

PART 2024 - PROPERTY AND SUPPLY

Subpart H - Custody, Control, Utilization, and Disposal of
Personal Property

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PART 2024 - PROPERTY AND SUPPLY

Subpart H - Custody, Control, Utilization, and Disposal of
Personal Property

§ 2024.351 Scope.

This subpart provides policies, procedures, and responsibilities for the custody, control, utilization, and disposal of personal property.

§ 2024.352 Definitions.

Accountable Personal Property. All capital leases (this would exclude operating leases for personal property) and all Government owned personal property having an acquisition cost of \$5,000 or more. (See Agriculture Property Management Regulation (AGPMR) § 104-50.001-18 for definition of leases.) Accountable property valued at \$5,000 and above must be maintained in the Property Management Information System/Personal Property System (PMIS/PROP).

NOTE: Upgrades or component parts that significantly enhance the property asset or extend the life of the property for 1 year or more will be added as a component to the original property master to reflect an accurate property value.

Accountable Property Officer (APO). The APO is the official responsible for Rural Development personal property within their jurisdiction.

Agency Property Management Officer (APMO). The APMO is the official responsible for the Rural Development personal property management program policy, direction and oversight.

Excess Personal Property. Any personal property in the custody of Rural Development which is no longer needed to enable the Agency to accomplish its mission.

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Federal Disposal System/Agency Asset Management System (FEDS/AAMS). FEDS is the General Services Administration (GSA) computer system for recording, tracking and controlling the nationwide inventory of excess and surplus property of the Federal Government. AAMS is a module contained within FEDS. AAMS provides automated data systems support for the Department of Agriculture's nation-wide personal property needs. FEDS/AAMS is used to report property for internal screening, excess screening and to compete for internal/excess/surplus property. FEDS/AAMS is available at www.gsaccess.gov.

Gross Negligence. An extreme departure from the course of action to be expected of a reasonably prudent person, all circumstances being considered, and accompanied by a reckless, deliberate or wanton disregard for the foreseeable consequences of the act.

Non-accountable Personal Property. Includes all personal property not described as accountable personal property. Non-accountable property will not be reflected on the PMIS/PROP. Agency officials are responsible for maintaining reasonable controls over all personal property to protect it against improper use, theft, and undue deterioration.

Non-expendable Personal Property. Personal property with a normal life expectancy that exceeds 2 years; has a continuous use as a self-contained unit; and does not lose its identity or become consumed when put into use.

Property Custodian (PC). The PC is the designated individual responsible for Rural Development personal property within the location where the property is utilized.

Property Management Information System/Personal Property System (PMIS/PROP). The PMIS/PROP is maintained by the National Finance Center (NFC) which is located in New Orleans, Louisiana. PMIS/PROP provides property management control and accountability and is the official inventory system for the United States Department of Agriculture (USDA) accountable personal property as prescribed in the Agriculture Property Management Regulations (AGPMR) 104-50 Subchapter N. PMIS/PROP interfaces with the USDA Foundation Financial Information System (FFIS). PMIS/PROP provides uniform data for management and control of accountable, leased, loaned, and excess personal property. Detailed instructions regarding the operating procedures for PMIS/PROP are provided in the Personal Property Inventory Manual prepared and revised by the APMO and in the NFC Procedures Manual. The complete and most current PMIS/PROP manual is available on the NFC Internet home page at www.nfc.usda.gov.

§ 2024.352 (Con.)

Property Management Officer (PMO). The PMO is the official responsible for Rural Development personal property management.

Sensitive Property. Non-expendable personal property that is potentially dangerous to the public safety or security if stolen, lost, or misplaced; and subject to exceptional physical security, protection, control, and accountability. The APMO has determined that Rural Development does not have sensitive property. Therefore, budget object classification code 3141, Sensitive Property, will not be used in agency procurement activities.

Serviceable Personal Property. Those items useable "as is" or repairable under Exhibit B of this Instruction (condition codes 1, 4, and 7).

Surplus Personal Property. Any excess personal property not required for the needs of any Federal agency, as determined by the Administrator of General Services Federal Management Regulations (FMR) 102-36.40.

Unserviceable Personal Property. Those items not economically repairable under Exhibit B of this Instruction (condition codes X and S).

§ 2024.353 Designations.

(a) Agency Property Management Officer (APMO). The Chief, Property, Procurement, and Mail Management Branch (PPMMB), Property and Supply Management Division, (PSMD), St. Louis, Missouri, is designated as APMO for Rural Development.

(b) Property Management Officer (PMO) for Field Offices. The PMO for the field offices are designated by that State Director or the person with jurisdiction over the Local offices within that State.

(c) Accountable Property Officer (APO) for St. Louis and National Office. The PMO for the National Office and St. Louis Offices are assigned as appropriate.

(d) Accountable Property Officer (APO). The APO is designated by the PMO with jurisdiction over the Local office within that State or within the organization.

(e) Property Custodian (PC). The PC is designated by the PMO through the APO with jurisdiction over the Local office within that State.

§ 2024.354 [Reserved]

§ 2024.355 Responsibilities.

(a) Employees. Each employee is directly responsible for the proper use and protection of any Government Property assigned to them, issued for, acquired for, or converted to a person's exclusive use, with or without receipt. In a case of gross negligence, the employee may be held financially responsible. Whenever property is lost, stolen, damaged, or destroyed, the employee shall notify the PC or APO immediately.

(b) Property Custodian (PC). The PC shall ensure that personal property within their location is properly maintained, safeguarded, effectively utilized and controlled to protect it against improper use, theft, and undue deterioration, and that all reporting requirements are met.

(c) Accountable Property Officers (APO). The APO must account for personal property under their control. This includes the following:

(1) Discrepancies: If items are found that should be on the property inventory report but are not, they must be added to the printout. Acquisition documentation must be provided to the PMO with the report to verify acquisition source, date, and cost.

(2) Reference procurement documents to ensure that the FFIS/PROP interface has transmitted accountable property items to PROP in conjunction with item 1 above;

(3) Effectively utilize property under their control;

(4) Report excess property to AAMS;

(5) Report lost, stolen, damaged, destroyed, or unserviceable property to the PMO;

(6) Maintain and safeguard property under their control and conduct and reconcile a physical inventory of all records of PMIS/PROP accountable personal property biennially or as directed by the PMO or APMO.

(d) Property Management Officer (PMO).

(1) PMO's shall assume ultimate responsibility for personal property under their control. This includes the following:

§ 2024.355(d)(1) (Con.)

(i) Implementation of Agency policies, procedures and standards. Generate the PROP 304, "PMIS Suspense Listing," weekly and reconcile outstanding items on the listing ensuring that feeder items are processed accurately within 30 days of the date received from FFIS. This requires direct assistance from APOs.

(ii) Initial determinations regarding apparent gross negligence affecting property within their jurisdiction.

(iii) Authorization of direct transfers of excess property to other Federal agencies in accordance with FMR 102-36.145;

(iv) Issuance of disposal instructions for excess property determined by the GSA to be surplus personal property in accordance with the FMR and the AGPMR.

(v) Retention in agency files of Forms AD-112, "Report of Unserviceable, Lost, Stolen, Damaged, or Destroyed Property," and supporting documentation from date signed by PMO and applicable transfer/disposition forms for a period of 3 years.

(2) The PMO and APO shall not allow property to be used for any purpose other than official Rural Development duties and must ensure that these responsibilities are effectively executed in all offices under their jurisdiction. Failure to comply with any of these responsibilities will be cause for official action. Depending on the individual circumstances, financial penalty or other disciplinary action may be appropriate.

(e) State Directors. The State Directors shall enforce personal property policies within their jurisdiction.

(f) Agency Property Management Officer (APMO). APMO shall be responsible for Rural Development personal property. This includes the following:

(1) Developing and implementing Agency policies, procedures, and standards for the effective utilization, accountability, control, and disposition of personal property.

(2) Directing periodic property surveys to evaluate Agency personal property programs.

- (3) Ensuring that all accountable personal property acquired is appropriately accounted for by the PMO.
- (4) Making final determinations, if required, regarding apparent gross negligence affecting agency personal property.
- (5) Reporting to the Department regarding personal property management activities within the Agency.
- (6) Training State Office personnel responsible for personal property management and updating, as appropriate, the Training Manual/Desk Reference Guide.

§ 2024.356 Property Utilization.

(a) Use Standards. Rural Development shall furnish and maintain Agency offices in accordance with reasonable standards of appearance, working efficiency, and comfort. The PMO and APO should utilize existing available personal property prior to requesting new.

(b) Reporting Excess Personal Property for Field Offices. Excess Personal Property will be reported on Standard Form (SF)-120, "Report of Excess Personal Property," in the following manner:

- (1) The PC in the office where the property is located prepares the SF-120. The SF-120 must include the serial/NFC ID number when applicable, a full description of the property including its condition (see Exhibit B), and the estimated cost of local repair when known.

Note: If expedited disposal is required due to an office move or closure, complete an SF-120 and include the statement "Accelerated screening requested-office listed in block 14 is closing on (date)." The SF-120 should be approved by the APO and submitted to the AAMS.

- (2) The PC forwards the SF-120 to the State Office and places a copy in a suspense file to await final disposition instructions from the APO.

§ 2024.356(b) (Con.)

(3) The APO electronically enters the property into excess status through the AAMS. At the Internal Screening Level, the APO determines the length of time property will be screened and whether or not the property being internally screened proceeds to the Federal excess and surplus cycle. This allows the surplus property to enter GSA sales after Federal utilization and donation screening has been completed. A copy of the SF-120 is retained in a suspense file to await final disposition instructions from GSA.

(c) Requesting Excess Personal Property for St. Louis Offices. Excess personal property located in St. Louis area offices will be reported in the following manner:

(1) The PC in the office where the property is located prepares a Form RD 311-95, "Report of Excess Supplies/Equipment." The RD 311-95 must include the serial/NFC ID number when applicable, a full description of the property including its condition, and the estimated acquisition cost when known.

(2) The APO reviews the Form RD 311-95 for accuracy and completeness, and if acceptable, approves and forwards to the PPMMB, FC-702.

(3) PPMMB will have the property removed at which time the originating APO is relieved of custody and responsibility. A signed copy of the Form RD 311-95 will be returned to the originator. All PROP entries transferring accountable property will be made by PPMMB.

NOTE: All copies of purchase documents (if available), owners' manuals, instruction books, cords, cables, accessories, etc., should be transferred with the property.

(d) Requesting Excess Personal Property. The FMR 102-36.65 states "Using excess personal property to the maximum extent practicable maximizes the return on Government dollars spent and minimizes expenditures for new procurement. Before purchasing new property, check for any available excess personal property that may be suitable for your needs." Field offices needing property shall, to the maximum extent practicable, utilize Departmental excess property, and consider available excess from other Federal agencies.

(e) Office Machine Repair. Decisions to repair or replace office machines should be based on a comparison of the equipment's estimated repair cost, age, and repair history. Other factors such as loss of productivity due to downtime, the availability of repair parts, and technological obsolescence should also be considered. The key is that an objective decision be made in consideration of all the facts and that it be well documented.

§ 2024.357 Unofficial or Unauthorized Use of Personal Property.

If an employee knows or suspects that Agency personal property has been, is, or will be misused, appropriated for personal use, or used for unofficial or unauthorized purposes, such instances shall be reported as follows:

(a) The employee having such knowledge will immediately report it to their supervisor.

(b) The supervisor will immediately transmit this information through the PC, APO, and PMO. The report shall include names, dates, description of property, and other pertinent information that is readily available.

(c) The PMO will determine the action to be taken and advise the State Director.

§ 2024.358 Inventory Routines.

Official property records for accountable property are maintained on PMIS/PROP. These records are accessible to the PMO, APO, and their designees. Physical inventories of personal property on the PMIS/PROP system must be conducted every 2 years. PC or APO shall forward copies of the verified inventory reports to the PMO for reconciliation. Inventories will also be conducted when there is a change of accountability as outlined in § 2024.361 of this Instruction. Additionally, the APMO may request physical inventories more frequently as deemed essential for control and protection.

(a) Physical Inventories. The PMO will request inventories from their offices 60 days prior to updating. The APO will be furnished two copies of PROP 302, "Personal Property Physical Inventory Report," (see Exhibit A of this Instruction), one copy for the APO and PC for the physical inventory which must be completed within 30 working days with all supporting documentation attached. The Inventory Certification Sheet for the PROP 302 report must be signed and return with the reports to the PMO. The APO and PC retain the second copy.

§ 2024.358(a) (Con.)

NOTE: Discrepancies found on the PROP 302 report will be noted on another sheet of paper. A completed PROP 302 report will have only signature and date. Any other marks will void this form.

(1) In conducting physical inventories, the PC and APO must physically locate each item on their PROP 302 report. Once located, information related to the item will be verified, i.e., acquisition cost, acquisition date, serial number, document number, etc. Special emphasis should be placed on verifying the financial data on the PROP 302 report.

(2) The APO shall take the necessary actions to ensure that *all* personal property is properly secured and utilized. Any obvious misuse or theft will be reported to the PMO via telephone, followed with a Form AD-112 and if applicable, a police report. When reports are received, the PMO will determine what actions are required.

(3) If items are found that should be on the PROP 302 report but are not, they will be annotated on the property inventory report. Acquisition documentation, i.e., purchase order, credit card documentation, invoices, transfer order, etc., will be attached to the PROP 302 report.

(4) If items listed on the physical inventory report are not found, disposal documentation for these items must be provided. Documentation should include any evidence indicating disposal or transfer authorizations. In the absence of authorized disposal documentation, a Form AD-112 should be prepared by the PC and attached to the property inventory report.

(5) The APO should take this opportunity to identify and report all excess or unserviceable personal property for disposal as outlined in § 2024.356(b) of this Instruction.

(b) Reconciliation of Personal Property Records and Physical Inventories. Inventories shall be completed every 2 years and forwarded to the PMO. The PMO will reconcile and update the PMIS/PROP system after receipt of the PROP 302 report and supporting documents from the APO. The PMO is responsible for conducting, reconciling, and updating the State, National or St. Louis Office PROP 302 report information in the PMIS/PROP system. When the inventories are reconciled and updated, the PMO will change the inventory date on the PMIS/PROP records to reflect the date of completion. The PMO will sign the physical inventory certification sheets, (see Exhibit A of this Instruction) and file with reports in the appropriate office inventory file.

§ 2024.359 Inventory file.

The PMO and APO shall maintain an inventory file for all personal Property within their jurisdiction. All documents and correspondence pertaining to accountable personal property will be kept in the inventory file. Retention is 2 fiscal years after the fiscal year in which the record was created.

§ 2024.360 Lost, Stolen, Damaged, Destroyed, or Unserviceable Property.

When personal property is obsolete, lost, stolen, damaged, or destroyed, PC's shall prepare a typed Form AD-112 and submit as outlined below.

(a) Report Requirements.

(1) The APO and PC will prepare a typed original and two copies of Form AD-112 and sign and date in block 4. The preparing office retains one copy. The original and one copy, along with any supporting documentation, are sent to the PMO for review.

(2) The APO reviews the Form AD-112, ensuring the information shown in Section III of this form is accurate and complete. The APO includes recommendations and signs and dates in block 5. The APO sends the original of the Form AD-112 to the PMO for determination of action to be taken. Estimates of repairs, police reports, or any other information supporting the circumstances shall be submitted as appropriate. Original of the Form AD-112 and supporting documentation are retained in PMO files for 3 years from date signed by PMO. The information on these forms may be used in preparation of annual reports.

§ 2024.360 (Con.)

(b) Obsolete or Unserviceable Property. The PC uses Form AD-112 for reporting personal property that has become unserviceable through normal usage. The following information must be included:

- (1) Description of the property with serial/NFC ID number (if applicable).
- (2) Specific explanation of the condition that makes the property unserviceable. Avoid using general statements such as "the property is in 'bad condition' or 'unserviceable.'" The PC retains one copy of Form AD-112 and a copy is sent to the APO for review. The APO reviews the Form AD-112 and includes recommendations and signature. The APO forwards the AD-112 to the PMO for determination.

(c) Lost or Stolen Property. Property that has been identified as lost or stolen shall be reported to the APO immediately. A typed copy of Form AD-112 will be submitted to the PMO immediately for determination of liability. Employee liability for lost or stolen personal property is based on the facts provided in Form AD-112. The following information must be included:

- (1) Description of the property and serial/NFC ID number (if applicable).
- (2) Date the property was determined lost or stolen.
- (3) Last date the property was known to be in the office and by whom it was used.
- (4) Details of APOs efforts to locate the property.
- (5) Date the property was reported stolen either to the Local law enforcement unit, building manager, or GSA guard office. Attach a copy of their report to the Form AD-112. If a report cannot be obtained, the APO must include a statement that the loss was reported to the police, but a copy of their report was not made available.

NOTE: Before holding a person financially liable for a loss to the Government, the facts must clearly show that the person's conduct was the "proximate" cause of the loss, damage, destruction, or the loss actually occurred. "Loss" means loss of, damage to, or destruction of. Property is considered lost when it cannot be found or accounted for by the last responsible person in the audit trail. The PMO must stay free from bias or prejudice. An investigation should not be started with predetermined ideas as to what caused, or who is to blame for the loss, damage or destruction. The investigation must begin immediately upon notification. Whether a person's acts or omissions constitute negligence depends on the circumstances of each case. Negligence under some circumstances may not reflect negligence under other circumstances. Therefore, fully consider the following factors, as a minimum, when determining the reasonableness of a person's conduct:

- (1) The person's experience, physical condition, and special qualifications.
- (2) The type of responsibility the person had toward the property.
- (3) The type and nature of the property.
- (4) The nature, complexity, level of danger, or urgency of the activity ongoing at the time of the loss, damage, or destruction of the property.
- (5) The adequacy of supervisory measures or guidance for property control.
- (6) The feasibility of maintaining close supervision over the property given the nature and complexity of the organization or activity supervised.

(d) Damaged or Destroyed Property. Personal property damaged by other than normal usage, the following information must be included on Form AD-112:

- (1) Description of the property with serial/NFC ID number (when applicable).
- (2) Extent of damage.
- (3) Cost of repairs, three (3) estimates.

§ 2024.360(d) (Con.)

- (4) How the damage occurred.
- (5) Name, phone number and work location of person responsible (when applicable).
- (6) Supervisor's name and phone number.

(e) Review of Form AD-112 by the PMO. When the Form AD-112 is received the PMO will determine the action to be taken, sign, and date in Section II or Section III as appropriate.

(f) Determination of Employee Liability. All reports of lost, stolen, damaged, or destroyed personal property are reviewed by the PMO to determine possible employee gross negligence. If the PMO determines that loss or damage did not result from negligence, the Form AD-112 will be approved. When facts show possible employee gross negligence, the PMO will determine liability. All evidence included on the Form AD-112, investigative reports, and the APO's written statements will be considered in determining whether the employee was negligent, and whether they will be held financially liable. The PMO annotates Form AD-112 with the decision and forwards it to the APO. If the employee has been relieved of liability, a copy of the Form AD-112 will be forwarded through the appropriate APO to the employee. If the determination is to hold the employee liable, the PMO will issue a letter to collect for the loss or damage under the provision of 31 US Code, Chapter 37, Claims. This letter and the Form AD-112 will be sent through the APO to the employee. Cases of negligence may also be referred to Agency personnel officials for consideration of disciplinary action. Liability and the rights of employee appeal are determined as follows:

- (1) Employee liability is normally determined when the facts indicate that the employee did not take prudent steps to safeguard the property.
- (2) The amount to be charged employees for lost, stolen, or destroyed property is based on the inventory value, less reasonable depreciation, or the replacement value, whichever is less.
- (3) The amount employees are to be charged for damaged property is the actual cost to the Government to restore the property to its condition before the damage occurred.

(4) If the item cannot be economically repaired, the amount charged is based on inventory value, less reasonable depreciation, and less its estimated or actual sale value without repairs.

(5) An employee charged with gross negligence and found liable for lost, stolen, damaged, or destroyed property has the right to appeal.

(g) PMO Authority and Review of Reports. The PMO will personally review all reports, except those involving property for which the appointing authority has either personal responsibility or accountability. In this instance, the next higher authority will determine the appointing authority.

NOTE: The appointing authority will make an administrative check to determine if all pertinent instructions have been followed to ensure it:

- (1) Resolves contradictory statements.
- (2) Confirms or refutes self-serving statements.
- (3) Reflects correct computation of financial charges.
- (4) Reflects that individuals have received counseling, advisement of their rights, and opportunity to rebut on their behalf.
- (5) Reflects an unbiased investigation.

(h) Payment for Lost, Stolen, Damaged, or Destroyed Personal Property. An employee found liable can make payment by submitting a certified cashier's check made to Rural Development for the full amount or by requesting in writing that the full amount be withheld from their pay. The certified cashier's check should be sent to the corresponding PMO. The PMO will be responsible for submitting the check for deposit using the 9-digit accounting code (last digit of Fiscal Year) JM100028. The check should be forwarded to the following address:

U.S. Department of Agriculture
National Finance Center
Administrative Collections
P.O. Box 790342
St. Louis, MO 63179-0342

§ 2024.360(h) (Con.)

If an employee does not make full payment or does not consent to withholding from current salary payments, the debt will be certified to the Treasury Department for offset against final payment at the time the employee leaves the Agency.

(i) Accounting for Recovered Property. When property is recovered after the approving authority has made a final decision on financial liability, the accountable officer will forward a memorandum to the PMO to re-establish accountability for the recovered property.

(j) When an Individual(s) Has Been Assessed With Financial Liability for Items Recovered. First, determine whether the individual was assessed the total amount of the loss. If the individual was assessed the total amount of the loss, the approving authority will forward a memorandum to the finance and accounting office requesting the respondent be refunded the amount collected for recovered property.

§ 2024.361 Change of Accountability.

Upon the death, resignation, retirement, transfer, reassignment, or extended absence of a PC, APO, or PMO, an inventory shall be conducted of all property under their jurisdiction. When possible, such inventories shall be conducted by the incumbents and their successors who jointly certify their accuracy. Where such action is not feasible, the employee assuming the responsibility for the personal property shall conduct and certify the inventory. The former PC, APO, PMO or his/her estate may be held financially liable for all accountable property not accounted for.

Note: 60 days prior to resignation, retirement, transfer, reassignment or extended absence, all PCs and APOs will submit a typed memorandum with signature and date to the PMO explaining the type of action that will take place. This will insure a smooth transition for the PC, APO, PMO and United States Department of Agriculture.

(a) Succeeding PC. When an APO/PC is succeeded in office, the individual transfers to the successor all personal property for which he/she is responsible as outlined below. Printouts of current inventories can be obtained from NFC by the PMO for this purpose (see Exhibit A of this Instruction).

(1) The outgoing PC verifies an inventory report for their ending period in an original and two copies, and types on the report the words "Change in Custody."

(2) All incoming APOs and PCs have (30) thirty working days to conduct and certify the accuracy of the inventory by signing the original and one copy. When the inventory cannot be completed in the allotted time, the incoming person will request an extension in writing from the PMO. Missing items are lined out and initialed by both the outgoing and incoming PC. The incoming PC does not sign for property on loan unless there is an authorization of the loan signed by the APO and the PMO on file. Loaned property accountability is the responsibility of the outgoing PC.

(3) The outgoing PC sends the signed original of the inventory report to the APO, keeps a signed copy, and gives the second copy to the incoming PC. Missing items on the inventory report are reported to the APO on Form AD-112. Prompt processing of these forms assists in final salary payment when an employee is leaving the Agency because final salary is withheld until accountability has been cleared. Therefore, clearances should be started 30 days in advance, if possible.

(4) The incoming PC puts the second copy of the inventory report in the inventory file.

(b) Succeeding APO. Procedures similar to paragraph (a) of this section shall be followed. However, the inventory report will be submitted to the PMO for clearance.

(c) Other Successions. If any other custodial relationship is to be terminated and a succeeding official has not been appointed, State Directors, PMOs (or the APMO) will designate a temporary official. Procedures similar to paragraph (a) of this section will then be followed.

§ 2024.362 Transfers of Non-Accountable Property.

Transfers of non-accountable property are made when there is excess property in one organization and shortages in another. Transfers will be made when approved by AAMS or when you receive conformation from GSA.

(a) Transfer Procedures. Make the transfer of property as follows:

(1) Determine the item(s) to be transferred and ensure they meet maintenance standards.

§ 2024.362(a) (Con.)

- (2) GSA FEDS creates the appropriate transfer order documents required to complete the transfer of the property.
- (3) Document any component shortages and attach the original copy of the shortages to the gaining organization copy(s).
- (4) Notify the gaining organization that the property is ready for transfer.
- (5) Coordinate delivery or pickup with the gaining organization.

NOTE: Copies of all completed forms for transfers or other disposition of personal property will be provided to the PMO for retention in property files for 3 years from date received. The information on these forms may be used in the preparation of annual reports.

- (b) Within Rural Development. APOs can authorize the transfer of personal property within their jurisdiction. With verbal approval from the APO, the transferring office prepares Form AD-107, "Report of Transfer or Other Disposition or Construction of Property."
- (c) Within the Department. When excess personal property is not needed within Rural Development, the PMO should make it available to other USDA activities. The PMO/APO enters excess property in AAMS for Departmental internal screening and possible transfer. AAMS provides the necessary tools and automated transfer documents to the reporting activity to make informed determinations by reviewing requests for the property and allocating the property to qualified USDA entities. If the excess property is not needed within USDA, at the PMO's discretion, the property moves into the Federal utilization, donation and sales cycle.
- (d) Within the Federal Government. The PMO will authorize direct transfer of excess personal property to other Federal agencies in accordance with FMR 102-36.145. Property not needed within USDA will be electronically transmitted via AAMS to GSA for possible Federal utilization, donation, and sales. FEDS/AAMS will provide the reporting activity with the necessary transfer documents or purchasers receipts upon disposition of the property. If property remains after completing the Federal transfer, donation and sales cycle, a request should be submitted to the regional GSA Area Property Officer requesting abandonment/destruction authority.

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§ 2024.362 (Con.)

(e) Shipment by Freight. Refer to 41 CFR Part 102-117 and 41 CFR Part 102-118 for shipping instructions. Rural Development during regularly scheduled travel should transport all small items of equipment and furniture, where possible, to minimize transportation costs.

§ 2024.363 Borrowing and Lending of Government-Owned Personal Property.

Careful consideration should be given to whether needs could be satisfied by borrowing personal property, which may be available from other agencies. An agency lending property to another agency shall stipulate in writing, the property is returned in the same condition as when it was loaned. The expense of placing the property in such condition will be borne by the borrowing agency. Area and Local offices shall not lend property to other USDA Agencies without prior written authorization from the APO. Offices can lend property to Rural Development employees on official business; however, a receipt on Optional Form (OF)-7, "Property Pass," and documentation of the inventory file is required. Personal property in the custody of Rural Development will not be loaned to any private person or concern.

NOTE: When property is issued or loaned for periods up to 30 calendar days, the following procedures will be used:

- (1) Within 5 days prior to expiration of the temporary issue or loan, notify the person and arrange for return of the property not later than the expiration date. (If the person still needs the property, the person must update the receipt document by signature and date.)
- (2) A 100% inspection must be completed by the PC, APO or PMO.
- (3) Destroy all copies of the receipt document when the property is returned in good condition as issued.

§ 2024.364 Storage of Excess Personal Property.

- (a) Excess personal property will not be put in paid storage without the APMO's prior approval.
- (b) Record each item by location and condition.
- (c) Ensure storage facilities meet physical security requirements.
- (d) Conduct routine inventories and inspections to verify that accountability is maintained and that the storage facilities are adequate.

§ 2024.365 Identification of Personal Property.

Decals to identify all Agency personal property should be placed on items such as chairs, tables, bulletin boards, desk lamps, and similar items, which might become mixed with other agencies' property in collocated offices. Any such decals, including those available from the Rural Development warehouse, are acceptable.

§ 2024.366 Personal Property Security and Procedure for Issuance of Property Passes (Form AD-873 and OF 7).

(a) The PC, APO, and PMO shall ensure that Government personal property, including Government-furnished equipment (GFE), is properly secured and that employees are aware of security procedures. Non-expendable Government property should be secured in locked offices or cabinets, as appropriate, to minimize risk of loss or unauthorized use. When property must be removed from the office to conduct official business off site, employees will use Form AD-873. When security regulations are in force in a given building, OF 7, "Property Pass," will be used for removal of personally owned property. Exhibit D of this Instruction, shows a example of Forms AD-873 and OF 7.

(b) Designated individuals within the St. Louis Rural Development Office will be appointed by the PMO as Property Pass Officers (PPO) to control the removal of personal property from their areas through the issuance of property passes. It will be up to these individuals to keep records to support the issuance of property passes. Refer to Exhibit C, Maintaining Property Log Book, and Exhibit D, Optional Form 7 and Form AD-873 of this Instruction.

(c) Removable property, i.e., air conditioners, service counters, etc., in private buildings, may be abandoned during office relocations only when it is not cost effective to remove and restore the premises. The PC and/or APO will advise the PMO of estimated costs to remove and restore the premises, if required. The PMO will advise the PC and/or APO of the action to be taken.

(d) The PMO will oversee the control and will make random audits of logs and files maintained by the APO or PPO. Ensure the original property pass or passes are filed by issuing officer and review for completeness, accuracy and adherence to established procedures and instructions.

(e) Once government property is returned, inspected and accounted for, file the yellow, white and green copies for a period of two (2) years.

(f) Periodically inspect each issuing authority's log book for adherence to established procedures and instructions every 60 days and certify this inspection by signature and date of inspection.

(g) Perform a closeout audit of property log whenever an individual's property pass issuing authority is rescinded. Note the close out audit findings on the inside cover of the property log.

(h) Maintain the log book for any government property still out on loan by property pass issued by an individual no longer involved as issuing authority, until all government property is returned or accounted for. At that time close out the log book as instructed.

§§ 2024.367 Rental and Lease of Personal Property.

Personal property should only be rented or leased in emergency situations and/or when it is financially advantageous to the Government.

Note: Requests to rent automated data processing equipment for field offices must be sent to the Chief Information Officer (CIO), in Washington, DC.

§§ 2024.368 - 2024.369 [Reserved]

§ 2024.370 Sales.

(a) GSA Sales. GSA will notify the PMO when personal property has been reported for disposal by sale. The PC will:

- (1) Cooperate with any reasonable requests from GSA.
- (2) Ensure that no offers are solicited until forms and instructions are received from GSA.
- (3) Advise the PMO when the sale has been completed and the property released to the buyer.

(b) Sales to Employees. Rural Development employees can buy personal property in Rural Development custody only when it is offered for sale on the basis of competitive bids. An employee, who formerly used property, was accountable for it, or who was in any way connected with its condemnation, declaration as excess, or sale cannot purchase property, either directly or indirectly.

§ 2024.371 Donations.

(a) Personal property, which is surplus to the Government's needs, can be donated to public bodies under conditions established by GSA. As defined in FMR 102-36.320, "public body" is any department, agency, special purpose district, or other instrumentality of a State or Local government; any Indian tribe; or any agency of the Federal Government. Those who accept donated property must pay for its packing and removal.

NOTE: If there is interest from an eligible non-profit organization (as defined in 41 CFR Part 101-44) that is not a public body in acquiring the property, you must contact the regional GSA Personal Property Management office and implement donation procedures in accordance with 41 CFR Part 101-44.

(b) Upon completion of internal screening, eligible property may be donated to educational institutions and educational non-profit organizations as authorized by section 11(I) of the Stevenson/Wydler Technology Act (Pub.L.102-245) and Executive Order 12999. See 7 CFR Part 2812 for donation criteria.

NOTE: All donations of personal property under 7 CFR Part 2812 must be documented on Form AD-107 Report of Transfer or Other Disposition or Construction of Property." Copies of AD-107s must be forwarded to the APMO within 30 days of donation. Additionally, an annual "Non-Federal Recipients Report" must be submitted when and as directed by the APMO.

(c) Following GSA screening, eligible property may also be transferred to the 1890 Land Grant Institutions (including Tuskegee University), the 1994 Land Grant Institutions and the Hispanic-Serving Institutions as authorized by section 923 of the Federal Agriculture Improvement and Reform Act (FAIR) of 1996 (Pub. L.104-127). See 7 CFR Chapter XXXII for transfer procedures.

§ 2024.372 Destruction or Abandonment.

(a) When property is to be abandoned or destroyed, the PC and APO will request disposal in Section 1 of Form AD-112 and forward to the PMO. The PMO will authorize disposal as applicable in Section III of the form and return to the APO.

(b) The APO will then forward the form to the PC for the authorized action. After the authorized disposal action is complete, the PC will certify this in Section IV and return to the APO. The APO will then certify that the records have been adjusted, retain a completed copy of the Form AD-112, and forward copies to both the PC and PMO to complete and document the disposal process.

§§ 2024.373 - 2024.400 [Reserved]

Attachments: Exhibits A, B, C, and D.

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RD Instruction 2024-H
Exhibit A

DATE 02/25/2006
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PROP 302
USDA/OFM/NFC

UNITED STATES DEPARTMENT OF AGRICULTURE
PERSONAL PROPERTY PHYSICAL INVENTORY REPORT PREPARED BY
FEDERAL SUPPLY CLASS/SERIAL-NUMBER

SHEILA PALMER
USDA-RD PERS PROP MGMT BR (PPMMB)
INVENTORIED: 07-30-2002
1520 MARKET STREET ROOM 2132
ST LOUIS MO 63103

A.O. NO: AK-07-29-7080-04-BH PHONE: 314-335-8184
LAST DATE

FUND	DOC	DOCUMENT	LINE	SERIAL	ACQUISITION	DATE		
ID NUMBER	FSC	TYPE	NUMBER	ITEM	COST	ACQUIRED	MODEL	DESCRIPTION
MFG	TYPE							
AG0002573844	5830	838	4064KX03822	0001	11,774.00	02/14/91	TC10	PUBLIC
STORAGE	TECH	ELECT	A					
0700660730	7110	CONV	CONV	0001	14,292.61	01/01/78	004	RECORDS
STORAGE	004	A						
A. O. TOTAL NUMBER OF ITEMS			2	ACQ COST	26,066.61			

DATE 02/25/2003
07AGAK0729708004BH Page 2
PROP 302
DA/OFM/NFC

UNITED STATES DEPARTMENT OF AGRICULTURE
PERSONAL PROPERTY PHYSICAL INVENTORY REPORT PREPARED BY
BY FEDERAL SUPPLY CLASS/SERIAL-NUMBER

SHEILA PALMER
USDA-RD PERS PROP MGMT BR (PPMMB)
INVENTORIED: 07-30-2002
1520 MARKET STREET ROOM 2132
ST LOUIS MO 63103

A.O. NO: AK-07-29-7080-04-BH PHONE: 314-335-8184
LAST DATE

ON THE ATTACHED LIST ARE ALL OF THE PERSONAL PROPERTY ITEMS FOR WHICH YOU ARE THE ACCOUNTABLE OFFICER. YOU ARE REQUESTED TO MAKE OR CAUSE TO BE MADE A COMPLETE PHYSICAL INVENTORY OF ALL OF THE LISTED ITEMS.

FOR ITEMS NOT ACCOUNTED FOR THAT ARE LISTED ON THIS REPORT AND/OR FOR ITEMS ACCOUNTED FOR BUT NOT LISTED ON THIS REPORT, AN UPDATE SHOWING THE CORRECT DISPOSITION MUST BE ENTERED THROUGH THE ON-LINE PROPERTY SYSTEM.

----- C E R T I F I C A T I O N -----
I CERTIFY THAT I HAVE MADE OR CAUSED TO BE MADE A PHYSICAL INVENTORY OF ALL OF THE PERSONAL PROPERTY ITEMS LISTED ON THE PERSONAL PROPERTY INVENTORY REPORT AND THAT THE ITEMS AS INDICATED ON THE REPORT WERE ON HAND AT THE CLOSE OF BUSINESS ON _____, EXCEPT FOR THE FOLLOWING ITEMS: (LIST NFC I.D. NUMBERS).

SIGNATURE OF ACCOUNTABLE OFFICER DATE

REVIEWED BY -----
SIGNATURE OF PROPERTY MANAGEMENT

CONDITION CODES
(Prescribed by GSA Effective December 1, 1998)

- 1 - Excellent - Property which is in new condition or unused condition and can be used immediately without modifications or repairs.

- 4 - Usable - Property which shows some wear, but can be used without significant repair.

- 7 - Repairable - Property which is unusable in its current condition but can be economically repaired.

- X - Salvage - Property, which has value in excess of its basic material content but repair or rehabilitation is impractical and/or uneconomical.

- S - Scrap - Property which has no value except for its basic material content.

MAINTAINING PROPERTY PASS LOG BOOK

1. Individuals having property pass issuing authority are to maintain a log book to record their issuances of property passes.
2. Your Property Pass Log Book will INDENTIFY the following on the front cover.
 - a. Title
 - b. Log Book Number
 - c. Mail Code
 - d. Name of Issuing Authority
 - e. Date Log Book Started
 - f. Date Log Book is Closed Out
3. Use only the front side of each lined page in the log book. Number the pages in sequence at the top right hand corner. Do not use or number the back side of the pages.

Divide the pages into five (5) columns headed as follows:

Property Property <u>Pass No.</u> <u>Owner</u>	Date <u>Issued</u>	Name of Pass <u>Holder</u>	Property <u>Description</u>
---	-----------------------	-------------------------------	--------------------------------

4. Entries in Log Book:
 - a. Property Pass Numbers: Each time a property pass is issued, a number must be assigned to the pass and recorded in the log. This number includes sequential digits assigned by each issuing authority followed by the calendar year in which the pass was issued (e.g. 001-05 then 002-05 and so on).
 - b. Other entries: Information for all other entries made to the columns of the Log book should be obtained from the appropriate sections of the property pass.

5. DISPOSITION OF LOG BOOK WHEN FULL.

When a log book is full, the log book shall be retained until all the Government Property out on the property pass issuance is returned or otherwise accounted for. Then the issuing authority shall request that the completed property log be reviewed and audited by the designated property officer. Each completed property log book must have a signed and dated audit notation by the designated lead property officer.

If the property officer finds the log book in proper order and all Government property accounted for, the property officer shall note his/her findings on the blank back of the log book cover, sign and date the log book's close out audit, then enter the close out date behind the words END on the front cover. Only the designated property officer has the authority to take a property book out of service and mark the END date.

While the issuing authority is waiting the return of government property in a full property book, he/she may start the second property log book to record new issuances but shall retain the prior log book until all government property has been returned.

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Exhibit D in PDF ONLY.