

following general policies and requirements shall be used by agencies in supplementing this section:

(a) The contracting officer's advance written approval shall be required for any non-Government use of active plant equipment. Before authorizing non-Government use exceeding 25 percent, the contracting officer shall obtain approval of the head (or designee) of the agency that awarded the contract to which the property is accountable.

(b) The approvals under paragraph (a) above may be granted only when it is in the Government's interest—

(1) To keep the equipment in a high state of operational readiness through regular use;

(2) Because substantial savings to the Government would accrue through overhead cost-sharing and receipt of rental; or

(3) To avoid an inequity to a contractor who is required by the Government to retain the equipment in place.

(c) If the contractor's request for non-Government use in excess of 25 percent is approved, the contracting officer may require the contractor to insure the property against loss or damage. Facilities contracts may be modified to require such insurance.

### Subpart 45.5—Management of Government Property in the Possession of Contractors

#### 45.500 Scope of subpart.

This subpart prescribes the minimum requirements contractors must meet in establishing and maintaining control over Government property. It applies to contractors organized for profit and, except as otherwise noted, to non-profit organizations. In order for the special requirements in this subpart governing nonprofit organizations to apply, the contract must identify the contractor as a nonprofit organization. If there is any inconsistency between this subpart and the terms of the contract under which the Government property is provided, the terms of the contract shall govern.

#### 45.501 Definitions.

*Accessory item*, as used in this subpart, means an item that facilitates or

enhances the operation of plant equipment but which is not essential for its operation.

*Agency-peculiar property* (see 45.301).

*Auxiliary item*, as used in this subpart, means an item without which the basic unit of plant equipment cannot operate.

*Contractor-acquired property* (see 45.101).

*Custodial records*, as used in this subpart, means written memoranda of any kind, such as requisitions, issue hand receipts, tool checks, and stock record books, used to control items issued from tool cribs, tool rooms, and stockrooms.

*Discrepancies incident to shipment*, as used in this subpart, means all deficiencies incident to shipment of Government property to or from a contractor's facility whereby differences exist between the property purported to have been shipped and property actually received. Such deficiencies include loss, damage, destruction, improper status and condition coding, errors in identity or classification, and improper consignment.

*Facilities* (see 45.301).

*Government-furnished property* (see 45.101).

*Government property* (see 45.101).

*Individual item record*, as used in this subpart, means a separate card, form, document or specific line(s) of computer data used to account for one item of property.

*Material* (see 45.301).

*Nonprofit organization* (see 45.301).

*Plant equipment* (see 45.101).

*Property administrator*, as used in this subpart, means an authorized representative of the contracting officer assigned to administer the contract requirements and obligations relating to Government property.

*Real property* (see 45.101).

*Salvage*, as used in this subpart, means property that, because of its worn, damaged, deteriorated, or incomplete condition or specialized nature, has no reasonable prospect of sale or use as serviceable property without major repairs, but has some value in excess of its scrap value.

*Scrap*, as used in this subpart, means personal property that has no value except for its basic material content.