

Government Property Management

United Technologies Corporation manages approximately \$2.5 billion worth of Government-owned property. As part of a continuing compliance awareness program, this pamphlet is being distributed to all UTC associates who manage and/or control Government property. This information is also available from your business practices/compliance officer.

Our obligation is simple: we must control, protect, preserve and maintain Government Property which is provided by, or procured for, our customers.

What Is Government property?

“Government property” is all property owned by or leased to the Government or acquired by the Government under the terms of its contracts with UTC. It includes property that the Government furnishes to UTC as well as property UTC acquires or fabricates for the Government.

What types of Government property are there?

The term “Government property” includes land, buildings, plant equipment, special test equipment, special tooling, material, as well as agency peculiar property such as, reusable containers, space hardware, and weapon systems.

How can Government property be distinguished from UTC property?

Government property can be distinguished from other property in the possession of UTC entities by the use of a system of identification.

Government plant equipment and special test equipment will generally have identification plates or decals. Items of special tooling will have serial numbers or similar prefixes indicating Government ownership either etched or stamped on the tools. Ownership of material and work-in-process can be determined from its accompanying paperwork or associated records.

If you have any questions or concerns about the ownership of specific items or property, you should talk to your supervisor.

Why does the Government provide UTC with Government property?

The Government provides UTC with Government property when:

1. it is necessary for contract performance; or
2. it is necessary to achieve significant economic standardization, or expedited production; or
3. the Government determines it to be in its best interest

What are the benefits and obligations that come with having Government property?

Upon receipt of Government property, UTC receives the benefit of its availability for performance of Government contracts. However there is an obligation that comes with such property. We must properly control, protect, preserve and maintain it. All UTC entities have established control systems to fulfill this obligation.

Why should UTC employees concern themselves with Government property?

As UTC employees, we are responsible for complying with the Corporation's policies and procedures regarding Government property. As citizens and taxpayers, each of us should be concerned that all Government property is properly accounted for and protected.

UTC's Responsibility for the Control of Government Property

To satisfy contractual obligations regarding Government property, UTC must:

- Assume responsibility and accountability for all Government property in its possession or control.
- Establish and maintain systems for the control, use, maintenance, repair, protection and preservation of Government property in accordance with contractual requirements.
- Acquire Government property only as authorized under the terms of its contracts with the Government.
- Properly document receipt of Government property.
- Identify all Government property.
- Establish and maintain records of Government property which conform to contractual requirements.
- Control movement, both internal and external, of Government property.
- Provide proper storage of Government property.
- Conduct periodic physical inventories of Government property.
- Ensure the quantities of Government property consumed in the performance of contracts are reasonable.
- Utilize Government property only as authorized under UTC's contracts with the Government and ensure that the degree of utilization of such property justifies its retention.
- Ensure that subcontractors properly use, control, protect, preserve and maintain the Government property.
- Promptly and properly dispose of Government property which becomes excess to needs, after first screening for possible reutilization.

- Ensure all contractually required reports of Government property are accurate, complete and submitted in a timely manner.
- Resolve all contractual matters regarding Government property prior to contract closure.

Employee's Responsibility for Control of Government Property

As a UTC employee, you should be aware of Government property in your work area and:

- Comply with all applicable UTC policies and procedures regarding Government property.
- Treat Government property with care and respect at all times.
- Report all cases of lost, damaged or destroyed Government property to your supervisor
- Immediately report to your supervisor and Security any suspected sabotage, deliberate damage or abuse of Government property.
- Use Government property only for authorized purposes.
- Avoid retaining property which is no longer required. If you know of no current contractual requirement for the property, declare it excess in accordance with Company procedures.
- Ensure that the proper forms are completed before moving Government property either internally or externally.
- Unless you are specifically authorized, refuse to accept Government property which has not been processed through your Receiving Department.

What Is At Stake?

If any system for control of Government property is found to be unsatisfactory, the operating unit's Government Property Control System approval may be withdrawn, resulting in liability for loss, damage or destruction of that property being shifted to that operating unit. Also, any resultant increased audit activity by Government personnel would be costly to both the Government and the operating unit. Finally, if the system deficiencies are not quickly corrected, the operating unit could be in an unfavorable position for future contract awards.

More Information and Help

If you have a problem or question regarding Government property, ask your supervisor for assistance.

Detailed instructions regarding the care and control of Government property may be found in the UTC Financial Manual, Section 29.29.1. Government Property Control procedures can be found in your property administration department.

Questions or problems regarding Government property that you have been unable to resolve with the assistance of your supervisor can be addressed to your local Government Property Manager at the following:

Location	Telephone Number
Hamilton Sundstrand	(860)654-5813 (Technet 433)
Pratt & Whitney, CT Operations	(860)565-2737 (Technet 435)
United Technologies Research Center	(860)727-7720 (Technet 446)
Pratt & Whitney, GESP	(407)796-7884 (Technet 796)
Sikorsky Aircraft	(203)386-3679 (Technet 536)
Chemical Systems	(408)776-5591 (Technet 281)
Pratt & Whitney, San Antonio	(210)680-8903
USBI Co.	(407)867-9910
Waterjet Systems	(205)721-2595 (Technet 296)

You may also get assistance by calling the confidential UTC Government Property Hotline at (860)728-6483 (Technet 439).



United Technologies

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