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NASA Procedural Requirements

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Subject: NASA Equipment Management Procedural Requirements

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Chapter 1: General Information

1.1 General Information for Equipment Management

1.1.1 Purpose

This chapter sets forth comprehensive requirements with respect to the acquisition, documentation, utilization, maintenance, inventory, and disposal of NASA-owned equipment.

1.1.2 General

1.1.2.1 Government equipment belongs to the Government and is to be used exclusively for the conduct of official business. Appropriate accountability measures will be used to move such equipment from one use, user, or location to another, including movement among offices, functions, programs, contractors, and Centers.

1.1.2.2 NASA Division directors (or equivalent organization heads), through their Center Directors, are the primary officials responsible for equipment assigned to their organizations. This responsibility includes ensuring that the equipment is maintained in a serviceable condition and that its use is in accordance with Federal regulations and NASA Procedures and Guidelines.

1.1.2.3 All equipment acquired by NASA, including that held under lease or loan, will be managed in accordance with this NPR.

1.1.2.4 All NASA organizations will use the NASA Equipment Management System (NEMS), described in NPD 4200.1, to identify, account for, and control Center-held equipment. The system requires accurate and complete item description, location, and condition to permit cost-effective Agency-wide control, equipment accountability, and reuse consideration wherever equipment is located.

1.1.3 Equipment Acquisition

1.1.3.1 NASA will acquire only that equipment necessary for the performance of Agency requirements. Each Center should evaluate alternative methods such as utilizing existing equipment, leasing, borrowing, or using contractor-owned equipment before the initiation of a new procurement or fabrication.

1.1.3.2 Prior to acquisition of equipment valued at \$25,000 or more, existing equipment resources will be screened in accordance with NPR 4300.1, NASA Personal Property Disposal Procedural Requirements. Equipment valued at less than \$25,000 may be screened at the option of the purchaser or equipment management organization, on a case-by-case basis.

1.1.3.3 Equipment nomenclature and description provided by the requiring office will be of sufficient detail to facilitate screening and subsequent identification and documentation consistent with the provisions of this NPR.

1.1.4 Recordkeeping

1.1.4.1 Records describing NASA equipment and actions affecting this equipment will be maintained as prescribed in

this NPR, other applicable regulations, and the current Financial Management Manual, soon to be replaced by the Financial Management Requirement (FMR).

1.1.5 Utilization

1.1.5.1 The primary official identified in paragraph 1.1.2.2 shall perform annual walk-through inspections to ensure that equipment assigned to the organization is classified in the appropriate use status. Equipment no longer required for the performance of a specific NASA requirement shall be excessed by using proper documentation and forwarded to the Property Disposal Officer.

1.1.5.2 All equipment reportable to NEMS will be assigned to a user, and that user's name will be entered into the equipment record.

1.1.6 Inventory

1.1.6.1 NASA-held equipment will be inventoried pursuant to the requirements set forth in Chapter 4 of this NPR.

1.1.7 Disposal

1.1.7.1 Each Center shall maintain an effective program for timely disposal of equipment no longer required by NASA. Disposal will be accomplished in accordance with the requirements set forth in NPR 4300.1, NASA Personal Property Disposal Procedural Requirements.

1.1.8 Equipment Loans

1.1.8.1 NASA equipment and materials may be made available to organizations, private individuals, corporations, or other entities, provided the loan of such equipment is in the public interest and meets the conditions described in NPD 4200.1. Loans to NASA and onsite contractor employees will comply with this NPR. All loans will be documented and managed by the Center equipment management organization.

1.1.8.2 Government-owned equipment furnished under contracts or grants will be managed under the terms of the appropriate instrument and subject to the requirements of the FAR, NASA FAR Supplement, and NPR 5800.1, Grant and Cooperative Agreement Handbook.

1.1.8.3 Equipment loaned solely for use as a display or for use in an exhibit will be provided under the provisions of NPD 1387.1, NASA Exhibits Program. Controlled equipment, used for display or exhibit purposes, will remain in the NEMS database, accountable to the responsible property custodian and/or assigned users.

1.1.9 Equipment Acquired with Reimbursable Funds from Other Federal Agencies

1.1.9.1 All equipment acquired with reimbursable funds from another Federal agency will be controlled and accounted for by NASA, as prescribed in this NPR.

1.1.10 Equipment Transfer to or from other Federal agencies.

1.1.10.1 The National Aeronautics and Space Act of 1958, as amended, Section 203 (c)(6), provides that "Each department and agency of the Federal Government shall cooperate fully with the Administration (NASA) in making its services, equipment, personnel, and facilities available to the Administration, and any such department or agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Administration, without reimbursement, aeronautical and space vehicles, and supplies and equipment other than administrative supplies or equipment." Transfers of equipment to or from other Federal agencies under this authority require the approval of the Center Director and coordination with the Center Supply and Equipment Management Officer (SEMO).

1.1.10.2 Transfer of excess personal property requires approval by the Center Property Disposal Officer and coordination with the General Services Administration, as described in NPR 4300.1.

1.1.11 Equipment on Lease or Loan to NASA.

1.1.11.1 Equipment on lease or loan to NASA will be identified and tracked by the Center equipment management organization.

1.2 Equipment Management Responsibilities

1.2.1 Purpose

1.2.1.1 This part sets forth the responsibilities of appropriate personnel at NASA Headquarters and each NASA Center for oversight and management of NASA's equipment management program.

1.2.2 Responsibility

1.2.2.1 The Assistant Administrator for the Office of Infrastructure and Administration is responsible for establishing equipment management policies and requirements for assessing the effectiveness of implementation. The Director of each Center will appoint a Supply and Equipment Management Officer (SEMO) to implement an effective equipment

management program.

1.2.2.2 Each Center will develop appropriate local procedures, for all operating locations, that conform to the requirements of NPD 4200.1 and this NPR. Any deviations from NPD 4200.1 or this NPR shall be approved by the Director, Logistics Management Division (DLMD), NASA Headquarters.

1.2.3 Director, Logistics Management Division (DLMD), NASA Headquarters. The DLMD will:

- a. Establish policies for and provide requirements to the SEMOs.
- b. Provide direction for and ensure allocation of necessary resources for the operation and maintenance of the NEMS and related systems and procedures.
- c. Review and initiate action to issue, amend, or cancel NASA directives that govern the equipment management activities of the Agency.
- d. Assist NASA Centers in the development and operation of internal processes, procedures, and systems to ensure their compatibility with Agency programs.
- e. Establish necessary Agency performance measures and reports on the overall implementation of equipment management programs, and report periodically on that implementation to senior Center and NASA management.
- f. Conduct reviews and assessments of equipment management activities, and report significant findings to senior Center and NASA management.
- g. Define training requirements for all personnel in the property field, both civil servant and contractor, to ensure properly trained property personnel across the Agency.

1.2.4 SEMO. The SEMO at each Center shall:

1.2.4.1 Provide functional management, leadership and necessary resources to ensure the implementation of an effective equipment management program.

1.2.4.2 Establish a process to ensure that all personnel associated with the utilization of Government equipment receive documented, up-to-date property users training (with special emphasis on the consequences of poor stewardship and negligent use).

1.2.4.3 Ensure that equipment personnel are performing assigned property functions by prescribing appropriate procedures for user management of equipment that is consistent with the provisions of this NPR.

1.2.4.4 Ensure that department heads of organizations report quarterly to the SEMO regarding user concerns and relative property issues. This would include the results of walk-through inspections and the use and effectiveness of equipment pools, if applicable.

1.2.4.5 Ensure that all equipment loans, including those that support special programs, are properly administered.

1.2.4.6 Provide requirements to the division directors and end users in reporting all controlled property to the logistics organization for proper control and use, including direct deliveries.

1.2.4.7 Ensure that organizations and users are aware of the requirement to identify inactive equipment and ensure its reuse or disposal, as appropriate.

1.2.4.8 Ensure compliance with the procedures regarding loss, damage, or destruction of property and ensure that the functions of the Property Survey Board are being administered (See 1.2.16).

1.2.4.9 Implement the necessary equipment control procedures to ensure that the Center equipment management processes and procedures adequately provide for the care, management, and protection of Center-held equipment.

1.2.4.10 Provide for the establishment, operation, and maintenance of the NEMS database; appoint a NEMS Equipment Manager; and approve and periodically evaluate NEMS implementation of policies and procedures by reviewing the following:

- a. Record maintenance controls established for NEMS at the Center.
- b. Items designated for control as sensitive equipment.
- c. Controls established and maintained for sensitive items of equipment.
- d. Records of controlled-equipment transactions of the Center and its contractors with respect to NEMS Central Data Base (CDB) updates.
- e. Property management areas and property custodian assignments and training.
- f. Inventory documentation, follow-up actions, and results.

1.2.4.11 Approve or assign the NEMS Equipment Manager or other designee to approve all NEMS global changes.

1.2.4.12 Designate, in writing, the Center inventory team and inventory process.

1.2.4.13 Ensure that prescribed physical inventories of controlled equipment are taken and adjustments to property and financial records are accomplished and coordinated in accordance with Center policy.

1.2.4.14 Ensure that physical inventories are conducted when a new property custodian is assigned and direct special inventories, as appropriate.

1.2.4.15 Ensure that the Property Survey Officer and Property Survey Board have been appointed and are fully informed of their duties (See paragraphs 1.2.15 - 1.2.16).

1.2.4.16 Establish a transaction cutoff date with the Center Deputy Chief Financial officer (Center Finance Property Accountant) and review and approve, with the Center Finance Property Accountant, the monthly reconciliation of the NEMS equipment records and the finance equipment type accounts (1551 through 1563). 1.2.4.17 Actively enforce the Center's policy concerning the disposition of property.

1.2.4.18 Identify items which shall be designated for control as sensitive equipment.

1.2.4.19 Ensure that whenever there is a transfer of assets from one entity to another, the receiver shall retain the asset classification (Federal Supply Class) as designated by the losing entity. Any reclassification shall be approved by the SEMO, recorded in NEMS, (after the transfer is initially recorded), and coordinated with the financial organization of the receiver.

1.2.4.20 Designate and monitor Center receiving zones to properly track incoming equipment.

1.2.5 Division director (Note: when used in this NPR, division director includes chief or equivalent organization head or designee). The division director is the principal official in the NASA Equipment Management Program responsible for all equipment, controlled and noncontrolled, assigned to the organization and in use by personnel within that organization, including all aspects of equipment condition and use. The division director shall:

1.2.5.1 Appoint appropriate property custodians and ensure that appointees have proper oversight and knowledge of the equipment used within their areas.

1.2.5.2 Ensure that equipment removed from the Center is in full compliance with the Center policies and procedures.

1.2.5.3 Ensure that all equipment loans are documented and tracked and are essential to accomplish assigned projects.

1.2.5.4 Ensure that loss, damage, or destruction of equipment is promptly reported, investigated, and reviewed to prevent recurrences and take corrective actions as recommended by the Property Survey Officer or Board.

1.2.6 Property Custodians

1.2.6.1 Property custodians are designated for each property management area or program area by the head of the organization, usually the division director or chief, with the approval of the SEMO.

1.2.6.2 Full-time property custodians may be appointed by the SEMO.

1.2.6.3 Property custodian responsibilities and procedures are defined in NPR 4200.2, NASA Equipment Management Manual for Property Custodians.

1.2.7 NASA Employees (users of Government property). Employees have a responsibility, as the users of Government property, to protect and conserve all equipment, supplies, and other property and materials entrusted to them. It is the user's responsibility to follow all rules and regulations associated with the property in their control. Additional employee responsibilities include the following:

a. Notifying the responsible property custodian and supervisor if equipment cannot be located. If theft of Government property is suspected, the property custodian or supervisor will notify the Center Security Officer and Office of Inspector General immediately.

b. Ensuring that Government equipment is used only (for its intended purpose) in pursuit of approved NASA programs and projects.

c. Identifying and reporting to their respective property custodians on the status of equipment not being actively used in pursuit of approved NASA programs and projects.

d. Ensuring that equipment is turned in to the responsible property custodian when no longer needed. Under no circumstances will an employee personally dispose of Government equipment.

e. Retaining stewardship of all items, controlled and noncontrolled, assigned to them and ensuring that the property

custodian is immediately informed when he or she is no longer the primary user.

- f. Notifying responsible property custodians of all activity/movement associated with the user's assigned equipment.
- g. Notifying responsible property custodian of any modification to the equipment that may change the value of the equipment or the work in process.

1.2.8 Center NEMS Equipment Manager. The Center NEMS Equipment Manager is responsible for ensuring Center compliance with the Federal Property Management Regulations to maximize equipment utilization and to minimize procurement of new equipment. The Center NEMS Equipment Manager is appointed by the Center's SEMO and serves as the key interface among the equipment-using organizations and the property custodians and equipment users. The Center NEMS Equipment Manager is primarily responsible for the following:

- a. Establishing appropriate controls, maintaining adequate records, and overseeing cataloging functions for all equipment at the Center.
- b. Ensuring that NEMS reports are periodically reviewed and revised as needed and produced as scheduled.
- c. Controlling approved global changes to the NEMS database.
- d. Controlling record data changes. A record data change will change one or more data elements in a single record. The Center NEMS Equipment Manager is responsible for ensuring proper use of standard codes in establishing and maintaining the NEMS database and for processing and maintaining NEMS data.
- e. Ensuring the designation of property management areas and the appointment and training of property custodians.
- f. Providing property custodians with transaction documents and a summary report for controlled equipment items in their assigned property management area.
- g. Reviewing recordkeeping procedures and monitoring the performance of property custodians.
- h. Developing the cyclic and sensitive item equipment inventory schedules.
- i. Reconciling and adjusting equipment records as a result of inventory actions.
- j. Ensuring that the equipment record adjustments resulting from physical inventories and other actions are made available to the SEMO for review.
- k. Documenting inventory results for submittal by the SEMO to division directors and property custodians, also ensuring that written inventory summary reports are provided to other appropriate Center personnel and are properly maintained.
- l. Conducting a semiannual reconciliation of NEMS equipment records with the equipment-type accounts maintained by the Financial Management Officer. Differences will be mutually resolved, and the ending balance of Center-held capital equipment shall be established for reporting purposes. The reconciliation shall be jointly approved by the SEMO and the Financial Management Officer.
- m. Processing item and value adjustments for NEMS transactions so that the net results are posted against the Equipment Module of the Logistics Information Management System (LIMS) by March 31 and September 30 of each fiscal year.

1.2.9 NASA Contractors and Contracting Officers

1.2.9.1 NASA contractors are responsible for equipment and other property as set forth in the FAR, the NASA FAR Supplement, and the applicable contract.

1.2.9.2 Contracting officers are responsible for ensuring that Government-furnished equipment or contractor-acquired equipment is managed pursuant to the provisions of the contract. In authorizing contractors' purchase or use of Government equipment, contracting officers will ensure the following:

- a. Requirements are verified by the appropriate project office. The Contracting Officer's written consent is obtained pursuant to FAR 52.244-2.
- b. Written determinations are executed by the appropriate Center official pursuant to FAR 45.302-1(a) (4).
- c. Existing Government assets are screened pursuant to NASA FAR Supplement 1852.245-70.
- d. NASA requirements for property management by contractors are included in the delegation instructions when property administration is delegated to other agencies.
- e. Contractors shall comply with the provisions herein as they pertain to contractor employee loans.

1.2.10 Industrial Property Officer

The Industrial Property Officer is the individual designated by the Center Director to manage and coordinate Center property matters among the various contracting officers, technical officials, contractor officials, delegated property administrators, and plant clearance officers. The responsibilities of the Industrial Property Officer, under the Contract Property Management Program, are outlined in NASA FAR Supplement 1845.7205. Generally, the Industrial Property Officer is responsible for the Contract Property Management function. This function includes the performance of required property administration and plant clearance, when required, but is not delegated to the Department of Defense.

1.2.11 Center Equipment Management Personnel, as designated by the NEMS Equipment Manager and approved by the SEMO, are further responsible for the following:

- a. Identifying, categorizing, classifying, and coding all existing, newly acquired Center-held equipment and contractor-held equipment. Before an equipment record is created, the designated NEMS controller shall review and record the valid manufacturer, model number, and standard item name by major noun with appropriate modifiers.
- b. Reviewing the NASA Form 1602, NEMS Transaction Documents, submitted by property custodians for equipment change and delete transactions, ensuring that appropriate supporting documentation is attached.
- c. Assisting property custodians and equipment users in the proper procedures and documentation of the following equipment actions: loans, transfers, turn-ins, excess, repairs, storage, replacement, modification or cannibalization, fabrication, found on station, and survey reports for lost, damaged, or destroyed equipment.
- d. Ensuring proper functioning of NEMS control operations (located within the Center's equipment management organization). Standard operating procedures include entering the final transaction data on the receiving report and proofing the document for completeness. The final transaction information is then keyed into the database and processed into NEMS.

Necessary data are subsequently microfiched, microfilmed, or committed to another form of electronic storage, and the accountable property custodian is notified. Data is recorded at this point, and a NASA Form 1602 is generated and forwarded to the accountable property custodian.

1.2.12 NEMS Configuration Control Board is a permanent technical control group responsible for maintaining configuration control for the system. Members come from each Center and NASA Headquarters. The Board Chairperson convenes the group every second Tuesday of the month or as necessary.

1.2.13 Center Deputy Chief Financial Officer (Center Finance Property Accountant)

1.2.13.1 The Center Deputy Chief Financial Officer will conduct a monthly reconciliation of equipment type accounts with the property records maintained by the SEMO. Differences shall be mutually resolved; ending balances of Center-held capital equipment shall be established for reporting purposes.

1.2.13.2 Corrective adjustments shall be processed so that the net results thereof are reflected in all financial reports submitted as of September 30, each year (i.e., the Analyses of Fixed Assets Report (NASA Form 1490) and that the account balances are submitted via the accounting system (SAP) and the financial controls identified by Financial Management Requirement Volume 6, Chapter 4, Section 0801E.

1.2.13.3 The detailed property records required by this manual will not be duplicated by the Center Duty Chief Financial Officer. Entries in the Center financial ledger accounts shall be independently developed by accounting personnel to the maximum extent practicable as set forth in Financial Management Requirement Volume 6, Chapter 4.

1.2.14 Center Security Officer. The Center Security Officer shall keep the SEMO fully informed concerning reported or suspected losses of Government property.

1.2.15 Center Property Survey Officer. Center Directors shall appoint, for a specified term, a Center Property Survey Officer with authority to approve all survey reports and investigate survey reports not handled by the Property Survey Board. The Property Survey Officer may refer surveys to the Property Survey Board or SEMO for their action. The SEMO, their supervisors, or subordinates shall not be designated as Property Survey Officers.

1.2.16 Property Survey Board or Equivalent. Center Directors shall establish a Property Survey Board, for a specified term, composed of two or more members (with alternates, as appropriate) and a chairperson who will investigate and make recommendations to the appropriate management level concerning the loss, damage, or destruction of property equal to or greater than \$5,000 in acquisition value. This would include items classified as sensitive. Loss, damage, or destruction cases involving items valued under \$5,000 do not require Property Survey Board review. These cases require only the Property Survey Officer's actions.

1.2.17 Property Disposal Officer (PDO). The Center Property Disposal Officer is responsible for the utilization and marketing of NASA personal property no longer needed by the acquiring organization. The responsibilities of the Property Disposal Officer are outlined in NPR 4300.1, Personal Property Disposal Procedural Requirement Chapter 1, and NPR 4310.1, Identification and Disposition of NASA Artifacts paragraph 2.5.1. The PDO ensures that

available NASA property, including equipment, is transferred for further use to other NASA organizations (including NASA contractors), other Federal agencies, and eligible donors (including State and local governments, schools, and colleges), in compliance with all applicable Federal laws and regulations. The PDO ensures that remaining equipment is sold to the general public in compliance with all applicable Federal laws and regulations.

1.3 Support for Special Programs

1.3.1 Purpose. This part sets forth equipment policies and practices necessary to support special programs sponsored by the Federal Government.

1.3.2 Small Business Innovation Research (SBIR) Program

1.3.2.1 To comply with Public Law 102-564, Small Business Research and Development Enhancement Act of 1992 (an amendment to Public Law 97-219, effective July 22, 1982), special provisions regarding equipment loans shall be implemented by the Agency. Profit-seeking organizations participating in the SBIR program shall receive consideration relating to Government property as represented in the following paragraphs:

- a. If the reclamation of property provided to profit makers leads to cost inefficiencies on the part of the Agency.
- b. When it is not cost effective to permit retention and title transfer to the small business, as outlined in NPR 4300.1, NASA Personal Property Disposal Procedural Requirements, the 1992 Act provides for a bailment (loan) of property to the small business for a period of not less than two years from the initiation of Phase III of the SBIR.

1.3.2.2 Loan agreements for Phase III activity shall be requested by the contracting officer and accomplished by the SEMO to include the following special provisions:

- a. The Phase III loan agreements shall be separate agreements from the Phase I and Phase II contracts.
- b. Loans to the SBIR and other profit-making organizations shall be administered by placing equipment on loan under Center inventory control and will be certified annually.
- c. The loan agreements will require no annual recertification or renewal during the first two years but will be recertified annually thereafter.
- d. The loan agreements will be accomplished based on the special needs of the organization requesting the loan. If more than one request is submitted for the same item, a decision will be based on priority.
- e. The loan must be coordinated with the appropriate contracting officer.
- f. Loans under the SBIR program will be authorized and approved by the Center Director or designee.
- g. The provision of this section applies to SBIR loans in lieu of existing loan provisions. However, accountability of loans will be administered in accordance with the provisions of this NPR.

1.3.3 High Performance Computing and Communications Program

1.3.3.1 To comply with the High Performance Computing and Communications (HPCC) Act of 1991 (15 U.S.C. 5501 et seq.), special provisions regarding equipment loans shall be implemented by the Agency.

- a. Schools participating in the HPCC program receive special consideration relating to Government property.
- b. The acquisition of equipment for the purpose of loans to K-12 schools is permitted in accordance with the HPCC Act.

1.3.3.2 Loan agreements for HPCC activities are requested by participating schools and will include the following special provisions:

- a. The loan must be coordinated with the appropriate Center HPCC organization and the Office of Chief Counsel.
- b. The SEMO is authorized to sign HPCC loans.
- c. The provisions of this section apply to the HPCC program in lieu of existing loan provisions. Accountability and control aspects of the loans shall be administered in accordance with the provisions of NPR 5800.1E, Grant and Cooperative Agreement Handbook (See paragraph 3.4).

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