

PERSONAL PROPERTY MANAGEMENT

ACCOUNTING, INVENTORY CONTROLS, UTILIZATION, AND DISPOSAL OF PERSONAL PROPERTY ASSIGNED TO CUSTODIAL AREAS

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1. **PURPOSE.** To provide instructions pertaining to the accounting and utilization of government-owned or leased personal property assigned to custodial areas; the responsibilities of Property Custodial Officers; the inventory controls established for accountable personal property charged to the Food and Drug Administration (FDA); and the disposition of excess and surplus personal property.

Note: All employees should be aware that the Government is not responsible for personal property brought into a Government facility for office decor or use, i.e., plants, pictures, radios, television sets, clocks, coffee makers, personal computers, etc. It is the individual's responsibility, not the Government's, to ensure that these items are properly secured. The Agency strongly recommends that such items not be brought into a Government facility.

2. **APPLICABILITY.** This Guide is applicable to all Headquarters and field activities.

3. **DEFINITIONS.**

- a. **Accountable Area.** An installation or organization so designated for property accountability purposes. The entire Food and Drug Administration is an accountable area.
- b. **Accountability.** Responsibility to account for Government personal property and the documentation of all transactions affecting personal property on hand and received by an activity, organization, etc.
- c. **Accountable Personal Property.** All Government property meeting the definition of equipment with an acquisition cost or estimated value of \$5000 or more, and items costing less than \$5000 that require special control or are determined to be subject to unusual rates of loss, theft, or misuse (sensitive items). These items will be bar-coded and inventoried annually (see page 12 for list of sensitive items).
- d. **Accountable Property Officer.** The person having accountability for

Government property placed under the jurisdiction of the accountable area. The Chief, Personal Property Management Section (HFA-225), Administrative Services Branch, Division of Administrative Management, Office of Facilities and Administrative Management (OFAM), is FDA's Accountable Property Officer and is responsible for processing the documentation that affects the accountable property inventory; providing assistance to the Property Custodial Officers appointed by the major activities; and developing and conducting training programs for Property Custodial Officers to help them understand and carry out their responsibilities.

- e. **Add-on Component.** An item that is purchased which will either extend the useful life of existing accountable personal property, or enlarge or improve its capacity.
 - f. **Custodial Area.** A section, branch, division, office, laboratory, or physical area administratively designated as a discrete component for property accountability purposes.
 - g. **Equipment.** An article of personal property that is complete in itself, is of durable nature, with an expected service life of one year or more, and does not ordinarily lose its identity or become a component of another article when put into use.
- (1) **Capitalized Equipment.** Nonexpendable personal property that has a unit acquisition cost of \$25,000 or more, including accessories, transportation costs, and installation costs.
- (2) **Noncapitalized Equipment.** Nonexpendable personal property that has a unit acquisition cost under \$25,000, including accessories, transportation costs, and installation costs.
 - (3) **Lease/Rental Equipment.** All property/equipment that is leased or rented by an FDA activity. All activities shall maintain a record on each item or group of identical items leased/rented.
- h. **Excess Personal Property.** Personal property that is no longer required by FDA, or by any other agency of HHS and, therefore, is available for transfer to other Federal departments and agencies.
 - i. **Nonaccountable Property.** All personal property costing less than \$5,000 (except sensitive items). Nonaccountable property will not be inventoried once the item is issued or placed in use. (Note: the fact that an item of personal property is not inventoried does not imply that a low

cost item does not have to be controlled or that it can be thrown away when no longer needed. All "unrequired" property should be reported through property management channels for reutilization or disposal.)

- j. **Personal Property.** Government property of any kind or interest therein, except real property and records of the Federal Government.
- k. **Personal Property Officer.** The senior administrative management official in the organization. The Personal Property Officer has accountability for all personal property in his/her organization, and serves as the focal point and has control over all personal property matters. Further delineation of Personal Property Officers designation and responsibilities can be found in paragraph 5, of this Guide.
- l. **Physical Inventory.** A physical identification and count of all accountable personal property. A certification of accuracy of the inventory will be required of each Property Custodial Officer.
- m. **Precious Metals.** Any item, piece, or part, made of platinum, gold, or silver.
- n. **Property Custodial Officer.** An employee designated by proper authority to be accountable for personal property charged to a custodial area. (A Property Custodial Officer may be responsible for one or more custodial areas.) The Property Custodial Officer is also responsible for ensuring the proper use and protection of personal property entrusted to his/her care. Further delineation of Property Custodial Officer selection, designation, and responsibilities can be found in paragraph 4, of this Guide.
- o. **Property Management Officer.** A person having responsibility for establishing and maintaining a system to account for the personal property acquired by the Agency, and for periodic review and surveillance of the FDA property management program. The Director, Office of Facilities and Administrative Management, is the FDA's Property Management Officer (PMO). Further delineation of Property Management Officers designation and responsibilities can be found in paragraph 6, of this Guide.
- p. **Replacement part.** A part or component which replaces a similar part or component within a unit of accountable personal property, where the capacity or functions of the accountable personal property are not improved beyond

its original state.

- q. **Salvage.** Any item of personal property having value greater than its basic material content but which is in such condition that it has no reasonable prospect of use for any purpose as a unit.
- r. **Scrap.** Any item of personal property that has no value except for its basic material content.
- s. **Sensitive Equipment.** Any item of personal property that has a high degree of personal appeal, is portable, and susceptible to theft.
- t. **Surplus Personal Property.** Any excess personal property for which there is no longer a need within the Federal Government, as determined by the General Services Administration (GSA).
- u. **Trade-in.** A unit of accountable personal property turned over to a vendor when purchasing a new unit of accountable personal property of similar description, where the Food and Drug Administration receives value in the form of a discount on the purchase.
- v. **Unrequired Personal Property.** Personal property that is no longer needed by one FDA program and, therefore, is available for transfer to another FDA program, or to another component of HHS.
- w. **Warranty.** A written guarantee of the integrity of a product and of the manufacturer's responsibility for the repair or replacement of defective parts.

4. **PROPERTY CUSTODIAL OFFICERS.**

Selection. Property Custodial Officers may be managerial, technical, or other competent individuals as determined by those responsible for the direction/supervision of the custodial areas. Preferably, individuals selected to serve in a custodial capacity should be employed in a position carrying administrative responsibilities for direction and/or supervision of an organizational unit. One Property Custodial Officer should be designated for each organizational component (e.g. division, branch, etc.). The custodial area should not be so large that effective control cannot be maintained, nor should it be so small as to generate excessive documentation of property transactions. Generally, each custodial area should have 50 to 300 line items of accountable personal property. In some cases, the designation of additional Property Custodial Officers may be

required due to organizational structure or physical separation.

- b. **Designation.** The Commissioner; the Associate Commissioner for Management; and the Director, Office of Facilities and Administrative Management, are responsible for all FDA property nationwide, and for maintaining a system to account for that property. The following individuals in turn are responsible for property assigned to their organizations:

Associate Commissioners
Office Directors, Office of the Commissioner
Center Directors
Regional Directors
District Directors

These individuals will exercise this responsibility through their Personal Property Officer (as defined in 3.j. of this Guide) and Property Custodial Officers officially designated responsibility for custodial areas in their organizations. Property Custodial Officers must be designated, in writing, by the organization's Personal Property Officer in a memorandum forwarded to HFA-225 listing the name, office, telephone number, and the custodial area(s) for which he/she is responsible. Any personnel or administrative changes that alter Property Custodial Officer assignments must also be reported immediately, in writing, to HFA-225. **Responsibilities of the Property Custodial Officers may not be redelegated.** In the absence of a properly designated Property Custodial Officer, the responsibility automatically reverts to the organization's Personal Property Officer. In some centers, at the discretion of the director or Personal Property Officer, an employee in their central administrative group may be appointed to coordinate and assist in the implementation of procedures and policies described in this Guide.

- c. **Responsibilities.** Each Property Custodial Officer shall be responsible for all accountable personal property throughout the custodial area, and for the effective management of the property. A Handbook for Property Custodial Officers is available upon request from HFA-225. Duties include:

(1) Responsibility for the proper utilization, care and safeguarding of property issued or assigned to the custodial area, **including issuance of property passes.**

(a) Property Pass, Form HHS-679 (see Attachment G) will be

used by FDA headquarters activities for the removal of Government property from buildings (e.g. for repairs/service by contractors, or by FDA employees for official use away from the office).

(b) Property Pass, Optional Form 7 (see Attachment H) will be used by FDA field activities for the removal of Government property from buildings (e.g. for repairs/service by contractors, or by FDA employees for official use away from the office).

(c) The forms are to be completed and signed by the person authorizing the removal of the property. The person authorized to remove the property is to surrender the pass to the guard when leaving the building. The disposition of the passes after collection by the guard is a matter of administrative determination to be made by the District/Center.

- (2) Ensuring that FDA bar-codes fixed to accountable property.
- (3) Ensuring that Equipment Warranty, Optional Form 274 (see Attachment I), is completed and affixed directly to equipment with a warranty.
- (4) Ensuring that all employees in the custodial area are properly instructed on their responsibilities for the proper use, maintenance, and protection of Government property.
- (5) Preparing and processing the required documents covering the acquisition, transfer, disposal, and Report of Survey actions as required or directed.
- (6) Conducting an annual physical inventory of personal property and certification of the result by furnishing signed inventory lists of all accountable property within the custodial area to the Personal Property Management Section, (HFA-225).
- (7) Obtaining written receipts and maintaining control of issued personal custody property items through the use of Personal Custody Property Record/Hand Receipt, Form HHS-439 (see attachment F), or any automated system, and clearing all personnel transferring or separating of any personal custody

property assigned to them.

- (8) **Headquarters Property Custodial Officers:** Reporting to HFA-225 any property in the custodial area that has been determined by operating personnel to be excess to their needs.

Field Property Custodial Officers: Reporting to their Personal Property Officers any property in the custodial area that has been determined by operating personnel to be excess to their needs.

- (9) **Maintaining a copy of the current inventory list; monthly updates affecting the inventory list until subsequent inventory list is completed; copies of properly executed Request for Property Action, Form HHS-22; and Report of Survey, Form HHS-342, until monthly updates reflecting changes are received.**
- (10) **Informing the designating official of any organizational or personnel changes that may require relief from Custodial Officer's responsibilities.**
- (11) **Remaining responsibility for all property in the custodial area until relieved by the formal transfer of such property. Upon transfer of custodial responsibility to a successor, conduct a joint inventory, or otherwise verify the accuracy of the custodial account, and initiate action to adjust any differences that may be discovered.**
- (12) **Property Custodial Officers are expected to exercise the necessary care and diligence to avoid loss of/damage to property assigned to their custodial area. The Property Custodial Officers shall actively seek the support and assistance of their organization's Personal Property Officer, the staff of the Office of Management, and the Associate Commissioner for Management, anytime they believe FDA property may be at risk.**
- (13) **Ensuring maximum utilization of unrequired or underutilized personal property.**
- (14) **Maintaining a record on each item of property leased/rented by their organization. The record shall contain the following information:**
- (a) **Date property is received and date lease is to start if different than the date of receipt.**

- (b) A description of the item including the manufacturer, the serial number and model number to identify the leased property from other similar Government-owned items.
- (c) Condition when received, whether used or new.
- (d) The user and/or using organization and address.
- (e) Reference to the lease contract or agreement including lease rates, value of property, and length of contract.

NOTE: In those cases where leased/rented personal property is purchased (purchase option), a FDA bar-code should be affixed. The FDA bar-code number, description, manufacturer, model number and serial number of the equipment shall be included on the documentation provided to HFA-225 for inclusion on FDA property accountability records.

5. PERSONAL PROPERTY OFFICERS.

- a. **Designation.** The following are automatically designated as that organization's Personal Property Officer:

Directors, Management and Program Support Branch, ORA.
Administrative Officers in Headquarters Field Activities.
Executive Officer, Office of the Commissioner.
Director, Office of Management, CVM.
Director, Office of Management, CFSAN.
Director, Office of Management, NCTR.
Director, Office of Regulatory Resources Management, ORA.
Director, Office of Management Services, CDRH.
Director, Office of Management, CDER.
Director, Office of Management, CBER.

- b. **Responsibilities.** Each Personal Property Officer is accountable for all personal property in his/her organization. He/she must, as part of their responsibility, assure that records exist for property that is under the control of the Property Custodial Officers in their organization. The responsibilities of the Personal Property Officer may not be redelegated.

Duties include, but are not limited to, the following:

- (1) Assures through staff leadership and technical assistance that

prescribed property accountability and property custodial records and controls on property and property transactions are maintained.

- (2) Assures that property accountability records are verified and reconciled by annual inventories of property.
- (3) Provides leadership and guidance in the proper utilization, care and disposal of property.
- (4) Receives and distributes to his/her Property Custodial Officers, the monthly and annual personal property inventory printouts received from HFA-225; coordinates the annual physical inventory and ensures the reconciliation of the physical inventory with proper documentation; reviews and initials the certification and completion of the physical inventory before submission to HFA-225; and returns a complete package of reconciled printouts to HFA-225.

6. PROPERTY MANAGEMENT OFFICER.

- a. **Designation.** The Director, Office of Facilities and Administrative Management, is the FDA's Property Management Officer (PMO).

The following officials are authorized to certify and approve requisitions for personal property within the limits of their procurement authority, on behalf of the FDA's PMO:

ORA Regional and District Directors
Director, Northeast Regional Laboratory
Director, Southeast Regional Laboratory
Director, Forensic.....
Director, National Center for Toxicological Research
Director, Division of Drug Analysis, CDER
Director, Winchester Engineering and Analytical Center
Chief, Chicago Food Research Laboratories
Chief, Northeast Technical Services Unit
Chief, Fishery Research Branch

- b. **Responsibilities.**

In addition, these officials are responsible for ensuring that all requisitions for the acquisition of personal property contain a

justification, are approved by them, and made a part of the purchase order file. The supporting justification should reflect that:

- (1) The requirement is absolutely essential;
- (2) It is an initial acquisition or replacement, and that it meets the applicable use or replacement standards. These standards may be found in the Federal Property Management Regulations (FPMR) 101-25.3 and 101-25.4;
- (3) There is no other equipment available within the activity to meet the requirement, either by equipment pools or sharing;
- (4) Unrequired and excess property of FDA, HHS, and other Federal agencies have been checked (rehabilitated equipment will be accepted, if available); and
- (5) The least expensive equipment, that will satisfy the requirement, is to be purchased.

7. **DOCUMENTATION AND FORMS.** Property actions (after acquisition) will be controlled and documented by use of the following:

- a. **Inventory Lists.** Upon official designation, and annually thereafter, Property Custodial Officers will be provided an inventory list for all property charged to their custodial area(s). Detailed procedures for conducting the inventories are contained in paragraph 8 of this Guide.
- b. **Monthly Updates.** The inventory lists are updated by a supplemental listing on a monthly basis. The monthly update will reflect all properly documented additions, deletions, or changes to the basic inventory that were processed during the month. The monthly updates must be reviewed by the Property Custodial Officers, any exceptions noted, verified by signature, and one signed copy returned to HFA-225. Explanation of columnar headings on the inventory and updates are shown in Attachment A. Transaction code explanations are shown in Attachment B.
- c. **Request for Property Action, Form HHS-22.** This form is used to document the following actions:
 - (1) **Transfers Within FDA (from one custodial area to another).**

The original copy of the Form HHS-22 (signed by the losing Property Custodial Officer in Block 13, and the gaining Property Custodial Officer in Block 14) must be sent to HFA-225.

(2) **Transfers Outside of FDA (within HHS).**

Forward copy of Form HHS-22 (signed in Block 13 by the Property Custodial Officer as initiator, and signed in Block 14 by an HHS representative) to HFA-225 for the signature of the Accountable Property Officer in Block 16, and for adjustment to the property records.

(3) **Turn-ins: Unrequired Property.**

Headquarters: Form HHS-22 is to be used to record the turn-in of all unrequired property. It will provide a record, as well as a receipt, for all property that changes hands. Property should be maintained in its location pending pickup and not placed in hallways or other locations where it creates a safety hazard or is susceptible to loss or theft.

Field: Unrequired property should be turned-in to the Personal Property Officer, with a Form HHS-22, for proper control and security, pending disposition instructions. Attachment C of this Guide establishes a separate "Unrequired Personal Property Custodial Area Account Number" for each field location.

In all cases, it is necessary that a complete description of the item(s) be entered, as well as FDA bar-code and serial numbers. It is also essential that the report reflect the true condition of the property as of the date it is reported "unrequired" through the assignment of the appropriate disposal condition code as defined in FPMR 101-43.4801(e) and/or on the Form HHS-22. If the property is determined to be "salvage" (X), or "scrap" (S), the report must be based on documented facts (e.g. age; repeated repairs; lack of replacement parts; etc.). Property Custodial Officers must ensure that they obtain a copy of the Form HHS-22, signed by an authorized receiving official (Block 14) for any property removed from their location. Properly designated Property Custodial Officers and HFA-225 representatives are authorized receiving officials. The completed Form HHS-22 is the official document that relieves the losing Property Custodial Officer of responsibility and affixes responsibility on the gaining Property Custodial Officer.

(4) Overages, Shortages, Corrections to Inventory:

To report any overages, shortages, or corrections to the inventory printout (see Inventory procedures, paragraph 8 of this Guide).

- d. **Report of Survey, Form HHS-342.** The Property Custodial Officer must initiate the Report of Survey for missing accountable property charged to the custodial area. **Surveys must be submitted within 30 days after the loss, theft, or destruction of property is discovered.** Details on preparation of Form HHS-342 are contained in Staff Manual Guide FDA 2620.5, **Report of Survey Systems.** The items will not be removed from the accountable inventory until action has been completed by the Board of Survey.
- e. **Personal Custody Property Record - Form HHS-439.** Property Custodial Officers are responsible for obtaining signatures and maintaining a record when an item designated as personal custody property is issued for the personal use of an individual or a unit. A Form HHS-439 may be used for this purpose or, if preferred, any automated system file is acceptable, if signed and dated. This record/file establishes additional controls over items that have a high degree of personal appeal, are portable, and susceptible to theft. Such items include, but are not limited to:
- Bar Code Readers/Scanners
 - * Binoculars
 - * Cameras and Lenses
 - Chromatographs
 - Copying Machines
 - Facsimile (FAX) Machines
 - Personal Computers (CPU, keyboard, and monitor will be recorded as a single unit)
 - Printers
 - Television Sets
 - Video Cameras
 - Video Cassette Recorders
 - * Weapons (including tranquilizer guns)
- * Personal custody items.

Internal clearance procedures must ensure that personnel transferring or separating are required to clear through the Property Custodial Officer,

who will screen his/her personal custody property records to be certain that property is returned prior to signing the individual's clearance record.

8. INVENTORY PROCEDURES FOR ACCOUNTABLE PERSONAL PROPERTY.

- a. **Frequency.** Property Custodial Officers are responsible for conducting an annual physical inventory of all accountable personal property charged to their custodial area. HFA-225 will establish a schedule of inventories throughout the year. If possible, HFA-225 will accommodate a request to reschedule a physical inventory to a preferred date.
- b. **Notification.** Each organization will receive notification from the Property Management Officer as to when the annual inventory is to be conducted. Bar-code technology will be used when conducting physical inventories.

c. **Procedures.**

- (1) Using bar-code equipment, follow the instructions in the Guide to Bar Coding FDA Property, scan all bar-codes and transmit the data to the Personal Property Management Section.
- (2) The data will be interfaced with the Property Management Information System, 5 possible reports generated and forwarded to the FDA component for reconciliation.
- (3) The following is the description of each report and the reconciliation requirements.

- (a) **REPORT NAME: BARCODE RECORDS THAT ARE IN THE CORRECT PMIS DATABASE.**

REQUIREMENTS: None. The records on this report were bar-coded in the same location code as indicated in the Property Management Information System (PMIS).

- (b) **REPORT NAME: BARCODE LOCATIONS THAT ARE NOT THE SAME AS PMIS DATABASE.**

REQUIREMENTS: This report shows property that is in the PMIS under a certain location code (indicated in the column PROP on the printout) but was found during the physical inventory in another location code (indicated in the column

BAR on the printout).

You must complete a Request for Property Action, HHS-22, for any records that should be transferred to the location code indicated in the BAR column. If the item should not be transferred, it does not require any further action.

NOTE: A listing of your organization's location codes and Property Custodial Officer directory will be attached.

(c) **REPORT NAME: MISSING PROPERTY RECORDS**

REQUIREMENTS: This report shows property that was not located during the bar-code inventory. A second search for this property should be conducted.

If an item is located:

- 1) place a bar-code on the item and affix the bottom half of the bar-code on the printout in the BARCODE column.
- 2) write the date the item was found in the INV DATE column.
- 3) write the users ARIES number in the USER_N column.
- 4) write the room number and building where the property was located in columns ROOM_NU and BUILD.
- 5) return the printout and the data will be added to the records.

If an item is not located:

- 1) complete a Report of Survey, HHS-342, for each location code.

Headquarters locations submit the HHS-342 along with the printout, for processing to the Headquarters Board of Survey.

Field locations submit HHS-342 after processed by

field location Board of Survey.

(d) REPORT NAME: NO PROPERTY RECORDS IN THE PMIS DATABASE

REQUIREMENTS: This report includes items that did not have a FDA decal or the decal was not in the PMIS. Attach any acquisition documentation for the item(s), i.e. purchase order, 393, contract. If acquisition documentation can not be located, fill in the estimated acquisition cost in column COST and the estimated acquisition date in column ACQ. Return the printout and the items will be added to your inventory.

(e) REPORT NAME: BARCODE RECORDS THAT HAVE NO FDA NUMBER IN THE PMIS DATABASE

REQUIREMENTS: The items on this report were bar-coded as if the FDA number was in the PMIS.

- 1) The item must be located and if the FDA number on the item matches the FDA number on the printout, write the description, serial number, manufacturer, model number under the respective columns. If the FDA number on the printout is not correct, write the correct FDA number on the printout in addition to the description, serial number, manufacturer, and model number.**
- 2) Some of the items bar-coded had previously been deleted because they were not accountable (under \$5,000 or not sensitive). Those items have been indicated on the printout as non-accountable. Locate the items and remove the bar-code labels. A list of sensitive items will be attached.**
- 3) Some of the items bar-coded have been excessed and deleted from the PMIS since the inventory was performed. These records are indicated on the printout as deleted along with the transaction code for the deletion. These records require no further action.**

(f) One copy of each printout with the required documentation should be returned within 30 days of receiving the above

reports to the Personal Property Management Section, HFA-225.

e. **Precious Metals.** Good management practice dictates that:

- (1) Precious metals be secured at all times.
- (2) Records be maintained showing the date, to whom issued, and date returned to locked storage area. Records should also reflect end item accountability (e.g. the number of crucibles, the number of dishes, etc. vis-à-vis weight of item).
- (3) Accountability of precious metals should be verified on a quarterly basis. Any unrequired precious metals should be turned-in to HFA-225 on a Form HHS-22, and shipped via use of the GSA contract carrier for express small package transportation; or by U.S. Postal Service express mail or registered mail. HFA-225 will make proper disposition of any unrequired precious metals received.

9. **RESPONSIBILITIES OF FDA EMPLOYEES RELATIVE TO GOVERNMENT PROPERTY.**

Each FDA employee is responsible for the proper acceptance, use, protection, and surrender of any property assigned to his/her custody or control, and may be held financially liable for violations of such responsibility when they result in losses to the Government.

More specifically, he/she shall:

- a. Accept property only when properly assigned to his/her custody and control by a Property Custodial Officer or authorizing official, and shall not remove any property from a custodial area unless such removal is made with the consent of the Property Custodial Officer or an authorizing official.
- b. Not use, or permit any other person to use, FDA property for any purpose not authorized by law, except in cases of actual emergencies threatening personal safety, loss of life or property.
- c. Not take for personal use any article of property, including property that has been abandoned or destroyed.

- d. If responsible for the custody and/or use of personal property that is subsequently lost, stolen, destroyed, or damaged beyond repair or salvage, forward immediately to the appropriate Property Custodial Officer a memorandum showing:
 - (1) Full description of the article, FDA bar-code number, serial number (if any), and cost.
 - (2) The facts and circumstances surrounding the loss, theft, damage, or destruction.
 - (3) The action taken to recover same, if the property was lost or stolen.
- e. An employee leaving the jurisdiction of any custodial area shall return any property or account for all personal property and other items for which personally responsible.

10. ACCEPTANCE OF UNCONDITIONAL GIFTS OF PERSONAL PROPERTY.

The Food and Drug Administration, as a PHS component, has statutory gift acceptance authority under 42 U.S.C. subsection 300aaa. By memorandum dated February 25, 1983, the Assistant Secretary for Health delegated to the Commissioner of Food and Drugs the authority, under section 501 of the Public Health Service Act (42 U.S.C. 219) as amended, to accept offers of gifts, excluding the acceptance of gifts of real property. Offers of personal property shall not be accepted if the total costs associated with acceptance are expected to exceed the cost of purchasing a similar item and the cost of normal care and maintenance. Since the Commissioner of FDA has the authority to accept unconditional gifts on behalf of the Agency, a formal request that the Commissioner accept the gift on the basis that it meets the requirements of Title 21 CFR 5.10, (Subpart A), and that acceptance does not present a conflict of interest, should be submitted through a memorandum from the FDA component's director through the Associate Commissioner for Management, through the Deputy Commissioner for Operations, to the Commissioner. Any unconditional gift of personal property accepted for official use by the Commissioner, shall be accounted for in the same manner as personal property acquired from other authorized sources and shall lose its identity as an unconditional gift upon entry into the Agency's property account. When property acquired as an unconditional gift cannot be used or is no longer required by the Agency, it shall be reported to GSA as excess personal property in accordance with FPMR 101-43.304.

11. **POOLING/SHARING EQUIPMENT.** In order to further reduce procurement expenditures and to increase property utilization, each center, field office, and separate activity of the agency shall examine their property holdings and, where feasible, establish equipment pools to share equipment including, but not limited to, such items as: laboratory and scientific research instruments, word processors, and office machines, (e.g., transcribing, calculating, and reproduction machines), as well as audiovisual equipment.
- a. **Establishment.** Pools may be developed from new equipment, unrequired property, and property not fully utilized by any one laboratory or office when there is a recurring need in several activities and it would be economically feasible. Special efforts shall be made to identify equipment for pooling at the time Property Custodial Officers conduct the annual property accountability inventory.
 - b. **Procedures.** A separate custodial account may be established for equipment pools. The Property Custodial Officer of the account must obtain the signature of the borrower. Form HHS-439, or any automated system-generated format may be used for this purpose. If the equipment is needed for more than one year, it should be considered for transfer to the custodial account of the borrowing activity.
 - c. **Review.** Once the equipment pool has been established, an annual review should be made of the records to determine the need for adding or deleting items of equipment.

12. **DISPOSITION OF EXCESS AND SURPLUS PERSONAL PROPERTY.**

Personal property that is no longer required by an FDA program may be transferred to another Federal agency, or reported to GSA for disposition instructions when a determination has been made that such property cannot be utilized elsewhere within FDA or HHS.

- a. **Excess.** In those instances where personal property is no longer required by FDA or any other component of HHS, it becomes excess and will be transferred or reported as follows:
 - (1) **Transfers to Other Federal Agencies.** All transfers of excess personal property between Federal agencies shall be accomplished on Transfer Order Excess Personal Property, Standard Form (SF) 122, (see Attachment K), in accordance with FPMR 101-43.309-5. The SF-122 is prepared by the ordering agency. Prior approval by GSA is not required for a direct transfer when the property involved in the given transaction is:

- (a) Reportable property as defined below but has not yet been reported to GSA, and its total acquisition cost does not exceed \$5,000 (note: transfers exceeding \$5,000 must be approved by GSA before the transfer can be effected).
- (b) Nonreportable property as defined below and has not yet been reported to GSA, and its total acquisition cost does not exceed \$25,000; and
- (c) The appropriate GSA regional office is furnished an information copy of each direct transfer; and
- (d) When the transfer has been completed, a copy of the executed SF-122 is furnished to HFA-225 for adjustment of property accountability records.

(2) **Property to be Reported to GSA.**

- (a) **Reportable Property.** All property that meets the minimum reportable disposal condition codes on the table shown in FPMR 101-43.4801 (see Attachment M), must be immediately reported to GSA on either a Report of Excess Personal Property, Standard Form (SF) 120 (see Attachment J) or Report of Personal Property for Sale, Standard Form (SF) 126 (see Attachment L) depending on the acquisition cost.

The SF-120 should be prepared when the acquisition cost, or standard price of the line item is \$1,000 or more for all Federal Supply Classification (FSC) Groups, except furniture (FSC Group 71) which is reported when a line item acquisition cost is \$ 500. or more.

The SF-126 should be prepared when the acquisition cost or standard price of the line item is below \$1,000 for all FSC Groups except furniture items (FSC Group 71) which is reported when a line item acquisition cost is under \$500.

- (b) **Nonreportable Property.** FPMR 101-43.4801 also lists those FSC groups of excess personal property that are identified as Nonreportable. Even though classified as Nonreportable, such property is a valuable source of supply for other Federal agencies. Therefore, to ensure that this property is made available to those Federal agencies having a requirement, all Nonreportable property will be reported to

GSA on a SF-126, unless a determination has been made by the proper authority and written justification by an authorized official, to dispose of the property by abandonment or destruction, as outlined in Staff Manual Guide FDA 2620.5, Report of Survey System.

NOTE: GSA has established that for the purpose of reutilization and their own internal screening levels, all Government personal property will be classified as "reportable" or "Nonreportable", and reported to the appropriate GSA regional office following the criteria outlined in FPMR 101-43.4801.

(3) Reporting Procedures.

- (a) HFA-225 will prepare the appropriate forms for all headquarters activities. Each field activity will prepare their own forms.**
- (b) Reports will be submitted to the appropriate GSA regional office on either SF-120 or SF-126, as described above.**

(4) Disposal of Excess Property Not Reported to GSA.

- (a) In certain cases, disposal of excess property by abandonment or destruction is authorized by law, regulation, or agency directive for reasons of public health, safety, or security. Depending on the cited reason or authority, abandonment or destruction can be effected at any time during the disposal process (utilization, donation, or sale).**

The first requirement for the holding activity in preparing to dispose of property through abandonment or destruction is to determine the proper authority. The authorities are:

- (1) The property has no commercial value. No commercial value means that the property--through determination--has neither utility nor monetary value (either as an item or as scrap).**
- (2) The cost of care, handling, and preparation of the property for sale would be greater than the expected sale proceeds (estimated fair market value).**

- (3) A law, regulation, or directive requires abandonment or destruction action.
- (4) Written instructions by a duly authorized official (health, safety, security) directs abandonment or destruction action.

(b) If the property to be abandoned meets the criteria above, list the items on a HHS-22, Request for Property Action and complete the following:

I certify that the above items were abandoned because (cite reason for abandonment or destruction based on criteria) and in the manner authorized by the Federal Property Management Regulations (101-45.9) and other applicable regulations.

Authorizing Official's Signature Date

NOTE: The Authorizing Official is the organization's Personal Property Officer, see paragraph 5 for designation.

However, if the property costs over \$500, the approval of a reviewing official who is not directly accountable for the property is also required. The Reviewing Official, if required, is the Accountable Property Officer (Chief, Personal Property Management Section) for headquarters activities and the designated Property Management Officer (see paragraph 6 for designation) is the Reviewing Official for field activities.

Reviewing Official's Signature Date

b. **Surplus.** Surplus personal property means any excess personal property not required for the needs and the discharge of the responsibilities of all Federal agencies, as determined by GSA. After this determination has been made, GSA will screen surplus personal property for donation or sales. If the donation or sales efforts do not produce results, GSA will return the SF-120 or SF-126 to the reporting activity for local disposition of the property by sale, donation, abandonment, or destruction, in accordance with FPMR 101-45.

(1) **Sale.** The reporting activity may dispose of the property locally by

conducting a small lot sale in accordance with FPMR 101-45.304-3;
or by

- (2) **Donation.** The reporting activity may donate the property to a public body in accordance with FPMR 101-44.7. "Public body" means any State, territory, or possession of the United States; any political subdivision thereof; the District of Columbia; the Commonwealth of Puerto Rico; any agency or instrumentality of any of the foregoing; any Indian tribe; or any agency of the Federal Government. Any public body receiving surplus property shall pay the disposal costs incident to the donation such as packing, preparation for shipment, loading, and transportation to the donee.
- (3) **Donation to Schools & Non-profit Educational Organizations.** Under the authority of Executive Order 12999, excess personal property that is deemed to be education-related can be donated to schools and non-profit educational organizations. Refer to FDA policy on donation of excess education-related property for information and procedures concerning this type of donation.
- (4) **Abandonment or Destruction.** Personal property reaches the abandonment or destruction phase only after utilization, donation, and sale efforts have produced no results. If it has been demonstrated that the property has no utilization, donation, or sales value, it is eligible for disposition through abandonment or destruction in accordance with FPMR 101-45.9. Abandonment or destruction of Federal excess and surplus property should be documented properly to meet the Agency's audit trail requirements. Great care should be taken to fully justify, document, and ensure visibility of all actions related to abandonment or destruction dispositions.
 - (a) **Procedures.**
 - 1** All Government and/or Agency identification must be removed, and the property must be destroyed so as to render it unserviceable.
 - 2** The property may then be either disposed of through a local scrap dealer, or disposed of in accordance with local refuse and waste regulations.
 - 3** Following the abandonment or destruction, a

certification statement of abandonment or destruction should be typed on the SF-120 or SF-126 to satisfy audit trail requirements. The certification should read as follows:

I certify that (identify items) were (abandoned/destroyed) in the manner authorized by the Federal Property Management Regulations and other applicable regulations.

Authorizing Official's
Signature

Date

- 4 A witness statement should also be prepared and typed on the SF-120 or SF-126. The witness statement should read as follows:

I have witnessed the (abandonment or destruction) of the described property in the manner and on the date stated herein.

Signature of Witness

Date

- 5 The certifications should be signed by an authorized official of the holding activity and a holding activity employee who actually witnessed the abandonment or destruction action.

- 6 An information copy of the certified SF-120 or SF-126 must be forwarded to HFA-225 for adjustment of the Agency's property accountability records.

13. ANNUAL PROPERTY UTILIZATION REPORT (OPERATION CLEAN-UP).

- (1) In accordance with HHS Logistics Management Manual 103.43.101, all FDA Headquarters and field activities are required to conduct an annual "walk-through" survey of their activities each February to locate and dispose of unrequired and excess property.
- (2) Property located as a result of this survey shall not be retained unless it

can be clearly established that it is required to meet the needs of an approved future program or program expansion. Circumstances justifying its retention shall be noted in the Property Custodial Officer's file.

- (3) Only those items of equipment identified as unrequired or excess as a direct result of "Operation Clean-Up" are to be reported. The results of the "walk-through" survey shall be reported to HFA-225 in the following format:

<u>No. of Line Items of Unrequired Property Redistributed</u>	<u>Total Acquisition Value</u>
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(Show total number) (Show total value)

<u>No. of Line Items of Excess Property Reported to GSA</u>	<u>Total Acquisition Value</u>
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(Show total number) (Show total value)

- (4) It is recommended that this survey be conducted by the Personal Property Officer and the designated Property Custodial Officer for each FDA activity.
- (5) This report must be submitted to HFA-225 not later than March 15 each year.
14. **EFFECTIVE DATE.** The provisions of this Guide are effective immediately upon issuance.

FORMAT EXPLANATION OF INVENTORY LIST

FDA Decal Number:	Serially numbered decal affixed to accountable personal property.
FDA Bar-code Number:	Serially numbered bar-codes affixed to accountable personal property (will replace FDA Decal Number).
Description:	Self explanatory.
Manufacturer:	Actual manufacturer of the equipment.
Model Number:	Self explanatory.

Serial Number:	Self explanatory.
Document Number:	Personal Property Management Section assigned seven (7) digit number. Last two (2) digits signify year of acquisition by FDA.
Current Cost:	Acquisition cost of equipment (includes shipping and installation charges on new purchases, cost increases and cost decreases).
Location Code:	A four (4) digit code assigned to each individual property custodial area.
Replacement Year (RY):	Replacement year for all items - determined by the Veterans Administration Supply Catalog. Example: Typewriters - 12 year life expectancy; acquisition year 1979 + 12 years = Replacement Year: 1991.
Federal Supply Code: (FSC)	Four digit Federal Supply Classification code derived from GSA catalogs and Federal Supply Schedules, and required for all reporting of excess to GSA.
Purchase Order Number:	Self explanatory.
Transaction Code (TC):	Alpha/numeric code assigned to each record indicating the type of action taken. (See Attachment B for codes and explanations.)
Acquisition Date:	Date the item was received by the organization.
User:	Aries Personnel Number indicating the FDA employee who uses the property or is responsible for its protection.
Room Number:	Room number where the property was last located.
Building:	Building where the property was last located.

TRANSACTION CODES

ADDITIONS TO THE INVENTORY

- A1 Purchase.
- A2 Transfer from HHS or another Federal Agency (supported by a Form HHS-22 or a Form SF-122).
- A3 Found - Item found during inventory without documentation, and supported by a Form HHS-22.
- A5 Reinstated - Item previously dropped from inventory by a Form HHS-342, and later found.
- A6 Purchase of rental or leased property.
- A7 Contract property.
- A8 Transfer in (within FDA).
- AE Item erroneously deleted; then reentered.

DELETIONS TO THE INVENTORY

Items that have not been reported to GSA for disposition:

- D2 Trade-in.
- D3 Donated to Public Body (tax supported organization).
- D4 Transfer to other Federal Agency.
- D5 Board of Survey (lost, stolen, or damaged).
- D7 Erroneous Entry - (adjustment).
- D9 Transfer to (ASC) Excess.
- DA Expended to Scrap.
- DB Abandoned or Destroyed.
- DG Transfer to other HHS Agency.
- DH Deletion of property that is no longer accountable.
- DN Disposal by Sale - proceeds to miscellaneous receipts.
- DE Donated to schools & non-profit educational organizations.

Items that have been reported to GSA for disposition:

- DC Donated to other than Public Body.
- DD Disposal by Sale - proceeds to miscellaneous receipts.
- DJ Donated to Public Body (tax supported organizations).
- DK Transfer to other Federal Agency.
- DL Expended to Scrap.
- DM Abandoned or Destroyed.

CHANGES TO ITEM IN THE INVENTORY

- C1 Cost Increase.
- C2 Cost Decrease.
- C3 Trade-in Amount Change.
- C6 Transfer out (with FDA property system).
- C7 Transfer to Excess Account.
- C8 Transfer from Excess Account to FDA component.
- C9 Multiple Field Change (Description, Replacement Year, etc.)

UNREQUIRED PERSONAL PROPERTY

CUSTODIAL AREA ACCOUNT NUMBERS

- 0337 - FDA Headquarters (Scientific Equipment Only)
- 1037 - Atlanta
- 1137 - Baltimore
- 1237 - Boston
- 1337 - Buffalo
- 1437 - Chicago
- 1537 - Cincinnati
- 1637 - Dallas
- 1737 - Denver
- 1837 - Detroit
- 1937 - Kansas City
- 2037 - Los Angeles
- 2137 - Minneapolis
- 2237 - Newark
- 2337 - New Orleans
- 2437 - New York
- 2449 - New York Regional Laboratory
- 2537 - Philadelphia
- 2637 - San Juan
- 2737 - Winchester Engineering and Analytical Center (WEAC)
- 2837 - CDER/Center for Drug Analysis, St. Louis, MO
- 2937 - San Francisco
- 3037 - Seattle
- 3137 - Nashville
- 3237 - Orlando
- 3537 - National Center for Toxicological Research (NCTR)
- 3637 - CFSAN/Food Research Laboratories, Chicago, IL

3737 - CFSAN/Fishery Research Branch, Dauphin Island, AL
3837 - CFSAN/NE Technical Services Unit, North Kingstown, RI