



# Chapter Eight

## *Utilization, Storage, Movement, Maintenance and Calibration*

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### **Overview**

Property, purchased by Stanford, provided by a Sponsor, donated or otherwise accountable to the University, is to be used in direct support of University business and research activities or as otherwise authorized by the owning Sponsor. Every effort should be made to maximize the use of an asset during its life and to initiate reutilization or disposal activities in a timely manner when the item becomes excess to the accountable department or project.

When storage of property is necessary, care should be taken to ensure the method and location of storage are adequate for the type of items being stored and that they are secured in a manner which will prevent loss, damage, or destruction to the property.

The Department Property Administrator is responsible for maintaining communications with the department staff regarding the proper use, storage, movement, maintenance and calibration for property accountable to their area and for processing changes in a timely manner.

### **Utilization**

Each item of property at Stanford University, whether university or sponsor-owned, is accountable to a designated organization (department). This organization is responsible for the stewardship and appropriate use of the property throughout its life.

Primary objectives of an effective utilization program are to ensure that the property is used to the maximum extent possible throughout its useful life and that it is declared excess in a timely manner when no longer needed (see “excess property” below).

Each property record, either in Sunflower or in the PMO Materials Tracking System, requires a location for the item. Maintaining accurate location information is critical. It enables prompt location of the asset, helps define the purpose for which it is used, and is a key factor in providing data used to substantiate negotiations which directly impact the amount of potential Indirect Cost the university receives from the government.

## **Ownership and Use of Sponsor-Funded or Sponsor-Owned Property**

Ownership (title) of property acquired with sponsor funds may vest with either the University or the Sponsor. This is determined by the terms and conditions within the sponsored project. Ownership of government-furnished property will vest with the sponsoring agency. The ownership of an asset is recorded in the Sunflower asset record or the PMO Material Control System and must be considered when managing the use of an asset. In some cases, sponsor-owned property is provided for a specific purpose and care must be taken to ensure the use restrictions are met.

All property (equipment and materials) purchased with sponsored funds must be in quantities that are reasonable, allowable, and allocable to the project. They must directly benefit the project. Although in educational research environments, sponsors often permit use of sponsor-funded and sponsor-owned property on various concurrent projects, priority for use should be the funding project.

When property is no longer needed on the project for which it was acquired or provided, it must be made available for possible use on other sponsored projects. This may occur prior to the scheduled end date of the overall project. If no longer needed at Stanford, the DPA prepares an Excess Request in Sunflower to initiate the disposal process for the item. The PMO processes the request and ensures disposition instructions are obtained from the sponsor and provides guidance to the DPA. The DPA and project staff personnel are responsible for completing the physical disposition actions required.

In some instances there may be a need for retaining the property for future use. If so, the retention justification must be documented and the property stored in an appropriate manner (see Storage section below).

It is recommended that departments periodically review the activity status of property in their areas. Excess items should be identified in a timely manner and be made available for possible reassignment within the university or external disposition. (see use of inter-department market below) The activity status of property is also verified at the time of the biennial physical inventory for those eligible for inventory verification.

## Use of University and Sponsor-Owned Vehicles

Vehicles for which Stanford is accountable must be used for university-related activities only. University Guide Memos [28.7 Operation of Vehicles](#) and [57.2 University Vehicles](#) provide additional details.

## Excess Property

Property is considered “excess” when it meets one or more of the following criteria:

1. The accountable department or sponsored project no longer has a need or potential use for the asset. (Sponsor-owned property may become excess to the needs of the accountable project at any time during the life of the project, not only at the time the project ends.)
2. The asset is technically obsolete for the needs of the accountable project or department.
3. The asset is in need of repair to the extent that it is not economically feasible or is no longer operable.

When equipment becomes excess, the activity status in the Sunflower record should be updated to reflect “excess” and the condition updated to reflect the current operational condition of the asset. When government-owned material becomes excess, the property custodian, user or Principal Investigator is responsible for informing the DPA of excess property so reutilization efforts can be made or appropriate disposition activities initiated. The DPA should then coordinate with PMO to obtain disposition instructions. Refer to the [Disposal Chapter](#) for additional information on disposal.

## Reutilization of Excess Property

Excess property that is in working or serviceable condition should be made available for reutilization within the university before proceeding with any external disposal of the asset. Ownership (formerly referred to as “title”) to the property is a determining factor in how to proceed with reutilization of the property.

A lot of property can be transferred between Stanford departments via the [Reuse Website](#). If you have any questions whether an item can be transferred in this method, please contact your [Property Service Representative](#) (PSR).

## Off-campus Use of Property

The use of property purchased by Stanford, provided by a Sponsor, donated, or otherwise accountable to the University may need to occur at a location other than the Stanford University campus or a specified location recorded in the university's space inventory database. Examples of a location that would be considered "off-campus" include the residence of an employee or a temporary work site. Regardless of location, use of the property must still directly benefit Stanford or the sponsored project for which the property was acquired.

Property that is frequently in transit between a campus and an off-campus location should be documented on a [Stanford Off-Campus Equipment Verification Worksheet](#). (See "[Movement](#)" below for additional details.) The worksheet must be updated annually and maintained on file by the DPA. It may also be used to substantiate the location of an asset during the physical inventory. Off-campus property that meets the criteria established for the biennial physical inventory must be accounted for or physically verified during the physical inventory process. (See chapter on [Physical Inventory](#).)

Equipment that is to remain off campus more than 30 days should have an off-campus location listed on the Sunflower record. If the system does not allow you to enter a specific location, contact your PSR for assistance.

## Storage

It may be necessary to place property in storage. Reasons for storage and the duration of the storage period may vary, depending on specific circumstances. Storage duration is described in two intervals:

- Short-term storage -- considered to be less than 6 months in duration
- Long-term storage -- retention of the property will exceed 6 months

Retention in long-term storage must be justified; more specifically, the accountable department is responsible for identifying the purpose the property is being retained prior to placing it in long-term storage. If the property is government-owned, it may be necessary to obtain approval for long-term storage from the sponsor. Further guidance on the need for sponsor approval may be obtained by contacting the Property Management Office.

Ideally, excess property should be processed for reutilization or disposal; it should not be placed in storage. Unnecessary storage of property is not cost-effective, fills valuable space, incurs the risk of potential loss, damage or misuse, and continues to require records maintenance and physical inventory.

The Sunflower record for assets in storage should be updated to reflect the following information:

1. For items in long-term storage, the activity status is "inactive"

*Note: The accuracy of “Activity Status” of an asset is one of the critical elements in determining the eligibility of indirect cost recovery that can be obtained for an asset. Exceptions to this require specific negotiations with the Office of Naval Research (ONR).*

2. The storage location
3. Any special comments pertinent to the storage. For example: who has access to the storage area, expected duration of storage, and retention justification.

While property is in storage, care should be taken to ensure the method and location of storage is adequate for the type of items being stored and that they are secured in a manner which will prevent loss, damage, or destruction to the property. For clarification or guidance contact your Property Service Representative (PSR).

Property in storage that meets the criteria established for the biennial physical inventory must be accounted for or physically verified during the physical inventory process. (See chapter on Physical Inventory).

## **Movement**

Each Sunflower and PMO Material Tracking System asset record must reflect a location for the property. Each department is responsible for establishing a communications method which will enable the DPA to update the location information for their property.

To best support the business, educational, and research needs performed by the University, it is often necessary to temporarily change the location of property. If the duration of the move is less than thirty (30) days, it is considered temporary and is updated by using sign-out logs. (See below). Location changes lasting thirty (30) days or more are considered “permanent” and the Sunflower asset record must be updated.

### **Tracking Temporary Moves of Property (Less than 30 Days):**

Updating the Sunflower record is not required if an item is moving temporarily. The “home” location remains the same on the asset record and a subsidiary locator system is used to record the temporary location change. The subsidiary method for tracking location is determined by the DPA. A recommended and effective method for accomplishing this is the use of a [sign-out log](#). Sign-out logs, or whatever method is used, should be readily accessible to equipment custodians/users.

They should include:

- SU.ID tag number
- Description of property
- Model number
- Serial number
- User name (person checking the equipment out)
- Temporary location
- Date checked out
- Estimated date of return
- Actual date of return

Sign-out logs can be maintained in several ways; they can be posted at the door of a lab or maintained by the DPA or other office administrator. The DPA should work with department personnel to create a sign-out process that will be easy to use. The DPA must periodically check the sign-out logs to ensure equipment is being checked in and out properly and that it is being returned on time. For items not returned to its designated location within 30 days, the DPA must contact the equipment user to have the item returned or update the Sunflower record if the move is to extend beyond 30 days. If the item is necessary during an audit, the sign-out log (or equivalent) must be available to substantiate the asset's location.

If the equipment being moved is sponsor-owned, please ensure the move is allowed by the agreement. A form DD1149 is required to document the move. Contact your PSR for guidance and/or assistance.

### **Property Changing Locations for 30 Days or More:**

The property record must be updated to reflect the new location. Don't forget to update the custodian or user of the property if that changes as well. If the location change is to a different organization (department) and the accountability of the asset is changing, contact your PSR for assistance.

In addition, if the property is government-owned and the move is off-campus or to a subcontractor's facility, a DD1149 form is required to document the move. Contact your PSR for guidance and/or assistance.

### **Stanford Off-Campus Equipment Verification Worksheet**

If the equipment will be off-campus for more than 30 days, the [Stanford Off-Campus Equipment Verification Worksheet](#) must be completed and kept on file by the DPA. These forms must be updated annually to be considered valid. You can print copies of the form, including instructions for use, on-line from the PMO website. The annual update is to verify the equipment is still in the same location and is in good working order. If there are any changes, please make a note on the off-campus form and also update the property record. Consistent, correct use of sign-out logs will reduce equipment loss and provides documentation for equipment location during Physical Inventory.

It also ensures all employees who need equipment can have fair access to it. When a department uses these forms, they serve as the official University record of movement and equipment location.

When the Physical Inventory Group performs an inventory in your area, they will take a copy of these forms and will use them to facilitate updating those records in SFA. It is important to note that this is a PMO form and the Physical Inventory Group is using the information to assist them in the physical inventory. This will eliminate the need for employees to bring the equipment back onto campus to be scanned.

When you access these forms on the web, you can save a copy to your hard drive. They are in an Excel format; you may share this file or URL with your equipment users as well. The file contains:

- Page 1: The first (and main) page of the form
- Page 2: The instructions for use
- Page 3: Continuation sheet (use as many as necessary for each instance)

Remember to update your worksheets and Sign-out logs if the equipment moves again or is processed for disposal. Auditors and Inventory Analysts review this documentation carefully, so consistent and accurate documentation is important.

## **Maintenance and Calibration**

Property maintenance is a key factor in extending the useful life of property. Every effort should be made to maximize the use of the equipment throughout its life and to extend its usefulness through proper care and handling. Equipment that is cared for and maintained properly can result in considerable savings to Stanford, and/or its sponsors, by helping reduce unnecessary costs of repairs or replacement.

The accountable department is responsible for the performance of any required maintenance or calibration of property. Expenses incurred to perform either maintenance or calibration of property is considered a general university expense for both university-owned and sponsor-owned property, unless otherwise specifically authorized in the sponsored project.

## **Routine, Preventive, or Periodic Maintenance**

This includes any general actions required to keep the asset in good operational condition. It may be as simple as ensuring the item is kept clean, batteries charged, fluids checked, and power cords in good condition. It will vary depending on what the item is and how complex its operational systems/mechanisms are. It is recommended that a summary of maintenance performed on an asset be recorded in the comments section of the Sunflower record. The frequency and accrued cost of asset maintenance is a useful measure in determining an optimum time for asset replacement. Maintenance is different than repair. Repair is performed when something breaks; maintenance is performed to prevent breakdowns in equipment.

## Calibration

Calibration is primarily required for testing and measurement equipment or tools and should be performed in accordance with the manufacturer's specifications. If an item requires calibration, records must be maintained of the calibration events for the asset. This may be done in the comments section of the Sunflower record or in a subsidiary record maintained by the department. If a subsidiary record is maintained, it must be available for reference and potential audit. To facilitate the management of calibration schedules, the last date performed and next calibration due date should be recorded in the Sunflower record.

## Maintenance or Calibration While in Storage

Depending on manufacturer's specifications or sensitivity of the property, maintenance and/or calibration may continue to be required while the item is in storage.

## References and Resources

- [Off-Campus Equipment Verification Worksheet](#)
- [Sign-out Log Template](#)