

MATERIEL MANAGEMENT PROCEDURES

1. **REASON FOR ISSUE.** To set forth Departmentwide procedures which supplement the FPMR and implement materiel management procedures and responsibilities relating to VA property.
2. **SUMMARY OF CONTENTS.** To delineate procedures, objectives, and responsibilities governing VA materiel management in areas of application, operation, inventory, accountability, and maintenance of Government personal property.
3. **RESPONSIBLE OFFICE:** Deputy Assistant Secretary for Acquisition and Materiel Management.

CERTIFIED BY:

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PART 1. CLASSIFICATION OF PROPERTY**1. 5001 Categories**

a. **Real Property.** Buildings, grounds, and structures, including building service equipment permanently installed in or attached to buildings and structures which becomes a part of real property for the purpose of rendering the building or structure usable or habitable. Includes items normally required for the functional use of buildings and structures, such as heating and light fixtures, elevators, fire alarm, and air conditioning systems, which, when installed, becomes an integral part of real property, e.g., land and buildings.

b. **Personal Property.** All property other than real or building service equipment. Items in this category are further classified as expendable or nonexpendable. The classification of property into these categories provides the basis for:

- (1) Segregation of asset acquisitions from operating supplies.
- (2) Data collection to support a planned maintenance and replacement program.

2. 5002 Classification

a. The Item Management Division (IMD) (901S) classifies property.

b. Except as stated in paragraph e. of this section, the DAS/A&MM (90M), in conformance with the policy in paragraphs c. and d. of this section, shall determine the classification of standard items (or categories of items).

c. It is VA policy that IMD consider the following criteria when classifying property:

- (1) **Expendable.**
 - (a) Has a life expectancy when put to use of less than 2 years.
 - (b) Is converted in the process of manufacture or construction.
 - (c) When put to use, becomes an integral part of another item, thereby losing its individual identity.
 - (d) Is purchased for permanent release to beneficiaries, e.g., wheelchairs, typewriters, tape recorders, and orthopedic and prosthetic appliances.
- (2) **Nonexpendable.**
 - (a) Has an acquisition cost of \$300 or more; and

(b) Has a life expectancy of 2 years or more; or

(c) Is of a sensitive nature which requires accountability regardless of cost, life expectancy, or maintenance requirements.

NOTE: For the purpose of this criteria, sensitive property is defined as property, regardless of acquisition cost, that by its nature is subject to theft, loss, conversion to personal use, or for some other reason, must be subjected to more stringent controls than other property.

d. Expendability classification, once established, will not be revised as a result of price fluctuations reflected in subsequent purchases unless authorized by the DAS/A&MM (90M). Request for approval of change in classification will not be made unless the price fluctuation exceeds 20 percent.

e. Personal property which may come into being as a result of fabrication and/or the assembly of parts or components will be reclassified by the facility to correctly identify the unit as a whole in relation to its usefulness and purpose.

3. 5003 Special Classifications

For the purpose of accounting control, all Government-owned personal property has been further classified as Supply Fund, Non-Supply Fund, Trust Fund, CWT, and MCCR property.

a. **Supply Fund Property.** This term is applied to all property procured by or donated to the Supply Fund and includes the following:

(1) Items procured by the Supply Fund and picked up in inventory accounts.

(2) Expendable property turned-in by the using divisions which is returned to inventory accounts.

(3) Silver reclaimed under the silver reclamation program.

(4) Excess nonexpendable property received and rehabilitated by the Service and Reclamation Division.

(5) All supplies, materials, and equipment owned by OA&MM.

b. **Trust Fund.** Personal property received as a gift or bequest from individuals or non-Government organizations including equipment purchased from or through the General Post Fund.

c. **Compensated Work Therapy (CWT).** Personal property acquired for a Compensated Work Therapy program from the proceeds derived from such program. Funds used are neither appropriated nor donated.

- d. **Medical Care Cost Recovery (MCCR).** Personal property purchased and used exclusively in and by program personnel responsible for recovering medical care cost funds.
- e. **Non-Supply Fund.** All items not included in a. through d.
- f. **Nonexpendable Capitalized Property.** Property within the nonexpendable category which cost \$5000.00 or more and a useful life of 2 years or more will be recorded as capitalized property.

PART 2. ACCOUNTING REQUIREMENTS**1. 5101-1 Property Voucher, Register, and File**

a. Documents for posted, unposted, services, nonexpendable receipts, transfers, miscellaneous transactions, e.g., turn-ins, donations, excess documents, Reports of Survey, and inventory adjustments, will be assigned common numbers from a series obtained from the computerized IFCAP program each fiscal year. Common numbers assigned will be from the appropriation to which the transactions apply. Copies of posted Supply Fund receipts may be filed or maintained within the IFCAP computer program, in accordance with the Department record control schedules. Property copies for unposted, services, nonexpendable receipts, and miscellaneous transactions need not be retained.

b. Posted Supply Fund issues will be assigned a sequential voucher number on a monthly basis using a numerical prefix designating the month in which the transaction occurred. Completed vouchers will be filed in voucher number sequence, in accordance with the Department record control schedules.

c. Schedule II Controlled Substances and Schedule III Narcotics will be assigned a consecutive document number by A&MMS from a separate Controlled Substance Register. The register will show:

- (1) document control number,
- (2) date of receipt by pharmacist,
- (3) department number or location of pharmacy receiving issue, and
- (4) common or voucher number assigned to the document.

A copy of each document listed in this register will be given to the facility controlled items inspection official prior to inspection.

2. 5101-2 Validity of Vouchers. Vouchers will be executed and validated as follows:

a. Signature (written or electronic) of the contracting officer, or designee, to certify the receipt and accept the property purchased.

b. Signature (written or electronic) on the documentation of the accountable officer, or designee, certifying receipt of all other property acquired by VA, property dropped as excess or otherwise disposed of, and property transferred from property pending disposal accounts.

c. Signature of the accountable officer, or designee, on vouchers covering adjustments to perpetual inventory accounts.

d. All vouchers will bear the date on which actual receipt, issue, disposal, transfer or adjustment is accomplished.

NOTE: *Alteration, change, or correction of a voucher with intent to falsify the record constitutes a violation of 18 U.S.C. 2071. The individual responsible for such action is subject to penalties prescribed by law.*

e. It is the responsibility of the receiving facility to ensure that receiving reports for direct delivery items requisitioned from or by the VANAC are accomplished by facility personnel authorized to receipt for equipment and supplies in accordance with this section. It will also be the responsibility of that facility to ensure the validity of any messages sent to the VANAC indicating the receipt of direct delivery items.

3. 5102-1 Processing Vouchers, Receiving Reports, and Invoices

a. Except when inspection or technical assistance is required to accept item(s) of a complex nature, receiving reports will be processed and routed to Fiscal within 2 workdays after:

(1) Items received for stock are accepted by either the contracting officer, accountable officer or authorized representative.

(2) Items sold by direct sales (unposted method) are accepted by the employee authorized to incur expenses.

(3) Items are transferred, dropped as excess, or otherwise disposed of.

(4) Service has been rendered.

b. Vouchers affecting the current month's receipts will be processed to Fiscal not later than the close of business the first workday of the following month.

c. In lieu of receiving reports from beneficiaries for carrier deliveries of direct shipments to beneficiaries, the following documents will be provided:

(1) Invoices with signed bills of lading.

(2) Freight bills and parcel post receipts.

(3) Signed receipts from the carrier.

NOTE: *Certification on the invoice by the vendor stating that direct shipment was made to a beneficiary is sufficient proof to support receipt and payment processes for United Parcel Service shipments. Vendors will be instructed to bill only for those items shipped and to indicate on their invoice that shipment was made directly to a beneficiary. If the vendor makes shipment through other than a commercial carrier, or if the beneficiary receives an item at the vendor's business location, the vendor should be instructed to so indicate on the invoice.*

d. In lieu of receiving reports for services, a certification on the invoice stating that the service has been rendered will be sufficient proof to support receipt and payment processes.

NOTE: *Under no circumstances does this constitute authority, other than as reflected in paragraph c. of this section, to use certified invoices for receipt of supplies.*

e. Invoices covering fee-basis transactions will be processed by Medical Administration Service.

4. 5102-2 Receipt of Security Items. Upon receipt of Schedules I and II Controlled Substances, Schedule III Narcotics, alcoholic preparation fit for beverage purposes, e.g., bourbon, scotch, beer, whiskey, rye (excluding sacramental wines), and precious metal, the shipment will be examined jointly by the accountable officer, or designee, (for the purpose of receiving delivery at other sites only) and the person designated to accept delivery or check-in property to ascertain whether the shipping containers show any signs of having been tampered with in transit. The shipments will be opened and inspected, and the contents and quantities will be verified. The accountable officer, or designee, will sign an appropriate certification on the receiving document. The employee designated to accept delivery will receipt (sign) on the receiving document and the voucher copy. Methadone will be delivered to and signed for by the authorized pharmacist or licensed practitioner on the date of receipt. The accountable official or designee will record on the U.S. Department of Justice, Drug Enforcement Administration, Form DEA-222, Official Order Form for Schedules I and II Controlled Substances, the number of containers received on each item, NDC number, and date of receipt.

5. 5102-3 Receipt of Equipment and Supplies. All vendor deliveries of equipment, unposted supplies, processed stores supplies, and purchases from Imprest Fund or petty cash will be made to the authorized receiving activity. After inspection, the item(s) will be released to the requesting activity. The employee designated in 7127.5102-4 will acknowledge receipt of the property as delivered.

6. 5102-4 Authorization to Receipt for Supplies, Equipment, and Services

a. Officials authorized to incur expenses in accordance with VAAR 872.002 (a) may authorize, in writing, employees of their service or division to receipt for supplies and services. The original of the authorization will be forwarded to Fiscal, with a copy to A&MMS for the Delegation of Authority file.

b. Employees designated in accordance with VAAR 801.603-71 and the accountable officer or designee, will receipt and accept supplies, equipment and services on behalf of VA.

7. 5102-5 Administrative Certifications. Administrative certifications and statements will appear on the receiving report in accordance with VAAR 832.404.

8. 5102-7 Free or Donated Personal Property

a. Free or donated personal property given to a facility with the understanding (written or verbal) that the facility must purchase the donor's products is strictly prohibited.

b. Facilities are permitted to accept free or donated personal property if there is no obligation on the part of the facility to purchase the donor's products or services. The purchase of supplemental supplies for the free or donated personal property will be accomplished on a competitive basis.

c. Bonus or free goods furnished by a vendor in lieu of a price reduction will be recorded on the property voucher and receiving report in the exact quantities received and identified as "Free Goods." When free goods and items purchased are identical, the total quantity received, free goods plus purchased goods, will be used to establish a new unit price for the purchased goods. This quantity and price will be recorded in facility accounts. If the free goods are not the same as the item purchased, the free goods will be recorded as a separate item on the property voucher and receiving report. They will be recorded in the facility's accounts at the manufacturer's suggested wholesale price.

d. Property, other than that listed in paragraphs b. and c. of this section, donated to VA by a manufacturer, an individual, or a service organization will be recorded in the inventory account as Trust Fund property. The item will be priced at the manufacturer's wholesale price when acquisition cost is unknown.

9. 5102-8 Property Accompanying Patients to VA Medical Centers

a. When beneficiaries are transferred between VA medical centers, nonexpendable property accompanying them which is necessary for their care and comfort, e.g., invalid chairs, stretchers, will normally be considered as VA property shipped to the facility receiving the beneficiary. Property transferred will be dropped from the record at the time of shipment. Where the volume of property transferred results in a budget problem, the shipping facility may arrange with the receiving facility for the return of property when it has been determined that returns can be shipped economically. Transportation costs will be borne by the facility requesting the return of the property.

b. All property other than VA property accompanying beneficiaries to VA medical centers will be turned-in by the Chief, Environmental Management Service, after all soiled items have been laundered. A&MMS will communicate with the civilian facility or the nearest military installation of the branch of the Armed Forces from which the property was transferred, requesting shipping instructions. Transportation costs will be borne by the civilian facility or military installation if return is to be effected.

10. 5102-11 Credit Memorandums

a. Credit memorandums will be maintained in Fiscal Service as prescribed in MP-4, Part III, Paragraph 2.07b, and routed to A&MMS for determination of the appropriation or fund control point from the original order. If not identifiable, it will be determined by the last order placed with the vendor. The credit memorandum(s) will then be returned to Fiscal Service.

b. A list prepared by Fiscal Service of credit memorandums will be forwarded to A&MMS for action. If no future purchases are anticipated and there are no outstanding payables with the vendor, A&MMS will prepare a memorandum to Fiscal Service requesting collection action from the vendor. The memorandum will cite the applicable appropriation and fund control point for debit.

11. 5103-2 Prevalidation of Funds. Prevalidation of funds is automated within IFCAP by application of the control point official's, or designee, signature approving a Request, Turn-In and Receipt for Property or Services, prior to release to A&MMS for action.

12. 5103-6 Control Procedures for Specific Items

a. The accountable officer may establish controls on expendable personal property items when the local situation indicates a need. Controls should be restricted to items which may be easily converted to private use, subject to abuse, or involve security.

b. When a control is established it will be documented. Upon transfer or separation of an employee, a satisfactory accounting will be rendered by the individual charged.

c. EIL responsible officials may establish controls on nonexpendable property items which can easily be converted to private use. Controls, when and if established by the responsible official, will provide a record of property assignments.

13. 5103-7 Special Items

a. **Beneficiary Items.** Sales documents and receiving reports containing items for direct release to a beneficiary will be annotated to identify each such item.

b. Sales to Veterans Canteen Service

(1) Sales will be ordered on an issue book through IFCAP.

(2) Items will not be sold by the Veterans Canteen Service in the same form in which they are purchased from A&MMS unless authorized by the DAS/A&MM (90M).

c. Burial Flags

(1) A&MMS will furnish replacement burial flags to authorized issue points, e.g., Postmaster; Chief, Medical Administration Service; Veterans Service Officer; VA National Cemetery Directors, upon receipt of properly executed section of VA Form 2008, Application for United States Flag for Burial Purposes, which will be maintained in A&MMS by the month in which the replacements were issued. To support issues, requests will be filed with the replacement request.

(2) Flag quotas for VA offices and post offices are determined in accordance with

VA Pamphlet, "United States Flag for Burial or Memorial Purposes."

(3). Arlington National Cemetery, Washington, DC, is established as an issue point for burial flags.

d. Limitations

(1) Narcotics, whiskey, and drugs for therapeutic use will be sold only to the Chief, Pharmacy Service, or designee.

(2) Alcohol will be sold only in original containers. Sales will be confined to the Chief, Pharmacy Service.

(3) Supplies will not be issued directly to physicians or other personnel rendering service on a fee basis, nor will Government supplies be made available for their use, except in the performance of their official duties at VA installations.

e. Subsistence for Other Approved Programs. Subsistence required by other services for approved programs will be issued to the service involved in accordance with VHA Manual M-2, Part III, Paragraph 5.02.

f. Pacemaker Prostheses

(1) The Chief, A&MMS, or designee, is accountable for the purchase, issue, and disposal of all pacemaker prostheses.

(2) A separate accountable record for pacemaker prostheses containing the following entries will be maintained:

(a) **Receipts.** The make, model, serial numbers, and date received. When a pacemaker has been implanted, the original entry in the record will be annotated accordingly and accountability discontinued.

(b) **Disposition.** Pacemakers that cannot be implanted and those that are explanted will be returned to A&MMS, or designee, in accordance with local turn-in procedures, indicating make, model, serial numbers, and reason for turn-in. Final disposition action will be made to the accountable record. Turn-in units may be exchanged for credit or disposed of according to existing procedures. Explanted cardiac pacemaker prostheses may be used for research or training purposes. Appropriate entries listing make, model, serial number, and final disposition action will be made to the accountable record.

(3) When reserve stock of pacemaker prostheses is kept at the facility, A&MMS, or designee, and the responsible service maintaining and accounting for the stock will jointly conduct a monthly physical inventory of all units which will be reconciled with entries on the accountable record required by paragraphs (a) and (b) of this section. Discrepancies will be investigated and corrected.

14. 5103-8 Delivery of Nonexpendable. Receipt signatures will be obtained upon delivery of nonexpendable equipment utilizing a properly executed document. A property voucher copy of the receiving report may be used.

15. 5103-10 Processed Stores

a. Chief, A&MMS, will ensure that a method of inventory control and materiel management is in place whereby all items classified as processed stores are accounted for.

b. Processed stores may be sold to Veterans Canteen Service, MCCR, CWT, Research Service, and other Federal agencies or appropriations.

c. A manual listing or the IFCAP/GIP computer program will be used to maintain stock control data which creates inventory, issue, and distribution worksheets.

16. 5103-12 Cost Distribution of Supplies Issued by SPD

a. Data, such as consumer levels and quantities of each item issued, will be used to control issues and prorate monthly costs to the cost centers being serviced.

b. Cost distribution (percentage factors developed) will be reviewed quarterly to determine whether adjustments are required due to organizational changes, variance in workload, and increase or decreases in demand. Adjustments to cost distributions will be made whenever significant changes occur.

17. 5104-1 General

a. Property excess to the needs of a using activity, or nonexpendable property that has become unserviceable through normal use, will be returned to A&MMS in accordance with local turn-in procedures. Acknowledgment of receipt of the property will be returned to the using activity.

b. Property turned-in to A&MMS will be classified as Non-Supply Fund or Trust Fund. Property will be coded excess when it can be economically reutilized within VA or when it must be reported to the DAS/A&MM (90M); or determined to be excess to overall VA needs will be coded VA excess. Coding for each item will be properly documented to indicate the action necessary to continue, establish or terminate accountability, utilizing the following codes:

- (1) **C** Item continued in service.

- (2) **P** Item held pending disposition as facility excess.
- (3) **X** Item held pending disposition as VA excess.
- (4) **D** Item destroyed. Accountability terminated.
- (5) **S** Item disposed of as scrap or salvaged.

c. Under excess property procedures, property coded S will be assigned a condition code based solely on the definition of respective terms (salvage or scrap) as shown in FPMR 101-43.

(1) If an item qualifies as **salvage**, it will be assigned condition code **X**.

NOTE: *Since salvage is normally disposed of as an item of property identified by its original nomenclature, jacket accountability will be maintained pending its disposition.*

(2) When an item qualifies as **scrap**, it will be assigned condition code **S**.

d. Findings justifying abandonment or destruction will contain a complete summary of all actions taken towards disposal by other measures.

18. 5104-2 Expendable Property

a. Serviceable supplies returned to A&MMS may be redistributed to other issue points to fill immediate needs.

b. When the property returned is neither serviceable nor economically repairable but has value for its scrap content, it will be set aside for future sale.

c. Items held in custodial storage by the accountable official will not be recorded on the accountable record.

d. Items excess to facility needs, or items in **long supply**, after being circularized will be determined to be VA excess.

e. Drugs, biologicals, and reagents (serviceable and unserviceable) eligible for exchange or allowance with the contractor or manufacturer, in accordance with FPMR 101-46, will not be picked up in the VA excess accounts. Items not disposed of by this means will be processed for disposition in accordance with current procedures.

19. 5104-4 Nonexpendable Property

a. When property is serviceable or economically repairable, and is to be reissued, the record will be transferred to the applicable EIL.

b. When property is serviceable or economically repairable, and excess to the facility's requirements, but has not been determined to

be VA excess, it will be circularized in accordance with established excess procedures.

c. When property is serviceable or economically repairable, and is determined to be VA excess, it will be disposed of in accordance with established excess procedures.

d. When property is to be disposed of by trade-in as part payment on the purchase of a similar piece of equipment, the document will be cross-referenced to the purchase document to which the trade-in applies. The trade-in item will be cross-referenced to the EIL file. When such property is disposed of by trade-in subsequent to the purchase action, an adjustment will be made to remove the property from the inventory account.

e. When property is to be disposed of by sale and the proceeds applied toward the purchase of new equipment, a determination and findings is required (see FPMR 101-46.201.1).

f. When the property returned is neither serviceable nor economically repairable, and its unserviceability is due to normal usage, disposition will be effected in accordance with FPMR, Subchapter H.

g. Engineering Service will be notified via the AEMS/MERS system when nonexpendable personal property is transferred, relocated, or removed from service.

20. 5104-5 Trust Fund Property

a. When turned-in, A&MMS will extend an offer to return the item back to the donor, if known.

b. Trust Fund property is handled in accordance with the provisions of the preceding sections except documents will be marked "Trust Fund Property" with proceeds from sales deposited in the General Post Fund account only.

23. 5106-1 Adjustment Vouchers

a. An adjustment voucher will be used for the following purposes:

(1) To adjust Supply Fund inventory account discrepancies.

(a) Discounts greater than 3% should be adjusted to the inventory, e.g., the discount should be credited to the appropriate stock item in the Warehouse Generic Inventory Package. Discounts less than 3% can remain the discount (variance) account.

Any other adjustment valued at \$50.00 or greater should be adjusted to the appropriate stock item in the Warehouse Generic Inventory Package.

(2) To adjust overages and shortages in inventory of EIL accounts.

(3) To remove from inventory accounts property determined to be unserviceable and uneconomically repairable which does not require survey action (including controlled substances which may be disposed of in accordance with the proceeds for destruction of surplus property). This includes property on EIL accounts.

(4) To effect transfer between inventory accounts when no other document is specified.

(5) To advise Fiscal when adjustments are required as a result of erroneous posting data submitted. Adjustment vouchers of this type will be cross-referenced to the erroneously prepared voucher and routed to Fiscal for correction of general ledger postings.

(6) To record in the inventory accounts property acquired from other than purchase or requisition.

(7) To remove from inventory accounts property that has been disposed of by exchange sale when no other documentation relative to the transaction is used.

b. Circumstances necessitating the preparation of adjustment vouchers will be described in complete detail to allow for proper accounting actions and management analysis.

c. Documents will contain the required accounting information for Fiscal including cross-reference to original voucher(s).

d. The Recap of Posted Adjustment Transactions, Report 075 (IFCAP), will be reviewed on a monthly basis by the Chief, A&MMS; signed; and dated.

e. Unposted adjustment transactions will update the appropriate service Fund Control Point (FCP).

24. 5106-2 Review of Adjustment Vouchers

a. Adjustment vouchers prepared to correct the discrepancies for Supply Fund stock that do not involve sensitive or security items, and those prepared to adjust NX accounts, will be forwarded to the approving official indicated below for determination of need for Board of Survey action when the sum of the adjustment is \$5,000 or greater:

(1) Central Office - Office of Deputy Assistant Secretary for Administration (03).

(2) Field facilities - Chief, A&MMS.

(3) National Cemeteries - Director, National Cemetery System, without power to delegate.

25. 5106-3 Survey Action. Upon completion of survey action, the accountable officer will assign the same common number to the Report of Survey as on the adjustment voucher. A copy of the Report of Survey will be filed with the adjustment voucher to support entries made to the inventory account.

26. 5106-4 Adjustment of Discrepancies Between Receiving Reports and Invoices. All receiving reports and invoices that do not coincide in quantity and price will be brought to the attention of the contracting officer, who will make a determination as to whether payment will be made or further contact with the vendor is required. All adjustments will be made in IFCAP.

27. 5107-1 (Reserved)

28. 5107-2 (Reserved)

29. 5107-3 (Reserved)

30. 5108-1 Property Acquired Under Research Contracts

a. Title to nonexpendable equipment purchased or fabricated under provisions of a research contract and for which reimbursement is made by VA will be vested in a research contractor or be accounted for by as provided in this section.

b. Expendable property purchased by the contractor with contract funds will be considered as issued and no further accountability is required.

c. Equipment remaining on property records after termination of a research contract will be handled in accordance with normal utilization procedures.

d. VA-owned equipment obtained from other than research contract funds and loaned to a research contractor will be accounted for in the same manner as equipment purchased with research contract funds. Such equipment is not subject to the transfer of title authority contained in 7127.5108-2.

31. 5108-2 Retention or Transfer of Title

a. In accordance with Title 31 USCS 6303 (P. L. 97-258) the authority to make contracts, grants, and cooperative agreements for the conduct of basic or applied scientific research at nonprofit institutions of higher education, or at nonprofit organizations whose primary purpose is the conduct of scientific research, shall include discretionary authority, when it is deemed by the head of the executive agency to be in furtherance of the objectives of the agency, to vest in such institutions or organizations, without further obligation to the Government, or on such other terms and conditions as deemed appropriate, title to equipment or other tangible personal property purchased with such funds.

b. Persons authorized to enter into research contracts are also authorized to exercise the authority contained in paragraph (a) of this section. Such authority will be exercised when it is determined that such action will further the objectives of VA research programs.

Authority to make such determinations is delegated to the Under Secretary for Health, Assistant Chief Medical Director for Research and Development, and Assistant Chief Medical Director for Professional Services. Officials may designate subordinate officials to delegate authority to these representatives to make such determinations. Designations will be in writing and will, within the scope of this delegation, define the scope and limitations of the representative's authority. The determinations, made by authorized officials, will be based on the best interests of the Government, and on the following provisions:

(1) Title to equipment purchased with research contract funds, and initially retained by VA, may be later transferred to a research contractor when the equipment is of little or no usefulness due to such factors as age, obsolescence, and wear and tear.

(2) Title to equipment purchased with research contract funds will not be transferred for the primary purpose of eliminating the VA need for maintenance of property records.

(3) Title to property purchased with research funds, having an acquisition cost of less than \$300, shall be vested in the contractor upon acquisition or as soon thereafter as feasible, provided that the contractor obtained approval of the contracting officer prior to acquisition.

(4) Title to property having an acquisition cost of \$300 or more, purchased with research funds, shall be vested as set forth in the contract. This determination shall be made prior to contract formation to the maximum extent practicable.

32. 5108-3 Research Contracts Property Records

a. Research contracts property records will be maintained by the Chief, A&MMS, who shall be the accountable official. A separate account will be maintained for each contract, and the records will be in a form that will facilitate audit and reconciliation with fiscal records. The property records will be reconciled with fiscal records quarterly and at any other time as may be considered necessary.

b. Claims from contractors for reimbursement under research contracts will be clearly annotated by the appropriate officials to distinguish between equipment to which title is retained by VA and equipment to which title is vested in the contractor. The contracting officer will notify the accountable official, who will in turn notify DAS/FM (047), of any change in the ownership or location status of equipment on property records during the life of a contract or at its termination. Copies or pertinent correspondence, suitably annotated, may be used for notification purposes in lieu of other documents.

PART 3. LOAN OF PROPERTY**1. 5201 Loans of Department of Veterans Affairs-Owned Personal Property**

a. Supplies and equipment may be loaned on a temporary basis, in the format shown in 7127.9902, when approved by the facility director after it has been determined that such supplies and equipment are not currently required to carry out the basic responsibility for the care, safety, and protection of VA beneficiaries, personnel, and property. Where practicable, loans will be made with the provision that the property is to be returned in as good condition as when loaned, fair wear and tear excepted. Loans will be made through A&MMS to:

(1) Other VA installations and Government agencies for a period normally not to exceed 60 days.

(2) Contractors or contract hospitals, when specifically provided for in the contract. The loan will be limited to the period covered by the contract.

(3) Contract postal stations located at VA facilities, only at the request of the U.S. Postal Service.

(4) Local non-Federal institutions in emergencies involving prevention of suffering or saving of human life pending reasonable opportunity for the organization to obtain replacement.

(5) Local, State, or Federal officials for civil defense emergencies or major disaster relief when declared by the President or an authorized representative of the President. At termination of the emergency, all property consumed, lost, damaged, or destroyed will be listed on an adjustment voucher, priced, and forwarded for approval. The department head will secure reimbursement for the property listed. The provisions for use of excess property in major disasters or emergencies are contained in FPMR 101-43.308. The Department policy on Emergency Preparedness Planning is set forth in MP-1, Part II, Chapter 13.

(6) VA employees, who are members of the facility's special disaster relief medical or health team, will be responsible for the return of the property. Property lost, consumed, or damaged will be processed in accordance with 7125.5101.

(7) State, City, County on short term-temporary basis for community activities.

b. Loans accomplished under authority of paragraph a. of this section will be documented. Documentation will be maintained in a jacket file in A&MMS and reviewed systematically to ensure that property is returned on expiration of the loan period or disposed of as provided in paragraphs a.(5) and (6) of this section.

c. Nonexpendable property and nonconsumable expendable property may be furnished to representatives of veterans organizations or organizations having membership in the VA Voluntary Service Administration when authorization is given by the facility director, field facilities or the DAS/A (03), Central Office.

(1) Nonexpendable property on loan will be documented as required by 7127.5605.

(2) Nonconsumable expendable property will be documented in accordance with 7127.5103-6.

(3) Nonconsumable Supply Fund property in the above categories will be furnished only when reimbursement is made from available facility funds.

NOTE: *Consumable expendable supplies, e.g., paper, pencils, paper clips, will not be furnished.*

d. Employees transferred and awaiting shipment of their personal household goods: nonconsumable items, e.g., bedding, linen, dining room, and kitchen items, may be loaned upon approval of the facility director. Loans will be documented.

e. Employees on duty at home or on temporary assignment at a location other than the facility may be loaned nonexpendable property and nonconsumable expendable property. The responsible official will advise A&MMS in writing when property will be in use off-site.

f. VA property maintained in a jacket file or on an EIL will be subject to the inventory requirements of 7127.5302-3. When property is returned to the facility, A&MMS will be advised.

g. A&MMS will tag or label supplies and equipment loaned to clearly identify such supplies and equipment as VA property. A jacket accountability file showing all transactions and the total dollar value of property on loan will be available at all times.

2. 5202 Loans of Personal Property to the Department of Veterans Affairs. When a facility obtains a loan of property, the following will apply:

a. Loans will be confined (except as indicated in paragraphs d. through f. of this section) to those from other VA facilities, other Government agencies, local, State, and charitable institutions.

b. Loans will be accepted through A&MMS. All property will be tagged or labeled to identify the owner, who will maintain the records to reflect:

(1) Date of loan.

(2) Ownership of property and who arranged loan.

(3) Description of property.

- (4) Quantity.
- (5) Estimated value.
- (6) Other terms and conditions as may be pertinent to the arrangement.

c. Funds may be expended to place borrowed property (from other VA facilities or Government agencies) in as good condition as when loaned provided that such action is agreed upon as a condition of the loan. Equipment loaned to VA from other sources, in connection with VA performance may be repaired to the extent necessary for the continued use of such equipment. However, repairs are not authorized to return the equipment in good condition after the use has terminated. The purchase of operational supplies required in connection with loaned property will be done on a competitive basis.

d. Loans of recreational and other supplies and equipment by individuals or organizations for use of beneficiaries will be made through one of the welfare organizations with the understanding that VA will not assume responsibility. Representatives of VA will not accept or receipt for such loans, except books obtained on inter-library loan.

e. Articles used in the religious services which have been purchased from the Chaplain's Fund or donated as gifts and are blessed, sanctified or consecrated, do not become the personal property of the chaplain or the property of VA. Such items are regarded as the property of the ecclesiastical endorsing commission of the chaplain concerned, placed at the field facility by the commission on a continuous loan basis. Each article will be listed on a memorandum forwarded through the facility director to A&MMS to be filed with the EIL file for the Chaplain Service. The chaplain will be responsible as custodian for these articles.

f. An offer by a contractor to loan VA a piece of equipment, pending the repair of VA-owned equipment, may be accepted provided such loan is at no cost to VA. Loaned equipment may be repaired at VA expense only to the extent necessary to maintain it in operating condition essential to perform the tasks for which it was borrowed.

g. Loan of equipment by a commercial establishment for use in the "Compensated Work Therapy Program" will be approved by the facility director and processed in accordance with paragraph b. of this section. Repair of this equipment will be in accordance with paragraph c. of this section.

3. 5203 Affiliated Institution-owned or Institution-administered Grant Fund Purchased Equipment Utilized by a VA Investigator

a. Equipment owned by an affiliated institution, or purchased by such institution from grant funds, utilized by a VA investigator in a research project at a VA installation will not be recorded in VA supply property records. The investigator or designee responsible

for all such equipment assigned will maintain a jacket file listing the name of each item, its location, and ultimate disposition. A copy of the jacket file established will be furnished to A&MMS for review and determination that such equipment is not included in the annual inventory of EIL property charged to the service to which the investigator is assigned.

(b) Such equipment, while in the possession of the investigator and utilized at the VA installation, may be maintained in operating condition by VA.

4. 5204 Authority to Issue VA Owned Personal Property by Revocable License

a. The facility director may authorize, through A&MMS, issue of personal property by revocable license to an individual, institution, organization, or other group.

b. An agreement utilizing the format shown in 7127.9902 will be prepared by A&MMS and submitted to the facility director for approval prior to execution. Justification for the license will include specific benefits to be derived by VA. Duration of the license will not exceed a 1-year period.

c. Each request for a revocable license will be forwarded to the District Counsel for review and concurrence prior to implementation of the loan.

d. The facility director may authorize the issue of hemodialysis equipment by revocable license method to a State, local, or community hospital subject to the following circumstances and conditions:

(1) A hardship exists for the veteran to receive dialysis at a VA facility.

(2) House conditions preclude installation of home self-dialysis units, or the cost of installation and servicing in the home is greater than total cost of arrangement for dialysis at a community hospital and this arrangement is acceptable to the patient. (M-2, Pt. IX, Change 2, addresses loan of hemodialysis equipment under the purview of prosthetic activity.)

(3) In exchange for the use of the hospital's facilities and staff in dialyzing the veterans, the hospital is permitted to dialyze nonveterans when the equipment is not needed for treatment of the veteran.

e. Upon expiration of the license, the property will be promptly returned to the field facility by the licensee.

f. Request for renewal of an existing license agreement will require the facility director's approval and review and concurrence of the District Counsel.

g. Personal property issued by revocable license will be tagged, marked, or labeled to clearly identify VA-ownership and is subject to the inventory requirements of 7127.5302-3. Items will remain on the EIL. A copy of the Revocable License will be maintained in A&MMS and provided to the Responsible Official.

PART 4. PHYSICAL INVENTORIES**1. 5301-2 Using Department Inventories (Expendable)**

Control of expendable property inventories in using activities is a part of the staff responsibility of A&MMS. This responsibility is exercised through the application and enforcement of consumer levels. A level will be established in coordination with the using activity for each repetitive use item.

2. 5301-3 Using Department Inventories (Nonexpendable)

a. Nonexpendable property on hand in using activities will be only the amount necessary to perform the assigned functions. Each facility will establish controls to ensure that all using activities continually evaluate the need for assigned equipment. When excess property is identified, it will be turned-in for reassignment or disposal as excess.

b. When a project has been approved and funded through the major/minor construction program or the nonrecurring maintenance (NRM) program to expand existing programs or establish new programs, equipment may be retained to activate such programs. Equipment which has not been used within 6 months due to delay of a project will be reported. Reports will list all equipment being held and will recommend retention or disposal. Reports will be submitted to DAS/OA&MM (90) for evaluation by the appropriate department or staff office.

3. 5301-4 (Reserved)**4. 5302 Stocks Maintained on Inventory Records**

a. Complete physical inventory of warehouse stock will be taken within a 12 month period, either wall-to-wall or by cycle. Cycle inventory may be by class or by account. Accuracy rate will be determined based on the number of line items inventoried in relation to number of line items discrepant. The minimum acceptable accuracy rate is 90 percent and is based on all inventory adjustments made to posted stock during the 12-month period, from the previous annual inventory to the current one, to include spot checks and warehouse refusals. The accountable record will be reconciled with the warehouse inventory, and all discrepancies will be promptly adjusted.

b. Public Law 91-513 requires a biennial inventory of items subject to the Controlled Substances Act. The biennial inventory may be taken on the anniversary date of the original inventory or during the regular inventory, provided this inventory is within 6 months prior to the anniversary date. The Regional Administrator of the Drug Enforcement Administration will be notified if the date the biennial inventory will be taken is different from the anniversary date. The inventory must remain on file until the next inventory.

5. 5302.3 Inventory of Equipment in Use

a. Physical inventory is the process of reconciling accountable personal property records with the property actually on hand. Each VA activity should determine the frequency and methodology for conducting inventories. As provided in paragraph c. of this section, a schedule will be established and maintained to ensure that all certifications are completed within this period. It is a local decision to maintain inventory on "other" nonexpendable equipment not capitalized/accounted for.

b. Each medical center/VA activity will select one of the following options to establish the frequency of conducting their inventories for accountable nonexpendable property:

(1). Biennial inventories. The frequency of the inventory is based on the accuracy of the inventory. Use the last inventory date and accuracy rate for each EIL to determine when the next inventory will be scheduled. Schedule inventories as follows: If the accuracy rate of the last inventory is 100%, the next inventory need not be scheduled for 2 years; if the accuracy rate is between 95% - 99%, schedule the next inventory for 12 months; any inventory falling below the 95% accuracy rate must be performed again in 6 months.

(2) Inventory by exception: Use of AEMS/MERS, or other bar-code functionality with the capability to determine which items have been inspected under the Preventive Maintenance program since the last schedule inventory, will negate the requirement to physically count those items during an inventory. Items not inspected or otherwise counted via bar-code scan since the last physical inventory must be physically inventoried.

c. The EIL inventory schedule in A&MMS will include the following:

- (1) Date(s) of inventory.
- (2) Title of responsible official.
- (3) Date of notification of responsible official.
- (4) The date of completion of all adjustments made by A&MMS.

When an inventory is due, the responsible official will be notified (electronic mail notification is acceptable) and provided a copy of the applicable EIL for inventory. The responsible official, or designee, will, within 10 days after receipt of the notice, conduct a physical count of all nonexpendable property listed. When the EIL contains 100 or more line items, the physical count will be conducted within 20 days after receipt of the notice.

d. During the inventory process, the responsible official will evaluate the need for all equipment assigned to them and will certify on the EIL by checking the applicable statement, signing on the EIL, and dating.

e. Verification of inventory accuracy will be accomplished by quarterly spot checks of EIL records. Spot checks will be conducted by the responsible official, or designee, and A&MMS.

f. A scheduled inventory may be waived for extraordinary reasons: natural disasters: flood, fire, explosion. An extension of 60 day may be approved by the facility director.

g. Medical centers will establish a method of accountability covering furniture and equipment in housekeeping quarters.

h. Except for affiliated institution equipment (7127.5203), a physical count of all property on loan to or from VA will be taken as scheduled by the accountable official, with action taken on all discrepancies.

PART 5. SUPPLY FUND MANAGEMENT

1. 5400 Scope. Supply Fund will be utilized to finance the following:

a. Operating expenses and acquisition of nonexpendable personal property of the VANAC, Service and Reclamation, and Forms and Publication Depot.

b. A national buying system for the procurement and distribution of forms, form letters, publications, manuals, circulars, etc., as authorized by the Joint Committee on Printing, and operation of a publications depot for economical storage and distribution of forms and publications.

c. Depreciation on VANAC, Service and Reclamation, and Forms and Publication Depot reproduction operating equipment capitalized under the Supply Fund.

d. Equipment centrally procured for test purposes when the cost has been included in an approved plan. Where not included in an approved plan, approval of the DAS/OA&MM (90) prior to purchase will be required.

e. The acquisition of supplies and equipment, field facility warehouse stocks, and centralized purchases of supplies for resale to:

(1) Appropriated funds of VA and other Government departments or agencies.

(2) General Post and other trust funds when approved by the Secretary or trustee of such funds, or their designees.

f. Centralized procurement of nonexpendable equipment by the VANAC for direct delivery to field facilities and other Government departments or agencies.

g. To defray costs of the following services:

(1) Freight, transportation, or drayage costs to be paid for transporting Supply Fund property or property purchased through the Supply Fund.

(2) Official travel for inspection of plants of foreign and domestic suppliers.

(3) Official travel of Supply Fund and Central Office employees in relation to Supply Fund management of operations restricted to employees whose scope of responsibility is directly associated with such operations. Individual travel must be directly related to specific Supply Fund functions or activities.

(4) Inspection, testing, import duties, and customs fees in connection with procurement of foreign made products.

(5) Testing of supplies and equipment by the National Bureau of Standards and other Government agencies or commercial testing laboratories to determine compliance with standards and specifications.

(6) All costs, including travel, related to inspection and reclamation of property acquired from excess, surplus, or donation to the Supply Fund.

(7) Contractual or other service costs applicable to maintenance and repair of Supply Fund property. This authority is limited to the extent that funds will not be committed or expended for the repair of property pending disposal or property in condition code 0 without approval of the ADAS/VANAC (90N).

2. 5404 Service Fees, Markups and Surcharges. The Supply Fund is reimbursed from or credited with appropriations for the cost of all services, equipment and supplies furnished through the supply system. The Supply Fund Board of Directors, established to oversee the operations of the supply system, reviews and approves the annual service fees and markups that VA customers will be assessed for the provision of services. Sales of supplies, services and equipment to other government agencies (OGAs) will be subject to a surcharge to recover the additional administrative costs associated with such transactions.

Sales of non excess property to Government departments or agencies will be subject to the surcharge specified in the agreement consummated under authority outlined in Section 1535 of Title 31.

3. 5407 Acquisition by Repair and Reclamation

a. Nonexpendable property received by service and reclamation requiring repair prior to placing in stock for resale will be priced to include the actual costs of repairs plus a percentage markup approved by the DAS/OA&MM (90).

b. Rotating anode tubes will be maintained in Service and Reclamation storeroom inventory, Hines, Illinois, at an established fixed price plus a markup approved by DAS/OA&MM (90).

4. 5408 Acquisition by Donation or Excess

a. At field facilities, excess expendable property acquired from another Government agency to fulfill a one-time need will be issued at no cost to the appropriations.

b. Supply Fund property acquired as excess from another VA facility will be placed in stock at record value. Supply Fund property withdrawn from VA excess by the declaring facility will be placed in stock at record value. Supply Fund property withdrawn from the facility's own VA excess to fill a one time need will be sold direct from the property pending disposal accounts at record value. Supply Fund property acquired as VA excess from another VA facility to fill a

one-time need will be priced at record value. The property will be sold immediately to the user as a Supply Fund sale, processing it through the Supply Fund inventory accounts.

5. 5409 Services. Services authorized to be financed through Supply Fund, other than contractual services for repair of Supply Fund items in stock or pending disposal, will be charged for at rates that will recover all costs.

6. 5411-4 Reimbursement for Services and Reclamation Work Performed at a Facility. Repair, inspection, and other services performed at field facilities by Service and Reclamation Division personnel will be reimbursed at rates established by the DAS/OA&MM (90).

7. 5413 Deposits and Demurrage on Returnable Containers. Record of the receipt or return of containers including both those on deposit or demurrage will be maintained. Local policies and procedures will be established to ensure proper credit is received and payment of demurrage is held to a minimum.

a. Deposits on gas cylinders, oil drums, and other containers will be made from the appropriation or Supply Fund, as appropriate.

b. Demurrage charges for retention of these items by the using service beyond the free loan period provided by the contractor are considered rentals and are chargeable to the appropriation or Supply Fund, whichever is appropriate.

c. The following information will be recorded:

- (1) cylinder size, amount received, amount returned, balance,
- (2) purchase order number,
- (3) vendor, and
- (4) invoice number.

PART 6. INVENTORY ACCOUNTING

1. 5602 Accounting Media. Inventory accounting systems, IFCAP/GIP, FMS, and AEMS/MERS, will be utilized at field facilities to meet materiel management requirements and to provide data for reporting needs, including the integration of inventory accounts with standard general ledger accounts.

2. 5604 Valuation of Excess Property

a. Warehouse stocks determined to be excess to the needs of the facility will be transferred to the applicable property pending disposal account at record value.

b. Excess Non-Supply Fund property will be transferred between VA facilities at record value and to other Government agencies without reimbursement. Transfer documents for Non-Supply Fund property will show the dollar value at which the property is currently recorded. Transfer documents for Supply Fund property will show the record value of the property for the purpose of recording the interfacility transfer.

c. Excess Trust Fund expendable property withdrawn by the declaring facility will be issued at no cost to the using activity. Nonexpendable Trust Fund property will be issued at no cost to the using activity and transferred to the trust equipment inventory account.

d. Excess Trust Fund property will be transferred between VA facilities without reimbursement and will remain classified as Trust Fund property.

3. 5605 Equipment Inventory Listing (EIL)

a. Accountable nonexpendable property will be listed on the EIL.

b. Central Office department heads and staff office directors or their deputies will assume responsibility for nonexpendable property assigned to their departments or staff offices. This responsibility may be delegated to one service director or equivalent within a department or staff office.

c. The director of a field facility or activity will designate in writing one or more employees to assume responsibility for nonexpendable property assigned to the activity. In making these assignments, consideration will be given to the inventory management responsibilities required for the proper control, utilization, and replacement for property. Unless otherwise designated by the director, A&MMS is responsible for all ward property in use and will perform all administrative functions relative to control, replacement, maintenance, and repair of ward property, in coordination with the using service. Designations will be confined to members of the director's immediate staff, normally division and service chiefs. An exception may be made

in research activities by designating either the Research Coordinator or the individual investigator as the responsible official.

d. Responsible officials specified in paragraphs b. and c. may designate, in writing, administrative or other employees to act for them in handling inventories and other paperwork involved in equipment control. The written designation must state that the responsible official acknowledges that by designating an employee to act in their behalf they do not relinquish their responsibility as responsible official and they must continue to sign the EIL and make certifications in accordance with 7127.5302-3 and 7125.5006. The original of this designation will be furnished to the accountable officer.

e. Debit and credit transactions, accomplished subsequent to the date on which the EIL is signed, will be supported by documentation.

f. Each EIL will be assigned a number in accordance with standardized department numbers.

g. Nonexpendable property used by the Resident Engineer will be assigned a standardized department number and listed on the EIL when the project has been completed and disposition instructions have been received from the Office of Construction Management, Central Office:

(1) Property not to be shipped to another facility and declared excess will be disposed of in accordance with current excess procedures.

(2) Property to be shipped to another facility will be transferred by executing VA Form 134, Combination Requisition and Shipping Ticket.

4. 5608-1 Reporting Requirements

a. Reconciliation of A&MMS and Fiscal Accounts

(1) Reconciliation of standard general ledger accounts is a Departmentwide requirement of A&MM and Fiscal or Financial Services (VHA, VBA, NCS, etc.) and will be accomplished at the end of each month. Research will be conducted on all discrepancies to include verification of the original document. Corrections will be promptly completed.

(2) The Chief, A&MMS, as accountable officer, or designee, will submit in letter form certification that inventory values have been reconciled and are in balance with those of Fiscal or Finance Service as of year-end. In addition, the Chief, Fiscal or Finance Service, will cosign the certification thereby attesting to accuracy of the year-end standard general ledger account balances for equipment and Supply Fund stock inventories.

b. Equipment Purchased, Delivered, Not Installed

(1) Equipment not installed 180 days after delivery will be reported to the DAS/A&MM (90M). The requirement to request retention of installed equipment is eliminated. Facilities are required to

report the number of days since equipment receipt.

(2) Reports will include individual equipment items or equipment systems with an acquisition value of \$100,000 or greater.

(3) Reports will be generated every 6 months at the end of the first and third quarters. Negative reports are required.

5. 5611-1 Receiving and Sales. A copy of the signed receiving report or VA Form 2237 is the issue document for nonexpendable equipment. It will accompany the receiving document, be signed by the receiving official, and filed in the appropriate EIL.

6. 5611-2 Turn-ins. Documentation covering the turn-in of nonexpendable property will be properly annotated as to the intended action. A common number will be assigned to the document. After action is taken, the document will be filed with the applicable EIL.

7. 5611-3 Reports of Survey and Adjustment Vouchers. Discrepancies discovered as a result of an inventory will be adjusted by preparing appropriate debit and credit adjustment transactions. A computer prepared voucher, or manually prepared VA Form 140, may be used for documentation. The document will be forwarded to the approving official for a determination as to the need for report of survey action. Reports of survey prepared as a result of an adjustment voucher will be assigned the same common number and filed with the adjustment voucher.

8. 5611-4 Equipment Installed as Part of Initial Construction. Nonexpendable property installed as part of initial construction will, on completion of the contracts, be picked up in property records at the acquisition value or the current market value. After a construction project is completed and accepted, title to property furnished and installed by construction contractors is transferred to the facility through the Resident Engineer. It is the joint responsibility of A&MMS and Engineering Service to work together to ensure all items have been identified and entered into property records. The Resident Engineer will transfer all descriptive literature, warranty data, and maintenance manuals to Engineering Service.

PART 7. ILLUSTRATIONS

1. **9901 Revocable License.** (This agreement sets forth the conditions under which the following described nonexpendable personal property is licensed for use by the individual, institution, or organization named herein):

a. **Description of Property:** _____

Acq. Cost: _____ **Acq. Date:** _____ **Condition Code:** _____

b. **Licensee:** (Individual, institution, or organization to be charged with responsibility for the property.). **Note:** If an institution, provide name of individual primarily involved as the user:

Name: _____
Address: _____

c. **Purpose of License:** (Describe benefits to be derived by VA or cite other reasons for license. Identify research project, if applicable. If joint usage is involved, identify participating VA employee(s)) : _____

d. **Duration of License:** (Indicate specific date for termination, not to exceed 1 year.)
License begins: _____ License terminates: _____

e. **Terms of Agreement:**

(1) VA reserves the right to terminate the license at any time, at the will of the Government.

(2) **The loanee will:**

- not acquire any enforceable rights pursuant to use of the property described herein
- assure the property is properly used and safeguarded.
- maintain the property in good operating condition during the loan of use, and return it in equally good condition.
- bear all expense incident to transportation of property to and from point of proposed use.
- reserve the right to terminate the license at any time.
- agree to return the property to VA at an earlier date if the purpose is accomplished sooner.

(3) **Liability:** VA accepts no liability for any loss or injury resulting from, arising out of, or in any way connected with the use of the equipment herein identified while in custody and under responsibility of the licensee.

(4) **Effective Date:** *(This agreement becomes effective on the date the property is physically removed from VA premises and accepted by licensee.)*

ACCEPTED by:

ACCEPTED by:

Department of Veterans Affairs
(field facility)

Title: _____

Title: _____

(Signature) (Date)

(Signature) (Date)

Concur/Nonconcur:

(Signature, District Counsel) (Date)

2. **9902 Loan of Department of Veterans Affairs-Owned Personal Property.** This agreement sets forth the conditions under which the facility has agreed to loan the following:

a. **Description of Property:** _____

b. **Value:** _____ c. **Acquisition Date:** _____

d. **NSN No.:** _____ e. **Serial No.** _____

f. **Condition Code:** _____

g. **Purpose of Loan:** _____

h. **The Period for which Loan is made:**

From: _____ **To:** _____
(Not to exceed 60 days)

i. **Approved:**

Name: _____ Name: _____

(Chief, A&MMS)

(Director)

(Signature)

(Date)

(Signature)

(Date)

j. **Agreement:** I hereby accept the responsibility of the aforementioned personal property and agree to return said item(s) in as good condition as when loaned, fair wear and tear excepted.

k. **Official Acknowledging Receipt of Loan:**

Name: _____

(Signature)

(Date)

Address: _____

City/State: _____

Zipcode: _____