

## Chapter 19 - Property Management Standards

### A. Purpose.

This Chapter sets forth standards governing the acquisition, use, and disposition of real property, equipment, and supplies purchased in whole or in part with HPF grant assistance in accordance with OMB Circulars A-102 (as codified in 43 CFR 12.71-73), and Circular A-110 (as codified in 43 CFR 12.930-937). To be considered acquired with HPF grant support, some or all of the property's acquisition cost must be a direct cost under the grant, a subgrant, or a cost-type contract and must be either borne by grant funds or counted toward satisfying a grant matching requirement. This Chapter also deals with inventions, patents, and copyrights arising out of activities assisted by a grant or subgrant. Grantees must follow their own property management policies and procedures provided the requirements of this Chapter are observed. NPS shall not impose additional property management requirements on grantees unless specifically required by Federal laws or Executive Orders.

### B. Scope and Applicability.

The provisions of this Chapter apply to both grantees and subgrantees. It is the grantee's responsibility to ensure that its subgrantees, including Certified Local Governments, comply with these property management standards.

Exceptions. This Chapter does not apply to:

1. property where only depreciation or use allowances are charged;
2. property donated entirely as a third-party in-kind contribution (as defined in Chapter 14);
3. equipment or supplies acquired primarily for sale or rental;
4. equipment or supplies acquired by a contractor under a grant or subgrant when, by the terms of the contract, title is not vested in the grantee or subgrantee; or
5. real property purchased with HPF grant assistance when title is subject to the preservation covenant, unless otherwise specified in the grant agreement, or unless the property will be used by the grantee for office space.

### C. Definitions.

1. Real property. Land, land improvements, structures, and appurtenances thereto, but excluding movable machinery and equipment.
2. Personal property. Property of any kind except real property. Such property may be tangible (having physical existence) or intangible (having no physical existence, such as patents, inventions, or copyrights).
3. Nonexpendable personal property. Tangible personal property, including equipment, having a useful life of more than 1 year and an acquisition cost of \$5,000 or more per unit. A grantee may

use its own definition of nonexpendable personal property provided that such definition includes at least all tangible personal property as defined here.

4. Expendable personal property. Tangible personal property other than nonexpendable personal property.
5. Acquisition cost of purchased nonexpendable personal property. The net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty, or in-transit insurance, will be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices. If the item is acquired by trading in another item and paying an additional amount, "acquisition cost" means the amount received for trade-in plus the additional outlay. The term does not include rental of property or alterations and renovations of real property.

D. Property Management Standards.

1. Real property acquired for historic preservation purposes. Where HPF monies are used to assist private individuals and organizational entities or non-State government public bodies to acquire title to real property when the purpose is to preserve and maintain a property for a term of up to 20 years for public benefit, the grantee will be considered a "pass-through" agent only. Titles to such federally assisted property will vest in the non-State property owner.

Use and disposition of the real property will be in accordance with the terms and conditions of the preservation covenant or agreement executed between the grantee and the property owner.

2. Real property acquired for administration of program operations. The provisions of this section apply to HPF-assisted properties purchased for use in administering program operations or in carrying out program objectives. The use and disposition of real property acquired wholly or in part with HPF assistance by the grantee (as deedholder) will be governed by the following requirements:
  - a. Real property acquired for HPF grant-supported activities shall be used by the grantee solely for authorized purposes.

When the grantee no longer needs the property to conduct HPF grant-supported activities, the grantee may request approval from NPS to use the property for other purposes. Use for other purposes shall be limited to:

    - 1) Projects or programs supported by other Federal grants or assistance agreements; or
    - 2) Activities or programs having purposes consistent with those authorized for support by NPS.
  - b. Title to real property acquired for administration will vest in the grantee (not the subgrantee) subject to the condition that the grantee will use the real property for the authorized purpose of the grant.

- c. Disposition. When the real property is no longer to be used as provided in subsection 2.a., above, the grantee shall request disposition instructions from NPS. The instructions will provide for one of the following alternatives:
- 1) The grantee may be permitted to retain title after it compensates NPS in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.
  - 2) The grantee may be directed to sell the property under guidelines provided by NPS and pay NPS an amount computed by applying the Federal percentage of participation in the cost of the original project to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.
  - 3) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.
3. Nonexpendable personal property. When nonexpendable tangible property is acquired by a grantee with HPF funds, title shall not be taken by the Federal Government but shall vest in the grantee subject to the following conditions:
- a. Right to transfer title. For items of nonexpendable personal property having a unit acquisition cost of \$5,000 or more, NPS reserves the right to transfer the title to the Federal Government or to a third party named by NPS when such third party is otherwise eligible under existing statutes. Such reservation shall be subject to the following standards:
    - 1) The property shall be appropriately identified in the grant or otherwise made known to the grantee in writing.
    - 2) NPS shall issue disposition instructions within 120 calendar days after the end of the Federal support of the program or project for which it was acquired. If the NPS fails to issue disposition instructions within the 120 calendar-day period, the grantee shall apply the standards of subsections 3.c. and 3.d., below, as appropriate.
    - 3) When the NPS exercises its right to take title, the property shall be subject to the provisions for federally owned nonexpendable personal property. Disposition instructions will be provided by NPS on a case-by-case basis.
    - 4) When title is transferred either to the Federal Government or to a third party, the provisions of subsection 3.c.2 (b) should be followed.

b. Use of other tangible nonexpendable property for which the grantee has title.

- 1) The grantee shall use the property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original project or program, the grantee shall use the property in connection with its other federally sponsored activities, in the following order of priority:
  - a) Activities sponsored by NPS;
  - b) Activities sponsored by other Federal agencies.
- 2) Shared use. During the time that nonexpendable personal property is held for use on the project or program for which it was acquired, the grantee shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the property was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by NPS; second preference shall be given to projects or programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by NPS. User charges should be considered if appropriate, but must be treated as program income (see Chapter 16).

c. Disposition of other nonexpendable property. When the grantee no longer needs the property as provided in 3.b., above, the property may be used for other activities in accordance with the following standards:

- 1) Nonexpendable property with a unit acquisition cost of less than \$5,000: the grantee may use the property for other activities without reimbursement to the NPS or sell the property and retain the proceeds.
- 2) Nonexpendable personal property with a unit acquisition cost of \$5,000 or more: The grantee may retain the property for other uses provided that compensation is made to NPS. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from NPS.

NPS shall determine whether the property can be used to meet NPS requirements. If no requirement exists within NPS, the availability of the property shall be reported to the General Services Administration by NPS to determine whether a requirement for the property exists in other Federal agencies. NPS shall issue instructions to the grantee no later than 120 days after the grantee request and the following procedures shall govern:

- a) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse NPS an amount computed by applying to the sales proceeds the percentage of Federal

participation in the cost of the original project or program. However, nonprofit grantees shall be permitted to deduct and retain from the Federal share \$500 or 10 percent of the proceeds, whichever is less, for the grantee's selling and handling expenses (in accordance with 43 CFR 12.934(g)(1)).

- b) If the grantee is instructed to ship property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the grantee participation in the cost of the original grant project or program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.
- d. Property management standards for nonexpendable property. The grantee's property management standards include the following procedural requirements:
- 1) Property records shall be maintained accurately and shall include:
    - a) A description of the property.
    - b) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
    - c) Source of the property, including grant or other agreement number.
    - d) Whether title vests in the grantee or the Federal Government.
    - e) Acquisition date (or date received, if the property was furnished by the Federal Government) and cost.
    - f) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government.)
    - g) Location and condition of the property and the date the information was reported.
    - h) Unit acquisition cost.
    - i) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates NPS for its share.
  - 2) Property owned by the Federal Government must be marked to indicate Federal ownership interest.
  - 3) A physical inventory of property shall be taken and the results reconciled with the property records at least every 2 years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall, in connection

with the inventory, verify the existence, current utilization, and continued need for the property.

- 4) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented; if the property was owned by the Federal Government, the grantee shall promptly notify NPS.
  - 5) Adequate maintenance procedures shall be implemented to keep the property in good condition.
  - 6) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.
4. Expendable personal property. Title to expendable personal property shall vest in the grantee upon acquisition. If there is a residual inventory of such property exceeding \$5,000 in total aggregate fair market value, upon termination or completion of the grant, and if the property is not needed for any other federally sponsored project or program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must, in either case, compensate the Federal Government for the Federal share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.
5. Intangible property.
- a. Inventions and patents. If any grant-assisted activity or project work produces patentable items, rights, processes, or inventions, in the course of work sponsored by NPS, such fact will be promptly and fully reported to NPS. Unless there is a prior agreement between the grantee and NPS on disposition of such items, NPS will determine whether protection on the invention or discovery will be sought. NPS will also determine how the rights in the invention or discovery, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with "Government Patent Policy" as printed in 36 Federal Register 16889. Nonprofit recipients are subject to applicable regulations governing patents and inventions, including Governmentwide regulations issued by the Department of Commerce and codified as 37 CFR 401.
  - b. Copyrights. Except as otherwise provided in the terms and conditions of the grant agreement, the author or grantee is free to copyright any books, publications, or other copyrightable materials developed in the course of or under a project financed by NPS. However, any such copyrighted materials will be subject to a royalty-free, nonexclusive, and irrevocable license to the Federal Government to reproduce, publish, or otherwise use, and to authorize others to use, the work for Government purposes.
6. Federal rights to data and copyrights.
- a. The term "subject data" used in this section includes writings, technical reports, sound recordings, magnetic recordings, computer programs, computerized data bases, pictorial

reproductions, plans, drawings, specifications, or other graphical representations, and works of any similar nature (whether or not copyrighted) which are

- 1) submitted with a proposal or grant application; or
  - 2) specified to be delivered under an NPS grant; or
  - 3) developed or produced and paid for in whole or in part by an NPS grant. The term does not include financial reports, cost analysis, and other information incidental to grant administration.
- b. Except as may otherwise be provided in the grant agreement, when publications, films, or similar materials are developed directly or indirectly from a program, project, or activity supported by NPS funds, the author is free to arrange for copyright without approval. However, such materials must include an acknowledgment of NPS grant assistance (Chapter 3, Section C.7., provides the required statement).

As a condition of grant assistance, the grantee agrees to, and awards to the Government and its officers, agents, and employees acting within the scope of their official duties, a royalty-free, nonexclusive, and irrevocable license throughout the world for Government purposes, to publish, translate, reproduce, and use all subject data or copyrightable material based on such data covered by the copyright.

- c. The grantee shall not include in the subject data any copyrighted matter without the written approval of the copyright owner. Such approval must include permission for the Government to use the material in the manner provided in subsection 6.b., above.
- d. Nothing contained in the foregoing shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other rights otherwise granted to the Government under any patent.
- e. Unless otherwise limited below, the Government may, without additional compensation to the grantee, reproduce, publish, or otherwise use the data first produced under an award; and authorize others to receive, reproduce, publish, or otherwise use the data for Federal purposes.
- f. Notwithstanding any provisions of any grant or specific limitations concerning inspection and acceptance, the Government shall have the right at any time to modify, remove, obliterate, or ignore any marking not authorized by the terms of a grant on any piece of subject data furnished under the grant.