Marketing and Regulatory Programs

Personal Property Management Manual

May 2022

MARKETING AND REGULATORY PROGRAMS
PERSONAL PROPERTY MANAGEMENT MANUAL

EFFECTIVE DATE: 05/01/2022
DURATION: This manual is effective until superseded or removed.

REVISION HISTORY

This manual will be updated as policies, procedures, directives, and personal property laws are modified.

Revision Date	Version	Description of Changes
Dec 29, 2020	001	Property Manual Development
Feb 10, 2021	002	Added Firearms, switching Accountable Property Officer information
May 13, 2021	003	Updated definition of a firearm and listed specifics
Mar 29, 2021	004	Received comments from IT Issuance and resolved
Jan 19, 2022	005	Updated with NPMA Property Manual/Guidance
Feb 9, 2022	006	Updated Manual with ODA Comments, edits
May 2, 2022	007	Resolved Comments from IT Issuance and ODA to finalize Manual
May 10, 2022	008	Responded to Formatting and Picture comments from ODA

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1.0   POLICY

The Federal Government defines real property as land, buildings, and structures, including any permanently attached fixtures and improvements. Personal property is transportable property such as equipment, vehicles trailers, boats, aircraft, software, furniture, etc. Any property except real property. In this manual, the term "property" refers to personal property.

Marketing and Regulatory Programs (MRP) will maintain adequate inventory controls and accountability systems for property under their control per 40 USC 524. As stewards of Federal property, we have a fiduciary duty to maximize the use and benefits of property throughout the asset management lifecycle. Maintaining the utility of property protects the Government's investment in that property and saves Federal agencies and taxpayers' valuable resources by avoiding the need to acquire new property or replacement property (FMR B-17).

1. Government personal property items may be used only in accordance with functions authorized by law, when approved by the Administrator, or when required due to emergencies, either natural or manmade, that threaten the loss of life or property. In addition, employees are not authorized to use sensitive property acquired with Government funds for personal use per MRP 5000.2 Sensitive Property Directive.

2. Personal property accounting will apply the DR 2200-002 accounting standards, policies, and procedures to be used to obtain uniform and reliable financial control over property, plant and equipment (PP&E) at the U.S. Department of Agriculture (USDA).

3. This policy applies to personal property, including vehicles and aviation fleets. Therefore, accountable Property Officers (APO) must refer to the MRP 5400 Motor Vehicle Manual, APHIS Aviation Operations Manual, and AGPMR 110-33 for more information regarding the motor vehicle and aviation fleet requirements.

4. The property system is documented in MRP Personal Property Management Manual (contained in this document), standard operating procedures, and reference documents.

5. The Corporate Property Asset Information System –Personal Property (CPAIS-PP) is the USDA official property system of record to manage and record personal property assets. Due to frequent system changes, the generic term "official property system of record" is used to describe CPAIS-PP system within this manual. In accordance with AGPMR 110-50.001-7, "Duplicate records should not be maintained. Information on the CPAIS databases is considered official."

6. The personal property policy establishes methods of acquiring, receiving, identifying, recording, marking, protecting, maintaining, and effectively disposing of property, with

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> more specific internal guidance contained in supporting processes and standard operating procedure documents.

1.1   Superseding Policy

This manual remains in effect until an amendment or replacement is issued.

2.0   ROLES AND RESPONSIBILITIES

There are several roles in managing personal property assets. In MRP, the Property Management Officer (PMO) is the Marketing and Regulatory Program Business Services (MRPBS) Acquisition and Asset Management Division (AAMD) Real and Personal Property Branch (RPPB) Chief. Property Specialists and Technicians are the personal property staff working for the MRPBS AAMD RPPB Branch Chief, which has delegated authority to process certain transaction types on behalf of the PMO. The APO and custodians are located within the program areas. They are responsible for maintaining the assets, reporting newly acquired assets, reviewing and providing updates to inventories, submitting the appropriate disposal forms, and taking disposal action. See below for specific responsibilities of each position.

2.1   Property Management Officer (PMO)

The PMO is responsible for administering the asset management program for a specific program area to ensure effective utilization, accountability, control, and disposition of property by existing laws, regulations, and policies. The PMO is in a managerial position and must be at least one organizational level above the employee for which they make recommendations concerning liability. Several APOs may be assigned to a PMO AGPMR 110-50.105. The PMO will work with the Administrative Investigations and Compliance Branch (AICB), Human Resources Division (HRD), and the supervisors to hold individuals accountable for negligent property actions. The PMO may require more frequent inventories of particular kinds of property, property assigned to a particular APO, or specific operational activity, if necessary.

MRP Property recommends the PMO be a senior leader within the program area to ensure the property is provided the attention required and a successful personal property program is administered within their program area. Additionally, the determination of liability requires the ability to review the case, cross-reference prior offenses/conduct and possibly compare with case law to make a determination of liability.

2.2   Accountable Property Officer (APO)

The PMO may delegate responsibility for personal property custody, use, and protection to APOs. However, the APO must ensure that all procedures are followed in accordance with the Federal Management Regulations (FMR), Agriculture Property Management Regulation

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(AGPMR), and National Finance Center (NFC) procedures and manuals for the agency for which they have the responsibility and are accountable for personal property. The APO must also ensure that employees have the necessary resources to adequately secure equipment for which they have responsibility AGPMR 110-50.106.

MRP Property recommends the APO be a supervisor or above to ensure the individual has the authority to hold employees/custodians accountable for fraud, waste, or abuse of Federal property, if necessary. Additionally, the APO must be a federal employee to provide oversight/accountability of Federal property issued to non-federal custodians (i.e., cooperators, contractors, etc.).

Upon designation of the APO position, MRPBS AAMD will provide the APO a designation letter outlining their responsibilities. Each APO shall be identified in the official property system of record and shall be responsible for:

1. Conducting physical inventories as directed by the PMO. When there is a change in APOs, the current and successor APOs shall take inventory jointly before transferring formal accountability and responsibility.

2. Managing property so that it is not misused, abused, or used for unofficial purposes.

3. Protecting property against fire, theft, and the elements.

4. Reporting transfer, sale, trade-in, donation, or construction of property on Form AD-107, Report of Transfer or other Disposition or Construction of Property.

5. Reporting excess property on Form SF-120, Report of Excess Personal Property AGPMR 110-36 FMR 102-36.215.

6. Reporting unserviceable, lost, stolen, damaged, or destroyed property on Form AD-112, Report of Unserviceable, Lost, or Damaged Property AGPMR 110-50.108.

7. Maintaining documentation for all property transactions, including issuing property passes and hand receipts.

8. Properly marking/tagging newly acquired property and advising the Property Specialists of property receipt for entry into the official property system of record.

9. Safeguarding and controlling assigned pooled property (property not assigned to a specific individual for exclusive use). When APOs maintain reasonable safeguards and controls, they shall not be financially liable if a pooled property in their custody is lost,

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stolen, damaged, or destroyed through no fault of their own. As a minimum, reasonable safeguards include:
   a. Maintaining a list to identify the individual using the property (i.e., Property Pass).
   b. Properly marking/tagging property.
   c. Providing a secure storage location for the property, if applicable.

10. Work closely with their budget office to ensure the property is acquired using the correct Budget Object Code (BOC) upon payment, as necessary, to ensure the transaction appropriately feeds to the official property system of record.

Changes in APOs must be documented via the APO Change request form. Additionally, the Departing and Incoming APO must complete an entire wall-to-wall inventory before a change of APO.

2.3   Property Management Specialist (PMS)

The Property Management Specialist (PMS) position is located in MRPBS, AAMD, RPPB, Personal Property Team. The PMO delegates authority to the PMS to complete/approve property transactions within the authority of their delegation letter. This position processes the new property assets, transfers, disposals, and maintains asset records. The PMS is responsible for approving accountable and non-accountable, non-sensitive excess/disposals/transfers to ensure the appropriate excess/disposal method is used. Once excess/disposal is complete, the PMS will update the official property system of record. The PMS is also responsible for initiating the bi-annual inventory to the APO on behalf of the PMO. PMS also issues monthly PMO reports.

2.4   Property Management Technician (PMT)

The Property Management Technician (PMT) position is located in MRPBS AAMD, RPPB, Personal Property Team. This position supports the PMS by performing data entry or other tasks supporting new property assets, transfers, and dispositions.

2.5   Custodians

Employees are directly responsible for the use and protection of Government property in their possession/custody and may be held financially responsible in cases of gross negligence AGPMR 110-50.107. In addition, employees are considered custodians of personal property and are responsible for:

1.   Completing and maintaining a copy of the AD-873 Property Pass or Property Receipt.

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2. Keeping Government property in serviceable condition.

3. Properly using and protecting property in their custody or control, taking all reasonable precautions to protect Government-owned or -leased property from theft, loss, damage, and destruction. Employees may be disciplined for negligent custody and, in cases of gross negligence, held fiscally liable for its value or cost of repair AGPMR 110-50.107, 7 CFR 3.50-3.62.

    As required, employees who disagree with the degree of negligence determination and subsequent discipline may appeal these issues to the AICB, HRD, supervisor, or other applicable parties.

4. Returning all personal property when reassigned, transferred, or leaving the Service. Supervisors shall certify the return of all personal property on Form AD-139 (Final Salary Payment Report), block 8 (Property).

5. Except in emergencies threatening loss of life or property, or as may be authorized by law, not using Government-owned or -leased real and personal property for any purpose other than for official work, nor appropriating any article of Government property that has been ordered abandoned or destroyed for personal use.

6. Reporting incidents where MRP-owned or -leased property has been misused or used for unofficial or unauthorized purposes to the PMO.

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3.0   PERSONAL PROPERTY LIFECYCLE DIAGRAM

Staging Process

Program obtains Property

Purchases: FMMI feeds 31XX BOC's to CPAIS-PP personal property system.

Staged record is created in CPAIS-PP must be addressed in >30 days

AAMD Personal Property matches purchase cost center with APO cost center to determine APO responsible for the property.

AAMD Personal property emails Staging Asset Posting form to APO

Transfers: Internal Program transfers or other federal entity transfers via GSA Excess/AAMS

APO provides purchase information and appropriate forms to AAMD Personal Property

AAMD create asset in CPAIS and assigns to appropriate APO inventory

AAMD creates asset record documenting property actions

Biennial Inventory Process

Biennially, AAMD emails inventory to APO.

APO reviews inventory, responds with required changes and supporting documentation

AAMD reviews documention and makes updates to CPAIS-PP inventory as appropriate.

AAMD emails updated inventory to APO

APO verifies inventory is correct and signs the certification page

APO emails AAMD certified inventory

AAMD enters certification date in CPAIS-PP

Disposal Process

APO determines asset is no longer needed and whether it is in working condition?

Yes → APO completes SF-120 and emails form and supporting documents to AAMD Property

AAMD reviews documents and enters into GSAXcess

Excess: Asset is screened by internal USDA Agencies in GSAXcess AAMS module (15 days)

Asset is froze by another USDA Agency

Yes → GSAXcess generates SF-122 and asset is transferred

No

Sale Exchange: Asset is screened in AAMS (3 days)

Property moves to GSAXcess Donation for State or Non-Profit (SASP) entities module (15 days) or for Sale Exchange (2 days)

No → APO Completes AD-112 and sends to AAMD Property

AAMD reviews AD-112 and certifies the asset can be disposed/destroyed

No Bids received: Asset has completed the screening process.

No

Asset is bid on by public

Asset moves to GSA Auctions/Public Sales module (7 days)

No

Asset is froze by State or Non-Profit entity

Yes

AAMD retains AD-112 for audit trail

Asset is abandoned/disposed

Yes → GSA Sales awards to highest bidder.

System generates purchase/donation receipt and asset is sold

System generates purchase receipt when payment is completed. Asset is to be picked-up within 15 days.

Record Retention Process

Asset Record updated with disposition documents

AAMD updates CPAIS-PP system

Asset Records maintained in accordance with record retention requirements

Asset Records destroyed 3 years post disposition

Above is the typical personal property lifecycle. There are four main phases to managing property.

1. Acquiring: Property can be acquired through various methods such as obtaining used via excess, lease, rent, or fabricating or buying new. When new property is acquired and a financial transaction hits a 31XX Budget Object Code (BOC) except 3140, the transaction is fed into the staging module of the official property system of record. Staging determines whether recently acquired property is accountable or sensitive personal property, which must be recorded on the agency's official property system of record inventory. Therefore, it is imperative the correct BOC is used in the acquisition process to ensure the transaction correctly feeds through the appropriate systems. To ensure selecting the correct BOC acquiring personnel, may reference the Quick Property BOC guide.

2. Managing: Managing personal property includes receiving, identifying, controlling, maintaining, using, and inventorying the property. Occasionally, it also includes storage, warehousing, and securing the property. Physical Inventory is the process of reviewing all properties on an APO's inventory record to ensure it is accurate, complete, and updated on time. Inventories are to be conducted every two years by the APO or sooner if/as requested by the PMO.

3. Disposing/Excessing: This is the process of removing assets from the inventory records and physically disposing of/excessing the property in accordance with Federal property management regulations. Several disposal methods may be used depending on the type of asset, its condition, and its remaining useful life. See the sections of this manual on excess/disposal for more information.

4. Records Management: This is the process of documenting all actions taken related to any single property asset during its lifecycle. All asset acquisition, transfer, inventory, and excess/disposal actions should be clearly documented in the asset file.

4.0   ACQUIRING PROPERTY

The acquisition of property requires an assemblage of many disciplines, all with their own unique concerns and issues, yet all must address acquisition, not from a technical need or requirement perspective but rather to assure that proper authority to acquire property items is obtained in accordance with organization policies and procedures.

The acquisition starts with establishing the proper approving authorities and is balanced against the established requirements via bills of materials, technical planning documents, etc. Items and quantities purchased or fabricated should be reasonable, authorized, based on firm requirements,

and not available from existing stock or excess. This is a very important function or process, and property management plays a critical part in ensuring the agency has the property and equipment required to fulfill the mission.

Personal property is acquired through several channels, which results in the property being maintained and tracked by the acquiring organization. Federal property may be acquired through the following channels:

1. Buy New

    a. Purchase of New Personal Property

    b. For vehicles and aircraft, the acquisition procedures are outlined in the Motor Vehicle Manual 5400, Aviation Operations Manual, and AGPMR 110-33

2. Buy / Obtain Used

    a. Screening Excess for Supply

    b. Transfer between Agencies

    c. Trade-In

    d. Found / Donated / Gifted Property

    e. Agreements / Reimbursable

    f. Government Furnished / Contractor Acquired Property

3. Lease

4. Rent

5. Fabricate (in House)

Each one of the above methods of acquisition may present an interesting situation for the property management function. While the methods may look the same, they have unique characteristics and considerations. The Federal Government's first source of supply is always excess. Other acquisition options may be explored if the need cannot be met via excess property. Before the acquisition phase occurs, a thorough review of on-hand assets throughout the organization must be made. Often, the best source of supply is what you already have.

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4.1   New Property Purchases

Agency procurement policies require consideration be given to excess property as the first source of supply; however, when excess supply does not meet the property need, the agency may procure new property. Using excess personal property to the maximum extent practicable maximizes the return on government dollars spent and minimizes expenditures for new procurements. Before purchasing new property, check with the appropriate APO/PMO or access GSAXcess for any available excess personal property suitable for your needs. You must use the excess personal property unless it would cause severe hardship, be impractical, or impair your operations per AGPMR 102-36, FMR 102-36.65.

Once it is determined, a more significant benefit is gained by purchasing an item rather than making or fabricating it within your organization by using your organization's resources; a technical decision is required for the new or used option. Decisions to buy new are generally based on immediate availability, advanced technology, and extended service warranties. In addition, accountable assets above $5,000 in value and have an actual life expectancy of at least two years are candidates for the new buy process. *Information Source: NPMA Property Manual*.

4.2   Buy/Obtain Used

Excess should be the first source of supply according to AGPMR 110-36 FMR 102-36.65. All Federal agencies are required to post excess property to GSAXcess for other Federal entities to screen for excess that may meet their needs. USDA entities utilize the AAMS USDA screening module within GSAXcess. To acquire property via GSAXcess/My Sales, the individual must complete the GSAxcess/AAMS Access Request Form, sign the roles and responsibilities template, and email completed forms to AAMD.Personal.Property.Services@USDA.gov.

The requesting individual should identify the following information before submitting their GSAXcess/AAMS Access Request Form:

1. Activity Address Code (AAC)/Fed strip number

2. Approving Officer's name

3. Approving Officer's email

The General Services Administration (GSA) assigns an AAC to each office authorized to make Fed strip procurements containing the delivery address and correspondence mailing and billing addresses. Only one AAC code per program per location should exist. Contact the AAMD Personal Property Team, National Utilization Officer (NUO) for changes, additions, or deletions of GSAXcess/AAMS access. **Do not send requests directly to GSA.**

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Property may be acquired through other means if the required assets are not available via screening excess.

There may be times when it is more advantageous for an organization to buy an item that was previously owned/used. Buying used property is a common practice related to the acquisition of significant manufacturing equipment, such as milling machines frequently costing more than $100,000. Another excellent candidate is test equipment, which is in abundance in the resale market. Many work environments do not require "state of the art" test equipment. Those organizations can do well by buying previous-generation equipment that fully meets their requirements significantly reduced costs. As with buying an item, once the requirement has gone through the necessary budget process, the focus should be on ensuring the appropriate approval level is obtained. *Information Source: NPMA First Edition July 1999 Standard Property Book.*

4.3   Transfers and Adjustments

Agencies may acquire property or equipment from other Federal entities via transfer. Direct transfers may only occur with other Federal agencies via Form SF-122 or within USDA via form AD-107. Only under the following situations may direct transfers occur without GSA approval:

1. Excess property has not yet been reported to GSA, provided the total acquisition cost of the property does NOT exceed $10,000 per line item. The SF-122 is completed, an authorized official of your agency signs it, and a copy is provided to the appropriate regional GSA office within ten working days from the date of the transaction.

2. Excess personal property exceeding the $10,000 per line-item limitation you must first contact the appropriate PMS for verbal approval of a prearranged transfer and annotate the SF-122 with the name of the approving official and the date of the verbal approval and provide a copy of the SF-122 to GSA within ten working days from the date of transaction.

3. If the transfer is subject to reimbursement, the agency must pay for the excess personal property under direct transfer when any of the conditions in AGPMR 110-36, FMR 102-36.75 apply.

4. Excess personal property may be transferred directly from another federal agency without GSA approval when that agency has statutory authority to dispose of such excess personal property, and you are an eligible recipient. See AGPMR 110-36, FMR 102-36.145.

Internal USDA Direct Transfers may occur without GSA approval via AD-107. The owning office APO completes the AD-107, which is then signed by the owning and receiving office before the asset is transferred; this process applies to personal property, including vehicle and aviation assets. Both the giving and receiving offices must sign the form, send it to the MRPBS AAMD Property Specialist/Fleet Manager (for vehicles) for approval, and update the official property system of record. The AD-107 form Instructions must be followed, or AAMD Property will return the form to the APO/Program for correction.

4.4   Trade-In

When there is a need to replace personal property with a similar type of property, the exchange/sale/trade-in authority should be used to reduce the replacement cost of personal property. For example, when personal property is wearing out or obsolete and must be replaced, consider either exchanging or selling that property and using the exchange allowance or sale proceeds to offset the cost of the replacement personal property. Also note that:

1. Some assets such as All-Terrain Vehicles (ATVs) should be exchanged with a dealer under the provisions of AGPMR 110-39, FMR 102-39.

2. Three-wheeled ATVs not exchanged must be mutilated in a manner to prevent operational use and may be sold only as salvage or scrap.

3. Four-wheeled ATVs not exchanged may be offered for transfer and donation only when documented in accordance with AGPMR 110-40, FMR 102-40.75, and 102-40.80. In addition, four-wheeled ATVs not exchanged, transferred, or donated may be offered for sale as either salvage or scrap only after they have been mutilated in a manner to prevent operational use.

4. Four-wheeled ATVs must not be released to the public after donor use, nor may they be released to the public after Federal use if the ATVs are not donated. See AGPMR 110-40, FMR 102-40-140 for more information regarding ATVs.

5. Firearms of any kind are not eligible for sale/exchange/trade; however, they may be transferred only to those Federal agencies authorized to acquire firearms for official use per 41 CFR 102-36.375.

See AGPMR 110-39, FMR 102-39 Subpart B, replacement of Personal Property Pursuant to the Exchange/Sale Authority for more information.

4.5   Found/Donated/Gifted Property

With the approval of their employing agencies, employees may accept and retain gifts of minimal value, such as decorations offered or awarded for outstanding or meritorious performance AGPMR 110-42. The Administrator of the employing agency, or their designee, shall make an initial assessment of the value. Firearms received as a foreign gift, regardless of value, are reported to the Office of Property and Environmental Management per AGPMR 110-42.15. See AGPMR 110-37, 110-42, and 110-41.

4.6   Property Acquired Under Agreements

According to the AGPMR 110-36, FMR 102-36.170, property purchased by a non-appropriated fund activity is NOT federal property. However, a non-appropriated fund activity has the option of making its privately-owned personal property available for transfer to a federal agency, usually with reimbursement.

Assets used under an agreement and not owned by the MRP agency are not recorded in the official property system of record. However, property assets that the MRP agency owns, acquired, and used to fulfill the requirements of an agreement must be recorded in the official property system of record and managed according to Federal property regulations. It is important to note that when APHIS Wildlife Services (WS) uses reimbursable funds to purchase property to complete work under cooperative agreements, the property is acquired to perform the work under the agreement and is owned and retained by the WS program. Therefore, all property purchased with reimbursable funds should be captured in the official property system of record; however, those assets do not depreciate; they are expensed at the time of purchase.

Any property acquired under agreements must comply with the APHIS Agreement Manual Chapter 4 and 2 CFR part 200.

4.7   Government Furnished / Contractor Acquired Property

Agencies may acquire and furnish excess personal property for use by your contractors subject to the criteria and restrictions in 48 CFR 45 – Government Property, Federal Acquisition Regulations, and specific contract property clauses. When the contractors or the agency no longer need such property, it must be disposed of/excessed per AGPMR 110-36, FMR 102-36.175.

When property is furnished to a contractor, it must be accounted for in the contract and on an inventory managed by a Federal employee APO. If a Contracting Officer Representative (COR) is delegated to the contract, that individual will act as the APO. The APO/COR is responsible for providing the contractor with, monitoring the use of, and reporting on Government-furnished property.

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The property provided to a contractor is reported in the official property system of record CPAIS-PP User Type field lists "Contractor." In addition, the contractor's contact information is listed in the custodian information fields of the system. When the contractor is provided the property, they will be issued a Contractor Property Memo notifying them of their property responsibilities and a listing of all the property provided under the contract. Property issued to a contractor must be inventoried annually, at a minimum. Before the end of the contract, all property must be inventoried and returned to the owning entity.

4.8   Lease or Rent

From a property management perspective, the acquisition of an item by leasing or renting does not differ from buying that asset. However, there are some areas, which should be considered when an organization elects to do so. Two reasons that an organization would lease, or rent are:

1. The lead-time necessary to purchase or build would not be acceptable for the operational need; and

2. The item may be required for only a short period of time; thus, purchasing or fabricating the item is uneconomical.

The main concern with this acquisition method is with the terms and conditions of the lease or rental agreement. The agreement should show what is being leased, the lease period, the terms of payment, responsibility for maintenance or calibration, and other terms, such as return shipping method, and who is responsible for coordinating that effort. Also, insurance for any loss, damage, or destruction must be reviewed when the agreement is issued. The terms and conditions of the lease or rental agreement are typically set and agreed upon before the property function reviewing the agreement; however, it is incumbent upon the property function to ensure that these concerns are addressed by making them known to the purchasing and business offices.

In many cases, the terms and conditions and the approval necessary to affect acquisition are reviewed by the property function after the fact. However best practice is to engage the Property function at the beginning of the process to ensure the transaction flows through the appropriate channels and prevent timely corrective actions. The property functions' responsibility is to ensure that staff is adequately trained in handling property leases or rentals and that the appropriate level of authority is obtained to expend funds in this manner. *Information Source: NPMA First Edition July 1999 Standard Property Book.*

Generally, lease-to-own property transactions occur through a contract with monthly or annual payments. At the end of the lease agreement, the Government assumes ownership. However, the asset is considered accountable when the government makes the first payment. Therefore, the APOs/PMOs should work with financial officials and contracting to properly code lease-to-own

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property arrangements to ensure the payments feeds from the financial system interface to the official property system of record.

4.9   Fabricate (In House)

Fabricate can best be defined as the building of an asset within your own organization. This should not be confused with acquiring an item from a vendor or subcontractor. Though the vendor or subcontractor may be building or fabricating a piece of property to your specifications, the subcontractor is fabricating the item. You are buying it. The term fabrication is used only when your organization's resources are used to build the required property item.

The most important considerations for in-house fabrication are the expertise of the organization staff and the facilities and tools required for fabrication. In addition, due to the highly technical nature of many current products and systems, in-house fabrication must be clearly justified. For that reason, most large corporations subcontract a significant portion of their components and spares to smaller specialty houses.

This method of acquisition requires that there be a formal budget in place to pay for the item. Normally, all costs associated with fabricating an item that your cost accounting system allows, such as labor, material, and other direct costs, compose the acquisition cost of the finished product. Approvals necessary for acquiring property through this method are consistent with the other types of acquisition. There must be management approval to begin the job (build, similar to buying an asset) with the proper fund citation as to whom and what is paying for the item. *Information Source: NPMA First Edition July 1999 Standard Property Book.*

The acquisition of property requires an assemblage of many disciplines, all with their own unique concerns and issues, yet all must address acquisition, not from a technical need or requirement perspective but rather to assure that proper authority to acquire property items is obtained in accordance with organization policies and procedures.

The acquisition starts with establishing the proper approving authorities and is balanced against the established requirements via bills of materials, technical planning documents, etc. Items and quantities purchased or fabricated should be reasonable, authorized, based on firm requirements, and not available from existing stock. This is a very important function. Property management plays a critical part in ensuring the agency has the property and equipment required to fulfill the mission.

4.10   Staging Area Compliance

PMS is responsible for monitoring the Staging/Aging Compliance Report. This report lists transactions identified as accountable property (by the BOC) that the office has paid for and

received. Purchases with an "accountable property" BOC will appear on the Staging Report.
When an office issues payment for property purchased using an accountable BOC, the Financial
Management Modernization Initiative (FMMI) system interfaces with the official property
system of record and creates a financial shell record in the Staging Area. The shell record
includes an "aging date," which is the date the shell record first appears in Staging. This process
maintains the financial integrity between the obligation, the payment, and the asset.

Daily, the FMMI to CPAIS-PP interface updates the Staging Report. USDA policy is to
reconcile staging transactions to ensure no transaction remains in an "aging" status over 60 days.
PMS is responsible for routinely managing the Staging Module/Report to ensure "aging
compliance" and reconciling transactions properly. This includes:
- correcting quantity and BOCs;
- removing non-accountable records; and
- creating new assets.

On the 1st and 15th of the month, PMS run the staging report and populate posting forms with the
financial transaction information and email to the appropriate APO to complete the remaining
fields of the posting form (including the make, model, and serial number) and provide purchase
documentation so the asset can be created in the official property system of record inventory.
The staging document status changes from aging to complete when an asset is created.

4.11   Financial Integrity Metric for Aging Transactions

Monthly, the USDA's Office of the Chief Financial Officer (OCFO) monitors the agency's aging
staging records compliance through the Financial Integrity Metric. If records remain in "aging
status" for more than 60 days, the agency receives a failing score.

5.0   PROPERTY CLASSIFICATION

Personal property can be capitalized and accountable, non-capitalized and accountable (including
sensitive personal property), or non-capitalized and non-accountable (i.e., controlled property).
The BOC determines these classifications used when the asset is acquired, and the correct BOC
must be used during the acquisition of personal property. Therefore, prior to the acquisition, the
requisitioner/ budget approver should ensure the correct BOC is used via looking it up in the
NFC USDA BOC Guide or Personal Property Quick BOC Guide.

5.1   Accountable Property

Sensitive and nonexpendable property costing $5,000 or more is accountable and tracked by the
official property system of record. Certain property that denotes official authority is negotiable
or is of a personal nature may require informal record-keeping at the discretion of the PMO

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(AGPMR 110-50.001-1). If a program has a strong preference and can make a strong business case/justification for certain types of property to be tracked on the official property system of record inventory AAMD's Personal Property Team will consider it on a case-by-case basis.

5.2   Sensitive Property

Accountable property valued at less than $5,000 that is highly susceptible to fraud, waste, and abuse must be accounted for in the official property system of record. Determine sensitivity by considering:

- History of theft, loss, damage, or misuse.
- Degree of use.
- Management information needs.
- Cost of maintaining accountability.
- High level of visibility.
- Subject to audit by oversight agencies.

The following are classified as sensitive property regardless of dollar value per the MRP 5000.2 Sensitive Property Directive:

1. All firearms (including Captive Bolt Gun, Tranquilizer (Dart) Gun, Pistol , Air Gun, Rifle, Shotgun, Net Gun, Suppressor, Revolver Air Rifle) and weapons (including flame launchers, flare guns, and TASER electronic control devices), regardless of cost, and including, but not limited to, those used for law enforcement, and wildlife protection. See AAMD Firearm Memo.

2. Radiological equipment defined in APHIS Directive 3330.1.

3. Unmanned Aircraft Systems (UAS)

4. All-Terrain Vehicles (ATV), Utility Terrain Vehicle (UTV)

5. Property requiring a license plate.

5.3   Capitalized Personal Property

Capitalized personal property must meet the following criteria:

1. It must be of a durable nature.

2. It must have a useful life of two or more years once it is placed into service.

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3. It must have an acquisition value of $25,000 or greater ($100,000 or greater for Internal Use Software (IUS)) per DR 2200-002.

5.4   Controlled/Non-Accountable Property

Controlled or non-accountable property are assets that may not meet any of the other requirements because of their criticality or pilfer ability; it is sound management to track and control these assets. Property having a lower or negligible cost still requires authorization for disposal or destruction via reporting on a Form AD-112.

Controlled property requires some level of informal tracking or accounting outside the official property system of record. Recording should include transfers, the Property Pass/Hand Receipts, and/or disposal actions. Examples of controlled personal property include monitors, badges, keys to government facilities, permits, etc.

5.5   Firearms

Only employees authorized to use firearms will have access to use them. The employee's position description must indicate authorization for firearm use. Employees are responsible for securing, locking, and unloading firearms (and ammunition) in appropriate containers when not in use. This includes when transporting them in a vehicle. See Firearms Property Management Requirements Memo dated May 28, 2021.

6.0   PROPERTY ACCOUNTING

The relationship between accounting and property stewardship is twofold:
*   the classification or definitions of property units and
*   the accounting codes tie into the management and tracking personal property assets.

If these are clear and consistent, acquisitions can easily flow through the required control system. To ensure the property record is accurate and complete, the accounting code used to acquire the property must be correct, specifically the BOC and cost center. The cost center is vital for AAMD Personal Property Team to identify the acquired property's program, location, and APO to apply to the appropriate inventory.

Accounting requires updated transactions on property assets throughout the life cycle, such as additions, improvements, transfers, refurbishment, thefts, sales, dispositions, program transfers, and closeout. These updates feed into general ledger reconciliations, financial reporting, and financial statements for capitalized assets. The official property system of record feeds depreciation back into the financial system; property reporting manually feeds into general ledger reconciliations and financial reporting.
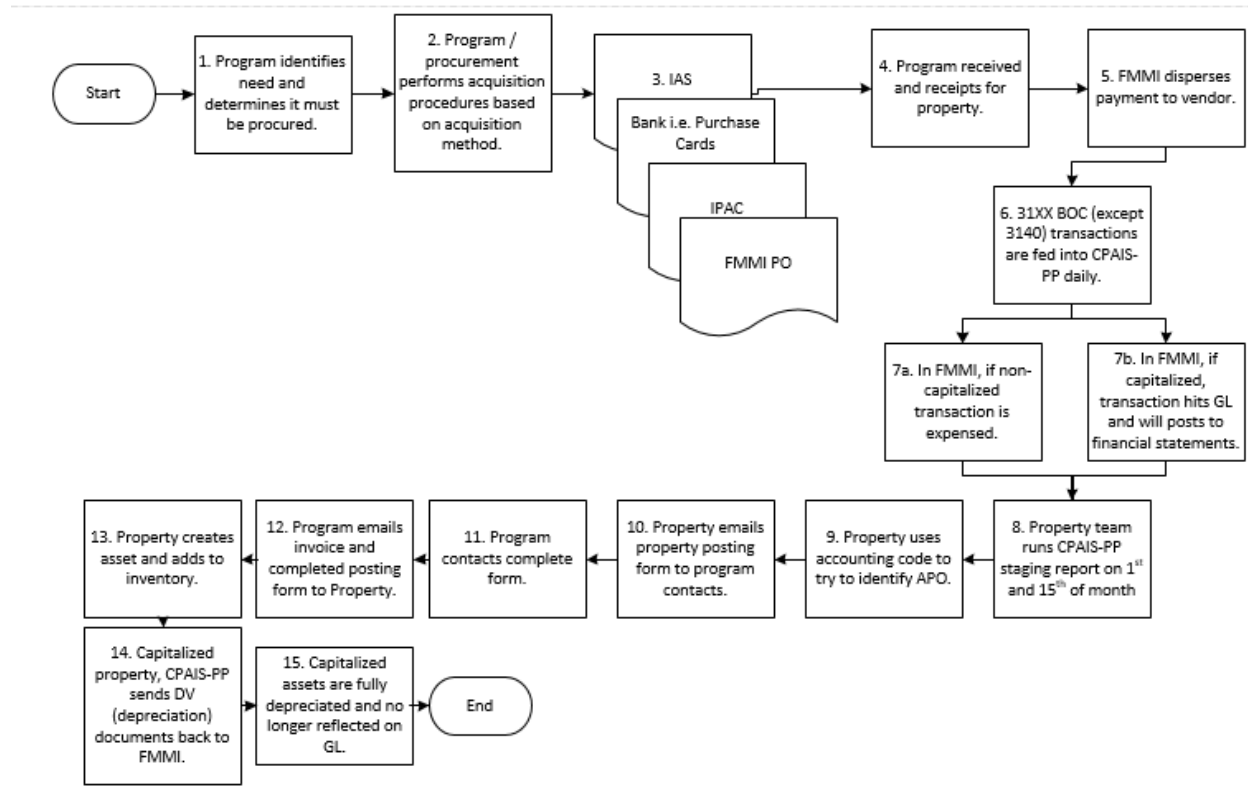
6.1   Budget Object Codes (BOC)

The Federal Government uses BOCs to record its financial transactions according to the nature of services provided or received when obligations are first incurred. Therefore, BOCs must be correct for personal property to be correctly categorized as capitalized, non-capitalized, accountable, or non-accountable and reflected appropriately on general ledgers, financial statements, and inventories.

The BOC drives asset management: it identifies the type of property and determines whether the financial system feeds property purchase information into the official property system of record. Therefore, the BOC must be correct on property purchases to ensure (1) the assets are fed into the property system and recorded correctly; (2) capitalized property assets are recorded correctly on the appropriate general ledger; (3) financial statements are complete and accurate; and (4) property inventories are complete, accurate and timely. See Property BOC quick reference guide or the NFC BOC Guide.

For all IAS 31XX BOC property purchases, AAMD Personal Property must be listed as the 2nd line approver in IAS to review the BOC and ensure correct coding in accordance with the IAS Personal property BOC Approver Informational Memo dated Jun 30, 2020.

6.2   Cost Recognition and Values

Some ancillary costs that may be incurred are included in individual asset definitions. Total assets reported in financial statements should reconcile with balances in the financial system, the appropriate general ledger accounts, and the official property system of record.

In some instances, the asset's cost may not be available, and some alternative basis must be used to record the capital asset. For example, Accounting may not have documented the original cost of the asset, and it may be impossible or too time-consuming to reconstruct the actual cost of the asset. Under this consideration, the original cost of the asset may be appraised, or the cost estimated and used as the basis for capitalization. Costing techniques include standard costing and normal costing.

The asset valuation depends upon the acquisition method. The five main cost categories are as follows:

1. Purchased Assets: The value of the assets includes the purchase price, transportation costs, installation costs, value received from a trade-in, and any other direct expenses incurred in obtaining the asset as identified above. Suppose the asset is procured through a contract or the purchase card and is a traditional asset entry to the official property system of record. In that case, the valuation is based on the acquisition value, and the system calculates the depreciation, etc. However, suppose the asset was entered non-traditionally in the official property system of record. In that case, the APO or designee needs to determine the asset's value using the asset valuation form and provide it to the AAMD Personal Property Team for processing. The acquisition costs for asset classifications include the following:

   a. Machinery and equipment costs include:
      i. The original invoice cost
      ii. Freight, sales taxes, and storage charges
      iii. Cost for installation, testing, and preparation for use (i.e., adding auxiliary equipment to a vehicle, installation, and testing of radios, antennas, and other communication devices, painting and application of logos, signage)
      Note: The trade-in allowance is excluded.

   b. Improvements or expenses for improvements are distinguished from expenses as follows. Recorded costs for capital improvements should be identified as components or improvements to the original asset. It can be recorded as a child to the parent item with independent life. Other improvements include:

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i.   Expenses: adjustments and replacement of parts, which do not extend service life or otherwise increase productivity, capacity, or efficiency over that of the asset when purchased initially. Repairs and maintenance keep an asset in its customary state of operating efficiency without added future benefits.

ii. Capital improvements: additions, improvements, or replacements of plant and equipment with an estimated useful life of more than one year and an individual unit cost of over $25,000.

When the original asset cost is not available, the fair market or appraisal value may be used as the basis for capitalization.

2. Donated Assets: The value recorded for a donated asset is the asset's market value when it is received plus transportation, installation, and other costs incurred to place items in service (DR 2200-002-4h). To determine the asset's value, the APO may use the appraisal price, the selling price of an identical item to educational institutions.

3. Leased Assets: These are assets purchased under a capital lease. A record must be created in the financial/Fleet system under a capital lease when the asset is placed in use. Capital leases are recorded in accordance with FASB 13. Items acquired with an operating lease are not considered capital assets.

4. Fabricated Equipment: The cost of a fabricated item is determined by the total cost associated with the construction, including material, labor, services, and overhead costs, as applicable.

6.3   Depreciation

Depreciation/Amortization is the rational and systematic method of allocating the cost of a capitalized asset over its estimated useful life. USDA uses the straight-line method of depreciation/amortization with no salvage value. Depreciation indicates that tangible assets have declined in service potential and value and allocates the cost of capital assets over their estimated useful life. A range of the estimated average useful life for common capitalized asset types is identified in DR 2200-002 Appendix A.

The depreciation period of an asset begins when it is placed in service. The depreciation ends when the asset is retired from service, its cost is fully recovered (asset basis reaches zero), or it is sold or disposed of, whichever occurs first. The equipment must be in use or in a state of readiness for use to be depreciated. An asset is "placed in service" when it is in a condition or state of readiness and availability for a specifically defined function.

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Personal property assets are depreciated for financial purposes using the straight-line method, and the total amount depreciated never exceeds the acquired cost. The financial system captures the accounting impact of depreciation, modifications, transfers, and dispositions of personal property items through the financial and official property system of record interfaces.

When items are declared fully depreciated, they are retained on the property records until disposal. When a capital item is disposed of, the remaining book value is netted with any proceeds from the sale, and any gain or loss resulting from disposition is recorded.

The official property system of record calculates depreciation for capitalized assets and feeds depreciation back to the financial system, and therefore, no action is required by AAMD PMS to ensure accurate depreciation and reporting of property assets on the general ledger and financial statements.

The cost of general PP&E transferred from other Federal entities shall be the cost recorded by the transferring entity for the PP&E net of accumulated depreciation or amortization. If the receiving entity cannot reasonably ascertain those amounts, the cost of the PP&E shall be its fair value at the time transferred. Statement of Federal Financial Accounting Standard (FFAS) #6.

6.4   Federal Supply Codes (FSC)

Federal Supply Codes (FSC) categorize property into similar categories, which are tracked and searchable in the official property system of record. The FSC is a four-character numerical value, the first two characters are the general supply group, and the last two characters are the class of that group. All four characters make up the FSC. It is imperative the correct FSC is used to ensure accurate reporting and disposal procedures are applied. See FSC Groups and Classes Handbook for a complete listing and description.

7.0   PROPERTY ACCEPTANCE

MRP becomes liable and accountable for all acquired property at the time of receiving and identification. Therefore, the receiving process is the point in the property life cycle where accountability is determined, and property records are established.

All property received must be inspected for discrepancies, identified, and tagged accordingly. Upon receipt, the property is inspected/verified, and the process of recording it in the official property system is continued.

For vehicle acceptance, the APO uses the Motor Vehicle Delivery Order, the vehicle's Certificate of Origin for Vehicle (COV), and AD-999 to validate the purchase. The APO must sign and return the AD-999 to the MRP Fleet Manager within five days after receipt of the

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vehicle. This is to acknowledge that the vehicle has been inspected and picked up. See the MRP 5400 Motor Vehicle Manual for more information.

Regardless of where it takes place, the receiving process consists of (1) delivery, (2) inspection and acceptance, (3) documentation, and (4) routing to the end-user or a designation storage area. *Information Source: NPMA Property Manual 3-9.*

7.1 Receipt

The receiving process establishes custody and accountability and is the initial auditable transaction noted on the property record. *Information Source: NPMA Property Manual 3-5.* Upon the arrival of the property, and APO or designee is authorized to review and accept (known as "receipt" in the property management terms) for the purchase. The authorized individual compares the purchase order (PO) with the shipment received to ensure the shipment received matches the property ordered. Multiple deliveries may be made against one purchase order. If part of the purchase order is received, each is considered a partial shipment and must be individually handled through the entire receiving process. Specifically, they must review the receiving documents (government bill of lading, freight bill, and packing lists) to ensure the item quantities and descriptions on the PO matches the property received. If discrepancies are found, see the section on discrepant shipment.

Receiving information may also be used as one basis for payment by the accounts payable department and may also be used to initiate the warranty period for equipment, so it is crucial that receiving documents are kept and compared to the PO, and any discrepancies are documented (NPMA Property Manual 3-5).

If an item is delivered directly to the end user or requires unusual receiving accommodations due to size or other conditions, the recipient must immediately notify the APO, who is responsible for conducting and documenting the receiving process's inspection and/or acceptance steps (NPMA Property Manual 3-7).

7.2 Inspection

After property is received, the inspection must be completed to include but not limited to:
- Damage of any kind – including concealed damage.
- Overages or shortages of quantities.
- Items physically received are not what was listed on the packing slip.
- Improper preservation, packaging, packing, or marking.
- Documentation errors.
- Any additional acceptance inspection is required (i.e., quality).

Once the property has been inspected and meets the requirements, the local program notifies the Requisitioner/Invoice Processing Platform (IPP) approver to pay the invoice for the purchased property. When an authorized MRP representative has accepted and paid the invoice for the property, the owning organization is accountable for the property. If purchased via purchase card, the purchasing cardholder must reconcile their purchases and update BOC accordingly. All sensitive property should be recorded with a 3141 BOC.

Per AGPMR 110-51.103, Receipt of Property – All accountable personal property acquired by purchase, transfer, construction, manufacture or donation will be receipted for and recorded on the property records at the time the receiving agency accepts it. However, receipt and payment of property should NOT occur until the full shipment is received to verify the purchase requirements and quantities are met.

Upon completion of receipt and inspection, an APO or authorized designee MUST provide all documentation to AAMD Property Team to include in the official property record, such as freight bill, bill of lading, packing list, government shipping documents, and discrepancy reports. If the correct BOC was used, AAMD Property Team will contact the APO to provide this information by completing a staging posting form when the transaction hits the property system. However, if the wrong BOC is used, the AAMD Property Team is never notified of the purchase. Therefore, the APO is responsible for notifying and working with AAMD Property Team to get the transaction corrected and added to the inventory record.

7.3   Discrepant Shipments

If discrepancies are discovered while receipting for property, the receiver will take immediate action to rectify the problem. Discrepancies include overages, shortages, losses, damages, and other disparities between the quantity and condition ordered and received from a commercial carrier or documented on a bill of lading or other shipping documentation.

Before a discrepant shipment is accepted, the signature of the carrier's representative (most often the driver) should be obtained. Also suggested taking pictures acknowledging the discrepancies. Additional deficiencies may include visible damage, i.e., the box is crushed or wet for something leaking or caught in the rain, misdirected shipments, improper loading, blocking, bracing, stowage, or handling by the carrier. *Information Source: NPMA Property Manual 3-5.*

The process for dealing with these discrepancies is documented in the Federal Management Regulations (41 CFR 101-40.7). In addition, the following information should be noted on the report of Discrepancy Form 364:
- Description of property received
- Condition of property
- Date of receipt

- Carrier/Shipper's name and address
- Number of cartons/packages/boxes
- Carrier's name and address
- Freight bill numbers
- Purchase Order (PO) number
- Name of personnel accepting delivery
- Names of personnel conducting inspection
- Inspection results and conditions
- Notation of discrepancies
- Photographs, if possible

7.4   Security

MRP is accountable for all purchased and leased property once inspected and receipted. The party inspecting and receipting property are responsible for establishing the appropriate level of security to prevent theft, loss, damage, or misuse. Expensive equipment, sensitive items, and those items particularly susceptible to theft will be stored in a locked area with limited access.

7.5   Hazardous Materials

Hazardous materials present unique receiving problems. Explicit guidelines and procedures are required by law on the state, local, and federal levels; see CFR 29 and 40 for Federal laws. The safety of all personnel involved must be given the top priority to prevent injury or loss of life. All individuals must be trained and qualified personnel to handle the hazardous materials.

Hazardous materials include:
- Explosives: This includes ammunition and explosive materials used in industrial applications.
- Corrosive Liquids: These may present unique fire hazards as well as strong oxidizing effects. Examples include hydrochloric, nitric, and sulfuric acids.
- Flammable Gases: Examples include liquefied petroleum gas, acetylene, butane, propane, hydrogen, and ethylene.
- Flammable Liquids: Those which have a flash point below 100°F. Examples are acetone, alcohol, benzyl, ether, gasoline, and naphtha.
- Flammable Solids: These are susceptible to catching fire when exposed to air, moisture, friction, or moderate heat. Iodine, pyroxylin plastics, and calcium carbide are examples.
- Oxidizing Materials: These materials may start a fire due to their strong oxidizing action. Examples are chlorates, permanganates, peroxides, and nitrates.
- Other hazardous materials include those which may present unusual difficulty in fire extinguishment. *Information Source: NPMA Property Manual 3-7.*

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7.6   Classified Items

Documents, items, or property containing classified information must be protected against unauthorized disclosure in the interest of national defense or foreign relations of the United States per 40 CFR 11.4 definitions. Examples of classified property may be radar units installed on aircraft or UAS.

1. Ensure that all handling personnel have proper security clearance and need to know.

2. Maintain constant oversight of classified material that is in an open receiving area.

3. Initiate a signature receipt from the receiving area to the authorized end user.

4. Document transfer to the authorized end user via transfer order. A signature receipt for the transfer must be received.

5. Before the end of a shift or the workday, secure all classified items in an approved manner. *Information Source: NPMA Property Manual 3-8.*

8.0   IDENTIFICATION MARKING/TAGGING PROPERTY

Identification is the marking of property or, in some cases, its container, by which one or more of the following can be ascertained: ownership, part number, serial number, and model number, description, contract number, or unique organization designation (i.e., Accountable Property Asset ID). The primary purpose of asset identification is to identify ownership readily. By properly identifying items, organizations can defend rightful ownership should a dispute occur and keep track of assets for tax, compliance, depreciation, and/or insurance or maintenance purposes. *Information Source: NPMA Property Manual 4-1.*

8.1   Identification of Property

The identification and marking/tagging of an asset during the receiving process ensure the property record is accurate and complete to assist in managing the asset throughout its lifecycle. The APO or designee is responsible for the receipt, identification, and marking/tagging of assets within 24 hours of receipt. Marking/tagging should be completed <u>AFTER</u> inspection is complete in case there is an issue with the property and needs to be returned to the vendor.

8.2   Marking/Tagging Methods/Standards

Property identification must be affixed to the asset, where practical, and referenced on support documentation in associated accountable records for inventory control purposes. Various

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marking methods depend upon the type of equipment, ownership, and value. In addition to marking requirements, there are various types of tags, such as serialized or non-serialized tags.

1. **Serialized Tagged (Asset ID) Property/Equipment**

    Capitalized/Accountable/Sensitive Property - Accountable property should be marked with the Asset Identification (ID) number assigned in the official property system of record and the owning Department/Agency Acronym. May use a bar-coded label, an adhesive-backed aluminum label, etching, or permanent ink stenciling, stamping, or branding. For items that are highly susceptible to theft or when conditions preclude using a label, etching, or stenciling is preferable. Examples of serialized tags are shown below, followed by some categories of property that should have a serialized tag/marking.
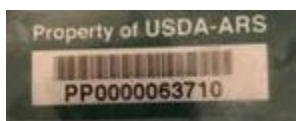
    Boats. Place an identifying number preceded by "APHIS" or "MRP" on the left side of the bow. Publicly owned boats do not require registration with the United States Coast Guard. Comply with local and state regulations covering boat identification and marking.

    Vehicles. Motor vehicle identification is displayed on the official U.S. Government license plate. Mount one license plate on the front and one on the rear of each vehicle. Both plates must be mounted on the vehicle. License plates are only removed when renewal plates are received or when a vehicle is being sold. The vehicle must be registered in the GSA Federal Motor Vehicle Registration System (FMVRS). Motor identification is also displayed on a decal in the rear window or centered on both front doors if the vehicle is without a rear window, or where identification on the rear window is not easily seen. See the MRP 5400 Motor Vehicle Manual for more information.

    Non-Fleet Equipment including ATV. The identification is displayed on the official U.S. Government license plate. Only one license plate is issued for mounting on the rear of trailers, ATVs, motorcycles, scooters, trail bikes, snowmobiles, and boat trailers.

    Aircraft. Aircraft registration is a code unique to a single aircraft, required by international convention to be marked on the exterior of every civilian aircraft. The registration indicates the aircraft's country of registration and functions much like an automobile license plate. This code must also appear in its Certificate of Registration, issued by the Federal Aviation Administration (FAA). An aircraft can only have one registration in one jurisdiction, though it is changeable over the life of the aircraft.

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Unmanned Aircraft System (UAS). Registration is required for all Government UAS. All Aircraft owned by agencies, offices, or subdivisions of the United States (other than aircraft of the U.S. Armed Forces), the States, the District of Columbia, or a territory or possession of the United States must be registered in accordance with 14 C.F.R. Part 47 or Part 48.

2. **Non-Serialized Tagged Equipment/Property**

   a. Expendable Tools and Equipment. Tools and equipment should readily identify the agency/program with property ownership.

   b. Components and accessories to capital equipment. Property management adds the value of the component or accessory to the acquisition cost of the property item and modifies the extended description adding information on the added component or accessory.

   c. Property items with a unit cost equal to, or less than, the accountable threshold are NOT considered sensitive property.

   d. Donations or gifts of personal, tangible property having a fair market value below the accountable threshold or intended to be consumed or incorporated in a higher assembly. *Information Source: NPMA Property Manual 4-2.*

   e. Furniture. Chairs, desks, file cabinets, etc., should be marked with USDA but do not require serialized tags applied.

   f. Animals. Branding animals is optional. The preferred identification for animals is the State registered bill of sale. Do not re-brand animals that are branded when purchased. Even though animals are accountable in the official property system of record, do not mark animals with the assigned NFC Record ID number. Animals are reported via Federal Supply Code (FSC) 8820. Animals may be donated/adopted in lieu of abandonment and destruction.
       i. 40 USC 1308 and FMR 102-36 Horses and Mules
      ii. FMR 102-36.365 Canines
     iii. 42 CFR 71.53 Non-Human Primates

3. **Non-Tagged Property/Equipment**

Most assets are taggable; the asset is accessible, and an identification decal or tag can be successfully affixed to its surface. However, there are situations in which the items do not lend themselves to tagging. Non-taggable property includes items that:

   a. Are too small to tag.

b. Are exposed to chemicals, abrasives, excessive heat, or other conditions that would destroy the tag.

c. Have a surface that does not lend itself to adhesives or marking.

d. It cannot be etched or stamped.

e. Will lose their value if tagged.

f. Maybe damaged, contaminated, or otherwise compromised by any type of marking.

g. Are permanently inaccessible.

Examples of non-tagged property include:
- Individual issue items, i.e., protective clothing small hand tools.
- General low value office supplies i.e., staplers, hole punches, calculators, etc.
- Consumables and expendables, meaning either those items that will be incorporated into an end item or items used up such as paper products, shop rags, etc.

Identification/tagging are significant processes in the life cycle of property management. Since they come at the beginning of the physical management of assets, they establish a solid baseline if done correctly. In addition, effective management of these processes ensures accurate property records. Accurate records facilitate the management of assets throughout their life cycle.

8.3   Identification Options

Identification methods vary from a simple tag or mark on the item to a barcode to more elaborate tagging by electronic transmitters. Although the program/APO can determine the optimum method, they may consider which of the following would work best based on the type of asset being tagged/marked. *Information Source: NPMA Property Manual 4-3 to 4-4.*
- Unique identification labeling (i.e., bar coding): Bar code technology is one of the most used methods of property identification used today.
- Decals and Labels.
- Stamping: Permanently impressed into the surface of the asset.
- Marking: Marking with paint, ink, or permanent marker.
- Etching: Technique used to cause a color change or create a shallow but visible depression in the surface of an item.

- Network Pinging: Used for conducting physical inventories and defining the network identity of an asset. It is primarily used for computers or other network electronic devices.
- Radio Frequency Identification (RFID): Communication using radio waves to exchange data between a reader and electronic tag attached to an object.

8.4   Obtain Tags

PMOs and APOs are responsible for acquiring a label printer or contract to acquire property tags and ensure they are properly applied/affixed to the asset.

8.5   Replacement Tagging

When a tag or marking is damaged or missing, it must be reprinted using the same Asset ID. Or, if it is not possible to reprint, replace Asset ID with the new Asset ID and coordinate with AAMD Property Team to document in the asset records. If these are locally issued tags, reprint the tag and apply to the asset. If the marking is with paint, ink, or permanent marker, remark on its original condition.

8.6   Sponsor/Contract/Agreement Tags

Sponsors may provide identification devices that must be affixed to their assets. Whether furnished property or contractor acquired, they may be used in conjunction with the MRP marking/tag or as sole asset identification, as directed by the sponsor. *Information Source: NPMA Property Manual 4-4.* MRP requires the Asset ID tag to be affixed to the asset in conjunction with the sponsor's tag.

8.7   Off site or Drop Shipped Items

Assets for which the organization is accountable, regardless of where they are located or who holds title or ownership, must be identified using the same methods as those used for other assets. For property that is drop-shipped directly to the end-user, they must work closely with the APO to complete the receiving and inspection process and provide the AAMD Property Team with all the required documentation to get the asset record established. *Information Source: NPMA Property Manual 4-5.*

8.8   Property at Cooperators or Contractor Facilities

The requirements to correctly identify property must be included in the flow-down terms and conditions of the subcontract. Taggable assets provided must be appropriately marked/tagged and a record established before moving from the agency/primary location. Assets acquired by a

subcontractor must be tagged in accordance with the prime contractors' policies and procedures unless otherwise specified in the subcontract award document. *Information Source: NPMA Property Manual 4-5.*

8.9   Property Authorized for Use Off-Site

Property provided for administrative staff and other use off-site or at home must follow strict guidelines:
- Property must be used in direct support of an organization or sponsored project-related activities.
- Accountability is the same as for an asset used on site.
- A Property Pass or Hand Receipt must record the offsite status and or be checked out and documented on property logs, as required.
- Property must be tagged per procedure, and the identification verified during a physical inventory. Custodians may send pictures if the APO is unable to physically verify or see the asset. The picture should include the make, model, serial number, and the Asset ID tag.

9.0   PROPERTY RECORDS AND REPORTING

The establishment of property records is critical in providing and maintaining control of the capital, accountable, controlled, and sensitive assets. These controls are required for the integrity, accuracy, and timeliness of the official property system of record.

9.1   Property Records

MRP organizations are required to maintain accurate records of all controlled, accountable, capital, and individually assigned property. These records must be updated whenever the property status is altered because of a transaction or physical action affecting the property. The APO and/or PMO must initiate or request reports as needed to ensure property records correctly reflect the status of property or changes in property status.

PMOs and APOs will ensure that property under their jurisdiction is properly recorded, and transactions documented in accordance with established agency and governmental property requirements. A property record will, at a minimum, contain documentation to provide the following (AGPMR Part 110-51):

1. Unique identifier (barcode number, serial number, asset ID).

2. Descriptive information (category, manufacturer, model, stock number, year of manufacture, etc.).

3. Stewardship information (organization, property custodian, and user).

4. Property physical location (address, city, state, zip).

5. Accounting information (acquisition cost, additions or improvements, repairs, and maintenance costs).

6. Custodians contact information.

7. APO contact information.

8. PMO contact information.

9.2   Property Record Control and Updating

During the useful life of the asset, updates to property records must be executed when:

1. There is a change in the PMO/APO role/position, or when there is a change in APOs, the current and successor APO should take inventory jointly before formally transferring accountability and responsibility.

2. Utilization of the property changes.

3. Property is loaned or transferred.

4. Property moves into storage.

5. Property is disposed or excessed.

6. Property listing is complete but requires verification/certification bi-annually.

9.3   Recording Accountable Personal Property

All accountable property (sensitive, non-capitalized accountable, and capitalized) must be recorded in the official property system of record. This includes all motor vehicles (passenger-carrying and special purpose equipment) and capitalized equipment (vehicular and non-vehicular) regardless of the funding source applied during procurement. Additionally, any property that a government license plate is applied to inherently becomes the accountable property and must be recorded in the official property system of record.

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9.4   Reporting

There are four objectives in personal property reporting: budgetary integrity, operating performance; stewardship; and system control. Reporting data from property records follows the life cycle of property management. The following recurring reports are prepared for MRP organizations:

    a. Quarterly – Financial Disclosure Statement in accordance with Financial Statements Guide.
    b. Annually – Consolidated reconciliation of all personal property.
    c. Annually – Report of Disposals to GSA.
    d. Utilization of Personal Property.
    e. Report of Motor Vehicle Data.
    f. Property Furnished to Non-Federal Agencies.
    g. Inventory of Accountable and Capital Property.
    h. Government-owned Property Held by Contractors.
    i. Government property loaned to Grantees.
    j. Loan of Personal Property.

Management reports include:

    a. Asset by location, category, and account.
    b. Asset additions by date.
    c. Asset transfers by date and location.
    d. Asset retirements by date and location.
    e. Asset value adjustments.
    f. Current deprecation and accumulated depreciation per asset.
    g. Forecasting for depreciation.
    h. Insurance and risk management reports.

The PMO and AAMD Property Team will document required reports and any variables using the agreed procedures and system capabilities to ensure consistent reporting.

9.5   Record Retention Requirements

The APO must maintain a complete and accurate audit trail of backup documentation received for personal property transactions in an organized fashion. Documentation is required for the initial recording of the asset and all subsequent transactions. All accountable personal property acquired by purchase, transfer, construction, manufactured, found, gifted, seized/forfeiture or donated will be receipted for and recorded on the property records when accepted by the receiving agency AGPMR 110-51.100-103.

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The official property system of record will be reconciled with physical inventories immediately following each periodic and special property inventory. Shortages of items revealed by physical inventories, which cannot be accounted for by rechecking inventories, posting to property records, etc., will be referred to the PMO for appropriate determination in accordance with AGPMR 110-50.108.

The information in the official property system is the set of property records used for property management control and accountability. Official records can be stored either electronically or on hard copy. Duplicate records, however, should not be maintained. See AGPMR 110-50.001-7.

See the Property- Procurement (PRP) 8, 8.1, 8.2, 8.3, and 8.4 record retention requirements of the APHIS Records Management Handbook. See https://www.aphis.usda.gov/library/records/downloads/prpprop.pdf.

10.0 PHYSICAL INVENTORY

Physical inventory determines inventory quantity by actual count and physical verification. Physical inventories can be taken continuously, periodically, or annually. Inventory is an essential process for which the APO is responsible. The objectives of a physical inventory are to ensure that the assets recorded in the official property system of record physically exist, to determine unrecorded or improperly recorded transactions have occurred, and to identify any excess, defective or obsolete assets on hand. *Information Source: NPMA Property Manual 8-1.* A physical inventory is one of the best barometers of the health of property management system, for example:

- Significant discrepancies in count may indicate theft, poor security, inadequate documentation of receipts and issues or a multitude of other problems in controlling assets.
- Location errors indicate potential problems in documenting movement, inadequate training of property custodians, or poor record-keeping.
- Locating (finding) equipment that has not been posted to the official property system of record may indicate inadequate interfacing with procurement, lax procurement practices on the part of the staff, or failure to report the acquisition of assets.
- Property not located after inventory reconciliation may indicate problems in movement or disposition processes or a lack of interest or training in caring for the property by users and /or custodians. *Information Source: NPMA Property Manual 8-2.*

Public Law No. 115-419 requires executive agencies and the GSA to inventory and assess capitalized personal property annually in identifying excess property under the agency's control. Capitalized personal property items are recorded as significant investments or assets on the agency's general ledger records. Each agency must also regularly inventory and assess accountable personal property under its control.

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An effective periodic inventory results in an accurate accounting of assets and indicates the reliability of the accountability system for the acquisition, use, and disposal of those assets.

10.1   Types of Inventories

The type and frequency of any inventory are mandated for Federal entities as wall to wall every two years. However, depending on the sensitivity and type of assets, the PMO may require more frequent or different types of inventories to ensure effective oversight and management of certain types of property.

1. Wall to Wall Inventory - A wall-to-wall inventory is a scheduled inventory of ALL items within an identified area. This is the type of inventory that is completed for MRP scheduled inventories.

2. Floor to Book Inventory - Items identified in the location are validated against the inventory listing (i.e., book inventory).

3. Book to Floor Inventory - Items on the inventory list (i.e., Book Inventory) are validated against items found/identified in the location.

4. ABC Inventory - ABC inventory is a popular cycle counting method because it emphasizes conducting inventories of the most critical items the most often. Items are inventoried the most often, followed by B and C.
    a. "A" items may be the highest cost or most critical.
    b. "B" items are lower in cost and or usage but critical to manufacturing or production
    c. "C' items are typically low cost and / o usage items or perhaps items readily available locally.

5. Statistical Sampling Inventory - A certain number of items are sampled, and the sample results are taken to represent the entire inventory. Of course, the smaller sample, the higher the risk. Acceptable risk factors can be computed and used to determine the sample size.

6. Contract Termination Inventories - If a property to be inventoried is associated with a contract, 100% inventory must be conducted at the end of the contract and property disposed of in accordance with the contract provision. The contract remains open until all assets have been accounted for and have been property disposed or transferred.

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An inventory plan is critical to a successful inventory. The plan should be specific and detailed with the following information:

- Specific Objectives - To meet contractual requirements, verify accuracy of property record information, determine the condition of assets, confirm accountability information, verify component and asset confirmations, etc.
- Specific types of property to be inventoried include capitalized assets, contract assets, sensitive items, etc.
- Timeframe of the inventory, including a start and completion dates.
- Method of Taking Inventory - electronic scanning barcodes, tagging or marking items, or other methods.
- Resources - Who is conducting the inventory, coordinating, and supervising the inventory. The APO should be leading the inventory plan, but they may have other administrative or support or field staff that assist with the physical verification. Personnel who are conducting the inventory should NOT be the record keepers nor accountable personnel to preclude conflict of interest.
- Inventory Strategy - Conduct sweep by buildings or rooms or inventory of items in custody of individuals, inventory items located at alternative locations, etc.
- Determine the information that needs to be collected or verified during the inventory.

10.2   Scheduled Inventories

A wall-to-wall physical inventory of all accountable/capitalized/sensitive personal property is required every two years to comply with internal control requirements of OMB Circular A-123 and AGPMR 110-50.104 and 110-51.106. The PMO may require more frequent inventories of kinds of property, of property assigned to a particular APO, or of a specific operational activity, if necessary. When there is a change in APOs, the current and successor APO should take inventory jointly before formally transferring accountability and responsibility.

More frequent inventories may be taken of particular types or kinds of property when deemed essential for its control and protection AGPMR 110-51.106. The AAMD Personal Property Team will provide the APO with an inventory report and instructions before the biannual inventory is due.

AGPMR 110.51.106 requires agencies to conduct a physical inventory of accountable property a minimum of once every two years (based on the previous inventory date) or when there is a change to the APO. Inventory compliance is a critical aspect of property management. Therefore, USDA officials monitor inventory compliance as part of the overall agency's financial integrity.

10.2.1 PMO Inventory Responsibilities

PMOs will:
- Continuously monitor physical inventory compliance in official property system or record inventory report (Physical Summary Report),
- Ensure APOs complete pending physical inventories (90 days advanced notice provided), and
- Ensure APOs work with AAMD PMS to provide supporting documentation to update the official property system of record, as required.

10.2.2 APO Inventory Responsibilities

APOs will:
- Conduct the inventory upon request, physically verifying assets,
- Verify/correct descriptive information,
- Note asset ID tags/labels that are missing or no longer legible,
- Submit documentation for transfers, lost/stolen, excess, unserviceable, or assets no longer on-hand,
- Submit documentation for accountable assets that are not listed on the report, and
- Return the signed/certified, completed inventory report **before** the inventory is delinquent.

APOs may designate officials to assist in the physical inventory process. However, the APO maintains full responsibility for the inventory. Therefore, when submitting documentation for assets no longer on-hand, APOs must provide a detailed explanation to the best of their ability.

10.3   Inventory Reconciliation

The reconciliation is arguable the most important phase of the inventory. If records or receipt, movement, transfers, and disposition are posted accurately and in a timely manner, the reconciliation is a relatively easy process.

APOs must provide the AAMD Property Team supporting documentation before adjusting the status of the inventory record in the official property system of record. Physical inventories and supporting documentation are subject to review. The AAMD Property Team will:
- update the inventory date, using the exact date the APO signed the inventory,
- process inventory change records, as appropriate,
- resolve discrepancies with the APO,
- maintain the signed report in the official APO file, and
- provide the APO with a reconciled report.

If there is a discrepancy/variance in the inventory, the APO or their designee should do the following:
- Check to ensure all documents have been processed.
- Double-check the identity of the items in question to ensure that they have been correctly identified.
- Examine records to determine if the asset was loaned, transferred, moved, or disposed of.
- If neither of the above resolves the problem, a listing of assets inventoried and those not found are generated.

If the above steps do not resolve the discrepancy/variance, the missing items must be documented on a Form AD-112 Report of Lost Stolen or Damaged Property with a written explanation including:
- How the situation occurred?
- What steps were taken to recover or find the missing asset?

The PMO will make a determination of negligence on the Form AD-112 and authorize the adjustment of the inventory. If missing documentation or inconsistencies in documentation exist, the PMO may request an investigation be completed.

10.4   Financial Integrity Metric for Physical Inventories

Monthly, the USDA's Office of the Chief Financial Officer (OCFO) monitors the agency's inventory compliance through the Financial Integrity Metric. The Department requires inventories to be completed every 2-years. If an inventory has not been completed within the 2-year cycle, the inventory is considered "delinquent" and adversely impacts your agency's USDA financial metric Property, Plant, and Equipment. The agency receives a failing score if there are more than two delinquent inventories at the end of the month. This metric is based solely on capitalized asset inventories. Therefore, inventories that do not contain capitalized assets and are delinquent do not impact the agency's metric.

10.5   Departing/New/Change of APO Inventories

Wall to Wall physical inventories should be taken upon death, resignation, retirement, transfer, reassignment, or extended absence of an employee responsible for the property on the accountable records. When possible, inventories should be conducted by the incumbents and their successors. Where such action is not feasible, the employee assuming APO responsibility for the property will perform and certify the inventory. The former accountable employee or their estate may be held financially liable for property not located during the physical inventory AGPMR 110-51.106.

The APO or designee will reconcile the official property records with physical inventories immediately following each periodic and special inventory of property. Shortages of items revealed by physical inventories, which cannot be accounted for by rechecking inventories, posting to property records, etc., will be referred to the PMO for appropriate determination in accordance with AGPMR 110-51-108.

Before departing, APOs are responsible for conducting a close-out inventory. This relieves responsibility for the potential missing property, providing an audit trail for the new APO. If the departing APO does not conduct an inventory, the new APO is responsible for conducting the inventory upon designation. PMOs will facilitate the process upon notification of the change. In the situation of a change to APO, the APO ID will remain the same; however, the individual filling the role will change. Therefore, any changes to individuals holding the APO role must be documented on the APO Change Request form and sent to AAMD.Personal.Property.Services@usda.gov immediately to ensure the APO name is updated and a roles/responsibilities document is sent to and signed by the new APO.

10.6   Contract Inventory

Contract property must have a 100% wall-to-wall inventory conducted at the end of the contract, and the property disposed adequately of/excessed. The contract, through this inventory, demonstrates that proper control has been exercised, documents transfers, and may take accountability if there is a follow-on contract. A contract remains open until all assets are properly disposed of or transferred. Once all property associated with the contract is managed properly, the contract may be closed out.

11.0   UTILIZATION, MAINTENANCE, STORAGE, AND SECURITY

11.1   Utilization

Utilization is defined as (1) the making use of, (2) the documented use of an asset in the business process, (3) the act or practice of employee something, and (4) the legal enjoyment of property that is consistent in its employment, occupation, exercise, or practice per NPMA Property Manual 9-1.

Apply the following guidelines when using the personal property:

1. Apply use and replacement standards. Retain serviceable items when they can be used or operated without excessive maintenance costs or substantial reduction in trade-in value (41 CFR 101-25). PMO and procurement officials shall jointly determine whether rehabilitation is a viable alternative for equipment and furniture needs. Obtain the approval of the PMO before acquiring or replacing the following equipment:

    a. Office furniture, furnishings, and equipment.

    b. Filing cabinets or filing storage.

    c. Office machines (i.e., printer, fax, copier, typewriters, etc.)

2. Use excess property when it is available and can be substituted or adapted to meet unit needs rather than purchase new items.

3. Make maximum use of GSA contracts for repair and rehabilitation.

4. Continuously survey personal property inventories to ensure that existing supplies and equipment are used to the fullest extent possible.

5. Redistribute unneeded property when it is no longer required for its initial purpose.

6. Make excess property available for transfer to other agencies.

11.2   Re-Utilization Program

Reutilization is a process to identify items that are excess, idle, or no longer needed by one function or department within an organization and manages the transfer of assets to a location that has a known requirement. Such a program is extremely important to an organization and its ability to maximize return on assets. A reutilization program benefits the agency by:
* Reducing or eliminating unnecessary expenditures for duplicate assets.
* Reduce costs in storage, security, and physical inventory.
* Reduces the risk of unauthorized utilization.
* Stimulates the identification and prompt reporting of excess personal property.
* Transfers excess property to fill authorized program requirements that inadequate funding might otherwise limit.

Reutilization is the first step in the disposition process. Programs should screen internally before going to GSAXcess to compare property on hand against a known or anticipated requirement. *Information Source: NPMA Property Manual Chapter 9.* AAMD Property will work with APOs to assist with screening existing internal property that may meet their needs before going to GSAXcess or procurement to buy new property.

11.3   Maintenance

Preventative maintenance, calibration, and repair are those periodic inspections, services, and repairs performed to maintain tooling and equipment in operational condition, to maximize the

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useful life of items, to detect and correct minor deficiencies before major malfunctions occur, and to ensure the accuracy of electrical or mechanical measuring instruments.

Processes for maintenance should be developed in accordance with the manufacturer's service recommendations or specifications. Depending on the size of the operation and the number and complexity of equipment requiring maintenance, the APO may decide to develop a maintenance plan. Items requiring regularly scheduled inspection and service should be scheduled for recall via a systematic process and documentation maintained to demonstrate scheduled maintenance was completed. Additionally, unscheduled maintenance and repair of property address the differences between repair and refurbishment of assets. When unscheduled calibration, maintenance, or repair service is performed, document the service performed. Record and, if desired, tabulate unscheduled repair occurrence and costs.

When calibration/preventative maintenance or repair service is performed on an unscheduled "as-required" basis, be sure to record the event between regularly scheduled service intervals. The regularly scheduled service operations should continue as scheduled and are not interrupted or otherwise affected by an unscheduled service requirement unless such requirements are accomplished simultaneously. In addition, the cause and corrective action of all required significant repairs required are recorded per NPMA First Edition July 1999 Standard Property Book.

According to [AGPMR Part 110-50.001-5](#), maintenance is the routine, recurring work required to keep the property in substantially original condition. It may include the replacement of parts, materials, or equipment. The costs for repairs and maintenance refer to normal, regularly recurring expenditures required to keep the property in an efficient operating condition, neither adding to the value of equipment nor appreciably prolonging its life. This type of expenditure, regardless of cost, should be expensed and should not be capitalized. Upgrades or enhancement costs can be added to the asset's acquisition cost.

When repair costs start to add up, the APO or program should compare the repair cost and the cost of replacement. When repair occurrences and/or costs become excessive or when the reliability and functional operation of equipment has substantially deteriorated, refurbishment or replacement of the equipment/property should be considered. The government repair threshold is 65% of the original acquisition cost. When a repair or refurbishment costs exceed the threshold, the item should be replaced. *Information Source: NPMA Property Manual 7-5.* However, the following should be kept in mind when deciding to repair or replace:
- Criticality of the item. Is the item a showstopper? Will it shut down operations?
- Availability of a replacement. Is a replacement item easily obtained? How much lead time is required?
- Obsolescence. Is the item obsolete?
- Recover of cost. Could the item be sold as-is and some costs recovered?

- Reutilization. Could the repaired or refurbished item be used elsewhere in the operations?

11.4   Storage/Warehouse

Storage is the accumulation of property in a designated area when not immediately required. Storage is a designated area where an item remains after being received until it is issued for use. Different types of storage facilities may be used depending on the item and the protection it requires. The primary function of storage is to protect property from loss, damage, degradation, or theft and ensure it is available when required. *Information Source: NPMA Property Manual 5-3.* Property storage requirements include:

1. Local storage locations will be secure and climatically controlled based on the requirements of the property being stored.

2. The property must be safeguarded from theft, damage, or deterioration at all times, but especially if it is to be stored for extended periods.

3. Items stored outside must be protected from the elements and stored in areas clearly identified as owned by the U.S. government.

4. Access to storage areas is restricted to authorized personnel only. All safety and fire protection regulations must be followed in storage facilities and when handling flammable material.

5. In-storage maintenance may be required to prevent asset degradation. *Information Source: NPMA Property Manual 5-2*

6. Ensure the appropriate type of storage is selected based on the type of property being stored. Consider general storage, covered storage, open storage, controlled temperature/humidity, refrigerated space, flammable storage warehouse, sheds, transitory shelters, segregated storage, limited access storage. Additionally, make sure the appropriate containers or packaging is used, for example, non-corrosive or non-flammable storage containers. *Information Source: NPMA Property Manual 5-3*

7. The cost of warehousing and storage is part of the overall manufacturing cost of the property. *Information Source: NPMA Property Manual 5-2*

8. All items received, stored in, and issued from the storage facility must be accurately recorded and reported. *Information Source: NPMA Property Manual 5-3*

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9. Hazardous Materials require segregated storage. There are ten categories of hazardous materials that require segregation on storage. Federal and State agency regulations govern the storage of these materials per NPMA Property Manual 5-5:

   a. Radioactive Materials

   b. Corrosives

   c. Oxidizers

   d. Explosives

   e. Flammable materials
   f. Compressed Gas Cylinders

   g. Low Hazard Materials

   h. Organic Peroxides

   i. Reactive Materials

   j. Poisonous Materials.

11.5   Lending and Borrowing Government-Owned Property

1. Loans to Federal Agencies. Agencies may offer to loan property that is not currently being used to other Federal agencies. Likewise, when planning to acquire property, consider borrowing from other agencies. Determine whether it is practicable and economical to loan or borrow property by considering: the property's suitability, condition, and value; the extent and nature of proposed use; availability; portability; cost of transportation; and similar factors. Document authorized property loans on Form AD-107, Report of Transfer or Other Disposition or Construction of Property, marked Temporary loan--property to be returned to the Agency (Address). State on this agreement that the property must be returned in as good of condition as when loaned and that the borrower bears the expense of placing the property in such condition. One Federal agency may not file a claim for damages against another.

2. Loans to Non-Federal Agencies and Individuals. Government property may be loaned to State, county, public, or other non-Federal agencies and to individuals to support work benefiting the Department of Agriculture that is covered by a written cooperative agreement. The transfer must be documented on Form AD-107, Report of Transfer or

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Other Disposition or Construction of Property, marked loan. Refer to the APHIS Agreements Manual for additional information.

3. Assistance in Major Disasters. Loan agency property to other Federal agencies, State and local governments, or other organizations concerned with public health and welfare to mitigate the effects of natural or human-caused disasters when an emergency threatens life or property. Examples of permissible use include severe weather conditions, dam collapse, explosions, major fires, or other events in which the property and human resources of the requesting organization are insufficient for dealing with the event. In addition, APOs may loan property to other Federal, State, or local authorities to assist in disaster recovery operations or emergency assistance. APOs will work with the appropriate management officials for necessary approvals and document the transfer/use on the AD-107 form or similar form.

4. Borrowing Privately Owned Property. Borrowing private property for Government use is not explicitly prohibited by law but is discouraged. Borrow private property only if it is essential to carrying out the mission of the Agency and is clearly in the interest of the Government. Before borrowing private property, document in writing provisions for using and maintaining the property and its return to the owner. Charge any repairs to borrowed private property to the appropriation funding the project on which the property is used.

11.6 Special Security Measures

Various special security devices are available from Federal Supply Schedules to protect personal property.

1. Lock Down Pad. These accessory anchors personal computers, printers, modems, and so forth, preventing theft.

2. Theft-Deterrent Cables. These cables secure office machines by tying them to a desk or table. The end of the cable key locks onto the machine. The cable allows enough movement for normal use and maintenance.

3. Alarm and Signal Systems. These systems can be powered with batteries and may be obtained with a local or remote signal.

12.0 PROPERTY MOVEMENT

Property movement is constant as property is used to execute the agency's mission. Therefore, it is crucial that property records are updated following the movement of an asset. The movement of property must be authorized, and documentation generated to show changes in quantities and

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location. For audit purposes, movement documents or transactions must be posted to the property record and retained in the property management files. Various types of documents are used to move property and record its movement. The forms described below are examples of the type of documentation required to maintain control while the property is moved.

It is MRP policy that documents tracking the property movement MUST be submitted to the APO within 24 hours after the location change the documentation of all moves must be reflected in the official property system of record and made available during an inventory or audit. If the property record requires a location/address update or a transfer of property to a different APO, the APO must work with AAMD Property to update the property record accordingly.

12.1   Removing Property from Government Offices

All employees in the Washington, DC, area must follow procedures set forth in DR-5200-001 for removing the property from a government-owned or leased building. Offices that do not fall under the procedures above, the APO should use the AD-873 Property Pass to authorize the removal of property from Government space per AGPMR 110-50.109.

Property Passes AD-873 are used to provide accountability for MRP property while in the possession of an employee or contractor in travel or off-site. Property is more susceptible to theft, misappropriation, or unauthorized use when it is offsite and checked out on a Property Pass. The APO is responsible for ensuring that property accountability and control are exercised and that the item is used for official purposes only while checked out on a Property Pass.

12.2   Issuing and Controlling Property Passes

Only APOs or designees authorized in writing can issue Property Passes. Property Passes are issued only for the short-term removal of government property from MRP facilities. They are used to allow authorized staff members or contractors to remove property from an MRP facility for a specified period during travel, for short-term tasks at an alternate location, or for ad hoc/temporary telework.

An individual requesting a Property Pass must submit a request to their APO indicating the specific justification for the removal of government property. The request must describe the official use of the property, a statement that it will only be used for authorized purposes, the alternate location where it will be moved, the time required, and the name of the requester's supervisor. If the Property Pass is for more than 30 days, the staff member/contractor's supervisor must also endorse the request. The approving official (usually the PMO) assigns a sequential number, retains a copy of the pass, and maintains a list of all passes issued.

Once the Property Pass is issued, the staff member/contractor is responsible for safeguarding and maintaining the property on the pass. If the property is required beyond the pass expiration date,

the staff member/contractor returns the pass and obtains another one from the issuing APO. If not, the staff member/contractor is responsible for contacting the issuing APO by phone or e-mail and requesting an extension not to exceed seven days.

Staff members/contractors must initiate a report of all Government property issued on a Property Pass that is missing or stolen. The report must first be filed with the APO by phone or e-mail immediately after the loss is discovered.

Note: APOs should keep a log of all Property Passes issued.

12.3   Return of Property Issued on a Property Pass

The Property Pass holder must return the property to the APO before expiration. The Property Pass holder presents the property for verification or, if property is not available, notifies the APO of the location where the property was returned. The APO confirms the property information and checks the property's physical condition, or questions the Property Pass holder about its condition, as needed.

Once the identification and condition of the property are verified, the APO completes the following:

1. Writes "Return" on the original Property Pass, signs it, and returns it to the pass holder.

2. Enters the date in the Returned Date block in the log.

3. Retains a copy of the signed Property Pass for their own internal records.

12.4   Property Pass Review

If an APO issues government property on Property Pass, they will frequently review outstanding passes' status. If there are expired passes that have not been extended, the APO will attempt to contact the responsible staff member/contractor by phone to request an extension or return the property immediately. If the staff member/contractor cannot be reached, the APO will contact the responsible individual's supervisor and report the delinquency. If the APO is unable to contact the individual or the supervisor within 30 days, or if the property is reported missing, damaged, or destroyed, the APO submits a report to the supporting AAMD Property Team, identifying the expired pass, the responsible individual's name, the supervisor's name, a complete description of the property, and the expiration date of the pass. The Property Team gathers and reviews all the property records and reports any unresolved issues to the PMO/leadership/AICB.

12.5   Property Receipt/Handheld Receipt

The Property Receipt/Hand Receipt documents property movement between an inventory control point and the custodian or user is controlled using the hand receipt. In MRP, Property Receipt is used to control property movement between the APO and the custodian. The Property Receipt contains the property identification number, serial number, description, location of the property, and signatures of both the custodian and the APO. The Property Receipt is similar to a Property Pass but is used to document long-term custodian responsibilities delegated from the APO to the custodian. The issuance, review, and return of Property Receipts should follow the same process as outlined for Property Passes.

12.6   Internal Agency APO Transfer

To document an internal transfer of property, the reporting APO must initiate the completion of the AD-107 USDA Report of Transfer or Other Disposition of Construction of Property in accordance with the AD-107 instructions provided by AAMD Property. Once completed and signed by both the reporting and receiving APO, the AD-107 form should be sent AAMD Property Team for processing.

12.7   Transfers Outside USDA

APOs may transfer or receive excess property directly to or from another Federal agency without GSA approval when:
- The acquisition cost of the item does not exceed $10,000 per line item, or
- If the acquisition cost exceeds $10,000 per line item, obtain verbal approval from the Regional GSA Property Management (noting the date and name of the GSA contact).

The APO for the owning-agency will:
- Prepare form SF-122 (and obtain GSA approval if appropriate), and
- Ensure the APO for the owning agency and receiving agency approve the SF-122.

PMS will process the transfer as a "disposal" outside USDA in CPAIS.

13.0   PROPERTY EXCESS/DISPOSAL

All excess personal property must be reported to promote reuse by the Government to enable Federal agencies to benefit from the continued use of property already paid for with taxpayer money, thus minimizing the new procurement costs. Reporting excess personal property to GSA helps assure that the information on the available excess property is accessible and disseminated to the widest range of potential reuse customers AGPMR 110-36, FMR 102-36.210.

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Generally, agencies must report all excess personal property to GSA regardless of the condition code, except as authorized in AGPMR 110-36, FMR 102-36.125 for direct transfers or if exempt due to one or more of the following:

    a. Property determined appropriate for abandonment/destruction.
    b. Non-appropriated fund property.
    c. Foreign excess personal property.
    d. Scrap, except aircraft in scrap condition.
    e. Perishables.
    f. Trading stamps and bonus goods.
    g. Hazardous waste.
    h. Controlled substances.
    i. Nuclear regulatory commission-controlled materials.
    j. Property is dangerous to public health and safety.
    k. Classified items or property determined to be sensitive for reasons of national security.

See AGPMR 110-36, FMR102-36.220 for a complete listing of excess reporting exceptions.

USDA follows GSA's personal property disposal regulations in FMR 102-35.5. In addition, USDA supplements the FMRs with the AGPMRS. GSA divided its regulations for the disposal of personal property into program areas identified below:

1. Disposal of Excess Personal Property (AGPMR 110-36, FMR 102-36).

2. Donation of Surplus Personal Property (AGPMR 110-37, FMR 102-37).

3. Sale of Surplus Personal Property (AGPMR 110-38, FMR 102-38).

4. Replacement of Personal Property pursuant to the Exchange/Sales Authority (AGPMR 110-39, FMR 102-39).

5. Utilization and Disposition of Personal Property with Special Handling Requirements (AGPMR 110-40, FMR 102-40).

6. Disposition of Seized and Forfeited, Voluntarily Abandoned, and Unclaimed Personal Property (AGPMR 110-41, FMR 102-41).

7. Utilization, Donation, and Disposal of Foreign Gifts and Decorations (AGPMR 110-42, FMR 102-42).

8. Centralized Excess Property Operation (CEPO) (AGPMR 110-52).

Regardless of the disposal method, agencies must:

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1. Maintain the property safely, securely, and cost-effective manner until final disposition.

2. Have authority to use the abandonment/destruction provision at any stage of the disposal process.

3. Implement policies and procedures to remove sensitive or classified information before disposal per the MRP Federal Electronic Sanitization memo dated 12.4.19.

4. Remove agency- affixed marking, if possible, before permanently leaving the agency's control.

5. Follow all USDA and Agency procedures and guidelines for the proper sanitization of electronic equipment before disposal.

6. Use Government-owned personal property only as authorized by your agency.

7. Only transfer title of government-owned personal property to the non-Federal entity through official procedures specifically authorized by law. USDA has the following three options for transferring title of Government-Owned personal property to a non-Federal entity:

    a. E.O. 12999 – Computers for Learning (CFL) See AGPMR 110-36, FMR 102-36.475.

    b. P.L. Stevenson-Wydler Technology Act of 1980

    c. P.L. 104-127 Section 923 of the Federal Agriculture Improvement and Reform Act

Excess USDA personal property outside of Washington, DC, area must be reported in the GSAXcess AAMS module. Once departmental screening has been accomplished, property data in AAMS is automatically fed into the GSAXcess, unless the property was designated to be dropped after internal screening per AGPMR 110-36.35. Excess personal property is screened within USDA for 15 calendar days before being electronically fed to GSAXcess for Federal screening AGPMR 102-36.95.

For more information, please refer to the USDA Federal Excess Personal Property Program handbook (FEPP Handbook), GSAXcess Disposal Guide, or GSA Personal Property Disposal Guide.

13.1   Disposal of Excess Personal Property (AGPMR 110-36, FMR 102-36)

Personal property is considered excess when the activities within the agency no longer need it to carry out the functions of official programs per AGPMR 110-36.30. To ensure the best use of excess, agencies shall transfer personal property between organizational units and other agencies of the Department. Department-wide screening is accomplished by reporting excess in the USDA Agency Asset Management System (AAMS) per AGPMR 110-36-30.

When allocating excess property, agencies will follow existing USDA Policy (AGPMR 110-36.30), which states that transfers will be accomplished on a first-come, first-served basis, except in the following cases: (1) Emergency needs; or (2) Avoidance of new procurement.

In the case of competing requests for either an emergency need or avoidance of new procurement, the following factors will be considered: (1) Direct agency use as opposed to using by a cost-reimbursable contractor or project grantee; (2) Transportation costs; or (3) Fair and equitable distribution based on prior allocations. The final decision will always be made in favor of departmental needs.

All excess property should be reported to the MRPBS AAMD Personal Property using the SF-120.

See AGPMR 110-36, FMR 102-36.125 to 102-36.145 for Transfer processes.

See DR 4070-735-001 Section 13 Sale of Personal Property.

13.2   Donation of Surplus Personal Property (AGPMR 110-37, FMR 102-37)

Excess personal property becomes available for donation the day following the surplus release date. This is the point at which the screening period has been completed without transfer to a Federal agency or other eligible recipients, and GSA has determined the property to be surplus AGPMR 110-37, FMR 102-37.30.

The State Agency for Surplus Property (SASP) is the agency designated under State law to receive Federal surplus property for distribution to eligible donees within the State as provided for in 40 USC 549. The SASPs handle the donation of most surplus property to eligible donees in their State in accordance with AGPMR 110-37, FMR 102-37.

An agency may NOT donate surplus property directly to eligible non-Federal recipients without going through GSA, except for situations listed in AGPMR 110-37, FMR 102-37.120.

The receiving organization (The transferee) is responsible for any packing, shipping, or transportation charges associated with the transfer of surplus property for a donation per AGPMR 110-37, FMR 102-37.55.

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The transferee must remove property from the holding agency premises within 15 calendar days after being notified that the property is available for pickup unless otherwise coordinated with the holding agency per AGPMR 110-37, FMR 102-37.60.

Generally, a holding agency may not donate surplus property directly to eligible non-Federal recipients without going through GSA, except for situations listed in section AGPMR 110-37, FMR 102-37.125.

13.3   Sale of Surplus Personal Property (AGPMR 110-38, FMR 102-38)

USDA agencies have a waiver under AGPMR 110-38 to hold scrap sales or conduct sales of the personal property returned from a sale center.

An executive agency's responsibilities in selling personal property are to:
- Ensure the sale complies with the provisions of title 40 USC and any other applicable laws,
- Issue internal guidance to promote uniformity of sales procedures,
- Assure that officials designated to conduct and finalize sales are adequately trained,
- Be accountable for the care and handling of personal property before its removal by the buyer, and
- Adjust property and financial records to reflect the final disposition.

USDA has authorized GSA as the Sales Service Provider; therefore, MRP generally does not sell surplus personal property independently and typically uses GSA. Some foreign programs may sell the surplus property if approved by the Department of State.

For vehicles per the MRP Motor Vehicle Manual, an employee or member of the employee's immediate household may not purchase an MRP vehicle directly or indirectly; if the employee was formerly accountable for the vehicle, formerly used the vehicle, or was in any way connected with the vehicle being declared for sale. However, employees may bid on/purchase vehicles if they were not involved in their use, acquisition retirement, or sale.

13.4   Replacement of Personal Property via Exchange/Sales Authority (AGPMR 110-39, FMR 102-39)

The exchange/sale authority is a statutory provision (40 USC 503), which states in part, "in acquiring personal property, an executive agency may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in whole in in part payment for the property acquired" See AGPMR 110-39, FMR 102-39.5.

Units may trade-in or sell certain worn-out equipment and credit the proceeds towards the cost of replacement equipment (see AGPMR 110-39, FMR 102-39, and 40 U.S.C. 503). Exchange items are not considered excess property since there is a continuing need for the equipment. Any net proceeds from the eventual sale of property as surplus generally must be forwarded to the miscellaneous receipts accounted at the U.S. Treasury and, thus, would not be available to you (AGPMR 110-39, FMR 102-39.40).

Exchange/Sale may NOT be used for weapons; nuclear ordnance; firefighting, rescue, safety equipment; nuclear reactors; hand tools. See AGPMR 110-39 FMR 102-39.60 for a complete listing. Consult the PMO for further information.

13.5   Utilization and Disposition of Personal Property with Special Handling Requirements (AGPMR 110-40, FMR 102-40)

As situations arise regarding the disposition of property with special handling, MRP may consult the APHIS Safety and Health Program Manager. The following categories of property have special handling requirements:

1. Impounded Property: Disposal and sale of livestock impounded under 36 CFR 262.10 and disposal and sale of personal property impounded under 36 CFR 261.16 are exempt from reporting to and sale by the GSA.

2. Animals: See FMR 102-36.365 for Law Enforcement Canines.

3. Pesticides: The Federal Insecticide, Fungicide, and Rodenticide Act, as amended, controls the registration, distribution, sale, shipping, receipt, use, and disposal of pesticides. The Environmental Protection Agency administers the Act.

4. Chemicals or property dangerous to public health or safety: Subchapter C, 40 CFR describes how to properly dispose of chemicals. Where State and Federal disposal regulations differ, follow the more stringent regulations.

Property that is dangerous to public health or safety shall not be abandoned, destroyed, or donated to public bodies without first:

1. Rendering such property innocuous.

2. Providing adequate safeguards.

3. Informing the donee of the actual or potential danger.

4. Clearly labeling the property to show it is dangerous.

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5. Radiation-emanating equipment and Nuclear Regulatory Commission-controlled material.

6. Controlled substances.

7. Firearms. See AGPMR 110-36, FMR 102-36.375

8. Strategic and critical material.

9. Automatic Data Processing Equipment (ADPE).

10. Aircraft. See AGPMR 110-36, FMR 102-36.340 – 102-36.360. Must always be reported to GSA and GSAXcess regardless of condition.

11. Shelf-life Items. See AGPMR 110-36, FMR 102-36.450

Items which have special excess handling requirements in the Federal Property Management Regulations should have specific demilitarization codes included in the official property system of record to ensure proper disposition methods are followed.

Refer to AGPMR 110-40 Utilization and Disposition of Personal Property with Special Handling Requirements.

13.6   Transportation of Explosives, Combustibles and Dangerous Articles

Typically, explosives, combustibles, and dangerous articles do not fall in the category of accountable, sensitive, or capitalized property unless they are included in the FSC group 10 Weapons. Regardless of these types so items must be handled following appropriate transportation regulations. Hazardous materials are substances determined and designated by the Secretary of Transportation, posing unreasonable risks to health, safety, and property when transported in commerce (49 CFR 171.8). The Department of Transportation regulations on hazardous materials is 49 CFR 171-179. Units handling such material shall maintain an up-to-date copy of these regulations. To follow these regulations, they shall instruct employees who must ship or prepare hazardous materials for transport. In addition, persons who ship hazardous materials by air must receive specific training annually (14 CFR 135 and 14 CFR 121). The audiovisual training course, Transportation of Hazardous Materials, meets the requirements of 49 CFR and 14 CFR and is available from the National Audiovisual Center, National Archives Trust Fund Board, Washington, DC 20409.

13.7   Disposition of Seized and Forfeited, Voluntarily Abandoned, and Unclaimed Personal Property (AGPMR 110-41, FMR 102-41)

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The holding agency which retains physical custody of the property is responsible for its care and handling pending final disposition. With the exception of property listed in AGPMR 110-41, FMR 102-41.35, agencies must report to GSA forfeited, voluntarily abandoned, or unclaimed personal property not being retained for official use and seized property on which proceedings for forfeiture by court decree are being started or have begun.

USDA holding agencies must report all property outlined in AGPMR 110-41, FMR 102-41.25 in the USDA AAMS following the procedures for reporting excess personal property.

13.8   Utilization, Donation and Disposal of Foreign Gifts and Decorations (AGPMR 110-42, FMR 102-42)

Employees, with the approval of their employing agencies, may accept and retain:

1. Gifts of minimal value are received as souvenirs or marks of courtesy. When a gift of more than minimal value is accepted, the gift becomes the property of the U.S. Government, not the employee, and must be reported.

2. Decorations that have been offered or awarded for outstanding or unusually meritorious performance. If the employing agency disapproves retention of the decoration by the employee, the decoration becomes the property of the U.S. Government.

A USDA employee must report the gift or decoration to the employing agency within 60 days after accepting it. When reporting the gift or decoration, employees must include a statement with the same information as required under AGPMR 110-42.95, FMR 102-42.95.

See AGPMR 102-42.20 for the typical disposition process for gifts and decorations that employee is not authorized to retain.

Personal property such as badges or other items used during an employee's active duty with the agency may be converted into decorations, plaques, or other memorabilia in accordance with DR 4040-430 and documented on the AD-107 as an official property transfer to the receiving employee.

13.9   Centralized Excess Property Operation (CEPO) (AGPMR 110-52, FMR 102-52)

Surplus furniture and equipment in the National Capital Region (NCR) area only, that is no longer needed by MRP Programs/Staffs is transferred to the USDA Centralized Excess Property Office (CEPO). CEPO is responsible for performing all disposal requirements within the NCR in accordance with applicable rules and regulations.

Please follow the procedures below:

1. Request a property control number from AAMD's Facility and Conference Services Branch (FCSB), APHIS.NCR.Property@usda.gov.

2. Complete a separate Form AD-107, Report of Transfer or Other Disposition or Construction of Property, for equipment or furniture; include the property control number on the form. Send Form AD-107 to Facility and Conference Services Branch (FCSB), APHIS.NCR.Property@usda.gov

3. FCSB will utilize the CEPO property system to create and forward barcode property tags to the customer. When the customer receives the property tags, the customer must then affix the appropriate tag to the corresponding piece of excess equipment and/or excess furniture. Notify FCSB when property tags are affixed at APHIS.NCR.Property@usda.gov.

4. FCSB will internally notify the laborers to schedule a pick-up the customer's surplus property after the customer confirms the barcode property tags are affixed.

If you require additional information and/or assistance specific to surplus property in the NCR, please direct the questions to the AAMD FCSB via the property email address: APHIS.NCR.Property@usda.gov

13.10   Disposal of Excess Agriculture Commodities

Agricultural commodities are consumables, and, therefore, they are not considered property (controlled, sensitive, accountable, capitalized) that would be captured in the official property system of record, the agency should keep records of the disposition method applied for the disposition of agricultural commodities. Agricultural commodities are defined as follows:

1. A product resulting from the cultivation of the soil or husbandry on farms. Such perishable commodities include fresh or processed packaged grains, edible oils, tobacco, etc.

2. Nonperishable commodities include cotton, dried beans, rice, etc.

3. Other products are those furnished to or obtained by the agency for grading, classification, inspecting, testing, developing standards, research, or experimentation.

Depending on the terms of the agreement which the agency acquired the commodity, the following disposition methods may be followed:

1. <u>Sales</u>: Excess agricultural commodities which are in salable condition and insufficient quantities may be sold following agency policies and procedures. Agency may post to GSAXcess and run through auctions by submitting an <u>SF-120</u> form and providing pictures of the commodity. Sales to known entities shall be recorded on the <u>AD-107 form</u>.

2. <u>Donation</u>: Excess agricultural commodities shall be donated and documented on the <u>AD-107 form</u>.

3. <u>Destruction</u>: Agricultural commodities shall be destroyed if they are unfit for use when they become excess and documented via <u>AD-112</u>.

4. <u>Return to Party from Whom Obtained</u>: Agricultural commodities may be returned to the furnishing party when the needs of the agency have been served. Upon return of commodity, a receipt showing the type and quantity involved and cite the agreement on supporting documentation.

13.11   Disposal/Excess IT Equipment Requirements

APOs are responsible for working with Information Technology (IT) specialists to ensure proper sanitization of equipment before reporting it as excess. PMS must ensure the excess report includes sanitization certification.

The AAMS/GSAXcess system automatically defaults to allow for IT transfers under the Computers for Learning (CFL) Program. Under the CFL Program, screening time frames are:
* Seven-day screening for schools, and
* 14-day screening for all GSAXcess users.

13.12   Abandon & Destruction and Recycling Process

FMR 102-36-305 governs the process for abandonment and destruction. Property is eligible for Abandon and Destruct (A&D) when it is unserviceable or clears the screening/sales process. A&D includes donating property to a public body rather than abandonment or destruction. Prior to final disposal, APOs may post a Public Notice, announcing the Government's intent to abandon or destroy property.

USDA Regulation AGPMR 110-36.305 prohibits employees from obtaining USDA property authorized for A&D for personal use.

Prior to A&D, APOs may donate property to a **public body**, which is an organization that receives annual Federal or State appropriation. Examples include:

- Federal, State, or local governments,
- Public libraries,
- Public schools, Colleges, Universities, and
- Native American tribes and communities.

Non-profit organizations are not public bodies and are not eligible for donations of Federal surplus property. Non-profit organizations (churches, daycare, private schools, Salvation Army, and boy/girl scouts, etc.) may acquire property from GSA if eligible, or may purchase property through a GSA sale, or when the PMO/APO posts a "Public Notice."

Public Notice is NOT required when:
- Property has an original acquisition amount less than $500, or
- Value of the property is so little, and the cost of continued care/handling is so great that advertising for public sale, even as scrap, is not economical, or
- A&D is required because of health, safety, or security reasons, this includes nonfunctioning Federal electronic assets (FEAs).

PMOs are responsible for ensuring the disposal has a clear audit trail:
- PMO authorization/signature on the AD-112 (Section I and III), with appropriate disposal instructions, include a Public Notice when required.
- APO and witness signature on the AD-112 (Section IV) certifying disposal.
- PMOs will remove the asset from the official inventory **after** receiving the completed AD-112.

13.13 Disposal via Certified Recyclers

If donating surplus property to a public body or posting a sales notice is unsuccessful, PMOs will authorize APOs to complete the A&D process via certified recycling. Recycling is a method of A&D. When disposing of Federal Electronics, officials must use recyclers classified as R2 responsible recycling programs or e-steward programs. Refer to the following links for information on certified recyclers:
- R2 Solutions succeeded by SERI: http://www.sustainableelectronics.org/press-releases/2014/6/4/new-organization-will-manage-r2-standard-and-promote-responsible-electronics-recycling
- EPA's Certification Program: http://www.epa.gov/epawaste/conserve/materials/ecycling/certification.htm

13.14 Disposal via Blue Earth USPS for small Electronics

Absent local certified recyclers, PMOs can recommend **USPS Blue Earth,** a group of federal recycling programs coordinated by the USPS to help agencies properly dispose of small electronics. **Free of charge,** officials can ship directly from the office to the certified recycler. There is no need to wait for a full pallet or box. Officials print shipping labels as needed. http://blueearth.usps.gov

The Blue Earth program is divided into two categories:
- Official Government Property and
- Personally, Owned Employee Property.

USDA participates in the Blue Earth Program. However, employees must be authorized to access system. PMOs and APOs are responsible for following existing regulations to document disposal via the Form AD-112. This ensures there is a clear audit trail from excess to disposal.

The following products are eligible for disposal:

Laptops Notebooks, and Netbooks	Portable Disk Drives and Hard Disk Drives	PC Towers, Desktops (keyboard and mouse only with PC)
Blade Servers	Small Scale Servers	Tablets/Readers
GPS Device	Cell Phones	Smart Phones
MP3 Players	Digital Cameras	Printer Cartridges

Blue Earth offers a recycling property for USDA employees. USDA employees may use this program to recycle employee-owned property from home. No approval for security access. Users self-register at website.

13.15   Disposal via UNICOR

UNICOR operates a nationwide network of electronics recycling centers. Property is accepted free of charge, and you may be able to arrange pick up in some areas. PMOs/APOs should use the following link to view accepted items and to locate the nearest drop-off location: https://www.unicor.gov/Recycling.aspx

13.16   Reporting/Disposal of Special Interest Items

13.16.1 All-Terrain Vehicles

FMR 102-40.140 governs the policies for disposal of ATVs. Agencies may trade-in three or four-wheeled ATVs with a dealer for replacement.

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Three-Wheeled ATVs: If there is no need to exchange, APOs will report ATV for disposal. PMOs will authorize destruction. The APO must destroy the ATV to prevent use. It may be sold as salvage or scrap.

Four-Wheeled ATVs: If there is no need to exchange, APO/PMOs s may report four-wheeled ATVs as excess for transfer (Federal) or donation (State) by GSA. Four-wheeled ATVs may not be sold to the public unless it is for sale as scrap/salvage. Officials must render it inoperable.

13.16.2   Commercial Software

AGPMR **110-36** states restrictions in the software licensing agreement takes precedence over USDA disposal procedures. Licensing agreements may require the official to return software to the vendor or to destroy it. Contact your Information Technology Specialist to determine if the licensing agreement indicates disposal instructions. If there are no instructions, report software as excess for potential re-use. Include the following:
• software name,
• type of operating system and compatible systems, and
• release number

Software may be declared excess because it is obsolete. Obsolete software is software that is not the two latest versions. Work with your Information Technology to erase all soft copies from equipment and shred hard copies. Use the Form AD-112, Report of Unserviceable, Lost, Stolen, Damaged, or Destroyed Property, to validate and certify destruction.

13.16.3   Firearms

FMR 102-36.375 requires APO/PMOs to report excess firearms to GSA for screening. GSA will only approve transfers to Federal agencies authorized to acquire firearms for official use or to local law enforcement agencies.   If there are no re-use requests, GSA will authorize PMOs to destroy (crushing, cutting, breaking, or deforming) to ensure each firearm is completely inoperative and incapable of ever being used. Officials must have two witnesses to the destruction process

13.16.4   Precious Metals

USDA has a memorandum of understanding with the Department of Defense for recovering precious metals in equipment. APO/PMOs will work with the DOD Precious Metals Program Coordinators in Chambersburg, PA (717-267-9357), or Kirtland AFM, NM (505-846-6655). Use the closest office.

13.16.5 Property Dangerous to Public Health and Safety

Officials will work with the location Safety Officer for proper disposal of property dangerous to public health and safety, (such as insecticides, herbicides, fungicides, explosives, biological reagents, etc.). Provide detailed information indicating the hazardous characteristic, decontamination process, etc.

13.16.6 Radioactive Material

PMS will not report radioactive material through AAMS/GSAXcess. Instead, USDA's Radiation Safety Officer provides disposal instructions. APOs/PMOs will work with the Radiation Safety Officer for proper disposal instructions.

13.16.7 Scrap

PMS should contact the regional GSA sales office to determine whether GSA will conduct the sale. If not, PMS/APOs will work with a warranted officer to conduct a sale or post a Public Notice to sell scrap to a certified recycler. PMSs will return sales proceeds to the US Treasury. If the office has a specific recycling program, the office may return proceeds to this program. Submit quarterly sales information on proceeds from a public notice sale.

13.16.8 Nonfunctioning Federal Electronic Assets (FEAs)

GSA and USDA encourage agencies to follow the GSA Bulletin, FMR B-34, Disposal of Federal Electronic Assets. FMR Bulletin B-34 defines the following groups of property as FEAs:
- Copiers
- Telephones, fax machines, and other communication equipment
- Electronic Equipment Components
- Digital Camera
- Desktop and laptop/portable computers, monitors, disposals, printers, and peripherals,
- Televisions
- Other Items that clearly use old-state electronics technology or vacuum tubes.

Use every opportunity to reuse electronic assets according to existing property regulations:
- reuse within the agency,
- replace through exchange/sale authorities, and
- promptly report as excess to increase transfer opportunities.

When FEA is nonfunctional (condition codes X-salvage or S-scrap), PMSs have the option to report in GSAXcess for sale by GSA. GSA will only sell to certified recyclers or authorize abandonment and destruction to a certified recycler. When reporting in GSAXcess, the system

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will forward the report directly to GSA Sales. If there are no sale offers by certified recyclers, GSA will authorize the APO/PMO to proceed with abandonment and destruction via a vendor take back program or a certified recycler.

APOs can use a receipt copy from the recycler in place of the witness's signature on the AD-112 form.

14.0 DONATION PROGRAMS

PMOs/APOs may use one of the following Donation Programs to transfer excess property to eligible recipients. These programs have limited screening which allows for a quicker transfer process. Each program has different eligibility and reporting requirements. Most all the programs have annual reporting requirements. Where USDA screening is required, if there is a USDA need, USDA agencies/partners have preference.

14.1 1862 Federal Excess Personal Property (FEPP) Program

This program allows transfers to 1862 Land Grant Universities for direct use in USDA approved projects. **(No screening required**.) However, t**he transfer must have prior approval from the University's APO and USDA's FEPP Program Coordinator.**

Excess is designated only for the programs below. The University may not use it outside these programs.
- Cooperative Extension Services,
- Agricultural Experiment Stations,
- Schools of Forestry, and
- Colleges of AG Veterinary Medicine.

Not all 1862 Land Grant Universities participate in the program. The University must have a letter on file with USDA's FEPP Program Coordinator appointing a University APO before it can participate. The transfer document, Form AD-107, must contain:
- Asset Descriptive Information,
- Asset ID Number (if accountable)
- Signature of University's FEPP APO,
- FEPP Certification Statement, and
- Signature of FEPP Program Coordinator.

APOs must not physically transfer property until after receipt of the completed AD-107 with approval/required signatures. The FEPP Program Coordinator is responsible for submitting an annual report of donations to the 1862 Schools.

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The transfer document must contain the following certification statement:

"This property is requested by USDA-MRP and must be used in approved projects and programs. Title remains vested with USDA-MRP. Property may not be transferred, cannibalized, sold, or disposed of without written instructions from the FEPP Coordinator."

14.2   Federal Agriculture Improvement Report (FAIR) Act

(**Requires USDA screening**.) Allows transfers of excess to support and promote agricultural education. USDA's OPFM is the program coordinator. Eligible Institutions are:
- 1890 Historically Black Colleges & Universities,
- 1994 Native-American Colleges, and
- Hispanic-Serving Institutions (HSIs).

Schools must have a participation letter on file with USDA appointing the school's APO and use AAMS to select available excess.

PMS will report excess in AAMS, indicating ***"Drop After Internal Screening"*** to ensure the report does not process to GSAXcess.

Upon selection in AAMS:
- the school receives a system-generated SF-122 after selecting excess,
- the school obtains approval from USDA's Program Coordinator, and
- the school forwards the signed SF-122 to the PMO.

The PMO/APO works with the school to finalize transportation/shipping. APOs must not physically transfer property until after receipt of the SF-122 with signatures from the University APO and the FAIR Program Coordinator. PMS will track donation information for the Annual Non-Federal Recipients Report.

14.3   Computers for Learning

(**Requires USDA screening**.) Allows transfers of excess computer and related IT equipment. Eligible Institutions are public/private schools, prekindergarten through grade 12.

If an eligible organization provides services to adults, they must maintain a separate area for children, ensuring that only children use this equipment since the intent of Computers for Learning (CFL) is school-age children. Request confirmation of a separate area for children and that only children will have access to equipment.

PMSs should use GSAXcess to process transfers. PMS will:

- screen excess for need within USDA in AAMS, and
- Select "Available for CFL" in AAMS/GSAXcess.

After USDA screening, the excess is first available to all schools/organizations registered in the CFL module for seven days. When a school selects excess, the process is:
- GSAXcess forwards an electronic SF-122 to the school, and
- The school is responsible for returning the approved SF-122 to the PMS.

During CFL screening, it is the PMOs responsibility to allocate, transfer, and deny all requests in GSAXcess. Before allocating property, the PMS should verify the school/organization's eligibility. PMS can search the organization's website to help determine eligibility. If the school meets the eligibility requirements, PMS will:
- review the approved SF-122 from the school
- sign and return completed SF-122 to the school,
- allocate excess in CFL menus of GSAXcess,
- work with the school and APO to finalize shipping/transportation arrangements, and
- remove accountable property from the inventory as a Donation to Public Body.

If there are no requests after the 7-day CFL screening, excess follows the traditional route. The CFL module automatically captures information for the Non-Federal Recipients Report.

CFL Transfers Outside GSAXcess. If the school is not registered with GSAXcess/CFL, PMS may process the transfer outside the CFL module. PMS must verify the school's eligibility, (Pre-Kindergarten through grade 12). After confirming that the school is eligible, PMS will:
- report excess in AAMS for USDA screening,
- indicate "Drop After Internal Screening", and
- prepare the transfer document.

The APO/PMO will ensure IT equipment has been sanitized. The PMS will track donation information for the Annual Non-Federal Recipients Report.

14.4 Stevenson-Wydler (PL 102-45)

(Requires USDA screening.) Allows transfers of excess scientific and technical equipment to promote research and science. **Eligible Institutions are** public/private schools, K through 12th grade, and Colleges and Universities, Authorized Federal Supply Groups (FSGs): USDA limits transfer under Stevenson-Wydler to the following Federal Supply Groups:

FSC Group	Name
19	Ships, Small Craft, Pontoons, and Floating Docks
23	Vehicles, Trailers and Cycles

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FSC Group	Name
24	Tractors
37	Agricultural Machinery and Equipment
43	Pumps, Compressors
48	Valves
58	Communication, Detection, and Coherent Radiation Equipment
59	Electrical and Electronic Equipment Components
65	Medical, Dental, and Veterinary Equipment and Supplies
66	Instruments and Laboratory Equipment
67	Photographic Equipment
68	Chemicals and Chemical Products.
70	General Purpose Automatic Data Processing Equipment, Software Supplies, and Support Equipment.
74	Office Machines and Visible Record Equipment

Refer requests for items in Groups or Classes other than the above to the PMS for consideration and approval. APOs will report property as excess and indicate a statement: "Request Donation under S/W to: name/address of eligible donee,"

PMS will:
- report excess in AAMS for USDA screening, and
- select "Drop After Internal Screening". This ensures USDA screening only.

If there are no USDA requests, APOs will prepare form AD-107. PMS will report information for the annual Non-Federal Recipients Report.

15.0   PROPERTY RECORDS

All accountable personal property acquired by purchase, transfer, construction, fabrication, found, received as a gift, seized/forfeited or donated will be recorded on the property records at the time the receiving agency accepts it via entry into the official property system of record (AGPMR 110-51.103). Property Records for accountable personal property will, at a minimum, contain source documentation to provide the following (AGPMR 110-51.104 / FMR 102-36.235):

- Description of the property, including a unique asset id number.
- Location of the property.
- Name of APO.
- Date of acquisition and/or disposal.
- Posted reference.
- Manufacturer's serial number, stock number, and year of manufacture when applicable.

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- Annual depreciation rate or amount, when applicable.
- Acquisition cost of the item.
- Additions or improvements.
- Repair and maintenance costs and timetable.
- Non-appropriated property information.
- FSC.
- Components.

Federal records created by this Directive must be maintained in accordance with the established General Records Schedule (GRS) and/or the Records Management Handbook when applicable. If named in an active litigation hold, Freedom of Information Act (FOIA) request, and/or other action, those records, regardless of media, must be preserved and maintained in their native format until otherwise notified by your Agency Records Officer and/or the Office of General Counsel.

The APO is the record-keeping official of any/all personal property records that are created under this Agency Directive. The APO is responsible for maintaining records in accordance with the Property – Procurement (PRP) 8, 8.1, 8.2, 8.3, and 8.4 record retention requirements of the Records Management Handbook.

The best practice is to maintain all records associated with personal property items for three years after disposition.

15.1   USDA Report of Transfer or Other Disposition of Property: **Form AD-107**

To document transfer of equipment, the responsible APO completes Form AD-107 for approval by the APO as delegated by the PMO per AGPMR 110-36.125. Include the Asset ID number in the item's description to accommodate the official property system of record transfer. The Form AD-107 also documents temporary reassignments of responsibility, found or recovered property, construction of the accountable property, and deletion of accountable property incorporated into another article, sold, exchanged, or donated.

USDA may only do direct transfers with other Federal entities, if the property completes the screening process and is pending disposal, a transfer may be done in-lieu of disposal per FMR 102-36.320.

See instructions for completing the AD-107.

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15.2   Report of Unserviceable, Lost, Stolen, Damaged or Destroyed Property: Form AD-112

Use the Report of Unserviceable, Lost, Stolen, Damaged, or Destroyed Property Form AD-112 to report incidents of loss, damage, destruction, theft, or unserviceability of Government-owned, -leased, -rented, or -borrowed personal and real property per AGPMR 110-50.104.

When explaining the circumstances concerning property lost, stolen, damaged, or destroyed, answer the basic questions of who, what, where, how, and when. Do not dispose of the item without concurrence of the PMO/Property Specialist. The PMO/Property Specialist will review and return the form with the appropriate approvals or request additional information.

See instructions for completing the AD-112.

15.3   Report of Excess Personal Property: Form SF-120

Use the Report of Excess Personal Property Form SF-120 to report property excess to unit needs. When completing the Form SF-120, list the condition codes, so the PMS can accurately input the information into GSAXcess. When the property is reported for excess via GSAXcess, the Property Specialist assigns an item control number (ICN) with a 10-digit number (6-digit Fed strip code, i.e., 12-6395, 1-digit year code, and 3-digit Julian date, i.e., 9207). The ICN should be documented on the SF-120 when the property is reported for excess.

See instructions for completing the SF-120.

15.4   GSA Transfer Between Agencies: Form SF-122

Property transferred between agencies will have a Form SF-122 per FMR 102-36.125. If the property is transferred via GSAXcess the system will generate this transfer form.

See instructions for completing the SF-122.

15.5   Personal Property Pass: Form AD-873

All employees in the Washington, DC, area must follow the procedures set forth in DR 5200-0001 to remove property from a government-owned or -leased building. In offices that do not fall under the procedures listed above, the APO should use the AD-873 Property Pass to document temporary assignment of property responsibility and maintain accountability on property not included in the official property system of record AGPMR 110-50.109.

16.0   LOST, STOLEN, DAMAGED OR DESTROYED PROPERTY

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Employees are directly responsible for the use and protection of Government property assigned to them and will be held financially responsible in cases of gross negligence. Whenever property is lost, stolen, damaged or destroyed, the employee will prepare section I of the Form AD-112, sign block four, and submit it to their APO per AGPMR 110-50.107. The form and/or additional documentation must include a detailed explanation of the incident and circumstances included, such as:

- When the item was last seen,
- Where the item was last located,
- Name of the employee assigned as the custodian,
- A copy of the police report or case number, and
- First report number, if applicable.

The APO will review and sign block 5 of the Form AD-112 and submit to the Personal Property Team to review. In the case of vehicle accidents involving MRP employees, the supervisor must upload the completed Form AD-112 to the First Report system.

Upon receipt of a Form AD-112, if the APO indicates lost, stolen, damaged, or destroyed property, the Property Specialists, will refer it to the PMO to consider both circumstances and evidence to determine if there appears to be gross negligence involved. Should the PMO relieve an employee of liability, the Form AD-112 is referred to the PMS and fiscal officers for inventory adjustments in the official property record system. However, should the PMO determine that gross negligence is apparent, the Form AD-112 and associated documentation will be referred to the AICB, the agency head, or their designee for consideration of appropriate action under the Debt Collection Act. Cases of lesser negligence may be referred to agency personnel officials for consideration of disciplinary action AGPMR 110-50.108.

An employee charged with gross negligence has the right to appeal under the hearing process prescribed by USDA regulations concerning debt collection found in 7 CFR Part 3 Debt Management Subpart E & F 3.50-3.62. Agencies may impose stricter standards for sensitive items (e.g., weapons, badges, etc.) per AGPMR 110-50.107.

The employee must safeguard Government equipment against theft to the extent possible; do not leave sensitive (i.e., UAS, firearms, etc.) or accountable assets where they are easily viewable. Employees must secure these types of assets in the vehicle trunk or other secure locations when unaccompanied to prevent theft.

For a vehicle accidents, the employee's supervisor must report the vehicle accident in the First Report system. The supervisor must include the employee statements, necessary forms, and any applicable photos with the report submission. Upon completion, the report tool generates an email to the supervisor and several others who must take specific actions upon notification. The

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PMO or designee should receive these notifications for vehicle accidents. The PMS will review vehicle accident/property damage reports and refer cases to the PMO for escalation.

The PMO, the Emergency Management, Safety, and Security Division, AICB, and HRD's Labor-Management Employee Relations Branch will work together to determine whether the incident/accident resulted from employee gross negligence and recommend appropriate disciplinary action. Please refer to the MRP 5400 Motor Vehicle Manual for additional information regarding vehicle accidents.

An employee charged with gross negligence has the right to appeal under the hearing process prescribed by USDA regulations concerning debt collection found in 7 C.F.R. 3.50-3.62. Agencies may impose stricter standards for sensitive items (e.g., weapons, badges, laptops, etc.). AGPMR 110-50.107.

17.0   PROPERTY ACCOUNTABILITY

When personal property issues arise that suggest loss, theft, damage, destruction, or misuse of government property, the PMO may request a property audit/investigation. The following may occur based on the estimated cost of loss, theft, damage, destruction, or misuse.

Less than $5,000

The PMO recommends cases indicating employee failure or carelessness in protecting or misusing Government property to HRD for possible disciplinary action in accordance with the USDA Guide for Disciplinary Penalties. The PMO may assess liability for a damaged property equal to the actual cost of restoring the property to the same condition it was immediately preceding the damage. In the case of lost, stolen, or destroyed property, the property value will be based on the property record value less reasonable depreciation and if applicable, the appropriate residual value as set by appraisal or sale.

More than $5,000

If the loss, damage, or destruction exceeds $5,000, the Director of AAMD or the PMO has the authority to escalate to program leadership. Leadership will review the reports and circumstances concerning the case referred and determine whether the employee will be financially liable and the amount to charge. The PMO will recommend to HRD any cases that might warrant disciplinary action against an employee who failed to protect government property.

Leadership may assess liability for a damaged property equal to the actual cost of restoring the property to the same condition it was immediately preceding the damage. In the case of lost, stolen, or destroyed property. The assessment amount will be based on the property record value

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less reasonable depreciation and, if applicable, the appropriate residual value as set by appraisal or sale.

The PMO/leadership will not consider in its assessment of liability the financial loss that the employee may sustain due to subsequent disciplinary action.

18.0   AUDIT CONTROLS

 USDA Regulation DR 1110-002, Management Accountability and Control (in compliance with OMB Circular A-123, Management Accountability, and Control), requires agencies to manage programs with integrity and ensure operations comply with applicable laws and regulations. This includes:
- Provide reasonable assurance to safeguard assets against waste, loss, unauthorized use, and misappropriation,
- Establish separation of duties in authorizing, processing, recording, and reviewing property transactions to ensure individuals do not exceed or abuse authorities, and
- Document and record transactions show clear audit trails for inventory actions and disposals.

18.1   Separation of Duties

To comply with separation of duty requirements:
- MRPBS AAMD PMS has full edit access to CPAIS-PP.
- Employees assigned duties as an APO/PMO may not have edit access to CPAIS-PP to perform inventory status changes; however, they may have read-only access to easily view the property listed on their inventory and submit updates/changes.
- MRPBS FMD Property Accountant will have the CPAIS-PP accounting roles.

18.2   Property Audit

FMD Review and Analysis Branch (RAB) may conduct property audits in accordance with OMB A-123 requirements. As part of the audit, the team will sample a number of records to be reviewed in accordance with standard operating procedures for the following issues.

1. Poor descriptions that do not identify the asset.

2. Multiple physical assets per asset record.

3. Grouped by asset groupings and not by asset accounts.

4. Capital improvements are created as new assets instead of being transferred from the current location.

5. Missing transfers paperwork to fixed assets.

6. Non-capital assets are shown with depreciation expenses.

7. Locations not updated.

8. Misclassifications.

9. Useful life duration.

18.3 Audit Trail

APOs are responsible for providing AAMD Property with documentation or any status changes to the accountable property such as transfers, loans, excess, unserviceable, lost, stolen, or damaged. APOs must submit the official forms (AD-107, AD-112, SF-120, etc.) to AAMD Property to review and update in the official property system of record.

Files should show a clear audit trail from acquisition to disposal and documentation for changes to the inventory record. The official asset file should include:
- Working copy of the physical inventory report.
- Acquisition documents for the accountable property.
- Pending excess/unserviceable requests.
- Completed disposals.
- Property on loan.
- Donations to non-Federal recipients.

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Appendix I: Definitions

Accountable Property: Sensitive and non-expendable property costing $5,000 or more are considered accountable and tracked by the official property system of record. Certain property denotes official authority.

Acquisition Cost: The original acquisition cost of the property to the Federal Government. This includes original initial accessories, components, transportation, training, and labor costs to make property serviceable, installation, handling and storage costs, and other operating costs to bring the property into service. Anything (other than maintenance) that is added later is considered an upgrade or component of the asset/property. See DR 2200-002-5d

Accountability: To possess and have use of the property of another with delegated duties and responsibilities subject to a penalty in case of default.

Accountable Property Officer (APO): The APO must ensure that all procedures are followed in accordance with the Federal Management Regulations (FMR), Agriculture Property Management Regulation (AGPMR), and National Finance Center (NFC) procedures manuals for the agency that they have the responsibility and are accountable for personal property. The APO must also ensure that employees have the necessary resources to adequately secure equipment for which they have responsibility AGPMR 110-50.106. See Section 2.2.

Budget Object Code (BOC): An element of accounting (four-digit numeric code) used by the Federal Government to record its financial transactions according to the nature of goods or services provided or received. Personal property typically falls under a 31XX BOC.

Capitalization: The act of recording an asset in a property control and ledger system so that its costs can be tracked and subsequently depreciated on financial statements.

Capitalized Personal Property: Capitalized property must meet the following criteria: (1) it must be of a durable nature, and (2) it must have a useful life of two or more years once it is placed into service. Capitalized property typically has an acquisition value of $25,000 or greater ($100,000 or greater for Internal Use Software (IUS)).

Condition Codes: These numeric Condition Codes are used to report and review the current condition of excess personal property. Condition codes are established by the General Service Administration (GSA) and published in the Federal Management Regulations (FMR).

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

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Controlled Personal Property: Property having a lower or negligible cost but requiring accountability and authorization for destruction on a Form AD-112. Controlled property requires some level of informal tracking or accounting (including the use of a Form AD-107, Personal Custody Property Receipt, or spreadsheet). Examples are badges, ammunition, explosives, keys to government facilities, permits, hammers for tree marking paint with tracer elements, etc. Controlled property is tracked and managed by APOs but is not recorded in the official system of record.

Corporate Property Automated Information System (CPAIS) – Personal Property (PP) – (CPAIS-PP): An integrated central database application designed to support personal property management and account for United States Department of Agriculture (USDA) agency's property.

Custodian: Custodians have specific assets assigned to them by their APOs and are responsible for managing and maintaining those assets. Custodians are responsible for keeping assets safe and reporting them lost, stolen or excess as appropriate. All employees that use Federal personal property are custodians of the property in their possession.

Damaged Property: Property damaged but with limited, minor, or no repair could be or is operational.

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

Depreciation: The rational and systematic method of spreading the cost of an asset over its estimated useful life.

Disposal: Disposition of excess and surplus property through transfer, donation, sale, abandonment, or destruction. The APO/AAMD Property Specialist must sign all disposal forms prior to disposal, regardless of asset value or classification (accountable, sensitive, controlled).

Documentation: The source information used to support the transaction being processed for a specific asset. Examples of transactions include acquisitions, disposals, transfers, etc. Documentation should provide a complete audit trail for personal property assets, including all applicable documents and forms to trace an asset from acquisition through disposition.

Donation: Conveyance of surplus personal property to non-federal / public entities and other specifically designated recipients.

Durable Property: Property with an expected life span of 2 years or more, which is not consumed during use, and/or has a commercial value as an item or for its value in scrap content.

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Excess: Property under the control of a federal holding agency that is no longer required for that agency's needs, as determined by the agency head or PMO.

Exchange/Trade: To replace personal property by trade or trade-in with the supplier of the replacement property. For example, a printer is traded in with the vendor/supplier, the agency receives $200 to apply towards the purchase of a new/replacement printer.

Exchange/Sale: To exchange or sell non-excess, non-surplus personal property and apply the exchange allowance or proceeds of sale in whole or in part payment for acquiring similar property within the same Federal Supply Group (FSG).

Fair Market Value: The value for which an asset could be bought or sold in a transaction between a willing buyer and seller. Also referred to as resale and/or trade value see DR 2200-002-50).

Federal Supply Classification (FSC): A four-digit coding structure. The first two digits of the code number identify the group (FSG), and the last two digits of the code number identify the classes (FSC) within each group.

Firearm: Firearm, as defined in 18 U.S.C. 921(a)(3), means: (1) Any weapon (including a starter gun) which will or is designed to or may readily be converted to expel a projectile by the action of an explosive; (2) The frame or receiver of any such weapon; (3) Any firearm muffler or firearm silencer; or (4) Any destructive device. Such a term does not include an antique firearm. The following assets are assigned to APHIS that is classified as firearms:

        1.2.2.1. Captive Bolt Gun
        1.2.2.2. Tranquilizer (Dart) Gun
        1.2.2.3. Pistol
        1.2.2.4. Air Gun
        1.2.2.5. Rifle
        1.2.2.6. Shotgun
        1.2.2.7. Net Gun
        1.2.2.8. Suppressor
        1.2.2.9. Revolver
        1.2.2.10 Air Rifle

Government-Furnished Property: Property in possession of, or directly acquired by, the Government and subsequently furnished to the contractor to perform 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.

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Gross Negligence: The intended, willful, wanton failure to exercise the degree of care that a person of average prudence would provide under the same circumstances to protect property in one's custody, or the reckless disregard for that degree of care.

Government Property: All property owned or leased by the Government. Government property includes both Government-furnished 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.

Intangible Personal Property: Personal property such as patents, patent rights, processes, techniques, inventories, copyrights, negotiable instruments, money orders, bonds, shares of stock, and similar evidence of value.

No Commercial Value: Describes property, which is not usable, cannot be economically rehabilitated for the purposes for which it was initially intended, and has no market value, either as an entity or for any other purpose.

Nonexpendable Property: Personal property complete in itself; durable, with an expected service life of more than one year; and which does not lose its identity or become a component part of another article when put into use.

Obsolete Property: Property that is no longer produced or used; out of date. May not be able to find replacement parts or repair.

Ownership: "Owner" means the one who has legal or rightful title to the property. Ownership of property allows the owner to make decisions regarding the property. In Federal property management, the Federal government has ownership of the property.

Personal Property: All Government assets of any kind, except land, land improvements, and fixtures attached to improvements, but including prefabricated movable structures, such as metal storage warehouses, house trailers (with or without undercarriages), modular units, and Quonset huts. Personal property is complete in itself (an end item), durable, with an expected life of more than two years, and does not lose its identity or become a component part of another asset when put into use. Personal Property assets include Accountable, Capitalized, Non-accountable, and Sensitive Property.

Property Management Officer (PMO): The person responsible for administering the asset management program for a specific program area to ensure effective utilization, accountability, control, and disposition of property by existing laws, regulations, and policies. The PMO is appointed at levels in the agency/office to implement its programs and work with the board of survey/Administrative Investigations and Compliance Branch (AICB) to make initial determinations regarding apparent gross negligence. The PMO is in a managerial position and

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must be at least one organizational level above the employee for which they make recommendations concerning liability. Several APOs may be assigned to a PMO AGPMR 110-50.105.

Property Specialist: This position is located in the Marketing and Regulatory Program Business Services' (MRPBS) Acquisition and Asset Management Division (AAMD) on the Personal Property Team. This position processes the new property assets, transfers, disposals, and maintains asset records. Property Management Specialists (PMS) are responsible for approving non-accountable, non-sensitive excess/disposals/transfers to ensure the appropriate excess/disposal method is used. Once excess/disposal is complete, the PMS will update the official property system of record. The PMS is also responsible for initiating the bi-annual inventory to the APO on behalf of the PMO.

Responsibility (Property): Having responsibility for actions related to property such as maintenance, control, record keeping. More general than accountability, which is tied to being accountable to someone else for the property.

Salvage: Personal property that has value beyond its basic material content but cannot be used because of its condition. Costs to repair or rehabilitate such property exceed 65 percent of the replacement cost. Salvage includes:

a. Property, which might be repaired, reconditioned, or restored to usable condition but because of extreme wear or deterioration, it would be uneconomical to do so; for example, broken trailers.

b. Specialized property can no longer be used as a unit or is not usable without significant alterations, for example, obsolete office lab equipment where parts are no longer available.

Scrap: Personal property with no value except its basic material content.

Screen: To review or compare property on hand against a known or anticipated requirement.

Sensitive Property: Accountable property valued at less than $5,000 is susceptible to loss or theft as defined by the Agency PMO per MRP 5000.2 or determined by the program. Equipment that is highly susceptible to fraud, waste, and abuse may be determined by the program and captured in the property system. Determine sensitivity by considering:
- History of theft, loss, damage, or misuse.
- Degree of use.
- Management information needs.
- Cost of maintaining accountability.

Separation of Duties: A mandatory internal control that requires more than one person to complete a task. Example: PMO authorizes a transaction; APO submits documentation to Personal Property Team, and PMS/Property Management Technician enters data in the official property system of record.

Serviceable/Useable: Property with a reasonable prospect of use or sale, either in its existing form or after minor repairs or alternations.

Severable: Capable of being severed or separated without undue harm to the parts and without undue cost.

Surplus: Excess personal property no longer needed for the discharge of the responsibilities of all Federal agencies, as determined by the GSA.

Tagged Property: Property identified within an organization's property control system that qualifies to receive a unique tag used for identification and tracking by its nature (value, sensitive, and special measure of control).

Unserviceable Property: A general term applied to scrap and salvage. Consider age, dependability, safety, the economy of operations, and availability and cost of replacements in determining unserviceability.

Useful Life: Period of time an asset is expected to perform the function for which it was designed. This is sometimes referred to as "economic life".

Voluntarily Abandoned Personal Property: Private property is abandoned in a way that immediately transfers title of the property to the Government. There must be written or circumstantial evidence that the property was intentionally and voluntarily abandoned. The evidence should clarify that the owner did not simply lose the property.

Receiving: The process whereby an authorized MRP employee receives personal property acquired by purchase, transfer, donation, etc. Once an authorized representative has signed for the property and it is documented in the official property system of record, it is accountable to and the responsibility of the receiving organization.

Identification: The physical marking of property, or in some cases its container, by which one or more of the following may be ascertained: ownership, classification, part, serial, model, description, contract, or unique organization designation. The identification of an asset during the receiving process ensures that the property record is accurate and complete to manage the asset throughout its life cycle.

Marking/Tagging: The physical placement of a barcode or other type of marking/tag on an asset that identifies it as an asset owned or leased by USDA. The placement of a barcode or other tag provides a unique marking or number that distinguishes the tagged asset from all others in the official property system of record. Barcode tagging is optional for MRP organizations, and property control is conducted using description, manufacturer, model, and serial number on the local level.

Unmanned Aerial System (UAS): An unmanned aircraft and its associated elements related to the safe and efficient operation of the small, unmanned aircraft in the national airspace system, which may include but not be limited to control stations, data communications links, support equipment, payloads, flight termination systems, and launch/recovery equipment. The UAS is the flying component of the system, flown by a pilot via a ground control system or autonomously through the use of an onboard computer, communication links, and any additional equipment necessary for the unmanned aircraft to operate safely.

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Appendix II: References

- National Finance Center Budget Object Code (BOC) Manual
- USDA Departmental Regulation 2100-001 - Financial Management Systems Dated November 30, 2005
- USDA Departmental Regulation 2200-002 - Capitalization and Depreciation of Real and Personal Property Dated April 2, 2013
- USDA APHIS Budget and Accounting Manual (BAM)
- MRP DR 5000.2 Sensitive Property
- General Service Administration Bulletin Federal Management Regulation B-17 Personal Property Dated January 29, 2008
- General Service Administration Bulletin Federal Management Regulation B-26 Accountability and Stewardship of Personal Property Dated May 7, 2010
- Bulletin OCFO 07-04 Annual Accounting Reclassifications Related to Personal Property Dated December 26, 2007.
- Federal Managers' Financial Integrity act of 1982 (FMFIA)
- Agriculture Property Management Regulations (AGPMR) Sub-Chapter A 110-2 Agriculture Property Management Regulations Supplementing 102-2.
- AGPMR Sub-Chapter B 110-35 Disposition of Personal Property Supplementing FMR102-35
- AGPMR Sub-Chapter B 110-36 Disposition of Excess Personal Property Supplementing FMR102-36
- AGPMR Sub-Chapter B 110-37 Donation of Surplus Personal Property Supplementing FMR102-37
- AGPMR Sub-Chapter B 110-38 Sale of Personal Property Supplementing FMR102-38
- AGPMR Sub-Chapter B 110-39 Replacement of Personal Property Pursuant to the Exchange/Sale Authority Supplementing FMR102-39
- AGPMR Sub-Chapter B 110-40 Utilization and Deposition of Personal Property with Special Handling Requirements Supplementing FMR102-40
- AGPMR Sub-Chapter B 110-41 Disposition of Seized, Forfeited, Voluntarily Abandoned and Unclaimed Personal Property Supplementing FMR102-41
- AGPMR Sub-Chapter B 110-42 Utilization Donation and Disposal of Foreign Gifts and Decorations Supplementing FMR102-42
- AGPMR Subchapter N part 110-51 Property Accountability and Control
- Federal Management Regulations Subchapter B Personal Property

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Appendix III: Property Forms

Form Use	Form #
USDA Report of Transfer or other Dispositions	AD -107
Report of Unserviceable, lost, stolen, Damaged or Destroyed Property	AD-112
Procurement Request	AD-700
Purchase Order Receipt	AD-838/838b
Purchase Order	AD-838-7
Property Pass	AD-873
GSA Transfer Order	SF-122
Report of Item Discrepancy	SF-364
Report of Excess	SF-120
APHIS Property Receipt/Hand Receipt	N/A
Electronic Media Sanitization Certification	N/A

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Appendix IV: Property Pass AD-873

1. AGENCY CODE NO.	U.S. DEPARTMENT OF AGRICULTURE	2. PASS GOOD THIS DATE
3. PROPERTY PASS NO.	**PROPERTY PASS** PRINT ALL INFORMATION	4. LOG BOOK NO.

This pass is to be used whenever property is removed from the building. It is to be properly filled in and signed and handed to the guard when leaving the building.

5. NAME OF PROPERTY HOLDER	6. BUILDING PROPERTY BEING REMOVED FROM

7. DESCRIPTION OF PROPERTY BEING REMOVED (*Include serial number if any*)

8. REASON FOR REMOVAL

9. PROPERTY BELONGS TO	11. PROPERTY STATUS (*Use X*)
	☐ GOVERNMENT ☐ PRIVATE
10. SIGNATURE OF PERSON AUTHORIZING REMOVAL OF PROPERTY	☐ COMMERCIAL
	12. GOVERNMENT PROPERTY RETURN DATE

This form was electronically produced by Elite Federal Forms, Inc.   Form AD-873 (6/83)

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Appendix V:Property Receipt/Hand Receipt

USDA	United States Deparment of Agriculture Animal Plant Health Inspection Services	Property Receipt / Hand Receipt			
Property Asset ID	**Property Description**	**Serial Number**	**Quantity**	**Unit Price**	**Cost**

I herby acknowledge receipt of the above listed property items. I accept personal responsibility for the proeprty listed above and will surrender it upon demand, transfer, or seperation from theGovernment. I further understand that I shall be held financially liable for loss, damange or theft, unless otherwise relieved by appropriate action.

APO ID:		Date Issued:	
APO Name:		Date Returned:	
APO Signature:			
Recipient Name:		Receipient Signature:	

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Appendix VI: 1862 Land-Grand Institutions for FEPP

[Land-Grant University Website Directory | National Institute of Food and Agriculture (usda.gov)](usda.gov)