



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

ONRCHI/KMM/alc
SSIC 4330
SER 245/11
July 30, 2021

Mr. Frederick Stauch
Administrative Project Coordinator
University of Michigan
Division of Research Development Administration
3003 South State Street, 1058 Wolverine Tower
Ann Arbor, MI 48109

Dear Mr. Stauch:

The Office of Naval Research, Chicago has performed a Limited Property Management System Analysis (PMSA) of the University of Michigan property control system. The PMSA, conducted on 5/26/2021 was performed in accordance with FAR and OMB requirements and within the guidance provided by the Engineering and Systems Review Branch, Office of Naval Research.

The Objective of the PMSA was to ascertain the ability of the University of Michigan's property control system to protect, preserve, account for and control Government-owned property in their custody. The PMSA 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 PMSA.

According to ONR records, the total value of ONR administered property at the University of Michigan as of 7/30/2021 is \$421,971.34. The property is distributed as follows:

DOD	NASA
\$421,971.34	\$0.00

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

An A-133 audit was recently conducted which addressed the institution's overall property control system. The audit identified deficiencies in the property control system. Findings 2020-0001, after review of Equipment Records it was determined that assets reported as scrapped and no longer useful, were not removed from the list of equipment acquired with Federal funds pending completion of a campus-wide physical inventory originally scheduled to commence in March 2020 but delayed until fiscal 2021 given the onset of the COVID-19 pandemic. The University of Michigan is working to further centralize oversight and control over the physical inventory process and improve procedural awareness associated with the related Uniform Guidance requirements and University policies through enhanced training and assessment at the individual unit level.

For the last property reporting period the University of Michigan submitted all annual property reports in a timely manner. The annual reports that were submitted for this period contained accurate information.

The University of Michigan has routinely requested disposition instruction within a reasonable timeframe after the property is no longer needed for its assigned project.

The University has submitted their final property reports in a timely manner.

Based upon the results of this PMSA and in the judgment of the Property Administrator, the property control system at the University of Michigan 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 Angela Carey at (312) 886-2015.

ANGELA L. CAREY
Property Administrator

Copy to:
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Mr. R. Gurr, ONRSanDiego
Mr. Josh Kabisch, ONRCHI
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