

# 14 FAH-1 DEPARTMENT-WIDE PERSONAL PROPERTY MANAGEMENT HANDBOOK

## 14 FAH-1 H-000 INTRODUCTION

## 14 FAH-1 H-010 HANDBOOK PURPOSE, AUTHORITIES, AND DEFINITIONS

*(CT:PPM-1; 08-11-2004)*  
*(Office of Origin: A/LM)*

### 14 FAH-1 H-011 PURPOSE

*(CT:PPM-1; 08-11-2004)*  
*(Uniform State/USAID)*

a. The guidelines and procedures in much of this handbook (6 FAH-1) are designed to parallel regulations in 6 FAM 220, Personal Property Management for Posts Abroad, and apply to personal property management responsibilities at posts abroad. However, some of this handbook's guidelines and procedures are also designed to parallel regulations in 6 FAM 230, Domestic Personal Property Management, and apply to domestic personal property management responsibilities in the Department and its U.S. field offices. Material in this handbook has the same regulatory force and application as corresponding material in the Foreign Affairs Manual.

b. **State only:** Domestic personal property management subchapters 14 FAH-1 H-120, H-230, H-320, H-430, H-620 and H-720 corresponding to 6 FAM 230, Domestic Personal Property Management, are directed to stateside personnel in the Department and its domestic field offices. Additionally, information in chapters 14 FAH-1 H-000 and H-500 applies both to domestic personal property management and to personal property management at posts abroad. Handbook exhibits follow the text of each subchapter. Direct requests for handbook clarification or help to: Chief, Property Management Branch (A/LM/PMP/BA/PM).

c. **USAID only:** Direct requests for handbook clarification or help to: Director, Overseas Management Support Division (M/OMS).

## 14 FAH-1 H-012 AUTHORITIES

*(CT:PPM-1; 08-11-2004)*  
*(Uniform State/USAID)*

The authorities for this document are found under:

(1) Federal Property and Administrative Services Act of 1949, as amended;

(2) State Basic Authorities Act of 1956, sections 3(a) and 28, as amended;

(3) Foreign Excess Property Act, as amended;

(4) Foreign Assistance Act, as amended, sections 636 a (5) and (9), (22 U.S.C. 2396(a)(5) and (9));

(5) 31 U.S.C., Chapter 13, Subchapter III, Section 1344 (31 U.S.C. 1344); and

(6) 31 U.S.C., Chapter 35, Subchapter II, Section 3512 (31 U.S.C. 3512).

## 14 FAH-1 H-013 DEFINITIONS

*(CT:PPM-1; 08-11-2004)*  
*(Uniform State/USAID)*

**Accountable property:** Property that must be tracked on accountable property records, and inventoried, as required. Agency criteria for accountable property:

(1) State:

(a) Nonexpendable personal property with an acquisition cost of \$5,000 or more per item;

(b) All expendable and nonexpendable personal property in storage, regardless of cost;

(c) Nonexpendable residential furniture and equipment/appliances, regardless of cost;

(d) Serialized property, including information technology (IT) equipment, with an acquisition cost of \$500 or more per item;

- (e) Leased property, regardless of cost;
  - (f) Accountable property on loan;
  - (g) Heritage assets; and
  - (h) Capitalized personal property assets (see definition paragraph in this section, including special criteria for Department of State software and motor vehicles);
- (2) USAID:
- (a) All nonexpendable residential furniture and equipment regardless of cost or location;
  - (b) All other nonexpendable personal property items costing \$100 or more exclusive of shipping, packing, and storage costs;
  - (c) Any expendable stock inventory in stockroom or nonexpendable property in warehouse; and
  - (d) Any leased or borrowed nonexpendable property regardless of cost.

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

**Acquisition cost:** The cost to the U.S. Government of putting the property into use when the property is originally acquired. It includes the cost of the item plus any transportation charges, handling and storage costs, installation charges, labor and other direct or indirect production costs (for goods produced or constructed), and outside services for designs, plans, or specifications, billed from sources other than the vendor. It does not include training costs or warranty costs. When the acquisition cost of an item is unavailable, the fair market value of the item is considered the acquisition cost. Unique criteria apply to the costs included in capitalized software. This criteria is contained in the Bureau of Resource Management's (RM) memorandum concerning new capitalization policies and procedures for software development and implementation, dated September 29, 2001.

**Administrative property:** Basic common-use furniture, furnishings, and equipment (including residence property) usually available through normal supply channels (e.g., desks, chairs, office machines, sofas, beds, refrigerators, nontempest IT and Word processing equipment, etc.).

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

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

**Board of survey:** A panel consisting of three members who are appointed to review cases involving missing, damaged, or destroyed U.S. Government property. USAID only: Vehicles with a basic acquisition cost of under \$25,000, including shipping costs, are not capitalized.

**Capitalized personal property:** Nonexpendable personal property that has an acquisition cost of \$25,000 or more per item and an estimated service life of two years or longer must be capitalized and reported in the agency's financial statements. All State-owned vehicles are capitalized property, regardless of cost. All software that meets the Department's threshold, with expected useful life of two years or longer, shall be capitalized. Commercial off-the-shelf software configured for State operations with a total cost of \$500,000 or more is capitalized. Similarly, State software developed within the agency by direct-hire or contract employees shall be capitalized if the expected useful life is two years or longer and the cost of direct-hire or contractual services exceeds \$500,000. Software maintenance costs and the cost to convert data are not capitalized and should not be considered in determining the application of the threshold. Bulk purchases of software packages with a total cost of \$100,000 or more shall also be reported as capitalized.

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

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

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

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

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

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

**Fair market value:** The monetary value that an agency could reasonably expect to receive for an asset in a current sale between a willing buyer and a willing seller other than in a forced or liquidation sale.

**Foreign excess personal property:** Property located in a foreign country, and under the control of a Federal agency or designee, no longer needed locally, and determined by the head of the agency to be no longer required elsewhere. Establishments abroad are not to use the word "surplus" on disposal documents because this term is reserved for GSA use.

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

**Hazardous material:** Material consisting of explosives, flammables, corrosives, combustibles, oxidizers, poisons, toxins, sources of ionizing radiation or radiant energy, biologicals and radiologicals, magnetics, and compressed gasses, which, because of their nature, are dangerous to store or handle, and present real or potential hazards to life and/or property.

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

**Information technology:** Any equipment, software, or firmware or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information.

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

**Invoice cost:** The total of the amount paid to the vendor, including related costs such as transportation or installation, if included on the vendor's initial invoice. The invoice cost plus all other costs incurred to put the item into use is the acquisition cost.

**Nonexpendable personal property:** Is personal property which is:

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

**Personal property:** Personal property includes such items as vehicles, furniture, equipment, supplies, appliances, and machinery. It refers to all property not otherwise classified as land, land improvement, buildings, and structures that are normally referred to as real property. When property is not permanently installed in a building, it must be accounted for as a personal property item and recorded in the appropriate property system if the item meets the threshold for accountability.

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

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

**Property accountability:** Property accountability includes responsibilities for such tasks as tracking the movement of assets, recording changes in physical condition, and verification of physical counts. Property managers exercise this responsibility and maintain proper control over an organization's assets through record keeping, effective policies and procedures, and appropriate security controls.

**Property management:** The planned acquisition, efficient utilization, physical accounting, and appropriate disposition of property.

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

**Receiving report:** A record that ordered materials were received. This may take the form of Form DS-127, Receiving and Inspection Report, which is the minimum required in the event of a multiple part shipment, or a handwritten notation on the acquisition document, where the complete order is received in a single shipment. Form DS-127 must be in English, indicate the item cost in U.S. currency, and have any damage or discrepancies noted.

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

**Replacement property:** Replacement property is any personal property for which there is a continuing need on a worldwide basis by the parent agency, such as office furniture and equipment; household furniture, furnishings, and equipment; motor vehicles and automotive spare parts; tires and any other property having a continued general use. The proceeds of sale of replacement property are used to purchase similar property. Replacement property is not declared excess by the post except as noted in 6 FAM 227.1-3.

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

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

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

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

**Stock control records:** Property records that identify the kind and quantity of expendable and nonexpendable property in the warehouse available for issue to post activities.

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

**14 FAH-1 H-014 THROUGH H-019  
UNASSIGNED**