




GOVERNMENT PROPERTY RECORDS

**The Life's Blood
of a Property Management System!**




Presented by
Dr. Douglas N. Goetz, CPPM, CF

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GOVERNMENT PROPERTY RECORDS



- **Record:**
 - vt. To set down for preservation in writing or other permanent form.
 - v. An account, as of information, set down esp. in writing as a way of preserving knowledge.
 - n. Information or data on a specific subject collected and preserved.
 - Law: An account officially written and kept as evidence or testimony.
 - Webster's II New Riverside University Dictionary

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GOVERNMENT PROPERTY RECORDS

The Government Property Clause at 52.245-1 requires the Contractor to develop property management plans, systems, and procedures at the contract, program, site or entity level to enable the ten outcomes or processes (listed i to x):

NOTE: There are really more than TEN –
But, that is a whole 'nother presentation! ☺

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GOVERNMENT PROPERTY RECORDS

These **outcomes** are often referred to as **processes**:

- (i) Acquisition of Property
- (ii) Receipt of Government Property

(iii) Records

- (iv) Physical Inventory
- (v) Subcontractor Control



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The Contractor must maintain accurate records of **ALL** the processes included in FAR 52.245-1. The records permit verification that the Contractor is conforming to contract requirements with respect to the management of GP (audit-system analysis).



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GOVERNMENT PROPERTY RECORDS

RECORDS, AND THE MAINTAINING OF RECORDS, ARE APPLICABLE TO EVERY PROCESS SET FORTH IN THE GP CLAUSE!

Records are the Life's Blood Of your Property Management System




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**GOVERNMENT PROPERTY RECORDS:
52.245-1**

(f)(1)(iii) Records of GP

The Contractor **SHALL** create and maintain records of **ALL** Government property accountable to the contract, including GFP & CAP.



Note: There is no \$ Threshold!

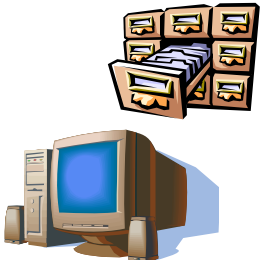



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**GOVERNMENT PROPERTY RECORDS:
52.245-1**

(f)(1)(iii) Records of GP

(A) Property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the PA, contain the following:

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**GOVERNMENT PROPERTY RECORDS:
52.245-1**

(f)(1)(iii) Records of GP

(A)(1) The name,

- part number and description, National Stock Number (if needed for additional item identification tracking and/or disposition)
- and other data elements as necessary and required in accordance with the terms and conditions of the contract.



FROM the APRIL 2012 Clause!

REMEMBER THE INFO THE G IS REQUIRED TO PROVIDE!!!



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(A)(2) Quantity received
(or fabricated),
issued, and
balance-on-hand.

Bottom line –
everything coming in,
everything going out
and what is in stock!




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52.245-1**

(A)(3) Unit Acquisition Cost

- Check your DISCLOSURE (CASB DS-1 Form) STATEMENT as to how this is computed!
- Generally Accepted Accounting Principles/Practices (GAAP)





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52.245-1**


(A)(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

Do you have any type of a “Unique Number” assigned to you?

Does any Property you own have a unique number assigned to it?



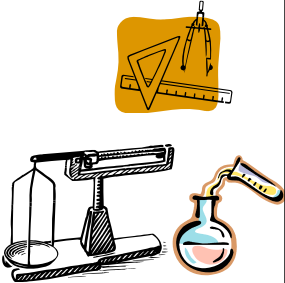

Would have been nice to have seen this requirement under Identification?



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GOVERNMENT PROPERTY RECORDS:
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(A)(5) Unit of measure:
ex: inch, foot, yard
centimeter, meter
ounce, pound, ton
milligram, gram,
kilogram etc.





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GOVERNMENT PROPERTY RECORDS:
52.245-1

(A)(6) Accountable contract number or equivalent code designation.

If you use an Equivalent code it must be auditable back to the contract #.



GOVERNMENT CONTRACT

Contract Number: XXXXXXXXXXXXX
Equivalent Code: 2007A

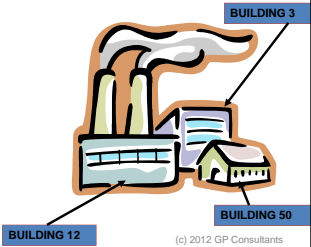



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GOVERNMENT PROPERTY RECORDS:
52.245-1

(A)(7) Location



Note: OPINION...
This is the weakest Part of a contractor's Property Management System

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52.245-1**



(A)(8) Disposition
Whether the Property is happy or sad...
Uhhhh, o.k., what happened to the property?
Transferred?
Sold?
Scrap?
Delivered?

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(A)(9) Posting reference and date of transaction.
Analogous to your Bank Accounts and your ATM card.
For **EVERY** TRANSACTION you must have a **SUPPORTING DOCUMENT** (Or electronic equivalent)

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52.245-1**

(A)(10) Date placed in service. (if required in accordance with the terms and conditions of the contract).
Generally Applicable to ST, STE and Equipment.
Why is this needed?
For the Government to be able to apply ITS Depreciation to the item.




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GOVERNMENT PROPERTY RECORDS:
52.245-1

(f)(1)(iii) Records of GP
A MANAGEMENT OPTION –

(B) Use of Receipt and Issue System for Government **Material**.

When **approved by the PA**, the Contractor may maintain, **in lieu of formal property records, a file of appropriately cross-referenced documents** evidencing receipt, issue, & use of material that is issued for **immediate consumption**.

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GOVERNMENT PROPERTY RECORDS:
52.245-1

VIRTUALLY EVERY PROCESS AND OUTCOME REQUIRES RECORDS!



• Acquisition	• Consumption
• Receiving	• Utilization
• Identification	• Maintenance
• Storage	• Relief of Stewardship [and Liability]
• Movement	• Subcontractor Control
• Reports	• Disposition
• Physical Inventories	• Contract Closeout



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GOVERNMENT PROPERTY RECORDS:
52.245-1

Other Records may be necessary to comply with the requirements of the contract and the Government Property Clause. Records must be consistent with voluntary consensus standards and or industry leading practices and standards.

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A SNEAKY ONE!!!

- THE VIRTUAL UII Records Requirement that overlaps the GP Clause!

NOTE: We'll have more on IUIDs later!

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DFARS 252.211-7007

(d) Procedures for establishing UIIs. To permit reporting of virtual UIIs to the DoD IUID Registry, the Contractor's property management system shall enable the following data elements in addition to those required by paragraph (f)(1)(iii) of the Government Property clause of this contract (FAR 52.245-1):

<ol style="list-style-type: none"> (1) Parent UII. (2) Concatenated UII. (3) Received/Sent (shipped) date. (4) Status code. (5) Current part number (if different from the original part number). (6) Current part number effective date. (7) Category code ("E" for equipment). (8) Contract number. (9) Commercial and Government Entity (CAGE) code. 	}	ALL DEFINED IN THE CLAUSE!
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DFARS 252.211-7007


(10) Mark record.

- (i) Bagged or tagged code (for items too small to individually tag or mark).
- (ii) Contents (the type of information recorded on the item, e.g., item internal control number).
- (iii) Effective date (date the mark is applied).
- (iv) Added or removed code/flag.
- (v) Marker code (designates which code is used in the marker identifier, e.g., D=CAGE, UN=DUNS, LD=DODAAC).
- (vi) Marker identifier, e.g., Contractor's CAGE code or DUNS number.
- (vii) Medium code; how the data is recorded, e.g., barcode, contact memory button.
- (viii) Value, e.g., actual text or data string that is recorded in its human readable form.
- (ix) Set (used to group marks when multiple sets exist); for the purpose of this clause, this defaults to "one (1)".

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- Let's explain this records requirement first and then discuss a "Virtual" UII.
- RECORDS – In addition to the ten (10) data elements required under RECORDS in the Government Property Clause (FAR 52.245-1) there are now an additional nineteen (19) data elements that you are required to maintain in your record keeping system as part of your Property Management System.



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- What the heck is a VIRTUAL UII?
 - "Virtual UII" means the UII data elements assigned to an item that is **not marked with a DoD compliant 2D data matrix symbol**, e.g., enterprise identifier, part number, and serial number; or the enterprise identifier along with the Contractor's property internal identification, i.e., tag number.
 - Essentially the GFP has a Physical TAG NUMBER on it – as required by 52.245-1(f)(1)(ii) – but that tag number is traceable to a record which has all of the "DATA" required for a UII/UID!




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GOVERNMENT PROPERTY RECORDS: 52.245-1

(g) System Analysis

(1) The Gov't shall have access to the Contractor's premises and all GP, at reasonable times, for the purposes of reviewing, inspecting & evaluating the Contractor's Property Management System.



...That means the RECORDS!!!



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**GOVERNMENT PROPERTY RECORDS:
52.245-1**



(g) System Analysis
 (2) Records of GP shall be readily available to authorized Gov't personnel and shall be safeguarded from tampering or destruction.




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CONTRACTOR RECORD RETENTION 4.703


- (a) Except as stated in 4.703 (b), Contractors shall make available records, which includes books, documents, accounting procedures & practices, and other data, regardless of type & whether such items are in written form, "computer dater," or any other form...

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CONTRACTOR RECORD RETENTION 4.703



- (a) ...to satisfy contract negotiation, administration, and audit requirements of the Contracting Agencies & Comptroller General for-
- (1) 3 years after final payment for certain records
- (2) Period specified in 4.705 through 4.705-3, whichever of these periods expires first.

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FINANCIAL & COST ACCOUNTING RECORDS 4.705-1



- Accounts receivable invoices...retain 4 years
- Material, work order, or service order files, including P.O.'s for material or services...retain 4 years
- Accounts payable records to support disbursement of funds for materials...retain 4 years

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ACQUISITION & SUPPLY RECORDS 4.705-3



- Store requisitions for materials...retain 2 years
- Work orders for maintenance...retain 4 years
- Equipment records...retain 4 years
- Expendable property records...retain 4 years
- Receiving & inspection report records...retain 4 years
- P.O. files for supplies, equipment, material...retain 4 years

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- Is there a **VOLUNTARY CONSENSUS STANDARD** for this process???
- ASTM VCS from the E-53 Committee:
 - E2604-09
- Standard Practice for Data Characteristics of Equipment Records
 - <http://www.astm.org/index.shtml>

Note: The citation of any VCS or ILP does NOT imply endorsement. Each Entity must evaluate the Item to ensure "FIT" in ITS PMS!

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- Be Careful when using a VCS – that the GP Clause and its requirements takes

PRECEDENT

over ANY VCS!



VCS!

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RECORDS

- IF you do not have records, the **PROPER** records, complete records, timely records...
- You probably will have problems with your **PROPERTY MANAGEMENT SYSTEM** and its **AUDIT!!!**



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Thank you!

Dr. Douglas N. Goetz, CPPM, CF
INTERMITTENT DAU PROFESSOR

Hopefully a Good Instructor.

Chief cook and bottle washer at Home, responsible for all "honey do" requirements – though upon my retirement my wife told me to stay out of HER house!



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