

14 FAH-1 H-100 DELEGATED RESPONSIBILITIES

14 FAH-1 H-110 DEPARTMENT-WIDE MANAGEMENT CONTROLS

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

14 FAH-1 H-111 AGENCY PROPERTY MANAGEMENT OFFICER

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

a. The Managing Director, Program Management and Policy (A/LM/PMP), is the designated Property Management Officer (PMO) for the Department of State. This officer is responsible for:

- (1) Establishing policy for the management and control of the Department's personal property;
- (2) Reviewing property management program operations;
- (3) Developing and implementing property management regulations and procedures; and
- (4) Providing guidance in areas of receipt, storage, property accountability, inventory management, property utilization, and disposal.

b. A sound management control system must ensure that no one individual is in the position to control all aspects of any transaction affecting the receipt, storage, or disposition of expendable or nonexpendable personal property. The following criteria should be used when determining separation of duties:

- (1) If the employee has purchasing duties, do not assign the employee:
 - (a) Paying duties; or
 - (b) Receiving duties;
- (2) If the employee has receiving duties, do not assign the employee:

- (a) Purchasing duties;
 - (b) Paying duties; or
 - (c) Property record keeping duties;
- (3) If the employee has paying duties, do not assign the employee:
- (a) Purchasing duties; or
 - (b) Receiving duties;
- (4) If the employee has property record keeping duties, do not assign the employee:
- (a) Physical inventory duties (the exception to this is when bar code scanning equipment is used. In those situations, the accountable property officer shall question any manual entry to the scanner);
 - (b) Stock pulling duties;
 - (c) Receiving duties; or
 - (d) Property disposal duties;
- (5) When circumstances prevent total separation of duties, the accountable property officer shall review the situation and document the results twice annually. Maintain documentation (even when there are no discrepancies) in the inventory/reconciliation file (see 14 FAH-1 H-612). Select at random several receiving reports and related documents, such as vendor packing lists and despatch agency notifications prepared during the past several months, and compare the receiving reports with the documents looking for:
- (a) Discrepancies in quantities between what should have been shipped by the vendor, what was received by the despatch agent, and what was received at post; and
 - (b) Short/partial shipments for which the balance was never received.

Make sure that all accountable items listed on the receiving report have been posted to the stock control records. Examine the issue patterns for expendable items, paying particular attention to items which have a ready local market or are attractive for personal use such as tools, light bulbs, batteries, and paper products; and conduct spot inventories on warehouse expendable and nonexpendable stock items, selected at random, and compare the results with stock control records.

14 FAH-1 H-112 POST RESPONSIBILITIES

14 FAH-1 H-112.1 Property Management Officer (PMO)

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

a. The post's property management officer (PMO) must be a U.S. citizen. Functional responsibility for property management is inherent in the positions of the post management officer or USAID executive officer. Therefore, the head of the establishment abroad shall designate, in writing, the incumbent of one of those positions to serve as PMO. At small posts not having these positions, the principal officer will serve as PMO.

b. The PMO is responsible for all functions of property management and has the authority to delegate other U.S. citizen officers, preferably members of the PMO's staff, responsibility for the following property management day-to-day activities:

- (1) Ordering;
- (2) Receiving;
- (3) Storage;
- (4) Utilization;
- (5) Accountability;
- (6) Standardization;
- (7) Maintenance and repair;
- (8) Inventorying;
- (9) Disposal; and
- (10) Settling disputes about property control.

c. Responsibility for each of the functions in paragraph b of this section reverts back to the PMO when a person having delegated authority departs post.

14 FAH-1 H-112.2 Accountable Property Officer (APO)

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

a. The accountable property officer (APO) must be a U.S. citizen employee designated in writing by the property management officer (PMO). If the duties include APO responsibilities for other agencies (e.g., keeping property records, taking and reconciling physical inventory, preparation of agency specific reports, and signing property survey reports), the PMO must notify the APO of these responsibilities via memorandum.

b. At a small post not having a general services officer to serve as APO, the PMO will retain APO operational responsibilities.

c. Notwithstanding designation restrictions cited in paragraph a of this section, in extreme circumstances, designation of a personal services contractor, direct-hire foreign national, or foreign national serving under a personal services agreement to serve as APO, under the direct supervision of the management officer or executive officer, is sometimes permissible at small posts. However, any such exception requires the written approval from A/LM/PMP/BA/PM for State. Requests for exceptions must include a complete explanation of the circumstances involved, an explanation of the duties to be performed by the employee to be designated, the employee's employment status, and a statement confirming that the employee will report directly to the PMO. This provision (on prior Washington approval for exceptions) does not apply to USAID.

d. The APO is responsible for:

(1) The custody, care, and safekeeping of all property under control of the post;

(2) The maintenance of all required property records;

(3) The accomplishment and reconciliation of physical inventories and the certification of inventory reports;

(4) The preparation of Form OF-132, Property Disposal Authorization and Survey Report, documenting shortages or damages, and the forwarding of Form OF-132 to the PMO for approval or referral to the property survey board;

(5) The preparation of property reports required by the owning parent agency;

(6) The approval of requisitions for procurement of personal property;

(7) Ensure that the receiving activity at the A/LM/OPS/WLC/MAT warehouse, or the A/LM/OPS/RLC despatch office is notified of all orders to transit that facility by providing a copy of each applicable procurement document;

(8) The conduct and documentation of an annual utilization survey to insure that property is correctly assigned and cared for, and to identify unneeded property for reassignment or return to stock;

(9) The conduct and documentation of semi-annual, unannounced spot counts of expendable and nonexpendable property in warehouses to verify the accuracy of property records. Discrepancies between property records and physical count shall be reconciled (see 14 FAH-1 H-614);

(10) The periodic review of cupboard stock issues; and

(11) The supervision and training of personnel to whom the aforementioned duties are delegated.

e. The APO must make a personal and thorough review of property operations to ensure that documentation is being used for property transactions, and that all property operations are in compliance with regulations. A review of the property records and the acquisition document file will help. Look for a pattern of purchases and for types of material that may show an abnormal frequency of replacement. This could mean, for example, that property still having a useful life period remaining is being discarded prematurely, or that property is being pilfered.

f. **Warehouse inspection:** The APO should personally inspect the supplies and equipment at the warehouse. Attention should be given to steps taken to protect the contents of the warehouse. Are they being kept dry and protected? Does the facility have adequate racking, bins, racks, and other storage aids? Are sensitive items adequately protected? Is the stock maintained in a neat and orderly condition? Is the physical security of the facility adequate to prevent unauthorized entry? Unneeded property, which has accumulated in the warehouse, should be inspected. At posts where property operations are lax, it is common to find an accumulation of discarded, unserviceable, and obsolete items "cluttering up" the warehouse. Such property should be screened and classified as to condition and serviceability, and a decision made as to whether it should be disposed of, or reconditioned and returned to stock. Action should be taken immediately, as continued storage of unneeded property is a waste of space.

g. **Self-audit:** If time permits, the APO should conduct an in depth self audit of all property activities using 14 FAH-1 Exhibit H-112.2 as a guide. The audit will help the APO to become acquainted with property management operations, and will provide a good picture of the condition of

the operations. Such a review will help identify those areas in need of attention.

14 FAH-1 H-112.3 Property Disposal Officer (PDO)

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

a. The designated property disposal officer (PDO) must be a U.S. citizen officer designated in writing by the property management officer (PMO) and should be an official other than the accountable property officer (APO). It is desirable, but not mandatory, that the PDO also have property management and supply management experience.

b. Although the PDO is generally responsible for the activities indicated below, in situations where it is not possible for the PDO to become generally involved with routine administrative detail (e.g., preparation of disposal documents, making arrangements for sales, etc.), the PMO may delegate responsibility for these actions to the APO, except in those instances where an exception has been granted and the APO is not a U.S. citizen direct-hire employee (see 14 FAH-1 H-112.2, paragraph c). For management control purposes, and to satisfy requirements regarding separation of duties, the PDO must be a witness to key disposal activities such as those on sale day (e.g., cash payments and the issuing of bills of sale), and must ensure that proper disposal-related entries are made on Form OF-132, Property Disposal Authorization and Survey Report, for State and/or Form AID 534-1, Personal Property Disposal Authorization and Report, for USAID (see 14 FAH-1 Exhibit H-112.3 for Form AID 534-1).

c. At a small post where it is not possible to designate a PDO, or where the APO is not a U.S. citizen direct-hire employee, PDO responsibilities remain with the PMO.

d. Generally, the PDO is responsible for:

(1) Selecting the most advantageous method of disposal of personal property as authorized by the completed Form OF-132 for State or Form 534-1 for USAID, in accordance with these regulations;

(2) Developing written internal procedures for the various methods of disposal;

(3) The maintenance and distribution of pertinent records and liaison with related activities, particularly fiscal and property records sections;

(4) The execution of bills of sale or other documents that may be necessary to transfer title of the property;

- (5) Adherence to local laws and tax regulations;
- (6) Securing property during the sale process and effecting prompt removal after disposal;
- (7) Ensuring correct deposit of sales proceeds; and
- (8) The training and supervision of personnel to whom the aforementioned duties are delegated.

**14 FAH-1 H-113 THROUGH H-119
UNASSIGNED**

14 FAH-1 Exhibit H-112.2 SELF-AUDIT CHECKLIST

(CT:PPM-1; 08-11-2004)

GENERAL

Is Form DS-582, Property Management Report, on file and valid (i.e., was inventory taken and reconciled in a timely manner)? Yes _____ No _____

Is 6 FAM easily accessible for property operations staff? (For AID, HB 23, CH 4) Yes _____ No _____

Are copies of written delegations on file designating:

Property management officer (PMO)?	Yes _____	No _____
Accountable property officer (APO)?	Yes _____	No _____
Property disposal officer (PDO)?	Yes _____	No _____

Has a property survey board been established? Yes _____ No _____

Have survey board members been delegated in writing? Yes _____ No _____

Is damaged and/or stolen property being reported in accordance with regulation? Yes _____ No _____

Has a preventive maintenance program been established? Yes _____ No _____

SEPARATION OF DUTIES

Are all of the following duties separated from each other:

Procurement?	Yes _____	No _____
Receiving?	Yes _____	No _____
Payment?	Yes _____	No _____
Property records maintenance?	Yes _____	No _____
Conduct of physical inventories?	Yes _____	No _____
Property disposal?	Yes _____	No _____

Continuation—14 FAH-1 Exhibit H-112.2

REQUISITIONING PROCEDURES

Are preprinted documents being used to request personal property and to request repair services to personal property? Yes _____ No _____

Are requests for stock issue and procurement action approved by signature of accountable officer? Yes _____ No _____

Does receiving office sign for receipt of property delivered? Yes _____ No _____

Does the occupant or occupant's designee sign for receipt of property delivered to residence? Yes _____ No _____

Are requests for repair/service to residential personal property approved by signature of the maintenance or accountable property officer? Yes _____ No _____

Upon completion of repair/service to personal property in an office or residence, is document signed by recipient to indicate work is acceptable? Yes _____ No _____

Are procedures in place to assure that a completed copy of the repair/service reaches the individual responsible for property records? Yes _____ No _____

Are property disposal actions properly documented and approved before disposal action is taken? Yes _____ No _____

Have all documents been posted to the property records? Yes _____ No _____

Continuation—14 FAH-1 Exhibit H-112.2

RECEIVING

Is a specific individual designated in writing to receive property? Yes _____ No _____

Is anyone other than the designated individual allowed to sign for receipt of incoming property? Yes _____ No _____

Have written receiving procedures been given to the receiving clerk? Yes _____ No _____

Does receiving clerk receive copies of acquisition documents routinely? Yes _____ No _____

Does post notify the receiving activity at the Logistics Management office (A/LM/OPS/WLC/MAT) warehouse or the appropriate Logistics Management office (A/LM/OPS/TTM) despatch agent of all the post's orders to transit that facility by providing a copy of each applicable procurement document? Yes _____ No _____

PROPERTY RECORDS

Is IT equipment on property records? Yes _____ No _____

State only: If nonserialized property under \$5,000, or serialized property under \$500 is not tracked on the nonexpendable property application (NEPA), are stock control records maintained on stock in the warehouse? Yes _____ No _____

Are supporting issue/disposal documents kept in a pending file until next system backup is made? Yes _____ No _____

NEPA

Are the following data elements routinely entered:

Total acquisition cost as defined in its definition under 14 FAH-1 H-013? Yes _____ No _____

Purchase order number? Yes _____ No _____

Repair/maintenance information? Yes _____ No _____

Shipping/handling/installation costs? Yes _____ No _____

Information required for capitalized property? Yes _____ No _____

Continuation—14 FAH-1 Exhibit H-112.2

Property Records

Have minimum and maximum levels been established on stock records? Yes _____ No _____

RESIDENCE PROPERTY

Are individual inventory files maintained for each residence? Yes _____ No _____

Are residence inventories taken when occupant leaves and when new occupant moves in, and are the inventories signed by occupant and general services office representative? Yes _____ No _____

WAREHOUSE

Are expendable items deteriorating because of heat/humidity? Yes _____ No _____

Is property damaged because of dampness or leaky roof? Yes _____ No _____

Is furniture damaged by careless handling? Yes _____ No _____

Does warehouse have suitable racks/shelving? Yes _____ No _____

Does warehouse have appropriate materials handling equipment? Yes _____ No _____

Does warehouse have sprinkler system and/or fire extinguishers? Yes _____ No _____

Are fire extinguishers clearly marked and easily accessible? Yes _____ No _____

Are designated fire exits clearly identified and clear of storage? Yes _____ No _____

Is there adequate protection from theft of any construction material stored outside? Yes _____ No _____

Is property belonging to various agencies identified? Yes _____ No _____

Are items highly vulnerable to theft housed in a secure area? Yes _____ No _____

Continuation—14 FAH-1 Exhibit H-112.2

Is fireproof room or storage container built for hazardous items? Yes _____ No _____

Are hazardous items isolated in a separate part of the warehouse? Yes _____ No _____

Are items susceptible to oxidation stored in a well-ventilated area? Yes _____ No _____

Is property set aside for disposal discarded within a reasonable period of time? Yes _____ No _____

DISPOSAL

Is Form OF-132, Property Disposal Authorization and Survey Report (for State), or Form AID 534-1, Personal Property Disposal Authorization and Report (for USAID), prepared for all disposal actions? Yes _____ No _____

Are disposal actions receiving the necessary pre-disposal approvals? Yes _____ No _____

Are attempts made to redistribute excess property prior to disposal by sale? Yes _____ No _____

Are sale day actions being monitored by the property disposal officer? Yes _____ No _____

Continuation—14 FAH-1 Exhibit H-112.3

SECTION 3 - PROPERTY DISPOSAL OFFICER STATEMENT. METHOD OF DISPOSAL (<i>check one</i>):		
<input type="checkbox"/> Redistribution <input type="checkbox"/> Transfer of Replacement Property <input type="checkbox"/> Transfer Foreign Excess <input type="checkbox"/> Return Foreign Excess to GSA	<input type="checkbox"/> Grant-in-Aid (No. _____) <input type="checkbox"/> Project Contribution (No. _____) <input type="checkbox"/> Donation <input type="checkbox"/> Sale	<input type="checkbox"/> Abandonment <input type="checkbox"/> Canibalization <input type="checkbox"/> Other – Explain:
_____ (Signature of Property Disposal Officer)		_____ (Date)
SECTION 4 - PROPERTY MANAGEMENT OFFICER STATEMENT.		
<input type="checkbox"/> REQUEST AND RECOMMENDATION APPROVED <input type="checkbox"/> REFERRED TO THE PROPERTY SURVEY BOARD		
_____ (Signature of Property Management Officer)		_____ (Date)
SECTION 5 - BOARD OF SURVEY FINDINGS AND DECISION STATEMENT.		
_____ (Signature) (Date) (Signature) (Date) (Signature) (Date)		
SECTION 6 - CERTIFICATION OF COMPLETED DISPOSAL. (Disposition of Property/Property Disposal Officer Statement)		
FOR SOLD ITEMS: Type of sale – _____ Date of sale(s) NOTE: PDO ensures Accounting staff has sufficient data for deposit of proceeds to appropriate account. Amount Received \$ _____ OF-158 General Receipt No. _____ Dated		
_____ (Signature of Property Disposal Officer)		_____ (Date)
SECTION 7 - CONTROLLER (FOR CAPITALIZED PROPERTY) Certification of financing, deposit of proceeds and adjustment of property ledger account. Action Taken:		
Posted General Ledger: Page _____ Line _____ Initial _____ Date _____ _____ (Signature of Controller) (Date)		
SECTION 8 - ACCOUNTABLE PROPERTY OFFICER Action Taken:		
_____ (Signature of Accountable Property Officer)		_____ (Date)

Property Management Officer Distribution: Controller File - Property Disposal File