

Department of Defense

Pt. 1130, App. D

3. *Inventory.*

a. You must take a physical inventory of equipment in which there is a Federal interest and reconcile the results with your records at least once every 2 years.

b. You must take an annual inventory of any federally owned property for which you are accountable under this award.

4. *Control system.* You must:

a. Maintain an internal property control system with adequate safeguards to prevent loss, damage, or theft of equipment and federally owned property.

b. Investigate any loss, damage, or theft and notify the award administration office if it involved equipment in which there is a Federal interest under the award or federally owned property.

5. *Maintenance.* You must maintain equipment acquired or improved in whole or in part under the award and federally owned property in good condition.

APPENDIX C TO PART 1130—TERMS AND CONDITIONS FOR PROP ARTICLE III, “USE AND DISPOSITION OF REAL PROPERTY”

Unless a DoD Component substitutes wording in Section A, as provided in §1130.305, a DoD Component's general terms and conditions must use the following wording for PROP Article III.

PROP ARTICLE III. USE AND DISPOSITION OF REAL PROPERTY. (DECEMBER 2014)

Section A. Use of real property.

1. You must use real property acquired or improved under this award for the originally authorized purpose as long as needed for that purpose. During that time, you may not:

a. Dispose of the property except, with the approval of the award administration office, to acquire replacement property under this award, in which case you must use the proceeds from the disposition as an offset to the cost of the replacement property; or

b. Encumber the title or other interests in the property without the approval of the award administration office identified in this award.

2. During the time that the real property is used for the originally authorized purpose, you may make the property available for use on other projects or programs, but only if that use will not interfere with the property's use as needed for its originally authorized purpose.

a. First preference must be given to other projects or programs supported by DoD Components and second preference to those supported by other Federal agencies.

b. Third preference is for other projects or programs not currently supported by the Federal Government. You should charge user

fees for use of the property in those cases, if it is at all practicable.

3. When the real property is no longer needed for the originally authorized purpose, with the written approval of the award administration office, you may delay final disposition of the property to use it on other federally sponsored projects or programs. A condition for the award administration office's approval is that the other projects or programs have purposes consistent with those authorized for support by the DoD Component that made the award under which the property was acquired or improved.

Section B. Disposition of real property. When you no longer need real property for the originally authorized purpose, you must obtain disposition instructions from the award administration office, except as provided in paragraph A.3 of this article. Those instructions will provide for one of the following three alternatives, which are that you:

1. Retain title after compensating us for the Federal interest in the property, which is to be computed as specified in the definition of “Federal interest.”

2. Sell the property and compensate us for the Federal interest in the property, as described in 2 CFR 200.311(c)(2).

3. Transfer title to us or a third party we designate, as described in 2 CFR 200.311(c)(3).

APPENDIX D TO PART 1130—TERMS AND CONDITIONS FOR PROP ARTICLE IV, “USE AND DISPOSITION OF EQUIPMENT AND SUPPLIES”

As specified in §§1130.405 through 1130.425, a DoD Component's general terms and conditions must use the following wording for PROP Article IV.

PROP ARTICLE IV. USE AND DISPOSITION OF EQUIPMENT AND SUPPLIES. (DECEMBER 2014)

Section A. Property subject to this article. This article specifies requirements for use and disposition of equipment and supplies. If a provision of PROP Article I identifies any type of equipment or supplies as exempt property, requirements of this Article apply to that exempt property only to the extent specified in that provision of PROP Article I or an award-specific term or condition. The types of non-exempt property to which this article applies are:

1. Supplies that you acquire either by purchase or by donation as cost sharing or matching under this award; and

2. Equipment for which title is vested conditionally in you. That includes equipment with a conditional title resulting from your having, either under this award or under a previous award from which you transferred accountability for the equipment to this award: