with the signature or initials of the receiving employee
- **Agency Acceptance Date** – date recorded by the agency on the invoice containing the signature or initials of the receiving employee

- **Transfer Order Excess Personal Property** – date written or stamped "received" and signed by a 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** – date recorded in the "Date Received" block including signature and date
  * If the Receiving report is not used the documentation submitted needs to **clearly identify** the date that the asset was received. A clearly identified receipt date contains a stamped or handwritten date and a signature/initials of the receiving party.

- **Invoice or packing slip** – date written or stamped on the invoice or packing slip with the 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** – date 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** – date the asset was found or the signature date if the found asset date field is incomplete

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 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 **http://www.pps.noaa.gov/inventory_upr/inventory/Found_Property_Procedures.pdf**

Leased Property

Note: A completed Lease Determination Worksheet is required from the Property Custodian to PPMB prior to the asset being entered in Sunflower.

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 by a NOAA representative upon acceptance of the leased vehicle on appropriate documentation (e.g. GSA Form 1152, GSA Vehicle Swap-Out Form, GSA Vehicle Assignment/Termination Form, etc.).

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 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.

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. 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 the date 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.gsa.gov/portal/forms/download/115722

http://www.pps.noaa.gov/forms_guides/instructions-for-sf-122-cfr-41.pdf

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

http://www.corporateservices.noaa.gov/finance/docs/Chapter%204.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

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 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".

Summary

In 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, and 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.