United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

OCT 30 2001

OFFICE OF ACQUISITION AND PROPERTY MANAGEMENT PERSONAL PROPERTY RELEASE NO: 01-01

To: Bureau/Office Personal Property Officers

From: Debra E. Sonderman, Director Debra E. Sonderman
Office of Acquisition and Property Management

Subject: **Responsibilities in the Management of Excess Personal Property**

The initial findings of a recent audit conducted by KPMG, identified a potential weakness that would have an impact on the Department's annual financial statement. The issue raised by KPMG involves a requirement to remove excess personal property from the general ledger accounts upon determination as excess. To support this finding, KPMG cites Statement of Federal Financial Accounting Standard #6, Section 39 which states, "General PP&E shall be removed from general PP&E accounts along with associated accumulated depreciation/amortization, if prior to disposal, retirement or removal from service, it no longer provides service in the operations of the entity. This could be either because it has suffered damage, becomes obsolete in advance of expectations, or is identified as excess."

All bureaus/offices within the Department of the Interior (DOI) must comply with the Federal Management Regulations (FMR 102-36) that govern the disposition of Government excess personal property, and Interior Property Management Directive (IPMD) 114-43, Utilization of Personal Property. The IPMD 114-43.102 states, "Available personal property shall be screened against Department of the Interior needs in accordance with this section before it is determined to be excess."

In complying with these regulations, bureaus/offices are managing the disposition of excess Government personal property using the following process:

1. Personal property that no longer meets the needs of an office is identified as **available** property for a 51-day screening period.

2. The initial screening period to Interior, for such property, is 30 days. Available property is reported manually (e.g., SF-120, email, memorandum), or in the Screen Available and Exchange-Sales (SAVES) system, with no change in the financial record.

3. At the end of the initial screening period the property is either reported to GSA, or it may be donated using appropriate donation authority, e.g. Executive Order 12999. Property donated prior to reporting it to GSA is written off the general ledger. Property reported to GSA will continue to be carried on the books. This secondary screening period broadens the availability to other Federal Agencies, State Agencies, and eligible non-profit organizations while continuing to include Interior. The property remains available to Interior throughout the entire 51-day screening period and continues to depreciate.

4. At the end of the screening period, if GSA determines there are no Federal or donee needs for the personal property, they will provide the bureau/office with the final disposition authority.

5. Once the disposition authority is received, the property becomes excess to Interior and is either transferred within the Government, or deemed **surplus** to the needs of the Government and donated, sold, recycled, or reduced to scrap. Upon disposition it is removed from the personal property records and the general ledger.

Bureaus and offices are reminded that they have a responsibility for managing available, obsolete and unserviceable Government personal property in a timely manner.

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cc: Bureau Finance Officers