

# 45.101 Definitions.

As used in this part-

*Cannibalize* means to remove parts from *Government property* for use or for installation on other *Government property*.

*Contractor-acquired property* means *property* acquired, fabricated, or otherwise provided by the contractor for performing a contract and to which the Government has title.

*Contractor inventory* means-

(1) Any *property* acquired by and in the possession of a contractor or subcontractor under a contract for which title is vested in the Government and which exceeds the amounts needed to complete full performance under the entire contract;

(2) Any *property* that the Government is obligated or has the *option* to take over under any type of contract, *e.g.*, as a result either of any changes in the specifications or plans thereunder or of the termination of the contract (or subcontract thereunder), before completion of the work, for the convenience or at the *option* of the Government; and

(3) *Government-furnished property* that exceeds the amounts needed to complete full performance under the entire contract.

*Contractor's managerial personnel* means the contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of-

(1) All or substantially all of the contractor's business;

(2) All or substantially all of the contractor's operation at any one plant or separate location; or

(3) A separate and complete major industrial operation.

*Demilitarization* means rendering a product unusable for, and not restorable to, the purpose for which it was designed or is customarily used.

*Discrepancies incident to shipment* means any differences (*e.g.*, count or condition) between the items documented to have been shipped and items actually received.

*Equipment* means a tangible item that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. *Equipment* is not intended for sale, and does not ordinarily lose its identity or become a *component* part of another article when put into use. *Equipment* does not include *material*, *real property*, *special test equipment* or *special tooling*.

*Government-furnished property* means *property* in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract.

*Government-furnished property* includes, but is not limited to, spares and *property* furnished for repair, maintenance, overhaul, or modification. *Government-furnished property* also includes *contractor-acquired property* if the *contractor-acquired property* is a deliverable under a cost contract when accepted by the Government for continued use under the contract.

*Government property* means all *property* owned or leased by the Government. *Government property* includes both *Government-furnished property* and *contractor-acquired property*. *Government property* includes *material*, *equipment*, *special tooling*, *special test equipment*, and *real property*. *Government property* does not include *intellectual property* and *software*.

*Loss of Government property* means unintended, unforeseen or accidental loss, damage, or destruction of *Government property* that reduces the Government's expected economic benefits of the *property*. *Loss of Government property* does not include occurrences such as purposeful destructive testing, obsolescence, normal wear and tear, or manufacturing defects. *Loss of Government property* includes, but is not limited to-

- (1) Items that cannot be found after a reasonable search;
- (2) Theft;
- (3) Damage resulting in unexpected harm to *property* requiring repair to restore the item to usable condition; or
- (4) Destruction resulting from incidents that render the item useless for its intended purpose or beyond economical repair.

*Material* means *property* that *may* be consumed or expended during the performance of a contract, *component* parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. *Material* does not include *equipment*, *special tooling*, *special test equipment* or *real property*.

*Nonseverable* means *property* that cannot be removed after *construction* or installation without substantial loss of value or damage to the installed *property* or to the premises where installed.

*Precious metals* means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

*Production scrap* means unusable *material* resulting from production, engineering, operations and maintenance, repair, and research and development contract activities. *Production scrap* *may* have value when re-melted or reprocessed, *e.g.*, textile and metal clippings, borings, and faulty castings and forgings.

*Property* means all tangible *property*, both real and personal.

*Property Administrator* means an authorized representative of the *contracting officer* appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to *Government property* in the possession of a contractor.

*Property records* means the records created and maintained by the contractor in support of its stewardship responsibilities for the management of *Government property*.

*Provide* means to furnish, as in *Government-furnished property*, or to acquire, as in *contractor-acquired property*.

*Real property* See Federal Management Regulation 102-71.20 (41 CFR 102-71.20).

*Sensitive property* means *property* potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that *shall* be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances,

radioactive *materials*, hazardous *materials* or wastes, or *precious metals*.

*Unit acquisition cost* means-

(1) For *Government-furnished property*, the dollar value assigned by the Government and identified in the contract; and

(2) For *contractor-acquired property*, the cost derived from the contractor's records that reflect consistently applied generally accepted accounting principles.

**Parent topic:** [Subpart 45.1 - General](#)