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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

OFFICE OF MISSION SUPPORT

September 29, 2021

RE: Request Number: EPA-2021-006620

Thank you for your Freedom of Information Act request. This letter concerns the above-referenced Freedom of Information Act (FOIA) request, received by the U.S. Environment Protection Agency (EPA) Freedom of Information Office on September 20, 2021 in which you requested "A copy of the EPA Personal Property Policy and Procedures Manual."

The Office of Mission Support, Office of Administration has reviewed your request and is providing a full release.

Final Appeal Rights and Contact Information

You can access the records via FOIAonline.

This letter concludes our response to your request. You may appeal this determination by email at hq.foia@epa.gov, or by mail to the EPA's National FOIA Office, U.S. EPA, 1200 Pennsylvania Avenue, N.W. (2310A), Washington, DC 20460 or through FOIAonline, if you are an account holder. If you are submitting your appeal by hand delivery, courier service, or overnight delivery, you must address your correspondence to 1200 Pennsylvania Avenue, N.W., WJC-N Building, Room 7309C, Washington, DC 20460.

Your appeal must be in writing, and it must be received no later than 90 calendar days from the date of this letter. The Agency will not consider appeals received after the 90 calendar day limit. Appeals received after 5:00 pm EST will be considered received the next business day. The appeal letter should include the FOIA tracking number listed above. For quickest possible handling, the subject line of your email, the appeal letter, and its envelope, if applicable, should be marked "Freedom of Information Act Appeal"

If you need any further assistance or would like to discuss any aspect of your request, you may seek assistance from EPA's FOIA Public Liaison at hq.foia@epa.gov or call (202) 566-1667. You may also seek assistance from the Office of Government Information Services (OGIS). You may contact OGIS in

any of the following ways: by mail, Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001; email: ogis@nara.gov; telephone: (202)741-5770 or (877) 684-6448; or fax: (202) 741-5769. For all media inquiries, please contact press@epa.gov.

Sincerely,

YVETTE JACKSON

Digitally signed by YVETTE
JACKSON
Date: 2021.09.29 08:20:52 -04'00'

Yvette Jackson, Director
Office of Administration

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4832 U.S. Environmental Protection Agency Personal Property Manual

Personal Property Management Program Guidelines and Reference



Office of Administration and Resources Management
Office of Administration
Real Property Services Staff
1200 Pennsylvania Avenue, NW, Washington, DC 20460

NOTICE

This Manual presents a summary of the EPA Personal Property Management Program guidelines. It is not meant to be a complete or detailed description of all EPA regulations. For more information concerning specific requirements, consult the authorities and references cited throughout this Manual.

FOREWORD

The U.S. Environmental Protection Agency (EPA) *Personal Property Manual*, (hereafter referred to as the “Manual”) is the authoritative reference for the EPA’s management of personal property. The Manual supplements and implements authorities derived from [Title 41 of the Code of Federal Regulations \(CFR\) Chapter 102](#), “Federal Management Regulation;” [48 CFR §1545](#), “Government Property;” [48 CFR §52.245](#), “Government Property;” and [48 CFR Chapter 15](#), “EPA Acquisition Regulations,” related to the acquisition, accounting, management, utilization and disposal of government personal property. It incorporates relevant public laws, U.S. Code, executive orders, regulations of control agencies such as the General Services Administration, Government Accountability Office, Federal Accounting Standards Advisory Board and the Office of Management and Budget, as well as agency directives.

The goal of the Manual is to ensure compliance with federal mandates affecting the management and operation of the EPA Personal Property Management Program (PPMP). It furnishes guidance for the acquisition, receipt, use, and disposal of EPA personal property.

This Manual provides the EPA with a single comprehensive source of information that will support agency efforts to achieve the goals of the Executive Branch pertaining to personal property management. It also creates a new organizational climate or culture in managing EPA personal property, shaped by the values maintained and demonstrated by EPA management through its written policies, procedures, words and actions and implemented by EPA employees and contractors.

The office responsible for this publication is the Office of Administration and Resources Management, Office of Administration, Real Property Services Staff (RPSS). Once signed, periodic updates will be made to this Manual when new personal property management principles and policies are implemented. The approving official will revalidate this Manual when changes aggregate to such a level that it requires reissuance. Requests for exception to requirements contained in this publication, as well as recommended changes to this Manual, must be submitted in writing through official correspondence to the RPSS. This Manual is located on the EPA Intranet at the following link <http://intranet.epa.gov/oa/rpss/property/index.htm>.

I endorse this Manual and the EPA PPMP. I encourage each of you to carry out your appointed roles and responsibilities to the best of your ability with the utmost professionalism while maintaining the highest ethical standards.

Donna Vizian
Acting Assistant Administrator
Office of Administration and Resources Management
U.S. Environmental Protection Agency



EXECUTIVE SUMMARY

The U.S. Environmental Protection Agency (EPA) was established in 1970, and enacted into law under the Reorganization Act Amendments of 1984, Title 5, United States Code (U.S.C.), Section 901, Public Law [PL] 98-614, Nov. 8, 1984, 98 Stat. 3192. As the EPA continues to mature, we must take a unified and integrated approach to policies and procedures to enhance our ability to perform our missions. Together, the agency has a wealth of personal property and managing this property throughout the EPA presents unique challenges. The EPA policy statement, as included in the agency's Strategic Sustainability Performance Plan issued in June 2015, states in part: "EPA continues to support its commitment to reduce its carbon footprint, conserve resources, protect the environment, and address climate change adaptation...EPA applies the overarching principles of leadership by example, accountability, mission enabling, community awareness, continuous improvement, lifecycle cost effectiveness, transparency, and conservation first to reduce greenhouse gas emissions. The agency recognizes the need to continue to serve as a model for other federal agencies in reducing its impact on the environment. Taking budget conservations into account, EPA plans to continue to invest in human and financial resources needed to support ongoing, cost-effective improvements in its energy and environmental performance." Incorporating sustainable practices into our mission conserves energy and natural resources, reduces pollution and contamination releases, enhances the workplace through less exposure to hazardous materials and chemicals, and strengthens our environment by encouraging energy independence. Employees at all levels within the agency must be responsible and accountable for integrating environmental stewardship into their day-to-day activities to reduce the environmental impact of their activities and to protect natural resources. These precepts are integral aspects of all agency activities. Incorporating sustainability into day-to-day business processes, decision-making and the property management lifecycle is an important step in enhancing mission performance and demonstrating our commitment to compliance with environmental and energy statutes, regulations, and executive orders and protecting the nation's natural resources.

The EPA is committed to meeting these challenges with solutions that benefit program/regional offices, the agency, the federal government and its citizens. A listing of the program/regional offices are in Appendix G, "EPA Program/Regional Offices." Our collective commitments will ensure that the EPA can meet its missions and goals of safeguarding the citizens of the United States.

This Manual presents policy guidance on personal property management issues for EPA employees and contractors. For the purpose of this Manual, personal property is defined as any property, except real property. References to the agency hereafter refer to the EPA. All EPA employees and contractors must adhere to the policy guidance set forth in the Manual when executing personal property management functions on behalf of the EPA.

In publishing this Manual, the EPA sets out to establish common property management policy and guidance across the agency. Personal property management professionals throughout the EPA shall share one common goal, the sustainability of the EPA Personal Property Management Program. Sustainability measures touch every facet of asset lifecycle management by preventing unneeded procurement, maximizing asset utilization, having effective asset identification and tracking systems, controlling

administrative costs, and having an effective disposition plan. Through a unified approach to sustainability in the management of the EPA personal property assets, the agency will effectively meet its missions.



RECORD OF CHANGES

Change	Subject	Section	Change Issued (Date)	Change Incorporated (Date)

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CHAPTER 1. GENERAL

This Manual implements the U.S. Environmental Protection Agency (EPA) Directive 4832 “Personal Property Management Program.” The EPA is responsible for protecting human health and the environment. For the EPA to effectively perform its mission, the agency’s personal property assets must be properly managed.

This Manual was developed to serve as a property management tool that establishes uniform EPA standards and guidance in the management of EPA personal property. This Manual is based on:

- - [41 CFR Chapter 102, Federal Management Regulation](#) (FMR);
- - [48 CFR §1545, Government Property](#);
- - [48 CFR §52.245, Government Property](#);
- - [48 CFR Chapter 15, EPA Acquisition Regulations](#) (EPAAR);
- - International Organization for Standardization (ISO) 55000: 2014 “Asset Management”; and
- - Other applicable laws, regulations, executive orders (EOs) and control guidance relating to government furnished property.

The Assistant Administrator of the Office of Administration and Resources Management (OARM) is responsible for the development and maintenance of this Manual.

1.1 PURPOSE AND SCOPE

The purpose of this Manual is to serve as the primary guiding authority for the management of EPA personal property assets where records and controls must be maintained. The Manual supplements those portions of the FMR and other authorities and regulations, as revised, which pertain to the management of personal property assets in the EPA.

Note: The terms “property,” “asset,” “personal property” and “federal or government furnished property,” as used in this Manual are synonymous terms.

1.2 GENERAL

This Manual serves to provide general and specific guidance in the management of EPA personal property assets. The main body of the document is intended to provide guidance and references on EPA policy and federal regulations that apply to almost all personal property. Additional guidance may be issued in the form of Appendices to this Manual, or as separate documents, to address specific types of personal property that may require special handling.

This guidance applies to all EPA personal property assets under the accountability and stewardship of fixed facilities and all temporary or permanent facilities during both disaster and non-disaster periods.

A key goal of this Manual is to ensure that EPA personal property assets are managed in accordance with all laws, regulations and EPA policy, and that asset management decisions are based on sustainability, maximizing return on investment and in the overall best interests of the government and all citizens.

The main objective of the Manual is to provide guidance and references for all program/regional offices, so they may develop internal procedures that implement the laws, regulations and EPA policies pertaining to the management of government personal property. Appendix G, “EPA Program/Regional Offices,” lists all program/regional offices as defined by the EPA.

1.3 AUTHORITIES AND REFERENCES

The main regulatory authority, the FMR, governs the management of government personal property. In addition, the ISO 5500: 2014 series includes three standards that govern asset management. Specifically, the ISO 55001 standard requires an integrated, effective asset management system that is currently in a draft EO titled, “Establishing a Common Asset Management System.” This Manual provides excerpts directly from the FMR, and other government references to provide direct guidance and reference to the regulations.

EPA Directive 4832, “EPA Personal Property Policies and Procedures Manual,” and all authorities contained herein are incorporated in this Manual. All authorities and references mentioned in this Manual are listed in Appendix A, “Authorities and References.”

1.4 PROPERTY MANAGEMENT GUIDING PRINCIPLES

The following nine guiding principles govern the management of personal property within the EPA:

- Maximize the return on investment.
- Manage the inventory effectively.
- Minimize the cost of management systems.
- Make excess the first source of supply.
- Maximize reuse.
- Meet national disposition objectives.
- Enhance recycling and energy conservation efforts.
- Ensure property managers are well-trained.
- Ensure property accountability is a top priority while achieving the agency mission.

Through collaborative and innovative efforts of all employees, the EPA will achieve its goals and objectives related to personal property management.

1.5 SUPPLEMENTAL PERSONAL PROPERTY PROCEDURES

Developed in coordination with program/regional offices, the Manual serves as the foundation for all program/regional offices’ Personal Property Management Programs (PPMPs), manuals, standard operating procedures and guidance. Program/regional offices may augment this guidance with more stringent internal

procedures to meet mission essential functions provided such instructions are consistent with the policies and procedures prescribed in regulation or this Manual.

All program/regional offices shall establish formal processes and controls to ensure all personal property assets are handled in accordance with all laws, regulations and EPA policy. Formal processes and controls shall, at a minimum, address the following subject areas in sufficient detail to provide staff with the proper guidance and instruction to perform personal property management duties.

All supplemental program/regional office instructions, procedures or guidance developed shall be coordinated with the EPA Agency Property Management Officer (APMO) for review and approval prior to issuance. The APMO shall coordinate reviews with individual program/regional offices as part of its oversight responsibilities.

1.6 CHANGES AND UPDATES TO THIS MANUAL

This Manual is a living document and will be reviewed every two years and updated as conditions warrant to ensure accuracy and applicability. The APMO is responsible for developing and maintaining this Manual.

Significant updates, such as changes in the regulation or significant EPA policy, will be processed in accordance with EPA Manual 1315, *Directives Manual*, as revised. Minor updates, such as changes to references, names, titles and minor requirements, shall be made as necessary. Program/regional offices will be notified as changes are made and shall be responsible for keeping any convenience copies of this Manual in their possession up-to-date. The current version of this Manual will be maintained on the EPA intranet at <http://intranet.epa.gov/oa/rpss/property/index.htm>.

Program/regional offices are encouraged to provide periodic feedback, suggestions and recommendations on the content of this Manual to ensure continued applicability, and to ensure that all opportunities to employ best practices are shared across the agency. Feedback must be directed to the APMO, Office of Administration and Resource Management/Office of Administration/Real Property Services Staff (OARM/OA/RPSS).

1.7 INHERENTLY GOVERNMENTAL FUNCTIONS

While many property management functions can, and often are, performed by contractors, some functions are inherently governmental and cannot be performed by contractors. "*Inherently governmental function*," as defined in Section 5 of the Federal Activities Inventory Reform Act of 1998, Public Law 105-270, means a function that is so intimately related to the public interest it requires performance by federal government employees.

Additional guidance on determining whether a specific duty or position is inherently governmental can be obtained on the OMB website. Though not an all-inclusive list, for purposes of EPA property management, the following duties are identified as inherently governmental functions:

- Determining agency policy, such as the application of property regulations.

- - Determining what property is to be acquired by the agency (although an agency may give contractors authority to acquire property under a contract within specified guidelines and under other reasonable conditions deemed appropriate by the agency).
- - Controlling the adjudicatory functions, such as conducting the administrative review or participating on a Board of Survey (BOS).
- - Determining what agency property is to be disposed of and on what terms (although an agency may give contractors authority to dispose of property on a contract within specified guidelines and under other reasonable conditions deemed appropriate by the agency).

Generally, functions that involve setting policy, having oversight of government employees or that provide final approval on an action are inherently governmental.

CHAPTER 2. PROPERTY MANAGEMENT ROLES AND RESPONSIBILITIES

2.1 PURPOSE AND SCOPE

The purpose of this chapter is to define the roles and responsibilities of Property Officers who are directly responsible for personal property management within the EPA, and to identify other key stakeholders, internal and external to the agency, who also hold an inherent government responsibility for the management of EPA personal property. The EPA Personal Property Management Program (PPMP) organizationally resides under the Assistant Administrator within the Office of Administration and Resources Management (OARM).

2.2 PERSONAL PROPERTY PORTFOLIO MANAGEMENT

EPA Portfolio Management encompasses the activities that provide a consistent application of policy and oversight for the PPMP. EPA Portfolio Management is a broad overview of the accountable personal property footprint and how it can be managed effectively from a macro level. Personal property inventory data and performance metrics are used to achieve the right size, right cost and right condition of the portfolio to meet the mission of the EPA.

Coordinating this overall EPA portfolio strategy with planning, acquisition and operational functions of an asset lifecycle is critical to reducing risk, improving fiscal accountability and enhancing the agility of the portfolio. Portfolio management ties together EPA personal property and mobile assets through performance-based management.

The personal property portfolio management guidance in this Manual is applicable to all EPA organizations, including headquarters and program/regional offices.

For the purposes of this Manual, the personal property portfolio shall be defined as all property that is not real property, is owned by or under the stewardship of EPA and is used, but not consumed, in support of the agency's mission.

The primary objectives for managing the EPA personal property portfolio are to:

- - Establish effective planning and scheduling of requirements to ensure that sufficient personal property is available to support the strategic needs of EPA operations.
- - Maximize the utilization of personal property and its return on investment.
- - Ensure that property is used for official purposes only.
- - Effectively manage the inventory by providing for proper storage, maintenance, preservation and accountability of property.
- - Define the establishment and utilization of property management records.

2.3 PERSONAL PROPERTY MANAGEMENT ORGANIZATIONS

The General Services Administration (GSA) is the governing body for personal property management regulations and sponsors several interagency committees to facilitate collaboration on the management of

government personal property. Working through these committees, the GSA provides policy solutions for the comprehensive management of federal personal property. Additionally, there are nongovernmental organizations that promote international and national standards and share best business practices, which may be of interest to career-minded personal property professionals. Please note that the EPA does not endorse any of these organizations and does not require membership or participation in any of them. EPA personal property professionals seeking additional information on GSA-sponsored committee membership should work through their Agency Property Management Officer (APMO).

2.3.1 Property Management Executive Council (PMEC)

The purpose of the PMEC is to establish a long-term strategic vision for government-wide personal property management. The PMEC is engaged in collaborative efforts with commercial industry to develop best practices in the area of asset management from asset inception through disposal. The Director of the GSA Office of Government-wide Policy serves as chair of the PMEC.

2.3.2 Interagency Committee on Property Management (ICPM)

The ICPM conducts appropriate studies, reviews and projects, and submits recommendations to the GSA Assistant Administrator for Government-wide Policy for improvements in government-wide property management policies and practices. The committee consists of a representative designated by any and all executive agencies interested in personal property.

2.3.3 EPA Personal Property Management Committee (PPMC)

The PPMC is sponsored by the EPA, and its mission is to provide a forum for headquarters and program/regional offices to collaborate on policy, discuss requirements, coordinate tasks, synthesize activities, facilitate data collection and develop issues for presentation to senior leadership.

The APMO chairs the PPMC. Program/regional office senior leadership shall designate one primary and one alternate representative to the PPMC and may designate additional alternate representation at their discretion.

2.3.4 ASTM International

[GSA Federal Management Regulation \(FMR\) Bulletin B-18](#), “Procedures Covering the Use of Voluntary Consensus Standards in Personal Property Management,” suggests that government agencies may utilize voluntary consensus standards (VCSs, except when inconsistent with applicable law) when managing their government personal property. It further states that “agencies are strongly encouraged to review all VCSs to consider which standards may add value to their asset management activities.”

ASTM International is a nongovernmental, globally recognized leader in the development and delivery of international VCSs. The ASTM’s membership includes top technical experts and business professionals around the world, and together they develop and deliver standards, specifications and best practices used by private industry and governments worldwide.

The EPA recognizes the contributions ASTM International has made to standardization and has incorporated some ASTM standards in the policies and procedures presented in this Manual. The EPA will continue to evaluate the application of existing and new standards as the Manual matures.

2.4 EPA PROPERTY MANAGEMENT ORGANIZATIONAL STRUCTURE

Personal property management within the EPA is subject to oversight by the EPA Assistant Administrator, OARM and the Office of the Inspector General (OIG). Office of Administration and Resources Management/Office of Administration/Real Property Services Staff (OARM/OA/RPSS) is responsible for establishing the EPA policy for personal property management for all program/regional offices. Personal property management functions within the agency comprise three components:

- - **Administration and Oversight:** This includes personnel responsible for administering the EPA policies, procedures and specific guidelines (if required) that allow appointed Property Officers to perform their operational property management duties. These personnel will also oversee personal property management operations to ensure compliance with federal laws, regulations and guidance, as well as agency policies, processes, procedures and guidance.
- - **Operational:** This includes Property Officers who are responsible for the daily management of personal property assigned to their program/region or Custodial Area (CA) throughout the property management lifecycle. Operational personnel are accountable for property within their area, and can implement additional procedures as required to effectively manage the property for which they are accountable. However, all property management operations will be subject to oversight as specified previously in this section.
- - **Stakeholders:** This includes stakeholder representatives such as the Chief Financial Officer (CFO), Chief Information Officer (CIO) and the OIG who are responsible for the daily management and oversight of financial and information technology (IT) activities related to personal property. Stakeholders have equities in the property management lifecycle related to accountability, administration of the General Ledger and preparation of the agency's financial Statement of Assurance, as well as managing IT investments.

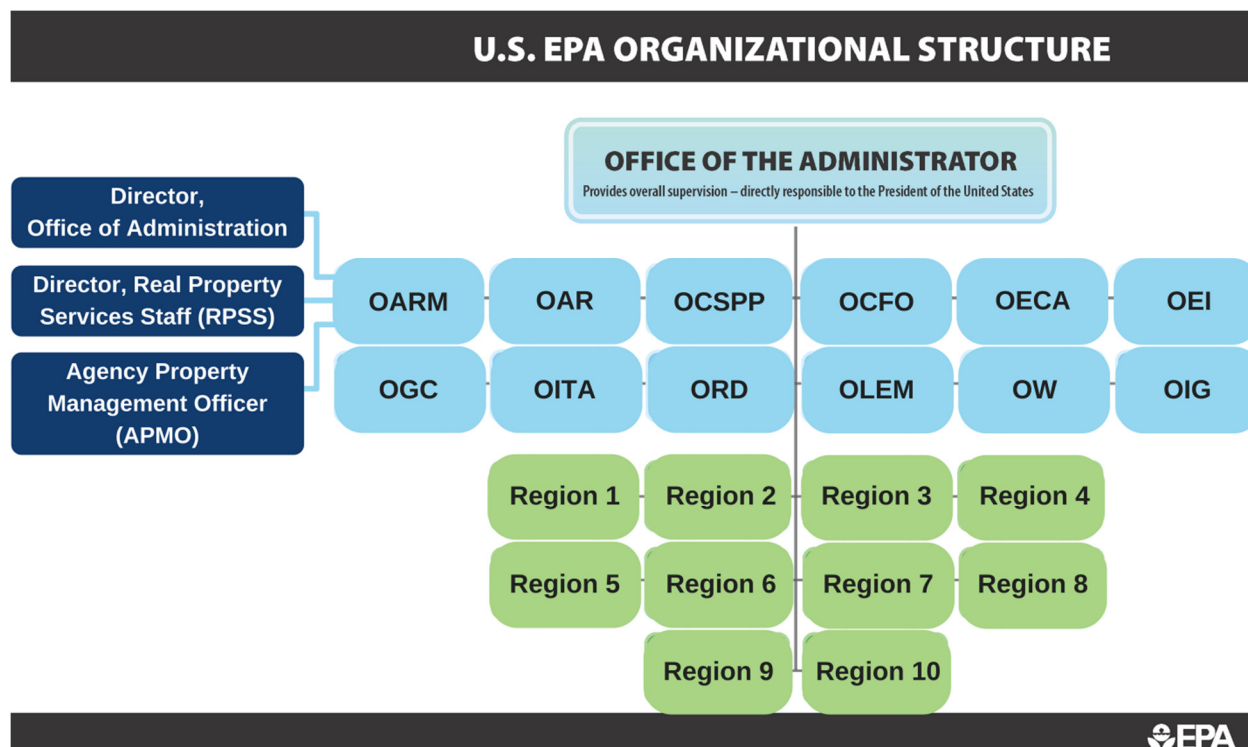
Program/regional offices shall establish a personal property management support structure commensurate with the size of their organization, number of assets, complexity of assets, vulnerability of assets, geographical location of assets and offices, and other factors as identified by the program/regional office, to ensure sufficient resources are allocated to effectively manage their personal property portfolio.

2.4.1 EPA Basic Property Management Organizational Structure

The EPA personal property management organization structure is comprised of 13 program offices and 10 regional offices throughout the nation. Currently, these 23 program/regional offices are further segregated into multiple CAs. This structure can be changed to support any addition of new facilities or realignment of programs/regions. However, the basic premise is that EPA personal property is accountable under a program/regional office, with reporting up to the APMO in OARM/OA/RPSS.

Figure 2-1 illustrates the basic personal property management organizational structure within the EPA and the administrative relationship between headquarters and its program/regional offices.

Figure 2-1. Basic EPA Personal Property Management Organization Structure



2.5 PROPERTY MANAGEMENT ROLES AND RESPONSIBILITIES: ADMINISTRATIVE AND OVERSIGHT POSITIONS

Recordation is the act or process of recording, writing down or making electronic entries in a system to document a sequence of events, transactions or circumstances. Every transaction involving EPA accountable property shall be recorded in the official property record in the Agency Asset Management System (AAMS). Recording property transactions and events is the responsibility of the designated EPA property official. Generally, a property record will consist of hard copy documents, the property data elements in AAMS and electronic copies of the hard copy documents, as well as other supporting material. In cases where electronic signatures and/or electronic records are deemed the official record as approved by an EPA records management official or policy, they shall serve as the official property record.

The following positions fulfill administrative and oversight roles that have impact on the EPA PPMP.

2.5.1 Assistant Administrator, Office of Administration and Resources Management

As delegated by the Administrator of the EPA, the Assistant Administrator, OARM is responsible for agencywide property management. Personal property includes all accountable, non-accountable, sensitive, controlled, aviation, transportation, motor vehicles, marine vessels and government property in the possession of a contractor. The Assistant Administrator promulgates the agency's PPMP requirements, provides oversight of the program and sets agency policy.

The Assistant Administrator, OARM is responsible for:

- - Providing management oversight of the EPA PPMP and activities.
- - Ensuring that an APMO is appointed, in writing, with responsibility for the agency's PPMP.
- - Providing sufficient resources to execute property management functions.
- - Establishing internal control systems to ensure management accountability and to provide optimum protection against fraud, waste, misuse and abuse of government property throughout the property lifecycle.

2.5.2 Director, Office of Administration

The Director of the OA is responsible for providing leadership for the EPA PPMP.

2.5.3 Director, Real Property Services Staff

The Director of RPSS is responsible for providing leadership and guidance for the EPA PPMP, including:

- - Building core capability to reduce the agency's risks in the area of asset management by ensuring the development and promulgation of consistent, correct and compliant policies and processes through the decentralized confederation of offices and agencies that comprise the EPA.
- - Building capability to consolidate the agency's asset data into meaningful information.
- - Building capability to develop and deploy analytical and planning processes.
- - Building capability to provide strategic guidance and oversight to ensure effective management of the agency's personal property portfolio.
- - Serving as the reviewing authority for matters pertaining to personal property management.
- - Appointing an APMO, in writing.
- - Serving as the reviewing authority for national boards' findings and recommendations.
- - Approving annual capitalized personal property inventory reports certified by Senior Resource Officials (SROs) and submitted by the APMO.
- - Submitting required external reports on behalf of the EPA PPMP.

2.5.4 Program/Regional Office Leadership

The Director of the RPSS has delegated specific personal property management responsibilities to program/regional senior leadership, e.g., Assistant and Regional Administrators (Delegation of Authority 1-4A, "Personal Property and Government Owned-Vehicles"). These officials may re-delegate their authority, in writing, down to the Office Director level to assume the property management leadership role and responsibilities outlined below. If this authority is re-delegated, the delegating official must formally notify the APMO of the individual authorized to act on his/her behalf. Program/regional office leadership responsibilities include:

- - Complying with all personal property management laws, regulations, policies, guidance and instructions enacted by the Executive Branch, Congress and the EPA.
- - Administering a sound and effective program for the management of personal property within the program/regional office under their authority.
- - Ensuring the effective administration, maintenance, accountability, control and reporting of the program/regional office's personal property, including government property in the possession of contractors.
- - Establishing internal control systems to ensure property management accountability.
- - Providing protection against fraud, waste, misuse and abuse of government property.
- - Providing sufficient resources to carry out property management responsibilities.
- - Appointing a Property Management Officer (PMO), Property Accountable Officer (PAO), Property Utilization Officer (PUO) and a Board of Survey (BOS, cannot be Property Officers) in writing for the Jurisdictional Program/Regional Manager under their leadership authority to the APMO.
- - Providing established reports and ad hoc requests for information to the APMO or his/her designee.
- - Providing a memorandum to the APMO regarding any planned major program change that would affect the EPA PPMP.
- - Serving as the reviewing authority for BOS findings and recommendations.

2.5.5 EPA Division Directors and Branch Chiefs

Division Directors and Branch Chiefs, or their equivalents, are responsible for the establishment and continuous enforcement of administrative directives and measures for EPA personal property within their control. They are also responsible for ensuring that personal property is properly acquired, utilized, maintained and safeguarded, and that excess property is properly reported to the PUO. Division Directors' and Branch Chiefs' responsibilities include:

- - Ensuring that proper resources are available to Property Custodial Officers (PCOs) to perform their duties.
- - Designating, in writing, a PCO (and alternate PCO if required) for CAs under their authority.
- - Working with the PAO to ensure that PCO positions are filled at all times.

- - Ensuring that accountability procedures are in place for personal property considered not accountable.
- - Ensuring that personal property is acquired for official government use only and not for personal use.
- - Ensuring that all relocation of personal property or reassignment/relocation of EPA employees is reported to the PCO and/or PAO.

2.5.6 EPA Agency Property Management Officer

The APMO provides leadership and direction to promote best practices, a culture of accountability and a strategy that supports an enterprise-wide PPMP. The APMO is responsible for ensuring management and oversight of the agency's PPMP, which includes:

- - Structuring the PPMP in a manner to demonstrate agency compliance with all personal property management laws, regulations, rules, policies and instructions enacted by the Executive Branch, Congress and EPA.
- - Prescribing agency rules, policies, directives and procedures supporting the EPA PPMP.
- - Ensuring that EPA PPMP is carried out according to established policy.
- - Managing agency property management control and accountability systems that ensure effective accountability, receipt, utilization and disposal of EPA personal property.
- - Establishing thresholds for accountability and control.
- - Providing agency oversight of program/regional office property programs.
- - Providing leadership and technical assistance to Property Officers.
- - Conducting program reviews in each program/region, recommending program improvements and corrective actions, and reporting program effectiveness and efficiency.
- - Submitting required personal property management reports within the agency and externally.
- - Ensuring that all accountable EPA personal property is maintained in the AAMS.
- - Advising employees of their responsibilities for managing and accounting for government personal property, as well as providing training as needed.

2.5.7 EPA Senior Resource Official

Each program/regional office has a designated SRO. The SROs are responsible for accounting for EPA capitalized personal property. The SROs' responsibilities include:

- - Accounting for and ensuring that EPA capitalized personal property under their jurisdiction is safeguarded.
- - Overseeing the annual physical inventory of capitalized personal property for the program/region within their authority and certifying to the APMO that the inventory was completed and reconciled to the accountable property records.

2.5.8 Program Accountable Representative (PAR)

The SROs should appoint a PAR for each program office or laboratory within the program/region under their authority to assist with the accountability of personal property. The PAR's responsibilities include:

- - Serving as the central point of contact for their respective program office or laboratory to assist in resolving issues that require intervention, including responding to BOS requests.
- - Supporting the annual inventory process to ensure that it is properly completed within the program office or laboratory.
- - Assisting with efforts to ensure that all personal property is accounted for within the program office or laboratory.
- - Providing a notice by memorandum to the PMO with regard to any EPA installation or activity scheduled to be discontinued or about any major program change that would affect the personal property within that program office or laboratory.

2.6 PROPERTY MANAGEMENT ROLES AND RESPONSIBILITIES: OPERATIONAL POSITIONS

Each program/regional office shall designate one PMO and one PUO, and the number of PAOs and PCOs designated by the program/regional office may be in any quantity deemed appropriate for the effective management of the EPA personal property. The following operational Property Officer positions perform personal property management functions on a daily basis. The appointment of Property Officers may or may not correlate with the employee's official position description title.

2.6.1 EPA Property Management Officer

PMOs are responsible for the effective daily management and implementation of the PPMP throughout their program/region. The PMOs' responsibilities include:

- - Providing direction, leadership and general supervision of the PPMP throughout the program/region.
- - Defining the PCO CAs within his/her respective program/region.
- - Ensuring the program/region's personal property management team, composed of a PAO, a PUO and PCOs, is established and trained.
- - Ensuring that a BOS is established for his/her respective program/region.
- - Assisting with the establishment and maintenance of their program/region's procedures and satisfying the requirements of the Manual and the laws and regulations referenced therein.
- - Advising the PAO of inventory schedules and establishing a timeline for completing the annual inventory process.
- - Ensuring that required reports are submitted to the APMO.
- - Assigning jurisdiction, in writing, to PAOs to account for and control all the program/region's personal property within their assigned jurisdiction.

- - Assisting with the implementation of procedures for the repair and rehabilitation of personal property within their program/region.
- - Providing PAOs with disposal instructions in accordance with the FMR and the EPA's policies and procedures.
- - Ensuring that personal property subject to loss, theft, damage or destruction (LTDD) is investigated in accordance with the Manual, convening the BOS in appropriate circumstances and forwarding a summary of BOS findings to the APMO once every fiscal year.
- - Issuing certification to PCOs when training has been completed and ensuring that they are recertified every 3 years.
- - Ensuring the accountability and updated maintenance of the AAMS.
- - The APMO serves as the National Utilization Officer (NUO) and shall act as an advisor to all PUOs in matters pertaining to utilization, redistribution and disposal of excess EPA personal property.

2.6.2 EPA Property Accountable Officer (PAO)

The PAO is responsible for ensuring the effective acquisition, management, utilization and disposal of personal property and overall accountability of the AAMS as it relates to personal property. The PAOs' responsibilities include:

- - Updating the AAMS to control and account for personal property assigned to his/her program/region.
- - Verifying that assets received match the assets recorded on the delivery document and assets purchased.
- - Verifying that assets received do not contain any visual or concealed damage.
- - Ensuring that assets are decaled and identified as government property.
- - Recording all accountable property in the EPA personal property management system (e.g., AAMS), including all mandatory data elements.
- - Maintaining current and accurate records and supporting documentation.
- - Ensuring that newly received assets are properly transferred and delivered to the appropriate program/region and notifying the appropriate PCOs.
- - Ensuring that non-decaled accountable property, including fabricated equipment, found in the programs/regions is recorded in AAMS.
- - Entering additions, transfers and deletions into the AAMS in a timely manner, including BOS determinations.
- - Ensuring that annual fiscal year inventories are established and implemented to inventory all personal property in his/her program/region.
- - Ensuring that the PCOs have current records for accountable property within their assigned CAs.
- - Ensuring that the PCOs have the necessary training to successfully perform their property-related tasks.

- - Ensuring that physical inventories are conducted, records are reconciled and discrepancies are investigated and resolved.
- - Designating, by name or position, those individuals authorized to sign or approve property transaction documents.
- - Ensuring that personal property is fully utilized and safeguarded from misuse or theft.
- - Ensuring that unneeded personal property is promptly reported as excess.
- - Ensuring that EPA Form 1740-12, "Report of Survey," (see Appendix E, "EPA Forms") is completed for personal property declared LTDD and submitted to the PMO for review.
- - Coordinating criteria with the PMO for replacing or upgrading over-age equipment.
- - Ensuring that proper EPA property tags are affixed to accountable EPA personal property.

2.6.3 EPA Property Custodial Officer

The PCO is responsible for the proper care, use, accountability, and security of personal property assigned to his/her CA(s). The PCOs' responsibilities include:

- - Maintaining current custodial records for all accountable personal property within their assigned CAs.
- - Reporting immediately to the appropriate security office and the PAO any incident when property is declared LTDD, submitting a "Survey Report Memorandum" (see Appendix E, "EPA Forms") to the PAO documenting the circumstances, and notifying his/her supervisor of the action taken.
- - Supporting the effort to decal newly procured EPA personal property (including sensitive items), as requested by the PMO or the PAO.
- - Conducting and verifying the results of physical inventories of the personal property within their CAs as directed by the PMO or the PAO, and reconciling discrepancies discovered during inventories.
- - Assigning accountable property to EPA employees on EPA Form 1740-22, "Personal Property Custody Card," (see Appendix E, "EPA Forms") or electronic equivalent.
- - Verifying the return of all accountable property assigned to employees leaving the EPA and advising the PAO to sign the Personal Property section of EPA Form 3110-1, "Employee Separation or Transfer Checklist" (see Appendix E, "EPA Forms").
- - Issuing EPA Form 1700-9, "EPA Property Pass" (see Appendix E, "EPA Forms") to EPA employees.
- - Completing the appropriate sections of EPA transfer forms to document transfers of personal property between CAs (EPA Form 1740-10, "Property Action Request and Memorandum Receipt," [See Appendix E, "EPA Forms"]).

2.6.4 EPA National Utilization Officer

The NUO is responsible for promoting the acquisition and profitable use of available excess personal property from known sources within the EPA, the GSA, and other federal agencies. The NUO's responsibilities include:

- - Serving as the technical expert and facilitating or performing the work required to redistribute, donate, exchange, sell, abandon, destroy and promote the use of excess and surplus personal property.
- - Serving as the technical expert on property disposal policies, programs, regulations and procedures.
- - Coordinating with GSA to provide user accessibility to the GSAXcess® federal disposal and screening system.
- - Facilitating or initiating actions to exchange, sell, destroy, or abandon property, instead of redistributing, based on value, type, demand, condition, or hazardous material or waste content.
- - Making determinations on eligibility for donation to qualified recipients for specified purposes (e.g., education, public health and public airports).
- - Advising on the destruction, demilitarization, or abandonment of property.
- - Advising on the proper management of hazardous materials and dangerous property.
- - Interpreting disposal policies and procedures, researching disposal techniques, and making recommendations on methods most beneficial to the government.
- - Authorizing disposal of government property by trade-in/exchange, sale, transfer, donation, abandonment, cannibalization or destruction in coordination with the NUO.

The requirements for managing excess personal property are found in [41 CFR §102-36.45\(b\)](#).

2.6.5 EPA Property Utilization Officer

The PUO shall be a federal employee within each program office, designated in writing by the PMO, who coordinates with the GSA and other PUOs to manage excess personal property assets. The PUOs' responsibilities include:

- - Serving as the program office single point-of-contact for all excess personal property.
- - Promoting the use of available excess assets, and interacting as necessary with the GSA in the administration of the federal excess asset disposition program.
- - Providing guidance to program officials and personnel in acquiring excess property assets as the first source of supply in lieu of direct purchase.
- - Identifying and claiming excess personal property from other federal agencies as part of the GSA's screening process to fill current or future authorized requirements in lieu of new procurements.
- - Ensuring that idle personal property is screened internally across the program office and subsequently through the NUO across the agency as prescribed by this Manual prior to declaring the assets excess, and subsequently reporting the assets to the GSA.

- - Ensuring that all personal property reutilization, including exchange/sale, donation (where ethically and legally permissible), and recycling activities adhere to the personal property provisions of Executive Order (EO) 13693 including reducing the quantity of toxic and hazardous chemicals and materials acquired, used and disposed by the EPA, and maintaining a cost-effective waste prevention and recycling program.
- - Ensuring that all personal property activities relating to sustainability adhere to the provisions of EO 13693 to include but are not limited to:
 - Reducing greenhouse gas (GHG) emissions by improving fuel efficiency and fleet management, specifically the EPA's per-mile GHG emissions by 4 percent by the end of fiscal year 2017; 15 percent by the end of fiscal year 2021; and 30 percent by the end of fiscal year 2025 in agency fleets of 20 motor vehicles or more; deploying telematics in all new passenger and light-duty acquisitions (and medium-duty, where appropriate); determining the optimal fleet inventory; ensuring that 20 percent of new passenger vehicle acquisitions are zero emission vehicles or plug-in hybrid electric vehicles; and planning for opportunities to support vehicle-to-grid technology.
 - Procuring bio-based, environmentally preferable, low or non-toxic, energy- and water-efficient (such as ENERGY STAR® qualified and Federal Energy Management Program-designated products, identified by the EPA and Department of Energy); and recycled-content products unless there is an allowable exception for acquiring a sustainable product or service.
 - Adhering to end-of-life management requirements (e.g., the FMR, agency property management regulations and guidance, [GSA FMR Bulletin B-34](#), "Disposal of Federal Electronic Assets," or the most current guidance issued by the GSA) for the disposition of all agency excess and surplus electronics or when returning leased electronics.
- - Keeping abreast of program office mission requirements and identifying opportunities for reutilizing and repurposing assets.
- - Ensuring that excess personal property is used to the maximum extent possible throughout the program or region.
- - Ensuring that all GSA disposal methods are used in the best interests of the agency, including the Exchange/Sale program.
- - Serving as the liaison between the program or regional office and the NUO and/or the GSA on matters related to the use, reutilization, or disposition of property.
- - Providing technical assistance to program officials and personnel, including information pertaining to disposal, recycling and GSA disposal programs supporting the personal property lifecycle.
- - Working with the PCOs to identify unused and unneeded personal property within the program/region and make a determination if it is excess to program requirements.
- - Reporting the EPA's excess personal property to the EPA NUO for screening and potential reutilization.

- - Ensuring that the AAMS is updated after final disposition of excess personal property to document the disposal transaction and maintain a clear audit trail.

2.6.6 Asset Manager

An Asset Manager is a broad term used for those individuals responsible for managing an asset including personal property. EPA employees or contractors serve in this role and are responsible for safeguarding personal property. Asset Managers oversee day-to-day utilization of the assets (e.g. scientific equipment, vehicles, IT equipment).

2.6.7 Property Technician

This role is designed for EPA employees and contractors with property responsibilities, such as inventory data, performing asset searches and updating inventory data, as directed. This includes but is not limited to, emergency responders, warehouse contract support and IT contract support staff.

2.6.8 Warehouse Manager

A Warehouse Manager is responsible for all aspects of warehouse operations, and must account for equipment, supplies and materials. The Warehouse Manager must ensure that assets and materials are accounted for in the property system.

2.6.9 EPA Employees

EPA employees are obligated to abide by the policies, procedures, and guidance of the EPA PPMP as it relates to personal property. EPA employees' responsibilities, at a minimum, shall include:

- - Being accountable for EPA personal property that is issued for use or is under their stewardship control.
- - Properly caring for, protecting, handling, utilizing and conserving EPA personal property assigned for their use within or away from an EPA facility.
- - Ensuring that personal property in their possession, custody or control is used only for official authorized programs/regional offices and projects within their scope of employment and assigned duties (except as allowed per [EPA Order 2101.0](#), "Policy on Limited Personal Use of Government Office Equipment").
- - Requesting issuance of official property passes when appropriate.
- - Reporting any personal property that is declared LTDD immediately to the PCO and their supervisor.
- - Reporting the new location of all accountable personal property to their PCO and supervisor when moved.
- - Ensuring that property is returned to the PCO when no longer needed.
- - Obtaining a check-off of the personal property section of the "Employee Separation Checklist" when leaving agency employment.

- - Appropriately managing EPA records and EPA content created using personal property (see EPA Records Management Policy, CIO-2155.3, <http://intranet.epa.gov/oei/imitpolicy/qic/ciopolicy/CIO-2155.3.pdf>).

The minimum level of care that the EPA expects its employees to exercise over personal property includes:

- - Do not store EPA personal property in an unlocked vehicle.
- - Store sensitive property in a locked room or secure manner to deter theft when not in their possession.
- - Maintain an awareness of all EPA personal property under their stewardship control.
- - Perform due diligence in caring for, managing, protecting and preserving all EPA personal property, including non-accountable property, in their possession.
- - Do not misuse EPA property.

2.6.10 EPA Contractors

EPA contractors who use, supervise the use of, or have control over EPA personal property within an EPA-owned or leased facility are obligated to properly care for, handle, utilize and be accountable for government personal property assigned for contractor use within or away from the facility. EPA contractors' responsibilities include:

- - Ensuring that personal property in their possession, custody or control is used only for government purposes and not for personal or private use or any other unpermitted use. There is a narrow exception for limited personal use of government office equipment. See EPA Order 2100.3 A1.
- - Requesting issuance of property passes when appropriate.
- - Reporting immediately to their EPA Contracting Officer's Representative (COR, formerly titled Contracting Officer's Technical Representative [COTR]) and Contracting Officer (CO) if any government personal property is declared LTDD.

Chapter 8, "Government Furnished Property," provides additional guidance on the acquisition of personal property by the EPA and subsequently furnishing it as GFP to a contractor for use in the performance of a contract. Additionally, when a contractor is authorized to acquire or fabricate government property in the performance of a contract, this method of acquisition is called Contractor-Acquired Property (CAP).

2.6.11 EPA Board of Surveys Members

The BOS for each program/region shall be composed of three to five members serving 3-year terms from organizational elements within each program/region. Property Officers are not eligible to serve on the BOS but may act in an advisory capacity if requested. The BOS serves as a fact-finding body charged with determining the circumstances and conditions of each case in which EPA personal property is declared LTDD. The BOS members' responsibilities include:

- - Informing the employee of the BOS and ensuring that the employee has an opportunity to submit their statement.
- - Conducting a thorough investigation and examining all evidence that is presented.
- - Providing recommendations to remove property declared LTDD from the AAMS.
- - Determining if negligence is involved in the LTDD incident.
- - Determining if the employee(s) involved are at fault for the LTDD incident.
- - Informing the OIG of all LTDD incidents involving gross negligence, willful misconduct or fraud.

2.6.12 Newly Hired Employees

When new employees are hired, they will receive a personal property briefing as part of the orientation process from an authorized personal property official or supervisor. The briefing shall include their roles and responsibilities as an Authorized User, and they shall receive an asset receipt for all property issued to them. The absence of a dedicated briefing does not relieve the Authorized User from acting responsibly when using and safeguarding government property.

The PMOs are encouraged to incorporate a formal personal property asset management briefing as part of the employment onboarding process and a formal debriefing as part of the separation process.

2.6.13 Employee Separation

When employees change programs/regions or separate from the EPA (whether that involves transferring to another program/regional office, federal agency or leaving the federal government), and they have personal property assets issued to them, it is mandatory that assets are accounted for as part of the employee exit process.

The PMOs shall ensure that personal property asset verification is incorporated as part of the employment exit process to ensure all personal property is accounted for and returned by the exiting employee prior to their last reporting date or their official release date, whichever is sooner.

The PAOs and the PCOs shall ensure that all personal property assets of exiting employees are fully inspected and collected. Any discrepancies must be resolved prior to the release of the employee.

All separating employees shall complete EPA Form 3110-1, "Employee Separation or Transfer Checklist" with their supervisor to ensure that all personal property assets assigned, along with all associated peripherals (e.g., power cords, charging stations) are presented to the PCO or the PAO prior to their last reporting date and that their records are appropriately managed.

2.7 OTHER PROPERTY MANAGEMENT STAKEHOLDERS

2.7.1 EPA Chief Financial Officer

The CFO, Office of the Chief Financial Officer (OCFO) is responsible for:

- - Effectively managing and maintaining the financial accounting and General Ledger for EPA Property, Plant, and Equipment (PP&E).
- - Providing management oversight over EPA personal property activities in relation to financial accounting.
- - Establishing internal control systems to ensure management accountability and providing optimum protection against fraud, waste, and abuse of EPA personal property.

2.7.2 EPA Chief Information Officer

The CIO, Office of Environmental Information (OEI) is responsible for:

- - Effectively managing and maintaining EPA IT personal property including mobile devices.
- - Providing management oversight over EPA IT activities.
- - Establishing internal control systems to ensure management accountability and to provide optimum protection against fraud, waste, misuse and abuse of EPA IT personal property throughout the property management lifecycle.
- - Providing sufficient resources to execute property management roles and responsibilities for IT personal property throughout the property management lifecycle.

CHAPTER 3. ACCOUNTABILITY

3.1 PURPOSE AND SCOPE

This chapter provides information on accountability for personal property and discusses how property is determined to be accountable and the management processes and actions (e.g., physical inventory) required to ensure accountability for personal property throughout its lifecycle. Accountable personal property shall be recorded in the Agency Asset Management System (AAMS) as designated by the Agency Property Management Officer (APMO). At a minimum, the Property Record Data Elements as defined in Section 3.7.2, “Property Record Data Elements and Standards” and any data elements specific to the AAMS as revised, shall be recorded for each asset. It also describes the steps necessary to investigate and resolve accountability issues related to loss, theft, damaged, or destroyed (LTDD) property.

3.2 GENERAL

Generally, personal property is classified by acquisition cost and type. Personal property with an acquisition cost that exceeds the acquisition unit cost of \$5,000 must be maintained as accountable property. However, property that is categorized as sensitive, pilferable or controlled must be maintained as accountable property regardless of cost. Personal property that exceeds the capitalization acquisition unit cost threshold of \$25,000 is defined as a capitalized asset. Property Custodial Officers (PCOs) must record all capitalized assets in the AAMS upon receipt and accurately record when the asset is placed into service. This property record transaction enables the Office of the Comptroller (OC) to record the acquisition cost in the program office’s General Ledger and start depreciating the asset over its service life. Finally, non-accountable property is property that does not meet the categorization of accountable, capitalized or sensitive, and is not subject to the same accountability requirements. However, a program/regional office may determine that certain non-accountable assets may be designated as controlled property in accordance with an office procedure and should be tracked.

3.3 CATEGORIES OF PERSONAL PROPERTY

3.3.1 Capitalized Property

A capitalized asset is a non-expendable asset that has an estimated useful life of two years or more and has an acquisition cost at or above the capitalization threshold of \$25,000. Section 3.8.2.1, “Capitalization Thresholds and Useful Life Designations,” defines the capitalization threshold and service life for each asset type. PCOs must accurately record the asset in AAMS with supporting documentation (e.g., invoice, shipping document, purchase order [PO]) so the asset’s value is depreciated over the course of its useful life. All capitalized assets must be reflected in the financial records and General Ledger through OC. The recording of capitalized assets in the AAMS by Property Officers and the financial recording of the same assets in the financial management system by Financial Officers is a total team effort. The goal is to accurately account for all capitalized property to ensure agency compliance with the Statement of Federal Financial Accounting Standards No. 6, “Accounting for Property, Plant, and Equipment” and related accounting standards and policies, and the Chief Financial Officer’s (CFO’s) annual Statement of Assurance.

3.3.2 Expense Property

An expense asset is a non-expendable asset that has an estimated useful life of two years or more and has an acquisition cost less than the capitalization threshold. The asset's value is expensed at the time of receipt. Expense assets categorized as accountable or sensitive property must be recorded in the AAMS and reflected in the agency's financial records and General Ledger.

3.3.3 Leased Property

Leased property refers to property that is not owned by the EPA, but is leased by the EPA under terms within the lease agreement (this excludes the leasing of property by contractors in the performance of a contract). All leased property, regardless of the lease term or cost, is considered accountable and must be tracked and managed in accordance with standards as set forth by this Manual. In addition, the initial event status of the property, within the AAMS, must reflect the property is in a leased status, either through commercial lease, capital lease or a General Services Administration (GSA) lease.

3.4 TYPES OF PERSONAL PROPERTY

Personal property is classified by acquisition cost, property category and sensitivity guidelines. Property with an acquisition cost that exceeds an established dollar threshold must be maintained as accountable property. Personal property that exceeds an established acquisition cost threshold is defined as capitalized, which requires that its value be depreciated over its lifetime based on the date it is placed into service. In addition, some property, regardless of its acquisition cost, is deemed sensitive, and is also considered accountable. Non-accountable property that does not meet any of the previously mentioned standards is not subject to the same accountability requirements. However, dependent on the category of property, it may require management controls to preclude pilferage or loss.

3.4.1 Accountable Personal Property

Assets that meets one or more of the following criteria: (1) for which expected useful life is two years or longer and an acquisition value of \$5,000 or more; (2) that is classified as sensitive; (3) for which controls and official asset records are maintained; (4) for which physical inventories are conducted; and/or (5) that is otherwise assigned and accounted for. It includes capitalized property, sensitive property, controlled property, firearms and weapons, motor vehicles and trailers, vessels, aircraft, and classified property.

Note: Regardless of whether an asset meets the definition of accountable, program/regional offices shall develop and maintain internal controls that provide reasonable assurance that all assets are managed in accordance with federal laws, regulations and EPA policy.

All personal property recovered as Found on Installation that is deemed accountable must be documented on EPA Form 1740-10, "Property Action Request and Memorandum Receipt," assigned a voucher number for document control purposes and recorded in the AAMS.

All accountable personal property is subject to asset lifecycle management and tracking in the AAMS, the official EPA asset management system of record, as determined by EPA Property Officer. Program/regional offices may augment control and accountability with the use of internal systems.

3.4.1.1 *Sensitive Property*

Sensitive property is defined as all assets, regardless of unit acquisition cost, that require special controls and accounting to ensure accountability and safeguarding. Sensitive assets must be formally accounted for in AAMS and include, but are not limited to, assets in the following categories:

- - Dangerous and hazardous assets (e.g., chemicals).
- - Law enforcement equipment, including:
 - Firearms.
 - Weapons.
 - Tasers.
 - Body armor.
- - Assets authorized for storing and/or processing sensitive information (e.g., Personally Identifiable Information).
- - Assets with retainable memory and data, including:
 - Desktop computers.
 - Digital cameras.
 - External zip drives.
 - iPads.
 - Jump “flash” drives.
 - Laptop computers.
 - Personal digital assistants (e.g., BlackBerries, Palm Pilots).
 - Portable disk drives.
 - Scanners.
 - Smartphones.
- - Electronic metering equipment that measure:
 - Air flow.
 - Conductivity.
 - Chlorine.
 - Gas.
 - Light.
 - Ozone.

- pH.
- Sound.
- - Medical and other technical equipment, including:
 - Automatic external defibrillators.
 - Polygraph systems.
 - Spirometers.
- - Classified property, including assets authorized for storing and/or processing classified information.

Note: A list of sensitive assets will be flagged and maintained in the AAMS.

Classified personal property is managed by Property Officers with the appropriate security access levels and need-to-know in accordance with this Manual. Classified property has security processes and protocols that require specific controls regarding acquisition, access, use, movement and disposal. Classified property can be classified at the secret, top secret and sensitive compartmented information levels (See [National Industrial Security Program Operating Manual, DOD 5220.22-M](#), Chapter 4, “Classification and Marking”). The security classification is determined based on the information processed or stored. Classified property shall be identified with an EPA property decal and recorded in the AAMS at the “Unclassified” level (e.g., official name, manufacturer’s name, model number, serial number) and managed throughout the property management lifecycle.

Note: Under NO circumstances shall classified information be recorded in the AAMS. Classified personal property will be flagged and coded in the AAMS to identify its security classification in an unclassified manner.

3.4.2 Non-Accountable Property

Personal property assets defined as non-accountable have an acquisition cost under the accountability threshold, as revised, or are categorized as expendable. Expendable means it is consumed, loses its identity, or becomes an integral part of other property and is charged to an expense account either when it is issued for use or at the time of receipt. Non-accountable property shall not be recorded in the personal property management system of record unless specific mission requirements dictate.

Examples of non-accountable property include:

- - Equipment under the \$5,000 accountable property threshold that is not sensitive, pilferable or does not require preventative maintenance or calibration.
- - Office supplies.
- - Accessory computer equipment (e.g., sound cards, graphics cards, keyboard, mouse).
- - Non-case good furniture, including systems furniture.

3.4.3 Special Handling of Personal Property

There may be instances where special handling is required of personal property. This includes property containing hazardous materials or property that exhibits dangerous characteristics such that improper use, storage, transportation or disposal may lead to potential safety, health, environmental, economic or national security risks. Program/regional offices shall follow the specific requirements in [41 CFR §102-40, Subpart B: Responsibilities](#).

3.4.4 Communications Security (COMSEC) Property

COMSEC equipment is managed by a COMSEC custodian and has its own security protocols in place separate from personal property asset management policies or procedures as set forth in this Manual. Examples of COMSEC equipment include, but are not limited to:

- Secure cellular telephones.
- Secure satellite telephones.
- Crypto ignition keys.
- Fortezza cards.

Questions and guidance with regards to COMSEC equipment and the requirements for managing these assets must be addressed to the EPA COMSEC Security Officer.

3.4.5 Firearms and Weapons

Chapter 10, “Firearms,” provides comprehensive policies and requirements for the management of EPA firearms. Program/regional offices shall also be guided by [41 CFR §102-40.175](#), “How do we handle firearms?”

3.4.6 Motor Vehicles

The EPA is only authorized to own non-passenger motor vehicles [see 31 U.S.C. §1343(b)]. Employees, supervisors and contractors entrusted with the management and operation of EPA-owned, non-passenger, leased or rented motor vehicles are responsible for their proper use and care. Consistent with the environmental impact of a motor vehicle fleet, all personnel managing and operating motor vehicles must comply with EPA’s goals to increase fuel efficiency, reduce greenhouse gas (GHG) emissions, and use petroleum-based fuels to meet federal regulations, executive orders (EO) and agency fleet management policy. See Chapter 11, “Motor Vehicles” for additional information.

3.4.7 Vessels

Vessel refers to every description of watercraft or other contrivance used or capable of being used as a means of transportation on water, but does not include aircraft that can float on water. Examples of vessels are sail boats, row boats, kayaks, power boats, ships, barges, other water craft or any structure capable of floating on the water.

[41 CFR §102-36.40](#) excludes naval vessels of the following categories from the definition of personal property: battleships, cruisers, aircraft carriers, destroyers and submarines, and therefore are not covered by this Manual. This Manual applies to all other vessels.

The GSA divides vessels into two categories, those under 50 feet in length and those over 50 feet in length, with each category having different excess reporting requirements. The Federal Boat Executive Committee defines vessels as watercraft 65 feet or longer, and their Federal Boat Management Guide is specifically focused on watercraft that are less than 65 feet in length, which they refer to as “boats.” Regardless of their length, EPA policy is that all vessels meeting the definition of accountable personal property shall be recorded in the AAMS.

3.4.8 Aircraft

Aircraft is defined as a fixed or rotary winged machine capable of flight propelled by jet engines, propellers or other technological means. Currently, EPA has no authority to own aircraft, but may lease them. All EPA-leased aircraft must be recorded in the AAMS, although individual program/regions may augment accountability with additional internal systems.

Aircraft assets usually retain significant value throughout the property lifecycle, and are often replaced by similar assets that are more capable to meet mission requirements as missions expand and mature. Program/regional offices shall exercise the GSA Exchange/Sale Authority for the disposal of aircraft and aircraft parts whenever practical and cost effective to do so. Property Management Officers (PMOs) shall establish adequate procedures to promote aviation program sustainability and to ensure that aviation assets are not disposed of, donated or scrapped without proper oversight and authoritative approval.

Program/regional offices must account for aircraft costs, maintain systems and measure effectiveness to support aircraft operations. Additional information on aircraft assets may be found in:

- [41 CFR §102-33](#), “Management of Government Aircraft.”
- [OMB Circular A-126](#), “Improving the Management and Use of Government Aircraft.”

All EPA aircraft shall be recorded in the AAMS. Managing aircraft data allows the EPA to increase efficiencies by providing the resource information to conduct a thorough analysis, identify gaps and redundancies, and pinpoint areas of strength and weakness within its program. Program/regional offices utilizing Government aircraft in the performance of their missions, including the use of contracted Commercial Aviation Services, but excluding commercial scheduled passenger airline travel, shall report the following in the format established by the EPA APMO:

- Aircraft inventory.
- Aircraft costs, including operational costs.
- Aircraft mission hours.
- Aircraft incidents and accidents.

3.4.9 Heritage Property

A heritage asset is any personal property that is retained by the EPA because of its historic, cultural, educational or artistic value as opposed to its current usefulness to carrying out the mission of the agency.

Some items, due to their age or obvious historical significance, are inherently historical artifacts. EPA policy is to designate personal property assets as a heritage asset when it illustrates the social, educational and cultural heritage of the agency and its program/regional offices. Some examples of historical artifacts that may be deemed a heritage asset would be flags, pennants, medals, and insignia, and items associated with a significant person, event or place that represents the uniqueness of the mission of the EPA and its program/regional offices.

Program/regional offices shall ensure they have appropriate personal property asset management procedures in place to address the special requirements of caring for heritage assets.

3.4.10 Gifts and Decorations from Foreign Governments

EPA employees are subject to the Emoluments Clause of the U.S. Constitution, Art. I, Sec. 6, Clause 2, which prohibits them from accepting any gift from a foreign government or multinational organization – unless Congress consents otherwise. Pursuant to the Foreign Gifts and Decorations Act, 5 U.S.C. § 7342, employees may be permitted to accept and retain gifts of minimal value received as a souvenir or mark of courtesy or decorations offered or awarded from a foreign government or a multinational organization, but only under limited circumstances and with the approval of the appropriate ethics official. The EPA lacks agency gift acceptance authority, so only an ethics official can make the necessary determination.

A gift is defined as a monetary or nonmonetary present (other than a decoration).

A monetary gift includes anything that may commonly be used in a financial transaction, such as cash or currency, checks, money orders, bonds, shares of stock, and other securities and negotiable financial instruments. A monetary gift may include payment of or reimbursement for travel expenses, whether in official capacity or in personal capacity. Only the Office of General Counsel/Ethics (OGC) can approve acceptance of travel expenses from a foreign government or multinational organization, so employees must consult with OGC in advance of any such travel.

A nonmonetary gift may include, but is not limited to, artwork, books, clothing, equipment and supplies. Nonmonetary gifts valued more than the GSA established minimal value threshold [Note: The GSA determines the minimal value threshold every three years. The minimal value will be adjusted in regulation prescribed by the GSA every three years to reflect changes in the consumer price index for the immediately preceding 3-year period.] shall be reported by the recipient in writing to the Office of General Counsel/Ethics within 30 calendar days. Because EPA does not have gift acceptance authority, gifts from foreign governments valued above the GSA threshold cannot be retained by the agency or individual employees and must be turned over to the GSA.

Foreign gifts valued more than the GSA-established minimal value threshold shall be reported by the recipient in writing to the Office of General Counsel/Ethics within 30 calendar days of accepting the gift so that an

agency determination can be made about its value and ethical determination. Employees may purchase the gift based on fair market value (FMV) in the United States, not the country of origin. The EPA does not have any authority to retain the gift for official use.

Foreign gifts valued less than the GSA-established minimal value threshold must be reported by the recipient to the appropriate ethics official within 30 calendar days of accepting the gift. Recipients may be permitted to retain gifts valued less than the GSA-established minimal value once an ethics official makes the determination as to the value. If the recipient does not intend to retain the foreign gift, the gift is forwarded to the Property Utilization Officer (PUO) within the program/regional office for disposition.

The Emoluments Clause may serve to prohibit employees from accepting such gifts given to them in their personal capacity, so employees should consult with their appropriate ethics official for advice.

3.4.11 Employee-Owned Personal Property

Employees are advised to take precautions when bringing personally owned property into government-owned or leased facilities, especially if the items could be misidentified as EPA-owned personal property. EPA policy is to limit the amount of employee-owned personal property in the workspace when the property can be easily misidentified as EPA property or is of such value that it may be subject to theft. Program/regional offices shall establish and manage internal limits in this area. The PCO shall make a determination if the personal property is appropriate to be in the workspace, taking into consideration its value, security and whether it could be misidentified as EPA property. Employees cannot use employee-owned personal property in the workplace for any unethical or prohibited purpose including but not limited to gambling, pornography or political activity.

Any claim for damage to personal property brought into the workplace will be governed by [40 CFR Part 14](#).

3.4.12 Contractor-Owned Property

Contractors are advised to take precautions when bringing contractor-owned property into government-owned or leased facilities. Contractor-owned property shall be identified with the contractor's property decal so that the item(s) is not misidentified as EPA property. All contractor-owned property must be declared to the PCO. Contractors cannot use contractor-owned personal property in the workplace for any prohibited purpose including but not limited to gambling, pornography, or political activity. The owner shall send a brief memorandum, updated annually, to the PCO. The PCOs shall coordinate efforts concerning contractor-owned property with the appropriate Contracting Officer (CO).

The memorandum shall provide details about the item (e.g., description, date item was brought into the office, quantity, serial number, model number, brand name, receipt showing personal ownership).

3.5 REPORTING REQUIREMENTS

The EPA is required to report the agency's personal property management activities to a number of government agencies. Reporting requirements specific to a type of property, such as aircraft and motor vehicles, shall be provided in the appropriate sections of this Manual.

3.5.1 EPA Property Reporting

Program/regional offices shall submit the personal property reports listed in Table 3-1 to the APMO in accordance with the scheduled due dates.

Table 3-1. EPA Property Reporting Matrix

Report	Program/Regional Office Report to EPA Personal Property
Quarterly LTDD	Quarterly, 1 st business day of each quarter for previous quarter (Negative report required)
Annual Warehouse Self-Assessment Report	Annually, May 31 st for current fiscal year
Annual Physical Inventory Report	Annually, September 15 th for current fiscal year
Annual LTDD Report	Annually, November 1 st for previous fiscal year (Negative report required)

On the first business day of each quarter, program/regional offices shall submit their LTDD Report for the previous quarter. Refer to Section 6.11, “Loss, Theft, Damage and Destruction of Property,” for additional requirements.

Within 30 days after the fiscal year begins, each program/regional office shall submit a Self-Assessment Report to the APMO as a summary of their oversight functions for the previous fiscal year. See Section 3.6.1, “Annual Self-Assessment Report,” for additional details.

Each program/regional office shall submit an annual report of LTDD assets in conjunction with their Annual Physical Inventory Report. These reports shall include:

- - Annual Physical Inventory Report.
 - Total Quantity of Assets Inventoried.
 - Total Dollar Value of Assets Inventoried.
 - Total Percentage of Assets Inventoried.
 - Total Listing of Assets Not Located During Inventory.
 - Itemized Listing of Capitalized Assets Not Located During Inventory.
 - Itemized Listing of Sensitive Assets Not Located During Inventory.
 - Itemized Listing of Accountable Assets Not Located During Inventory (e.g., Not Capitalized or Sensitive Assets).
- - Annual LTDD Report.
 - Total Quantity of LTDD Assets.
 - Total Dollar Value of LTDD Assets.
 - Total Listing of LTDD Assets.

3.5.2 GSA Property Reporting

The EPA has the annual requirement to submit the following reports through the [GSA Personal Property Reporting Tool \(PPRT\)](#). Table 3-2 includes the GSA property reporting requirements.

Table 3-2. GSA Property Reporting Requirements

Report	Purpose
Computers for Learning Donation Report	To report excess computer equipment donated through the Computers for Learning Program under EO 12999.
Exchange/Sale Report	To report excess personal property exchanged or sold to support the acquisition of property for replacement purposes.
Non-Federal Recipients Report	To report excess personal property furnished to non-federal recipients.

Program/regional offices shall submit their annual GSA reports online to the APMO in accordance with the report deadlines listed in Table 3-3. Negative reports are required. The APMO will monitor compliance to ensure all reports are submitted on time. Program/regional offices requiring a login to the PPRT or PPRT support shall contact the APMO for assistance.

Table 3-3. GSA Reporting Matrix and Schedule

Report	Considerations	Program/Regional Office Upload to GSA Personal Property Reporting Tool (PPRT)	EPA Report to GSA
Computers for Learning Donations	Transactions processed through GSAXcess® or Transactions not processed through GSAXcess	None: already recorded by the GSA Reported by September 30 for previous fiscal year in conjunction with Exchange/Sale and Non-Federal Recipients Reports in the GSA PPRT (Negative report required)	October 15 for previous fiscal year through the GSA PPRT
Exchange/Sale	Transactions processed through GSAXcess or Transactions not processed through GSAXcess	None: already recorded by the GSA Reported by September 30 for previous fiscal year in conjunction with Computers for Learning Donations and Non-Federal Recipients Reports in the GSA PPRT (Negative report required)	October 15 for previous fiscal year through the GSA PPRT
Non-Federal Recipients	Transactions processed through GSAXcess or Transactions not processed through GSAXcess	None: already recorded by the GSA Reported by September 30 for previous fiscal year in conjunction with Computers for Learning Donations and Exchange/Sale Reports in the GSA PPRT (Negative report required)	October 15 for previous fiscal year through the GSA PPRT

3.6 MANAGEMENT AND OVERSIGHT FUNCTIONS

Quality reviews verify that assets are managed in accordance with federal regulations, various laws and EPA policies. Quality reviews should take place throughout the asset management lifecycle. The APMO shall establish reporting requirements necessary to provide agency monitoring and oversight.

3.6.1 Annual Self-Assessment Report

Program/regional offices shall establish guidance, processes and procedures and internal controls to ensure that all personal property-related activities continue to be performed in compliance with all public laws, federal regulations and EPA policies. Annual program/regional self-assessment activities shall include the following minimum elements:

- - Organization and Management Structure.
- - Staffing Plan.
- - Training Plan.
- - Manuals/Guidance.
- - Acquisition and Requirements Planning.
- - Accountability and Inventory Management.
- - Maintenance and Repair.
- - Utilization.
- - Disposal.
- - LTDD/Reports of Survey.
- - Government Furnished Property.
- - Reporting.

Program/regional offices shall develop an annual report documenting their self-assessment activities and outcomes, and certifying that all inventories have been completed, reconciled, and that property records are accurate and reflect the actual property in inventory. The report shall, at a minimum, consist of the following:

- - **Significant Findings:** A summary list of significant findings, including commendable items and statements of adequacies and deficiencies.
- - **Corrective Action Required:** Each major deficiency will be documented with a verifiable fact or set of facts. A milestone chart will be included detailing timeframes for corrective actions to be completed by the Component activity.
- - **Recommendations:** General comments for potential improvements to the property management program that do not require immediate corrective action.
- - **Statement and Signatures:** Inventory certification statement and signatures of personnel performing the inventory, the PMO, Senior Resource Official, and program/regional office senior leadership.

This report shall be submitted to the APMO in accordance with the schedule reflected in Table 3-3.

3.6.2 Metrics and Reporting

3.6.2.1 *Environmental Stewardship Report (Internal)*

As part of the APMO's oversight function, scorecard measures are developed to motivate and mobilize personal property stakeholders to achieve results towards a common vision and goal. A scorecard measure identifies a specific area or function subject to monitoring, and program/regional offices are measured on their ability to meet certain levels of achievement in a property area or function.

The EPA shall provide program/regional offices with the details of the next fiscal year's scorecards prior to the end of the current fiscal year. The EPA Personal Property Management Committee (PPMC) shall be the means in which the APMO communicates and distributes scorecard information.

3.6.2.2 *Strategic Sustainability Performance Plan (SSPP)*

The EPA's SSPP is a comprehensive, multi-year planning document that identifies goals, metrics, and targets for reducing the agency's environmental footprint (energy, water, waste and other resource use); and the management of electronics. Annually, electronic asset acquisition, disposal and recycling are assessed to determine compliance with EO 13693 requirements. The EPA's Personal Property Teams should consider integrating the goals and guidelines set forth by EO 13693 on personal property into its acquisition plan.

3.6.3 HQ Reviews and Assessments

The APMO shall conduct reviews and assessments of program/regional offices as prescribed in this Manual and as required to satisfy internal and external inquiries (e.g., Office of Inspector General [OIG] reports, Congressional inquiries). (See Appendix A, "Authorities and References" for information on International Organization for Standardization [ISO] 5500: 2014, "Asset Management.")

3.6.4 Third Party Reviews, Assessments, and Audits

The EPA recommends that an independent third party conduct or observe annual inventories and approved sampling. An independent third party does not necessarily mean a private contracting organization, though program/regional offices may use such services. An independent third party for the purposes of inventory verification may be an agency employee without direct interest or control over the assets inventoried. An example would be where an agency has a separate investigative organization established that performs reviews, assessments and audits throughout the organization. This investigative organization would qualify as an independent third party, except in the case where their own accountable property inventory would need to be verified.

Program/regional offices and the APMO may engage independent third parties to conduct reviews and audits from time to time or conduct internal self-assessments, as necessary.

3.7 AGENCY ASSET MANAGEMENT SYSTEM

To maintain an effective Personal Property Management Program (PPMP), accountable personal property must be managed throughout its lifecycle and official property records must be recorded in the AAMS. The AAMS is the official property management system of record for the EPA and shall be used by all program/regional offices.

3.7.1 Property Records

Property records established in the AAMS are the official records of the EPA. All personal property transactions recorded in the AAMS must be complete and accurate and have a documented audit trail.

3.7.2 Property Record Data Elements and Standards

A data element is an individual piece of descriptive information collected about an asset to populate the property record in the AAMS. Standardization of data elements allows greater efficiencies in the identification of assets agencywide.

Program/regional offices shall use standardized data elements as determined by the APMO and as incorporated in the AAMS. Appendix D, "EPA Personal Property Data Elements," identifies the minimum property record data elements, as revised, to establish an official property record in the AAMS. Program/regional offices with specific new data element requirements shall contact the APMO for review and designation as an official EPA property record data element in the AAMS.

3.7.3 Reconciliation of Property and Financial Records

EPA Financial Management relies on the agency's property management team to maintain complete and accurate property records to report the investment and depreciation of capitalized personal property owned by the agency. Capitalized personal property accountability records must be reconciled quarterly with the financial control accounts in accordance with procedures established by the EPA CFO. The PCOs and Property Accountable Officers (PAOs) are encouraged to work with their PMO and OC in reconciling any capitalized property under their control.

The bottom line is all personal property records in the EPA personal property management system must be complete and accurate to support the agency's annual Statement of Assurance and to comply with the CFO Act of 1990.

3.8 FINANCIAL MANAGEMENT OF PERSONAL PROPERTY

3.8.1 Financial Management Policy

EPA [Financial Management Policy 2550](#) series provides guidance on financial management functions within the agency. The following financial management policies are a valuable resource and have relevance to Personal Property Officers:

- 2540-01, "Financial and Accounting Management."

- 2540-11, "PP&E Highlight."
- 2540-11-T1, "Property, Plant and Equipment: Technical Interpretation."

3.8.2 Capitalization

All EPA personal property meeting capitalized thresholds shall be marked as capitalized in the EPA property management system and reported to the OC. Capitalized personal property being transferred across appropriation, program, organization or other specified accounting classification code shall be reported to the OC. These transfers are typically treated as a reclassification event in the General Ledger.

Capitalized personal property that has been formally disposed of shall be reported to the OC to allow for the retirement and write-off of the item in the General Ledger. The disposition of capitalized personal property shall be reported to the OC as soon as practical to allow the retirement/write-off in the General Ledger to be recorded in the same period the disposition occurred.

All agency and contractor employees in administrative (e.g., COs, Project Officers, Service Managers) and technical (e.g., Laboratory Scientists, Technicians) positions shall provide the date to the PAO within 3 business days when capitalized property is placed into service within their program/region. The date when a capitalized asset is placed into service starts the asset's depreciation schedule. PMOs shall ensure that PAOs and PCOs accurately record the date when capitalized property is placed into service. PMOs shall coordinate through the APMO to annually report the current inventory of capitalized personal property to the OC. EPA CFO Policy 2550-11-T1, "Property, Plant and Equipment: Technical Interpretation," provides further clarification for classifying capitalized personal property.

3.8.2.1 Capitalization Thresholds and Useful Life Designations

Table 3-4 identifies capitalization thresholds and useful life designations for EPA-owned property.

Table 3-4. EPA Capitalization Thresholds and Useful Life Designations

Asset Type	Threshold	Useful Life (Yrs)
Aircraft	\$ 25,000	5
Audio Visual Equipment	\$25,000	5
Boat, Non-Standard	\$25,000	5
Boat, Standard	\$25,000	20
Communication Equipment	\$25,000	5
Cleaning Equipment	\$25,000	5
Electric Power Supply/Distribution Primary/Backup	\$25,000	8
IT Equipment/Automatic Data Processing Equipment	\$25,000	3
Internal Use Software	\$250,000	5
Office Equipment	\$25,000	5

Asset Type	Threshold	Useful Life (Yrs)
Office Furniture and Fixtures	\$25,000	15
Other Equipment	\$25,000	5
Security Equipment	\$25,000	5
Training Equipment	\$25,000	5
Vehicle, Bus	\$25,000	5
Vehicle, Non-Passenger	\$25,000	5
Weapons, Firearms, and Armor	\$25,000	5
Vessels over 50ft in length	\$25,000	50
Real Property: Building, Temporary, Light Wood Frame, Plywood	\$85,000	10
Real Property: Building, Prefabricated	\$85,000	20
Real Property: Building, Wood Framing, Wood Siding, and Shingles	\$85,000	30
Real Property: Building, Light Steel with Finished Interior	\$85,000	40
Real Property: Building, Masonry Exterior, Wood Interior/Steel Frame	\$85,000	50

Note: Any revision to the capitalization thresholds as established by the EPA CFO will supersede these guidelines.

3.8.3 Depreciation

The OC shall calculate and perform periodic depreciation of capitalized property based on the useful life of the asset and the date the asset is placed into service.

3.9 PHYSICAL INVENTORY

A physical inventory is a form of inventory verification. It is also the process in which every asset is physically identified and visually inspected. During the reconciliation process, if an asset is unavailable during the physical inventory, there are generally several alternate reconciliation methods of verification. Reconciliation methods in these instances provide verification that someone has physically seen the asset within the year of the inventory cycle. The main benefits of conducting a physical inventory include the following:

- Verification that the property decal is readable and properly affixed.
- Verification of the physical condition of the asset.
- Verification that other physical attributes specific to the type of asset being inventoried are accurate.
- Verification of completeness and accuracy of property records and financial accounts.
- Verification of the accuracy and effectiveness of the PPMP.

A physical inventory is the EPA standard for inventory verification for all accountable assets that are sensitive or capitalized. For these assets, alternative inventory verification methodologies, such as those mentioned in

Section 3.9.1, “Inventory Verification,” may be incorporated into program/regional office inventory plans only after approval in writing by the APMO.

Recommended Reference:

ASTM International E2131-11, “Standard Practice for Inventory Verification: Electronic and Physical Inventory Assets.”

3.9.1 Inventory Verification

The purpose of inventory verification is to ensure all accountable personal property assets are validated for existence and completeness and are accounted for in the AAMS.

There are various inventory verification methodologies to validate the existence, location and/or quantity of assets. These methodologies include, but are not limited to, physical inventory, sampling, asset receipt review, barcode scanning, maintenance activity, radio transmission, transfers of accountability or location, network log-on, owner validation, or validation by an independent individual. However, not every method or activity is appropriate for all types of assets being verified and all methods may not satisfy EPA inventory verification requirements.

The EPA recognizes that a best business practice of performing inventory verification is planning, and program/regional offices are encouraged to incorporate the practice of conducting a pre-verification assessment into their inventory plans. A pre-assessment involves making preliminary assessments of the assets subject to verification, a tour of the inventory locations, ensuring inventory areas are safely accessible, separating non-accountable property that does not need to be inventoried from accountable property and/or other practical pre-planning activities.

The PMO is responsible for ensuring that inventories are verified in accordance with their established Inventory Plan and EPA inventory requirements. Lifecycle activities for personal property take place during October 1 through September 30 of each year.

3.9.2 Physical Inventory Schedule

PMOs are responsible for scheduling the annual fiscal year inventories at a minimum for their program/region to the APMO by January 15 of every year. However, certain types of personal property (e.g., sensitive: firearms, hazardous equipment) may require more frequent inventories than other types. Reconciliation takes place during August 1–31 of each year. All physical inventories must be completed by July 31 each fiscal year. The PMO may, at his/her discretion, require changes to this schedule. Fiscal year inventories can take place on a continuous basis throughout the year, depending on the amount of property and areas to be inventoried. PMOs must submit their final physical inventory report through their Assistant Administrator to the APMO by September 15 of each year. The final report must include the reconciliation of any irregularities and its accuracy must be certified by the PMO. The APMO will also report the agency’s capitalized personal property inventory to OC by mid-October of each year. The APMO is responsible for reporting the agency’s

property inventory to the Assistant Administrator of the Office of Administration and Resources Management (OARM) by November 1 of each year.

3.9.3 Types of Physical Inventories

The most common type of physical inventory is the annual fiscal year inventory, which involves a complete wall-to-wall visual check of all accountable personal property within an area and matches that to the property record for what is supposed to be there. Other occasions when a physical inventory may be required include:

- - **By Exception:** An inventory by exception is used when accountable property is validated through methods other than physical sighting or barcode scan, such as auto discovery for information technology (IT) property and Inventory by letter (submitted by the user to the PCO) used to validate the accountability of the asset and the accuracy of the property record.
- - **Wall-to-Wall:** A scheduled inventory of designated programs/regions on a wall-to-wall basis to validate the existence of the asset and the accuracy of the property record.
- - **Spot:** An unscheduled inventory of randomly chosen property to check the accuracy of the property record.
- - **Special:** A scheduled inventory of selected property (e.g., laptops, weapons, or vehicles). A purposive sampling may be used in a special physical inventory.
- - **PMO, PAO, or PCO Change:** An inventory should be conducted with an outgoing PMO, PAO or PCO and their incoming counterpart, to confirm the completeness of the property record before the incoming Property Officer becomes officially accountable.

3.9.4 Physical Inventory Standard

A physical inventory is the EPA standard for inventory verification for all accountable assets that are sensitive or capitalized. For these assets, alternative inventory verification methodologies, such as those mentioned in Section 3.9.1, "Inventory Verification" may be incorporated into program/regional office inventory plans once reviewed and approved in writing by the APMO. Voluntary consensus standards (VCSs) may be used to perform the annual physical inventory. It is recommended that program/regional offices review the ASTM standard below for physical inventory and incorporate wherever possible.

Recommended Reference:

ASTM International E2131-11, "Standard Practice for Inventory Verification: Electronic and Physical Inventory Assets."

3.9.5 Conducting the Physical Inventory

PCOs are responsible for conducting the physical inventory of the property assigned to their Custodial Area (CA) by the date scheduled by their PMO. PAOs should also develop procedures to guide their PCOs in conducting the inventories and ensure such activities meet the criteria established by Section 3.3, "Categories of Personal Property."

Physical inventories should be conducted using barcode scanners, which are portable instruments that scan the barcodes affixed to accountable property and store the information for upload to the AAMS. Prior to beginning the inventory, PCOs shall:

- - Obtain a barcode scanner from their PAO.
- - Verify that the barcode scanner is programmed to record all required information (e.g., inventory name, barcode identifier, item, description, location, manufacturer, model, serial number).
- - Give the inventory a name that corresponds with the CA where the inventory is being performed.
- - Print out the property record from the personal property management system for property assigned to the CA.
- - Obtain extra EPA barcode decals for newly discovered accountable property not in the record.

After completing the inventory, PCOs must upload the inventory data into the AAMS and submit the inventory report to the PAO within 3 business days. Any newly discovered accountable property must be affixed with an EPA property decal and the new record must be uploaded to the AAMS.

Recommended Reference:

ASTM International E2131-11, "Standard Practice for Inventory Verification: Electronic and Physical Inventory Assets."

3.9.6 Reconciling the Physical Inventory

During the inventory, PCOs shall note any discrepancies with the official property record, meaning property that is assigned to their CA that cannot be found or property discovered to be damaged or destroyed. All discrepancies must be investigated within 7 business days and reconciled with the accountable property records. If, after performing reasonable due diligence, the property is determined to be lost, or if property damage is discovered at any time, the property will be declared LTDD and reported on a Report of Survey (ROS). Incidents of LTDD property may necessitate a Board of Survey (BOS) investigation. See Section 6.12, "Board of Survey" for more information on the BOS process.

3.9.7 Certifying the Physical Inventory

Component PMOs shall certify in writing to the APMO that all inventories have been completed, reconciled, and that official property records in AAMS are accurate, complete and reflect the verified asset inventory.

3.9.8 Reporting the Physical Inventory

Each PMO must notify the APMO that their inventory has concluded for his or her program/region by July 31 of each fiscal year.

3.10 RECORDS MANAGEMENT

Personal property records are EPA records, and as such, must be maintained in accordance with EPA Policy 2155.3, “Records Management Policy,” as revised. Records created on EPA personal property must also be appropriately managed and maintained, as outlined in EPA Policy 2155.3.

3.10.1 Personal Property Records

The PMOs shall ensure that personal property records (electronic and paper) are maintained in accordance with EPA records management storage and retention guidelines. Property records are created to document transactions throughout the asset lifecycle, including, but not limited to:

- Planning.
- Acquisition.
- Receiving.
- Utilization.
- Movement.
- Inventory.
- Disposal.

Examples of information and documents that are maintained as part of the official asset record include, but are not limited to, the following:

- Invoices.
- Delivery documents (e.g., packing list, shipping document).
- Property transfers.
- Property movements.
- Changes of stewardship custody.
- Routine maintenance operations.
- Warranty coverage and service.
- ROS for incidents of LTDD.
- Disposition activities.

PMOs shall ensure that all official property records are accurate, complete, and properly maintained and retained in accordance with EPA Records Management policies and procedures. An official property record shall be maintained for each asset of accountable personal property. The EPA’s property record data elements are defined in Appendix D, EPA Property Record Data Elements.”

Note: Capitalized property must have the suppliers invoice attached to the official property record in the AAMS. Invoices are required to substantiate each asset's acquisition unit cost in the official records and support the depreciation process.

3.10.2 Transaction Documentation

Documentation provides an audit trail that proves an asset's legitimacy and value at any given point in the asset lifecycle. Critical documentation includes but is not limited to: requisitions, POs, receiving documents, receipts, invoices, maintenance logs, transfer documents and Reports of Survey.

Adequate documentation of property management activity is required to support the program during audits or other information gathering exercises.

Minimum documentation requirements for property record transactions are:

- - All new personal property acquisitions shall be supported by EPA POs (e.g., contract awards, obligations), vendor invoices, receiving reports, payment document, and other documents that identify the record acquisition unit costs and ancillary costs.
- - Capitalized property transferred in or out shall be supported by the requisition and invoice/shipping document, property transfer document, PO, receiving report, vendor invoice and other appropriate documents, as available. This documentation must, as applicable, include the part number, national stock number (NSN), serial number, property decal (or other unique identifier), nomenclature, quantity, date and acquisition cost (i.e., unit price) of items shipped from contractors or vendors for which title has passed to the government.
- - Disposed Property shall be supported by a property transfer document (e.g., [GSA Standard Form-122](#), "Transfer Order Excess Personal Property," [GSA Standard Form-123](#), "Transfer Order Surplus Personal Property," DD1348-1A, "Issue Release/Receipt Document") with complete description, identification and acquisition cost data. This process will be automated by AAMS.

Documentation for special types of property:

- - **Leased Property:** Shall be supported by the lease agreement, Lease Determination Worksheet and Data Element Worksheet.
- - **Donated, Exchanged, Found, or Unsupported Personal Property:** Shall be supported by the Similar Asset/Estimated FMV Worksheet.
- - **Government Furnished Property (GFP):** Shall be supported by the PO and receiving report if the item is below the capitalization threshold. If the property is a capitalized asset, then it must be supported by an invoice. GFP includes both Government Furnished Equipment (GFE) and Government Furnished Material (GFM).
- - **Internal Use Software:** Shall be supported by a copy of the license agreement for all Commercial Off-the-Shelf (COTS) or externally developed software until the software is no longer in use. For internally developed software and improvements to internally developed software, or improvements

to COTS software all documentation supporting the final costs associated with producing or improving the software shall be retained.

- - **Disaster and Emergency Response Property:** Shall be supported with unique mission assignment, disaster, or emergency identifying information.
- - **Personal Property Subject to Litigation:** Shall be supported by all related documentation.

3.10.3 Record Retention

3.10.3.1 *Motor Vehicle and Personal Property Records*

[EPA Records Retention Schedule 1009](#) is inclusive of personal property records requirements that covers records related to the acquisition and management of motor vehicles, equipment and other personal property, including selection, lease, purchase or ownership agreements, maintenance agreements, licensing and other requirements.

3.10.3.2 *Non-Records Requirements*

[EPA Records Schedule 008](#) requires management of agency-owned informational materials (e.g., manuals, pamphlets, notes) that do not meet the statutory definition of records in 44 U.S.C. Section 3301 or that have been excluded from coverage by that definition.

3.11 TRAINING

Training and professional development are key elements in supporting a successful asset management program. EPA encourages program/regional office senior leadership to promote training and development amongst their personal property professionals, including employees that perform property functions as a collateral duty.

3.11.1 Mandatory Training

It is EPA policy for PMOs to ensure adequate personal property training is administered to all staff commensurate with their property management roles and responsibilities. Training shall include law, regulation, EPA policy, and program/regional office specific procedures. Mandatory property management training courses include:

- - Supervisors Training.
- - Custodial Officer Training.
- - Employee Training.

The APMO may establish mandatory personal property training certifications as appropriate.

3.11.2 Professional Development

The goals of an effective professional development program are to maintain a knowledgeable property management workforce, to retain that workforce and instill professional esteem in all members of the agency's personal property management team.

The APMO shall promote relevant training opportunities for agencywide participation. Program/regional offices are encouraged to take advantage of internal EPA offerings, as well as integrate external Property Management training and certifications into their property activities.

3.12 CHANGE MANAGEMENT

3.12.1 Organizational Change Management

EPA organizations change or restructure to meet operational or administrative requirements when necessary. Whenever an organization change or restructure is anticipated, senior leadership must involve their PMO and the APMO upfront to ensure that all Property Management functions and records are addressed.

3.12.2 Personnel Change Management

When EPA personnel change organizations to support new operational or administrative requirements, supervisors must involve their PMO upfront to ensure that all personal property is either transferred or turned in, and records are managed and posted accordingly.

CHAPTER 4. ACQUISITION

4.1 PURPOSE AND SCOPE

Acquisition is the first phase of the property lifecycle, and generally refers to personal property acquired through purchase, lease or transfer (from another program/regional office or federal agency). This chapter provides general information on the acquisition process and the role various property officials play in that process. The procedures described in this chapter are not intended to supersede existing EPA acquisition procedures. Rather, they are meant to supplement the EPA Acquisition Regulation (EPAAR) Part 1545 and Federal Acquisition Regulation (FAR) Parts 45 and 52, with specific information concerning the acquisition of accountable personal property as it relates to personal property management. See Section 3.6.1, “Annual Self-Assessment Report,” for information regarding the criteria for accountable property.

4.2 GENERAL

EPA’s Office of Acquisition Management (OAM) performs the procurement process for the agency. When approved by authorized personnel, a procurement request (PR) is initiated by the program/regional office and sent to the OAM for processing. In addition, some employees are also authorized to use government purchase cards (PCard) for micro-purchases valued at or below \$3,500. EPA Property Management Officers (PMOs), Property Custodial Officers (PCOs) and Property Accountable Officers (PAOs) have a direct role in the acquisition process by validating receipt and establishing accountability of EPA-owned property. All purchases of accountable property shall be flagged in the acquisition system(s) to identify that it is being purchased. The flagging of accountable property purchased by the OAM or authorized PCard holders will enable PAOs to monitor its receipt and ensure it is recorded in the Agency Asset Management System (AAMS) after it has been received.

4.3 PROPERTY MANAGEMENT’S ROLE IN ACQUISITION

The role of property management personnel begins during the acquisition process, *not* when the property has been received at the EPA. PMOs shall ensure that their policies and procedures *provide* clear guidance and oversight on the acquisition of new personal property and that property is acquired in the most economical and efficient manner.

EPA policy requires its program/regional offices, to the maximum extent practicable, to fill requirements for personal property by using existing agency property or by obtaining excess property from program/regional offices or other federal agencies in lieu of new procurements. [41 CFR §102-36.65](#) requires federal agencies to use available excess property as the first source of supply in fulfilling a personal property need, unless it would cause serious hardship, be impractical or impair agency operations in fulfilling its mission.

Program/regional offices shall ensure there is proper communication and coordination between purchasing and property management officials to determine if a current need can be met by using idle, inactive or existing property available within EPA or other federal agencies. If internal property is available, an internal transfer shall be initiated. If the need cannot be filled internally, procedures and controls shall be in place to perform

a search through the General Services Administration's (GSA's) inventory of excess property system (GSAXcess®) to see if another agency has excess property available that will meet the organization's need.

Additionally, EPA purchasing and property management officials shall ensure personal property is acquired in accordance with the FAR, EPAAR, and the EPA Acquisition Guide (EPAAG).

4.3.1 Acquisition Planning

PMOs shall participate in acquisition planning, including reviewing of high-level plans for personal property acquisition. The planning process identifies the gap between existing personal property and the property required to deliver programs/services. The process also identifies property requiring replacement, refurbishment, or upgrading to meet program delivery and mission needs.

4.3.2 Evaluating the Need for Property

PMOs shall plan, organize, direct, promote, control, and manage activities associated with identifying the need to acquire personal property assets. PMOs shall establish evaluation criteria and guidance on the acquisition of assets to ensure that all requirements (e.g., environmental, economical, energy) are weighed before acquisition decisions are made.

Program/regional offices shall have a process that ensures that personal property acquisitions:

- Have sound justification.
- Are made only as required.
- Are intended for official use only.
- Are drawn from all available programs and resources to ensure the best acquisition method.
- Have appropriate funding.
- Have the ability to provide notification to appropriate property officials of impending acquisition.

PMOs shall establish validation procedures for the approval of new or replacement assets. This will ensure the property meets the needs of the EPA and that unnecessary acquisitions do not occur.

4.3.3 Sustainable Acquisition

Sustainable acquisition is the first step in an overall sustainable personal property asset management program. As previously mentioned, the EPA is required to maximize the use of existing personal property inventory before making a new purchase. However, the use of excess property to fill a need is not the only requirement for sustainability. Ensuring that the acquisition, whether one of repurposing or a new purchase, meets environmental performance requirements is also a part of the process.

4.4 ACQUIRING PROPERTY

The most beneficial method of acquisition will most likely be determined during the planning and evaluation phases. However, it is incumbent upon those involved in the acquisition process to notify the PMO if, at any time during the acquisition, it appears that an alternate method may prove to be a better option.

4.4.1 Acquiring Federal Electronic Assets (FEA)

Electronics can be defined as any item powered by electricity that has logic circuitry enabling the item to perform its intended function. The acquisition of FEA must follow the requirements of Executive Order (EO) 13693 that sets goals to improve environmental performance and federal sustainability. To meet the requirements, EPA must:

- Acquire ENERGY STAR® certified electronic products;
- Acquire Federal Energy Management Program-designated electronic products; and
- Acquire toner cartridges that are remanufactured, contain recycled content, or are bio-based.

The EPA must also procure electronic products that are environmentally sustainable including those electronic products typically used in office spaces and data centers. Agencies shall acquire electronic products that meet or exceed specifications, standards, or label recommendations. The EPEAT® product registry, or other methods, may be used to identify products that have been verified as having met environmental performance criteria developed or adopted by voluntary consensus standards. Any criteria or consensus standards should be consistent with Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104-113) and Office of Management and Budget (OMB) Circular A-119, “Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities.”

Generally, PMOs are charged with meeting EO requirements. However, Contracting Officers (CO) do not monitor personal property assets that are transferred, reutilized, repurposed and otherwise acquired through other than new purchase methods. With this in mind, Property Officers are responsible for ensuring that acquisitions of personal property from other than direct purchase through the assistance of a CO shall meet the EO requirements and support sustainability goals and efforts.

4.4.2 Property Utilization Officer (PUO)

PMOs shall designate a PUO, in writing, to fulfill the role and responsibility identified in Section 2.6.5, “EPA Property Utilization Officer,” in managing excess personal property.

4.4.3 GSAXcess

It is the goal of the agency to maximize reutilization of personal property throughout the agency. Each PUO shall verify if existing assets exist to fill a need prior to a new acquisition. In accordance with [41 CFR §102-36](#), the EPA may acquire property through transfer from other program offices or federal agencies. Whenever possible, acquiring excess property should be considered the preferred method as it allows the government to obtain the best return on investment. All other sustainability provisions apply.

If suitable excess property is not available within the EPA, PUOs shall initiate a search for excess assets available from other federal agencies by searching GSAXcess <https://gsaxcess.gov/>.

GSAXcess is the GSA's electronic information system that can be accessed by customers 24 hours a day. It offers an online inquiry capability into the GSA's nationwide inventory of excess/surplus property by national stock number (NSN) or Federal Supply Class (FSC) to determine availability of specific items of property.

Generally, the following will occur for acquisition of assets by transfer:

- - When an excess asset is found that fulfills a need, the receiving office must gain approval for the transaction through the National Utilization Officer (NUO).
- - After approval of the transfer by the NUO, a signed [GSA Standard Form-122](#), "Transfer Order Excess Personal Property," shall be submitted, following all instructions on the form.
- - The receiving personnel must contact the transferring personnel to coordinate the transfer of the asset's records as well as the asset itself.
- - The transferring personnel must ensure the asset is accepted by the receiving personnel after one week but not later than 14 days.
- - Direct costs incurred incident to transfer shall be borne by the recipient if billed by the holding agency. Overhead or administrative costs or charges shall not be included.

4.4.4 Exchange/Sale Property

During the acquisition planning process, new acquisitions that are planned to replace existing assets shall be identified. Existing assets that, due to obsolescence, cost of repair or other valid reason, shall be traded in, exchanged or sold and the proceeds shall be used to offset the cost of the new acquisition. PCOs must be cautious in declaring assets as excess to ensure that replacement assets have not been planned or have already been purchased in order to take full advantage of the Exchange/Sale authority.

Some assets are, by regulation, prohibited in the use of exchange/sale; however, the GSA offers a waiver process for many of the "prohibited" assets. If Property Officers are unsure if the exchange/sale authority applies to their particular situation, they shall seek the guidance from the Agency Property Management Officer (APMO) and/or the GSA prior to dismissing it as an acquisition requirement. [GSA FMR Bulletin B-27](#), "Annual Executive Agency Reports on Excess and Exchange/Sale Personal Property," provides additional information on the exchange/sale of personal property.

Note: [41 CFR §102-39.5](#) identifies that "exchange/sale authority is a statutory provision," (40 U.S.C. §503(a)), which states in part: "In acquiring personal property, an executive agency may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in whole or in part payment for the property acquired."

4.4.5 Acquiring Property through Procurement (Purchase Order)

Generally, the procurement process starts with a PR and ends with the issuance of a purchase order (PO) or similar contracting vehicle. Various approvals are required prior to the issuance of a PO, including the screening of available excess, justification, funds certification, and other validation processes.

Program/regional offices shall ensure that the provisions in the preceding sections regarding property management's participation in the planning process and the EPA's commitment to repurposing and development of a sustainable program, are discussed prior to a decision and commitment to acquire personal property through procurement. Program/regional offices shall develop a process that documents that the appropriate evaluation criteria have been met prior to the procurement of new assets.

Program/regional office personnel initiating PRs shall meet the following requirements for the purchase of all accountable personal property through an EPA PO:

- - Coordinate accountable personal property purchases with the appropriate property officials (PAO and PCO) prior to submitting the PR.
- - Provide documentation supporting each equipment purchase to the appropriate property officials (PAO and PCO) at the time the order is placed to ensure proper accountability. PCOs shall maintain all necessary acquisition and receiving documentation and upload it as an attachment to the applicable property record(s) in the AAMS. Hard copy documentation shall be maintained in accordance with [EPA Records Retention Schedule 1009](#). See Section 3.10.3, "Record Retention."
- - Provide any special security screening instructions to the vendor regarding deliveries.
- - Provide the proper delivery address on the PR to ensure the assets arrive at the property receiving location for receipt, inspection and identification (tagging).

4.4.6 Working Capital Fund (WCF)

If programs utilize the WCF to acquire new personal property, capital equipment, and/or projects the APMO must be notified. In addition, the Property Officer must account for that property in the AAMS. The Property Officer must ensure that all personal property guidelines are adhered to even if property is purchased through the WCF.

4.4.7 Acquiring Property through Purchase Card

The government-wide commercial PCard is authorized for use in purchasing of personal property below a specified cost threshold. For information on PCard purchase limits, review the EPA Purchase Card Program Manual. All PCard purchases must comply with EPA regulations, policies, and procedures governing PCard use. Additionally, PCard holders shall meet the following requirements for the purchase of all accountable personal property through a PCard:

- - Coordinate accountable personal property purchases with the appropriate property officials (PAO and PCO) prior to placing the order.
- - When accountable property is acquired through a PCard and comes into the Property Management Officer's custodial area, the property record must appear in the AAMS within 5 days of installation or on-site receipt. If accountable property cannot be recorded in the AAMS within the 5day period because of extenuating circumstances, a request for an extension explaining justification must be submitted in writing to the APMO for approval. (See "Justification Form" in Appendix E, "EPA Forms").

- - Provide documentation supporting each equipment purchase to the appropriate property officials (e.g., PAO and PCO) at the time the order is placed to ensure proper accountability. PCOs shall maintain all necessary acquisition and receiving documentation and upload it as an attachment to the applicable property record(s) in the AAMS. Hard copy documentation shall be maintained in accordance with [EPA Records Retention Schedule 1009](#). See Section 3.10.3, “Record Retention.”
- - Provide any special security screening instructions to the vendor regarding deliveries.
- - Provide the proper delivery address to the vendor to ensure the assets arrive at the property receiving location for receipt, inspection, and identification (tagging).

4.4.8 Superfund

If property is purchased using Superfund funds, the acquisition must be accounted for in the AAMS.

4.4.9 Acquiring Property through Interagency Agreement (IA)

Property provided to or acquired by other federal agencies with EPA funds must be authorized and documented in an IA. The IA must specify the title provisions indicating whether the EPA will retain title or title will be transferred to another agency, and must include any relevant disposal instructions and funding. Additional guidance on IAs may be found on the [Office of Grants and Debarment website](#).

4.4.10 Government Furnished Property

At the completion of a contract, all property must be managed according to the federal requirements. See Chapter 8, “Government Furnished Property” for additional information.

4.4.11 Acquiring Property through Fabrication

Program/regional offices that fabricate personal property must provide the identification details, acquisition cost and work authorization document to the PCO upon completion of final acceptance. The PCO shall ensure that all property that is fabricated and designated as accountable personal property shall be recorded in the AAMS including supporting documentation.

Contractors that fabricate government property must be authorized in writing by the CO or in accordance with the terms of the contract prior to the start of any administrative or fabrication process.

4.4.12 Acquiring Property through Seizure or Forfeiture

Certain program/regional offices may retain the right to seize assets. Seized assets are not available for official use by program/regional offices until they have been legally forfeited to the government. Forfeiture takes place through either a criminal or civil forfeiture process. Legally forfeited assets may, upon approved request, be returned to the seizing agency for official government use. Forfeited property may be transferred within EPA when a determination is made that the forfeited item can fulfill an existing agency requirement.

Forfeited property may be retained for official use, unless the agency is required by law to sell. Additional regulatory guidance on retention and transfer of forfeited property may be found in [41 CFR §102-41.50](#) and [41 CFR §102-41.70](#), respectively.

4.4.13 Leasing Property

There are instances when renting or leasing personal property/equipment is more advantageous to the EPA than purchasing. Effective planning considers alternate delivery options, including those that reduce the need for EPA ownership of personal property. Ownership may not always be the optimal solution, and advantages to an alternative method may include:

- - Increased flexibility.
- - Reduction for large capital expenditures.
- - Decreased risk.

Guidelines for evaluating lease agreements for personal property in lieu of purchases are provided in [48 CFR §7.4](#), "Equipment Lease or Purchase." [48 CFR §7.402](#), "Acquisition Methods," identifies Purchase and Lease methods and their considerations in making lease or purchase decisions.

Leased personal property is subject to the same accountability standards as EPA-owned property. The PAO shall check with the CO (or leaseholder) to capture key data on the lease for recording purposes in the AAMS.

4.4.14 Borrowing Property

Government personal property may be borrowed from other federal agencies when the following conditions apply:

- - It is practical and economical.
- - The property is required for short periods of time (typically one year or less; longer periods when justified by program officials).
- - The terms of the borrowing arrangement are included in a written agreement.
- - Controls are established to ensure the prompt return of the property to the lender.

The EPA can borrow personal property through the same process that it uses to loan property. Any loan of personal property to the EPA from a non-federal source must be handled in accordance with the strict ethical government guidelines defined in [5 CFR §2635.101](#).

The following should be included in a memorandum to accompany a personal property loan agreement:

- - Lender's complete name, address and telephone number.
- - Full description of each item to be loaned, including manufacturer's name, serial number and model number.
- - Current market value of the property.
- - Duration of the loan.
- - Party responsible for necessary repairs and maintenance for continued use of the property during the loan period.
- - Confirmation as to which party (the lender or the EPA) is responsible for delivery of the property.

- - Appropriate signature authorizing the release/acceptance of the loaned property.
- - Steward organization and responsible property management office where the personal property is to be located.
- - Program/regional offices shall manage all borrowed property in the AAMS, and the property shall be decaled and recorded as owned by the lending organization. Program/regional offices shall maintain accurate records of all borrowed property in the AAMS, including the supporting documentation (e.g., lease agreement, delivery document, receiving report). When loaned property comes into the Property Management Officer's custodial area, the property record must appear in the AAMS within 5 days of installation or on-site receipt. If accountable property cannot be recorded in the AAMS within the 5-day period because of extenuating circumstances, a request for an extension explaining justification must be submitted in writing to the APMO for approval. (See "Justification Form" in Appendix E, "EPA Forms").

CHAPTER 5. RECEIPT

5.1 PURPOSE AND SCOPE

Receipt is the second phase of the personal property lifecycle and describes the time when newly acquired property is accepted at a centralized receiving point and recorded in the Agency Asset Management System (AAMS). The centralized receiving point serves as the primary control point for receipt and acceptance of property and is where property accountability begins. It is important to remember that accountability does not begin at acquisition, but rather upon receipt. Therefore, the receipt phase is critical to the management of EPA property because this is the point where complete and accurate records are created to establish ownership and accountability of EPA property. This chapter provides an overview of the receipt process and more specifically the roles personal property management personnel perform in establishing effective accountability.

5.2 GENERAL

EPA Property Accountable Officers (PAOs), warehouse personnel and/or property technicians (to include mailroom personnel) perform the receiving process for the agency. They must inspect all property at the receiving point to check for discrepancies and visual and concealed damage. The receipt of all personal property must be validated and documented, regardless if it is acquired from government or commercial sources, via loan, or by transfer from another federal agency. Proper records for all accountable property will be created in AAMS immediately upon receipt of documents evidencing the receipt of such property. The receiving process generally follows the same parameters, but may vary depending on the physical facility, staffing and local venue. Any deviation from the standard receiving process, as established for a specific facility or organization, must be approved in writing by the Agency Property Management Officer (APMO) before implementation.

5.3 RECEIPT OF PROPERTY

As a standard practice, all personal property assets acquired by the EPA shall be received by a designated PAO at a designated centralized receiving point. This will ensure that assets are properly inspected, labeled, recorded and secured. Only under unique circumstances will property be delivered directly (e.g., large outsized and heavy assets requiring special handling, or large volume [over 100] of assets) to a using location and only when coordinated through the Property Management Officer (PMO). All direct deliveries must be coordinated through the PAO so the property can be received properly. Depending on the organizational structure of the program/regional office, receiving may be centralized, decentralized or a combination of both. PAOs and their designated receiving areas shall be appointed in writing by the PMO.

Recommended References:

[ASTM International E2605-13](#), "Standard Practice for Receiving Assets."

[ASTM International E2631-09](#), "Standard Practice for Physical Placement of an Entity-Controlled Supplemental Identification Label."

5.4 RECEIVING ROLES AND RESPONSIBILITIES

The PMO shall ensure that their Personal Property Management Program (PPMP) incorporates receiving procedures that properly document the receipt of all EPA assets regardless of the method of acquisition, source, or location from which the asset was received. Acquisition sources include, but are not limited to, assets acquired from commercial sources, fabrication, donation, recovery, forfeiture or obtained by transfer from another agency.

As a result of the aforementioned variables affecting the receiving process, the PMO shall coordinate with the authorized procurement officials to put in place a process for the PAO to have advance notice of personal property that is en route to an agency site. PMOs shall also ensure procurement officials provide the proper shipping address and instructions during the acquisition process to ensure that the property reaches the designated receiving area.

The PAO for accountable personal property shall not be the authorized procurement official for the property. If this separation of duties requirement causes undue hardship, such as in a small office, the PMO shall fully document the exception in writing and place additional controls in place to ensure proper acquisition and receiving and submit to the APMO for approval before implementation.

5.5 STANDARD RECEIVING

Standard receiving procedures shall address, at a minimum, the following elements:

- - **Verifying:** The correct items and quantities were delivered based on the associated purchase order (PO) and shipping documents.
- - **Inspecting:** The determination that items were received undamaged.
- - **Accepting:** The acknowledgement and verification of inspected items are correct and if an incorrect item or quantity was shipped, or arrives damaged, it is returned.
- - **Decaling:** The labeling and placement of an appropriate EPA property decal on accountable personal property received.
- - **Recording:** The accurate recording of decaled personal property in the AAMS.
- - **Documenting:** Maintaining documentation that evidences receipt, title, stewardship, delivery and other activities.

In general, mobile assets (e.g., leased aircraft, motor vehicles, boats), and sensitive assets (e.g., firearms, law enforcement equipment) shall be received according to the same requirements as described for standard receiving.

5.6 TITLE, ACCOUNTABILITY AND STEWARDSHIP

The receiving process shall document title (e.g., agency ownership) and accountability when establishing the official asset record and recording the information in the AAMS. Understanding the difference between

holding title to and being accountable for an asset is very important when determining responsibility for an asset.

Generally, title to government personal property is held by the agency and its funding organization (e.g., title holder), and title passes to the U.S. government upon receipt. The title holder maintains formal accountability for the property until it is officially transferred and accepted by another entity. When the title holder assigns the accountable property to a program/regional office for use, usually title is not transferred. However, the designated PAO or Property Custodial Officer (PCO) for the asset becomes accountable for the asset. The organization holding accountability is responsible for maintaining the official asset record and accurate information in the AAMS, inventory verification and activities throughout the property lifecycle.

The PAO or the PCO may issue the property to an authorized user for use, whereby the authorized user has physical custody and possession and becomes the steward of the property. However, the PAO or the PCO remains accountable for the asset.

Transfer of title (e.g., ownership) and accountability may be handled differently depending on the type of property asset, its location, organizational entity and structure, and other factors. However, it is important that the AAMS clearly distinguish between the two because it determines which organization has ownership and is accountable for the property and what authority each organization has over the property.

[41 CFR §102-36.165](#) allows the title of excess personal property furnished to a non-appropriated fund activity to remain with the federal government. Agencies that acquire excess personal property for a non-appropriated fund activity are required to establish controls over the use of this property in accordance with [41 CFR §102-36.45\(d\)](#). When this property is no longer required by the non-appropriated fund activity, the property must be reused or disposed of in accordance with [41 CFR §102-36](#).

5.7 INSPECTION

All materials, equipment and supplies received must be inspected. The inspection must be made in accordance with the terms of the contract, purchase order (PO), or other procurement documentation. The PAO inspects the property upon arrival for damage and compares the shipment against the procurement documentation and the documentation that came with the property. Discrepancies shall be brought to the attention of the Contracting Officer (CO) or the Contracting Officer's Representative (COR).

5.7.1 Technical Inspection

Program/regional offices shall include resources for technical inspection and verification of property that has unique, complicated, or mechanical components. If the asset is technical in nature, a qualified person with the necessary expertise must inspect the asset. For example, laptops and information technology (IT) equipment must be inspected by IT personnel. Examples of other equipment that require a technical inspection are radiological measuring equipment, test equipment that requires calibration, x-ray equipment and electronic radio frequency devices.

5.7.2 Inspection Determinations

During inspection, the PAO may discover the shipment to be incomplete, items being shipped separately, damage to the outer package, visual or concealed damage to the property, wrong items shipped, or other shipment irregularity. In all cases, the PAO shall resolve the situation in the best interests of the government, which may require coordination with the cognizant CO or procurement official.

5.7.3 Inspection Discrepancies

Personnel receiving property on behalf of the agency should inspect and note the following:

- - A delivery with broken or tampered seals on the carrier's trailer or sea-land container.
- - A delivery containing either additional or missing items.
- - A delivery with abnormal, damaged or leaking packaging.
- - A delivery with a significant difference in container weight from carrier delivery manifest and actual receipt.
- - The presence of unauthorized personnel in the receiving area.
- - Delivery drivers not possessing valid identification or property documentation (e.g., bill of lading, packing slip, invoice, delivery document).

5.8 RECEIVING DOCUMENTATION

The PAO shall maintain complete and accurate receiving documentation for all items received, to include any technical inspections performed and records documenting the resolution of any discrepancies. Receiving documentation related to personal property (e.g., supplier's shipping document, invoice, receiving report) shall be provided to the PCO responsible for maintaining the official asset record.

5.9 PROPERTY IDENTIFICATION AND DECALING

EPA accountable personal property shall be decaled to identify it as government property. The identification shall be such that serialized property decals are recorded in the AAMS, and shall be readable through electronic means, such as barcode and/or radio frequency identification (RFID).

Identification must be affixed to the asset during the receiving process at the point of establishing initial accountability. For the ease of conducting inventory verification, identification shall be placed consistently amongst assets on the front face in the upper left corner, as practical, in an area that makes it easily identifiable and/or readable by electronic means. Program/regional offices shall provide specific procedures for identification and tagging of assets that may require additional identification by law or regulation, such as aircraft, motor vehicles, boats and service animals.

Exceptions to identification shall be noted in the AAMS. When practical, assets with exceptions shall be assigned an identification decal; however, in lieu of physically affixing it to the asset, it shall be maintained in supporting documentation. General exceptions include the following:

- - An apparatus of extremely delicate structure, which cannot be marked without damage to the property.
- - Museum collections or EPA heritage assets when such identification tags have the potential to damage or devalue the asset.
- - Property used for undercover operations.
- - Capitalized internal use software.

All EPA identification decals, tags and markings shall be removed prior to transfer or disposal of any asset outside of the EPA. If removal is impractical, additional permanent markings are added to indicate such disposal. If a decal becomes unreadable, it shall be removed and a new identification decal affixed. Previously used numbers shall not be reassigned to another accountable asset. Any changes in identification shall be properly noted and cross-referenced in the AAMS.

The EPA supports the pre-labeling of accountable property at the manufacturer when such pre-labeling is cost effective and properly controlled. Program/regional offices engaging in such a practice shall ensure precautions appropriate for the activity and the assets are taken.

Recommended Reference:

[ASTM International E2631-09](#), "Standard Practice for Physical Placement of an Entity-Controlled Supplemental Identification Label."

5.10 RECORDS

The PAO shall ensure that all accountable property acquired by the agency is recorded in the AAMS within 5 business days of receipt. If accountable property cannot be recorded in the AAMS within the 5-day period because of extenuating circumstances, a request for an extension explaining justification must be submitted in writing to the APMO for approval. (See "Justification Form" in Appendix E, "EPA Forms"). The property record shall include the unit acquisition cost, which may include additional costs required to bring the asset into use. These additional costs include, but are not limited to, payments to vendors for freight, handling, storage, design, construction and installation. Property acquired via intergovernmental transfer, forfeiture and gifts or by methods other than new purchases shall be recorded at the net book value (NBV). The fair market value (FMV) may be substituted when NBV cannot be determined. See Section 3.10, "Records Management."

5.10.1 Property Record Data Elements

Receiving Officers shall establish property records in the AAMS in accordance with the standard property record data elements in Appendix D, "EPA Personal Property Data Elements." This appendix identifies the minimum property record data elements, as revised, to establish an official property record in the AAMS.

All Property Officers shall use standardized data elements as determined by the APMO and as incorporated in the AAMS. Property Officers with specific data element requests shall contact the APMO for review and designation as an official EPA property record data element in the AAMS.

Additional data elements may be required by asset type, such as for leased aircraft, motor vehicles, boats and firearms. Additional data element requirements shall be segregated by asset type and listed in Appendix D, "EPA Personal Property Data Elements" as necessary.

5.10.2 Property Record Supporting Documentation

The official property records in the AAMS must have supporting documentation to substantiate the unit acquisition cost of each asset recorded. The following types of documents are authorized for upload into the AAMS as an attachment:

- - Vendor Invoice.
- - Purchase Order/Purchase Card (PCard) Order.
- - Adjustment Voucher.
- - Shipping Document.
- - Transfer Document.
- - Loan Document.
- - Disposal Document, including:
 - [GSA Standard Form-120](#), "Report of Excess Personal Property."
- - Destruction Certification Document.
- - Report of Survey (ROS) and supporting documents include, but are not limited to:
 - Property Listing(s).
 - Police Reports.
 - Investigation Reports.
 - Affidavits.
 - Memoranda for Record.
 - Digital Photographs (compressed).

Caution and selective judgment must be exercised when uploading documents into the AAMS to ensure files are compressed to conserve disk storage space within the system.

5.11 ASSETS REQUIRING ENCRYPTION

The PAO shall ensure proper coordination is in place with the Office of Environmental Information (OEI) for laptops and other IT devices requiring encryption. The PAO and the OEI shall ensure that proper encryption occurs before the asset is distributed to the PCO's program/region. If the organizational structure does not permit encryption before delivery, the PAO shall ensure adequate safeguards are in place to prevent

distribution of unencrypted IT assets. Additionally, procedures shall be in place to re-image IT assets when there is a change in authorized user. The following information shall be provided the PCO upon delivery of the encrypted IT asset:

- Encryption Date.
- Encryption Location.
- Name of the person certifying encryption.
- Encryption Status (e.g., “Encrypted,” “Pending,” “Not Required,” or “Waived”).
- Encryption Level.

The PCO shall be responsible for ensuring that the AAMS is updated with the above encryption information. IT assets requiring encryption shall not be transferred to the program/region without a documented receipt. On the occasion that the encryption status of an IT device is not known, it shall not be issued to an authorized user until the proper encryption and documentation can be verified.

5.12 SECURITY AND STORAGE

Accountable property that has been formally received must be safeguarded at the site of receiving until assigned or transferred to a program/region. Accountable property may only be transferred from the receiving location to a program/region if that area has the proper security and storage available to safeguard the assets.

EPA personal property shall be safeguarded against loss, theft, damage, or destruction (LTDD). The PMO shall ensure the level of security and the method of storing property is commensurate with the sensitivity, classification and value of the asset. Storage areas shall be kept in order, without hazards to property or personnel. Access to storage areas shall be controlled to the least number of authorized personnel as practical. Classified storage areas shall be controlled to the least number of authorized personnel with the required security clearance and need to know.

Recommended Reference:

[ASTM International E2715-09](#), “Standard Practice for Moveable Property Storage.”

5.13 DELIVERY OF PROPERTY AFTER RECEIPT

All personal property assets acquired by the EPA shall be delivered to and received by an appointed PAO at a designated receiving location. The Property Utilization Officer (PUO) shall coordinate all deliveries with the PAO to ensure that the PAO is available prior to attempting delivery of EPA assets. The PAO may, when operationally necessary, make delivery to an alternate authorized individual or site. However, any deviation must be formally documented and authorized by the PUO.

Once accountable property is received by the PAO and delivery of assets are made to a program/region, it must be clearly documented to the PCO what responsibilities are being transferred. Is title being transferred? Is accountability being transferred? Who holds stewardship? The transaction executed will depend on the

responses to the preceding questions. Normally, title is not transferred for accountable property that is received and delivered to the PCO for internal organizational use, only accountability is transferred. Stewardship will be held by the designated authorized user.

CHAPTER 6. UTILIZATION

6.1 GENERAL

Utilization of EPA personal property, as authorized, shall be documented throughout the property management lifecycle. The property record shall be updated in the Agency Asset Management System (AAMS) when there is any change in authorized user, movement or transfer of property from one program/region to another, when property is loaned or borrowed, sold, or any other activity that changes title, accountability or stewardship.

Program/regional offices should work with their Property Management Officer (PMO) to establish procedures that ensure accountable property is utilized, maintained, accounted for, tracked and disposed of according to all laws, regulations and EPA policy. EPA personnel and contractors shall exercise personal initiative and sound business judgment to ensure that EPA property is utilized in a manner that is in the best interest of a program/regional office, the agency and the U.S. government.

6.2 ROLES AND RESPONSIBILITIES

Each EPA employee and contractor shall be responsible for utilizing EPA assets for the purpose for which they were acquired. EPA property shall only be used in the performance of official duties for the U.S. government. Any perceived or known inappropriate use of EPA assets shall be immediately reported to the Property Accountable Officer (PAO). Program/regional offices shall ensure that appropriate policies and procedures are in place to address any misuse of EPA personal property assets.

Information technology (IT) offices shall maintain accountability for capitalized internal use software, and are responsible for all authorized software use and other IT activities, including but not limited to, encryption, reformatting, sanitization and disposal.

6.3 AUTHORIZED USE

[5 CFR §2635.704](#) requires employees to protect and conserve government property and use, or allow its use, for authorized purposes. Government property includes any form of real or personal property in which the government has an ownership, leasehold or other property interest, as well as any right or other intangible interest that is purchased with government funds, including the services of contractor personnel. Government property includes office supplies, telephone and other telecommunications equipment and services, government mail services, automated data processing capabilities, printing and reproduction facilities, government records, and government vehicles.

An authorized user for accountable personal property is the responsible party and custody receipt holder of a particular asset that has been issued by an EPA property official for the holder's business use. However, there are shared assets (e.g., office copy and facsimile machines, printers, office supplies) that an employee may be authorized to use. Generally, supervisors verbally give authorization to use shared assets and no formal documentation is generated.

6.4 MOVEMENT AND ACCOUNTABILITY

The movement and accountability of personal property shall be documented on EPA, General Services Administration (GSA), or comparable and approved forms appropriate for the transaction being conducted. The forms shall be signed by an authorized EPA property official. Any transaction that effects a change to the status of accountable property shall be accounted for through documentation and the official asset record shall be updated in the AAMS.

EPA-approved procedures for the acceptance of electronic signatures on documents may be applied to asset documentation as long as applying an electronic signature does not conflict with the transaction being documented, such as in the case of a physical inventory. Only a property official, as designated in writing, has the authority to approve the movement of an asset.

6.4.1 Recording Property

EPA Form 1740-10, "Property Action Request and Memorandum Receipt," shall be used in recording movement or transfer of accountability of EPA assets within and between program/regional offices. When generating a property form to record an event, such as a hand receipt or transfer order, the original signed document shall be uploaded to the property record in the AAMS as an attachment. When uploaded, this document becomes supporting documentation to the official property record. Original documents shall be retained in accordance with EPA Records Management schedules. If accountable property cannot be recorded in the AAMS within the 5-day period because of extenuating circumstances, a request for an extension explaining justification must be submitted in writing to the Agency Property Management Officer (APMO) for approval. (See "Justification Form" in Appendix E, "EPA Forms.")

6.4.2 Issuing Property

Issuing refers to the action of assigning stewardship of specific property to an authorized user to be used in the performance of their duties. EPA Form 1740-22, "Personal Property Custody Card," shall be used to document this transaction. The original shall be uploaded as an attachment to the official property record in the AAMS and a copy shall be given to the authorized user.

The official asset record and the asset management system shall be updated immediately upon any issuance transaction. When issuing accountable property and updating the AAMS, the update shall include, at a minimum, the following data elements listed in Table 6-1.

Table 6-1. AAMS Minimum Record Data Element Update: Issuing Accountable Property

Minimum Issuing Data Elements	Description/Example
Steward code	(Drop down list)
Custodial Property Officer	(Self-explanatory)
Authorized user	(Self-explanatory)
Responsibility begin date	Date asset issued
Asset location site	City, state
Asset location address	Street address
Asset location specific	Room, cubicle number
Physical inventory date	(Self-explanatory)

Additional elements may be required when electronically uploading data to the system of record to adequately match the data elements to a specific asset.

6.4.3 Property Transfers

Transfers of accountable property within the EPA always transfers property accountability, but not necessarily title. Internal transfers may transfer title when the accountable organization relinquishes title and all rights to the property. External transfers outside of the agency will always transfer title to the receiving entity.

The documentation required depends on the type of transfer taking place. However, the original document shall be uploaded as an attachment to the official property record in the AAMS and a copy shall be included with the property to the recipient. When transferring property within the EPA, the AAMS shall be updated to include, at a minimum, the same data elements as listed in Section 6.4.2, "Issuing Property." When transferring property external to the EPA, title is transferred and the property record shall be updated in the AAMS through a final event transaction. The final event transaction removes the asset from an active status in the accountable property records and places it into a retired status.

6.4.3.1 Transfers Within the EPA

An internal transfer is any movement of an asset between the program/regional offices. Internal transfers shall be executed using a required form and uploaded to the official property record in the AAMS. The following conditions apply to internal EPA transfers:

- The receiving party becomes accountable for the transferred property.
- Accountability, but not title, for the property shall transfer when the transaction is between program/regional offices.
- Transfers shall be without reimbursement except in the case of transfers of Superfund Trust Fund property (see below).

For internal transfers, the official asset record shall be updated in the AAMS within 3 business days.

Transfers of Superfund Trust Fund property (hereafter referred to as Superfund property) within the agency require a transfer of funds. For Superfund property that is transferred for use on a project outside of the Superfund project, the receiving program/region must reimburse the Superfund Trust Fund with funds equivalent to the fair market value of the property per 40 USC 574 *et seq.*

6.4.3.2 External EPA Transfers to a Federal Recipient

An external transfer is any physical transfer and movement of an asset outside of the EPA and shall be executed using [GSA Standard Form-122](#), "Transfer Order Excess Personal Property," and any other forms required pertaining to the transfer.

The following conditions apply to external transfers:

- The receiving agency becomes accountable for the transferred property.
- Title to the property shall transfer to the receiving agency.
- Transfers with reimbursement shall be considered, if prudent to do so.
- Any direct costs incurred for a transfer shall be the responsibility of the receiving agency.

For external transfers to a federal recipient, the official asset record shall be updated in the AAMS within 5 business days of the Notice of Allocation from the GSA.

6.4.3.3 External EPA Transfers to a Non-Federal Recipient

External transfers to non-federal recipients are executed on [GSA Standard Form-123](#), "Transfer Order Surplus Personal Property." All transfer transactions are facilitated through the disposal process by the GSA, unless a deviation has been granted. Additionally, program/regional offices wishing to donate property that they plan to otherwise abandon or destroy, in accordance with [41 CFR §102-37.570](#), shall document the transfer on a [GSA Standard Form-123](#), "Transfer Order Surplus Personal Property." However, copies are retained for internal record purposes and are not provided to GSA.

The following conditions apply to external transfers:

- The recipient becomes accountable for the transferred property.
- Title to the property shall transfer to the recipient.
- The property is transferred in "as-is" condition.
- Any direct costs incurred for a transfer shall be the responsibility of the recipient.

For external transfers to a non-federal recipient, the official asset record shall be updated in the AAMS within 5 business days of the Notice of Allocation from the GSA.

6.4.4 Custody Receipts

A custody receipt is a signed or otherwise formally acknowledged document in paper or electronic format that documents the transfer of stewardship for items from a property official to an authorized user. This document is sometimes referred to as a "hand receipt."

Each authorized user shall have a copy of the executed custody receipt for the assets they have been issued on an EPA Form 1740-22, "Personal Property Custody Card."

The custody card shall be maintained as their record of authorization to use the assets and uploaded to the property record in the AAMS by the issuing Property Custodial Officer (PCO). The PCO for each program/region shall maintain the custody receipts for their authorized users in an organized fashion to support audit inquiries, annual physical inventories and other asset verifications.

A contractor can be a custody receipt holder when government property is incidental to the place of performance, when the contract requires contractor personnel to be located on a government site or installation, and when the property used by the contractor within the site or installation remains accountable to the government. Property considered to be incidental to the place of performance includes, but is not limited to, office space, desks, chairs, desk telephones, computers, printers and facsimile machines.

Government furnished property (GFP) is governed by the terms and conditions of the contract and the government property clause, [Federal Acquisition Regulation \(FAR\) 52.245-1](#), where government property is furnished to or acquired by contractors under the provisions of a contract. Contractors are responsible for contract GFP throughout the property management lifecycle, from its initial acquisition and receipt, through stewardship, custody, use and disposition until formally relieved of the responsibility in writing by the Contracting Officer (CO) or Contract Property Coordinator. See Chapter 8, "Government Furnished Property." Upon issuance of a custody receipt, the official property record shall be updated immediately in the AAMS.

6.4.5 Property Passes

A property pass is the authorization document that allows an authorized user to remove EPA property from an EPA facility and satellite offices. EPA Form 1700-9, "Property Pass," serves as this authorization document. EPA property passes may only be issued by authorized property officials.

EPA policy is to utilize property passes when it is operationally necessary to place additional controls on moveable assets. When used, EPA property passes shall be retained in accordance with records management guidelines.

Upon issuance of a property pass, the official property record in the AAMS does not need to be updated, unless the property is issued to a different authorized user than on record.

6.4.6 Home Use

EPA employees that participate in an EPA-approved reasonable accommodation or long-term telework program may be authorized to use EPA property in their home of record. Home use property, unlike typical telework property (i.e., laptop computers), is not intended to be transported back and forth between work locations and is intended to remain for home use until the authorization expires or is rescinded. Home use equipment may include property such as a computer, printer, facsimile machine or shredder.

Property Officers must ensure that the authorized user returns all EPA property authorized for home use to EPA when the property is no longer required for use or authorization is rescinded. Refer to Section 2.6.13,

“Employee Separation,” for additional information. EPA Form 1740-22, “Personal Property Custody Card,” shall be used to document EPA property for home use.

6.5 UTILIZATION INSPECTIONS

6.5.1 Identification of Idle Equipment

In conjunction with the annual inventory, management teams should, at a minimum, identify idle and excess personal property and declare it as such. Property that is declared excess will be screened internally for reutilization. Excess property shall be made available to other organizations within EPA and, if no internal need exists, it shall be made available to other federal agencies in accordance with [41 CFR Part 102-36](#). Idle property does *not* include property that has been placed on hold for legal reasons.

The EPA Administrator or designee shall ensure that personnel responsible for performing utilization inspection tours of federal laboratories comply with the requirements of [41 CFR §101-25.109-1](#). This includes incorporating and using walk-through procedures to determine effectiveness and to make modifications whenever needed.

After each inspection, a report of findings must be submitted to the program office Assistant Administrator, or in the case of EPA laboratories, findings must be submitted to the National or Regional Lab Director for review and approval.

Requirements:

[41 CFR §101-25.109](#), “Laboratory Research Equipment.”

[41 CFR §101-25.109-1](#), “Identification of Idle Equipment.”

6.5.2 Equipment Pools

Equipment pools established shall share or allocate laboratory and research equipment on a temporary basis to individuals performing laboratory research and activities where the average use does not warrant the issuance of the equipment on a permanent basis. If federal laboratories do not meet the minimum size and staffing criteria, equipment pools should be established whenever feasible.

The EPA Administrator or designee shall ensure that personnel responsible for performing utilization inspection tours of federal laboratories comply with the requirements of [41 CFR §101-25.109-2](#). This includes performing periodic independent reviews of equipment pool operations and equipment utilization to determine effectiveness and to make modifications whenever needed.

6.6 PROPERTY LOANS

While the Federal Management Regulation (FMR) does not regulate the loaning of government property, the GSA-facilitated *Interagency Committee on Property Management Loan Policy Guide* provides recommended guidelines that have been used to establish EPA guidance for loaning its personal property. The EPA can loan personal property for official purposes between program/regional offices or externally to federal

agencies, state or local governments, nonprofit organizations, or organizations that have a valid federal treaty or international agreement. Loans should only be made to contractors in accordance with FAR Part 45, under emergency or special circumstances, and under the authority of an EPA CO.

6.6.1 Loan Guidelines

Loans of EPA personal property to organizations external to the EPA shall be reviewed and approved by the PMO before any property is loaned. Loans to other program/regional offices shall be approved by management and coordinated through the PAO. Internal loans may support, among other things, other program/regional offices, emergency or contingency requirements, as well as approved federal employees serving on a detail. It is management's determination within the program/region whether the property is loaned or officially transferred.

If the loan is to a non-federal agency, the PMO must review the borrower's Personal Property Management Program (PPMP) to ensure that adequate coverage is in place to maintain and effectively track the location and condition of the property provided under the agreement. Prior to approving a loan, several considerations must be evaluated, including:

- - Nature of the property being loaned.
- - Purpose of the loan.
- - Borrower's ability to repair or replace the property in the event of a loss, theft, damage and destruction (LTDD) incident (except for normal wear and tear) during the loan period.
- - Borrower's ability to reimburse the EPA in the event of an LTDD incident.
- - Borrower's daily ability to manage and control the loaned property.
- - Borrower's inventory control procedures.
- - Potential risk to the EPA.
- - Loans of hazardous material, potentially hazardous material, classified property and the proliferation of sensitive or export-controlled property requires coordination with the Security Management Division, Safety and Sustainability Division within the EPA's Office of Administration, or other federal agencies, as applicable.

The title to all EPA loaned personal property remains with the EPA. The AAMS must be updated to reflect the property's location, including an uploaded copy of loan documentation as an attachment to each property record and the property must be included in all EPA annual physical inventories. Before the property is released, internal coordination through the accountable organization's PAO is required, and the PAO must confirm that the property is properly affixed with an EPA property decal. When loaning property, each official property record in the AAMS shall be updated within 5 business days.

All loans of EPA property to non-federal entities must be recorded and reported in accordance with [41 CFR §102-36.295](#). This is an annual report to the GSA that identifies all government property furnished to non-federal recipients.

6.6.2 **Loaning EPA Property**

All loans of EPA personal property must be properly authorized and documented. EPA PMOs must approve the loan of all EPA personal property, except loans to other program/regional offices, which may be approved by the PAO. Documentation requirements depend upon the terms of the loan and the recipient of the EPA property.

EPA personal property that is temporarily not being used may be loaned, at the direction of the PMO, for official or otherwise authorized purposes. Loans may be authorized in the following circumstances:

- - For use in performing research, studies and other efforts that result in benefits to both the government and the borrower and provided that the agency's mission is not affected.
- - To another program/regional office, contractor, government agency or organization that has a valid federal contract, grant, treaty, or international or collateral agreement. Other documentation substantiating that the loaned property is used only for official purposes qualifies. Loans are only made to contractors in accordance with FAR Part 45, under emergency or special circumstances and only under the authority of the CO. Loans to non-federal organizations having grants shall be documented in accordance with the terms of that grant.
- - To local agencies in support of military operations or health, safety or security requirements upon appropriate EPA notification of emergency conditions.

EPA Form 1740-10, "Property Action Request and Memorandum Receipt" must be used for all internal loans within program/regional offices and all external loans to other federal agencies. See Section 6.6.2.2, "Recording of Loans."

Recommended Reference:

[Interagency Committee for Property Management Loan Policy Guide](#)

6.6.2.1 *Duration of Loans*

The duration of loans will vary depending on the evaluation and determination of need. The PMO shall be the authorizing official for determining the duration of loan. In the case of loans to contractors or Grantees, the PMO shall coordinate the determination with the CO or the Grant Administrator, as applicable.

6.6.2.2 *Recording of Loans*

All loans of EPA personal property must be properly documented to ensure accountability. A Revocable License Agreement (RLA; see Appendix C, "Definitions") is used as the official document to record loans of EPA personal property. Along with the RLA, a more detailed written certification, a "Personal Property Loan Agreement" (see Appendix C, "Definitions"), must be prepared. This agreement must be signed by the PMO and endorsed by the Division Director or Branch Chief, or the equivalent, under whose authority the property lies.

For loans of any duration within program/regional offices and loans to other federal agencies, EPA Form 1740-10, "Property Action Request and Memorandum Receipt," shall be used and include the duration and terms of the loan. In all other circumstances (e.g., loans to other federal agencies for any length of time or to non-federal agencies), a RLA must be prepared to officially authorize the loan and document the terms. The PMO shall coordinate the execution of the RLA with their respective Office of General Counsel (OGC), including any additional documentation requirements of the OGC.

The RLA is an official document and shall be created with the appropriate letterhead and, at a minimum, the following information shall be addressed:

- - Purpose of the loan.
- - Direct and indirect benefits to be realized by the EPA.
- - Full description of the loaned property, including property decal number, official name, manufacturer's name, model number, serial number, acquisition unit cost and acquisition date.
- - Present condition of the property.
- - Full name and street address of the proposed borrowing agency and name, title, telephone number and email address of the responsible official authorized to sign for the borrowing agency.
- - A loan-termination clause for the convenience of the EPA.
- - Statement that under no circumstances shall the borrower of the loaned property further loan that property to another party. Third parties may receive loaned property only with written prior approval of the EPA PMO.
- - Verification that the borrower maintains a property inventory control system that can properly account for and track the loaned property.
- - Duration of the loan.
- - Establishment of provisions if the property is LTDD while on loan and the borrowing organization's responsibility to replace or repair the property.
- - The borrowing organization shall be responsible for all transportation and incidental expenses regarding the loaned property.

The loan agreement shall be valid for no more than one year and shall be revalidated if the agreement transcends an inventory cycle. If the loan is still required past the initial loan duration, the agreement, including any new provisions, may be extended, recertified, and reissued, but cannot exceed 2 years from the initial date of the loan. Additionally, any loan originally documented on EPA Form 1740-10, "Property Action Request and Memorandum Receipt", as the issuing form only covers 2 years. During the life of the loan (including extensions), the PMO shall ensure that the AAMS is kept current, and that at the end of the loan period the official property records are documented and the loan is completed.

All loans to non-federal entities are recorded and reported in accordance with [41 CFR §102-36.295](#) and [41 CFR §102-36.300](#) on the "Non-Federal Recipient Report," which is the annual report of government property furnished to non-federal recipients.

6.6.2.3 *Loans Under Special Circumstances*

[41 CFR §102-36.370](#) establishes special requirements concerning the loan of excess government property for disaster relief. Upon the declaration of an emergency or a major disaster by the President of the United States, with the approval of the PMO, the EPA may loan excess personal property to state or local governments with or without compensation and prior to reporting it as excess to the GSA, to alleviate suffering and damage as a result from any emergency or major disaster. Any property loaned under this provision must be tracked, monitored and accounted for during the loan period. Refer to Section 6.10, “Disaster, Emergency Response, and COOP,” for additional information.

6.6.3 **Loans of Property to the EPA**

The EPA can borrow personal property through the same process as loaning personal property. The PMO must approve all loans of this type. For all loans from a federal agency and all loans from another program/regional office of any length of time, this authorization is granted by the agency’s loan agreement document. For all loans exceeding 45 calendar days, an RLA must be used. The RLA must include the following:

- - Lender agency’s name, point of contact name, street address, telephone number and email address.
- - Full description of the loaned property, including property decal number, official name, manufacturer’s name, model number, serial number, acquisition unit cost and acquisition date.
- - Current market value of the property.
- - Duration of the loan.
- - Party responsible for the necessary repairs and maintenance for the continued use of the property during the loan period.
- - Confirmation as to which party (the lender or the EPA) is responsible for delivery of the property.
- - Program/region and Custodial Area (CA) to which the personal property will be assigned.

The PCO must ensure that borrowed property is identified with an EPA property decal and recorded in the AAMS. The property must be accounted for by the PCO and assigned to the CA where it will be used. Any loan of personal property to the EPA from a non-federal agency must adhere to the federal government ethics guidelines.

6.6.4 **Recovery of Loaned Property**

All loaned EPA property shall be returned to the agency after the authorized duration of use, with the exception of exiting employees, which shall be recovered prior to their separation from the EPA. Refer to Section 2.6.13, “Employee Separation.” The official property record and the AAMS shall be updated accordingly. Assets not recoverable or those assets that experienced damage or theft shall be handled in accordance with Section 6.11, “Loss, Theft, Damage and Destruction of Property.” Assets on loan shall also be resolved in accordance with the provisions of the loan agreement.

6.7 PHYSICAL SECURITY AND SAFETY

EPA personal property shall be safely secured and physically protected as necessary to prevent loss, theft, unauthorized movement, fire, deterioration, weather and other preventable conditions. PMOs shall ensure property management needs are coordinated with facility management and any facility security presence and that the appropriate procedures are in place to secure EPA property, including any offsite warehousing facilities.

Recommended Reference:

[ASTM International E2715-09](#), "Standard Practice for Moveable Property Storage."

6.7.1 Safety and Security of Sensitive Property

EPA sensitive property shall receive a higher level of safety and physical security due to the nature of the property. Sensitive property is defined in Section 3.4.1.1, "Sensitive Property." PMOs shall establish procedures to identify assets that require special storage arrangements and must ensure the official asset record in the AAMS are duly noted with any special instructions or requirements. Some special requirements may refer to specific climate conditions, sterile environments or regulated or secure containment.

For additional requirements for the safety and physical security of firearms, refer to Section 10.4.5, "Storage of Firearms."

6.7.2 Safety and Security of Hazardous Property or Material

The diversity of EPA missions nearly guarantees that personal property officials will be accountable for property of a hazardous nature or assets that contain hazardous material. PMOs shall ensure that all hazardous property and materials are properly identified, packaged, labeled, stored, utilized, moved and disposed of in accordance with all packaging instructions, environmental laws, regulations and EPA policy. PMOs are responsible to ensure that employees who are required to handle hazardous material and property are trained, certified and provided all of the necessary protective equipment to perform their official duties.

Table 6-2 lists Federal Supply Class (FSC) codes that predominately contain hazardous materials that is derived from [Appendix A to 41 CFR §102-40](#).

Table 6-2. FSCs Predominantly Containing Hazardous Material

Federal Supply Class	Description
6810	Chemicals
6820	Dyes
6830	Gases: Compressed and liquefied
6840	Pest control agents and disinfectants
6850	Miscellaneous chemical specialties
7930	Cleaning and polishing compounds and preparations
8010	Paints, dopes, varnishes, and related products
8030	Preservation and sealing compounds
8040	Adhesives
9110	Fuels, solid
9130	Liquid propellants and fuels, petroleum base
9135	Liquid propellant fuels and oxidizers, chemical base
9140	Fuel oils
9150	Oils and greases: Cutting, lubricating, and hydraulic
9160	Miscellaneous waxes, oils, and fats

Note: If an item is determined to be hazardous as defined in [41 CFR §102-40.30](#), a Safety Data Sheet or equivalent shall accompany the item even though the FSC is not listed in this table.

Appendix J, "FSC's and FSG's Containing Hazardous Items," identifies the FSCs and Federal Supply Groups (FSGs) that contain a significant number of hazardous items. It also provides examples of hazardous materials that require identification.

EPA property officials shall comply with all applicable federal, state and local environmental laws and regulations in the performance of their mission. All personnel that handle hazardous materials shall be proficient and responsible in operations involving such materials. This involves the handling, temporary storage, transportation and disposal of hazardous property while ensuring timely and cost-effective actions. More information on the managing of hazardous property is provided in [41 CFR §102-40](#).

Hazardous property or material shall be identified in the official asset record in the AAMS using the FSC and the FSG. The EPA shall reduce its dependence on hazardous property and materials and PMOs shall seek out safer and less hazardous alternatives when replenishing stock or acquiring new property, supplies or equipment.

6.8 MAINTENANCE

Program/regional offices shall establish a maintenance program to ensure the safe and efficient utilization of EPA personal property. The maintenance program shall include the following, at a minimum:

- - A system to schedule and record the inspection, preventive maintenance and repair of personal property.
- - Designation of appropriate personnel who are responsible for maintenance activities and assurance they are properly trained to perform their assigned duties.
- - Assurance that personal property requiring periodic calibration or maintenance is calibrated or maintained at the intervals specified in the manufacturer's standards.
- - Repairs and other unscheduled maintenance activities are performed in an expeditious manner.
- - Records of all maintenance activities are prepared, updated, maintained and periodically reviewed by management.
- - Official property records in AAMS are updated with all maintenance activity.

During periods of scheduled and unscheduled maintenance, attention shall be given to personal property that requires excessive repair and thus may indicate a need for replacement.

6.8.1 Useful Life

Useful life refers to the estimated number of years over which an asset is expected to be useful. The life of an asset is affected by factors such as physical wear and tear and changes in technology (e.g., obsolescence). The useful life is used to depreciate a capitalized asset. However, it is also used when planning for future acquisitions.

Depreciation is the systematic and rational allocation of the acquisition cost of an asset, less its estimated salvage or residual value, over its estimated useful life. Costs that either extend the useful life of existing general Property, Plant and Equipment (PP&E) or enlarge or improve its capacity shall be capitalized and depreciated/amortized over the remaining useful life of the associated general PP&E.

Generally, the useful life of accountable personal property is 2 years or longer. Optimizing the useful life of personal property is a key to asset sustainability. Maintaining optional functionality by performing regular interval maintenance, such as on motor vehicles and large office equipment, may also extend the useful life of the asset. However, property officials must also weigh the costs of repairs, the age of the asset, the time spent performing warranty work, etc., to ensure any perceived benefit is not ultimately negated.

6.8.2 Warranty Maintenance

EPA personal property, when purchased, comes with the manufacturer's warranty, as does any commercial purchase. Some purchase orders (POs) or contract awards may require special conditions and or extended warranties, so it is important for personal property officials to keep accurate records so warranties can be applied correctly. Often special warranty conditions are included in the minimum requirements in a PO, such

as “3-year extended warranty beyond manufacturer’s warranty” and “3-year accidental damage warranty.” These special warranty conditions often occur for laptops, desktop computers and other IT equipment. Property officials should review historical information and discuss warranty requirements with the office originating the Purchase Requisition and the CO handling the procurement.

Assets purchased directly through a purchase card (PCard) will be covered by the general manufacturer’s warranty. PCard holders shall ensure product warranty information is coordinated with and provided to their PCO. Effective use of warranties can assure the government is receiving full use of the property. PMOs shall establish guidance and criteria for the use of warranties when addressing defective or damaged property.

FAR Subpart 46.702, “Warranties,” defines the principle purposes of a warranty in a government contract. Generally, POs are fixed-priced contracts between the government and the supplier. FAR Subpart 46.703, “Criteria for use of warranties,” describes the criteria for use of warranties. The factors COs consider when determining if a warranty is appropriate for a purchase are the nature and use of the supplies or services, cost, administration and enforcement, trade practice and reduced requirements.

Requirements:

FAR, Subpart 46.7: Warranties.

6.9 REPLACEMENT STANDARDS

[41 CFR §101-25.4](#) prescribes minimum replacement standards for replacing motor vehicles, office machines, furniture and materials handling equipment. However, the EPA will retain property in usable workable condition even though the standards permit replacement, provided the property can continue to be used or operated without excessive maintenance costs or substantial reduction in trade-in value.

6.9.1 Replacement of EPA-Owned Personal Property

If the EPA has personal property that needs to be replaced, it can exchange or sell that property and apply the exchange allowance or sales proceeds to the acquisition of similar replacement property, in accordance with the requirements of [41 CFR §102-39](#). Using the exchange/sale process enables the EPA to avoid the costs (e.g., administrative, storage) associated with holding the property and processing it through the normal disposal cycle (e.g., reutilization by other federal agencies, donation to eligible non-federal public or nonprofit organizations, sale to the public, abandonment, destruction).

Consideration will be given to using replacement standards for:

- - **IT Equipment:** When the cost of any single repair or rehabilitation activity exceeds 65 percent of the replacement cost of IT equipment.
- - **Non-IT Equipment:** When the cost of any single repair or rehabilitation activity exceeds 80 percent of the replacement cost of a comparable new model of non-IT equipment.
- - **Furniture:** When the estimated cost of repair or rehabilitation exceeds 75 percent of the cost of a new furniture item of the same type and class.

Exception: [41 CFR §101-25.404](#) authorizes an exception in unusual situations where rehabilitation of the furniture at 75 percent or less of the cost of a new item would not extend its useful life for a period compatible with the cost of rehabilitation as determined by the agency head or designee.

- - **Motor Vehicles:** [41 CFR §102-34.270](#) prescribes the replacement standards for motor vehicles. These standards are based on the age of the vehicle and/or miles driven, whichever occurs first.

Additional consideration shall be given when written justification exists for supporting replacement, such as the following:

- - Continuous breakdown history that causes a loss of productivity through downtime.
- - Excessive repair costs.
- - Lengthy downtime awaiting repair parts.
- - Necessary update requirement to perform a particular agency function.

A provision that appears annually in appropriation acts limits agencies expenditures of funds to \$5,000 in furnishing or redecorating, or purchasing furniture or making improvements for Presidential appointees' offices. This monetary limitation applies during the appointee's term of office. Therefore, program/regional offices shall not obligate or expend funds to exceed the \$5,000 monetary limitation, unless endorsement by the EPA Administrator is obtained, and advance notification and express written approval for expenditures to exceed the \$5,000 limitation is received from the House and Senate Committees on Appropriations.

Furniture expenditures for all other employees must not exceed the above individual monetary limitation and the Director of Real Property Services Staff (RPSS) or authorized delegate shall use discretion when evaluating cost effectiveness of furniture purchases. All furniture acquired must be standardized. Furniture that is in usable (Disposal Condition Code "4") or repairable (Disposal Condition Code "7") condition, and is within its useful life span of 15 years, and the cost of repair or rehabilitation does not exceed 75 percent of the cost of a new furniture item of the same type and class shall not be replaced with new, purchased furniture.

40 U.S.C. §524 requires that agencies maintain adequate inventory controls and accountability systems for property under its control. These controls include, but are not limited to:

- - Developing and implementing agency guidance, systems, standards and processes relative to personal property.
- - Ensuring that all property managers are fully aware of their responsibilities for accountability and control of personal property.
- - Maintaining appropriate inventory levels.
- - Reassigning property to another activity within the agency when the property is no longer required for the purposes of the appropriation used to make the purchase.

- - Obtaining available excess property from other federal agencies as the first source of supply in lieu of making new procurements.
- - Developing and maintaining accounting procedures to prevent and detect nonuse, improper use and unauthorized disposal or destruction.

Requirements:

[40 U.S.C. §524](#), “Duties of Executive Agencies.”

[41 CFR §101-25.302-2](#), “Filing cabinets.”

[41 CFR §101-25.401](#), “General.”

[41 CFR §102-25.404](#), “Furniture.”

[41 CFR §102-34.270](#), “How long may we keep a government-owned motor vehicle?”

[41 CFR §102-39](#), “Replacement of Personal Property Pursuant to the Exchange/Sale Authority.”

[GSA FMR Bulletin B-26](#), “Accountability and Stewardship of Personal Property.”

6.9.2 Replacement of EPA-Leased Personal Property

If leased personal property needs to be replaced, the PMO should notify the CO to have the vendor exchange that property with similar replacement property. Consideration shall also be given when written justification exists for supporting replacement, such as the following:

- - Continuous breakdown history that results in loss of productivity through downtime.
- - Lengthy downtime awaiting repair parts.
- - Necessary update requirement to perform a particular agency function.

6.10 DISASTER, EMERGENCY RESPONSE, AND COOP

As part of the EPA’s mission, program/regional offices have specific authorities provided under the law that authorizes them to use EPA property in the case of emergencies or to assist in disaster relief. Agencies may transfer excess personal property to other federal agencies authorized to provide emergency services and program/regional offices may be the recipient of property to provide mission support. Additionally, the EPA may loan property to state and local governments with or without compensation for an emergency or disaster situation.

Requirements:

Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. Law 93-288, as amended.

42 U.S.C. §5121-5207, and related authorities.

Executive Order 12148 (3 CFR, 1979 Comp., p.412), as amended.

42 U.S.C. Chapter 68, "Disaster Relief."

[41 CFR §101-25.100](#), "Use of government personal property and nonpersonal services." (Except in emergencies).

[41 CFR §102-36.370](#), "Are there any special requirements concerning the use of excess personal property for disaster relief?"

6.10.1 Disaster

[41 CFR §102-36.370](#) and the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, establishes special requirements concerning the loan of EPA personal property for disaster relief. [42 U.S.C. §5122](#) defines a major disaster as any natural catastrophe (including any hurricane, tornado, storm, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm or drought) or, regardless of cause, any fire, flood or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance to supplement the efforts and available resources of states, local governments and disaster relief organizations in alleviating the damage, loss, hardship or suffering caused thereby.

6.10.2 Emergency Response

As program/regional offices support emergency response efforts, the movement of EPA personal property may be greatly accelerated. During this time, the integrity of each program/regional office's tracking and accountability of accountable personal property is always stressed. However, efforts to maintain accountability not only ensures that property being moved arrives at its destination, it can help minimize LTDD incidents as well. Additional efforts to maintain property management functionality in emergencies shall, at a minimum, include the following:

- - Identification of the assets in the official property record in the AAMS as disaster or emergency related.
- - Identification shall be by disaster mission assignment, if applicable, or by specific emergency designation means to differentiate between emergencies.
- - Trained property officials at the location where deployed assets are stored, received, maintained, distributed, etc., as well as detailed guidance provided to field personnel when a trained property official is unavoidably delayed or unavailable and personal property must be deployed.

- - Detailed property management field instructions to account for unplanned movement of property and unusual circumstances.
- - Contingency plans to account for personal property when non-adherence to policy is unavoidable.

The EPA shall maintain the integrity of its PPMP during emergency and disaster response. However, at no time shall this guidance or EPA personal property management policy be interpreted or employed in a manner as to delay efforts to perform the EPA's mission to protect human health and the environment.

6.10.3 Continuity of Operations Plan (COOP)

[Federal Continuity Directive 1](#) requires that the EPA develop a continuity plan that ensures its ability to accomplish its essential functions from an alternative COOP site, with limited staffing and without access to resources available during normal activities. Therefore, the EPA plans its COOP activities to assure that the capability exists to continue essential government operations in response to any hazard, disaster, emergency, or threat of an emergency, and to effectively resume its essential operations after interruption.

During a COOP event, EPA staff shall maximize efforts to maintain accountability of personal property. Additional efforts to maintain property management functionality during an event shall, at a minimum, include the following:

- - Identification of the COOP assets in the official property record in the AAMS.
- - Trained property official at the location where deployed assets are stored, received, maintained, distributed, etc., as well as detailed guidance provided to field personnel when a trained property official is unavoidably delayed or unavailable and personal property must be deployed.
- - Detailed property management field instructions to account for unplanned movement of property and unusual circumstances.
- - Contingency plans to account for personal property when non-adherence to policy is unavoidable.

During this time, the integrity of each program/regional office's tracking and accountability of accountable personal property is always stressed. However, efforts to maintain accountability not only ensures that property being moved arrives at its destination, it can help minimize LTDD incidents as well.

6.10.4 Preparedness

Program/regional offices authorized to store resources for national disaster or emergency deployment shall ensure those assets are stored in accordance with all laws and regulations governing those assets and their authorization to do so. Refer to Section 6.7, "Physical Security and Safety."

The National Response Framework (NRF) provides the guiding principles enabling the EPA to prepare for disasters and emergencies. The NRF is a part of the National Strategy for Homeland Security that provides guiding principles to all levels of domestic response partners to prepare and provide a unified national response to disasters and emergencies. Under the NRF, the EPA serves in primary, coordinating and/or support roles based on various authorities and resources and the nature of the emergency or disaster. PMOs shall ensure their property officials understand their roles and responsibilities in support of the NRF and the

Emergency Support Function, and shall ensure that the appropriate policies and procedures are in place to account for personal property set aside for emergency deployment.

Recommended Reference:

[NRF Resource Center](#)

6.10.5 Recovery

As the emergency subsides and the EPA property is being recovered, property officials shall use all disposition options afforded to them by law, regulation, and EPA policy and make recovery and disposition decisions that are in the best interests of the government. PMOs shall ensure policies and procedures are developed to guide property officials in decision making.

The official asset record and the property management system shall be updated, and if property is unrecoverable or unaccounted for, the procedures in Section 6.11, “Loss, Theft, Damage and Destruction of Property” apply.

6.10.6 Accountability of Property During an Emergency or Disaster

Accountability for EPA personal property deployed or utilized for emergency or disaster situations shall be fully accounted for at the end of major response activities, as determined by the coordinating agency. Personal property remaining in an in-use status shall remain in the AAMS as deployed accountable property until they are recovered or a final disposition is made in removing the asset from EPA accountable property records.

6.11 LOSS, THEFT, DAMAGE AND DESTRUCTION OF PROPERTY

All EPA employees and contractors have a responsibility to utilize EPA personal property conscientiously to safeguard government property assets. The EPA’s mission cannot be accomplished without its personal property; the property must be available and in good working order. All agency employees and contractors also have the responsibility to reduce the government’s liability on LTDD of assets.

The EPA has developed metrics with regards to reducing the instances of loss of use of personal property assets. These metrics are referred to as “Scorecard Measures,” in which these measures may change from time to time. The purpose of Scorecard Measures is to identify areas needing additional oversight and/or performance improvement. The Scorecard Measures addressing loss of use of personal property assets drive the reporting requirements for LTDD of property. The following key terms are applicable to this section and their definitions are provided for clarity purposes:

- - **LTDD:** Specific terms used to identify an incident when an asset is LTDD (whether intentionally or unintentionally), reported stolen, or otherwise unaccounted for. Assets reported stolen, missing or otherwise unaccounted for are categorized as a loss.

- - **Lost:** An asset unaccounted for by the titleholder having accountability and stewardship is considered lost. A lost asset is personal property that is lost unintentionally and involuntarily. Assets lost accidentally in a public place fall under the category of lost property.
- - **Missing:** An asset is missing when it is not found in its expected place when first searched. Missing defines a short period of uncertainty as to the whereabouts of a personal property asset.
- - **Damaged:** An asset is deemed damaged when it can no longer be used for the function for which it was intended and can be repaired at a reasonable cost. Unintentionally damaged refers to an accidental or involuntary act. Intentionally damaged refers to a malicious act of intentional wrongdoing.
- - **Destroyed:** An asset is deemed destroyed when it can no longer be used for the function for which it was intended and repair is not feasible. Unintentionally destroyed refers to an accidental or involuntary act. Intentionally destroyed refers to the act of disposing of an item in the normal course of property disposition, such as crushing, or can be a malicious act of intentional wrongdoing without legal justification or excuse. An asset intentionally destroyed as part of authorized disposal is not reportable LTDD property.
- - **Stolen:** An asset being acquired or possessed as a result of some wrongful or dishonest act or taking is considered stolen. Stolen property incidents are identified as a loss during the LTDD reporting process. The term “stolen” is synonymous with the term “theft.”
- - **Unintentional Act:** An act that accidentally or involuntarily negatively affects an asset. Unintentional is not considered a willful or negligent act.
- - **Malicious Act:** An intentional and wrongful act that negatively affects an asset without legal justification or excuse.
- - **Simple (Ordinary) Negligence:** An individual’s conduct that falls below the standard of ordinary care established by law or policy for the protection against unreasonable risk of harm to personal property, or the conduct that falls below the standard of ordinary care that a reasonably prudent person would exercise while acting under similar circumstances.
- - **Gross Negligence:** Conduct that shows a greater degree of negligence than ordinary negligence. An extreme lack of care that raises the presumption that the person knew or should have known that the damage to personal property would probably result from the act done or omitted and shows a reckless disregard for the consequences.

6.11.1 LTDD Roles and Responsibilities

Employees who detect or suspect an incident of LTDD of EPA personal property shall immediately report it to the appropriate PAO or PCO. The PAO or the PCO shall initiate a search for the item and if not located within a designated timeframe, shall initiate a Report of Survey (ROS). The ROS is a documented process of investigation that provides for a review of the circumstances of the LTDD incident. It can also provide a recommendation regarding whether fault exists.

The PMO is responsible for ensuring an adequate and effective ROS process is in place, that all ROSs are completed and recommendations are submitted in a timely manner, and that all Board of Survey (BOS) recommendations are acted upon.

6.11.2 LTDD Reporting Requirements

EPA PMOs shall submit, on a regular basis, a report of their LTDD incidents involving accountable EPA personal property to the APMO. The APMO shall notify program/regional offices of the reporting requirements, as revised, which include frequency of reporting, content of reporting and process of reporting.

6.11.3 Annual LTDD Reporting Process

The LTDD report is a culmination of all LTDD incidents for an annual reporting period. The PMO is responsible for reporting the LTDD incidents to the APMO. The PMO shall ensure their program/regional office has sufficient procedures in place to respond to LTDD property incidents, and that all employees are aware of the proper procedures in reporting an incident.

It is EPA policy that all LTDD incidents involving sensitive IT assets with retainable memory reported lost or stolen shall be reported to a designated IT Security Office within two hours of the incident. The IT Security Office shall be responsible for assessing the impact of the event on the EPA's network and take appropriate action based on their established protocols.

It is EPA policy that all LTDD incidents involving sensitive Security assets (e.g., firearms, other law enforcement sensitive assets) shall be reported to a designated Security Office within two hours of the reported incident. The EPA Security Office shall be responsible for assessing the impact of the incident and take appropriate action based on their established protocols.

Generally, the following LTDD process occurs:

1. The asset is noticed missing or damaged or a theft incident occurs, such as a burglary, and the asset is declared stolen.
 - a. For missing property, a brief search shall be initiated that either locates the item or determines the item is lost.
 - b. For a theft incident, the authorized user contacts the jurisdictional law enforcement agency to report the event.
2. The authorized user notifies the PCO of the event.
3. The PCO initiates an ROS and documents that the following notifications are made.
 - a. For IT assets with retainable memory that are lost or stolen, the event is reported to the IT Security Office.
 - b. For firearms and other sensitive security or classified assets, the incident must be reported to the EPA Security Office.

4. The PCO completes the ROS to the point appropriate for their level of authority and elevates it to the PAO.
5. The PAO completes the ROS to the point appropriate to their level of authority and elevates it to the PMO.
6. The PMO conducts an Administrative Review or refers the ROS to the BOS.
7. The BOS reviews the ROS and provides a resolution or recommendation.
8. The PMO takes action upon the BOS recommendation and relieves the program/region of stewardship of the asset.
9. Upon direction of the PMO, the PAO updates the AAMS to remove the asset from the inventory of the program/region.

6.11.4 LTDD Reporting Timeline

Table 6-3 identifies the timeline for reporting LTDD incidents involving EPA accountable personal property.

Table 6-3. LTDD Incident Reporting Timeline

Incident	Reporting Timeline	How Reported
Initial incident occurs	Reporting timeline begins	
Authorized user makes notification to the PCO	Within 1 day of initial event	Verbal and written
IT or Security office notified, if applicable	Within 1-3 days of initial event	Verbal and written
ROS initiated	Within 1-3 days of initial event	Written
Document loss in the AAMS	Upon written statement of fact	Written
The PAO/PMO notified	Upon written statement of fact	Written
The APMO notified (Initial notification)	Upon written statement of fact	Verbal and written
The ROS to the PAO or the PMO	Within 10 days of notification	Written
LTDD Report to the APMO	Scheduled LTDD reporting period	Written
ROS completed	Within 1 week of initial event	Written

6.11.5 LTDD Reporting Data Elements

Program offices shall, at a minimum, capture the following information for all LTDD incidents and submit them in the format as prescribed by the APMO. Specific instructions, as revised, shall be provided in the prescribed reporting mechanism.

Table 6-4 defines the minimum data elements that shall be recorded for each EPA LTDD incident in the AAMS.

Table 6-4. EPA Minimum LTDD Incident Reporting Data Elements

LTDD Incident Data	Description/Example
LTDD EVENT CATEGORY	LOSS, THEFT, DAMAGED, DESTROYED
GROSS NEGLIGENCE OR WILLFUL MISCONDUCT	YES, NO, Don't Know
ACCIDENT	YES, NO, Don't Know
LTDD EVENT DATE	DATE EVENT WAS DISCOVERED
CITY AND STATE	WHERE THE EVENT OCCURRED
LOCATION OF EVENT	RESIDENCE, VEHICLE, OFFICE
ROS NUMBER	REPORT OF SURVEY NUMBER
PROPERTY IDENTIFIER	EPA PROPERTY DECAL
OFFICIAL NAME OF ASSET	OFFICIAL NAME RECORDED IN AAMS
SERIAL NUMBER	S/N, VIN
ACQUISITION VALUE	(SELF EXPLANATORY)
ACQUISITION DATE	(SELF EXPLANATORY)
DATE EVENT REPORTED	(SELF EXPLANATORY)
DATE ROS INITIATED	(SELF EXPLANATORY)
DATE ROS COMPLETED	(SELF EXPLANATORY)
POLICE REPORT NUMBER	(REQUIRED FOR STOLEN PROPERTY)
NCIC NUMBER	REQUIRED FOR FIREARMS
IT SECURITY OFFICE NOTIFICATION	DATE: AS REQUIRED BY ASSET
EPA SECURITY OFFICE NOTIFICATION	DATE: AS REQUIRED BY ASSET
EPA APMO NOTIFICATION	DATE
ROS RECOMMENDED ACTION	(SELF-EXPLANATORY)
BOS RECOMMENDED ACTION	(SELF-EXPLANATORY)
DATE ROS CLOSED	(SELF-EXPLANATORY)
WAS ASSET RECOVERED	YES, NO
RECOVERED BY WHOM	USER, LAW ENFORCEMENT, OTHER
ASSET BACK IN SERVICE	YES, NO

6.11.6 Report of Survey

Any events of loss, theft, damage, or destruction, or other conditions adversely affecting accountable personal property assets shall be documented on an ROS. EPA Form 1740-12, "Report of Survey," as revised, shall be used.

At the end of each annual physical inventory, ROSs shall be initiated to account for all personal property assets that were not located during the physical inventory and shall be submitted for reconciliation purposes. Accountable property shall be removed from the property records and accounts only when documented on an ROS and recommended by the BOS or Administrative Review.

Each PMO shall refer all ROSs to a BOS or other internal review organization, for investigation under the following circumstances:

- - The incident is known to be the result of, or is suspected to be the result of, simple negligence or gross negligence, regardless of the asset's acquisition unit cost.
- - The asset involved has an original acquisition unit cost of \$50,000 or more (with consideration also given to the fair market value [FMV] of the property), unless the PMO certifies, in writing, that the circumstances clearly indicate that a survey investigation is unwarranted.
- - Other circumstances as specified by organizational policy and procedures.

6.11.7 Administrative Review

An Administrative Review may be conducted in lieu of a referral to a BOS if the circumstances do not rise to the level of those noted in Section 6.11.6, "Report of Survey." If conducted, this review must be led by the PMO, who will conduct an investigation satisfying the requirements of Section 6.12.4, "Investigations."

All LTDD incidents documented on an ROS in accordance with this Manual, and not referred to a BOS, shall be subject to an Administrative Review by the PMO. However, inconclusive reviews and recurring irregularities of LTDD incidents in a single location or program/region shall be referred to a BOS for investigation and to determine whether fault exists.

Alternative mechanisms, such as a review by an established internal review organization, similar to an investigative unit within the agency, may substitute for a PMO's Administrative Review or a BOS's investigation. This alternative qualifies if the mechanism includes a comprehensive review and concludes with a specific determination of responsibility or no responsibility. This may be used as the basis to relieve property accountability and/or recommend agency action, as appropriate.

An Administrative Review may not result in any action other than a minor revision of policy to correct a gap in procedures or to make a minor clarification. Any other finding during the PMO's investigation shall be referred to a BOS.

6.12 BOARD OF SURVEY

The BOS is an independent body established to review events of LTDD of EPA accountable personal property. The BOS may convene on a case by case basis to investigate the circumstances related to the LTDD event, which could involve willful misconduct, negligence, or fraud of the LTDD event to investigate the circumstances, determine findings of fact and recommend appropriate actions. See the document *Board of Survey Guidebook (June 2006)* for additional information.

6.12.1 Appointment of BOS Members

The Assistant Administrator of each program/regional office shall appoint a BOS with membership outside the direct chain of command of the LTDD asset. The BOS may be either a standing or ad-hoc committee, consisting of five members serving a fixed term. The BOS shall be convened quarterly, at a minimum, to determine the disposition and retirement of accountable personal property identified on ROSs. The BOS is

the authoritative body that may authorize an accountable asset to be retired from the AAMS. The BOS conducts an investigation of the LTDD incident. This duty may be delegated no further than one level of management below the Assistant Administrator. Property Officers cannot serve as a member of the BOS.

6.12.2 Convening a BOS

After review of the ROS and any other relevant facts, the PMO will determine whether to convene the BOS. A BOS shall be convened based on the following circumstances:

- - Cases involving accountable personal property.
- - Cases involving non-accountable personal property and the willful intent or negligence of the involved employee(s) was known or suspected to be the cause of the LTDD.
- - If there is no reason to suspect neglect, misuse or theft, but inventory discrepancies do exist, the BOS is *not* required to be convened. In this case, the PMO shall certify in a written report that the circumstances clearly indicate a review is not warranted. The PMO must submit an Inventory Adjustment Voucher to the Senior Resource Official (SRO). The SRO shall review the written report and sign the Inventory Adjustment Voucher. The SRO shall then send the signed Voucher to the PUO who will enter the transaction into the AAMS, thereby removing the property item from the official inventory. If the incident involves capitalized property, the SRO shall also send a copy of the Voucher to the Office of the Comptroller (OC).

Recurring irregularities in a single location or program/region, regardless of the circumstances or the PMO's certification, must be referred to the BOS for investigation.

6.12.3 BOS Responsibilities

The BOS serves as a fact-finding body charged with determining the circumstances and conditions of each case in which EPA personal property is declared LTDD. The Board must ensure that facts are fully disclosed, government interests are fully served, and the rights of the employee(s) involved are fully protected. The Board's responsibilities include:

- - Examining the Report of Survey describing the PCO's account of the circumstances of the LTDD incident and all relevant property data attached to the ROS.
- - Examining employee(s) written statements.
- - Examining all relevant evidence presented, such as police reports, accident reports, photographs, investigative reports, any other relevant evidence or supporting documentation pertaining to the LTDD incident.
- - Conducting a thorough investigation of the LTDD incident
- - Determining whether the asset is missing due to misuse, negligence, fraud, waste, abuse or willful misconduct.
- - Providing a comprehensive written report of the LTDD case with findings and recommendations. See Section 6.12.5, "Findings and Recommendations."

- - Providing a recommendation to remove property declared LTDD from the AAMS.

6.12.4 Investigations

When the Board conducts an investigation of an LTDD incident and the PMO conducts an administrative review, they must ensure that the facts are fully disclosed and government interests are fully served. Prior to the start of the investigation, the PMO must notify the Office of Human Resources (OHR), Labor and Employee Relations Division (LERD), to ensure that the investigation is conducted in accordance with any national and local union agreements. Examination of all relevant evidence surrounding the occurrence of the LTDD shall include, but is not be limited to:

- - The ROS, which describes the PCO's account of the circumstances of the incident and any other information.
- - Interviews with involved property officials.
- - Interviews with security officials and their investigative report regarding the incident.
- - Interviews with employees involved with or knowledgeable about the circumstances of LTDD incidents to allow employees to present their account of the incident.
- - Review of police reports, accident reports, photographs other investigative reports or any other relevant evidence or supporting documentation pertaining to the LTDD incident.

6.12.5 Findings and Recommendations

After a thorough review of the LTDD case, the BOS shall make a recommendation(s) in a comprehensive report that addresses the following:

- - Circumstances of the LTDD incident.
- - Action(s) taken to recover or repair the property, if applicable.
- - Action(s) taken by security or law enforcement officers, if any.
- - Whether the property in question should be removed from the accountable property records in the AAMS.
- - When the Board makes a written finding that there was no misuse, negligence, fraud, waste, abuse or willful misconduct in the loss of the asset, the Board shall submit a report to the SRO stating that determination.
- - When the Board makes a written finding that there was misuse, negligence, fraud, waste, abuse or willful misconduct on the part of the employee(s) involved, the Board shall make a recommendation to find the employee(s) involved to be **at fault** for the government's loss. See Section 6.12.6, "Determining Fault."
- - Provide recommendation(s) for preventing future LTDD incidents.

The following factors shall be considered in determining whether the employee is **at fault**:

- - The LTDD incident was attributable to inadequate supervision or instruction. For example, if an employee inadvertently damages personal property because of lack of adequate training or oversight in its use, this may be a mitigating factor.
- - Inherent defects in the property.
- - The LTDD incident was a result of EPA property used for other than official authorized purposes, except as allowed under [EPA Order CIO 2101.0](#), "Policy on Limited Personal Use of Government Office Equipment."
- - The LTDD incident was attributed to simple or gross negligence.
- - In the cases where the Board determines the employee(s) involved is responsible for misuse, negligence, fraud, waste, abuse or willful misconduct, the SRO shall notify the employee's supervisor to ensure appropriate disciplinary action, if any, is taken. In cases that have been referred to the Office of the Inspector General (OIG), the SRO and supervisor should consult with the OIG, LERD, and the OGC.

At any time during the investigation of the LTDD incident, if the Board believes that misuse, negligence, fraud, waste, abuse or willful misconduct may have occurred, the Board shall recommend to the PMO, who will coordinate with the SRO, and refer the case to EPA's OIG for further investigation.

Whenever there are dissenting opinions amongst Board members, the majority opinion will be the Board's recommendation. The minority view will be appended to the report to the PMO.

The BOS Chairman shall submit its report to the PMO and the supervisor within 30 days of the meeting, except in extenuating circumstances when a request for an extension is made to and granted by the PMO. After review, the PMO shall forward the report to the APMO and the SRO where the LTDD incident occurred; a copy of the report should be forwarded to the appropriate PAO for record adjustment and accountability purposes.

6.12.6 Determining Fault

The BOS will apply the following procedures when it is found that the employee is at fault for the LTDD of government property due to misuse, negligence, fraud, waste, abuse or willful misconduct. The BOS will determine simple or gross negligence. The Board will review all relevant facts relating to the LTDD incident and include a determination of whether fault exists in their final report. This determination will be appended to the ROS, along with the Board's analysis and all information that the Board relied on in making its conclusion.

The ROS must include the name of the employee that the property was assigned to or who was directly involved with the loss of the asset, as well as references to all supporting documentation. If the employee wishes to make a statement, it must be in writing and signed, attested as a true statement, and attached to the ROS.

This manual does not address the procedures for “Billing and Collection” related to LTDD that may be initiated by an employee’s supervisor, in coordination with the SRO and employee’s supervisor. For more information on collection, please refer to EPA Resources Management Directive Systems Policy Number 2540-9-P1, “Billing and Collection.”

6.12.7 Concurrence of the SRO

After review of the Board’s report, the PMO shall forward it to the SRO, who acts as the final reviewing authority. The SRO shall provide direction for all the Board’s findings and recommendations on the original ROS, and forward it to the PMO for action. The SRO’s decisions shall include, but are not limited to the following:

- - **Removal of the property from AAMS:** The PMO shall forward the Board’s recommendations and the SRO’s decision to the PAO, who shall reconcile the AAMS accordingly.
- - **Employee found at fault with SRO concurrence:** If the Board finds the employee(s) involved “at fault,” and the SRO concurs, the PMO will establish and maintain a file with all relevant documentation related to the case and inform the APMO.
- - **Employee found at fault without SRO concurrence:** If the Board finds the employee(s) involved “at fault,” and the SRO does not concur, the PMO shall reconvene the BOS and notify the APMO. The APMO, acting as an advisor, will facilitate resolution of the LTDD incident between all parties. The APMO will contact the Office of the Chief Financial Officer (OCFO)/OC to determine if there is a significant financial loss to the agency and whether an accounting adjustment needs to be made to absorb the loss.

CHAPTER 7. DISPOSITION

7.1 PURPOSE AND SCOPE

Disposition is described as the process by which assets are disposed of, such as donation, sale, destruction, exchange, recovery and repurpose. The action taken is one that physically transfers an asset from one's accountability.

The property disposal process is regulated by multiple parts of the Code of Federal Regulations (CFR) including, but are not limited to, [41 CFR §102-35](#) through [41 CFR §102-39](#), [41 CFR §102-41](#), [41 CFR §102-42](#), and [40 U.S.C. §521](#). In accordance with [40 U.S.C. §521](#), the General Services Administration (GSA) prescribes the policies in [41 CFR §102-36](#), to promote the maximum use of excess government personal property by executive agencies. This section of the Federal Management Regulation (FMR) provides the greatest level of detail and guidance on the subject of disposition in addition to 40 U.S.C. Chapter §5, "Subchapter III-Disposing of Property." Personal property management professionals should refer to the FMR in addition to the guidance provided in this Manual when managing their personal property assets. Additional resources are available on the GSA website, including the [GSA Personal Property Disposal Guide](#), which provides a condensed description of the federal personal property disposal process and supporting programs.

When a disposition program is administered effectively and efficiently, it saves the federal government millions of dollars annually. Federal government property that is excess to one federal agency's requirements may be utilized by another federal agency, thus preventing unnecessary expenditure of federal funds for a new procurement. This chapter defines the functional requirements of the federal excess disposition program, describing the process from the initial identification of an excess property to its final disposal. See Section 7.8.4.3, "Electronic Stewardship" for additional information on Executive Order (EO) 13693 requirements.

Requirements:

[41 CFR §102-35](#), "Disposition of Personal Property."

[41 CFR §102-36](#), "Disposition of Excess Personal Property."

[41 CFR §102-37](#), "Donation of Surplus Personal Property."

[41 CFR §102-38](#), "Sale of Personal Property."

[41 CFR §102-39](#), "Replacement of Personal Property Pursuant to the Exchange/Sale Authority."

[41 CFR §102-41](#), "Disposition of Seized, Forfeited, Voluntarily Abandoned, and Unclaimed Personal Property."

[41 CFR §102-42](#), "Utilization, Donation, and Disposal of Foreign Gifts and Decorations."

[40 U.S.C. §521](#), "Policies and Methods"

7.2 GENERAL

The EPA is committed to the repurposing and reutilization of personal property assets throughout the agency. When assets cannot be used internally, the EPA extends its commitment to helping reduce government costs and waste by making excess property available government-wide. In the same way, the EPA shall make every effort to seek out excess assets as the first source of supply to fulfill current and future needs during procurement planning. Reutilizing excess assets saves money and resources and on occasion only handling and transportation costs might be incurred.

This section prescribes standard procedures for the EPA regarding the removal of assets from assigned locations and uses. Methods of disposition are by transfer, trade-in, sale, donation, condemnation, and destruction, or by other means.

The EPA is structured to realize the benefits of an aggressive reutilization program through a network of personal property professionals. There is not one disposal method that is beneficial for all circumstances. A balanced approach should be established at the program/regional office level as to what combination of disposal methods supports the sustainability of their asset management activities. This is especially true when determining whether to direct transfer excess property as non-reimbursable versus reimbursable or to utilize the exchange/sale authority for future like-asset purchases.

The federal excess property disposition process is summarized below and it is applicable to all federal agencies:

- - Ensuring that data-storing devices (computers, phones, etc.) have been reviewed by the Records Liaison Officer (RLO) prior to reutilization.
- - Identifying idle personal property that is no longer required to support agency requirements and declaring it excess.
- - Screening excess personal property internally and making it available to other agency offices/divisions/branches.
- - Reporting excess personal property to the GSA and making it available to other federal agencies.
- - Donating surplus personal property through the GSA to eligible donees.
- - Selling surplus personal property through the GSA to the general public.
- - Abandoning or destroying surplus personal property as required.

7.3 DISPOSITION ROLES AND RESPONSIBILITIES

The goal of the federal excess personal property disposition program is to ensure that one federal agency's unneeded personal property assets may be utilized by another federal agency, state, local or tribal government, thereby reducing government costs and waste. Everyone plays a role in ensuring federal assets are being utilized effectively. However, the responsibilities of managing the disposition of EPA personal property are often associated with the specific roles of National Utilization Officer (NUO) and Property Utilization Officer (PUO).

The role of the NUO is more structured, in that the NUO is the single point of contact for managing the screening of excess property within the agency and represents the agency to the GSA and other federal agencies. The NUO may delegate the operational role of managing their assets through the GSA disposition process. However, the NUO must maintain the authority as the agency's single point of contact between the EPA, the GSA, other federal agencies and nongovernment entities. The role of the PUO is the single point of contact for managing the screening of excess property within the program/regional offices.

Requirements:

[41 CFR §102-35.30](#), "What actions must I take or am I authorized to take regardless of the property disposition method?"

[41 CFR §102-36.45](#), "What are our responsibilities in the management of excess personal property?"

[41 CFR §102-36.55](#), "What is GSA's role in the disposition of excess personal property?"

[41 CFR §102-36.250](#), "Does GSA ever take physical custody of excess personal property?"

7.4 DECLARING EXCESS PROPERTY

The EPA shall promote reutilization and repurposing of assets. Program/regional offices shall exhaust all opportunities for internal reuse before declaring property surplus to the GSA.

Government personal property is declared excess when it is no longer needed to fulfill the requirement for which it was acquired. Excess property is reported by the PUO within a program/regional office to the NUO. Reasons that property is declared excess include:

- Property is no longer needed or used (idle).
- Program/regional cancellations or reduction in scope.
- Personnel reductions that results in extra, unused property.
- Technology improvements, leading to equipment obsolescence.
- Cost reductions.

In general, excess personal property reported in usable condition has a potential for re-utilization, meaning it requires little or no repair, has material value and may be used by another agency. Property not meeting this condition is considered "scrap," and may be eligible for immediate abandonment or destruction in an environmentally friendly manner.

Requirements:

[41 CFR §102-36.30](#), "When is personal property excess?"

7.5 REPORTING EXCESS PROPERTY

EPA excess personal property in New (Condition Code: 1), Usable (Condition Code 4), Repairable (Condition Code 7) and Salvage (Condition Code X) must be reported to the GSA in accordance with [41 CFR §102-36.220](#) and the method of reporting for the EPA is through GSAXcess®, via the Agency Asset Management System (AAMS). The GSA is one of the federal government's Centers of Excellence that sells federal surplus personal property. There are some exceptions discussed in this section, such as when a direct transfer is executed. Direct transfers do not require reporting to the GSA until after the transaction has been completed.

Property Custodial Officers (PCOs) shall declare property that is no longer required to support operational requirements as excess and report to the NUO on a [GSA Standard Form-120](#), "Report of Excess Property." The property data that must be reported on the form includes, but is not limited to:

- Activity address code.
- Property description.
- Manufacturer's name.
- Manufacturer's model number (if applicable).
- Serial number.
- EPA property decal number.
- GSA disposal condition code.
- Any known malfunctioning parts or damage, including hidden defects.

Table 7-1 lists the five disposal condition codes defined in [41 CFR §102-36.240](#) that must be used by all federal agencies when reporting excess personal property to the GSA, unless an exception exists.

Table 7-1. GSA Disposal Condition Codes

Disposal Condition Code	Definition
1	New. Property that is in new condition or unused condition and can be used immediately without modifications or repairs.
4	Usable. Property that shows some wear, but can be used without significant repair.
7	Repairable. Property that is unusable in its current condition but can be economically repaired.
X	Salvage. Property that has value in excess of its basic material content, but repair or rehabilitation is impractical and/or uneconomical.
S	Scrap. Property that has no value except for its basic material content.

The following is a non-inclusive list of types of excess personal property that shall not be reported to the GSA for screening:

- Property determined appropriate for abandonment/destruction (see [41 CFR §102-36.305](#)).

- Non-appropriated fund property (see [41 CFR §102-36.165](#)).
- Foreign excess personal property (see [41 CFR §102-36.380](#)).
- Scrap, except aircraft in scrap condition (Condition Code “S”).
- Perishables (see [41 CFR §102-40.55\(c\)](#)).
- Trading stamps and bonus goods.
- Hazardous waste.
- Controlled substances.
- Nuclear Regulatory Commission-controlled materials.
- Property dangerous to public health and safety.
- Classified items or property determined to be sensitive for reasons of national security.

Requirements:

[41 CFR §102-36.220\(b\)](#), “Must we report all excess personal property to GSA?”

7.6 SCREENING EXCESS PROPERTY

Screening is the process of assessing idle and on-hand personal property assets and making a determination as to whether the items are required to support its original intended purpose and mission. Assets may become obsolete, may be in disrepair, or just may be residual from what is actually required. This screening process shall occur prior to declaring property as excess.

In general, excess property will be made available internally within a program/regional office for 7 days and within the EPA for 7 days, a total of 14 days. If a requirement exists, efforts are made to transfer the property between programs/regions. If there are no claims for the property, it shall be reported to the GSA as excess so it can be screened throughout all federal agencies for 21 days.

Program/regional offices shall conduct periodic assessments of personal property assets to maintain accurate and up to date records of asset location, condition and need. Internal screening shall be conducted in accordance with the schedule shown in Table 7-2.

Table 7-2. Standard Screening Schedule for Excess Personal Property

Screening Action	Screening Period
Total screening period	35 days
Screening by the contracting agency	Day 1 through 14
Screening by GSA with other federal agencies	Day 15 through 35

The standard screening period for excess personal property is 35 days.

Disposition of personal property must be conducted in a manner that provides the opportunity for program/regional offices to claim available excess property. Program/regional offices that have a requirement

for excess property shall make a claim through the NUO. If no requirements for the property exist, the methods of disposal include transfer, donation, exchange/sale, and abandonment and destruction.

7.7 SANITIZING EXCESS PROPERTY

All sensitive information technology (IT) property must be screened by the RLO for records retention and sanitized by the Office of Environmental Information (OEI) before it is released from the EPA. Computing equipment must be sanitized in accordance with the National Institute of Standards and Technology Special Publication 800-88, "Guidelines for Media Sanitization." Disk sanitization involves the overwriting of all previously stored data with a predetermined pattern of meaningless information, such as a binary pattern, its complement and an additional third pattern. It enables hard drives and other storage devices to be wiped, in order to protect sensitive data and maximize reuse potential by using least-destructive sanitization methods wherever appropriate. Mobile devices are sanitized in accordance with "Mobile Device Acknowledgement Form".

7.8 DISPOSING EXCESS PROPERTY

All executive agencies are required to comply with all provisions of [41 CFR §102-36](#). All agencies shall report, transfer, exchange, sell, donate, abandon or destroy in disposing excess personal property. Agencies must also fill their personal property requirements from available excess in accordance with these provisions. Excess personal property can be disposed of through several methods. These methods include exchange/sale, transfer, donation, abandonment, destruction and are listed in order of precedence.

7.8.1 Exchange/Sale

In accordance with [GSA FMR Bulletin B-27](#), "Annual Executive Agency Reports on Excess and Exchange/Sale Personal Property" excess personal property can be replaced using the exchange/sale disposal method. This method shall be considered first before any other disposal method. When excess property is sold using the exchange/sale authority, the agency is eligible to use the funds to offset costs of a similar asset. However, if the asset is reported as excess and later sold by GSA as surplus, the proceeds shall be deposited in the United States Treasury as miscellaneous receipts and these proceeds are not available to the agency. Exchange/sale authority should not be used when the exchange allowance or estimated sales proceeds of the property are unreasonably low. If the proceeds are low, the property shall be abandoned or destroyed in accordance with [41 CFR §102-36](#) (.305 through .325).

7.8.2 Sale

7.8.2.1 *Sale of Surplus EPA Personal Property by GSA*

The GSA will act as the single sales agency for the EPA surplus personal property, in accordance with [41 CFR §102-38](#). Proceeds from the sale of personal property originally purchased with Superfund money shall reimburse the Superfund Trust Fund, except for the portion of sales proceeds equal to the cost of the sale, which can be reimbursed to the EPA, per 40 U.S.C. 574 et seq. All other proceeds (non-Superfund) are returned to the Treasury.

7.8.2.2 *Purchase of Surplus EPA Personal Property by EPA Federal Employees*

EPA employees are prohibited from purchasing surplus personal property within the agency for personal use. All excess personal property must be reported and screened through the GSA and if there are no claims, the property is put up for sale for competition by the general public on [GSAuctions.gov](https://www.gsa.gov/property/auctions) or [GovSales.gov](https://www.govsales.gov). All employees may use either GSA website to purchase surplus federal personal property for personal use.

7.8.3 **Transfer**

Excess personal property can be transferred either internally or externally. Internal transfers involve federal personnel and external transfers can involve federal or non-federal recipients.

7.8.3.1 *Internal Transfer Within EPA*

Internal transfers of excess personal property within the EPA shall be executed in the AAMS and accompanied with an EPA 1700-7, "Property Receipt and Transfer Document."

7.8.3.2 *External Transfer to a Federal Recipient*

External (direct) transfers of excess EPA personal property to a federal recipient shall be executed using [GSA Standard Form-122](#), "Transfer Order Excess Personal Property," and any other forms required pertaining to the particular transfer. An external transfer does not require GSA approval in the following situations:

- - The acquisition cost of the property is below \$10,000.
- - The acquisition cost of the property is above \$10,000, but the appropriate regional GSA personal property management office granted verbal approval for the pre-arranged transfer.

The following conditions apply to external transfers:

- - The property official from the receiving party initiates the transfer by completing the [GSA Standard Form-122](#), "Transfer Order Excess Personal Property," and submitting it to the PUO accountable for the property.
- - The PUO signs the [GSA Standard Form-122](#), "Transfer Order Excess Personal Property," retains a copy for upload to the official property record in the AAMS and returns the original to the receiving agency.
- - The property official from the receiving agency provides a copy of the [GSA Standard Form-122](#), "Transfer Order Excess Personal Property," to the regional GSA office within 10 business days from the date of the transaction.
- - Title to the property shall transfer to the receiving agency.
- - The receiving party becomes accountable for the property transferred.
- - Transfer reimbursements shall be considered, if prudent to do so.

- - Any direct costs incurred for a transfer shall be incurred by the receiving agency, unless otherwise agreed to by both agencies.

If the transfer falls under the category of requiring verbal GSA approval, the name of the approving official must be noted on the [GSA Standard Form-122](#), "Transfer Order Excess Personal Property." Transfer reimbursements are not required except as listed by [41 CFR §102-36.75](#). Software license retrieval and/or sensitive information sanitization is required before transferring desktop or laptop computers.

For external transfers to a federal recipient, the official property record in the AAMS shall be updated within 5 business days of the "notice of allocation" from GSA. If accountable property cannot be recorded in the AAMS within the 5-day period because of extenuating circumstances, a request for an extension explaining justification must be submitted in writing to the Agency Property Management Officer (APMO) for approval. (See "Justification Form" in Appendix E, "EPA Forms").

7.8.3.3 *External Transfer to a Non-Federal Recipient*

Transfers to non-federal recipients are executed on [GSA Standard Form-123](#), "Transfer Order Surplus Personal Property." Transfer transactions are facilitated through the GSA during the disposal process, unless a deviation has been granted.

The following conditions apply to external transfers:

- - The receiving party becomes accountable for the transferred property.
- - Title to the property shall transfer to the receiving party.
- - The property is transferred in "as-is" condition.
- - Any direct costs incurred for a transfer shall be incurred by the receiving party, unless otherwise agreed to by the parties.

For external transfers to a non-federal recipient, the official property record in the AAMS shall be updated within 5 business days of the "notice of allocation" from the GSA. If accountable property cannot be recorded in the AAMS within the 5-day period because of extenuating circumstances, a request for an extension explaining justification must be submitted in writing to the APMO for approval. (See "Justification Form" in Appendix E, "EPA Forms").

Title to personal property cannot be transferred to a non-federal entity unless through official procedures specifically authorized by law.

7.8.4 **Donation**

Excess personal property can be donated in multiple ways after the disposal option of exchange/sale is considered. Donation is accomplished through the GSA's Computers for Learning Program, the Stevenson-Wydler Innovation Act, and State Agencies for Surplus Property. The EPA does not have any independent authority to donate excess personal property on its own. Employees cannot decide on a specific charity or school to receive EPA donations of excess personal property. However, program/regional offices wishing to

donate property that they plan to otherwise abandon or destroy, in accordance with [41 CFR §102-37.570](#), shall document the transfer on [GSA Standard Form-123](#), "Transfer Order Surplus Personal Property" and retain copies for internal record purposes. Copies are not provided to the GSA.

7.8.4.1 *Stevenson-Wydler Innovation Act*

The Stevenson-Wydler Innovation Act of 1980, and its subsequent amendment by Public Law 102-245 in 1991, was enacted to provide technology equipment not being used by the federal government to educational institutions to advance education and research. Specifically, it authorized federal laboratory directors and agency and department heads to transfer excess research equipment to an educational institution or nonprofit organization for the conduct of technical and scientific education and research activities.

7.8.4.2 *Federal Electronic Assets (FEA)*

FEA disposed under Abandonment and Destruction authority (i.e., [41 CFR §102-36.305](#) et. seq.) allows it to be returned to a manufacturer or vendor under a take-back program that uses a certified recycler or refurbisher under the Responsible Recycling and e-Stewards certification programs.

[GSA FMR Bulletin B-34](#), "Disposal of Federal Electronic Assets," requires that federal agencies protect human health and the environment from the potentially harmful effects associated with the unsafe disposal of FEA. While the first opportunity of disposal is to reuse functional FEA in condition codes 1, 4 and 7, the additional methods of transfer, donation, sale, or abandonment and destruction shall be used in order of precedence.

Table 7-3 defines electronic assets within their Federal Supply Class (FSC) and Federal Supply Group (FSG).

Table 7-3. Federal Electronic Assets Designated Personal Property

FSC	FSG	Equipment Description
3610		Copiers
	58	Telephones, facsimile machines, and communication equipment
	59	Electronic equipment components
6625		Electrical and electronic properties measuring and testing instruments
6720		Digital cameras
	70	Desktop and laptop/portable computers, computer monitors, displays, printers, peripherals, and electronic components
7730		Televisions and other displays
Any other items that clearly utilize solid-state electronics or vacuum tubes to perform.		

7.8.4.3 *Electronic Stewardship*

The acquisition of FEA must follow the requirements of EO 13693 that sets goals to improve environmental performance and federal sustainability. The government is encouraged to purchase greener electronics, reduce impacts of electronics during use and manage used electronics in an environmentally safe way. Electronic equipment may contain toxic constituents, consume significant energy during use and present

complex challenges when disposed of. See Section 4.4.1, “Acquiring Federal Electronic Assets (FEA),” for additional information.

7.8.4.4 *Donation to State Agencies, Tribes, Universities*

Excess personal property not claimed during the 21-calendar day federal agency screening process is declared “surplus” to the federal government. The first day after the expiration of the 21-calendar day federal agency screening process is referred to as the surplus release date. Surplus personal property is eligible for donation for a period of 21 calendar days after the surplus release date to state and local public agencies and other nonprofit organizations deemed eligible by the State Agency for Surplus Property. State Agency for Surplus Property representatives are responsible for the fair and equitable distribution of surplus federal property within the state. The EPA does not choose the donees. Eligible nonprofit organizations generally include:

- - Medical institutions, hospitals, clinics, and health centers.
- - Drug abuse and alcohol treatment centers.
- - Providers of assistance to homeless or impoverished families or individuals.
- - Schools, colleges, and universities.
- - Child care centers.
- - Radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations.
- - Public museums and libraries.

After GSA approval is granted, an authorized official from the claiming State Agency for Surplus Property (transferee) will prepare an [GSA Standard Form-123](#), “Transfer Order Surplus Personal Property” (see Appendix D, “EPA Property Record Data Elements”), and submit it to the cognizant GSA Area Property Officer. When property is donated to a non-federal agency, all identification markings that indicate that the federal government previously owned the property must be removed before release to the recipient. The recipient must pick up the property from the EPA facility where it is located within 15 business days of being notified it is available for pick-up. The transferee is responsible for any packing, shipping or transportation charges associated with the transfer of surplus property for donation.

7.8.4.5 *Computers for Learning Program*

EO 12999, “Education Technology: Ensuring Opportunity for All Children in the Next Century,” authorized in 1996, established the Computers for Learning program. The Computers for Learning program, administered by the GSA, is designed to streamline the transfer of excess and surplus federal computer equipment to schools and educational nonprofits. This program gives special consideration to schools with the greatest need. Similar to other government property, the EPA must offer its idle computer equipment for use to other program/regional offices before declaring it excess. However, the EPA can directly transfer computer equipment to schools and educational nonprofit organizations after reporting it to GSAXcess. Once in

GSAXcess, the property is available for screening by registered educational institutions and other federal agencies.

The Computers for Learning program, in which the EPA is registered, requires federal agencies to match available equipment with the requests of schools listed in GSAXcess. Once matches are found, the school or educational nonprofit organization is required to provide the following for documentation purposes:

- - A signed "Transfer of Title" agreement.
- - A letter on organization letterhead, signed by the school principal or educational nonprofit organization director, authorizing the point of contact to accept the transferred computer equipment on behalf of the school or educational nonprofit organization (home schools shall provide copies of the documentation required by their state to home school).
- - Any additional documentation required by the PUO.

7.8.5 Private Sector

When not otherwise utilized for donation as described above, donations to the private sector may be considered on a case-by-case basis after all other options have been exhausted. The agency and/or the GSA will make this determination

7.8.6 Abandonment and Destruction

If EPA personal property reported to the GSA is not selected by a federal, state, or local government agency, non-profit organization or a member of the general public, the GSA will authorize the owning agency to dispose the property through the Abandonment and Destruction process. The agency can dispose the property through its abandonment and destruction or recycling procedures, as approved by the NUO.

Hazardous materials, including hazardous material containers, shall be abandoned or destroyed in accordance with federal, state, and local waste disposal and air and water pollution control standards. Additional requirements for the abandonment and destruction of certain specific hazardous materials are contained in [41 CFR §102-40.125](#).

Firearms shall not be abandoned. Destruction of firearms is subject to crushing, cutting, breaking or deforming to be performed in a manner to ensure that the firearms are rendered completely inoperative and to preclude their being made operative. An additional method of destruction is placing the firearm in a smelter using the Two-Person Integrity process. See Section 10.8.2, "Disposal of Firearms," for additional information.

Voluntarily abandoned property shall be documented by the agency to evidence the receipt of the property. After documenting the receipt, the PUO may either retain the abandoned property for official use or dispose of the property through the abandonment and destruction process in accordance with [41 CFR §102-36](#) (.305 through .330). Normally, the holding agency retains physical custody of voluntarily abandoned property and is responsible for its care and handling until final disposition. If this property is not retained for official use,

abandoned, or destroyed by the agency, it must be reported to the GSA as excess property in accordance with [41 CFR §102-41.95](#).

Requirement:

[41 CFR §102-36.305 et. seq.](#), “Abandonment/Destruction.”

[41 CFR §102-41](#), “Disposition of seized, forfeited, voluntarily abandoned, and unclaimed property.”

[41 CFR §102-41.95](#), “Where do we send the reports for voluntarily abandoned property?”

§102-40, “Utilization and disposition of personal property with special handling requirements”

[41 CFR §101-42.125](#), “May we dispose of personal property requiring special handling by abandonment or destruction?”

[41 CFR §102-36.305](#), “May we abandon or destroy excess personal property without reporting it to GSA?”

[41 CFR §102-36.310](#), “Who makes the determination to abandon or destroy excess personal property?”

[41 CFR §102-36.315](#), “Are there any restrictions to the use of the abandonment/destruction authority?”

[41 CFR §102-36.320](#), “May we transfer or donate excess personal property that has been determined appropriate for abandonment/destruction without GSA approval?”

[41 CFR §102-36.325](#), “What must be done before the abandonment/destruction of excess personal property?”

[41 CFR §102-36.330](#), “Are there occasions when public notice is not needed regarding abandonment/destruction of excess personal property?”

7.8.7 Disposing Excess Firearms

Firearms disposal requires special handling to ensure excess firearms are not released into the public. Firearms may be transferred only to federal agencies that are authorized to acquire firearms for official use. See Section 10.8, “Disposition of Firearms” for further information on this topic.

7.8.8 Disposing Excess Property with Ozone Depleting Substances

All program/regional offices shall have procedures and resources in place to manage ozone-depleting substances within their facilities to ensure compliance with EO 12843. EO 12843 defines ozone-depleting substances as the substances controlled internationally under the Montreal Protocol and nationally under Title VI of the Clean Air Act Amendments of 1993 (See 42 U.S.C. §7671) which include the two classes of substances.

CHAPTER 8. GOVERNMENT FURNISHED PROPERTY

8.1 PURPOSE AND SCOPE

This chapter provides information on the management requirements for accountability, receipt, utilization, disposal and reporting of government property under an EPA contract (hereafter referred to as “government furnished property [GFP]”). GFP includes both real and personal property that is acquired for use in the performance of a U.S. government contract. It includes the property categories of special test equipment, special tooling, equipment, sensitive property, material and real property. The two acquisition methods a contractor can use to acquire contract property are GFP and Contractor-Acquired Property (CAP). CAP means property acquired, fabricated or otherwise provided by the contractor for performing a contract and to which the government has title. For purposes of this chapter, “GFP” refers to both GFP and CAP and addresses those requirements pertaining to personal property. The contractor shall maintain effective accountability, management, and control of all contract property as an integral part of the contract. GFP shall be managed in accordance with the terms and conditions of the contract, [48 CFR Part 1545](#); and [48 CFR §52.245-1](#), “Government Property;” and [48 CFR §1552.245-70](#), “Government Property.”

Note: This chapter provides general guidance on management of GFP in the possession of contractors and should not be relied on to the exclusion of the more detailed guidance provided by the Federal Acquisition Regulation (FAR) or EPA Acquisition Regulation (EPAAR).

8.2 GENERAL

GFP is governed by the terms and conditions of the contract and may be furnished to, or acquired by, contractors under the provisions of a contract. All GFP covered by this chapter must be managed in accordance with all public laws, federal regulations and EPA policy.

FAR 45.107(a) directs Contracting Officers (COs) to insert the government property clause, FAR 52.245-1, “Government Property,” in all cost reimbursement, time and material, and labor-hour type solicitations and contracts, fixed-price solicitations and contracts, and contracts or contract modifications awarded when GFP is expected to be furnished or provided, as well as contracts and modifications awarded under FAR Part 12 procedures, “Acquisition of Commercial Items” procedures when the government property exceeds the “simplified acquisition threshold” of \$150,000.00 as defined in FAR 2.101, regardless if property is assigned to the contract. Figure 8-1 describes the GFP acquisition process.

Figure 8-1. GFP Acquisition Process

**Requirements:**

[FAR Part 45](#), "Government Property."

[FAR 52.245-1](#), "Government Property Clause."

[FAR 52.245-9](#), "Use and Charges Clause."

[EPAAR 1552.245-70](#), "Government property."

8.3 ROLES AND RESPONSIBILITIES FOR MANAGING GFP

Responsibility for GFP in the possession of contractors belongs to several EPA officials as discussed in this section.

8.3.1 Contracting Officer

The COs' responsibilities, relative to GFP in the possession of contractors, include those listed in FAR, Subpart 42.2, "Contract Administration Services," federal and agency regulations, and the following specific functions:

- - Ensuring that contracts, relative to the management of GFP, are awarded and administered in accordance with applicable public laws, federal regulations, executive orders and agency supplemental regulations.
- - Ensuring that the procurement requirements for the acquisition of GFP have been met.
- - Providing the cognizant Government Property Administrator or Contract Property Coordinator (CPC) with a copy of the contract and all subsequent modifications related to GFP.

- - Maintaining a contract file with written evidence that contractor's property management systems are analyzed for conformance with contract requirements and shall identify the official and agency that performed the Property Management System Analysis.
- - Ensuring that all GFP is included in the contract schedule, including contract amendments or modifications as necessary.
- - Ensuring that property disposal instructions and packaging as well as crating, handling and funding issues are addressed before contract award and provisions are included in the contract to support contract closeout actions.
- - Ensuring that the contractor follows property disposal instructions for disposal and removal of property from the contract.
- - Coordinating with the Contracting Officer's Representative (COR) and CPC, as necessary, to ensure that GFP related issues raised in audit reports are resolved properly and in accordance with established EPA guidance.
- - Making final decisions when there are discrepancies regarding GFP between the COR and the contractor.
- - Ensuring that the contractor files the annual Government Furnished Property Report as required by EPAAR 1552.245-70.
- - Ensuring that the contract contains the details about the property that the contractor is required to track in their property system as described in FAR 52.245-1(f)(1)(iii)(A). This includes but is not limited to the description, manufacturer, model, acquisition costs and the date placed in service.

8.3.2 Contracting Officer's Representative

CORs' responsibilities, relative to GFP in the possession of contractors, include:

- - Providing technical guidance and assistance to the CO and procurement staff as needed throughout the life of the contract.
- - Working with the CO to evaluate the effect that providing GFP to the contractor will have on the contract price.
- - Working with the Property Management Officer (PMO) to ensure EPA property is screened for availability prior to providing any GFP to the contractor.
- - Providing assistance to the contractor to ensure that all GFP and CAP, is listed in the contract.
- - Ensuring that GFP provided to the contractor is in a condition suitable for use and is delivered when required.
- - Assisting the CPC in providing disposition instructions to the contractor regarding excess property, when required.

8.3.3 Contract Property Coordinator

The agency supplemental government property clause, EPAAR 1552.245-70, "Government Property," delegates all GFP administration to the EPA CPC. This delegation applies to all EPA contracts issued with or that have the potential to receive, purchase or acquire government property or include the FAR government property clause, 52.245-1. In addition to administering all EPA GFP, the CPC provides technical expertise and assistance to the CO and COR relative to government property.

CPCs' responsibilities, relative to GFP in the possession of contractors, include:

- - Conducting a Property Management System Analysis of the contractor's property management systems, policies, processes, procedures and practices as frequently as conditions warrant.
- - Preparing written Property Management System Analysis reports to document findings and corrective action.
- - Investigating the circumstances of contractor reports of loss, theft, damage and destruction (LTDD), and determining liability.
- - Establishing and maintaining records for property reported as LTDD.
- - Performing plant clearance duties identified in FAR Subpart 45.6, "Reporting, Reutilization, and Disposal."
- - Reviewing contractor submitted [General Services Administration \(GSA\) Standard Form-1428](#), "Inventory Disposal Schedule" within 10 days of receipt and providing corrective action if necessary.
- - Verifying the [GSA Standard Form-1428](#), "Inventory Disposal Schedule" accepted schedules within 20 days after acceptance and requiring the contractor to correct any discrepancies found during the agency's verification review.
- - Requiring the contractor to correct any failure to complete the predisposal requirements of the contract.
- - Providing the contractor with disposal instructions for all GFP identified on an acceptable inventory disposal schedule within 120 days following the end of contract performance.
- - Initiating reutilization actions for all GFP not meeting the abandonment or destruction criteria listed in FAR 45.603(b).
- - Authorizing disposal in accordance with the following methods in order of precedence, highest to lowest priority in descending order:
 - Reusing within the owning agency (e.g., the EPA).
 - Transferring of educationally useful equipment to eligible schools and nonprofit organizations.
 - Reporting to the GSA for reuse within the federal government or donation as surplus property.
 - Disposing property listed in FAR 45.602-2(d) in accordance with agency procedures without reporting to the GSA.

- Disposing nuclear materials in accordance with the Nuclear Regulatory Commission, applicable state licenses, federal regulations and supplemental agency regulations.
- - Performing contract closeout actions by providing written authorization to the contractor to transfer or dispose of GFP, including classified property, in order to enable the contractor to submit a certification of completion statement that a zero balance exists on the contract.
- - Ensuring that government-furnished property provided to the contractor and not consumed during contract performance has been properly disposed.

Requirements:

[EPAAR Subpart 1552.245-70](#), “Government property.”

[FAR Part 45](#), “Government Property.”

[FAR Subpart 45.6](#), “Reporting, Reutilization, and Disposal.”

[FAR 45.602-2](#), “Reutilization priorities.”

[FAR 45.603\(d\)](#), “Abandonment or destruction of personal property.”

[FAR 52.245-1](#), “Government Property.”

8.3.4 Property Management Officer

PMOs are generally not responsible for property assigned to a contract, unless it is returned to the agency and accepted back into the agency’s inventory. Once it is returned to the agency, it is handled like other agency property and the PMOs perform their regular property management roles. This chapter echoes instructions contained in the FAR and EPAAR to assist agency personnel and PMOs determine when and if this should happen. GFP may be returned to the agency inventory when:

- - The contractor no longer needs the property to perform the contract and the agency has expressed a desire to take the property back in writing.
- - The contract has been completed, been terminated or the period of performance has expired, and the agency has expressed a desire to take the property back in writing.

GFP that is no longer needed by the contractor goes through the screening process as outlined in [FAR 45.6](#), “Reporting, Reutilization and Disposal.” If the agency does not have a need for the property, GFP is disposed of directly by the contractor in accordance with [FAR 45.604](#). All disposals must be documented by the contractor in order to provide a clear audit trail of all transactions.

8.3.5 Contractor

Contractor responsibilities, as they relate to GFP, are detailed in the contract provision or FAR Part 45 and include the following specific requirements:

- - Establishing, implementing and maintaining property management plans, systems and procedures at the contract, program, site or entity level to enable the 10 outcomes listed in FAR 52.245-1(f), "Contractor Plans and Systems."
- - Maintaining accurate and complete accountability of all GFP in accordance with the terms of the contract from initial acquisition and receipt of property, through stewardship, custody and until the contractor is formally relieved of responsibility in writing including all subcontractors.
- - Maintaining and making available all GFP records until relieved of such responsibilities in writing by the CO.
- - Maintaining a system of internal controls to manage (e.g., control, use, preserve, protect, repair, maintain) GFP in its possession.
- - Reporting LTDD property incidents or excess GFP to the CPC as soon as it becomes known.
- - Conducting an annual physical inventory and reporting the results to the CPC at the end of each fiscal year and at the completion of the contract.
- - Submitting periodic property financial reports in accordance with the Contract Data Requirements List required in the contract.

8.4 OWNERSHIP OF GFP

The ownership or the vesting of title to property depends on the contract type and the title provisions included in the contract. Normally, when contractors purchase property (equipment or material) under cost-reimbursement, time and material or a fixed-price contract with cost-reimbursable line items, the title to the property acquired shall vest in the government in the following order of precedence, whichever occurs first:

- - Upon the vendor's delivery of the property.
- - Upon acceptance and issuance of the property for use in contract performance.
- - Upon commencement of processing of the property for use in contract performance.
- - Upon reimbursement of the cost of the property by the government.

Requirements:

[FAR Subpart 45.4](#), "Title to Government Property."

[FAR 52.245-1\(e\)](#), "Title to Government Property"

8.5 MANAGEMENT OF GFP

When agency property is assigned to a contract, the primary responsibility for managing such property is with the contractor. The contractor shall have a system of internal controls in place to manage GFP in its possession

from acquisition through disposition and contract closeout. The system shall be adequate to satisfy the requirements of the government property clause (See [FAR 52.245-1](#), “Government Property”). The contractor is directly responsible and accountable for all GFP in their possession in accordance with the requirements of their contract; this also includes GFP in the possession or control of a subcontractor.

8.5.1 Acquisition of GFP

The two methods of acquisition for GFP available to a contractor are GFP and CAP. However, a determination must be made by the EPA if the agency plans to provide GFP to a contractor.

8.5.1.1 Determination in Providing GFP

The FAR discourages assigning property to a contract unless the conditions of [FAR 45.102\(b\)](#) are met. Generally, property can be assigned to a contract when the CO determines that it is in the best interest of the government. The COR shall work with the PMO to ensure EPA property is screened for availability before procuring and providing GFP to the contractor.

When property is assigned to a contract, the agency transfers stewardship responsibilities to the contractor during the contract or task order award or through a contract modification. To establish stewardship, the contractor must be able to take full responsibility for the property acquired and comply with the provisions of the government property clause, [FAR 52.245-1](#).

Therefore, property should NOT be considered for assignment to a contract if the contractor is co-located within EPA space and any of the following conditions exist:

- The property is routine office equipment;
- The contractor does not have exclusive use of the property; or
- The contractor cannot secure the property within the EPA space.

Property meeting any of these conditions is considered agency property and included in the agency asset management system.

FAR 45.000 “Scope” (b) (5) states specifically that the Government Furnished Property section of the FAR does not apply to government property that is incidental to the place of performance, when the contract requires contractor personnel to be located on a government site or installation, and when the property used by the contractor within the location remains accountable to the government. Items considered to be incidental to the place of performance include, for example, office space, desks, chairs, telephones, computers and fax machines.

8.5.1.2 Government Furnished Property

If GFP is required for the performance of the contract it must be clearly identified in the Solicitation for the contract as specified in [FAR 45.201](#), “Solicitation,” with the necessary level of detail specified. [FAR 45.102](#) defines the government’s policy in furnishing government property to a contractor. Ordinarily, contractors are required to furnish all property necessary to perform government contracts. However, when it is necessary

or desirable for the EPA to furnish property to the contractor, or when the contractor is authorized in the contract to acquire property at the government's expense, the EPA shall ensure that the government property clause, [FAR 52.245-1](#), is included as a provision of the contract in order to protect the agency's interests in the property.

GFP can be acquired through government excess inventories (owned by either the EPA or other federal agencies), and/or government supply sources. The CO shall coordinate with the EPA National Utilization Officer (NUO) to determine if suitable excess property is available for contractor use before agency funds are expended to acquire property.

When providing GFP to a contractor, the CO and the COR must ensure that the property is properly identified in the contract and a copy is provided to the contractor and the CPC. The CO shall maintain a current list of all GFP accountable to the contract. Modification or amendments to the contract will be handled at the discretion of the CO.

When contractors are provided GFP for use at a contractor facility, the property record must be retired from Agency Asset Management System (AAMS) by the appropriate Property Custodial Officer (PCO) when notified by the CPC or the CO. The contractor is responsible for managing the acquired GFP under the terms of the contract, the government property clause, and the FAR. In all cases where GFP is furnished to the contractor, the government retains title to the property.

Requirements:

[FAR Part 45](#), "Government Property."

[FAR 52.245-1](#), "Government Property."

8.5.1.3 *Contractor Acquired Property*

All property must be authorized in the contract before it is acquired. Generally, CAP does not pass through the agency personal property inventory or the AAMS. The ownership or vesting of title to the property depends on the contract type and the title provisions included in the contract.

Requirements:

[FAR 52.245-1\(e\)](#), "Title to Government Property"

8.5.2 *Utilization*

Property utilization requirements are meant to ensure the contractor uses government property only as authorized by the contract. The contractor shall not use government property for nongovernmental purposes. The contractor is also required to promptly report government property that is in excess of contract requirements.

8.5.3 Disposition

The disposition process is composed of three distinct phases: identification, reporting and final disposition.

8.5.3.1 *Identification*

The contractor will identify government property that is no longer required for contract performance. Effective GFP management systems provide for identification of excess as it occurs. Once government property has been determined to be excess to the accountable contract, it must be screened against the contractor's other EPA contracts for further use. If the property may be reutilized, the contractor shall notify the CO in writing. Government property will be transferred via contract modifications to other contracts only when the COs on both the current contract and the receiving contract authorize the transfer.

8.5.3.2 *Reporting*

Government property shall be reported in accordance with FAR 52.245-1. [GSA Standard Form-1428](#), "Inventory Disposal Schedule," provides the format for reporting excess government property. Instructions for completing and when to use the form may be found at FAR 52.245-1(j). Forward the completed [GSA Standard Form-1428](#), "Inventory Disposal Schedule," to the CPC. Superfund property must contain a Superfund notification, and the following language must be displayed on the form: "Note to CO: Reimbursement to the EPA Superfund is required per 40 U.S.C. 574 *et seq.*"

If the EPA contract has been re-delegated to the Defense Contract Management Agency (DCMA), the excess items will be entered into the Plant Clearance Automated Reutilization Screening System (PCARSS). Access and information pertaining to this system may be addressed to the DCMA Plant Clearance Officer (PLCO).

8.5.3.3 *Final Disposition*

When government property is identified as excess under a contract, the CO will provide one of the following instructions, in writing, to the contractor for disposal of the excess property. The CO may direct the contractor to:

- - Retain all or part of the excess government property under the current contract for possible future requirements.
- - Return those items to the EPA inventory. The contractor shall ship/deliver the property in accordance with the CO instructions.
- - Transfer the property to another EPA contractor. The contractor shall transfer the property by shipping in accordance with CO instructions. To effect transfer of accountability, the contractor shall provide the recipient of the property with the applicable data elements set for in [48 CFR §1552.245-70](#), Attachment 1.
- - Sale. If the GSA or the DCMA PLCO conducts a sale of the excess government property, the contractor shall allow prospective bidders access to property offered for sale.
- - Abandonment. Abandoned property must be disposed of in a manner that does not endanger the health and safety of the public. If the contract is delegated to DCMA and the contractor has input

EPA property into PCARSS, the EPA Property Utilization Officer (PUO) shall notify the CO. The CO shall notify the contractor in writing of those items the EPA would like to retain, have returned or transferred to another EPA contractor. The contractor shall notify the DCMA PLCO and request withdrawal of those items from the inventory schedule. The contractor shall update the government property record to indicate the disposition of the item and to close the record. The contractor shall also obtain either a signed receipt or proof of shipment from the recipient. The contractor shall notify the CO when all actions pertaining to disposition have been completed and will finalize an EPA Property report with changes, to include supporting documentation of completed disposition actions and submit it to the CPC.

- - Decontamination. The contractor shall certify, in writing, that the property is free from contamination by any hazardous or toxic substances.

8.6 CONTRACT CLOSEOUT

The contractor shall promptly perform and report GFP closeout activities in accordance with the terms and conditions of the contract to the CPC to include: reporting, investigating and securing closure of all loss of government property cases; physically inventorying all property upon termination or completion of the contract; and disposing of items at the time they are determined to be excess to contractual needs.

The contractor shall certify to the CPC that a zero balance exists for all GFP under its prime contract and any of its subcontractors' contracts. A zero balance means that all property has been transferred or disposed of on the contract in accordance with the terms and conditions of the contract, and all GFP records reflect zero quantities. This certification statement shall accompany the contractor's final closeout physical inventory and property financial report.

A final physical inventory shall be performed by the contractor upon contract completion or termination of the contract and submitted to the CPC. If the circumstances (e.g., overall reliability of the contractor's system or if the property is to be transferred to a follow-on contract) are warranted, the CPC may waive this final inventory requirement.

CHAPTER 9. GRANT PROPERTY

9.1 PURPOSE AND SCOPE

This chapter establishes the guidelines for monitoring grant personal property within the EPA. It provides general guidance only where overall grants administration and personal property management functions intersect.

9.2 GENERAL

A grant is a financial assistance award that provides support or stimulation to accomplish a public purpose. For purposes of this chapter, the term “grant” includes support provided under cooperative agreements. Financial assistance awards include grants and other agreements in the form of money, or property in lieu of money, by the federal government to an eligible recipient. Grants administration within the EPA is regulated by the relevant Office of Management and Budget (OMB) circulars and Code of Federal Regulations (CFR) sections referenced in Appendix A, “Authorities and References” as well as EPA Office of Acquisition Management (OAM) policies.

Grant personal property can either be government property awarded as part of the grant itself, or new property being procured by the Grantee utilizing grant funds. For the purposes of this chapter, equipment is defined as tangible, non-expendable personal property having a useful life of more than 1 year and a per-unit acquisition cost of that equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000. See [2 CFR §200.33](#).

EPA may furnish or provide funding for any property to project Grantees, except for consumable items, determined to be necessary and usable for the purpose of the grant and are referenced throughout this chapter as government furnished property (GFP). Consumable items are normally intended for one-time use and are actually consumed upon use (e.g., medicines, surgical dressings, cleaning and preserving materials, fuels).

9.3 GRANT PROPERTY STANDARDS

There are multiple standards for the management of Grant property depending on the type of grant or agreement involved, its purpose and the entity to which it is being awarded. The four property standards below address grants and cooperative agreements to institutions of higher learning, hospitals, non-profit and for-profit organizations, state and local governments, and for research and development purposes.

9.3.1 Property Standards for Grants and Agreements to State and Local Governments, Institutions of Higher Learning, Hospitals, and Other Non-Profit and For-Profit Organizations

When grants are awarded to Institutions of Higher Learning, Hospitals, and other Non-Profit and For-Profit Organizations, property shall be managed in accordance with standards and conditions prescribed in [2 CFR Part 200](#).

9.3.2 Property Standards for Cooperative Agreements to State and Local Governments for Superfund Response Actions

When cooperative agreements are awarded to state or local governments for Superfund Response Actions, property shall be managed in accordance with standards and conditions prescribed in [2 CFR Part 200](#) and [40 CFR Part 35, Subpart O](#). Disposal of Superfund property is discussed in Section 9.5.5.2, “Disposition of Superfund Cooperative Agreements Subject to 40 CFR §35.”

9.4 ROLES AND RESPONSIBILITIES FOR MANAGING GRANT PROPERTY

The roles and responsibilities for managing grant property belongs to multiple officials as discussed in this section.

9.4.1 Grant Specialist

The Grant Specialists’ responsibilities, relative to grant property in the possession of Grantees, include the following:

- - Ensuring that grants, relative to the management of GFP, are awarded and administered in accordance with applicable public laws, federal regulations, executive orders and agency supplemental regulations.
- - Ensuring that the procurement requirements for the acquisition of GFP have been met.
- - Providing the cognizant Project Officer with a copy of the grant award and all subsequent modifications related to grant property.
- - Maintaining a grant file with written evidence that Grantee’s property management systems are analyzed for conformance with property standards and administrative requirements listed under the applicable section(s) in [2 CFR Part 200](#), Subpart D subsection “Property Standards,” and [40 CFR Part 35, Subpart O](#).
- - Ensuring that all GFP to be acquired is included in the grant schedule, including amendments or modifications as necessary.
- - Ensuring that property disposal instructions and packaging as well as crating, handling and funding issues are addressed as part of the grant award and provisions are included in the grant to support grant closeout actions.
- - Coordinating with the Project Officer, as necessary, to ensure that grant property-related issues are resolved properly and in accordance with established guidance.
- - Making final decisions when there are discrepancies regarding grant property between the Contracting Officer’s Representative (COR) and the Grantee.

9.4.2 EPA Project Officer

The EPA Project Officer (hereafter referred to as the Project Officer) is responsible for the enforcement of regulatory and administrative directives and measures for EPA Grant property within their control. The Project Officers' responsibilities related to grant property include:

- - Ensuring that there are sufficient procedures and lines of communication between the Grant Specialist and the appropriate personnel at the Awardee institution in managing Grant property.
- - Reviewing and preparing written evaluations of quarterly and final performance, property management and patent reports submitted by the Grantee.
- - Providing guidance and technical assistance to Grantees, Grant Specialists and other officials, as necessary.
- - Evaluating the Grantee's personal property management system.
- - Resolving property management matters with Grantees in coordination with the Grant Specialist.
- - Ensuring the Grantee is in compliance with the relevant provisions of the applicable OMB circulars pertaining to property management.
- - Evaluating the Grantee's performance related to the management of grant property, particularly GFP.
- - Reviewing the Grantees submittal of property reports throughout the grant period and at closeout to ensure conformance with the terms and conditions of the grant.
- - Providing guidance to Grantees in establishing and maintaining a property management system related to Grant property.
- - Monitoring the Grantees policies, systems, processes, and procedures related to the management of Grant property.
- - Monitoring the usage of Grant property purchased or GFP provided by the EPA under the terms of the grant.
- - Ensuring that procedures and practices are in place so that GFP acquired is utilized, maintained and safeguarded throughout its lifecycle.
- - Monitoring the submission of Grantee's periodic physical inventory of Grant property.
- - Advising the Grant Specialist of all requests or issues raised by the Grantee concerning personal property.
- - Providing the Grantee with disposition instructions on excess Grant property in coordination with the Grant Specialist.

9.4.3 Grantee

The EPA requires that its Grantees utilize an effective property control system that provides current and accurate information related to Grant property. To effectively manage and account for equipment under an EPA grant, the Grantee shall maintain and demonstrate effective control over and accountability for all funds and property.

The Grantee has the responsibility of managing the daily operations of the grant property management program that may involve GFP and property procured by the Grantee utilizing grant funds.

Grantee responsibilities include, but are not limited to, the following:

- - Managing grant property in accordance with all provisions of EPA grants, federal regulations, OMB circulars and EPA policies, as applicable.
- - Adequately safeguarding all grant property and ensuring that the property acquired under the grant are used solely for authorized purposes.
- - Monitoring and reviewing the results of physical inventory verifications conducted as requested by the Grant Specialist.
- - Maintaining current official asset records of all grant property in the possession of the Grantee.
- - Performing an annual physical inventory of all grant property, GFP and Grantee-purchased property, and submitting the results to the Project Officer.
- - Establishing and maintaining adequate internal controls to prevent loss, theft, damage or destruction (LTDD).
- - Establishing and maintaining adequate policies and procedures to investigate and report LTDD when instances occur.
- - Establishing controls to ensure grant property is accounted for and reported throughout the lifecycle of the grant and at the conclusion of the grant period.

9.5 LIFECYCLE MANAGEMENT OF GRANT PROPERTY

To effectively manage and account for EPA grant property, the Grantee shall maintain and demonstrate effective control over and accountability for all funds, property and other assets in accordance with the administrative requirements of the grant. Grantees are required to adequately safeguard all such assets and assure they are used solely for authorized purposes. This section provides general considerations for the management of grant property. In all cases, Grantees must abide by the terms of their grant award, relevant OMB circulars and federal regulations, and EPA requirements.

9.5.1 Acquisition of Grant Property

Grantees may acquire property from an agency, except for consumable items. Grantees must exercise proper stewardship over federal funds and ensure that costs charged to acquired property are allowable, allocable, reasonable, necessary and consistently applied.

Grantees shall be prudent in the acquisition of property under an EPA grant-supported project. It is the grantee's responsibility to conduct a prior review of each proposed property acquisition to ensure that the property is needed and that the need cannot be met with property already in the possession of the organization. If prior approval is required for the acquisition, the grantee must ensure that appropriate approval is obtained in advance of the acquisition.

9.5.2 Providing GFP to a Grantee

Any GFP that is provided to the recipient as part of the award and is accountable property must be identified with property decals indicating that it is owned by the EPA. All GFP must be identified in a GFP List reflecting the manufacturer, model number, serial number and unit acquisition cost and ensuring that the GFP is delivered to the Grantee in accordance with the terms and conditions of the grant. The terms and conditions of the grant shall include the GFP provision.

Requirements:

[40 CFR §102-36.195](#), "What type of excess personal property may we furnish to our project Grantees?"

9.5.3 Accountability of Grant Property

The accountability requirements for grant property vary depending on the grant recipient, if it is GFP or property acquired with government funds under the terms of the grant award. The Grantee is required to maintain accurate records for equipment, including the following:

- - Property description.
- - Manufacturer's serial number, model number, federal stock number, or national stock number (NSN).
- - Property identification number (e.g., property decal).
- - Acquisition source document, including grant award number.
- - Property ownership (e.g., EPA-owned or recipient).
- - Acquisition date (e.g., date received).
- - Unit acquisition cost.
- - Information from which one can calculate the percentage of federal participation in the cost of the property (not applicable if the property is GFP).
- - Location and condition of the property.
- - Maintenance of complete, accurate, and auditable records of all property transactions.
- - Safeguards protecting grant property from tampering, loss, theft, damage or destruction.
- - Categorizations of grant property as either equipment or supplies.
- - Ultimate disposition data, including date of disposal and sales price or method used to determine current fair market value (FMV) where a grant recipient compensates the EPA for its share.
- - Other accountability standards that may be required by the terms of the grant award include:
 - Conducting a physical inventory on an annual or biannual basis, reconciling discrepancies and reporting the results.
 - Implementing an adequate maintenance program to keep grant property in good condition.

- Establishing an effective control system to prevent the grant property from LTDD and procedures for reporting and investigating any circumstances of LTDD incidents.
- Providing liability insurance coverage for the property's usage (typically provided by the party holding title to the property, but can vary in accordance with grant award terms).

The Project Officer and Grant Specialist shall rely on the Grantee's property management records and designate such records as the official grant property records. There is no record retention requirement levied on the Grantee if the property and records are transferred to or maintained by the EPA. If a litigation case, a claim, or an audit involving grant records starts before the expiration of the grant the records must be retained until the completion of the action and resolution of all issues or until the end of the initial 3-year period, whichever is later.

9.5.4 Title to Equipment

The title to equipment vests with either the federal government or the Grantee, depending on the following circumstances:

- - Where personal property, equipment and/or supplies, acquired by the federal government and are subsequently provided to the Grantee, title remains vested with the federal government.
- - Where personal property, equipment and/or supplies, is acquired by a Grantee with government funds, title vests with the Grantee, subject to the following conditions:
 - (a) The grantee uses the equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project.
 - (b) The grantee does not encumber the property without approval of the EPA or a pass-through entity.
 - (c) The grantee must abide by the uses and disposal of property as described in [2 CFR §200.313](#).

The Federal Grant and Cooperative Agreement Act of 1977, Section 7 (31 U.S.C. §6306, P.L. 95-224) provides cautionary authority for vesting title to property to the contractor or Grantee for the performance of applied scientific research with nonprofit institutions of higher education, or with nonprofit organizations whose primary purpose is the performance of scientific research.

9.5.5 Disposition of Grant Property

Disposition of grant property that is no longer required to perform the terms of the original grant award depends on whether the property is government-owned or acquired with government funds through the terms of the grant:

- - **Grant Property Acquired with Government Funds:** State and local governments will dispose of grant property acquired under a grant to the state or local government in accordance with state laws and procedures. All other Grantees and sub-Grantees shall dispose of grant property as follows: (1) property with a current FMV of less than \$5,000 unit acquisition cost may be retained, sold or otherwise disposed of with no further obligation to the EPA; (2) property with a current FMV greater

than \$5,000 unit acquisition cost may be retained or sold, and the EPA shall have a right to the amount calculated by multiplying the current market value or proceeds from sale by the EPA's share of the equipment; (3) the Grantee may transfer the property to the EPA or to an eligible third party (provided that the Grantee is entitled to compensation for its attributable percentage of the current fair market value); and (4) in accordance with disposition instructions from the EPA. For additional information see [2 CFR §200.313](#).

- - **Government-Owned Grant Property:** The Grantee may retain the property for another use, so long as the federal government is duly compensated for the current FMV of the property. If the Grantee no longer needs the property for any use, it must request disposition instructions from the EPA. If disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse the EPA an amount computed by applying to the sales proceeds the percentage of federal participation in the cost of the original project or program. However, the recipient shall be permitted to deduct and retain from the federal share \$500 or 10 percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

9.5.5.1 *Process for Disposing Grant Property*

Disposal is the last phase of the grant property management lifecycle. This phase involves the identification, classification, and condition coding of grant property for possible reuse under other grants upon return to government inventory, or disposition in accordance with EPA disposal procedures. Upon completion of the grant, or before completion if required by the Project Officer, the Grantee must inventory all government property to determine whether retention can be justified on the basis of the Grantee's utilization. If Grantee property is no longer needed or wanted, the following steps must take place:

- - The Project Officer must forward a copy of the request to the EPA Grant Specialist.
- - The Project Officer must provide the Grantee with disposition instructions within 120 calendar days and forward a copy to the Grant Specialist

If the Project Officer fails to issue disposition instructions within 120 calendar days of the Grantee's request, the Grantee may sell the property using proper sales procedures to ensure the highest possible return and may retain the proceeds subject to the standards outlined in Section 9.5.5, "Disposition of Grant Property." In addition, the EPA retains the right to transfer title of grant property to a third party named by the agency when such third party is eligible under existing statutes.

9.5.5.2 *Disposition of Superfund Cooperative Agreements Subject to 40 CFR §35*

Personal property that has been purchased by the grantee with grant funds in support of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, 42 USC §9601 et seq., commonly known as "Superfund," shall be disposed in accordance with [40 CFR §35.6340](#) and [40 CFR §35.6345](#).

Requirements:

[40 CFR §35.6340](#), “Disposal of CERCLA-funded property”

[40 CFR §35.6345](#), “Equipment disposal options”

[2 CFR Part 200](#)

42 USC § 9601 et seq.

CHAPTER 10. FIREARMS

10.1 PURPOSE

Program/regional offices must maintain a complete and accurate listing of all EPA-owned firearms in the Agency Asset Management System (AAMS). Program/regional offices are responsible for establishing and overseeing procedures to ensure the system of record is updated in a timely manner.

10.2 FIREARMS ACQUISITION

Program/regional offices shall direct the acquisition of all firearms and ammunition and oversee all firearms in accordance with applicable laws, regulations and program/regional office acquisition policy. Firearms may be acquired through normal acquisition channels or pre-arranged transfers between program/regional offices and/or other federal agencies. All firearm transfers are required to be processed through the corresponding General Services Administration (GSA) region using [GSA Standard Form-122](#), "Transfer Order Excess Personal Property."

Excess firearms may be obtained from another federal agency by means of direct transfer, provided the total acquisition cost does not exceed \$10,000 per unit; that an authorized official of an agency signs the transfer document; and provides a copy of that document to the GSA Property Management Division (8QSC), Denver, CO 80225 within 10 workdays from date of transaction. An agency must contact the GSA Property Management Division (8QSC) regional office for verbal approval prior to initiating a direct transfer, if the item(s) exceeds \$10,000 per unit. The transfer document must include the name of the GSA approving official, the date of approval, and a copy furnished to the GSA regional office within 10 workdays from date of the transaction to comply with [41 CFR §102-36.375](#).

10.2.1 Confiscated, Seized or Abandoned Firearms

When firearms are acquired by confiscation, seizure or abandonment the following rules apply:

- - When a voluntarily abandoned or unclaimed firearm (other than EPA-issued firearm) comes into the custody of an authorized officer, that firearm must be immediately reported to the Property Custodial Officer (PCO). A record of that firearm shall be entered into the system of record to ensure compliance with federal regulations and EPA property management policy and guidance. During all subsequent legal proceedings, the confiscated, seized or abandoned firearm will be controlled by EPA's evidence system.
- - All firearms confiscated, seized or acquired by abandonment by the EPA must be immediately checked against the National Crime Information Center (NCIC) database. This check determines whether the firearm has been reported as lost or stolen. The seizing office is responsible for ensuring the initial inquiry in the NCIC is completed and documented. The court order document will be added to the comments section in the AAMS.
- - All confiscated, seized or abandoned firearms must be sent to the EPA Criminal Investigations Division (CID). This transfer occurs at the completion of any pending litigation or vesting title. A

transfer document must be created and marked "Confiscated," "Seized" or "Abandoned." The document must identify the previous owner or bearer of the firearm, if known, case number and any other pertinent information.

- - Accountability is transferred when confiscated, seized or abandoned firearms are acknowledged as received by the EPA CID. Serviceable firearms may be placed into official use if they are designated as an EPA authorized firearm.

10.3 RECEIPT OF FIREARMS

Program/regional offices shall be responsible for preparing specific instructions and procedures pertaining to the receipt of EPA-owned firearms. Such procedures shall include the receipt, inspection and recording of new firearms prior to being placed in service.

Only a designated receiving agent shall receive new EPA-owned firearms from vendors and other federal agencies.

10.3.1 Inspection of Firearms

The designated receiving agent will inspect each new EPA-owned firearm to ensure proper functioning. EPA Armorers (hereafter referred to as "Armorers") must ensure compliance with EPA specifications and standards for authorized firearms. Armorers shall immediately take appropriate action to have any deficiency corrected. Firearms purchased for official use with personal funds will be inspected by Armorers to ensure proper functioning and compliance with EPA specifications and standards. Armorers shall document all inspections in the AAMS.

10.3.2 Recording Firearms

All firearm information must be specifically identified, recorded as a single line item, and maintained in the AAMS. The following data elements are required:

- - PCO.
- - User/Officer name.
- - Organization Code (e.g., Steward Code).
- - Manufacturer.
- - Model Number.
- - Serial Number.
- - Type of Firearm.
- - Acquisition Date.
- - Date of Receipt.
- - Location.
 - Site (City, State) (e.g., Washington, DC).

- Building (Structure Level 1/Street Address) (e.g., 500 12th Street).
- Room Number/Cube Number (e.g., Structure Level 2).
- Organization Unit or Functional Area to which the firearm is assigned.
- Acquisition Cost.

Table 10-1 lists the required timelines for recording transactions of EPA-owned firearms.

Table 10-1. EPA-Owned Firearms Transaction Recording Timeline

Transaction/Event	Recording Timeline
Receiving Process	5 business days from receipt
Loaning and Borrowing: Internal	5 business days from allocation** date
Internal Transfer*	5 business days from allocation** date
Other Internal Movement Not Described	5 business days from allocation** date
Loaning and Borrowing: External	5 business days from allocation** date
External Transfer*	5 business days from allocation** date
Other External Movement Not Described	5 business days from allocation** date
Other disposition actions	5 business days from allocation** date

* Generally, *transfer* refers to actions to be taken by the holding and receiving entity when title and/or accountability changes; however, in the case of firearm issuance to an authorized user, a transfer action may be executed in lieu of issuing (EPA Property Transfer Form #).

** The allocation date refers to the date that the transfer is initiated, either manually or in writing, for internal transfers, and the date the GSA sends the allocation notice for external transfers.

If accountable property cannot be recorded in the AAMS within the 5-day period because of extenuating circumstances, a request for an extension explaining justification must be submitted in writing to the Agency Property Management Officer (APMO) for approval. (See “Justification Form” in Appendix E, “EPA Forms”).

10.4 UTILIZATION OF FIREARMS

All authorized officers are responsible for properly safeguarding all EPA-issued firearms, ammunition and other law enforcement equipment to protect against theft or unauthorized use.

10.4.1 Replacement of Firearms

An officer must immediately notify his/her supervisor when any agency-owned firearms becomes inoperable or appears unsafe to use. The firearm will be inspected by the Armorer and, based on that review, the organization may immediately issue the officer a replacement firearm. All Armorers must document each inoperable or unsafe firearm in the AAMS.

10.4.2 Maintenance and Inspection of Firearms

EPA Armorerers shall inspect all firearms acquired or that have been repaired to ensure proper functioning. This inspection will take place prior to issuance or after the authorized repair or modification has been made to ensure compliance with EPA specifications and standards. Armorerers shall inspect all firearms held in reserve before re-issuance. All inspections shall be performed according to EPA-approved standards and practices.

All firearms shall be inspected periodically, at least annually, by an Armorer to ensure proper and safe functioning. The Armorer shall document all repairs and inspections in the AAMS.

10.4.3 Damaged, Non-Repairable Firearms

An officer who has a damaged, non-repairable firearm must report the firearm immediately to a supervisor and an Armorer. Refer to Section 10.7.1, "LTDD of Firearms."

10.4.4 Transfer, Shipping and Acceptance of Firearms

All firearms purchased by the U.S. government are perpetually owned by the U.S. government and must not be transferred to a non-federal recipient. Program/regional offices shall be responsible for preparing specific instructions and procedures pertaining to the issuance of EPA-owned firearms to individuals, organizational units or functional areas.

The shipment of any firearm shall be accomplished as prescribed by the Property Management Officer (PMO). Firearms must either be sent by a commercial carrier (e.g., FEDEX, UPS or DHL) that can control and track secure packages or hand carried by an authorized officer.

The creation of the transfer does not change accountability of the asset. Therefore, it is imperative that all shipping and transfers of firearms are recorded in the AAMS within 5 business days of receipt.

10.4.5 Storage of Firearms

10.4.5.1 *Issuance of Firearms*

All officers are expected to exercise good judgment in providing sufficient security for firearms and related equipment. This standard applies to all agency-issued and approved personally owned firearms, weapons, body armor and ammunition.

A safety-locking device (cable lock, trigger lock, secure gun case and/or lock box, or other type of secured box/mechanism) will be issued for each agency-issued firearm, to be used when storing a firearm in a vehicle, residence, temporary residence or lodging. All firearms, weapons, body armor and ammunition shall be stored in the issued safety-locking device and out of plain view, in a location that will prevent theft or unauthorized use.

Agency-issued firearms stored in a government office will be placed in a safe and secure location that can be locked at all times to prevent unauthorized access or theft of the firearms.

If a firearm must be left in an unattended vehicle, the firearm must be concealed from view and properly secured. The firearm shall be locked by a chain, a cable, or EPA-approved safety-locking device. In addition, holsters and other related items shall also be concealed from view. Firearms may only be left unattended when there is no other reasonable alternative. The EPA strongly encourages the use of an alarm/security system to help secure the firearm(s).

Firearms must not be stored in vehicles overnight. The only exception is a justified operational purpose. This purpose must be approved, in writing, by the first line supervisor. Firearms must be secured by the use of an approved safety-locking device securely affixed to the vehicle that will afford protection against theft or unauthorized use.

Issued shoulder-fired firearms (e.g., shotgun, rifle) will be stored in a secure location and approved container within the agency, except as following:

- - With the prior approval of the first line supervisor, shoulder-fired firearms may be stored in a vehicle pursuant to program/regional office policies and procedures.
- - With the prior approval of a second line supervisor, shoulder-fired firearm may be stored in a residence. The firearm must be secured by the use of an approved safety-locking device. The firearm will be stored in a location that will afford protection against theft or unauthorized use.

10.4.6 Unissued Firearms

All unissued, unattended agency firearms shall be stored in a dry environment separately from ammunition in locked firearm storage vaults or safe in a secure area. Firearms shall not be stored in wall lockers, closets or in other unsecured, unattended areas of EPA facilities. Access to firearms storage areas or facilities shall be restricted to a single authorized person and his or her designees. The authorized person may grant one-time access to firearm storage areas to individuals with the approval of the Property Accountable Officer (PAO).

10.5 MONITORING AND OVERSIGHT FUNCTIONS

10.5.1 Periodic Physical Inventory of Firearms

PMOs will conduct periodic inventories of firearms to ensure the property records are accurate and complete, and the individual assigned the firearm does in fact have it in his/her stewardship custody. PMOs may schedule physical inventories on a more frequent basis (e.g., monthly), if conditions warrant.

The PAO must physically conduct spot checks of warehouses and storage areas. These inspections assure that proper controls for monitoring equipment are in place.

Each PMO shall ensure an annual physical inventory is conducted for all firearms, ammunition, and related equipment. Equipment that must be inventoried includes, but is not limited to:

- - Firearms.
- - Weapons.

- Ammunition.
- Body Armor.
- Ballistic Shields.
- Stun Guns.
- Night Vision Goggles.
- Night Vision Scope.
- Any other firearm accessories deemed “sensitive” by the program/regional office.

The PMO/Firearm Program Manager’s job description shall include a requirement to conduct firearms inventories and report their results. Firearm inventories may be assessed during performance evaluations.

There shall be at least two people conducting a firearms inventory. All employees who are responsible for firearms or who are involved in controlling or safeguarding firearms are precluded from counting firearms during an inventory. For internal control purposes, employees participating in physical inventories shall not be the same individuals responsible for such property. However, firearm management personnel and PCOs may assist in locating, identifying and reconciling the physical inventory process and documenting for audit trail purposes. Program/regional offices may propose other inventory methods (e.g., using technology, electronic signatures), subject to prior approval of the APMO.

Instructions and guidelines for conducting firearm inventories shall be established by the program/regional offices. Inventory counters shall be required to verify firearm identification numbers and validate descriptive information about the firearms included in the AAMS.

Proper adjustments and updates must be made to the system of record as a result of physical inventory.

Program/regional offices shall ensure personal and supervisory accountability for all firearms issued to authorized officers.

10.5.1.1 *Quarterly Physical Inventory*

In addition to the annual physical inventory, each PMO shall ensure that a quarterly physical inventory is conducted for all firearms issued to authorized officers. This quarterly inventory can coincide with the mandatory quarterly qualifications requirement for each firearm issued to an authorized officer.

Instructions and guidelines for conducting quarterly firearm inventories shall be established by the program/regional offices. Firearm Instructors shall be required to verify firearm identification numbers and the corresponding EPA officer. Proper adjustments and updates must be made to the AAMS as a result of physical inventory.

10.6 INTERNAL AUDITS

10.6.1 Unannounced Audits

It is recommended that program/regional offices also conduct monthly, random, selective, periodic and/or unannounced internal audits to ensure that proper inventory controls and accountability are in place. These reviews are to ensure that firearms, ammunition and other related equipment are properly accounted for and that the records are complete.

Supervisors should also conduct unannounced employee firearm inspections or other procedures to ensure that the firearm inventories and records within their program/regional office are accurate.

10.6.2 Random Audits by Independent Third Party

EPA policy is to require an independent third party to conduct a random audit of at least 15 percent of inventory annually. An independent third party does not necessarily mean a private contracting organization, though program/regional offices may use such services. An independent third party for the purpose of inventory verification may be an agency employee without direct interest or control over the assets being inventoried. An example would be where an agency has a separate investigative organization established that performs reviews, assessments and audits throughout the organization. This investigative organization would qualify as an independent third party, except in the case where their own inventory would need to be verified.

Program/regional offices and the APMO may from time to time, and as practical, engage independent third parties to conduct reviews, assessments and audits as required. Program/regional offices are also required to conduct, or have conducted, periodic reviews of field office practices to ensure conformance with EPA firearms policy.

10.7 REPORTING REQUIREMENTS

Program/regional offices are responsible for notifying the APMO of the loss, theft, damage or destruction (LTDD) of a firearm within 24 hours of notification, as well as forwarding a Report of Survey (ROS) within 15 days of event.

10.7.1 LTDD of Firearms

The following procedures must be followed when an agency-issued firearm is lost or stolen, damaged beyond repair or destroyed without authorization.

- - An officer that has a firearm lost, stolen, damaged or destroyed must report it immediately to their supervisor, notify local law enforcement authorities and annotate the record as lost or stolen in the AAMS. The supervisor must report the following information to the PMO as soon as practical.
 - Name and address of the person to whom the firearm is registered.
 - Type of firearm.
 - Serial number.

- Model number.
- Caliber.
- Manufacturer of the firearm.
- Date, time and place of theft or loss.
- Detailed description of circumstances surrounding the theft or loss to include all known facts.
- - The PAO must immediately report the lost or stolen firearm to the PMO and the APMO via the designated program/regional office event reporting format.
- - The program/regional office must ensure that the lost, stolen, damaged or destroyed firearm was entered into the NCIC. It must also be recorded in the AAMS. A copy shall be retained for permanent records. The theft or loss of any firearm shall also be reported to the appropriate local authorities.
- - Within 48 hours of the discovery of the theft, loss, damage or destruction, the officer reporting the lost or stolen firearm must submit an ROS. The report is sent to the PAO describing the incident.
- - The PAO, or a designated senior officer, must ensure:
 - Notification of local law enforcement authorities immediately upon notification of a lost or stolen firearm.
 - A designated event report for the lost or stolen firearm is submitted to the APMO immediately upon being notified of the firearm loss or theft.
 - Initiation of an investigation/administrative inquiry into the loss or theft of the agency-owned firearm based upon the circumstances.
 - Investigation is conducted in cases where a determination is made that the Authorized User/Officer did not follow policies or procedures.
 - Procedures relating to lost or stolen firearms comply with all relevant federal regulations and EPA procedures.
 - Verification that a ROS is completed, signed, and sent through channels to the APMO.

Table 10-2 provides the critical steps and their required timeframes for reporting LTDD incidents involving EPA firearms.

Table 10-2. EPA Firearms Reporting Timeframes for LTDD Incidents

Critical Reporting Step	Required Timeframe
Report to Supervisor	Within 2 hours of Discovery
Report to program/regional office incident command center using program/regional office significant incident reporting format	Within 2 hours of Notification
Report to Local Law Enforcement	Within 2 hours
Ensure entry into the NCIC	Within 24 hours
Document loss in the AAMS	Within 24 hours
Report to EPA Investigations Unit	Within 24 hours
Report to the PMO	Within 24 hours
Report to the APMO	Within 24 hours
Authorized officer documents incident in writing and submits to PAO	Within 48 hours
The PAO submits a ROS to the PMO	Within 10 days
Send the APMO a copy of the ROS	Scheduled LTDD Reporting

10.8 DISPOSITION OF FIREARMS

When firearms are transferred out of the EPA, sold or otherwise disposed of, the firearm records including the acquisition cost, the related accumulated depreciation (if applicable), and other relevant information shall be annotated in the AAMS.

10.8.1 Excess Firearms

Reports of excess firearms and requests for transfer or donation of firearms must be submitted to the GSA Property Management Division (8QSC), Denver, CO 80225-0506. The GSA will make the determination regarding disposition of the firearms. The direct line is (303) 236-7707. Agencies are encouraged to contact this office for guidance prior to reporting excess firearms.

Firearms may be transferred only to those federal agencies authorized to acquire firearms for official use. Transfers may be executed under [41 CFR §102-40.175](#), [41 CFR §102-36.375](#) and, when applicable, under [41 CFR §102-40.195](#). Additional written justification from the requesting agency may be required.

When all required screening is complete and a need for the excess firearms has not been identified, they are deemed surplus and are ready for disposal (e.g., destruction).

Surplus handguns, rifles, shotguns and individual light automatic firearms, all less than .50 caliber in Federal Supply Class (FSC) 1005; and rifle and shoulder fired grenade launchers in FSC 1010, regardless of unit cost, when assigned a disposal Condition Code of 4 (Usable) or better, are available for donation to eligible law enforcement entities for law enforcement purposes only.

Note: Detailed regulatory instructions regarding utilization, donation, and sales of firearms, foreign gifts of firearms, abandonment and destruction of firearms, and abandoned and forfeited firearms is provided in [41 CFR §102-40.175](#).

10.8.2 Disposal of Firearms

Program/regional offices shall follow the reporting guidance contained in [GSA Federal Property Management Regulation \(FPMR\) Bulletin H-79](#), "Utilization and Disposal Requirements for Firearms," and [GSA FPMR Bulletin H-75](#), "Utilization and Disposal Reporting for Firearms," which states that each firearm shall be reported as a single line item per report to include serial number, make and model.

Program/regional offices shall follow the reporting guidance contained in [GSA FMR Bulletin B-8](#), "Utilization and Disposal" which provides guidance to federal agencies to dispose of ammunition and non-standard firearms properly.

Program/regional offices may dispose of their excess and unusable firearms if they have the capability to demilitarize and render the firearms useless. All disposal transactions must be documented in the AAMS within 5 business days of actual final disposition of firearms.

10.8.3 Forfeited, Voluntarily Abandoned and Unclaimed Firearms

Firearms that are obtained through forfeiture or voluntary abandonment, or are either unclaimed or not retained for official use, shall be disposed through GSAXcess® to comply with [41 CFR §102-36.375](#) and [41 CFR §102-40.175 \(h\)\(2\)\(i\)](#).

Firearms that are seized and forfeited due to a violation of the National Firearms Act (26 U.S.C. §5801--5872) are subject to the disposal provisions of [26 U.S.C. §5872\(b\)](#) and [41 CFR §102-41.200](#). The GSA Property Management Division (8QSC) will direct the disposition of these firearms. The direct line is (303) 236-7707.

10.8.4 Firearms Disposal Assistance

Reports of excess reportable firearms must be submitted to the GSA Property Management Division (8QSC) Denver, CO 80225-0506, in accordance with [41 CFR §102-40.175\(a\)](#). The direct line is (303) 236-7707. Agencies are encouraged to contact this office for guidance prior to reporting excess firearms.

Program/regional offices that do not have the capability to destroy their surplus and unusable firearms in accordance with [41 CFR §102-40.175\(g\)](#) may take the firearm to a local smelter using Two-Person Integrity to destroy the inoperable firearm through the smelting process, or seek assistance from a local police department to provide disposal services if necessary. The PMO must ensure that destruction or transfer documentation is created and maintained to document a complete audit trail.

CHAPTER 11. MOTOR VEHICLES

11.1 PURPOSE AND SCOPE

The purpose of this chapter is to identify how EPA motor vehicles will be acquired, maintained and disposed of; the personnel responsible for executing processes; and the authority which guides fleet management personnel. This chapter defines:

- - Statutes, federal regulations, executive orders and directives for motor vehicle management.
- - Uniform policy and guidance for motor vehicle asset management.
- - Roles and responsibilities of personnel associated with the management and operation of EPA motor vehicles.
- - Basic requirements, procedures, programs and personnel associated with the functional components and operations of motor vehicle management relative to acquisition, finance and operations.
- - Systems and reporting processes necessary for uniform record keeping and meeting accountability requirements as stipulated by the EPA or other federal agencies.

The scope of this chapter applies to all program/regional offices and personnel, including contractors, which utilize or manage EPA motor vehicles, whether acquired by purchase, forfeiture, donation, borrowed, or through exchange/sale, GSA lease, or commercial rental or lease. A motor vehicle is defined as any motorized unit authorized for highway use. Examples include sedans, station wagons, trucks and buses.

This chapter establishes minimum requirements for the use of EPA motor vehicles. Program/regional offices may establish additional requirements and internal controls, as long as the additional requirements do not conflict with the policy guidance established in this manual, EPA Fleet Management Manual 4833, or other regulatory or statutory requirements for the management of government-owned vehicles. The Agency Fleet Manager (AFM) must approve additional requirements and internal controls. This chapter does not apply when employees are reimbursed for the use of privately owned vehicles for official business mileage, travel or when vehicles are rented under travel orders.

11.2 GENERAL

This chapter describes the purpose, scope, authority and regulations, roles and responsibilities, and motor vehicle terms as they apply to the management of EPA motor vehicles. This guidance addresses processes of the vehicle management lifecycle.

11.3 ROLES AND RESPONSIBILITIES

In addition to the roles and responsibilities described in Section 2.5, "Property Management Roles and Responsibilities: Administrative and Oversight Positions," fleet management roles are described below.

11.3.1 Assistant Administrator, Office of Administration and Resources Management (OARM)

The Assistant Administrator, OARM is responsible for the agencywide motor vehicle fleet management program (hereafter referred to as fleet management program). The Assistant Administrator promulgates the agency's fleet management requirements, provides oversight of the program and sets agency policy.

The Assistant Administrator, OARM is responsible for:

- - Providing management oversight for the EPA fleet management program and activities.
- - Ensuring that a federal employee is appointed as the AFM, with responsibility for the agency's fleet management program.
- - Providing sufficient resources to execute fleet management functions.
- - Establishing internal control systems to ensure management accountability and to provide optimum protection against fraud, waste, misuse and abuse of government vehicles throughout the property management lifecycle.

11.3.2 Agency Fleet Manager

The AFM provides leadership and direction to promote best practices, a culture of accountability and a strategy that supports an enterprise-wide motor vehicle fleet management program. The AFM is responsible for ensuring management and oversight of the agency's fleet management program, which includes:

- - Ensuring that the EPA fleet management program complies with applicable laws, regulations and policies.
- - Ensuring that program/regional offices entrusted with EPA owned or leased motor vehicles are aware of their responsibilities for the proper care, operation, use, maintenance and protection of the vehicles.
- - Ensuring adherence to motor vehicle management principles and when replacing vehicles, ensuring they meet the federal acquisition requirements.
- - Evaluating, auditing and assessing the program/regional office fleet programs to ensure compliance with laws, regulations, policies, directives and this chapter.
- - Drafting, interpreting and issuing guidance and procedures to program/regional office Fleet Managers that may supplement this manual.
- - Recommending or taking action as required to ensure maximum utilization of motor vehicles.
- - Working with program/regional office Fleet Managers on day-to-day motor vehicle management programs and resolving compliance issues as required.
- - Requiring program/regional office Fleet Managers to produce and submit the required fleet management reports with accurate information and data on time.
- - Maintaining proficiency in fleet management and knowledge of trends, activities, laws, regulations or policy-related guidance.

- - Ensuring compliance with fleet management requirements set forth in Appendices A, “Authorities and References,” and K, “Federal Fleet Management Requirements.”
- - Conducting studies and implementing necessary actions to ensure proper utilization of all motor vehicles and related resources within the agency.
- - Serving as the primary liaison between program/regional office Fleet Managers and other federal agencies, including the General Services Administration (GSA), the Department of Energy and the Office of Management and Budget (OMB).
- - Establishing and implementing a vehicle allocation methodology for the agency.
- - Providing oversight, analysis and recommendations for the agency’s home-to-work (HTW) transportation program.
- - Ensuring timely and efficient response to data and information calls and mandatory reporting by program/regional offices and the agency.
- - Consolidating program/regional offices data and information for required reporting on behalf of the EPA.
- - Providing training and technical assistance to program/regional office Fleet Managers.
- - Reviewing motor vehicle lease and purchase orders to ensure that vehicles are being acquired in compliance with federal mandates.
- - Reviewing and approving program/regional offices’ vehicle acquisition and replacement plans.

11.3.3 Program/Regional Office Fleet Manager

Program/regional office Fleet Managers are responsible for ensuring their program is compliant with all fleet management requirements set forth in Appendices A, “Authorities and References,” and K, “Federal Fleet Management Requirements,” including, but not limited to, the following duties:

- - Ensuring their program/regional office’s fleet management program meets the requirements for effective control and accountability with the EPA and federal mandates outlined in [41 CFR §102-34](#).
- - Ensuring that program/regional office employees entrusted with EPA owned or leased motor vehicles know their responsibilities for the proper care, operation, use, maintenance and protection of the vehicles.
- - Adhering to motor vehicle management principles regarding numerical limitations on new vehicle acquisitions as set forth in appropriations acts and, when replacing vehicles, ensuring they meet federal acquisition requirements.
- - Recommending or taking action as may be required to ensure maximum utilization of motor vehicles.
- - Working with local Fleet Managers and vehicle operators on day-to-day motor vehicle management programs and resolving compliance issues as required.
- - Efficiently producing and submitting required reports with accurate data and information on time.

- - Maintaining proficiency in fleet management and knowledge of emerging trends, activities, laws, regulations or policies related to fleet management.
- - Maintaining motor vehicle records that allow for efficient and effective internal audits and management analysis of the programs and activities of the agency.
- - Preparing motor vehicle fleet acquisition and replacement plans for review by the AFM and the appropriate EPA acquisition planning team
- - Attending quarterly fleet management meetings led by the AFM.

11.3.4 Motor Vehicle Operators

Each operator of an EPA owned or leased vehicle is responsible for the safe and prudent operation of the vehicle assigned to them; and for complying with the policies and procedures prescribed herein, EPA Fleet Management Manual 4833, and other applicable regulations and laws including, but not limited to:

- - Possessing a valid State, Territorial, Commonwealth, or District of Columbia driver's license.
- - Only utilizing the vehicle(s) when conducting official business.
- - Obeying all State and local traffic laws.
- - Safeguarding the vehicle(s) from theft.
- - Avoiding misuse of the EPA-issued fleet card.
- - Locking the vehicle(s) when not in use.
- - Using seat belts at all times when operating a vehicle.
- - Refraining from the use of tobacco products in EPA owned or leased vehicles.
- - Refraining from use of cellular telephones while operating an EPA owned or leased motor vehicle.
- - Reporting parking or moving violations to the program/regional office Fleet Managers and resolving citations in accordance with the issuing jurisdiction.
- - Paying all fines imposed for offenses committed while in the performance of, but not as a part of, his or her official duties.
- - Completing the necessary paperwork for maintenance, fuel usage, accidents, HTW memorandum, etc.
- - Ensuring all personal property in a vehicle is properly stowed and secured or removed from the vehicle when not in use.

Recommended References:

EPA Fleet Management Manual 4833.

11.4 MANAGEMENT OF GOVERNMENT MOTOR VEHICLES

11.4.1 Acquisition

Motor vehicles can be acquired through the following acquisition methods:

- Purchase through GSA Auto Choice.
- GSA or commercial lease.
- Transfer from another federal agency.
- Seized or forfeited property.

The GSA is a mandatory source under [41 CFR §101-26.501](#) for purchases of new, non-tactical vehicles for federal agencies. [41 CFR §101-26.501\(c\)](#) requires that all new passenger vehicles and light trucks under 8500 pounds GVWR (gross vehicle weight rating) acquired shall be in conformance with Pub. L. 94–163 and Executive Order (EO) 12375, “Motor Vehicles.”

11.4.2 Planning

The acquisition of EPA motor vehicles must be planned in advance to ensure compliance with public laws, federal regulations and guidance, executive orders, and agency policies. For assistance with motor vehicle acquisition plans, local Fleet Managers can contact their program/regional office Fleet Manager. program/regional office Fleet Managers must obtain approval from the AFM for all vehicle acquisitions.

11.4.3 Acquiring Motor Vehicles

Before acquiring a vehicle, program/regional office Fleet Managers shall conduct a lease versus purchase analysis on behalf of their program/regional office. The EPA does not have statutory authority to purchase passenger motor vehicles; however, the agency does purchase special use vehicles. Program/regional offices are required to conduct cost comparisons to determine the most economical and cost-effective way to acquire motor vehicles between purchasing, leasing from the GSA, or leasing from commercial sources. All EPA owned motor vehicles are capital assets. All leases of capital assets must be justified as preferable to direct federal government purchase, and ownership and guidance on performing lease versus purchase calculations may be found in [41 CFR Part 7](#). The required analysis compares the present value of the lifecycle cost of leasing with the full cost of buying an identical asset.

In accordance with [41 CFR §101-25.5](#), the lease/buy cost comparison approach described in OMB Circular A-104 is the preferred method. It must be noted that the OMB released Circular A-94, "Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs," dated October 29, 1992, and it replaces Circular A-104. Among other guidelines, it advises that an appropriate discount rate should be used to discount costs and benefits (these rates are published in Appendix C of the Circular). Fleet Managers may only use other lease/buy methods (e.g., lifecycle costing, break-even analysis) in accordance with normal acquisition procedures.

[OMB Circular A-94](#) provides guidance for lease-purchase analysis. If the cost comparison shows that ownership is the least costly, and funds are not available to procure a vehicle, the vehicle will have to be acquired from the next most economical source, if provided for in statute.

After determining the need for fleet vehicles, the program/regional office Fleet Managers should develop vehicle specifications that define the technical attributes and configuration and/or the functional capabilities of the vehicle to be acquired. The primary consideration when selecting available vehicle options is to satisfy program/regional office requirements at the lowest cost to the government, while still meeting the mission of the agency. The program/regional office Fleet Managers shall take into account:

- - Cost effectiveness.
- - Suitability of the purchased vehicles for fleet users' needs.
- - The level of effort and amount of time required to acquire vehicles.

Vehicles shall be acquired in accordance with federal laws, regulations and policies, including this Manual, and the following must be addressed and incorporated unless otherwise exempted:

- - The Energy Independence and Security Act of 2007, Section 141 prohibits agencies from acquiring (purchasing, leasing, or acquiring through transfer, including replacement vehicles) light- and medium-duty passenger vehicles that are not low greenhouse gas-emitting vehicles (LGVs).
- - All new vehicle acquisitions shall be hybrid/electric or alternative fuel/flex fuel vehicles, when hybrids are not practicable. Vehicles used in law enforcement under the L/E 1 definition are exempt from this requirement.
- - Program/regional offices shall determine that the vehicle(s) acquired achieves maximum fuel efficiency and is limited to the minimum body size, engine size, and optional equipment necessary to meet EPA mission requirements.
- - Sedan acquisitions must be midsize (Class III) or smaller unless a larger vehicle is specifically justified and approved. Program/regional offices shall obtain the approval of the AFM, if either increasing their fleet size or upgrading a vehicle class, prior to the acquisition of any motor vehicle.
- - Program/regional offices shall also ensure that vehicle acquisitions meet the fiscal year average fuel economy standards for passenger automobiles and light trucks in accordance with [41 CFR §102-34.55](#) and [§102-34.60](#).
- - Each program/regional office shall operate and maintain only the minimum number and types of vehicles necessary to meet that program/regional office's legitimate transportation requirements.
- - Motor vehicles shall be obtained and utilized only to the extent required for the efficient and effective transaction of official business.

11.4.3.1 *Purchasing Motor Vehicles*

The GSA is the mandatory source for federal agencies to purchase vehicles, unless the GSA grants a waiver for an open market purchase. The EPA does not have statutory authority to purchase passenger motor

vehicles. Program/regional offices shall use the GSA's Auto Choice system to compare vehicle prices and options, check greenhouse gas scores and miles per gallon (MPG) ratings, and purchase vehicles and track orders.

- - **Waiver Requests:** Under unique circumstances, where an agency meets the criteria set forth under [41 CFR §101-26.501\(b\)\(c\)](#), it may be advantageous for the agency to effect its own procurement. Agencies must submit a request for a waiver to effect an agency procurement. The GSA will grant waivers of procurement authority on a case-by-case basis in accordance with [41 CFR §101-26.501\(b\)\(c\)](#). Program/regional offices shall submit all waiver requests to the AFM for review and coordination with GSA Office of Fleet Management.
- - **Urgent Requirement:** The GSA offers an Automotive Express Desk to handle requirements resulting from an "Unusual and Compelling Urgency" (in accordance with Federal Acquisition Regulation [FAR] 6.302-2(c)). In these cases, a justification for other than full and open competition must be provided with an agency's requisition.

11.4.3.2 *Leasing Motor Vehicles*

Motor vehicle leases for 120 continuous days or more may be obtained through GSA Fleet or other commercial sources. The GSA's Federal Supply Schedule 751 provides commercial lease options or open market leases for automobiles and light trucks. Program/regional offices acquiring leased vehicles through GSA Fleet shall comply with all GSA Fleet Lease policies regarding use, maintenance and management of vehicles. Copies of GSA Fleet Lease policies can be requested through local GSA offices.

When a determination is made that GSA Fleet is the most cost effective source, program/regional office Fleet Managers shall establish a Billed Office Address Code (BOAC) through GSA Finance and contact the local GSA Fleet Management Center (FMC) to request vehicles. If a suitable vehicle is not immediately available, GSA will log the request onto a waiting list. The following information is needed for GSA Fleet to consider a request:

- - Statement certifying that the AFM concurs with the request.
- - Vehicle quantities, types, garaged locations and date required.
- - Anticipated duration of the assignment and projected utilization in miles per month.
- - Statement certifying that the Component has funds to pay for the vehicle assignment.
- - The billing office and BOAC. (If there is no BOAC, the servicing FMC can assign one.)
- - The office or activity to which the vehicles will be assigned and a point of contact name, addresses and telephone numbers.

GSA Fleet provides a fleet card (e.g., Wright Express) with each leased vehicle for the purchase of fuel and minor maintenance. If the fuel card is lost or stolen, the GSA Maintenance Control Center must be contacted immediately.

The GSA does not guarantee that a new vehicle will be offered; sometimes vehicles returned from other customers are used to fill another agency's request.

GSA Fleet vehicles are in high demand, and some requests must go unfilled. The more lead-time provided before needing a vehicle, the better the likelihood that one can be located or purchased. Vehicle requests may be referred elsewhere if no vehicles are available, funding for the fiscal year is exhausted or vehicle manufacturers have ceased production for the model year.

GSA Vehicle Replacement Standards measure each GSA vehicle against a set of minimum standards to determine the vehicle's eligibility for replacement. However, the ultimate decision to replace or retain any given vehicle lies with the customer's local Fleet Service Representative (FSR). The FSR's decision is based on a variety of factors to include the vehicle's age, mileage, condition and repair history.

The FSR should be notified as soon as possible of any changes in requirements. If requesting an upgrade to a more expensive vehicle (for example, from a compact sedan to a sport-utility), a written justification must be submitted to certify that the upgraded vehicle is mission essential. By doing this, the GSA is able to keep rates low and stretch purchasing dollars to support all agencies.

11.4.3.3 *Motor Vehicle Rentals*

Motor vehicle rentals are for vehicles used for less than 120 continuous days. The GSA offers the Short-Term Rental Program (STR) to customers needing replacements for, or additions to, their current fleet. The STR program can help the EPA accomplish its mission by providing the right vehicles for seasonal work, special events or surge-related requirements. It is also a solution when a vehicle is out of service due to an accident or maintenance. This program may not be used for personal travel purposes. Program/regional office Fleet Managers must approve all STR rental requests. The acquisition of Alternate Fuel Vehicles (AFVs) and LGVs will be given priority over other vehicles. The Energy Policy Act of 1992 requires 75 percent of all light-duty motor vehicle acquisitions to be AFVs, unless exempted (see the EPA Fleet Management Manual 4833). The Energy Independence and Security Act of 2007, Section 141 requires that all new light-duty and medium-duty passenger vehicle acquisitions be LGVs, unless a functional needs exemption is granted (see the EPA Fleet Management Manual 4833). EO 13693 requires that 20 percent of new passenger vehicle acquisitions are plug-in hybrid electric vehicles (PHEVs) or zero-emission vehicles (ZEVs) starting calendar year 2021, and that 50 percent of new passenger vehicle acquisitions are PHEVs or ZEVs starting calendar year 2026. Program/regional office Fleet Managers must obtain approval from the Director of the Safety and Sustainability Division (SSD) if they plan to acquire a vehicle that is not an AFV. When acquiring PHEVs and electric vehicles, program/regional office Fleet Managers must ensure that proper charging stations are installed in the garage location to which these vehicles are assigned.

When considering an AFV, program/regional offices shall use the [Alternative Fuel Station Locator website](#) to determine whether an alternative fuel is available within 5 miles or 15 minutes from the garaged location of the vehicle. LGVs should be ordered for locations where fuel is not readily available.

The EPA and its program/regional offices must ensure that all GFP vehicles and fuel facilities comply with vehicle acquisition requirements. The EPA and each program/regional office shall ensure that contracts

entered into for contractor operation of government-owned facilities or vehicles require the contractor to comply with the vehicle acquisition requirements with respect to such facilities or vehicles to the same extent as the agency or program/regional office would be required to comply if it operated the facilities or vehicles.

11.4.3.4 *Acquiring Special Purpose Vehicles*

“Special purpose” vehicles are a classification composed of test vehicles and non-licensable vehicles. Test vehicles are used for emissions testing, miles per gallon testing or similar activities, but do not include vehicles used for sample collection or mobile labs. Non-licensable vehicle are vehicles that cannot be legally driven on highways, such as boats, trailers, All-Terrain Vehicles (ATVs), generators, forklifts or lawnmowers. Due to the unique nature of their mission requirements, special purpose vehicles are not required to follow the fuel economy or environmental standards applied to other vehicles. However, special purpose vehicles are subject to operational guidance in this Manual and must be tracked in the Automotive Statistical Tool database. Additionally, fuel used in special purpose vehicles must be reported to the SSD quarterly via the Tactical Vehicle Report.

Program/regional offices shall not re-sell any three-wheeled ATVs, because they have been classified as “dangerous property.” Refer to [41 CFR §102-40.140](#) for proper disposal methods.

11.4.4 **Motor Vehicle Size**

Program/regional offices may only acquire the minimum size of motor vehicle necessary to meet the agency’s mission and the following criteria:

- - Acquire motor vehicles that achieve maximum fuel efficiency.
- - Limit motor vehicle body size, engine size and optional equipment to what is essential in accomplishing the mission.
- - Acquire midsize (Class III) or smaller sedans. The only exception is motor vehicles used by the President and Vice President and motor vehicles for security and highly essential requirements.
- - Acquire large (Class IV) sedans only when such motor vehicles are essential to accomplishing the mission.

The agency must establish and document a structured vehicle allocation methodology to determine the appropriate size and quantity of motor vehicles within each program/regional office and the overall fleet.

Recommended Reference:

[GSA FMR Bulletin B-30](#), “Vehicle Allocation Methodology for Agency Fleet.”

Motor vehicles must be acquired in accordance with the processes outlined in the EPA Fleet Management Manual 4833. Any request for increases in vehicle size and/or the quantity of the agency’s fleet must be submitted to the program/regional office Fleet Manager and approved by the AFM before any vehicle is acquired.

11.4.5 Fleet Average Fuel Economy Standards

49 U.S.C. §32917 and EO 12375 require that each executive agency meet the fleet average fuel economy standards in place as of January 1st of each fiscal year. The standards for passenger automobiles are prescribed in 49 U.S.C. §32902(b). The [Department of Transportation](#) publishes the standards for light trucks and amendments to the standards for passenger automobiles. Average fuel economy for government motor vehicles must be calculated in accordance with formulas listed in [41 CFR §102-34.60](#) due to the many vehicle configurations.

All EPA employees responsible for acquiring motor vehicles must ensure compliance with fuel economy standards. The AFM and program/regional office Fleet Managers are responsible for the overall monitoring of fuel economy to ensure compliance with these standards.

Requirements:

[41 CFR §102-34.45](#), "How are passenger automobiles classified?"

[41 CFR §102-34.50](#), "What size motor vehicles may we obtain?"

[41 CFR §102-34.55](#), "Are there fleet average fuel economy standards we must meet?"

[41 CFR §102-34.60](#), "How do we calculate the average fuel economy for government motor vehicles?"

[41 CFR §102-34.65](#), "How may we request an exemption from the fuel economy standards?"

[41 CFR §102-34.70](#), "What do we do with completed calculations of our fleet vehicle acquisitions?"

[41 CFR §102-34.75](#), "Who is responsible for monitoring our own compliance with fuel economy standards for motor vehicles we obtain?"

[41 CFR §102-34.80](#), "Where may we obtain help with our motor vehicle acquisition plans?"

11.4.6 Receipt

Acceptance of new vehicles shall be in accordance with:

- - Instructions to Consignee Receiving New Motor Vehicle Purchased by the GSA, printed on the reverse side of the consignee copy of the delivery order; and
- - The GSA Publication, "New Vehicle Guide: Warranty, Delivery, Acceptance, and Recall of Motor Vehicles." Receipt of the final delivery shall be reported on the receiving-report copy of the purchase order.

Program/regional offices are responsible for developing additional procedures pertaining to the receipt of vehicles. After receiving vehicles, program/regional offices are required to record vehicle registration data and all updates in the Federal Motor Vehicle Registration System (FMVRS) to depict the status of the program/regional office fleet composition accurately.

11.4.7 Identification

All EPA owned motor vehicles must display markings to identify their assigned program/regional office. Unless exempted under [41 CFR §102-34.160](#), [41 CFR §102-34.175](#) or [41 CFR §102-34.180](#), EPA owned motor vehicles must display the following identification:

- “For Official Use Only.”
- “U.S. Government.”
- Identification that readily identifies the agency owning the vehicle.

Motor vehicles are typically identified through the vehicle license plate and trailers are identified on both sides of the front quarter of the trailer in a conspicuous location. If agency logos, signage or decals are used to identify government vehicles, the agency is responsible for acquiring all identification material and for replacing them when necessary due to normal wear and tear or damage.

11.4.7.1 License Plates

All EPA owned motor vehicles must have U.S. government license plates, unless specifically exempted by the regulations outlined in Section 11.4.7, “Identification.” License plates for all EPA owned vehicles must be obtained through the AFM.

All official U.S. government license plates must be displayed on the front and rear of all government motor vehicles, except for two-wheeled motor vehicles and trailers, which require a rear license plate only. U.S. government license plates must be displayed only on the government motor vehicle which they were assigned, and can only be removed when the vehicle is removed from government service or is transferred outside the agency, or until the plates require replacement as a result of damage. No EPA license plate shall be used on vehicles that are not owned by the EPA. Motor vehicles that are commercially leased must use the license plate assigned to the vehicle, unless otherwise exempted.

U.S. government license plate numbers are preceded by a letter code that designates the owning agency for the motor vehicle. The letter code designation for the agency is “EPA.” All agency letter codes are listed in [GSA FMR Bulletin B-11](#), “U.S. Government License Plate Codes.” Requests for new license plate codes shall be submitted to the AFM through the Program Fleet Manager.

For security reasons, EPA license plates shall not be delivered to automobile dealerships under any circumstances. The AFM shall have EPA license plates shipped directly to the program/regional office Fleet Manager who requested the plates.

Lost or stolen EPA license plates must be reported immediately by the program/regional office Fleet Managers, as soon as the information is known, to the AFM and EPA Security. The lost or stolen license plate must be immediately recorded in FMVRS as lost or stolen, and a replacement plate must be ordered.

All requests for exemption from displaying U.S. government tags on EPA owned and GSA leased vehicles must be submitted in writing through the program/regional office Fleet Managers to the AFM with proper justification. Approved requests must be resubmitted annually. Exemption requests shall include:

- - A description of the duties or mission requirements that warrant the use of an unidentified motor vehicle. In emergency situations, if EPA tags serve to heighten threats to U.S. government employees or property, the AFM may grant interim motor vehicle identification exemptions.
- - Motor vehicles that are exempt from displaying EPA license plates must display the regular state plates of the State, Commonwealth, territory or possession of the United States, or the District of Columbia where the motor vehicle is primarily assigned.

11.4.7.2 *Registration*

All EPA owned motor vehicles displaying U.S. government license plates and motor vehicle identification must be registered in the FMVRS, unless they are used for classified operations and purchased through classified procurement channels. All data fields within the FMVRS must be recorded completely and accurately. GSA Fleet registers all motor vehicles in the FMVRS that are leased through their agency.

11.4.8 *Official Use*

EPA owned or leased motor vehicles shall be used for official purposes only. In accordance with 31 U.S.C. §1349, government employees who willfully misuse or authorize the misuse of a passenger motor vehicle, owned or leased by the United States government (except for an official purpose), shall be suspended without pay by the program/regional office's Assistant Administrator. Government employees shall be suspended for at least one month and, when circumstances warrant, may be removed from government service.

11.4.8.1 *Official Use Restrictions*

Vehicles must be operated in a manner that avoids the perception of misuse/abuse at all times. Therefore, employees who operate an EPA owned or leased motor vehicle must understand that:

- - Federal, tribal, state and local traffic laws must be obeyed at all times.
- - Smoking and the use of tobacco products are strictly prohibited in EPA vehicles.
- - Vehicles are not to be used for HTW transportation unless a signed authorization by the EPA Administrator is on file.
- - The use of cellular telephones while operating an EPA motor vehicle is strictly prohibited unless the State authorizes the use of hand-held devices and then only using a "hands free" device.
- - In accordance with EO 13513, texting while driving is also strictly prohibited.
- - The display of a sport affiliation, religious symbols, political statements, etc., on an EPA vehicle is prohibited and may result in disciplinary action up to and including removal. EPA owned vehicles are the sole property of the U.S. government and should not be personalized in any manner.
- - Seatbelts must be worn at all times while operating an EPA owned or leased vehicle. Passenger-seat airbags shall not be disabled.

11.4.8.2 *Misuse of EPA Owned or Leased Vehicles*

The aforementioned procedures and penalties for unofficial use of an EPA owned or leased motor vehicle shall be strictly enforced. Misuse of EPA vehicles must be reported immediately to the AFM and program/regional office Fleet Managers. The program/regional office Fleet Managers or designated investigative organization may be required to conduct an investigation and report on the findings in cases where unofficial use is suspected and if the alleged action is determined by the AFM to require such action.

11.4.8.3 *Contractor Use of EPA Owned or Leased Vehicles*

EPA contract personnel may only use EPA owned or leased vehicles if specific language authorizing this action is a provision of their contract. Government vehicles shall be used in accordance with the provisions outlined in [41 CFR §102-34](#), EPA Fleet Management Manual 4833, and this Manual.

11.4.9 EPA Motor Vehicle Operator Responsibilities

All EPA and contract personnel who operate an EPA owned or leased motor vehicle must:

- - Possess a valid U.S. driver's license.
- - Conduct trip planning to map out alternative fuel locations prior to departing (not required for trips less than 100 miles in length roundtrip).
- - Immediately report a lost or stolen vehicle to local law enforcement, the program/regional Fleet Manager, and your supervisor.
- - Always use alternative fuel in non-waivered flex-fuel vehicles or provide written justification for not using alternative fuel via the "Comments" section of the Daily Vehicle Utilization Report, Form 4920. Using alternative fuel in non-waivered flex-fuel vehicles is required by federal law.
- - Park or store the government motor vehicle in a manner that reasonably protects it from theft or damage.
- - Employees/contractors must immediately notify their supervisor if they receive a citation and provide their supervisor with a copy of the citation.
- - Employees/contractors are not allowed to pass through toll lanes without rendering payment.
- - Employees/contractors must pay parking fees while operating a government motor vehicle and can expect to be reimbursed for parking fees incurred while performing their official duties.
- - Employees/contractors are responsible for paying for parking violations, if fined. Parking fines will not be reimbursed.
- - Employees/contractors operating government motor vehicles must use all provided safety devices including seat belts and follow all appropriate motor vehicle manufacturer's safety guidelines.

Note: Violation of these requirements could result in the privilege of operating an EPA motor vehicle being revoked and personnel action up to and including removal.

11.4.10 Home-to-Work Transportation

All EPA employees are responsible for providing their own transportation to the workplace unless an HTW transportation request has been authorized by the EPA Administrator in writing. However, only the President can make any such determination for the EPA Administrator. See the EPA Fleet Management Manual 4833, Section 2.1.4 for regulation of HTW requirements.

11.4.11 Replacement Standards

A government owned motor vehicle may be replaced if it needs body or mechanical repairs that exceed the fair market value of the vehicle or if the minimal replacement standards have been met. Additional information can be found in the EPA Fleet Management Manual 4833.

11.4.12 Maintenance

The EPA and its program/regional offices shall have a scheduled maintenance program for all government-owned or commercially leased motor vehicles. The scheduled maintenance program shall:

- - Meet federal and state emissions and safety standards.
- - Meet manufacturer warranty requirements.
- - Ensure safe and economical operating conditions of the motor vehicle throughout its life.
- - Ensure that inspections and servicing occur as recommended by the manufacturer or more often if local operating conditions require.

11.4.12.1 Emissions Testing

Program/regional offices and Local Fleet Managers will coordinate with state and local officials to ensure that all motor vehicles are in compliance with emissions regulations, including the federal level of the Clean Air Act, as amended. Motor vehicles are subject to emissions inspection laws of the state or municipality in which they are regularly housed. Government-owned vehicles must meet or exceed the emissions requirements of their locality in accordance with [41 CFR §102-34.280](#). State inspection certifications are to be kept for as long as the EPA owns or leases the motor vehicle. Per [41 CFR §102-34.280\(a\)](#), the GSA will reimburse the costs of emissions inspection fees for motor vehicles leased from the GSA. Motor vehicles displaying U.S. Government license plates are not subject to safety inspections, but must still have emissions inspections performed. The GSA does not reimburse the EPA for safety inspections of GSA leased vehicles. Reference EPA Fleet Management Manual 4833, Section 3.2.2 for emissions inspection requirements.

11.4.13 Fueling

Fuel purchased for EPA owned vehicles must be done in accordance with the provisions outlined in the EPA Fleet Management Manual 4833.

11.4.14 Storage and Security

EPA owned, rented and leased motor vehicles must be stored so as to provide reasonable protection from theft or damage. In the interest of economy, open storage (i.e., designated parking lot) should be used whenever practical and feasible. A program/regional office must determine whether it is "practicable or feasible" to use open storage space or a particular type of storage space at a particular location after considering the nature of program demands and special requirements at that location. When a vehicle is stored, the vehicle is to be locked and the keys and charge card must be secured.

11.4.15 Fleet Management Records

Table 11-1 identifies the fleet management records that program/regional office Fleet Managers must maintain for all EPA-owned vehicles:

Table 11-1. EPA Fleet Management Record Retention Requirements

Vehicle Record	Retention Period
Acquisition and valuation documents	Life of vehicle plus 3 years
Operating costs, including costs related to gas and oil consumption, dispatching and scheduling	7 years
Maintenance records, including service and repair	Life of vehicle plus 3 years
Other vehicle reports	3 years
Accident reports, including Report of Survey (ROS)	6 years after case closed
Disposal information	3 years
Other correspondence	3 years

11.4.16 Reporting EPA Motor Vehicle Accidents

EPA Fleet Management Manual 4833 provides information on accident/incident reporting procedures.

11.4.17 Disposition

When an EPA owned motor vehicle no longer meets its original intended purpose, or is eligible for disposal, the program/regional office Fleet Manager must declare the vehicle excess and report it to the AFM for screening within the agency. After the appropriate screening period, the vehicle(s) can be:

- - Transferred to another program/regional office.
- - Reported to the GSA for screening and possible reutilization elsewhere in the government.
- - Sold, with the sales proceeds being used to acquire replacement vehicles (known as an Exchange/Sale transaction), or sold with the sales proceeds being turned in to the Department of Treasury as a miscellaneous receipt.

Note: All agency identification and graphics must be removed before the transfer, sale or disposal of an EPA owned motor vehicle.

11.4.17.1 *Transfer*

If vehicles are being transferred internally, the gaining organization is responsible for arranging the transfer. Transfers to other federal agencies may only be done after the vehicle has been offered to other program/regional offices and must be approved by the AFM. Transfers or loans to non-federal entities are not allowed without prior approval from the AFM.

Transfer of title (e.g., ownership) to government motor vehicles must be completed using a [GSA Standard Form 97-1](#), "The United States Government Certificate to Obtain Title to a Vehicle." This form is only used when motor vehicles owned by the U.S. government are sold to parties who intend to title the vehicle for operation on highways. It is evidence of title only and is to be used by the purchaser to obtain a proper state motor vehicle registration and title. Whenever the government owned motor vehicle is disposed of by any means, the title of ownership must be transferred by executing GSA Standard Form 97-1.

Requirements:

[41 CFR §102-2.135](#), "How do agencies obtain forms prescribed by the FMR?"

[41 CFR §102-34.305](#), "What forms do we use to transfer ownership when selling a motor vehicle?"

[41 CFR §102-34.310](#), "How do we distribute the completed Standard Form 97?"

11.4.17.2 *Exchange/Sale*

Excess EPA owned vehicles may be sold using the exchange/sale authority with the sales proceeds used to acquire like replacement vehicles, or the vehicles are sold with the sales proceeds being turned in to the Department of Treasury as a miscellaneous receipt. Using exchange/sale is the preferred method, because the agency obtains additional cost savings benefit of acquiring a new vehicle without the need to obligate the full amount of funds.

11.4.17.3 *Cannibalization*

No vehicle can be cannibalized unless it has been reported for disposal and the GSA was unable to sell it or it was in salvage condition, not requiring reporting to the GSA, and the local office documents that all of the following conditions exist:

- Repair of broken or worn parts is not possible.
- Required parts are not available from other vehicles previously cannibalized.
- Required parts are not available commercially or through government supply or excess sources.
- Repairing the vehicle is economically unfeasible.

A vehicle may be cannibalized only after the above reporting and disposal preparations have been followed.

CHAPTER 12. WAREHOUSE MANAGEMENT

12.1 PURPOSE AND SCOPE

To oversee the proper management of a warehouse, information technology systems should be in place to enable the warehouse manager to properly receive, issue, and track materials and property. The system must include a process that assists with the determination of storage methods and space allocation. Consideration also needs to be given to the efficiency of locating and moving items expeditiously when warehoused property is requested by the programs/regional offices.

There are times when idle assets need to be stored for future use. Assets are stored when in a non-use status and a program/regional office will need them in a short time, prior to the onboarding of a new employee, in the event of an emergency or disaster, or support for future operational requirements. Regardless of the reason and where property is warehoused (e.g., stored locally or remotely), it must be cared for, inventoried and examined for routine maintenance and disposal. This includes both EPA and contractor-managed warehouses. Further, the EPA's personal property that is stored in select warehouses/storage spaces needs to be effectively accounted for and disposed of. Accountability for these assets must be accurately reflected in the official property records in Agency Asset Management System (AAMS), including their storage location.

12.2 ROLES AND RESPONSIBILITIES

Overall, the EPA Office of Administration and Resources Management (OARM) has oversight responsibilities for personal property management at EPA warehouse facilities.

12.2.1 Real Property Services Staff (RPSS)

The RPSS, a staff located within OARM, has direct responsibility for conducting annual assessments of EPA warehouses and storage facilities including the following:

- - Overseeing used and unused square feet to aggressively consolidate storage of personal property located within the same city or metropolitan area.
- - Determining the annual cost associated with storing each property item to determine whether storage is cost-efficient.
- - Holding management and staff accountable for the timely transfer or disposal of excess personal property.
- - Adopting new technologies, concepts and strategies that would generate inventory efficiencies in terms of storage, shipment and filling orders that reduce inventory levels and lower costs.
- - Updating agencywide policy to require the agency property staff to record and track non-accountable property in the AAMS, or accessible website, in order to maximize the re-use of property before making new purchases.
- - Updating agencywide policy to prevent storage of personal property beyond a year, except under special circumstances where long-term storage may be required.

- - Updating agencywide policy to require periodic unannounced visits to the warehouses/storage facilities to ensure there is no unauthorized use of government resources and ensure that space is used efficiently.
- - Requiring program/regional Program Accountable Representatives (PARs) and Senior Resource Officials (SROs) to generate accountability reports that are provided to agency senior-level management. These reports will identify work that has been done to monitor property and deficiencies and ensure that the recommended actions on the deficiencies will be taken.
- - Training staff on best practices for inventory and storage to develop cultures, practices and attitudes that ensure that personal property items are controlled to prevent unnecessary storage.
- - Managing the property disposal program and excess re-utilization program.

12.2.2 Senior Resource Official

SROs are responsible for the following:

- - Conducting periodic unannounced visits to warehouses to guard against unauthorized use of government resources. The EPA Warehouse Facility Inspection form should be used to assist in the review of warehouse/storage facilities.
- - Certifying annually in writing to the Director, Office of Administration that they have assessed the operations of their warehouse/storage facilities to ensure that the facilities are managed efficiently and effectively, and detailing any actions/activities that have been undertaken to find costs savings and efficiencies in warehouse operations. Certifications are due by August 31st of each fiscal year.
- - Working with warehouse/storage facility managers to consider consolidation of warehouse operations within the same city or metropolitan area in order to use space more efficiently.
- - Certifying annually that all non-accountable property residing in warehouse/storage facilities is accounted for and tracked.

12.2.3 Property Management Officer (PMO)

PMOs are responsible for the following:

- - Establish storage space and warehousing services as required for the receipt, storage, issue, safekeeping and protection of EPA property.
- - Provide storage space and warehousing services in the most efficient manner consistent with program requirements.
- - Operate warehouses in accordance with generally accepted industrial management practices and principles.
- - Ensure local storage areas remain clean and accessible and that security protection of EPA property is adequate.
- - Ensure that physical security protection, safeguards and procedures are adequate for high value, sensitive, dangerous and other property that requires special handling.

12.2.4 Warehouse/Storage Managers

Warehouse/Storage Managers are responsible for the following:

- - All aspects of warehouse operation.
- - Carrying out functions to safeguard and control all property assigned to the warehouse under his/her control.
- - Ensuring that equipment, supplies and materials that are on hand are available for use to avoid duplication of orders and unnecessary spending. This applies for both accountable and non-accountable items that are maintained for the EPA.
- - Overseeing the annual and semi-annual inventory and loss reports.
- - Ensuring that property duties are assigned appropriately and that staff are well trained in how to carry out their duties.
- - Ensuring that the property database accurately reflects receipts, inventory and disposal.

12.3 PROPERTY CONTROLS

The risk of loss or theft of an asset and of waste, fraud and abuse is greatly minimized when appropriate internal controls are used. All receipts, storage records and issues must be accurately recorded. The data recorded at the warehouse becomes the foundation of the database used throughout the lifecycle of the property. Establishing methods for validation of warehouse records is important for data integrity. The receiving dock is generally appropriate for documenting and marking of accountable property. The receiving area requires good physical security and process controls to prevent theft or loss.

The OARM establishes the rules and procedures for property marking and identification for warehouses. Data received from the warehouse on all accountable property must be complete, accurate and reliable. In addition, the PMO shall ensure that warehouse personnel are properly trained in property management procedures.

12.3.1 Accountable Property

All accountable personal property is subject to asset lifecycle management and tracking in the AAMS, the official EPA asset management system of record, as determined by the EPA Property Officer. Program/regional offices may augment control and accountability with the use of internal systems. See Section 3.4.1, “Accountable Personal Property” for additional information.

12.3.2 Non Accountable Property

All non-accountable property including sensitive property stored in warehouse/storage sites must be properly tracked and accounted for in the AAMS. There is no limit to the type of items nor functional purposes of items to be tracked using the system. The items should be tracked throughout the year and accounted for monthly or as often as products are consumed. Items should be adjusted in the system at all times maintaining current data. See Section 3.4.2, “Non-Accountable Property” for additional information.

12.4 UTILIZATION

EPA assets temporarily in a non-use or idle status shall not be comingled with excess assets, assets awaiting disposal or repair, etc. EPA personnel shall make every effort to use EPA assets to the maximum extent practical. When idle assets are not eligible for exchange/sale or repurposing, and are determined to be no longer required for use, they shall be removed from storage, declared excess and redistributed in accordance with this policy. All property stored at warehouses may only be used for authorized purposes.

12.4.1 Safety and Security of Sensitive Property

EPA sensitive property shall receive a higher level of safety and physical security due to the nature of the property. Sensitive property is defined in Section 3.4.1.1, "Sensitive Property." PMOs shall establish procedures to identify assets that require special storage arrangements and must ensure the official asset record in the AAMS is duly noted with any special instructions or requirements. Some special requirements may refer to specific climate conditions, sterile environments or regulated or secure containment. For additional requirements for the safety and physical security of firearms, refer to Section 10.4.5, "Storage of Firearms."

12.5 STORAGE

Effective controls ensure efficient use of the EPA's stored property at its warehouse facilities to prevent loss, theft, damage and destruction (LTDD). Specifically, warehouse space needs to be utilized appropriately and excess property disposed of in a timely manner. Furthermore, warehouses should not store items that are readily available for purchase locally. This ensures that expenses for unnecessary storage and upkeep of property are minimized. Every effort should be made to consolidate and dispose of excess property.

Property should not be stored for more than six months. Quantities of office supplies, such as copy paper and stationary, should not exceed what is expected to be used within a 6-month period. If extenuating circumstances occur (such as the delay of a building retrofit or office move, or budget constraints that have delayed program development or delivery), the Office Director or higher shall write a justification to hold the property for an additional period up to 6 months. The justification shall be kept on file by the Property Utilization Officer (PUO), Warehouse Manager or Supervisor, with a copy retained by the Property Custodial Officer (PCO). Justifications must be reviewed and updated annually by the SRO or Assistant Regional Administrator.

There are times when idle assets need to be stored for future use. Assets are stored when in a non-use status and a program/regional office will need them in a short time, prior to the onboarding of a new employee, in the event of an emergency or disaster, or support for future operational requirements. Regardless of the reason and where property is warehoused (e.g., stored locally or remotely), it must be cared for, inventoried, examined for routine maintenance, etc. The official property records in the AAMS shall accurately reflect assets in their storage location.

PMOs shall, at a minimum, ensure that the following activities are performed:

- - Establish storage space and warehousing services as required for the receipt, storage, issue, safekeeping and protection of property.
- - Provide storage space and warehousing services in the most efficient manner consistent with program requirements.
- - Operate warehouses in accordance with generally accepted industrial management practices and principles.
- - Ensure that local storage areas' housekeeping, accessibility and security protection of property are adequate.
- - Ensure that physical security protection, safeguards and procedures are adequate for high value, sensitive, dangerous and other property that requires special handling.

EPA personnel shall make every effort to use EPA assets to the maximum extent practical. When idle assets are not eligible for exchange/sale or repurposing, and are determined to be no longer required for use, they shall be removed from storage, declared excess and redistributed in accordance with this policy.

12.5.1 Space Utilization

Space allocation must be made for receipt and issue, stockrooms and long-term storage. Space allocation considerations include: frequency of use (e.g., short-term storage items more accessible than long-term storage); priority of function (e.g., recently arrived equipment segregated from surplus property); and rack or floor space storage considerations (e.g., frequent incoming or outgoing of items). Items should not be stored in warehouses/storage facilities if the items are readily available for purchase locally or can fulfill an immediate need. Warehouse Managers must maintain reports on space availability, storage, receiving, warehouse operations efficiency and warehouse operations discrepancy reports, to monitor the success of the operations.

12.6 INVENTORY

12.6.1 System Requirements

Systems should be in place to account for all accountable property, defined as "...personal property with an acquisition cost of \$5,000 or more, all leased personal property, sensitive property and capitalized personal property with an acquisition cost of \$25,000 or more" as well as personal property that is tracked regardless of value, such as supplies and furniture stored at the warehouse facilities. Program/regional offices are required to adequately and sufficiently inventory all personal property to ensure a complete inventory to safeguard its property against theft, loss, waste and mismanagement. Physical inventory counts verify the existence, completeness and accuracy of records. The annual physical counts need to be compared against the inventory system records for all personal property to ensure against theft or mismanagement. The same inventory management system should be used for all property, including courtesy-stored items, in all warehouses.

12.6.2 Segregation of Responsibilities

When an inventory is conducted, to achieve consistent, accurate physical counts of inventory and related property, there is a need to segregate key duties and responsibilities among different people. Implemented effectively, this type of control reduces risk of error and fraud so that no single individual can adversely affect the accuracy and integrity of the inventory count. An EPA staff or independent person needs to be present during physical inventory counts when conducted at a contractor-managed warehouse to ensure that the counts are complete, accurate and recorded.

12.7 DISPOSAL OF EXCESS PROPERTY

All property (including accountable, non-accountable and electronics) under EPA warehouse control should be continuously surveyed to determine if it can be excessed, then promptly reported to the GSA Property Management Team. When property is determined to be excess, the agency must transfer or dispose of such property as promptly as possible, and make reassignments of property among activities within the agency when such property is determined to be no longer required for the purposes for which it was purchased. The agencywide accessible database, website or report should be used to timely inform potential users of available property and avoid unnecessary spending.

It is the responsibility of the Warehouse/Storage Manager to ensure that property which is no longer needed or no longer capable of fulfilling its function be disposed of in a timely fashion. The practice of storing and accounting for property in excess of requirements is uneconomical and an unnecessary administrative burden. Accordingly, all warehouse property shall be inspected on a routine basis. If property is not used or is under-used, immediate action should be taken to dispose of such property either through transfer, sale, donation or destruction. All disposal of property must be undertaken in keeping with federal and agencywide requirements.