



DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
BOSTON REGIONAL OFFICE
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IN REPLY REFER TO:

05/16/2018

Chizuko Walter, Property Officer
Office of Research & Project Admin.
P.O. Box 36, 87 Prospect Avenue
Princeton University
Princeton, NJ 08544

Dear Chiz,

The Office of Naval Research, Boston has performed a limited Property Control System Analysis (PCSA) of the Princeton University property control system. The PCSA, conducted on 05/16/2018, was performed in accordance with FAR and OMB requirements and within the guidance provided by the Engineering and Systems Review Branch of the Office of Naval Research.

The objective of the PCSA was to ascertain the ability of Princeton University's property control system to protect, preserve, account for and control Government-owned property in its custody. The PCSA included various tests and analyses of the institution's internal management controls for property management, inventory procedures, reports, disposition activities and other areas as deemed necessary to perform the PCSA.

According to ONR records, the total value of ONR administered property at Princeton University as of 05/16/2018 was \$903,071.00. The property is distributed as follows:

DOD	NASA
\$0.00	\$903,070.76

The Princeton University Property Policies and Procedures have been reviewed for completeness and have been found to be acceptable.

A Single Audit is conducted annually and addresses the institution's overall property control system. The FY2016 audit identified deficiencies in the property control system. Finding "2016 - 001: Equipment and Real Property Management" disclosed that some property was not in locations noted on the property listing or the asset tags had not been properly affixed to the items. Additionally, some items were written off and recorded as disposals as a result of the equipment inventory count during the year, however, the original disposal documentation and evidence of assessment/determination of fair value at the time of disposal was not retained." Per the FY2017 audit, this finding was resolved. The University revised its capital equipment policies and procedures to more clearly provide guidance for equipment property management and disposition of equipment.

In addition, Princeton implemented PeopleSoft's Asset Management module effective in February 2018, which is part of the University's integrated Enterprise Resource Planning (ERP) system. In order to get to this point, the University in essence embarked on 24 month property system self-assessment that followed the system development lifecycle model that included the following phases: initiation, analysis, design, build, test, conversion, training and go-live.

Princeton will continue the self-assessment process to evaluate the property management system effectiveness by having its financial statement external auditors of PricewaterhouseCoopers (PwC) perform a review of the new property system to assess the internal controls and effectiveness of the system that has been established for FY18. After FY18, the assessment will be performed by Princeton's Office of Audit and Compliance (OAC) or PwC.

Princeton performs physical inventories annually in accordance with its approved policies and procedures within the property control manual. There were no deficiencies identified during the last physical inventories (1/9/18-1/11/18 and 5/5/2018 for awards with ONR administered, government owned property).

For the last property reporting period Princeton University submitted all Annual Property Reports in a timely manner and with accurate information.

Princeton University has routinely requested disposition instructions within a reasonable timeframe after the property is no longer needed for its assigned project.

During the previous year, Princeton University submitted all of its required final property reports within a reasonable timeframe.

Based upon the results of this PCSA and in the judgment of the Property Administrator, the property control system at Princeton University is compliant to protect, preserve, account for and control Government owned property.

Thank you for your assistance in this matter. If you have any questions, please contact me at michele.marshall@navy.mil or (617) 753-4404.

Michele Marshall
Property Administrator

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