09/01/2006

Mrs. Cathy Snyder  
Associate Director  
Vanderbilt University  
Office of Contract and Grant Accounting  
VU Station B #351591  
2301 Vanderbilt Place  
Nashville, TN 37235-1591

Dear Mrs. Snyder:

The Office of Naval Research, Atlanta Regional Office has performed a limited Property Control System Analysis (PCSA) of the Vanderbilt University’s property control system. The PCSA, conducted on 09/01/2006 was performed within the guidance of Department of Defense Manual for the Performance of Contract Property Administration (DoD Instruction 4161.2-M, dated December 1991) and guidance provided by the Engineering and Systems Review Branch, Office of Naval Research.

The objective of the PCSA was to ascertain the ability of Vanderbilt University's property control system to protect, preserve, account for and control Government-owned property in their 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 Vanderbilt University of 09/01/2006 is $58,150.00. The property is distributed as follows:

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<thead>
<tr>
<th>DOD</th>
<th>NASA</th>
<th>NIH</th>
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</thead>
<tbody>
<tr>
<td>$0.00</td>
<td>$58,150.00</td>
<td>$0.00</td>
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An OMB A-133 audit was recently conducted which addressed the University's overall property control system. The audit did not identify any findings related to the control of government titled property.

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

The performance of a physical inventory is in accordance with OMB Circular A-110, Section 34. There were no deficiencies identified during the physical inventory.

The Vanderbilt University has routinely requested disposition instructions within a reasonable timeframe after the property is no longer needed for its assigned project.
Based upon the results of this PCSA and in the judgment of the Property Administrator, the property control system at Vanderbilt University is rated satisfactory 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 (404) 562-1613 or sloanc@orn.navy.mil.

Signed: Cynthia R. Sloan
Property Administrator

cc: Ms. Dolores Lester, Manager
   Equipment Inventory Management