

14 FAM 400 ASSET MANAGEMENT

14 FAM 410 PERSONAL PROPERTY MANAGEMENT FOR POSTS ABROAD

(CT:LOG-60; 5-14-2009)
(Office of Origin: A/LM)

14 FAM 411 SCOPE AND AUTHORITY

14 FAM 411.1 Scope

(CT:LOG-60; 5-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. This policy explains what is required for managing personal property abroad. It presents the policy, principles, responsibilities, and related requirements for receipt, management, accountability, storage, utilization, maintenance, reporting, and disposal of all U.S. Government-owned and leased personal property controlled by each State, BBG, USAID, Commerce, or Agriculture office established abroad.
- b. **State** only: This policy covers, in part, U.S. Department of State personal property provided to contractors (government-furnished property (GFP)) and contractor-acquired property (CAP), when the U.S. Government holds title:
 - (1) For authority and guidance for providing excess State personal property to contractors, see Federal Management Regulation, 41 CFR 102-36.150 through 102-36.175;
 - (2) For the primary policies and procedures for GFP and CAP property, see Part 45 of the Federal Acquisition Regulation Web page and the Policy Division's Procurement Information Bulletin Web page;
 - (3) For State guidelines on implementing agency-level policies and procedures with respect to contractor-held property, see the following:
 - PART 645 – Government Property of the Department of State

Acquisition Regulations Web site

- Procurement Information Bulletins such as (PIB) 2007-21, Contractor-Held Government Property Requirements, June 27, 2007
- The November 30, 2007 A/LM/AQM Memorandum 07-07, Contracting Officer Government Property Administration Responsibilities (see the Policy Division Web site)

c. **State** only: State also provides GFP to grantees. Governing policies and regulations governing grantee furnished personal property are available on the following:

- (1) The Policy Division Web site and the Office of the Procurement Executive's Federal Grant Regulations Web page;
- (2) Specific regulations governing property furnished to grantees includes 22 CFR 145.33 (federally owned and exempt property);
- (3) 22 CFR 145.34 (equipment); and
- (4) GPD No. 30 Property Grants and Requirements for the Disposal of Property through Federal Assistance.

Authority and guidance for providing excess Department of State personal property to grantees is available in the Federal Management Regulation, 41 CFR 102-36.185 through 102-36.205. Also for guidance involving Federal Assistance Grants, see ALDAC 158387 on the ALDAC Web site.

- d. Official vehicles located abroad: Official vehicles are personal property and subject to the policies prescribed in this regulation; (see 14 FAM 430 for more specific details regarding the management and control of official vehicles at posts abroad.)
- e. Direct requests, in writing- for interpretation of, or exceptions to, these regulations to the parent agency office below:
- (1) State: Chief, Property Management Branch (A/LM/PMP/BA/PM);
 - (2) USAID: Overseas Management Staff in the Bureau for Management, USAID/Washington (USAID/W - M/OMS);
 - (3) Commerce: International Trade Administration, U.S. and Foreign Commercial Services, Office of International Operations, Overseas Property Manager;
 - (4) Agriculture: Foreign Agricultural Service, Office of Foreign Service Operations, International Services Division;
 - (5) BBG: For transmitting stations abroad and the Technical Monitoring Office's Engineering Operations Directorate, Network Support Division (E/OT); for VOA Correspondents – VOA News Division, Program Manager (VOA/X).

14 FAM 411.2 Responsibilities

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. **State Agency Property Management Officer:** The Managing Director, Program Management and Policy (A/LM/PMP) is the designated agency Property Management Officer (PMO) for the U.S. Department of State, and is responsible for establishing policy for the management and control of the Department of State's personal property, reviewing property management program operations and implementing property management regulations and procedures, and providing guidance in areas of receipt, storage, property accountability, inventory management, property utilization, and disposal.
- b. **USAID Agency Property Management Officer:** The Director, Overseas Management Staff, Bureau for Management (M/OMS), is the designated Agency Property Management Officer (PMO) for worldwide property abroad (excludes programs carried out by DCHA/OFDA, OIG, and M/OAA as applicable to contracts) and provides oversight of the management of USAID's worldwide personal property program abroad, establishes policy for the management and control of USAID's personal property, reviews property management operations, and implements property management regulations and procedures.
- c. **Property management work requirements:** The chief of mission at each post must ensure that property management responsibilities are included in the job and work requirements of those employees involved in property management functions. Furthermore, these responsibilities will be documented and rated in employee performance evaluations.
- d. **Separation of duties:** A sound management control system must ensure that no one individual is in the position to control all aspects of any transaction affecting the receipt, storage, or disposition of expendable or nonexpendable personal property. If a separation of duties is not possible, the accountable property officer (APO), or authorized designee, must conduct a management review **at least twice a year** (see 14 FAH-1 H-112.2). The APO should notify the management officer (PMO) or USAID executive officer when deficiencies are identified. Duties which are to be separated whenever possible are procurement, receiving, payment, property record keeping, and conducting an annual physical inventory.

14 FAM 411.2-1 Property Management Officer (PMO)

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. The property management officer (PMO) must be a U.S. citizen direct-hire employee. Functional responsibility for the PMO is inherent in the positions of the management officer or the USAID executive officer. Therefore, the head of each establishment abroad must designate, in writing, the incumbent of one of those positions to serve as PMO. At small posts not having these positions, the principal officer will serve as the PMO. At posts where USAID participates in the International Cooperative Administrative Support Services (ICASS), the executive officer, or the principal officer, if there is no executive officer, must always retain PMO responsibility for all USAID property.
- b. The PMO is responsible for all property management functions and is authorized to delegate to other U.S. citizen officers, preferably members of the PMO's staff, responsibility for the following property management day-to-day activities:
 - (1) Ordering;
 - (2) Receiving;
 - (3) Storage;
 - (4) Utilization;
 - (5) Accountability;
 - (6) Standardization;
 - (7) Maintenance and repair;
 - (8) Conducting the annual inventory;
 - (9) Disposal; and
 - (10) Settling disputes about property control.
- c. Responsibilities for these functions automatically revert back to the PMO when an employee designated with responsibility leaves post.

14 FAM 411.2-2 Accountable Property Officer (APO)

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce)

- a. Functional responsibility for accountable property officer (APO) is inherent in the position of the general services officer (GSO). The APO must be a U.S. citizen direct-hire employee designated in writing by the PMO. At a small post without a general services officer, the PMO retains APO operational responsibilities or may designate an APO who is a U.S. citizen hired under a personal services agreement/contract, a direct-hire foreign national, or foreign national serving under a personal service agreement/contract if the individual is under the direct supervision of the management officer or executive officer.

- b. The APO is responsible for:
- (1) The custody, care, and safekeeping of all property under control of the post;
 - (2) The maintenance of all required property records;
 - (3) The accomplishment and reconciliation of the physical inventory and the completion of the required certification reports;
 - (4) The preparation of survey reports documenting inventory shortages or damage, and the forwarding of such reports for action to either the PMO or the property survey board, as appropriate;
 - (5) The preparation of property reports required by the parent agency;
 - (6) The approval of requisitions for procurement of personal property;
 - (7) Notifying the A/LM/OPS/SL warehouse or the appropriate despatch agent of all post's orders which will transit their facility by providing a copy of each applicable procurement document;
 - (8) The conduct of an annual utilization survey is to ensure that property is correctly assigned and cared for, and to identify unneeded property for reassignment or return to stock. A memorandum to the file is written confirming that a survey was taken;
 - (9) The periodic review of cupboard stock issues;
 - (10) The supervision and training of personnel who are assigned these duties; and
 - (11) **Agriculture** only: The accountable property officer is the Foreign Agriculture Service (FAS) principal officer at each post responsible for ensuring that a physical inventory of FAS-owned property in offices and residences is conducted annually. Reference the Overseas Administrative Handbook, Section 5.2.
- c. The accountable property officer must personally conduct periodic, unannounced spot counts of expendable and nonexpendable property in warehouses to verify the accuracy of property records. Discrepancies between property records and physical count must be reconciled (see 14 FAM 416.4).

14 FAM 411.2-3 Property Disposal Officer (PDO)

(CT:LOG-5; 08-11-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. The PMO must assign the property disposal officer (PDO) duties to a U.S. citizen officer in writing. The PDO should be an official other than the APO. However, at a small post where it is not possible to designate a

PDO or where the APO is not a U.S. citizen direct-hire employee, PDO responsibilities remain with the PMO.

- b. Although the PDO is generally responsible for the activities indicated below, in situations where it is not possible for the PDO to become generally involved with routine administrative detail (e.g., preparation of disposal documents, making arrangements for sales, etc.), the PMO may delegate responsibility for these actions to the APO, except in those instances where an exception has been granted (see 14 FAM 411.2-2). For management control purposes and separation of duties requirements, however, the PDO must witness key disposal activities such as those on sale day (e.g., cash payments and the issuing of bills of sale), and ensure that proper disposal-related entries are made on Form DS-132, Property Disposal Authorization and Survey Report, for State or on Form AID-534-1, Personal Property Disposal Authorization and Report, for USAID.
- c. The PDO is responsible for:
 - (1) Selecting the most advantageous method of disposal of personal property as authorized by completed Form DS-132, Property Disposal Authorization and Survey Report, for State or Form AID-534-1, Personal Property Disposal Authorization and Report, for USAID in accordance with these regulations;
 - (2) The preparation, maintenance, and distribution of pertinent records and liaison with related activities, particularly fiscal and property records sections;
 - (3) The execution of bills of sale or other documents that may be necessary to transfer title of property;
 - (4) Adherence to local laws and tax regulations;
 - (5) Securing property during the sale process and effecting prompt removal;
 - (6) Ensuring that the cashier is provided with sufficient documentation, i.e., Form OF-158, General Receipt, and correct deposit of sales proceeds; and
 - (7) The training and supervision of personnel to whom the aforementioned duties are delegated.

14 FAM 411.2-4 Property Utilization Officer

(CT:LOG-60; 5-14-2009)
(State Only)

- a. **State:** The Chief, Property Management Branch (A/LM/PMP/BA/PM) is the designated Property Utilization Officer for the U.S. Department of State. Responsibilities in this capacity include promoting the use of

excess property to the maximum extent possible as the first source of supply throughout the Department (refer to the Federal Acquisition Regulation (FAR) and the Federal Management Regulation- (FMR), Chapter 101-26.101 and 102-36.45). Before purchasing new property, excess property should be considered (see regulation 14 FAM 425.1).

- b. **USAID:** The Office of Acquisition and Assistance, Transportation Division, Commodity Logistics Team (M/OAA/T/COM) is the USAID/Washington (USAID/W) staff office responsible for Limited Excess Property Program (LEPP) matters. M/OAA/T/COM administers this program authorized and mandated by Sections 607 and 608 of the Foreign Assistance Act.

14 FAM 411.2-5 USAID Controller

(CT:LOG-1; 05-27-2005)
(USAID Only)

The USAID controller is responsible for the establishment of procedures required to provide U.S. dollar and Trust Fund monetary accounting control for nonexpendable USAID-owned property pursuant to USAID financial management regulations.

14 FAM 411.2-6 USAID Regional Inspector General

(CT:LOG-1; 05-27-2005)
(USAID Only)

- a. USAID/IG personal property will be funded from RIG/Audit funds for audit personnel.
- b. The USAID executive officer, or U.S. embassy general services officer where there is no USAID executive officer (but ICASS or other agreement is in place), conducts the annual inventory and forwards it to M/OMS for entry into the overseas property accounts.
- c. Inventory records submitted by posts must reflect ownership of "RIG/A."

14 FAM 411.2-7 Office of Foreign Disaster Assistance (OFDA)

(CT:LOG-60; 5-14-2009)
(USAID Only)

Property acquired with disaster assistance funds is USAID personal property and must be used only for disaster-related programs. The Office of Foreign Disaster Assistance is responsible for its procurement, storage, management, accountability, and release from stockpiles. Regulations governing disaster assistance property are contained in ADS (Automated

Directives System) Chapter 251, International Disaster Assistance, BHR/OFDA's annual worldwide guidance cable, and financial management regulations.

14 FAM 411.2-8 Officers Separately Funded from USAID

(CT:LOG-60; 5-14-2009)
(USAID Only)

Senior officers of entities (excluding RIG) at post separately-funded from USAID may authorize commingling, common-issue, and single account records of household and/or office furnishings with those of the USAID mission at post, provided that such an agreement is in writing and is signed by the USAID PMO and the senior officer of the separately-funded agency or office at post. RIG property is not funded through USAID; therefore, all USAID RIG property must be identified, marked, and recorded separately from USAID OE-funded property.

14 FAM 411.2-9 Employee

(CT:LOG-60; 5-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)

Each employee is responsible for the proper care, custody, and effective use of U.S. Government property issued for the employee's use and may be financially liable for the property if it is stolen, damaged, lost, or destroyed as a result of negligence, improper use, or willful action on the employee's part. If a contract employee is involved, refer to FAR 45.504. The employee is responsible for notifying the proper personnel for any property service or repair needed. Employees to whom property is assigned must ensure that removal of property from the building for repairs is authorized. Employees must inform office supervisors when it is necessary for the property to be removed so that a Form DS-1953, Authorization for the Removal of Property, can be obtained.

14 FAM 411.3 Compliance with Property Management Regulations

14 FAM 411.3-1 Compliance Monitoring

(CT:LOG-60; 5-14-2009)
(State Only)

a. Compliance with these regulations must be monitored by the following means:

- (1) Form DS-582, Property Management Report, which includes the

Certification of Inventory Reconciliation (Part A) and Regulations Compliance Report (Part B);

- (2) Property Management Branch (A/LM/PMP/BA/PM (PM)) staff will conduct training and periodic on-site assistance visits at the request of responsible bureau or post officials, or as required. Additionally, A/LM/PMP/BA/PM (PM) staff will routinely verify the post's compliance to property management policy by monitoring activities within ILMS Asset Management;
 - (3) Property Management Branch staff may verify with Bureau of Resource Management (RM) officials the accuracy of assertions relating to property management requirements by responsible post officials in Statements of Assurances; and
 - (4) Risk assessments as directed by the Office of Management Control (RM/DCFO/MC).
- b. Bring evidence of noncompliance with property regulations to the attention of the Agency Property Management Officer (Managing Director, A/LM/PMP).

14 FAM 411.3-2 Compliance Enforcement

(CT:LOG-60; 5-14-2009)

(State Only)

- a. Notification to post of noncompliance: As Agency Property Management Officer (PMO), the Director, Program Management and Policy (A/LM/PMP) or authorized staff must notify post's property management officers (PMOs), of any instance of noncompliance detected through the monitoring process. Upon receipt of this notice, the PMO at post must initiate immediate remedial action, and, within 60 days, report actions taken to the Agency PMO. A copy of the report of action taken is also to be sent by the post to the executive director of the regional bureau or the Bureau of International Organization Affairs (IO), as appropriate. If the report is not received in A/LM/PMP within 60 days, the responsible officer may be subject to penalties stated in 14 FAM 411.3-2, paragraph c.
- b. Notification to management of noncompliance:
 - (1) The Agency PMO sends to post's PMOs copies of its notifications of noncompliance that must be sent to the regional or IO bureau executive director, as appropriate;
 - (2) The Agency Property Management Officer must refer repeated or serious instances of noncompliance to the applicable bureau Assistant Secretary with a letter which will state that disciplinary action should be taken in accordance with 3 FAM 4500 or 3 FAM 4300, as appropriate, for situations involving:

- (a) Failure to submit the required Form DS-582 Property Management Report, due March 15, or failure to make a valid, timely request for an extension of deadline, or failure to obtain a waiver;
 - (b) Failure to take remedial action; or
 - (c) False certification to either the annual Form DS-582's Part A: Certification of Inventory Reconciliation or to Part B: Regulations Compliance Report.
- c. Penalties for noncompliance: Individuals who fail to fulfill their responsibilities under these regulations or falsely certify either Form DS-582's Part A or Part B may be subject to administrative action as described in 3 FAM 4300 or 3 FAM 4500, as appropriate. The Agency PMO must promptly report knowledge of or reasonable suspicion of anyone making a false certification to the Office of Inspector General/Office of Investigations.

14 FAM 411.4 Definitions

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

Accountable property: Personal property that must be tracked on property records, including capitalized property, inventoried as required, that meets the following criteria:

- (1) Nonexpendable personal property with an acquisition cost of \$5,000 or more per item;
- (2) Expendable and nonexpendable personal property being stored in warehouses or storerooms, regardless of cost, including bulk fuels;
- (3) Excess property being held in a warehouse pending final disposition;
- (4) Nonexpendable residential furniture and equipment, regardless of cost;
- (5) Serialized property having an acquisition cost of \$500 or more per item;
- (6) Electronic equipment including:
 - (a) Computer and information processing equipment including but not limited to switches and hubs, servers, printers, and scanners, when the acquisition cost of the item is \$500 or greater;
 - (b) Communications equipment when the acquisition cost is \$500 or greater;

- (c) Classified CPUs, unclassified CPUs, monitors, and laptop computers, regardless of cost;
 - (d) Excluded: beepers, thumb drives, personal digital assistants (PDAs), cell phones, handheld and mobile satellite phones, ONE fobs, external computer devices and other computer or communications devices when the acquisition cost of the item is less than \$500 (see 14 FAM 411.4, subparagraph 9);
- (7) Leased property, regardless of cost (excludes property positioned by vendors on U.S. Government premises for no charge);
 - (8) Accountable property on loan (see 14 FAM 412.4-2);
 - (9) Property that is sensitive by nature and attractive for personal use, as identified by the PMO, (see examples in 14 FAM 411.4, subparagraph (6)(d). Two-way mobile radio systems with programmed frequencies such as emergency and evacuation (E&E) and local guard force channels are considered sensitive property and require accountability regardless of cost;
 - (10) Coupons used to purchase fuel for motor vehicles;
 - (11) Heritage assets, regardless of value;
 - (12) Vehicle repair and maintenance parts and supplies;
 - (13) State motor vehicles, regardless of cost or USAID motor vehicles with an acquisition cost of \$25,000 or greater (refer to 14 FAM 415.2-1, subparagraph a(2));
 - (14) Ansul-type 10 pound and 20 pound ABC dry chemical fire extinguishers (OBO/OM/FIR requirement);
 - (15) **State:** U.S. Government property provided to contractors (see PIB 2007-21 on the Policy Division Procurement Information Bulletins Web site for contractor-acquired government provided property in addition to Part 45 of the Federal Acquisition Regulation Web page.

Excluded: U.S. Government property while in the hands of a grantee must be removed from State accountable property records (see the Office of the Procurement Executive's Federal Grant Regulations Web page and for authority and guidance for providing excess Department of State personal property to grantees, see the Federal Management Regulation, 41 CFR 102-36.150 and 102-36.185 through 102-36.205. For guidance for Federal assistance grants, see A/OPE/FA (ALDAC 158387).

Accumulated depreciation: The total depreciation recorded on an asset since its acquisition.

Acquisition cost: All costs to the U.S. Government for putting the property into use when the property is originally acquired. It includes the amount

paid to vendors plus any transportation charges, installation/assembly, handling charges and storage costs, labor and other direct or indirect production costs (for goods produced or constructed), and outside services for designs, plans, or specifications, billed from sources other than the vendor. It does not include training costs or warranty costs. When the acquisition cost of an item is unavailable, the fair-market value of the item is considered the acquisition cost.

USAID only: See 14 FAM 415.1-1, paragraph b, which applies to recording acquisition cost.

Administrative property: Basic common-use furniture, furnishings, and equipment (including residence property) usually available through normal supply channels (e.g., desks, chairs, office machines, sofas, refrigerators, etc.). USAID uses the term OE-funded property. All U.S. Government-owned personal property at post is either administrative property or program property.

Agency Property Management Officer: An individual designated to serve as a focal point for property management with responsibility and authority to account for the effective acquisition, control, use, and disposal of property for that agency.

Bar code label: This is also called the Universal Product Code (UPC). It is a series of short black lines of varied thickness usually accompanied by alphanumeric digits. A laser reader or scanner can translate the bar codes with the alphanumeric that are used to uniquely identify a property item. This Property Identification Number (PIN) is used as a basis for the inventory and accountability.

Board of survey: A panel consisting of three or more members who are appointed by the head of the post to review cases involving missing, damaged, or destroyed U.S. Government property.

Capitalized personal property: Personal property that has an acquisition cost of \$25,000 or more per item and an estimated service life of two years or longer must be capitalized and reported in the agency's financial statements. Additionally, the following property is capitalized:

- (1) State-owned on-road, minimum of four-wheels motor vehicles, regardless of cost; and
- (2) Commercial off-the-shelf software configured for State operations with a total cost of \$500,000 or more. Similarly, State software developed within the agency by direct-hire or contract employees must be capitalized if the cost of direct-hire or contractual services exceeds \$500,000. Software maintenance costs and the cost to convert data are not capitalized and should not be considered in determining the application of the threshold. Accountability for information technology (IT) software developed within State will be

the responsibility of the organizational unit that developed it. For further guidance regarding software capitalization thresholds see 4 FAM 734.2, and for IT acquisition and planning requirements see 5 FAM 900, 5 FAM 1000, the Department of State Acquisition Regulation (DOSAR), and the Federal Acquisition Regulation.

Condition: The physical state of an asset, its ability to perform as planned, and its continued usefulness, based on an evaluation.

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

Cupboard stocks: Expendable supplies located in office supply cabinets, bins, drawers, and/or shelves (not in a secure supply room) which are maintained to meet normal requirements usually not to exceed a 30-day period. Parts are not included in the cupboard stock category.

Depreciation: The allocation of the cost of an asset over a period of time for accounting and tax purposes and also a decline in the value of property due to general wear and tear or obsolescence.

Desk top systems: Typically, personal computer hardware, software, and other peripheral devices, that users have on their desks.

Disposal: Any authorized method of permanently divesting the control of and responsibility for property.

Exchange/sale property: Items of nonsurplus personal property designated for disposal, and, if appropriate, the exchange allowance or proceeds of sale are applied in whole or in part for the acquisition of similar property.

Expendable personal property: Property which, when put in use, is consumed, loses its identity, or becomes an integral part of another item of property. Examples are office supplies, automobile tires, machine parts, and installed computer parts (regardless of cost).

Fair-market value: The best estimate of the gross proceeds if the property were to be sold in a public sale.

Foreign excess personal property: Foreign excess personal property is any U.S.-owned excess personal property located outside the United States, the U.S. Virgin Islands, American Samoa, Guam, the Commonwealth of Puerto Rico, and the Commonwealth of the Northern Mariana Islands.

Government-furnished property: Property in the possession of, or directly acquired by, the U.S. Government and subsequently made available to a contractor or grantee.

Heritage asset: Antiques, works of art, and other cultural objects with

historic importance, antiquity, rare quality, or intrinsic value. This includes decorative arts such as textiles, antique furniture, clocks, sterling silver hollowware, porcelain and ceramics, and attachments such as wooden panels, hand-painted wallpapers, chandeliers, and fireplace mantels. It includes fine arts such as paintings, sculpture, and unique or limited edition prints. It also includes other cultural property such as musical instruments and rare books.

Information technology: Any equipment or interconnected system(s) or subsystem(s) of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency. For purposes of this definition, equipment is used by an agency if the equipment is used by the agency directly or is used by a contractor under a contract with the agency that requires its use or, to a significant extent, its use in the performance of a service or the furnishing of a product. The term "information technology" includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related services but does not include any equipment that is acquired by a contractor incidental to a contract; or contains imbedded information technology that is used as an integral part of the product, but the principle function of which is not the acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission or reception of data or information. For example, HVAC (heating, ventilation, and air conditioning) equipment, such as thermostats or temperature control devices, and medical equipment where information technology is integral to its operation, is not information technology (FAR (Federal Acquisition Regulation) Subpart 2.1).

Integrated Logistics Management System (ILMS): ILMS is a unified Web-based information system designed to upgrade the State Department's supply chain by improving processing in such areas as purchasing, procurement, warehousing, transportation, receiving, property management, personal effects, and diplomatic pouch and mail related to IT (see 5 FAM 913).

International Cooperative Administrative Support Services (ICASS): ICASS is a customer-driven, voluntary interagency system for managing and funding administrative support services abroad; gives posts the authority to determine how services are delivered at what cost and by whom; has customer service standards established by the post, with the service provider formally accountable to the customer; and incorporates a full-cost recovery system through a no-year working capital fund.

Invoice cost: The total of the amount paid to the vendor, including related costs such as transportation or installation, if included on the vendor's

initial invoice.

Motor vehicles: Vehicles categorized as either on-road (four wheeled) or off-road, and are personal property. For examples of on-road and off-road vehicles see the Office of Logistics Management Property Management Web site. For regulations governing official vehicles at posts abroad see 14 FAM 430.

Nonexpendable personal property: Property such as furniture, office machines, information technology (IT) equipment, and communications equipment, which is:

- (1) Complete in itself;
- (2) Does not lose its identity or become a component part of another item when used; and
- (3) Is of a durable nature with anticipated useful life of over two years.

Personal property: U.S. Government-owned/leased personal property includes such items as vehicles, furniture, equipment, supplies, appliances, and machinery. It refers to all property not otherwise classified as land, land improvement, buildings, and structures that are normally referred to as real property.

Physical Inventory: A physical count performed to determine the on-hand quantity of an item or group of items.

Privately-owned property: Any item (primarily portable equipment) belonging to employees or visitors, hand-carried in or out of U.S. Government premises.

Program-funded property for USAID Only: Property, distinct from OE-funded property, which is procured for the achievement of a strategic objective with funds of a USAID activity or project. When title for this property is vested in USAID, and it is in USAID custody, USAID inventory records must indicate the funding source.

Program property: Specialized property associated with a unique program where the overall management and technical expertise are controlled by a single bureau or agency and which is generally funded by that bureau or agency (e.g., motor vehicles, secure telephones, radios, tempest PCs, etc.).

Property accountability: Responsibility for tracking the movements and location of assets, recording changes in physical conditions, and verifying physical counts. Property managers exercise this responsibility and maintain proper control over an organization's assets through record-keeping effective policies and procedures and appropriate security controls.

Property management: The planned acquisition, efficient utilization,

physical accounting, and appropriate disposition of property.

Purchase price: The cost paid to a vendor in exchange for an item of property, exclusive of shipping, packing, and storage costs.

Receiving report: A record that ordered materials were received. This may take the form of a Form DS-127, Receiving and Inspection Report. Receiving reports must be in English and indicate the item cost in U.S. currency, the relevant obligation/contract/DOSAR number, the serial number if applicable, and note any damage or discrepancies.

Reconciliation: Action taken to rectify discrepancies between the physical inventory and accountable property records.

Replacement property: The process of acquiring property to be used in place of property that is still needed but (1) no longer adequately performs the tasks for which it is used, or (2) does not meet the agency's need. The proceeds of sale of replacement property are used to purchase similar property. Replacement property is not declared excess by the post except as noted in 14 FAM 417.1-3.

Salvage: Personal property that has some value in excess of its basic material content, but which is in such condition that it has no reasonable prospect of use and its repair or rehabilitation is impractical.

Salvage Value: The estimated value of an asset at the end of its useful life. A standard 10% salvage value is used for all Department-owned assets. Exceptions include armored motor vehicles, contractor acquired property in hazardous areas, and software which have a zero percent salvage value. (See also 4 FAM 733.1-3, paragraph c, 12 FAM 388, and 4 FAM 736.3, paragraph a.)

Scrap: Material that has no value except for its basic material content.

Sensitive property: Personal property, as determined by each agency, that is potentially dangerous to the public safety or security if stolen, lost, or misplaced; or that must be subject to exceptional physical security, protection, control, and accountability such as classified property, weapons, ammunition, explosives, controlled substances, radioactive material, hazardous materials or wastes, or precious metals.

Standardization: The selection of a specific brand(s) or type(s) of technical equipment to the exclusion of other brands or types when it can be established that such action is necessary and in the public interest. The Department's standardization procedures are outlined in DOSAR 606.370.

USAID trust fund property: Property purchased with USAID Trust Funds, to be used only for USAID activities, and accounted in inventory records in the same manner as, but separately from, USAID OE-funded personal property, and which reverts to the host country upon disposal.

14 FAM 411.5 Authorities

(CT:LOG-60; 05-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

The authorities for this subchapter are found under:

- (1) Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. Chapter 5;
- (2) State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2670(a), 2700);
- (3) Foreign Excess Property Act, as amended, 40 U.S.C. Chapter 7;
- (4) Foreign Assistance Act, as amended, sections 636 a (5) and (9) (22 U.S.C. 2396(a)(5) and (9)); and
- (5) 31 U.S.C., Chapter 35, Subchapter II, Section 3512.

14 FAM 412 REQUIREMENTS PLANNING AND USE

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

It is the objective of the U.S. Government that property acquisition be limited to the quantity and quality necessary for effective and efficient operations. Property must not be acquired unless a bona fide need exists. The APO should make a determination as to whether requirements for furniture and office machines can be met through the utilization of already owned items, prior to initiating an acquisition document.

14 FAM 412.1 Property Analysis and Management

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Immediate and long-range planning must include the requirements for new or replacement property. The APO must keep the PMO fully informed of proposed program and staffing needs. In turn, the PMO is responsible for verifying the analysis of needs directly with the responsible operating officers.
- b. Implementing procedures can be found in 14 FAH-1 H-200.

14 FAM 412.2 Office Furniture

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Office furniture must be limited to the least expensive furniture that meets minimum requirements.
- b. Executive, middle management, and general-use office furniture obtained from any source must normally be assigned as follows:
 - (1) Executive furniture for officers in a position of grade FS-01 and above;
 - (2) Middle management for officers in a position of grades FS-02 and FS-03; and
 - (3) General office furniture for all other employees.
- c. Modular furniture provides an attractive work environment while improving office space utilization. The cost of systems furniture per work station is initially higher than metal or wood furniture; however, the cost savings as a result of a reduction in office space should be considered.

14 FAM 412.3 Replacement Standards

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Minimum replacement standards for equipment and furniture must be followed by posts abroad whenever possible. They may be modified or adjusted to reflect local conditions that may affect life expectancy such as excessive sand or dust, temperature extremes, high humidity, power fluctuations, etc. Consideration may also be given to the availability, cost, and quality of local repair facilities. If the life expectancy is different from the standards listed in 14 FAH-1 Exhibit H-213, a policy memorandum explaining the circumstances and reasons for the change and containing alternative standards to be used, must be maintained on file in the property office.
- b. A written request approved by the accountable property officer or authorized designee allows property to be replaced under the following conditions, provided a written justification supporting such replacement is retained in the procurement files:
 - (1) Where there is a continuing history of breakdowns with a corresponding loss of productivity through downtime;
 - (2) When the cumulative repair costs on a machine appear to be excessive;
 - (3) When repair parts are not available, causing excessive downtime; or
 - (4) When a machine lacks essential features required in the

performance of a particular task that is continuing in nature.

- c. Where adequate local repair facilities are available, furniture (office, household, and quarters) must not be replaced unless the estimated local cost of repair or rehabilitation, including transportation costs, exceeds 75 percent of the cost of a new item of the same type and class. (The cost is to be based on the prices of similar items in the GSA Supply Catalog, applicable Federal Supply Schedules, or the lowest available market price.)

14 FAM 412.4 Use

14 FAM 412.4-1 Preventive Maintenance and Repair

(CT:LOG-60; 05-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

a. Preventive maintenance:

- (1) Machines and appliances must be cared for in accordance with the manufacturer's recommendations; and
- (2) It may be more cost effective to arrange servicing on a per-call basis. The determination as to whether equipment is to be serviced by the use of maintenance contracts or per-call arrangements must be made after comparison of relative costs affecting specific types of equipment based on the following considerations:
 - (a) Standard of performance required;
 - (b) Degree of reliability needed;
 - (c) Daily use; and
 - (d) Age and performance of machine.

b. Repair:

- (1) The APO must ensure that a system is established to document requests for repair of personal property and to capture data necessary for updating maintenance records; and
- (2) When it is necessary to have the repair work done by a commercial repairman, authorization to place the request with a commercial source must be restricted to an individual authorized in writing by the maintenance officer or the APO.

14 FAM 412.4-2 Property Loans

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Property may be loaned to other U.S. Government agencies, U.S. Government employees, commissary/mess/recreational facilities, U.S.-sponsored schools abroad for official purposes, or to local government sources and private organizations which support diplomatic programs; however, all loaned property must be documented and accounted for during the annual inventory process. USAID loans to employee-operated facilities must comply with regulations contained in USAID ADS (Automated Directives System) Chapters 534 and 532. Loans of all property must be properly documented and approved by the PMO.

State only: U.S. Government furnished property provided to contractors and grantees are not considered property loans, (see Part 45 of the Federal Acquisition Regulation Web page). However, U.S. Government property may be loaned to contractors and their employees to support State offices and official activities provided that there is no violation of provisions of contractor's statement of work, contract, delivery order, or performance work statement. All requests for loans to contractors or their employees should be requested via the contracting officer for a specific contract, or grants officer as it applies to grants. Loans of more than 90 days also require the approval of the PMO. A definite loan period must be established, and loans, generally, must not exceed 90 days. All loans must be promptly reviewed at the end of the loan period. Loan extensions requested must require the same approval process as the original loan request. The return of property loaned to an employee must be verified during the pre-departure clearance process.

State only: Loan documents may address liabilities, inventorying and maintenance requirements, or other agency-specific requirements. For loans involving IT equipment the requirements in 12 FAM 600, HDD Disposal Policies, and the use of U.S. Government enterprise licensed software must be considered).

- b. Special loans: The PMO may authorize a loan not to exceed one year in exceptional circumstances if the loan would be of prime importance to a public diplomacy program. The termination date must be specified in the loan agreement. The agreement should provide for preventive maintenance and supervisory checks at suitable intervals. If it is to the post's advantage to renew a special loan, arrangements should be made to substitute like equipment bearing different serial and barcode numbers. A grant in accordance with A/OPE policy may be more appropriate when long-term usage is required, if the borrower qualifies as a grantee. The granted property is then removed from the inventory of the post and added to the inventory of the grantee.
- c. New property must not be bought while similar property is on loan, with the exception of public diplomacy program property.
- d. USAID or USAID/IG property: See ADS Chapter 534 on this subject. The

principal officer or RIG/A must authorize loans of property to other agencies in excess of 90 days. RIG/A must authorize loans of RIG-funded equipment; the USAID principal officer must authorize loans of other USAID property.

14 FAM 412.4-3 Privately Owned Property

(CT:LOG-60; 05-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Loan of private property to the U.S. Government for use is not prohibited. When it is determined by the post to be clearly in the interest of the U.S. Government, the loan must be documented, establishing the responsibilities of the U.S. Government and the lender. The U.S. Government's responsibility may not go further than ordinary protection and upkeep. If the owner requires insurance as a condition of the loan, the post should seek advice from the appropriate parent agency.
- b. Post has accountability for such property and must maintain property records, and conduct and reconcile physical inventories in accordance with regulation.

14 FAM 413 PROPERTY RECEIPT

14 FAM 413.1 General

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. The PMO must designate, in writing, an employee to serve as receiving clerk and an employee to serve as an alternate receiving clerk.
- b. The receiving clerk must inspect promptly all property delivered to post as to quantity, quality, and condition, and ensure that the property is in accordance with the terms and specifications of the acquisition document.

14 FAM 413.2 Receiving Areas

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

The receiving activities of each establishment abroad must be centralized. However, the PMO's designation of a central receiving area does not preclude receiving and inspection at other areas. When sub-receiving areas are designated, written standard operating procedures must include a method of informing the central receiving area of all receipts.

14 FAM 413.3 Receiving Responsibility

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. The receiving clerk is responsible for the receipt and inspection of all property and the preparation and distribution of receiving reports. The receiving clerk is the link between the procurement, property, accountability, and certifying functions. When a receiving report is signed stating that the supplies or service have been received, the procurement process is completed, the accountability function begins, and the process for payment is initiated.
- b. **State** only: If receiving at post is performed by a contract employee the employee may perform the inspection and receiving functions but is not authorized to sign the receiving report accepting the property on behalf of the U.S. Government. Acceptance of property on behalf of a Federal agency is an inherently governmental function (see FAR subpart 7.5) that is to be performed only by officers and employees of the U.S. Government, including personnel having a personal services agreement.
- c. **USAID** only: For purposes of receiving, USAID considers personal services contractors to be U.S. Government personnel and, as such, they may perform all receiving duties, including signing receiving reports.

14 FAM 413.4 Receiving Files

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

The receiving clerk in the central receiving area must provide copies of acquisition documents to the appropriate receiving area to establish a pending order file, when applicable. Completed centralized receiving files must be established at the central receiving area.

14 FAM 413.5 Receiving Action

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. For Department of State activities abroad using Web NEPA it is unnecessary to create Form DS-127, Receiving and Inspection Report, when the total quantity of an order is received in a single delivery and receipt is annotated in the receiving section on Form OF-347, Order for Supplies or Services. In this event, property numbers and serial numbers are recorded on Form OF-347. If a partial delivery is made, Form DS-127 must be prepared. When a sub-receiving area has been established, the individual assigned to perform receiving duties at the sub-receiving area

must prepare and sign the receiving section on Form OF-347 or Form DS-127 (as appropriate). The receiving section on Forms OF-347, as well as on Form DS-127 must be prepared in English, and the item cost must be indicated in U.S. currency. Any damage or other discrepancies must be noted in the receiving sections of Form OF-347, as well as on Form DS-127. In ILMS, the DS-127 Receiving and Inspection report can be generated by the system for partial and complete deliveries.

- b. State activities abroad using the nonexpendable property application (Web NEPA) or ILMS AM must immediately affix a bar code label to accountable, nonexpendable property upon receipt (except property recorded in a group record file and certain heritage assets).

14 FAM 413.6 Post-Receiving Actions

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

Shipment discrepancies must be documented and, as appropriate, a claim Form SF-364, Report of Discrepancy, filed. Action on discrepancies must be prompt.

14 FAM 413.7 Warehousing and Storing Property

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Where it is necessary to store and warehouse property at the establishment abroad, the PMO must implement an efficient and economical warehousing program with written standard operating procedures for handling and storage of the property. Special consideration must be given to the following:
 - (1) Secure and/or controlled areas must be provided for storing expensive equipment and supplies subject to theft or deterioration;
 - (2) In a joint warehousing operation, property from different activities or Agencies may need to be stored separately but should not be segregated by location, to maximize the use of available space. In all cases, commingled property must be appropriately identified to show agency ownership of the property;
 - (3) Firebreak wall and isolated storage must be provided for highly flammable materials, such as paints and fuels;
 - (4) Proper shelving and/or racking is used for expendable and nonexpendable property;
 - (5) Proper materials handling equipment is used;

- (6) The building must be properly ventilated; and
 - (7) Proper overall safety and security procedures are established.
 - (8) Access to the warehouse must be limited to those persons who have a need to enter and that security locks/codes must be changed in accordance with standard procedures, and when the lock or code is compromised or when a person no longer has a need to enter.
- b. Implementing procedures for administrative property can be found in 14 FAH-1 H-318, or the Worldwide Property Accountability System (WPAS) User's guide for WPAS property items.

14 FAM 414 CONTROL OF PERSONAL PROPERTY

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

The property management officer (PMO) must establish procedures that reasonably ensure that all personal property is controlled as prescribed in this regulation.

14 FAM 414.1 Accountability

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

Accountability is that control exercised through record keeping. Accountable property records must be maintained on expendable and nonexpendable stock inventory and on nonexpendable property in use, which meets the accountability criteria prescribed in this regulation.

14 FAM 414.1-1 Accountability Criteria

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Personal property that must be tracked on property records, including capitalized property, inventoried as required, that meets the following criteria:
 - (1) Nonexpendable personal property with an acquisition cost of \$5,000 or more per item;
 - (2) Expendable and nonexpendable personal property in stock located in warehouses or storerooms, including bulk fuels;

- (3) Excess property being held in the warehouse pending its final disposition;
- (4) Nonexpendable residential furniture and equipment regardless of cost;
- (5) Serialized property with an acquisition cost of \$500 or more per item;
- (6) Electronic equipment:
 - (a) Computer and information processing equipment including but not limited to switches and hubs, servers, printers, and scanners, when the acquisition cost of the item is \$500.00 or greater;
 - (b) Communications equipment when the acquisition cost is \$500.00 or greater;
 - (c) Classified CPUs, unclassified CPUs, monitors, and laptop computers, regardless of cost;
 - (d) Excluded: beepers, thumb drives, personal digital assistants (PDAs), cell phones, handheld and mobile satellite phones, ONE fobs, external computer devices and other computer or communications devices when the acquisition cost of the item is less than \$500.00 (see 14 FAM 414.1-1, subparagraph a(9));
- (7) Leased property regardless of cost (excludes property positioned by vendors on U.S. Government premises for no charge);
- (8) Accountable property on loan;
- (9) Property that is sensitive by nature and attractive for personal use, as identified by the PMO (see examples above in 14 FAM 414.1-1, subparagraph a(6)(d)). Two-way mobile radio systems with programmed frequencies such as emergency and evacuation (E&E) and local guard force channels are considered sensitive property and require accountability regardless of cost;
- (10) Coupons used for the purchase of motor vehicle fuel;
- (11) Heritage assets, regardless of value;
- (12) Vehicle repair and maintenance parts and supplies;
- (13) **State:** motor vehicles, regardless of cost;
USAID: motor vehicles with an acquisition cost of \$25,000 or greater (refer to 14 FAM 415.2-1, subparagraph a(2));
- (14) Ansul-type 10 pound and 20 pound ABC dry chemical fire extinguishers (OBO/OM/FIR requirement);

- (15) **State** only: U.S. Government property provided to contractors (see PIB 2007-21 for Contractor-acquired Government Provided Property on the Policy Division Web site, in addition to Part 45 of the Federal Acquisition Regulation Web page.

Excluded: U.S. Government property while in the hands of a grantee must be removed from State accountable property records. (See the Office of the Procurement Executive's Federal Grant Regulations Web page and for authority and guidance for providing excess Department of State personal property to grantees, see the Federal Management Regulation, 41 CFR 102-36.150 and 102-36.185 through 102-36.205. For guidance for Federal Assistance Grants see A/OPE/FA (ALDAC 158387).

- b. **USAID** only: Inventory records must be kept on all accountable property (accountable property definition in 14 FAM 411.4 and all capitalized property (see 14 FAM 415.2 and ADS Chapter 629) whenever such property is titled with or is in the custody of USAID. Records must indicate ownership by funding source (OE, trust fund, program-funded, RIG/A, OFDA, etc.) Report this inventory annually to M/OMS.

14 FAM 414.1-2 Program Property

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. **State** only: Program property is normally accounted for by the funding organization, and must be tracked in ILMS unless accounted for in an authorized automated accountability system such as Logistics Reengineering Application.
- b. **State** only: When program property is centrally accounted for and controlled by a headquarters office or bureau, the PMO must delegate custodial responsibility to an officer at post for such property. Custodial responsibility for security and communications equipment is inherent in the role of the security officer and communications officer. The custodial officer must be responsible for conducting the physical inventory at the post and for coordinating reconciliation with the controlling office or bureau. If supplemental property records are maintained at post, these records must be reconciled to agree with the central property records.
- c. **USAID program-funded property:**
- (1) Unless otherwise governed by the trust fund agreement, all nonexpendable property purchased with trust funds must be controlled in the same manner as USAID-owned property, except that the property is marked to show that it is trust fund property, and separate accountability records are kept; and

- (2) U.S. Government property in the custody of a USAID contractor is controlled and maintained in accordance with the provisions of the contract or as specified and approved by the contracting officer. When USAID contracts are completed and USAID assumes title and custody of the program-funded property from a contractor, a receiving report must be made and the items posted to the USAID inventory. See 14 FAM 417.1-7 for USAID contractor property.
- d. All nontempest IT and word processing equipment meeting accountability criteria in 14 FAM 414.1-1, regardless of funding source must be considered administrative property and accounted for on post's property records.

14 FAM 414.1-3 Heritage Assets

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Antiques, works of art, and other cultural objects must be accounted for in the Department's property inventory system, nonexpendable property application (Web NEPA or ILMS Asset Management). See 4 FAM 733 for financial management considerations regarding heritage assets.
- b. Supporting documentation should be consolidated for permanent retention. These include the maker's names and biographies, acquisition documents, donor letters, appraisal descriptions and values, conservation or restoration treatment reports, and related published material. Specific guidelines for documenting and maintaining heritage assets can be found in the OBO/OM/AM/RM Web site.

14 FAM 414.1-4 USAID Software Accountability and Disposal

(CT:LOG-60; 05-14-2009)

(USAID Only)

- a. Software, as an intangible property, presents some special considerations for property management and accountability. Bar coding of accountable software may be recorded in a binder containing a page for each accountable software license. In no event are missions to abrogate copyright licenses for software items. The following accountable standards apply only to USAID software in the custody of missions:
 - (1) **Pre-loaded software:** Operating system and software suites which come preloaded on equipment must be entered on inventory only when they are priced separately from the equipment they reside on, and when that price is over \$500. Nonpriced preloaded software and any preloaded software priced at less than \$500 must

- be treated as expendable property;
- (2) **Standalone packages:** Once issued, standalone software packages must be recorded in inventory only if their value exceeds \$500;
 - (3) **Site licenses:** Site and concurrent user-licenses are purchased by a work unit for permission to use software by a group, e.g., USAID Worldwide or users in a particular mission. Licenses are recorded on inventory either in USAID/W or at post, but not at both. M/CIO will record agency-wide licenses in Washington, DC. Missions must record on inventory only those site licenses purchased on the mission's behalf for use in that particular mission, and only when such site license has a cost of \$500 or greater;
 - (4) **Upgrades:** Standalone packages and site licenses are often upgraded. The superseded version is deleted from inventory by abandonment and the upgrade license is entered in its place with a Form DS-127, Receiving and Inspection Report, whenever such license has a cost of \$500 or greater;
 - (5) **Internally developed software:** Missions that develop individual non-copyrighted software must enter that property in inventory; and
 - (6) **Capitalized:** In the unlikely event that a mission has procured a site license or standalone software valued at the capitalization threshold (\$25,000) or higher, it must be reported as capitalized property.
- b. As software typically has a short life span, abandonment as a method of disposal (see 14 FAM 417.2-6) will be reached faster with software than with other types of nonexpendable property. When obsolete software is abandoned it must be deleted from hardware; source disks, manuals, and licenses must be destroyed concurrent with the property disposal action conducted in the inventory system.
 - c. When disposal of software through redistribution, transfer, sale, grant-in-aid, project contribution, or donation seems merited, missions are cautioned to follow the conditions of the licensing agreement in regard to transfer of ownership.

14 FAM 414.2 Ownership and Identification

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

All nonexpendable property must be marked as soon as possible after receipt to indicate ownership by the agency, which funded the purchase.

14 FAM 414.2-1 Approved Property Record Systems

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

a. **State** only:

- (1) For nonexpendable property: Post must use an approved property accountability system to control and manage its assets. The nonexpendable property application (Web NEPA), the Worldwide Property Accountability Systems (WPAS), the Logistics Reengineering Application (LRA), and the Integrated Logistics Management System's Asset Management application are approved systems;
- (2) For expendable supplies: The PASS Expendable Supplies Application is an approved system.

b. **USAID** only: USAID missions are required to implement BarScan or other State approved property management software as instructed by M/OMS. USAID missions requiring guidance on use of these systems are to contact M/OMS.

c. **USDA/FAS** only: The Foreign Property Management Inventory System (FPMIS) is the approved property management system for all FAS-owned nonexpendable property.

d. **USDA/APHIS** only. The Property Management Information System (PMIS) is the approved property management system for all APHIS-owned nonexpendable property.

14 FAM 414.2-2 USAID

(CT:LOG-1; 05-27-2005)

(USAID Only)

- a. All property purchased with operating expenses must be marked USAID.
- b. Property purchased with trust funds is titled to the host government and must be identified with the lettering TF.
- c. Property purchased with IG funds must be marked IG.
- d. Contractors must mark property, which is financed by USAID or host government to distinguish it from their own:
 - (1) USAID for USAID-owned;
 - (2) HG or country symbol for host-government-owned; and
 - (3) IG for USAID Inspector General property.
- e. Project property retained in the custody of USAID must be identified appropriately as belonging to the host government with the project

number indicated, where feasible to do so. In countries where host-government regulations conflict with this premise, appropriate determination of marking property and accounting for property must be codified in post operating procedures.

14 FAM 414.3 Personal Custody Records

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

When personal property is issued to an employee for the employee's exclusive use in the performance of official duties (such as laptop computers, portable radios, cell phones, weapons and ammunitions, portable digital assistants, tool kits, etc.) the transaction must be documented on Form DS-584, Nonexpendable Property Transaction, and the property office must maintain a "charge-out file" until the property is returned.

14 FAM 414.4 Managing Property in Stock

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

The property management officer (PMO) must ensure that procedures are in place to:

- (1) Maintain control of stock inventory;
- (2) Establish adequate safeguards and controls to ensure that supplies are issued for official use only;
- (3) Require approval of stock replenishment orders;
- (4) Require that excess property at post or from other posts in the geographic area is screened to determine whether the items can be supplied from either of these sources;
- (5) Require that:
 - (a) Spare parts in stock be treated as expendable property;
 - (b) A requisition be used to issue parts for vehicles or other equipment;
 - (c) Where applicable, used parts be turned in when new parts are issued;
 - (d) Used parts not salvageable be disposed of by sale as scrap; and
 - (e) Usable parts be added to property records for reissue.

14 FAM 414.5 Internal Requisitioning Procedures

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

The accountable property officer (APO) must ensure that effective internal requisitioning and issuing procedures are established and enforced.

Minimally, these procedures must ensure that:

- (1) Requisitions including Form DS-583, Expendable Supply Issue/Turn-In Request, Form DS-584, Nonexpendable Property Transaction, or Form DS-585, Nonexpendable Property Repair Work Order, signed by authorized personnel, are used to request services, expendable and nonexpendable property, and returns to stock, and to debit or credit stock control and property accountability records;
- (2) The accountable property officer (APO) (or designated local employed staff) approves all requests for expendable items issued from stock; however, the APO must approve all requests for procurement actions. The facilities maintenance officer can approve requests for maintenance spare parts;
- (3) The residence occupant must sign requests for residential personal property and the occupant or occupant's designee must sign for receipt of such property;
- (4) The employee receiving property or the office supervisor in an office receiving property must sign for receipt; and
- (5) Copies of completed Forms DS-583, DS-584, and DS-585 must be maintained on file to support stock control and property accountability records.

14 FAM 414.6 Authorization to Remove Property from Buildings

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. The APO or a designated employee must document the name of any individual removing property from a U.S. Government building and the description of the property being removed (Property Pass), and authorize the removal. Exceptions to the requirement may include privately-owned and U.S. Government-issued items such as beepers, portable digital assistants (PDAs) or cellular telephones that are issued to employees and signed for on Form DS-584, and the removal of excess property being returned to the warehouse for disposal, normally documented on Form DS-132, Property Disposal Authorization and Survey Report. However,

this requirement may be waived by the PMO when local conditions make it impractical or unnecessary such as at very small posts.

b. Implementing procedures can be found in 14 FAH-1 H-425.

14 FAM 415 ACCOUNTING

14 FAM 415.1 Recording Property Cost

14 FAM 415.1-1 Property Purchased

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. The acquisition cost of nonexpendable property that is acquired by purchase must be recorded on property records in U.S. currency, unless purchased using trust funds at full cost, including all costs to the U.S. Government of putting the property into use when the property is originally acquired. It includes the amount paid to vendors plus any transportation charges, handling and storage costs, labor and other direct or indirect production costs (for goods produced or constructed), and outside services for designs, plans, or specifications, billed from sources other than the vendor.
- b. **USAID** only:
 - (1) **Non-capitalized accountable property:** USAID must record as property cost the purchase price as defined in 14 FAM 411.4 Acquisition Cost; and
 - (2) **Capitalized property:** USAID must record readily identifiable shipping, packing, and handling charges for capitalized items whenever the cost of the capitalized item plus the other charges exceed \$25,000.
- c. In an unusual circumstance when the cost of an item cannot be determined, estimate the fair market value at the time acquired.

14 FAM 415.1-2 Property Transferred or Donated By Other Agencies

14 FAM 415.1-2(A) Transferring Property

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. If the property has depreciated, the property must be recorded at the

transferor's depreciated value, regardless of the depreciation method used by the transferor. If the depreciated value is under the personal property capitalization threshold, the property is considered to be non-capitalized property, unless a motor vehicle is involved, and must not be depreciated further by the transferee.

- b. If the transferor has not recorded depreciation, the property must be recorded at its fair market value at the time transferred. Please consult with RM/GFS/F/AO (for State) or M/OMS (for USAID) on any questions that may arise.
- c. The cost of heritage assets transferred from other Federal entities must be zero unless the item is classified as a multi-use heritage asset. The cost of a multi-use heritage asset is the book value of the asset recorded on the transferring entities' books. If the receiving entity does not know the book value, the fair market value must be recorded in the post's property inventory. If fair market value is not estimable, information related to the type and quantity of assets transferred must be recorded.

14 FAM 415.1-2(B) Donation

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

Donated property must be recorded at fair market value, including transportation charges or other costs connected with placing the property in use.

14 FAM 415.1-3 Acquisition Involving a Trade-In Allowance

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. The cost of property acquired as a result of trade-ins must be recorded at the lesser of:
 - (1) The cash paid and/or liability incurred plus the net book value of the trade-in property; or
 - (2) The amount that the purchase price would have been without trade-in.
- b. **USAID** only: Exceptions apply when conditions prevail as stated in 14 FAM 415.1-1, paragraph c.

14 FAM 415.2 Capitalization and General Ledger Accounting

14 FAM 415.2-1 Capitalized Personal Property

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Personal property having an acquisition cost of \$25,000 or more per item and an estimated service life of two years or longer is considered to be capitalized property, as well as the following:
 - (1) **State** only: Motor vehicles are capitalized property regardless of cost. The acquisition cost of motor vehicles includes all costs associated with putting the vehicle in use, including shipping and/or armoring charges (when applicable).
 - (2) **USAID** only: Motor vehicles are capitalized property only when the cost is \$25,000 or greater. The acquisition cost of motor vehicles includes all costs associated with putting the vehicle in use, including shipping and/or armoring charges (when applicable).
- b. USAID OE capitalized property is reported to USAID/W, M/CFO/CAR for depreciation in accordance with ADS (Automated Directives System) Chapter 629.
- c. **State** only: Commercial off-the-shelf software configured for State operations with a total cost of \$500,000 or more. Similarly, State software that is developed within the agency by direct-hire or contract employees must be capitalized if the cost of direct-hire or contractual services exceeds \$500,000. Software maintenance costs and the cost to convert data are not capitalized and should not be considered in determining the application of the threshold. Accountability for Information Technology (IT) software developed within the agency will be the responsibility of the organization that developed it. For further guidance regarding software capitalization thresholds see 4 FAM 734.2 , and for the Federal Acquisition Regulation for IT acquisition and planning requirements see 5 FAM 900, 5 FAM 1000, the Department of State Acquisition Regulation (DOSAR)..
- d. **USAID** only: USAID software is capitalized in accordance with ADS (Automated Directives System) Chapter 629.3.6.

14 FAM 415.2-2 Depreciation of Capitalized Personal Property

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

While most property acquisitions are accounted for as operating expenses, capitalized personal property is depreciated (see 14 FAH-1 H 512) to account for the cost of ownership over the period of its useful life and show a decline

in the value of property due to general wear and tear or obsolescence.

14 FAM 415.2-3 Coordination of Property and Fiscal Accounting Records

(CT:LOG-60; 5-14-2009)
(USAID Only)

See ADS (Automated Directives System) Chapter 629 for policy and procedures on accounting requirements for USAID-owned property. The Sales and Exchange Report is due November 30. The BarScan application will generate the Overseas Exchange Sales Transaction Report.

14 FAM 416 PHYSICAL INVENTORY AND RECONCILIATION

14 FAM 416.1 General

(CT:LOG-60; 5-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Physical inventory of residence furniture, furnishings, and equipment in use must be taken at the time of change of occupancy and the inventory must be reconciled immediately with records in the Residential Custodial File. Physical inventory of all other personal property (including expendable and nonexpendable warehouse stock), repair and maintenance parts and supplies, and medical supplies and drugs must be taken annually and immediately reconciled with the property records.

State only: Beginning FY 2010 the physical inventory process must start no earlier than October 1, and Form DS-582, Property Management Report, must be submitted to the Property Management Branch (A/LM/PMP/BA/PM) by March 15 of the same fiscal year to ensure financial integrity.

- b. **State** only: Overseas Staffing Model (OSM) Categories 1 and 2 Posts must conduct these inventories biennially, and beginning FY 2010 starting no earlier than October 1 of even-numbered years, and the certification (Form DS-582), must be submitted to the Property Management Branch (A/LM/PMP/BA/PM) by March 15 of the same fiscal year. Taking the inventory on both odd and even numbered years, also, is optional. More frequent inventories of sensitive items such as weapons, laptop computers, cellular telephones, cameras and lenses, etc. are recommended as a valuable management practice.
- c. Although a "blind" inventory is to be taken (i.e., the count is made

without reference to any previous inventory, property records, or other listing of property) when taking the inventory with a scanner, posts using Web NEPA (nonexpendable property application), ILMS AM, WPAS, or other approved automated systems, the employee may take along the Inventory Listing by Location Report. However, the APO must question any manual entry to the scanner.

14 FAM 416.2 Annual Physical Inventory

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce)

- a. To minimize the disruptive influence on the office routine, the scheduled dates of the physical inventory should be announced in advance so that offices are expecting the inventory teams.
- b. The APO must ensure that an inventory supervisor is assigned to control and coordinate inventory activities.
- c. The individual responsible for maintaining the property records must not participate in the physical inventory count, when sufficient resources exists, to maintain adequate separation of duties. The inventory taker(s) is responsible for making an actual physical verification check of each nonexpendable property item and verifying its condition.
- d. The IMO, systems manager, or designated employee should participate in the inventory of IT equipment.
- e. A physical inventory and reconciliation file must be kept in the property office for three complete fiscal years. The file must contain:
 - (1) A copy of any Form DS-127, Receiving and Inspection Report, documenting inventory overages;
 - (2) A copy of any Form DS-132, Property Disposal Authorization and Survey Report (for State), or Form AID-534-1, Personal Property Disposal Authorization and Report (for USAID), documenting inventory shortages;
 - (3) A copy of Form DS-582, Property Management Report, and, for posts using Web NEPA (nonexpendable property application), a copy of:
 - (a) Comprehensive Report;
 - (b) Visual Report;
 - (c) Inventory Coverage Report; and
 - (d) Missing Property Report.
- f. A copy of the Annual Accountable Item Inventory, along with the specific accountable certificate must be kept in file for posts using WPAS.

- g. At posts which have implemented the Integrated Logistics Management System (ILMS) Asset Management application a copy of the Comprehensive Report, Visual Report, Inventory Coverage, and Missing Property Report must be maintained on file, in addition to Form DS-582.
- h. **Agriculture** only:
 - (1) Inventories are to be submitted to the International Services Division by June 30 of each year;
 - (2) FAS is responsible for conducting annual physical inventories.

14 FAM 416.3 Residential Furniture and Equipment

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. A separate inventory file must be created for each residence and the physical inventory of property assigned to the residence must be taken at the time of change of occupancy. See 15 FAM 730 for additional inventorying and reporting requirements necessary for OBO purposes. All parties participating in the inventory must sign the inventory. After reconciliation has taken place, the signed original is retained in the residence inventory file and a copy is given to the occupant. Signed documents for all subsequent transactions must be maintained in this file to debit or credit the original inventory.
- b. The residence inventory file is maintained until the resident departs. It is then placed in the inactive files along with a copy of any report that may have been prepared to document missing or damaged property (Form DS-132, Property Disposal Authorization and Survey Report, for State or Form AID-534-1, Personal Property Disposal Authorization and Report, for USAID). The file may be disposed of after three complete fiscal years providing damaged or missing property issues have been resolved.
- c. When WPAS property is issued for use on a hand receipt at a residence, the information resource management officer (or equivalent) must update the WPAS property records to reflect the name of the employee to whom the property is issued and location of the property.
- d. USAID principal officer residences: Furnishing limitations and annual certification requirements for USAID directors and representatives are specified in: 15 FAM Exhibit 732A, item (a); and 15 FAM 792.
- e. When any residence is inventoried for an outgoing occupant, the APO must sign and date the following statement on the inventory (if possible financial liability exists for damages, the certification must remain unsigned until all problems have been resolved):

“I certify that all items listed in this inventory have been returned in

good condition and that any determinations of the PMO or a property survey board have been complied with. The occupant is hereby relieved of responsibility for the property in this residence.”

- f. When the residence is inventoried for an incoming occupant, the occupant must sign and date the following statement on the inventory listing:

“I acknowledge receipt of the property listed in this inventory. Except for normal wear and tear and circumstances beyond my control, I accept financial responsibility for damage or loss of property caused by me or members of my household. It is understood that the extent of my financial liability for damaged or lost property will be determined by the PMO or a property survey board.”
- g. The inventory must be taken and the above statement signed within 30 days of the arrival of the occupant.
- h. If an outgoing occupant's residence inventory reveals shortages or damages other than normal wear and tear, such shortages or damages may be payable by the occupant. The APO reports shortages and damages on Form DS-132 for State or Form AID-534-1 for USAID. The occupant is not relieved of responsibility until the results of the pending survey action have been completed and the APO has accepted responsibility for the results of the inventory and reconciliation. Employees at all levels may be held financially liable if it is determined that they are responsible for lost or damaged property (see 14 FAM 416.5-3).

14 FAM 416.4 Reconciling the Annual Inventory

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. When discrepancies are found between the physical inventory and the property records that cannot be resolved by locating copies of completed transaction documents, i.e., Form DS-132 (for State) or Form AID 534-1 (for USAID) verifying disposal actions such as sale, transfer, donation, etc., immediate action must be taken by the APO or authorized designee to resolve the discrepancies.
- b. Action to resolve discrepancies apply to residence inventories, annual expendable and nonexpendable inventories, and "spot check" inventories.
- c. Inventory overages must be documented and recorded in the property records. Inventory overages do not offset inventory shortages.
- d. **USAID** only:
 - (1) Distribute one copy each of Form AID-534-1 to the PMO, the USAID

- Controller, USAID/W (M/OMS), and the Property Disposal file;
- (2) Missions are to provide a copy of their nonexpendable property inventories to M/OMS by no later than November 15 of each calendar year. RIG/A and HG property must be identified separately;
 - (3) For capitalized property only, the dollar value shown on property records must be reconciled with the dollar value on the USAID controller's general ledger accounts. After reconciliation, the property records are adjusted to reflect any change. The USAID controller makes corresponding adjustments in the general ledger accounts to reflect the value of capitalized property accounts.
- e. After all reconciling action has been accomplished and approval received from the PMO, records adjustments are made before Form DS-582, Property Management Report, is signed.

14 FAM 416.5 Reporting Damaged, Missing, or Destroyed Property

14 FAM 416.5-1 Report of Survey

14 FAM 416.5-1(A) APO Action

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

The APO must immediately report missing, damaged, or destroyed property to the PMO on Form DS-132, Property Disposal Authorization and Survey Report for State or Form AID-534-1, Personal Property Disposal Authorization and Report, for USAID. The PMO or the Property Survey Board, as appropriate, will act on the report. Findings and decisions serve to relieve the APO of accountability for the property and establish whether employees are personally financially liable for damaged or missing property. If it is determined that the damage resulted from carelessness, negligence, or other fault of an employee, that employee may be required to pay the cost of repairing or replacing the property, including any associated shipping costs.

14 FAM 416.5-1(B) PMO Action

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. In cases involving damaged, missing, or destroyed property where the acquisition cost of the property involved is less than \$5,000 (acquisition

cost) per item, the PMO must investigate, make a determination of financial liability, determine what corrective actions are necessary, and authorize adjustment of inventory records. The PMO must forward a completed copy of the Form DS-132 (Property Disposal Authorization and Survey Report) or Form AID 534 -1 Personal Property Disposal Authorization and Report) involving missing property to the Chief, Property Management Branch (A/LM/PMP/BA/PM), for State or to the Director, Overseas Management Staff (M/OMS), for USAID. If the PMO determines that an employee is liable for loss or damage of property, and the employee contests the PMO's decision, the PMO must refer the case to the property survey board. The PMO must refer all reports on property with an acquisition cost of \$5,000 (acquisition cost) or more per item, or when theft is suspected, regardless of cost, to the Property Survey Board.

- b. When an inventory shortage is found during the annual inventory process and either the dollar value is one percent or less of the total expendable inventory value (acquisition cost), or of the total nonexpendable inventory value (acquisition cost), the PMO must conduct his/her own investigation to verify the facts as reported, determine what corrective actions are necessary, and authorize adjustments to the inventory records. The PMO must forward a completed copy of the Form DS-132 or Form AID 534-1 (Property Disposal Authorization and Survey Report) documenting the adjudication of all cases of missing items/inventory shortages to the Chief, Property Management Branch (A/LM/PMP/BA/PM), for State or to the Director, Overseas Management Staff (M/OMS), for USAID. If theft or fraud is suspected as accounting for the shortage of property at any value the PMO must report all relevant information to the Office of the Inspector General, Office of Investigations (OIG/INV) for State or to the USAID OIG/Investigations Office (OIG/I).
- c. When either the value of the inventory shortage exceeds one percent, or the acquisition cost of an individual missing item is \$5,000 or more, the PMO must refer the report to the Property Survey Board. The PMO must also forward a copy of Form DS-132 for State or Form AID-534-1 for USAID, including a list of the missing items to the Office of Inspector General, Office of Investigations (OIG/INV) or to the USAID OIG Investigations Office (OIG/I), at the same time the report is sent to the post's Property Survey Board.
- d. Cases involving loss, damage, or destruction of program property valued at \$1,000 or more per item must be referred to the Property Survey Board.
- e. Cases involving missing Diplomatic Security Program property having an acquisition cost of \$1,000 or more per item, reported by the engineering service centers will be sent to the DS Executive Director/Accountable Property Officer for review and action and will be adjudicated by the

Domestic Survey Board when warranted.

14 FAM 416.5-2 Post's Property Survey Board

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. The post's Property Survey Board acts on reported instances of missing, damaged, or destroyed U.S. Government-owned expendable and nonexpendable personal property referred by the PMO. The board has the authority to determine financial liability, and to determine the extent of liability, for property that is missing, damaged, or destroyed as a result of negligence, improper use, or willful action on the employee's part, and to establish the amount of financial liability.
- b. Property survey board composition at post:
 - (1) **State** only: The heads of Foreign Service posts must designate in writing a post's property survey board consisting of at least three members, including a chairperson and a secretary. Board members must not include the PMO, APO, or their staffs. Other individuals who may not participate on the board include the individual involved, or the employee's supervisor. If any member is thus ineligible, the board chairperson must appoint an alternate replacement for that particular survey action;
 - (2) **USAID** only: At posts where USAID manages its own property and does not participate in ICASS or like agreement, the principal USAID officer will designate a survey board consisting of U.S. direct-hire Foreign Service employees.
- c. **Closing USAID missions abroad:** The Director, Overseas Management Staff (M/OMS), has authority to appoint a survey board to handle matters involving property accountability.
- d. **State** only: When WPAS property is involved, the information resource management officer (or equivalent) must forward a completed copy of the Form DS-132 to A/LM/PMP/BA/PM/WPAS.

14 FAM 416.5-3 Employee Liability

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Employees will not be financially liable for loss, damage, or destruction attributable to inadequate training and/or inadequate supervision in the workplace, or inherent defects in the property.
- b. The amount of financial liability for damaged property must be the cost of repairs (including shipment to and from the place of repair) or the

estimated cost of repair if the property is not repaired. The fair market value of an asset will be used to determine financial liability when the estimated repair cost exceeds the fair market value.

- c. The amount of financial liability for missing or destroyed property is based on the depreciated value (using straight line method) of the item. Minimum financial liability level is set at 10 percent of the acquisition cost of the item, except for antiques, works of art, and cultural heritage objects that are not depreciated. If a deliberate or preventable action, such as unauthorized repair, results in diminished or negated value, the employee may be assessed up to the fair market value.
- d. If a non-accountable property item is involved and the acquisition cost cannot be determined, the fair market value (less any salvage value) is used for reimbursement purposes.
- e. When action on a property survey report is complete, the PMO must ensure that fully completed copies of Form DS-132 for State or Form AID-534-1 for USAID are forwarded to:
 - (1) An employee held liable for lost or damaged property, accompanied by a demand for payment. Payment of such a billing does not convey title of the property;
 - (2) An employee involved in a survey report action but cleared of any financial liability; and
 - (3) An employee other than the employee responsible for the damage or loss, who has signed Form DS-584, Nonexpendable Property Transaction, covering property on loan.

14 FAM 416.5-4 Distributing Completed Survey Reports

(CT:LOG-60; 5-14-2009)
(State Only)

When survey board action is completed, the property management officer must forward a copy of the completed Form DS-132 to the APO for State or AID 534-1 for USAID, as well as the Department's Chief, Property Management Branch (A/LM/PMP/BA/PM), or to USAID's Director, Overseas Management Staff (M/OMS). A/LM/PMP/BA/PM will post the Form DS-132 on the PM Web site so that State's Office of Inspector General and domestic property management officials will have access to the reports.

14 FAM 416.5-5 Employee Appeal

(CT:LOG-60; 5-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. **State** only: On those reports where the decision is made by the PMO and

the employee contests the decision, the property survey board must review the decision. On those reports where the decision is made by the property survey board and the employee contests the decision, the decision must be reviewed by the chief of mission. On those reports where the decision is made by the chief of mission and the employee contests the decision, the decision must be reviewed by the Agency PMO (Managing Director, Program Management and Policy (A/LM/PMP)), whose determination must be final. If the chief of mission contests a decision rendered by the survey board against him or her, the COM can appeal to the Agency PMO (Managing Director, A/LM/PMP).

- b. **USAID** only: If the employee contests the decision of the PMO or the property survey board, the report is forwarded to the USAID principal officer, whose decision is final. USAID principal officers may appeal the property survey board 's decision to USAID/W, M/OMS, whose decision is final. For USAID missions that have been closed, the employee's appeal is directed to the Chief, M/OMS, whose decision is final.

14 FAM 416.5-6 Reimbursement by Employee

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. If an employee is held liable for the loss, damage, or destruction of U.S. Government-owned personal property, reimbursement must be secured before the employee's departure from post. If a contract employee is involved, refer to (Federal Acquisition Regulation) FAR 45.504.
- b. Reimbursement must be made to the account of the agency that owned the property:
 - (1) **State:** The financial management officer will credit the appropriate account based on the source of the funding for the asset. Reimbursement may be made in cash or by check payable to the U.S. Department of State;
 - (2) **USAID:** The controller must credit the appropriate account.
- c. If the employee is held liable and the employee still does not consent to reimburse the U.S. Government or has departed post, the case will be forwarded to the Bureau of Resource Management (RM) for State or M/CFO/P for USAID for collection of debt. Implementing procedures can be found in 14 FAH-1 H-623.
- d. A copy of the reimbursement receipt must be included in the relevant property file so that closure of the action will be documented and on file.

14 FAM 417 DISPOSAL OF PERSONAL

PROPERTY

(CT:LOG-1; 05-27-2005)

(Uniform State/BBG/USAID/Commerce/Agriculture)

Implementing procedures can be found in 14 FAH-1 H-700.

14 FAM 417.1 General

14 FAM 417.1-1 Policy

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Personal property scheduled for disposal by Foreign Service posts must be disposed of in such a manner as to be:
 - (1) In accordance with U.S. foreign policy;
 - (2) Consistent with applicable local laws and customs;
 - (3) In conformity with existing treaties or host -nation agreements; and
 - (4) When property is returned to State from a grantee for disposition and State has title, the disposal must be accomplished in accordance with policy in this section.
- b. Because of the inherent risks associated with hazardous chemical materials, it is important that any group or person receiving these items be adequately informed of the associated hazards and how to use the material(s) safely. Further information on hazardous wastes is contained in Section 1.13 of the Safety, Occupational Health and Environmental Management Resource Guide.
- c. **State** only: All non volatile IT media must be sanitized in accordance with 12 FAM 600 requirements. All hard drives (i.e., unclassified, SBU and classified) must be shipped via classified pouch to the Department for destruction in accordance with Overseas Security Policy Board and 12 FAM 600 requirements.

14 FAM 417.1-2 Classifying Unneeded Property

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Personal property scheduled for disposal by Foreign Service posts is either classified as replacement property or as foreign excess property.
- b. Property that is to be sold or exchanged for replacement is not considered "excess" since such an action merely represents the conversion of an asset as whole or part payment for a new item of similar property.

Replacement property is either redistributed to other posts of the parent agency, transferred to another agency, or sold and with the exception of ICASS property or property purchased with Overseas Buildings Operations funds, the sale proceeds are used for the procurement of similar property. For reporting proceeds of sale, State activities should refer to 4 FAM. Proceeds of sale for USAID personal property must be deposited to: Budget Clearing Account 72F3845 Proceeds from Sales of Personal Property U.S. Agency for International Development. For Agriculture proceeds of sale for FAS property must be deposited in Agency/Bureau 12/29, account 12 F 3845.029. A copy of the deposit voucher should be faxed to OFSO/ISD.

- c. When an agency declares personal property to be foreign excess, it underlines the fact that there is no projected need by the owning agency for such property. Therefore, this property is not needed for redistribution and will not be sold for replacement purposes.

14 FAM 417.1-3 Approval for Foreign Excess Classification

(CT:LOG-60; 05-14-2009)
(Uniform State/USAID)

State only: Property may not be classified as foreign excess without approval by the Chief, Property Management Branch (A/LM/PMP/BA/PM).

USAID only: Property may not be classified as foreign excess without approval of M/OMS.

14 FAM 417.1-4 Inspection for Classified Material

(CT:LOG-60; 5-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Prior to the removal of unneeded property from offices for return to the warehouse, the property must be inspected for any classified/sensitive information/material. Documentation of the inspection process begins with the employee who has used the item of property, and the person authorizing removal of the property must ensure inspection has been conducted and that Form DS-586, Turn-In Property Inspection Certification, is begun and signed by the former user. Special care is required to ensure that no classified/sensitive material has lodged behind or under drawers in desks, file cabinets, or inside computer equipment, etc.
- b. Combinations must be reset to factory standards 50-25-50 for safe files and 10-20-30 for padlocks used with bar-lock cabinets.
- c. Form DS-586, Turn-In Property Inspection Certification, must be completed certifying that a search for classified material has been

completed on all pertinent furniture items and equipment.

- d. Arrangements for removal of the property must not be made until these actions have taken place.

14 FAM 417.1-5 Program Property Disposal

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Program property, such as motor vehicles, security equipment, and communications equipment, must not be disposed of without specific authorization from the controlling office, bureau, or agency.
- b. **State** only: See 14 FAM 438 for disposal of motor vehicles.
- c. **USAID** only: For guidance on disposal of USAID program-funded property, see 14 FAM 417.1-7 and ADS (Automated Directives System) Chapter 534.

14 FAM 417.1-6 Trust Fund Property Disposal

(CT:LOG-60; 05-14-2009)

(USAID Only)

The disposal of trust fund property must be in accordance with the terms and conditions of the Trust Fund Agreement. In the absence of a trust agreement, the disposal of trust fund property must be in accordance with the procedures of this regulation:

- (1) Return the property to the host government, obtain a receipt, and adjust the property records; or
- (2) The sale of trust fund property must be authorized by the Trust Fund Agreement or by specific host government permission. In the absence of approval and if property is not returned, the property is sold and the proceeds are deposited in the trust fund account. Separate documentation is always used.

14 FAM 417.1-7 USAID Project Property/Contract Property

(CT:LOG-1; 05-27-2005)

(USAID Only)

- a. Project property will be titled in accordance with the terms of the project/strategic objective agreement or acquisition or assistance instrument.
- b. Regulations pertaining to the transfer or disposal of program-funded property titled with USAID are found in USAID ADS (Automated Directives

System) Chapter 534.

14 FAM 417.1-8 Disposal of USAID Personal Property to Non-U.S. Government Agencies

*(CT:LOG-1; 05-27-2005)
(USAID Only)*

Disposal of USAID personal property by donation can be made to organizations qualified to receive assistance under Section 607(a) of the Foreign Assistance Act of 1961, as amended (friendly countries, international organizations, the American National Red Cross, and voluntary agencies), provided that USAID/Washington (USAID/W) approves the disposal of property as foreign excess, and a Section 607(a) determination has been executed for the recipient in accordance with Chapter 7, Direct Acquisition Program, of Handbook 16, Excess Property. A request for disposal of USAID-owned property under a Section 607(a) determination must be addressed to: M/OMS Attention: Overseas Management Staff.

14 FAM 417.1-9 Disposal of Property Acquired by Means Other than New Procurement

*(CT:LOG-60; 5-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)*

Replacement property acquired by redistribution within an agency or transfer from other Federal agencies may not be sold or exchanged until one year from the date of transfer without prior approval from the parent agency (Chief, Property Management Branch (A/LM/PMP/BA/PM) for State and M/OMS for USAID)

14 FAM 417.2 Disposal Methods

*(CT:LOG-60; 5-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)*

- a. All property disposal actions, except for (b)(7) Grants, must be documented on Form DS-132, Property Disposal Authorization and Survey Report, for State or Form AID-534-1, Personal Property Disposal Authorization and Report, for USAID and be subjected to a formal disposal process. Separate reports are prepared for expendable and nonexpendable property.
- b. There are eight acceptable methods of property disposal, and the disposal must be in the following order:
 - (1) Redistribution to establishments within the parent agency;
 - (2) **State** only: Transfer to commissary/mess/recreational facility;

- (3) Transfer the property for re-use by other U.S. Federal agencies abroad;
- (4) Sale or exchange;
- (5) **USAID** only: Grant-in-aid or project contribution;
- (6) Donation;
- (7) **State** only: Return excess personal property to the U.S. for re-use by eligible recipients per 41 CFR-102-36.390.

NOTE: The US Government has a Web site, the GSAXcess Web site for the reporting of all available excess property or exchange/sale property worldwide that may be used to ensure U.S. Federal agencies and eligible individual State agencies for surplus property have access to information about the available property and to process transfer requests. Any post may request a user ID and password to report and/or acquire excess property via the GSAXcess Web site. The request should be submitted, via e-mail, to the Department of State's National Property Utilization Officer (Chief, Property Management Branch (A/LM/PMP/BA/PM)); or

- (8) Abandonment or destruction.

State only: Disposal by grant to further public diplomacy objectives in accordance with Grants Policy Directive Number 13 issued by A/OPE.

c. In determining the method of disposition most beneficial to the U.S. Government, consideration must be given to the following:

- (1) Condition of the property;
- (2) New and present value;
- (3) Bona fide need at another post abroad (taking into consideration the cost of storage, packing and shipping, and other related costs);
- (4) Local sales interest and value;
- (5) Other U.S. Government agency needs; and
- (6) **USAID** only: Host-government and project needs.

14 FAM 417.2-1 Redistributing Replacement Property

(CT:LOG-60; 05-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Redistribution to other posts is the preferred method of disposing of replacement property. The property being redistributed must be in good condition and the cost of packing and shipping must be economically compatible with the cost of acquiring new property.
- b. **USAID** only: If the PDO determines that property is appropriate for

redistribution to nearby posts, the PDO must notify USAID/W, M/OMS, of this decision. M/OMS will notify posts within the geographical area, or worldwide, of the availability of property for redistribution and allow for a 15-day or earlier response, depending on the disposing mission's urgency to remove the property. M/OMS will notify the missions selected to receive available property. USAID/W, M/OMS, makes the final determination on competing requests for redistribution of property.

- c. Redistribution will be made without reimbursement, except that the receiving post must pay for packing transportation and any other costs incident to the transaction.
- d. All redistribution actions must be documented.

14 FAM 417.2-2 Transfers

(CT:LOG-60; 5-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)

a. Transfer to other U.S. Government agencies:

- (1) When no response is received to offers of property to other posts within the geographic area, other U.S. Government agencies at the post location must be notified of the availability of the property. Property can be transferred providing:
 - (a) The requesting agency certifies that a bona fide need exists; and
 - (b) The receiving agency pays packing, shipping, and all other costs incident to the transfer;
- (2) Agencies offering replacement property for transfer must require reimbursement not greater than the best estimate of the gross proceeds if the property were to be sold on a competitive basis, or the dollar value offered on a trade-in basis;
- (3) All transfer actions must be documented; and
- (4) A requesting agency receives foreign excess property on a non-reimbursable basis.

b. **USAID** only:

- (1) The PMO must obtain USAID/W, M/OMS approval for disposal of personal property as foreign excess. The request must state the reasons and requirement of the requesting agency;
- (2) When foreign excess property is available, and before returning it to the United States, consideration must be given for its use under provisions of sections 214(b) and 607 of the Foreign Assistance Act of 1961, as amended. First preference must be given to situs

country before notification of its availability is made to other USAID missions;

- (3) Transfer of unneeded USAID replacement property may be made at no cost to a U.S. school abroad already receiving sponsorship from USAID through the Foreign Assistance of 1961, Part 636d. To do so, the mission PDO must first get permission from M/OMS by explaining why this disposal method is preferred over redistribution to another USAID mission or by sale at post, and will give the inventory value and estimated open market value of the items requested for donation. If M/OMS approves the donation, it will notify the appropriate USAID/W finance office of the donation so that the USAID contribution to support of U.S. schools abroad will reflect this cost.
- c. Foreign excess property: If foreign excess property is not required by other U.S. Government agencies at the post, the PMO will determine whether it would be in the interest of the United States to return the property to the United States for further Federal use or donation; see the Federal Management Regulation (FMR 101-43.5). The quantity must be substantial and consideration must be given to whether transportation and accessorial costs would make return of the property a cost-effective action. Authorization must be granted by the parent agency prior to any return action. The post must provide the parent agency with full description, quantities, value, age, and condition of the property.
- d. **State** only: Transfer to commissary/mess/recreational facilities or U.S.-sponsored schools abroad: Transfer of unneeded (replacement or foreign excess) property may be made at no cost to commissary/mess/recreational facilities or to U.S.-sponsored schools abroad, providing that the receiving activity certifies that a bona fide need for the property exists and that it is not being acquired for resale. All transfers must be documented and must require the approval of the PMO. USAID activities must also comply with specific regulations in ADS (Automated Directives System) Chapter 534 and ADS Chapter 532.

14 FAM 417.2-3 Exchange/Sale Property

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. If foreign excess personal property is not disposed of by transfer or return to the United States, it may be sold if in the best interest of the U.S. Government. The proceeds from sale of any **foreign excess personal property** (see definition in 14 FAM 411.4), when sold abroad, are deposited in the Treasury as miscellaneous receipts.
- b. If replacement property cannot be redistributed or transferred, it may be

sold or exchanged (see 14 FAH-1 H-716), as explained below:

- (1) The property may be sold and the proceeds from sale used for the acquisition of similar property either by the selling establishment or by the parent agency, on a worldwide basis (see 4 FAM). For ICASS or OBO funded property only, the proceeds of sale are not restricted to the acquisition of similar property.
 - (2) The management officer or equivalent position must request and receive written authorization from OBO/PE/IF to sell, exchange, transfer, or dispose of any items, **including antiques, works of art, and other cultural objects** located in representational residences (15 FAM 735.1). The management officer or equivalent position must also request and receive written authorization from OBO/OM/AM/RB to sell, exchange, transfer, or dispose of any antiques, works of art or other cultural objects located in any mission properties;
 - (3) Proceeds of sale from personal property, e.g., furniture, originally purchased by the Bureau of Overseas Buildings Operations (OBO) will be deposited to the Embassy, Security, Construction, and Maintenance Appropriation; and
 - (4) **USAID** only: When USAID property is involved, proceeds of sale are returned to USAID's Budget and Clearing Account 72F3845.
- c. The property may be exchanged in whole or in partial payment for similar items.
 - d. The types of sales used are sealed bid, spot bid, auction (including online auction sites), and negotiated.
 - e. Advertising must be used unless prohibited by the nature or condition of the property or when local conditions prohibit the advertising of sales.
 - f. The distinction between foreign excess property and replacement property must always be maintained.
 - g. The PDO must be a witness to key disposal activities on sale day (see 14 FAM 411.2, paragraph d).
 - h. When the sale is a sealed-bid sale, the PDO must use a locked bid box for depositing and storing bids until the announced bid-opening time. The bid box must be secured in a safe during nonworking hours and the bid-box key must be secured separately.
 - i. When the sale is conducted by using an Internet or Online auction site:
 - (1) The general services officer (GSO) must have written procedures for the conduct of Internet or Online auctions that are consistent with the local law of the host country. These procedures must be reviewed for possible updating at least annually and must be

- approved by the post financial management officer and servicing U.S. disbursing office (USDO);
- (2) Internet or online auctions may be conducted directly by post or through an intermediary but proceeds of sale collections must be consistent with Bureau of Resource Management (RM) policies and USDO instructions. In either case, if there is a charge for the service, post GSO must use a fixed-price simplified acquisition (see 14 FAM 221.6, paragraph a) to obligate funds for the service;
 - (3) Post procedures must address the method of verifying payment before an item is released from U.S. Government custody; and
 - (4) Cashier collections for Internet or online auctions are detailed in 4 FAH-3 H-320. When multiple items are sold online, post GSO must identify to the cashier the amount received for each individual item sold.
- j. Expenses incurred in connection with the sale may be paid from the proceeds and only the net proceeds deposited. Expenses that may be deducted include advertising, auctioneer fees, custom fees, duties, taxes, commercial transportation, contractor labor, additional security, rental of temporary space, sales agents/companies, and equipment rentals, directly related to the sale of the property. Expenses that may not be deducted include regular salary or overtime payments for American or locally employed staff since property sales are considered normal post business; (see 4 FAH-3 H-327.2-3,, subparagraph h(2), regarding simplified acquisition methods to obligate funds in advance of services requested.)
- k. Sales documents must show that purchasers of unneeded U.S. Government personal property must comply with U.S. and host-government import laws. When warranted, purchasers of such property must pay any customs duties, local taxes, or other charges imposed by the foreign government concerned, and must furnish copies of receipts proving such payments prior to the release of the property (including those sales completed through an online auction site). Some taxing authorities allow used imported goods (including those purchased or imported tax or duty-free) to be sold tax free after a certain period of time elapses; others prohibit the resale of such goods. Posts must ensure that local requirements, which may vary within a country, are met.
- l. With the exception of individuals who initiate, authorize, or directly control the sale of U.S. Government property (i.e. PMOs, APOs, or PDOs), or anyone acting on their behalf, U.S. citizen employees and their relatives may participate in competitive, publicly advertised sales of property authorized for disposal, provided the employee certifies in writing:

- (1) That the property is for the employee's personal use;
 - (2) That the employee will not sell the property during the employee's tour at the post except to another U.S. Government citizen employee who will make a similar written certification; and
 - (3) That, if at the end of the employee's tour, the employee sells such property to persons not having duty-free privileges, the employee will certify, in writing, to the PDO that local taxes and other obligations have been satisfied. Failure to comply with this requirement could result in disciplinary action.
- m. With the exception of individuals directly involved in selecting items to be disposed of or immediately involved in the preparations for or conduct of the sale or anyone acting on their behalf, Foreign Service national employees, personal service contractors, employees of contractors, and their relatives, are authorized to participate in publicly advertised, competitive bid sales. However, a successful bidder must certify that the property is for his or her personal use and must pay local customs duty and any taxes due.
- n. The principal officer at post may cancel the planned sale of any personal property item(s) if, in the principal officer's judgment, it is not in the interest of the U.S. Government.
- o. The proceeds from the sale of any foreign excess personal property are deposited by the financial management officer in the Treasury as miscellaneous receipts.
- p. Risk of loss: Unless otherwise provided in the invitation, the U.S. Government will be responsible for property subsequent to its being available for inspection and prior to its removal. Any loss, damage, or destruction occurring during such a period will be adjusted by the PDO to the extent it was not caused directly or indirectly by the purchaser or the purchaser's agent or employees.
- q. Permanently attached fixtures: Personal property is classified as a part of real property when it is permanently installed on a building or structure and removal will be either difficult or costly, i.e., split unit air conditioning units. Permanently attached fixtures may be sold on a negotiated basis to the building owner/landlord when vacating, at its fair market value.
- r. Negotiated sale: Property may be sold on a negotiated basis if the estimated fair market value of the property is \$15,000 or less, and at least one attempt to sell the property competitively was unsuccessful either because there were no bidders or because the bids were unreasonable (prior bidders must have the opportunity to submit offers on the negotiated sale). Large quantities may not be divided to avoid the \$15,000 limit. Negotiated sales are also permitted when an emergency exists which does not allow sufficient time to advertise a competitive sale.

This method of sale is used only in special circumstances and requires written justification by the PDO and approval by the PMO. (See Reporting Requirements in 14 FAM 418.3-3).

- s. Property must not be sold to U.S. Government employees or their relatives or U.S. Government contractor employees or their relatives on a negotiated basis.
- t. The PMO delegates authority to the property disposal officer to dispose of salvage or scrap material by sale.
- u. Replacement property that cannot be redistributed or transferred may be exchanged in whole or in partial payment for similar items.
- v. Personal property must not be offered or sold on credit.
- w. For property disposed of by sale or exchange, post's accountable property officer must ensure that the property records reflect this disposal accurately.
- x. Personal property in the following Federal supply class groups may not be processed as exchange/sale property, per 41 CFR 102-39.45 including:
 - (1) FSC 10 Weapons;
 - (2) FSC 11 Nuclear ordnance;
 - (3) FSC 12 Fire control equipment;
 - (4) FSC 14 Guided missiles;
 - (5) FSC 15 Aircraft and airframe structural components (except FSC Class 1560 Airframe Structural Components);
 - (6) FSC 42 Firefighting, rescue, and safety equipment;
 - (7) FSC 44 Nuclear reactors (FSC Class 4472 only);
 - (8) FSC 51 Hand tools;
 - (9) FSC 54 Prefabricated structure and scaffolding;
 - (10) FSC 68 Chemicals and chemical products, except medicinal chemicals; and
 - (11) FSC 84 Clothing, individual equipment, and insignia.

14 FAM 417.2-4 Project Contribution or Grant-in-Aid

14 FAM 417.2-4(A) Property Transfer—General

(CT:LOG-60; 05-14-2009)
(USAID Only)

- a. Transfer of U.S. Government personal property where title is with USAID,

and/or custody is with a PASA group. PASA group is defined as “participating agency employees appointed as non-career Foreign Service officers assigned abroad for one year or more” or a contractor to the cooperating government may be accomplished in one of two ways: by project contribution or grant-in-aid:

- (1) Property transferred to a ministry or agency under project contribution must be a commodity item aligned with a particular project; and
 - (2) Transfer of any U.S. Government property under grant-in-aid must also be to a designated ministry or agency of the host government and transfers should clearly be defined for official purpose, such as carrying out the broad objectives of the country program.
- b. Written requests for transfer of property by either method must be indicated by an official agency of the host government and sent to the USAID Director stating the requirements, purposes, and objectives. The director will sign the bilateral transfer agreement based upon staff clearance and signatures presented on clearance copy (see 14 FAH-1).
- c. Property aged or worn to a condition of liability must not be transferred to the cooperating government except in a particular circumstance, such as when the local government desires, sponsors, or approves a program of technical, mechanical, or electrical training; USAID may then transfer worn vehicles, refrigerators, typewriters, air conditioners, etc., to assist in such training programs. Host-government sanction is necessary because such rehabilitated equipment would normally be subject to customs duties and taxes; therefore, final utilization or disposition by the local training group should be clearly established and understood in advance.
- d. Administrative management:
- (1) Grant-in-aid property must be assessed in dollars at fair market value or depreciated value. This amount may be used as an offset credit to the country program if USAID considers it feasible and prudent;
 - (2) Form AID-534-1, Personal Property Disposal Authorization and Survey Report, is completed to account for required adjustments to acquisition costs on property records and fiscal account records;
 - (3) Property transferred must be on an as-is where-is basis;
 - (4) USAID must not employ either transfer method as a convenient or expeditious device for property disposal;
 - (5) USAID officers must refrain from intimating commitment of property prior to internal discussion and approval; and
 - (6) Normally and logically, property must be on USAID's records in

order to effect a grant or contribution to the host government. However, this administrative procedure is sometimes unrealistic; for example, when U.S. Government property in custody of a contractor (that is, not on USAID's property records) is to be transferred to the host government. These transfers may be done directly by USAID without debiting and immediately crediting USAID records for the sake of formality. However, in such cases, total documentation must be recorded to satisfy any future audit. Another example would be when property is located at a distant project site and continued use there is planned.

14 FAM 417.2-4(B) Project Contribution

(CT:LOG-60; 05-14-2009)
(USAID Only)

When the responsible officer of USAID and the cooperating government have agreed to the transfer of U.S. Government property to a specific project, the transaction must be documented as follows:

- (1) The assigned transfer agreements list property to be transferred. The transfer agreement must constitute an addendum to the Project Agreement (see [14 FAH-1](#));
- (2) A "fair market value" assessment of the property in dollars must be shown on the addendum. This dollar value is informational for the purpose of audit and property accountability;
- (3) It is not necessary to include the total value in the financial plan nor does a Project Implementation Order/Technical Services (PIO/T) need to be prepared;
- (4) If commodities are applied to a new project, it may be appropriate to assess the fair market value total against the project. The property agreement must be adjusted accordingly; and
- (5) One copy of the transaction should be forwarded to the respective USAID/W regional bureau's program office for appropriate action and information.

14 FAM 417.2-4(C) Grant-in-Aid

(CT:LOG-60; 05-14-2009)
(USAID Only)

- a. Upon receipt of a request for personal property under grant-in-aid from a ministry or agency of the cooperating government, the USAID Director must:
 - (1) Order inquiry into availability of property for transfer;

- (2) Determine the merit of the declared purpose; and
 - (3) Approve (with prior M/OMS approval) or reject the request.
- b. If approved, the format shown in 14 FAH-1 may be used.

14 FAM 417.2-5 Donation

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Personal property may be donated instead of abandoned or destroyed:
 - (1) If the property cannot be disposed of by redistribution, transfer, or sale and has little or no commercial value; or
 - (2) If the PDO makes a written determination that the estimated cost of care, handling and storage would exceed the estimated proceeds from its sale.
- b. Instead of abandonment or destruction, personal property may be donated to the following:
 - (1) Nonprofit educational (schools, orphanages, or youth programs);
 - (2) Public health, welfare, charitable, scientific, literary institutions; or
 - (3) International bodies in which the United States participates.
- c. The PDO must give priority consideration to institutions organized under U.S. law, supported by U.S. taxpayer funds, or which have tax-exempt status as a nonprofit organization.
- d. Donees must be located in the country in which the property is situated and are responsible for all costs to acquire the property including moving expenses.
- e. All personal property donated by the Department of State must be properly documented and the disposal properly recorded on the accountable property (inventory) records, e.g. Web NEPA or ILMS Asset Management system.
- f. **USAID** only: Donation of replacement property under this provision requires the prior written approval of the mission director and the concurrence of M/OMS. This approval is attached to AID Form 534-1, Personal Property Disposal Authorization and Survey Report.

14 FAM 417.2-6 Abandonment or Destruction

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Disposal of property by destruction or abandonment is executed as a last resort. The PDO must document efforts to dispose of the property by all

other disposal options indicated in this section. The destruction or abandonment must be witnessed by the APO or the PDO and a certificate of destruction or abandonment must be prepared and signed.

- b. Abandonment or destruction of hazardous materials can result in significant safety and health problems or environmental contamination. Therefore, before this option is implemented, contact the Safety, Health, and Environmental Management Division (OBO/OM/SHEM) for guidance.
- c. Immediately upon completion of the abandonment or destruction of the personal property, including capitalized personal property, the disposal of the item must be recorded in the accountable (inventory) records (for State) in Web NEPA or ILMS Asset Management System.

14 FAM 417.2-7 Public Diplomacy Equipment Grants

(CT:LOG-60; 05-14-2009)
(State Only)

New or used personal property, when acquired with Public Diplomacy funds (account PD 0113.P only), can be disposed of through Public Diplomacy grants when post officials determine that this action will further U.S. Government foreign policies and goals. See (Office of the Procurement Executive) A/OPE Grants Policy Directive Number 13, Disposal of Excess Public Diplomacy Property.

14 FAM 417.3 Disposal of Flags, Seals, Insignia, Etc.

(CT:LOG-60; 05-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)

Obsolete or unserviceable flags, seals, signs, insignia, door plates, rubber or wax stamps bearing the seal of the United States must be mutilated completely, preferably by burning. Impressions or seals placed upon items must be removed or obliterated before disposal is made.

14 FAM 417.4 Protective Custody Property

(CT:LOG-60; 05-14-2009)
(Uniform State/BBG/USAID/Commerce/Agriculture)

Property left by U.S. Government Agencies or quasi-governmental agencies must not be disposed of without specific authorization from the owning agency.

14 FAM 417.5 Disposition of other Agency Property

(CT:LOG-60; 05-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

Posts must assist in the disposal of other agency property, provided authority is furnished, in writing, by the agency concerned. Proceeds from the sale will be deposited in the appropriate agency's account, minus any shared costs incurred to conduct the sale, i.e., advertising, auctioneer services, etc.

14 FAM 417.6 Cannibalization of Nonexpendable Property

(CT:LOG-60; 5-14-2009)

(Uniform State/BBG/USAID/Commerce/Agriculture)

- a. Cannibalization of nonexpendable property is prohibited unless approved in advance by the post's PMO using Form DS-132 (for State), or Form AID 534-1 for USAID. If a part is removed from a working piece of equipment which thereby renders this working piece of equipment inoperable, then this is cannibalization. However, it is often the case that the best utilization of U.S. Government property involves removing working parts from one broken item of equipment to fix another item of equipment. This is not cannibalization. **In order to maintain the integrity of the broken item from which parts are being removed, it is essential that its parts be replaced with the broken parts of the item being repaired.** Once all usable parts have been removed from a broken item of equipment, and it can no longer be used for this purpose, it can be excessed with a condition code of "Salvage".

State only: The transaction must be recorded on the accountable property records, e.g. Web NEPA or ILMS Asset Management System as such, especially when capitalized assets are involved.

- b. Justifications for permitting cannibalization are:
- (1) Rehabilitation is uneconomical;
 - (2) Disposal by sale, redistribution, transfer, or grant-in-aid is impractical; or
 - (3) Value and condition of useful parts and components are high enough to justify time and labor to extract them for repair of working equipment.

14 FAM 418 REPORTING REQUIREMENTS

14 FAM 418.1 Property Management Report

14 FAM 418.1-1 State Only

(CT:LOG-60; 5-14-2009)
(State Only)

- a. Form DS-582, Property Management Report, is submitted annually. The APO and the PMO) must sign the report. Beginning FY 2010 the inventory process must be started no earlier than October 1 and the certification (Form DS-582) must be submitted to the Property Management Branch (A/LM/PMP/BA/PM) by March 15 of the same fiscal year. Overseas Staffing Model (OSM) Categories 1 and 2 Posts must conduct an inventory biennially starting no earlier than October 1 (beginning FY 2010), during even numbered years, and the certification (Form DS-582) also submitted to the Property Management Branch (A/LM/PMP/BA/PM) by March 15 of the same fiscal year to ensure financial integrity. Forms may be accessed from the Department's eForms Web site.
- b. If the March 15 deadline cannot be met, written requests for permission to submit late reports are to be submitted to A/LM/PMP/BA/PM prior to March 15 and must include a valid justification for the delay and a date by which the report will be submitted.
- c. If any of the responses in the Compliance Report (Part B) are negative, the Property Management Report must be accompanied by a memorandum stating what corrective action has been initiated and include a date by which the post will be in full compliance with property management regulations. The post must subsequently send a follow-up memorandum, by the projected compliance date, confirming that the post is in total compliance with regulations.
- d. The information resource management officer (IMO) (or designee) must complete the annual physical inventory and reconciliation of all program property tracked in the Worldwide Property Accountability System (WPAS), and subsequently the IMO must complete and submit an inventory certification to the WPAS program office (A/LM/PMP/BA/PM/WPAS) by March 15, each year.
- e. Embassies which maintain property records for constituent posts, and are including those posts in the certification of inventory reconciliation and sale exchange parts of the report, must specify the name of each post included. If constituent posts are performing any of the property duties indicated on the regulations compliance part of the report, which are not being performed by the embassy on behalf of the constituent post, those posts must submit a separate report addressing that part only.
- f. The designated accountable property officer for drugs and any other property under the control of the health unit must provide the PMO with an inventory certification for such property. If a post does not have a

health unit or has no such property at post, the PMO must state this on the post's annual certification.

- g. The designated accountable property officer for the narcotics affairs section's accountable office and residential (nonproject) personal property must provide the PMO with an inventory certification for such property, unless the PMO maintains the property records.

14 FAM 418.1-2 USAID Only

(CT:LOG-60; 05-14-2009)

(USAID Only)

USAID mission reporting requirements are detailed in ADS (Automated Directives System) Chapters 534 and 629.

14 FAM 418.2 Annual Fiscal Year Exchange/Sale Report

(CT:LOG-60; 5-14-2009)

(State Only)

The Web Non-expendable property application (NEPA) produces the Sale/Exchange Report. The report must be submitted to the Chief, Property Management Branch (A/LM/PMP/BA/PM) by October 30 of each year. The data is needed by A/LM/PMP/BA/PM officials to prepare a consolidated Agency annual Fiscal Exchange/Sale report to submit to GSA by December 30, in accordance with the requirements of 41 CFR 102-38.330 and 102-39.75.

NOTE: The posts which have implemented the Integrated Logistics Management System Asset Management (ILMS-AM) for personal property accountability do not need to submit this report.

14 FAM 418.3 Capitalized Property Records

14 FAM 418.3-1 Department of State

(CT:LOG-60; 5-14-2009)

(State Only)

Posts must provide information quarterly to RM/GFS/F/AO on capitalized property and heritage assets as instructed on the quarterly data call cable. This information is generated by the nonexpendable property application (Web NEPA) and ILMS, which posts manage. A record of post submissions and nonsubmissions are maintained for reporting to management as requested. The posts which have implemented the Integrated Logistics

Management System Asset Management (ILMS-AM) for personal property accountability do not need to submit this report, as RM/GFS/F/AO can obtain your property records directly from ILMS (see 4 FAM 734.3).

14 FAM 418.3-2 USAID

(CT:LOG-60; 05-14-2009)
(USAID Only)

- a. USAID missions are responsible for reporting capitalized property on a quarterly basis to M/CFO/CAR through the USAID Controller. USAID capitalizes individual items of nonexpendable property that have an acquisition cost of \$25,000 or more per item and an estimated life of two years or longer (see ADS (Automated Directives System) Chapter 629.3.2.2 and 14 FAM 411.4). Instructions for reporting will be provided to missions by M/CFO/CAR and M/OMS on a quarterly basis. Reporting will cover all USAID-owned property that meets the capitalization criteria to include nonexpendable property, information technology property, motor vehicles, and real property. The mission executive officer is responsible for certifying the capitalized vehicle data. The mission controller will certify the nonexpendable property, vehicles, and real property data.
- b. M/CFO/CAR is responsible for providing oversight and guidance to missions on the reporting of capitalized nonexpendable property (excluding vehicles) and real property on a quarterly basis. M/OMS will provide instructions and assistance to missions on reporting capitalized motor vehicles on a quarterly basis and will ensure that all missions comply with the requirement.
- c. After the cut-off date the depreciated cost of the property is recorded in the Agency's (M/CO/CAR) financial ledgers.

14 FAM 418.3-3 Fiscal Year Negotiated Sales Report

(CT:LOG-x)
(State Only)

Posts must provide information for the annual Fiscal Year Negotiated Sales Report to the Chief, Property Management Branch (A/LM/PMP/BA/PM) by October 30 of each fiscal year. The Chief, Property Management Branch consolidates the data for the agency's Negotiated Sales report to the General Services Administration by November 29 of each year in accordance with the requirements of 41 CFR 102.38.330