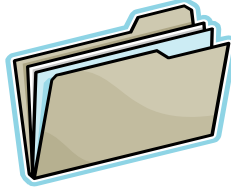


APD ALERT

Audit Trail for Reporting Excess and the Disposal Process



Purpose

This Alert serves to remind us of the value of excess property and the responsibility for properly reporting and disposing of Federal assets. The General Services Administration (GSA) transfers a large volume of excess property to other Federal, State, and local government offices; eligible nonprofit educational organizations; public health activities; and programs for the elderly and the homeless. GSA also returns proceeds from public sales of Federal surplus property to the Treasury Department. These transfers and sales proceeds ultimately result in savings to the taxpayer. Although property may be obsolete or excess to our needs, there are many customers that benefit from the Government's excess property.

Policy

Property Management Officers (PMO's) will report most all excess property for possible transfer or donation to eligible customers. This includes both accountable and non-accountable property (property with an acquisition cost under \$5,000). PMO's will also maintain an audit trail of the excess process through to the final disposal action.

PMO's should periodically remind managers and accountable property officers (APO's) that reporting excess or unserviceable property is a continuous cycle. Stockpiling property potentially diminishes the quality and condition of excess property. Employees are prohibited from disposing of property without authorization and documentation from the PMO.

PMO's will ensure that excess reports contain:

- APO or manager's signature,
- Accurate and valid condition code,
- Detailed descriptive information, and
- Pictures (as required).

As a general rule, PMO's will report all excess property with a condition code of 1, 4, or 7 as excess through AAMS/GSAXcess (www.gsaxcess.gov). Also consider reporting excess in condition code X or S when the item has usable parts that

potential customers may need. PMO's will make a print screen of the completed report to verify the screening process.

After the required timeframes for USDA and GSA screening, if there are no transfer requests, GSA will determine the feasibility of conducting a sale. GSA conducts most all sales via the internet using www.GSAAuctions.gov.

PMO's will ensure that unserviceable property reports (condition code X or S) contain:

- APO or manager's signature,
- list of the problems/repairs, and/or
- estimate of repair costs, including how the cost was determined.

“Junk”, “Outdated”, or “Obsolete” are not valid condition codes and PMO's should not consider these codes as unserviceable without supporting information. Before bypassing required screening, which eliminates the opportunity for transfer to an eligible customer, PMO's will review the report to determine whether it meets the criteria for donation, abandonment and destruction. PMO's will work with the APO to obtain any additional information.

When excess clears screening and sales with no requests, or the property is unserviceable, PMO's will authorize local disposal through donation to a public body or abandonment or destruction, such as destroying in appropriate waste containers or certified recyclers. Do not abandon or destroy property in any manner that it harmful to the environment.

PMO's will maintain a clear audit trail of property disposals in the official APO folder. This trail includes:

- Excess or unserviceable report,
- Proof of regulatory screening,
- Transfer/Donation document from GSA,
- Sales proceeds from GSA,
- Local disposal instructions from GSA, and
- Form AD-112, with APO and witness signature, stating the final disposal action.

If you have any questions, please contact Cheryl Brumback on 202-720-2359 or via e-mail, cheryl.brumbach@ars.usda.gov.

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