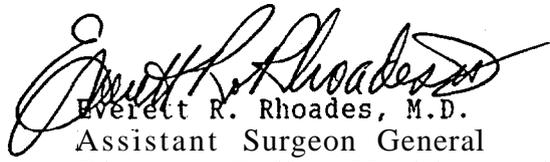


BACKGROUND

This transmittal forwards the new Indian Health (IH) Manual, Part 5, Chapter 12, titled "Personal Property Management,." This Chapter establishes policies, procedures, responsibilities, and operating instructions for the economical and efficient management and control of personal property in support of the Indian Health Service (IHS) personal property management programs.

  
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MATERIAL TRANSMITTED:

Indian Health Manual, Part 5, Chapter 12, "Personal Property Management," pages 1 through 122; Exhibits 5-12-A through 5-12-HH; and the Table of Contents.

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MATERIAL SUPERSEDED:

No material will be superseded since this is a new Manual Chapter.

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MANUAL MAINTENANCE:

Please file Chapter 12, "Personal Property Management," in Part 5 behind Chapter 11, "Real Property," of the Indian Health Manual.

Log in and file the TN in sequence.

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Distribution: PSD 557 (Indian Health Service Mailing Key)

Date : April 29, 1992

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5-12.1 GENERAL

- A. Purpose. This Chapter establishes policies, procedures, responsibilities, and operating instructions for the economical and efficient management and control of personal property in support of the Indian Health Service (IHS) personal property management programs.
- B. Development and Maintenance.
  - (1) The Property Management Branch (PMB), Division of Administrative Services (DAS), Office of Administration and Management (OAM), IHS Headquarters, is responsible for developing and maintaining this Chapter.
  - (2) Topics, suggestions, and recommendations for inclusion into the Chapter are solicited from all personnel involved in the IHS Personal Property Management Program.
  - (3) Area Property Management Officers (PMO) shall ensure maintenance of this Chapter in their Areas on a current basis and issue supplements to the Chapter for their Areas as appropriate. Copies of Area supplements are to be provided to the PMB, IHS Headquarters.
- C. Scope. The instructions and procedures contained in this Chapter are applicable to all IHS personal property management programs, including Headquarters, Area Offices, and field stations.
- D. Goal. The goal of IHS is to establish and maintain an effective and efficient personal property management program.
- E. Objectives. Objectives to accomplish the personal property management goal include, but are not limited to, the following:

(S-12.1E Continued)

- (1) Effective planning and scheduling of requirements for all personal property to ensure that supplies and equipment are available to serve operations, while maintaining inventory levels as a minimum.
  - (2) Maintenance of inventory controls and accountability records.
  - (3) Uniformity of applications.
  - (4) Maximum utilization of personal property is obtained and that property is used for official purposes only.
  - (5) Proper storage, maintenance, and preservation of property.
  - (6) Preparation and utilization of property management reports.
- F. Authority. Procedures outlined in this Chapter are in accordance with Property Management Regulations, Department of Health and Human Services (HHS) Materiel Management Manual, Public Health Service (PHS) guides, and IHS policies and procedures.
- G. Responsibilities.
- (1) Headquarters - The Director, IHS, is responsible for providing overall guidance and direction to the IHS Personal Property Management Program and evaluating its effectiveness on a continuing basis. These responsibilities have been delegated to the Associate Director, OAM; Director, DAS; and the Chief, PMB. In order to accomplish these responsibilities, the Chief, PMB, shall:

(5-12.1G(1) Continued)

- a. Conduct an effective program that will prevent loss, waste, unauthorized or improper use, and unwarranted accumulation of equipment.
  - b. Plan, develop, and administer an integrated IHS property management system, including automation, requirements determination, acquisition, accountability, inventory control, utilization, storage, and disposition control procedures, etc.
  - c. Conduct periodic property management reviews as prescribed in 5-12.15, Administrative/Program Reviews.
- (2) Area Offices - The Area Directors are responsible for ensuring compliance with this Chapter. Procedures and instructions contained herein are mandatory and will be used by Area and field station management officials at all levels and by other personnel concerned with the management of personal property within the IHS.

H. Definitions.

ACCOUNTABILITY - The obligation imposed by law, administrative order, or regulation, upon an official of the IHS to render an accounting to another official for funds or property entrusted to him, whether IHS owned, leased, or acquired by loan from any source.

ACCOUNTABILITY CHANGE - A receiving report, disposal action, or adjustment which results in a quantitative or monetary change on the property record and a debit or credit in the General Ledger , Accounts.

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(S-12.1H Continued)

ACCOUNTABLE AREA - An area specifically defined by organization or geographic limits throughout which property accountability is assigned to a designated accountable official.

ACCOUNTABLE OFFICE - An office, field station, or Headquarters organization that has accountability for the property charged to the accountable area.

ACCOUNTABLE OFFICER - An officer or employee designated by proper authority to have accountability for the property charged to his/her accountable area.

ACCOUNTABLE PERSONAL PROPERTY - All personal property that is made subject to accountability by appropriate authority. Such property includes, but is not limited to, that capitalized in the fiscal records and usually all personal property for which quantities record control is required to be maintained.

ACCOUNTING PERIOD - The period of time (normally 30 days) from the previous month cutoff date to the current month cutoff date.

ACQUIRE (ACQUISITION) - The means to obtain ownership of personal property in any manner, including purchase, transfer, donation, manufacture or production at Government-owned or operated plants or facilities. An item will be considered acquired when title to the item passes to the IHS irrespective of point of origin. Usually the title will pass upon delivery of property.

ACQUIRED FOR OFFICIAL PURPOSES - Motor vehicles located in the United States (U.S.), its territories, or possessions (a) gained and held or (b) rented or leased from private or commercial sources for a period of 60 continuous days or more by a Federal Agency or the District of Columbia.

(S-12.1H Continued)

This definition shall not be construed as the authority for the use of motor vehicles for a period of less than 60 continuous days in any manner other than for official purposes.

AREA OFFICE - A defined geographical region comprised of a number of service units surrounding a central office which provide administrative support to all service units operating within its region.

AS REWIRED REPORT - A report which is contingent upon the occurrence of an event and contains information surrounding that specific occurrence, e.g., a report of survey.

AUTOMATED SUPPLY SYSTEM - As applied to this Chapter, a system employing the use of Electronic Data Processing (EDP) equipment, which incorporates the perpetual inventory control technique with related direct issue procedures to maintain control of property.

BOARD OF SURVEY - A committee usually consisting of three or more officials of the Government appointed to inquire into the circumstances of a loss, damage, destruction, or condition of property in accordance with prescribed policies and procedures.

CAN NUMBER - The common accounting number used as a control identification number in the fiscal process, consists of:

- 1 digit Agency identification code
- 2 digit Accounting point location code
- 3 digit Identification number

CANNIBALIZE - To dismantle a piece of property for parts to be used as replacements in other equipment. A report of survey is required prior to cannibalization.

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(5-12.1H Continued)

CAPITALIZED ACCOUNTABLE PROPERTY - Personal property that has been entered on the fiscal accounts as an investment or asset with an acquisition cost of \$5,000 **or** more per unit.

COMMERCIALLY DESIGNED MOTOR VEHICLE - A motor vehicle procurable from regular production lines and available for use by Federal agencies.

CONSOLIDATED -MEMORANDUM RECEIPT (CMR) - An automated listing in alphabetical and/or numeric order which lists all accountable personal property for a custodial location and supports the appropriate General Ledger Account.

CUSTODIAL LOCATION (STATION) - A segment of an accountable area.

CUSTODIAL OFFICER - An officer or employee designated by proper authority to be responsible for the proper use, maintenance, and protection of property entrusted to their possession or charged to the custodial location.

DEPARTMENT - The HHS, including all of its activities wherever located.

DETERMINING AUTHORITY - The determining authority on all Board of Survey actions is the officer in charge of a Headquarters office or field installation which is designated as an accountable area. Officials in charge of Headquarters/Area Offices, may appoint an executive assistant or their principal administrative or property management staff officer to serve as the determining authority on survey actions involving property of a Headquarters/Area Office provided they are not the accountable officer for the property involved.

DISPOSAL - The act or an instance of getting rid of something in a prescribed manner.

(5-12.1H Continued)

EQUIPMENT - An article of personal property that is complete in itself, is of durable nature with an expected service life of one year or more, and does not ordinarily lose its identity or become a component part of another article when put to use.

EXCESS PROPERTY - Property not required by activities of IHS and is available for transfer to other Federal departments and agencies.

EXCHANGE SALE - The exchange or sale of personal property for replacement purposes where the proceeds are to be applied against the purchase of similar items. The property replaced in this instance is not considered to be excess.

EXPENDABLE PROPERTY - Categories or specific items of property that have been classified for property control and/or cost accounting purposes as expendable. The cost or appraisal value thereof is to be charged as an expense when received or issued, depending upon the cost accounting system applied by the activity.

FEDERAL CONDITION CODES - The Federal' Condition Codes consist of an alpha code (supply) and a numeric code (disposal) that describes the physical condition, readiness for issue, and serviceability of personal property.

FEDERAL SUPPLY CLASSIFICATION (FSC) - A commodity classification designed to serve the functions of supply and is sufficiently comprehensive in scope to permit the classification of all items of personal property.

FIELD WORK - Official work performed by an employee requiring the employee's presence at various locations that are at a distance from the employee's place of employment (itinerant-type travel involving multiple stops within the accepted local commuting area, or use outside that area) or at a remote location that is accessible

(S-12.1H Continued)

only by Government-provided transportation;' The designation of a work site as a "field office" does not, of itself, permit the use of a Government passenger carrier for home-to-work transportation.

FURNITURE AND FURNISHINGS (General Purpose) - Equipment that is normally associated with occupancy or use in such areas as office, conference and reception rooms, institutional waiting room lobbies, and libraries. Such equipment includes desks, tables, credenzas, bookcases, coat racks, telephone cabinets, filing sections and cabinets, office safes, security cabinets, chairs, and davenports. Furnishings are articles that supplement office furniture and augment the utility of the space assigned. These articles include lamps, desk trays, smoking stands, waste receptacles, carpets, and rugs.

GENERAL LEDGER - A property accounting system comprised of fiscal and property management concerns.

GENERAL SERVICES ADMINISTRATION (GSA) - The agency that establishes policies and provides the Government with the following: an economical and efficient system for the management of its property and records, including construction and operation of buildings, procurement and distribution of supplies, utilization and disposal of property, transportation, traffic, communications management, stockpiling of strategic materials, and the management of the Government-wide automatic data processing resources program.

HEADQUARTERS - The principal administrative center of the IHS. The Headquarters office provides overall control and direction of the IHS Areas and all their respective operating components.

(S-12.1H Continued)

HEALTH CENTER - A facility, -physically separated from a hospital, with full range of ambulatory services including at least primary care physicians, nursing, pharmacy, laboratory, and x-ray, which are available at least 40 hours a week for outpatient care.

HEALTH STATION - A facility, physically separated from a hospital or health center where primary care physician services are available on a regularly scheduled basis but for less than 40 hours a week.

HOLDING AGENCY - A holding agency is an executive agency which has accountability for excess and unrequired personal property.

HOSPITAL EQUIPMENT - Refers to all equipment, excluding hospital furniture, which is of a technical or specialized nature and peculiar to care and treatment of patients only. The funds from which purchased is not a determining factor.

HOSPITAL FURNITURE - Items of furniture that are designed specifically for use in patient care areas, such as in wards, private and semi-private rooms, etc. Such items **are** hospital beds (adjustable and non-adjustable), over-bed tables, bedside tables (cabinet type), ward chairs, and bedside folding screens. General purpose furniture items used in hospitals are excluded from this definition.

INDEX NUMBER - A number assigned to the item description in the Non-Expendable Control Operating Procedure (NECOP) system. It is a predetermined series of numbers consisting of a four or five digit number suffixed by a single digit. The series of four or five digit numbers are sequential but not consecutive. The single digit suffix is a "check digit."

(S-12.1H Continued)

INSTALLATION COSTS - Costs incurred in affixing equipment in place or condition for use such as wiring, plumbing, testing, alterations, construction, and similar acts.

INSTALLED PERSONAL PROPERTY.- That property which requires utility connections (other than electrical cord that may be plugged into receptacles) and is related to a functional area, or property which, when removed from the space or building, does not render the space or building unusable or uninhabitable.

LEAD TIME - The anticipated period of time (expressed in months or fractions of a month's supply) between the time a review for possible stock replenishment is started and receipt of the item, when ordered.

LIFE EXPECTANCY - The average useful life ,of equipment items expressed in years.

MAINTENANCE - Any work required to keep property in substantially original condition. It may include replacement of minor constituent parts, materials, or equipment.

MATERIALS - Refers to all items necessary for the equipping, maintenance, operation and support of Governmental activities, without distinction as to use for administrative or operational purpose.

MOTOR VEHICLE - A Conveyance, self-propelled or drawn by mechanical power, designed to be principally operated on the streets and highways in the transportation of property or passengers.

NO COMMERCIAL VALUE - Property that is not useable and cannot be rehabilitated economically for its originally intended purposes.

(5-12.1H Continued)

This property can reasonably be expected to have no market value for use as an entity for any other purpose, although the article may have scrap or other residual value.

NON-ACCOUNTABLE CHANGE - Action documented to change other than accountable data contained in the CMR. Accountable property transferred between custodial locations in the same accountable area does not change the value of General Ledger Accounts. It is a change in custodial responsibility and changes information that does not affect the value or quantity of items listed on the accountable records.

NON-EXPENDABLE PERSONAL PROPERTY - Equipment that must be controlled from acceptance until release from responsibility in accordance with prescribed procedures. Non-expendable personal property includes:

- (1) Capitalized Items: Those items which meet u of the following criteria:
  - a. Have an estimated service life of one year or more,
  - b. Normally have an acquisition cost of \$5,000 or more per unit,
  - c. Retain their identity when put into use, and
  - d; Will not be consumed during use.
- (2) Non-Capitalized Items: Those items normally having an acquisition cost of \$300 to \$4,999 per unit, and which meet all of the other criteria for capitalized equipment.
- (3) Non-Capitalized (Sensitive) Items: Those items normally having an acquisition cost of less than \$300 and which meets all of the other criteria for capitalized equipment.

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(5-12.1H Continued)

NON-PERMANENT FIXED PROPERTY OR EQUIPMENT - An article of personal property that is attached to but not made a part of real property for adapting such property to the specific needs and purposes of an activity for the IHS. The removal of such property will not seriously impair the utilization of the real property for successor occupants.

NON-REPORTABLE PROPERTY - Personal property that does not meet the reporting criteria set forth in Federal Property Management Regulations, (FPMR) 101-43.311; is not required to be formally reported to the GSA; and is available locally for transfer.

ONE TIME REPORT - A report that contains information focused on a specific point in time and is required for a definite purpose, e.g., congressional requests for information.

PERSONAL CUSTODY PROPERTY - Items that are sensitive to appropriation for private use, or are used in situations beyond normal supervisory notice, and good management practice dictates that such property should be accounted for by the person to whom use and trust of the items are assigned.

PERSONAL PROPERTY - Any property, except real property, records of the Federal Government, and naval vessels of the following categories, battleships, cruisers, aircraft carriers, destroyers, and submarines.

PLACE OF EMPLOYMENT - Any place within the accepted commuting area as determined by the agency for the locality involved, where an employee performs his/her business, trade, or occupation, even if the employee is there only for a short period of time.

(512.1H. Continued)

The term includes, but is not limited to, an official duty station, home base, Headquarters, or any place where an employee is assigned to work, including locations where meetings, conferences, or other official functions take place.

PRIVATE PROPERTY - Private property is any and all property owned by or belonging to an individual, group or corporation.

PROPERTY (REAL) - Means any interest in property except the public domain; lands reserved or dedicated for national forest or national park purposes; minerals in lands or portions of lands withdrawn or reserved from the public domain that the Secretary of the Interior determines are suitable for disposition under the public land mining and mineral leasing laws; and lands withdrawn or reserved from the public domain except lands or portions of lands so withdrawn or reserved that the Secretary of the Interior, with the concurrence of the -Administrator of GSA, determines are not suitable for return to the public domain for disposition under the general public land laws because such lands are substantially changed in character by improvements or otherwise; and records of the Federal Government.

PROPERTY MANAGEMENT - When used as a general term, property management broadly refers to the management, coordination, and regulation of activities concerned with the functions of: planning property needs, the acquisition of property, the receipt, storage, and distribution of property; the proper utilization and care of property; property accounting control; and the disposition of property.

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(S-12.1H Continued)

PROPERTY MANAGEMENT OFFICER - When used as a general term, the individual is responsible for the broad function of the management, coordination, and regulation of activities related to the functions of planning property needs; the acquisition of property; the receipt, storage, and distribution of property; the proper utilization and care of property; property accounting control; and the disposition of property. .

PROPERTY RECORDS- Official records reflecting the date of acquisition or disposal of property; a cross-reference to the acquisition or disposal voucher; the cost of affixed valuation of property; quantity affected by each transaction; the total quantity for which an installation or office is accountable; and the gross dollar value. Property records also include perpetual inventory records of unissued supplies, materials, equipment, etc.

PROPERTY RESPONSIBILITY - The obligation of each employee for the proper use, care, and protection of all Government property under his/her custody and control.

PROPERTY VOUCHERS - Issue slips, receiving reports, turn-in slips, or other forms or media from which information is obtained to make entries on property records. Vouchers literally, are those documents which vouch for or support an entry on another record.

RECONCILIATION - Means to compare and adjust the inventory value for all equipment records to the total value reflected in the General Ledger Accounts maintained by Financial Management.

RECURRING REPORT - A report that requests information at a specified frequency, for example, monthly, quarterly, or annually.

(5-12.1H Continued)

REPLACEMENT YEAR - Year in which equipment is scheduled to be replaced. This is determined by adding the life expectancy years to the acquisition fiscal year. The replacement year in no way implies that equipment scheduled for replacement in a given year has to be replaced; a physical review of the equipment would be required to make this decision.

REPORTABLE PROPERTY - Personal property that meets the reporting criteria set forth in FPMR 101-43.311; is required to be formally reported to GSA; and is available locally for transfer.

REPORT OF SURVEY - A report summarizing the Circumstances and findings surrounding a shortage, loss, theft, damage, or destruction of property. It may also be a report establishing the condition of property.

REQUIREMENT - An established need which justifies an allocation of resources to accomplish an objective or task.

RESIDENCE - The primary place where an employee resides and from which the employee commutes to his/her place of employment. The term 'residence' is not synonymous with "domicile" as that term is used for taxation or other purposes, nor does the regulation affect the provisions set forth in the Federal Travel Regulations for employees on temporary duty (TDY) away from their designated or regular place of employment.

REVIEWING AUTHORITY - The officer who is responsible for making final determinations with respect to the recommendations made by a Board of Survey.

(5-12.1H Continued)

SALVAGE - Personal property that has some value in excess of its basic material content, and is in such condition that it has no reasonable prospect of use for any purpose as a unit and its repair **or** rehabilitation for use as a unit is clearly impracticable, except precious metals.

SCRAP - Scrap material that has no value except for its basic material content, except precious metals.

SENSITIVE ITEM - Items of personal property (supplies and equipment that are highly desirable and easily converted to personal use; these items may be subject to additional controls.

SERVICE UNIT - The local administrative unit of an IHS Area. A service unit is the basic health organization for a specific section within an IHS Area. The service unit is a geographically defined area usually centered around a single Federal reservation or a population concentration of American Indians or Alaska Natives.

STATE AGENCY FOR SURPLUS PROPERTY - An agency in each State designated under State law as responsible for the fair and equitable distribution within the State of all donations of surplus personal property to public agencies and eligible nonprofit, tax-exempt activities for authorized purposes.

SUBSIDIARY LEDGERS - These ledgers contain certain types of financial information that must be incorporated into the General Ledger.

SUPPLIES AND MATERIALS - A term used to designate **or** refer to a grouping of classes and categories of property which, when applied to use, are ordinarily consumed or exhausted or lose their identity when incorporated into **or** made a part of equipment or fixed property.

(5-12.1H Contjnued)

SURPLUS PERSONAL PROPERTY -Property not required for the needs and the discharge of the responsibilities of all Federal agencies as determined by the Administrator of GSA.

SURVEY OFFICER.- An employee appointed by the head of a headquarters office or installation to administer board of survey procedures. The Survey Officer may act in lieu of a board only in cases of lost or damaged property that has a line item value under \$500 provided the loss or damage appears to have occurred under circumstances other than a suspicion of theft or misappropriation.

TRADE-IN - The exchange/sale of property.

UNIT OF ISSUE - A specific quantity of an item, in the lowest practical and economical unit, adopted to fulfill the minimum requirements of all using activities.

UNREQUIRED PERSONAL PROPERTY - Any government-owned property under the control of any office or installation which is not required for its needs or the discharge of its responsibilities, as determined by the head thereof. (Unrequired property does not become excess property until it is determined that no need exists for such property within the entire Department.)

USE STANDARDS - The criteria whereby a determination may be made as to when, and in what quantity, certain types of equipment are authorized for use within the Department. These are tools of management for obtaining, at all levels of operation, the best balance between equipment assets and equipment needs.

UTILIZATION - Utilization is the identification, reporting and transfer of excess personal property among Federal agencies to fill current or future authorized requirements in lieu of new procurement.

(5-12.1H Continued)

UTILIZATION OFFICER - Provides the coordination necessary to ensure maximum utilization of unrequired property by IHS activities and promotes the acquisition and use of available excess property.

VALIDATION - The process of establishing or proving that authority exists to obtain the property. and that a true need exists.

VOUCHER REGISTER - A register for recording all actions that will affect the status of the property ledger.

3. Commonly Used Acronyms

- (1) ADP - Automatic Data Processing
- (2) ADPE - Automatic Data Processing Equipment
- (3) APR- Agency Procurement Request
- (4) AO - Accountable Officer
- (5) BMEB - Bio-Medical Engineering Branch
- (6) BOAC - Billed Office Address Code
- (7) CFR - Code of Federal Regulations
- (8) CMR - Consolidated Memorandum Receipt
- (9) DAS - Division of Administrative Services
- (10) HHS - Department of Health and Human Services
- (11) DHHSMMM - Department of Health and Human Services Materiel Management Manual
- (12) DOD - Department of Defense

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(5-12.11 Continued)

- (13) DODAAG - Department of Defense Activity Address Code
- (14) DPSC - Data Processing Service Center
- (15) DRMO - Defense Reutilization and Marketing Office
- (16) EPA.- Environmental Protection Agency
- (17) FAR - Federal Acquisition Regulation
- (18) FIRMR - Federal Information Resources Management Regulations
- (1.9) FPMR - Federal Property Management Regulations
- ( 2 0 ) FSC - Federal Supply Classification
- (21) FSS - Federal Supply Schedule
- (22) GSA - General Services Administration
- (23) IFMS - Inter-Agency Fleet Management System
- ;24) IHS - Indian Health Service
- (25) JCAHO - Joint Commission for Accreditation of Healthcare Organizations .
- (26) NECOP - Non-Expendable Control Operating Procedure
- (27) OAM - Office of Administration and Management
- (28) OF - Optional Form
- (29) OIG - Office of Inspector General
- (30) OMB - Office of Management and Budget
- (31) PHS - Public Health Service

(5-12.11 Continued)

- (32) PJD - Program Justification Document
- (33). PMB - Property Management Branch
- (34) PM1 - Preventive Maintenance Inspection
- (35) **PM0** - Property Management Officer
- (36) POR - Program of Requirements
- (37) SF - Standard Form
- (38) VA - Veterans Administraticn

5-12.2 REQUIRED PROPERTY MANAGEMENT REPORTS

- A. Introduction. The HHS has established accountable reports dealing with the management of personal property in IHS. The reports are mandatory through statutory legislation and departmental regulatory requirements.
- B. Purpose. The information disseminated in these reports reflects the operating status of each Area within the SHS and enables the agency to establish certain forecasts pertaining to acquisition, accountability, utilization, and disposition of personal property.
- C. Reports. The reports are substantiated by reference in the GSA, FPMR, HHS, and PHS regulations, and as prescribed by IHS. The requirements will serve as guidelines for completing the reports unless otherwise instructed.

The reports are listed to include the name of the report, frequency, and approximate due dates to reach the PMB, IHS Headquarters. The frequency of the reports are monthly, quarterly, semi-annually, and annually. As conditions arise, certain modification of the reports will be requested by HHS, PHS, and IHS at any time within the reporting periods.

All reports referenced in this section will be directed to the IHS, Attention: Chief. PMB. 2401 12th Street N.N., Room 1S, Albuquerque; New Mexico 87102.

- d. Type of Reports.
  - (1) Recurring Reports. The majority of the reports of the IHS are recurring and submitted annually. These reports are usually concerned with measuring progress against goals, gains, losses of inventory, and values of things at a given point in time.

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(5-12.2D Continued)

- (2) As Required Reports These reports are contingent upon the occurrence of an event and contain information surrounding that specific occurrence.
- (3) One Time Reports. These reports contain information focused on a specific point in **time** and are required for-a definite purpose.
- (4) Monthly Reports. Monthly Property Available Listing Frequency: Monthly  
Due in PMB/Headquarters (HQ): 6th of each month
- (5) quarterly Reports.
  - a. IHS Quarterly Mileage Report  
Frequency: Quarterly  
Due in PMB/HQ: 5th workday in July  
5th workday in October  
5th workday in January  
5th workday in April
  - b. Cargo Preference Report. U.S. Flag Vessels  
Frequency: Quarterly  
Due in PMB/HQ: PHS will construe a negative until informed otherwise
  - c. Value of Personal Property Report for IHS  
Frequency: Quarterly  
Due in PMB/HQ: PMB/HQ will prepare report
  - d. Official Use of Government Passenger Carriers Between Residence and Place of Employment - Public Law (P.L.) 99-550  
Frequency: Quarterly

(S-12.2D(S)d Continued)

Due in PMH/HQ: 5th workday in April  
5th workday in July  
5th workday in October  
5th workday in January

(6) Semi-Annual Reports.

- a. Semi-Annual Inventory Schedule and Status Report of Capitalized Non-Expendable Property  
Frequency: Semi-Annual  
Due in PMB/HQ: 5th workday in July  
5th workday in January
- b. GSA Assigned Vehicles  
Frequency: Semi-Annual  
Due in PMB/HQ: 5th workday in July  
5th workday in January

(7) Annual Reports.

- a. Federal Facility Ridesharing Program Annual Report  
Frequency: Annual  
Due in PMB/HQ: 5th workday in April
- b. Report of Survey Register  
Frequency: Annual  
Due in PMB/HQ: 5th workday in September
- c. Inventory of Accountable Personal Property  
Frequency: Annual  
Due in PMB/HQ: PMB/HQ will prepare report
- d. Agency Report of Motor Vehicle Data  
Frequency: Annual  
Due in PMB/HQ: Last day of the month in October

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(S-12.2D(7) Continued)

- e. Report of the Geographical Location of Vehicles  
Frequency: Annual  
Due in PMB/HQ: Last day of the month in October
- f. Annual Report of Utilization and Disposal of Excess and Surplus Personal Property (SF-121)  
Frequency: Annual  
Due in PMB/HQ: 5th workday in September
- g. Reclamation of Precious Metal and Critical Materials - SF-291  
Frequency: Annual  
Due in PMB/HQ: 15th workday in September.
- h. Annual Report of Personal Property  
Frequency: Annual  
Due in PMB/HQ: 5th workday in October
- i. Loan-of Personal Property Report  
Frequency: Annual  
Due in PMB/HQ: 5th workday in October
- j. Report of Inventory of Government-Owned Property Held by Contractors  
Frequency: Annual  
Due in PMB/HQ: 10th workday in October
- k. Report of Inventory of Government-Owned Property on Loan to Grantees  
Frequency: Annual  
Due in PMB/HQ: 10th workday in October
- l. Equipment Obligations by Category and Allocation for Current Fiscal Year  
Frequency: Annual  
Due in PMB/HQ: 25th workday in October

IS-12.2D (7) Continued)

- m. Utilization and Disposal of Personal Property Pursuant to Exchange/Sale Authority  
Frequency: Annual  
Due in PMB/HQ: 25th workday in October
- n. Operation Clean Up  
Frequency: Annual -  
Due in PMB/HQ: 11th workday in February
- o. IHS Equipment Plan  
Frequency: Annual  
Due in PMB/HQ: 11th workday in October
- p- Annual Inventories of Capitalized Nonexpendable Property  
Frequency: Annual  
Due in PMB/HQ: Last workday in September

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5-12.3 ANNUAL EQUIPMENT PLAN

- A. General. Effective and economical replacement of personal property requires the same coordinated planning and scheduling on the part of program and property management personnel as is required to determine an initial requirement. Each IHS Area PMO is responsible for organizing an equipment program that will not only provide management with replacement requirements but will also provide all additional property needs. The Annual Equipment Plan, will also include the replacement and additional equipment requirements for P.L. 93-638 contractors.
- B. Purpose. The purpose of this section is to ensure that all IHS property management programs have an equipment plan that accurately reflects the status of equipment requirements for their respective Area, in accordance with DHHSMMM 103-25.401.
- C. Plan. Each IHS Area property management program will maintain a five year plan for replacement of equipment based upon equipment life expectancies. The information contained in the five year plan will be utilized in the formulation of the IHS budget to Congress.

All IHS Areas are required to review and evaluate, on an annual basis, those items of equipment that are due for replacement in the CMR. This review and evaluation shall be completed on or before the end of the fiscal year.

Planning for additional equipment requirements will be concurrent with program operations. planning, either immediate or long range, to meet the needs of their respective Area. Each Area will report on an annual basis their projected additional equipment requirements utilizing the established IHS format. (See Exhibits 5-12-EE through 5-12-GG).

(5:12.3C Continued) -

Submission of this plan is due in the IHS, PMB, on  
or before October 15th of each year. Negative  
reports are required.

5-12.4 REQUIRBMENTS DETERMINATION AND ACQUISITION. .

- A. Purpose. The purpose of this issuance is to establish guidelines for all Area personal property management programs to utilize when determining requirements and acquiring personal property.

The purpose of requirements determination and acquisition activities related to personal and property is to ensure continuation of the IHS mission.

- B. Planning and Scheduling. A personal property plan describes the IHS long range needs and how to meet those needs. IHS property management programs will be required to develop and annually revise a personal property plan for meeting the IHS health care needs, as prescribed by DHHSMMM 103-25.150-4.

Each Area property management program will plan, organize, direct, promote, control, and manage activities associated with requirements determination and acquisition of personal property. In addition, each Area property management program will collect, create, disseminate information related to requirements and determination and acquisition activities.

- c. Requirements Determination. Each Area property management program must determine and document its personal property needs and the current and projected requirements to satisfy those needs to support the Area's mission. All Areas will develop a requirements analysis document that describes and analyzes the current personal property system, and defines the functions that the planned property system must perform. This will require coordination with field operations and Area Office programs/activities within the respective Area Personal Property Management Program.

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(S-12.4C Continued)

This document will allow Area management to obtain agreement that all personal property requirements have been identified. (See DHHSMMM 103-25.150-2)

Each Area will assess its need from two perspectives: strategic planning and requirements identification. This assessment will ensure that all proposed requirements are examined in accordance with the mission of the IHS A 'requirements determination plan provides the detail upon which long term decisions can be made.'

- D. Validation of Requirements. All Area Property Management programs will ensure that personal property requirements are acquired in the most economical and efficient manner, as outlined in DHHSMMM 103-25.150-3.

The Form HHS-393, Requisition for Purchase/Service/Stock, will be used and shall contain a detailed justification that will clearly validate personal property requirements prior to purchase. (See Exhibit 5-12-A.)

Area personal property management programs will develop and implement written procedures to ensure this requirement is met. These written procedures will be developed based upon the respective Area Office organization.

- 1 E. Acquiring Property. Once the Area PMO has determined the need for personal property by a program or an activity has been validated, careful consideration will be given to sources of supply as stated in DHHSMMM 103-25.151. All Area PMO will develop, implement, and maintain written directives for their respective Area to ensure compliance with the policies when acquiring personal property. (See DHHSMMM 103-25.151-2, Suspension of Procurement; DHHSMMM 103-25.151-3, Borrowing Property; DHHSMMM 103-25;151-4, Renting

(5712.43 Continued)

Property; DHHSMMM 103-25.160, Procurement Sources; 103-25.160-1, Priority for Source of Supply; and DHHSMMM 103-25.151, Procurement of Lowest Cost Items.

- F. Use Standards. Area PMO will ensure compliance with DHHSMMM 103-25.301-50. The Area PMO must evaluate, in coordination with the requiring activity, the specific needs of the activity as they relate to the mission of the IHS, the existing resources, and availability of funds for acquisition of the validated requirement(s). Each Area PMO will plan and schedule:
- (1) The input of new personal property with the identified requirements for the replacement of existing property;
  - (2) The conduct of periodic reviews to identify underutilized or unrequired property which can be acquired through reassignment prior to expenditure of funds;
  - j3) A periodic analysis of new items of personal property, the acquisition of which could result in lower total costs through greater productivity reduced maintenance costs or longer service life; and
  - :4) Periodic maintenance programs to extend the useful service life of existing property. Records of repair and maintenance costs will be maintained to justify replacement of such items when further expenditure of funds for maintenance is not economical. (See Section 5-12.9, Maintenance and Repair, for requirements.)

(5-12.4F Continued)

Once the above has been completed, applicable use standards cited in DHHSMMM 103-25.301-15 through 103-25.359-4 can be used to support the replacement or the addition of new items of personal property. (See Exhibit 5-12-B, Items Requiring Use Standards.)

- G . Replacement Standards. In order to ensure effective and economical replacement of personal property within the IHS, all Area personal property management programs will ensure compliance with DHHSMMM 103-25.401 through DHHSMMM 103-25.401-53.

Exceptions to established replacement standards will be administered in accordance with DHHSMMM 103-25.401-54.

Each Area will develop and implement an operating plan for replacement of equipment. At a minimum, each Area will review property records on an annual basis to select items due for replacement during the next fiscal year based on life expectancy, and evaluate useful life of items to continue use beyond the established replacement date. The replacement year in the property records shall be updated on or before September 30th of each year.

- H. Rental/Lease. There are instances when renting/leasing certain types of equipment would be more advantageous to IHS than outright purchase. Area IHS property activities will establish a rental/leasing program when:

- (1) Items are continually being improved because of changes in the state of art or reductions in the price;
- (2). Repairs and/or adjustments are frequent and expensive;.
- (3) Leasing costs tie to the amount of usage and use is nominal; or

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(5-12.4H continued)

(4) It is not known whether the specific equipment would be the 'best choice.

I.' Repair or Rehabilitation. Frequently items can be repaired rather than replaced and still provide many useful years of service. This should be accomplished to the maximum degree possible. Every PMO will have a program to repair or rehabilitate property.

5-12.5 APPROVAL REQUIREMENTS ,

- A. Purpose. This section establishes the uniform requirement for approval levels of non-expendable property by category and identifies the criteria necessary to obtain approval for the acquisition rental/lease of the property. The intent of the information in this section is to expedite the approval process in order to support health care programs.
  
- B. Process/Procedures. In order to ensure compliance with the appropriate approval levels identified in Exhibit 5-12-BB, each Area Personal Property Management Program will develop and implement written procedures.

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5 - 1 2 INVENTORY MANAGEMENT.

- A. Purpose. The purpose of this section is to establish procedures for accountability and inventory management activities, in accordance with the memorandum dated August 16, 1989, from the Deputy Assistant Secretary for Management and Acquisition, HHS, Subject: Property Accountability Criteria.
- B. Capitalization and Property Accountability Criteria:
- (1) Historically, the dollar criteria for determining accountable personal property was at the same dollar threshold as the criteria for capitalizing personal property. While the capitalization criteria has been raised to \$5000, the criteria for determining accountable property remains at \$300.
  - (2) The change in these standards does not relieve employees from their responsibility to safeguard Government Property and PMO and Custodial Officers of their responsibility to manage personal property efficiently. All managers remain responsible for the proper utilization of all of the Government's assets, regardless of cost.
  - (3) The standards for property accountability are:
    - a. Capitalized accountable personal property (acquisition cost of \$5000 and above) which is reflected on all General Ledger Accounts and reconciled monthly with the Area/HQ financial management program.
    - b. Non-capitalized accountable personal property (acquisition cost over \$1000 and items costing \$1000 or less that require special control or

(S-12.6B(3)b Continued)

determined to be subject to unusual rates of loss, theft or misuse [sensitive items]).

- c. Non-capitalized accountable personal property (acquisition cost from \$300 to \$1000.)
- d. Non-capitalized non-accountable personal property costing \$300 or less.
- e. Furniture is exempt from all inventory and control requirements except that furniture will be entered into the inventory records when it enters use and when it is removed from use. Inventory records will reflect total numbers of each type of furniture and will not be kept by individual pieces. Custodial locations may maintain 'a single furniture inventory for an entire building where property management personnel control the movement of all furniture into and out of the building. The Areas may enforce more stringent control if needed.
- f. Systems and modular furniture will not be controlled or inventoried after installation. Design and layout materials should be retained to provide information on the numbers and types of work stations. Major components of furniture systems will be inventoried and accounted for while in storage.

C. Control:

- (1) The accounting of all capitalized accountable personal property and non-capitalized accountable personal property (acquisition cost over \$1000 and sensitive items) of the IHS is an annual requirement. In addition,

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(S-12.6C(1) Continued)

non-capitalized accountable personal property with an acquisition cost from, \$300 to \$1000 will be inventoried every 3 years.

A physical inventory is required to verify the accuracy of equipment and records for reconciliation with the accountable records. Verification of equipment records should be coupled with either one or a combination of the following:

- a. Utilization surveys of equipment in use (Ref. DHHSMMM 103-43);
- b. Preventive maintenance inspections where practicable to assure proper care of Government property;
- c. Scheduled equipment maintenance or replacement program actions; and
- d. Inventorying items on hand in addition to verification of accuracy of records as a means to:
  - (i) Disclose procedural weakness in routing vouchers and posting inventory records and
  - (ii) Recommend the need for additional safeguards to prevent misuse, theft and other losses.

D. Procedures:

(1) Type and Frequency of Inventories.

- a. Capitalized accountable personal property (acquisition cost over \$5000) will be inventoried annually.

(S-12.6D(1) Continued)

- b. Non-capitalized accountable personal property (acquisition cost over \$1000 and items costing \$1000 or less that **require** special control or are determined to be subject to unusual rates of loss, theft or misuse [sensitive]) will be inventoried annually. Examples of Government property to be classified as sensitive equipment, regardless of dollar value include, but not limited to:
- Bar Code Readers/Scanners
  - Binoculars
  - Cameras and lenses
  - Computer software and documentation  
(Commercial leased only)
  - Laboratory Balances
  - Microwaves
  - Physicians Emergency Kits
  - Portable Two-Way Radios
  - Recorders
  - Television Sets
  - Artwork and Artifacts
- c. Non-capitalized accountable personal property (acquisition cost from \$300 to \$1000) will be inventoried at least every three years.
- d. Non-capitalized non-accountable personal property (costing \$300 or less) will not be inventoried once the item is issued or placed in use. (The fact that an item of personal property is not inventoried does not imply that a low cost item does not have to be managed or that it can be thrown away when no longer needed. All "unrequired" property should be reported through property management channels for reutilization or disposal.)

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(S-12.6D(1) Continued)

- e. Artwork and artifacts shall also be inventoried annually or as deemed necessary by the Area Property Management Officer.
- (2) The primary objectives of the physical inventory includes:
- a. Perform comprehensive physical inventories of accountable personal property including sensitive items.
  - b. Record the results of the capitalized inventory in the Financial Management General Ledger Account 137.1.
  - c. Determine the physical condition of each item of accountable personal property.
  - d. Verify the accuracy of the established replacement year and replacement cost for each item of accountable personal property.
  - e. Update individual CMR upon the completion of the physical inventory at each facility.

E. Reconciliation

- (1)** "The Budget and Accounting Procedures Act of 1950" (P.L. 81-784) as amended, places responsibility with the Director, IHS, for:
- a. Full disclosure of the financial results of the agency's activities, and
  - b. Effective control over and accountability for all funds, property, and other assets.

(S-12.63 Continued)

- (2) Property records are to be established and maintained to identify units of property acquired and the costs that are to be recorded in the General Ledger accounts. The property values shall include supplies, transportation costs, and installation costs, less trade-in and cash discounts. The total amount shall be rounded to the nearest whole dollar to determine the acquisition cost depending upon the pricing policy chosen by the Financial Management Programs in conjunction with the Property Accountable Officer in each appropriate Area. The total value of capitalized property reflected in the accountable records shall be reconciled with the General Ledger Accounts (excluding the Central Libraries account) on a monthly basis.

F. Property Vouchering

- !!) A property voucher is a document that records and substantiates any addition to or a subtraction from the physical inventory. Every voucher numbered separately represents a single transaction and may contain more than one item. The voucher number shall identify the fiscal year, month, and the sequencing of vouchers processed during that specific month. This action makes it easier to identify timing of an action that substantiates additions to or subtractions from the inventory during reconciliation.
- (2) A Property Voucher Register providing the minimum data shall be maintained. This data shall include: date and voucher number assigned, type of voucher

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(5-12.6F(2) Continued)

(Purchase Order Number, Transfer, Excess, Report of Survey, Adjustment Voucher, etc.), value, quantity, location and purchase order number and description of items vouchered. (See Exhibit 5-12-D.)

g. Adjustment Procedures

(1) The purpose of the inventory is to verify the accuracy of the records that reflect equipment on hand. The physical count will almost always differ with the quantities shown on the records. Therefore, the records must be adjusted to correctly reflect the equipment on hand. In order to justify making these changes to balance the records, vouchers must be prepared. In addition to the Reconciliation and Locator Listing, which reflects the total inventory for the accountable area, each individual CMR must be adjusted to reflect the new balances and the supporting records must be adjusted (vouchers must be recorded in the Voucher Register and filed)..

(2) Accountable and Non-Accountable Changes.

Each IHS activity shall prepare all accountable and non-accountable inventory adjustments for processing in accordance with the following:

- a. Accountable changes will be made using the appropriate forms. Some examples of accountable changes are:
  - (i) Change of description or acquisition cost will be made by utilizing HHS-22, Request for Property Action, or appropriate document.

(5-12.6G(2)a Continued)

- (ii) Adding equipment to the CMR. An example of this is overages, which occurs as a result of the inventory.

The form HHS-365, Inventory . Adjustment, with supporting documentation, when available, will be used. (See Exhibit No. 5-12-E.)

- (iii) Removal of equipment from accountable records. An example is shortages, which occurs as a result of an inventory. Those items considered as shortage will be processed using the Reports of Survey, Section 5-12.8.

- b. Non-accountable changes will be made using the form HHS-22, Request for Property Action or other audible record. Some examples of non-accountable changes using the form HHS-22 or other audible record are serial number and custodial location changes, Department code, replacement cost/year, and I.D. numbers. (Exhibit 5-12-F)

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5-12.7 DATA ENTRY-EDP

- A. General. Accounting for property is that part of Personal Property Management which pertains to the establishment of accountable, auditable, and supporting document files, in order to compile and provide informational reports for IHS management purposes.
- B. Purpose. In accordance with DHHSMMM 103-27.50, the purpose of this Section is to prescribe standard data entry procedures for all IHS personal property management programs, as outlined in the IHS ADP System for Control and Accountability of Non-Expendable Personal Property instructions. (See Exhibit 5-12-HH)
- C. Documentation. All PMO will ensure that documents or transactions that increase or decrease the dollar value of the IHS property record system and/or General Ledger accounts will be vouchered utilizing the appropriate debit/credit transaction. Each IHS PMO will ensure all property transactions are encoded and transmitted to the DPSC in Albuquerque on a monthly basis.

5-12.8 REPORTS OF SURVEY

- A. Introduction. This section prescribes procedures to be followed and actions to be taken by Boards of Survey, Determining Authorities, and Review Authorities in conducting a survey.
- B. Purpose. The purpose is to determine responsibility and establish the extent of liability of employees for the loss (including theft and inventory shortages), damage, destruction, and deterioration (beyond normal wear and tear) of Government controlled personal property; or to provide relief from responsibility, liability and/or accountability for such property. In addition, this provides for the Report of Survey procedures to be used to determine if:
- (1) Unrequired or excess property has no commercial value and therefore, may be destroyed; or such property is a hazard to health and safety and should be destroyed.
  - (2) The use of a Report of Survey to determine condition should be a last resort. There are occasions, however, because of the complexity of the time and the non-availability of commercial sources for consultation, the Area PMO may request a survey be initiated, i.e. x-ray machines, intensive care unit.
  - (3) A total lapse time of 180 days between preparation of the Report of Survey and completion of the report should not be exceeded. This gives the Board of Survey up to 90 days to process a Report of Survey and permits the Determining Authority up to 90 days to take action upon receipt of the report.

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(5-12.8B(3) Continued)

Reports of Survey that cannot be finalized within 180 days will be submitted to the IHS PMO, Albuquerque, New Mexico, for review and appropriate action.

- C. Property Subject to Board of Survey Action. All personal property on loan to the Government, held in trust, rented, or owned by the Government is subject to Report of Survey procedures.
- D. Board of Survey. Each Determining Authority will appoint three or more employees to serve as a fact finding body with respect to the circumstances and conditions connected with a case. A permanent board should be appointed (by job title) at offices and installations where from experience there is a need for the services of a permanent board. (DHHSMMM 103.25-5104(a))

An individual is not eligible for appointment to a Board of Survey when serving as:

- (1) Property Accountable Officer;
  - (2) Immediate supervisor of an individual involved in a survey action;
  - (3) Employees who were accountable for or managed the property, used the property, were connected with the lost, damaged or destroyed property; or
  - (4) Determining Authority.
- E. Review Authority. The Review Authority, is the Director, IHS.
- F. Responsibility of Individual for Property. Any employee of the Department who has use of, supervises the use of, or exercises control over Government property, is responsible for such property. This responsibility may take either or both of the following:

(S-12.8F Continued)

- (1) Supervisory Responsibility. This requires the establishment and continuous enforcement of necessary administrative measures to ensure proper preservation and utilization of all Government property under jurisdiction of an officer in charge, an administrative official, or a supervisor.

This responsibility does not denote, however, that personnel in such positions will be held financially responsible for loss, damage, or destruction of property under their supervisory jurisdiction, unless there is evidence of neglect or misconduct indicating dereliction of duty on their part.

- (2) Personal Responsibility. Responsibility for the care and protection of Government property is an obligation inherent in every position occupied by a Government employee. Every employee is obligated to properly care for, handle, and use Government property, whether such property has been issued to or specifically assigned for his personal use, or is used by him only occasionally. The use of Government property at or away from the office or station requires the same exercise of judgment and prudence for care and protection of the property as a reasonable person would apply to his personal belongings. Leaving expensive equipment such as cameras, portable tape recorders etc., in a locked car in full view, in a location, during the periods when breaking and entering could be accomplished unobserved is not exercising prudence. Such action, when associated with other factors, could constitute negligence.

Failure on the part of an employee to exercise responsibility for the care and protection of Government property could result in financial liability, An employee

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(S-12.8F(2) Continued)

may be held financially liable and be required to make restitution to the Government when such determination has been made under the Board of Survey procedures, or upon a review of the case by the prescribed authority or his/her designee. When the determination has been appealed by the employee and the appeal is upheld, the employee may be excused from liability by the same authority.

The extract from Section 641 of Title 18, U.S. Code, quoted below is for information and guidance of all concerned.

Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority, sells, conveys, or disposes of any record, voucher, money or thing of value of the United States or of any department or agency thereof; of any property made or being made under contract for the U.S. or any department or agency thereof; or

Whoever receives, conceals, or retains the same with intent to convert it to his use or gain, knowing it to have been embezzled, stolen, purloined, or converted - shall be fined not more than \$10,000 or imprisoned not more than ten years, or both;

"but if the value of such property does not exceed the sum of \$100, he shall be fined not more than \$1,000 or imprisoned not more than one year, or both."

The word Value means face, par, or market value or cost price, either wholesale or retail whichever is greater.

(5-12.8 Continued)

G. Initiation of Report of Survey. The Report of Survey is prepared using Form HHS-342 (See Exhibit 5-12-G).

(1) Lost, Stolen, Damaged, or Destroyed Property.

- a. The employee charged with the responsibility for the custody or use of the property at the time, shall forward immediately to his/her supervisor a memorandum of certification showing:
  - (i) The description of the article(s);
  - (ii) The facts and circumstances attending the loss, theft, damage or destruction; and
  - (iii) The action taken to recover same if property was stolen.
- b. The supervisor shall make a preliminary investigation, if feasible, and report any additional facts or circumstances along with the employee's report to the Custodial Officer.
- c. The Custodial Officer is responsible for initiating form HHS-342, and completing blocks 1-4, and sending it to the Area PMO along with any related data.

On missing property, the Custodial Officer should, prior to submitting the report, ascertain that the item(s) have not been reassigned, loaned, traded in, or sent out for repairs.

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(S-12.8G(1)c Continued)

When theft is known or suspected, U.S. Department of Justice and local law enforcement authorities shall be informed and their assistance enlisted toward recovery of the property.

d. The PMO shall:

(i) Establish and maintain on a fiscal year basis, a Report of Survey register and file. The register will be maintained so that each form HHS-342 will be assigned a Report of Survey number in numerical sequence, entered in the register, and a copy filed in the Report of Survey file;

(ii) Check the property records on missing property to ensure that the property has not been transferred, loaned, or traded-in;

(iii) Ensure that the extent of damage, cost of repairs, and the estimated depreciated value of the property is determined for all damaged property;

(iv) In the case of destroyed property, develop as much information as possible as to its value, age, etc.; and

(v) Forward the Report of Survey to the Chairman, Board of Survey Committee for action.

(2) Inventory Shortages.

a. Adjustments to property and fiscal records shall be approved and made ~~only~~ after Board of Survey action when:

(S-12.8G(2)a Continued)

- (i) In the judgment of the Property Management or Accountable Officer, the value of the shortage of an item in stock is significant in relation to the average quantity and value of the item maintained in inventory;
  - (ii) The item or items short or missing are sensitive items consisting of narcotics, dangerous drugs, precious metals, alcohols, etc. There is no exception as to the quantity or value;

A shortage in inventory is one of two or more repetitive shortages of the similar nature, although the quantity and dollar value is insignificant.
  - (iii) The record value of equipment missing is \$300 or more or of a sensitive nature.
  - (iv) The approving official or the PMO suspects theft or misuse of property missing.
- b. The Determining Authority may approve inventory adjustment documents without Board of Survey action except under circumstances listed above.
  - c. The form HHS-365, Inventory Adjustment, (See Exhibit 5-12-E) shall be used to record the item(s) and the circumstances creating the need for the adjustment by the Custodial Officer. The original and one copy should be forwarded to the PMO.

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(5-12.8G(2) Continued)

- d. The Area PMO will forward the form HHS-365 to the Executive Officer for approval as appropriate.
  - e. The Area PMO will prepare the form HHS-342 for any adjustments that require Board of Survey action.
- (3) Property Dangerous to Public Health or Safety. Property which in the opinion of the Area PMO may be dangerous to public health or safety, shall be subject to survey action.
- (4) Property Which Has No Commercial Value or so Little Value That The Estimated Cost of Its Continued Care and Handling Would Exceed the Estimated Proceeds of Sale. When property is considered by the Area PMO to have: (a) no commercial value, or (b) so little value that its retention for advertising for sale is not economical, or (c) so little value that the estimated cost of its continued care and handling would exceed the estimated proceed of sale, 'he/she shall initiate form HHS-342, Report of Survey, noting thereon the reason for initiating the report and the method of disposal recommended.
- (5) Vehicle Accidents. When a Government vehicle is damaged in an accident in which a private person is injured or private property is damaged, no determination of IHS responsibility is to be made at the local level, until after the PHS Claims Officer has cleared the case for local action (FPMR 101-39.807).

(5-12.86(5) Continued)

The Area PMO will initiate the form HHS-342, Report of Survey, for vehicle accidents, when appropriate.

- H. Admission of Responsibility. If during preliminary investigation of a case an employee admits responsibility for loss or damage and volunteers payment, the following actions are to be taken:
- (1) The officer or employee shall be requested to acknowledge this responsibility in writing to the Custodial Officer, as well as provide any facts and circumstances appropriate to the incident.
  - (2) The Custodial Officer shall add any comments he may deem advisable and provide data establishing the condition of the property, prior to the incident, or estimated cost of repairs. The Custodial Officer shall forward all information to the Area PMO.
  - (3) The PMO shall add any comments he may deem advisable and data establishing the dollar value to the Government based on the depreciated value, condition of the property prior to the incident or estimated cost of repairs. He shall forward the information to the Determining Authority.
  - (4) The Determining Authority, after a review of the information shall:
    - a. Request a Board of Survey to act on the case if he/she believes such action is warranted prior to taking collection action against the employee; or

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(5-12.8H(4) Continued) ;

- b. Initiate collection action (Chapter 11-30, Subsection 11-30-100, HHS Payroll Manual) based on the information and data, and the employee's admission and offer of payment.
- i. Board of Survey Action. Upon receipt of the Report of Survey, the Board of Survey shall be convened by the chairman, and after review of the preliminary information furnished shall:
  - (1) Develop a plan of action in relation to the extent and nature of the investigation.
  - (2) Develop all facts and circumstances surrounding the incident, and if necessary and feasible, conduct an investigation.
  - (3) Interview witnesses and obtain signed statements;
  - (4) Arrive at the extent and type of loss to the Government;
  - (5) Identify all persons or employees involved, and extent thereof;
  - (6) Notify the Determining Authority immediately if it becomes evident that theft or violation of statutory regulations is involved for referral to proper authorities (Department of Justice, etc.) and procedures with survey action;
  - (7) Record all facts and circumstances resulting from the investigation and questioning of witnesses;

(5-12.81 Continued)

- (8) Obtain a signed statement from the employee(s)-involved, if at all possible, that the facts as stated are correct;
- (9) Prepare a finding. The finding must be a concise statement summarizing the essential facts and circumstances. The Determining Authority will use the finding to determine whether or not the individual(s) cited were responsible for the loss, damage, or destruction of Government property. The finding must state clearly what evidence, if any, the Board of Survey has found that will indicate to the Determining Authority whether the loss, damage, or destruction took place as the result of any of the following circumstances:
  - a. The employee(s) were negligent, guilty of misconduct or of any other, wrongful act that contributed to the damage, destruction, or loss of Government property; or knowingly failed to initiate or take corrective or preventive action;
  - b. The employee(s) failed to apply normal security measures to meet the minimum requirements that judgment, experience, or regulations would dictate as necessary to safeguard property; or
  - c. The employee(s) performance or failure to perform was the result of a reasonable error of judgment or a physical limitation. The finding is to be clear as to whether or not performance or failure to perform resulted from the imposition of responsibilities that are outside the scope of responsibilities of the individual's assigned position.

(5-12.81 Continued)

- (10) Make recommendations as to relief from accountability for property and/or the disposition thereof when appropriate; and
- (11) Sign the Report of Survey and forward it including all pertinent documents, statements, etc., to the Area PMO. When there is a difference of opinion as to the findings and/or recommendations on the disposition of property, the majority opinion shall govern. Each member in the minority shall state his reasons for taking exception to the majority opinion in an attachment to the Report of Survey. The Board of Survey is allowed 90 days to process a Report of Survey.

J. Determining Authority Action. The Determining Authority, upon receipt of the completed Report of Survey and after an evaluation of the findings, will make a decision or determination within 90 days. He/she shall:

- (1) Where the findings and a review of facts and circumstances clearly indicate the absence of responsibility on the part of an individual or group for the damage, loss, etc., take appropriate action to provide relief from responsibility for the incident of loss/or accountability for the property;
- (2) Initiate or recommend, as appropriate, new procedures, regulations, etc., if such action would prevent recurrence of a similar situation;
- 0) When the facts and findings of the Board of Survey indicate the existence of any of the following conditions:

(5-12.85(3) Continued)

- a. The employee(s) were negligent, guilty of misconduct or of any other wrongful act which contributed to the damage, destruction or loss of Government property or knowingly failed to initiate or take corrective or preventive action; and/or
- b. The employee(s) failed to apply normal security measures to meet the minimum requirements that judgment, experience, or regulations would dictate as necessary to -safeguard property.

The Determining Authority shall advise the employee(s) involved that the findings indicate the employee or group is responsible for the damage, etc., and based on these findings he/she would have to make such a determination. At the same time the Determining Authority shall advise the employee(s) of the right to present any data, facts or other information, which in the employee's opinion are not represented in the facts and findings stated in the Report of Survey, and which the employee believes should be considered by the Determining Authority. The employee shall be advised that such information must be in the form of a written statement and forwarded to the Determining Authority within ten working days of the date of the notice of determination of responsibility.

- (4) The Determining Authority may conclude, when it is evident that a condition such as, The employee's performance or failure to perform was the result of a reasonable error of judgment or a physical limitation and performance or failure to perform resulted from the imposition of responsibilities, which are outside the scope of

(5-12.85(4) Continued)

responsibilities of the individual's assigned position, existed, that responsibility should be placed on another or others not identified as the principal(s) in the Report of Survey. Such a condition may have resulted from faulty supervision.

- (5) The Determining Authority may require a re-examination of the case if in his/her opinion the information received from the employee(s) concerned warrants such, or if for other reasons he/she deems such action advisable. In either instance, the Determining Authority shall state his/her reasons in writing to the Board of Survey;

K. Review Authority Action. Cases are forwarded to the Review Authority for action when:

- (1) The employee(s) involved in the case submit additional information to the Determining Authority and the Determining Authority is of the opinion that the additional information does not indicate the need for a re-examination by the Board of Survey; or
- (2) The Determining Authority believes that he/she should disqualify himself/herself from acting on the facts and findings prepared by the Board of Survey. Whenever such a situation arises, the Determining Authority shall state in writing his/her reasons for requesting a determination by the Review Authority, and the statement shall be made a part of the Report of Survey file.

The Review Authority, after consideration of all information available shall advise the Determining Authority of his/her decision regarding responsibility or relief from responsibility for the incident. In the event the Review Authority concludes that the

(5-12.8K(2) Continued)

determination should be set aside, he/she shall prepare a statement to be made part of the file indicating his/her reasons for his/her decision. When the Review Authority is functioning as a Determining Authority where the normal Determining Authority has disqualified himself/herself, the Review Authority shall complete the Report of Survey as appropriate.

NOTE: The Review Authority may find it necessary to establish a Board of Review (established on the same basis as a board of survey) for the purpose of reviewing the case, making special investigations if necessary, and preparing findings for the Review Authority on which to **base** a decision.

L. Final Action:

- (1) If additional data is submitted by the employee, as provided for, and the Determining Authority finds no cause to have the case re-examined, or if the case is re-examined and the Board of Survey does not present further findings that warrant a change in the earlier decision, he/she shall forward the case to the Review Authority. If the determination of responsibility is supported **by** the Review Authority, the Determining Authority shall at that time consult with disciplinary procedures to be applied, or request the appropriate fiscal office to establish the individual's indebtedness to the Government for the loss where a determination of pecuniary liability has been made.
- (2) If the Determining Authority has concluded that an employee is responsible and no information is received from the employee as provided for, the Determining Authority shall

(5-12.8L(2) Continued)

consult with the personnel or administrative office or establish pecuniary liability. (Disciplinary action may be coupled with a charge of pecuniary liability.)

- (3) If it is concluded that an employee or group is to be held financially liable for the loss, damage, etc., the employee(s) indebtedness to the Government shall be established in the appropriate fiscal records.

The amount **to** be collected shall reflect the depreciated value of the time or items lost or destroyed or the cost of repairs taking into consideration the condition of the item prior to the incident. If full restitution is made by an employee for an item damaged beyond repair and the employee claims the property, it may be turned over to the employee. Provided, that security regulations are not violated and this procedure has not been used to circumvent any policy of the Department or any legal requirement for the sale of Government property to employees. (45 CFR 30.15, Collection of Claims)

- (4) If the Determining Authority decides that a person or a group not employed by the Government is financially liable, he/she shall forward a completed copy of the report to the proper official for collection of funds due to the Government.
- (5) When disciplinary action is an adverse personnel action, the Determining Authority shall contact the personnel office to ensure that the requirements of Federal Personnel Manual, Part 752, and HHS Personnel Instructions 771-1 and 752-1 are complied with.

(5-12.8 Continued)

**M. Appeals:**

- (1) Disciplinary action or assessment (pecuniary liability) resulting from Report of Survey proceedings may be appealed by the employee(s) involved.
- (2) Employee(s) may appeal action by the Determining Authority, either-to the Area Director- or to the Director, IHS, but not to both.
- (3) The employee(s) appealing an action shall do so within-10 calendar days subsequent to the notice of disciplinary action or assessment. The appeal shall be sent directly to the appeal authority selected by the employee.

5-12.9 MAINTENANCE AND REPAIR

- A. Purpose. The purpose of this section is to establish procedures to be followed by all IHS activities in the maintenance and repair of Government equipment to achieve optimum operating effectiveness and efficiency for all assigned property on a continuous basis. To achieve this objective, the system must provide for operator maintenance, in-house support maintenance, and as appropriate contractor support maintenance when necessary.
- B. Preventive Maintenance.
- (1) Preventive maintenance of biomedical diagnostic, monitoring, or therapeutic devices and equipment used in this section are defined as follows:
- a. Repair Work. Work performed on a piece of equipment to restore it to proper working condition. The work is usually furnished on an unscheduled basis, following a request from the equipment operator or user.
- b. Scheduled Maintenance. Work performed on a schedule rather than on a user-demand basis. The purpose of the procedure may be a combination of one or more of the following:
- (i) Preventive Maintenance. To clean, lubricate, adjust, check for wear, and replace components that might cause total breakdown or serious functional impairment, of the equipment before the next scheduled check. In addition to improved performance, a major advantage of true preventive maintenance is the reduction of those economic losses

(5-12.9B(1)b(i) Continued)

associated with demand repair work and loss of revenue while the equipment is nonfunctional.

(ii) Functional Testing, Performance Assurance, and Calibration. To verify that equipment is fully operational and performing within manufacturer specified limits, depending on the device, it may be appropriate to specify several different levels of functional testing and performance assurance. The term calibration implies that the device is compared against a reliable standard.

(iii) Safety Checking. To verify that the equipment is in compliance with one or more specified safety requirements.

(2) The JCAHO requires that frequency of performance testing, preventive maintenance and safety testing be performed in accordance with manufacturer's specifications. Additionally, JCAHO requires that all new biomedical equipment be evaluated prior to use.

(3) A scheduled PM1 includes preventive maintenance, calibration, performance testing and safety testing.

(4) Preventive maintenance, calibration, performance testing and safety inspections of Government equipment that are contracted to vendors, shall fully meet the JCAHO referenced standards.

(5-12.9BContinued)

- (5) Repair. The most economical resource for the repair of biomedical equipment located at IHS activities should be as follows:

- In-house support maintenance
- 2 Contractor support maintenance

Each Area should have an established mechanism for repair services.

- C. Maintenance Manuals. Each Area BMEB shall maintain current HHS, PHS, and IHS policies, standards, specifications, safety and preventive maintenance inspection procedures, written preventive maintenance protocols, and IHS Bio-Medical Engineering handbooks.

- D. Maintenance and Repair Records.

- (1) A system shall be developed and used for maintenance management of equipment. A record shall be maintained for each serial numbered item of equipment of a mechanical, technical, medical, electronic, scientific, or sensitive nature, where maintenance and repair costs are involved.

This system will be used as a service record for each individual item of equipment and enables evaluations to be made as to whether such costs are excessive and when equipment should be replaced. It also provides valuable data for planning and budgeting purposes.

(S-12.9D Continued)

- (2) Each time a maintenance action is performed on the equipment, other than that which can be performed by the operator, it will be recorded and maintained. Information will reflect:

        Description of maintenance  
B        Date of repair  
c        Cost incurred  
d.      In-House repair or name of vendor

The above information will provide the life history of the item, and will reflect the total cost incurred in maintaining the item.

- (3) The NECOP system will be utilized to include the costs and the number of times an item has been repaired.

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5-12.10 UTILIZATION

1

A. Purpose. This section prescribes procedures to be followed and actions to be taken by IHS activities to ensure maximum utilization of government property.

B. Receiving.

- (1) All property acquired by an IHS activity shall be receipted for by a designated Receiving Agent for that specific location.
- (2) Each Area will designate a Receiving Agent(s). A copy of the designation shall be provided to the Area PMO, the Area Financial Management Officer and copies provided to other concerned offices. These designated Receiving Agent(s) will be responsible for the proper receiving of equipment/supplies for their specific activity.
- (3) The designated Receiving Agent(s) will be the only individuals to receipt for Government property: If a receipt must be signed by an individual other than the Receiving Agent(s), the receipt must be countersigned by one of the authorized individuals before voucher numbers are assigned or payment made.
  - a. Inspection: When a shipment is received the designated Receiving Agent(s) shall make an inspection of the shipment as to the condition of the containers to ensure no apparent physical damage exists. Also, once the container is opened, the Receiving Agent shall look for concealed damages.

In the event there are damages to the cartons, a notation on the shipping document or freight bill should be made.

(5-12.10B(3)a Continued).

The Receiving Agent should ensure that the number of items received versus the number of items shipped correspond. If quantities do not agree, annotate the freight bill accordingly as to the total number over or short.

- b. In the event there are shortages/overages discovered, the following shall apply:
- (3 If the shipment is from a Government agency (VA, GSA, Perry Point, etc.) the procedures outlined in their catalogs should **be** followed on reporting overages, shortages, and damages.
  - (ii) If the shipment is from other than a Government agency, the vendor is to be contacted for their corrective action.
- c. Acceptance. The Receiving Agent shall personally inspect each shipment against the purchase order or contract, to ensure that the shipment conforms to all specification and requirements of the purchase order or contract. This is to include the quantity, quality, and condition.

Upon receipting for personal property or supplies, the Receiving Agent is responsible for notifying the ordering activity that their shipment has arrived and is ready for pick-up. The Receiving Agent shall obtain the signature of the individual receipting for the item and maintain it in the file. The Receiving Agent will then process the receiving report in accordance with Area procedures.

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(S-12.10B(3) Continued)

- d. Identification. After inspection and acceptance of personal property, each Area will ensure that a Government identification label or a bar-code decal will be affixed to the property. This information shall be annotated on the receiving report and forwarded to the Area PMO for necessary action. If there is a question as to whether or not a decal should be applied to an item of equipment, the Property Custodial Officer for that facility shall be contacted.
- C. Equipment Pooling/Sharing. In order to further reduce acquisition expenditures and to increase property utilization, each activity within the IHS shall examine their property inventory and, where feasible, establish equipment sharing pools. The Property Custodial Officer shall maintain the accountability of all items in the-pool.
- (1) Pools may be established using new or unrequired property not utilized on a full-**time** basis. Efforts shall be made to identify equipment for pooling at the **time** of the annual inventory.
  - (2) Loaning Pooled Equipment. When equipment is loaned; the form HHS-557, Personal Property Loan Document (See Exhibit 5-12-CC), shall be used. Equipment shall not be loaned from a pool longer than 90 days; however, the loan can be renewed up to one year. If the item of equipment is needed for more than one year, the item should be considered for transfer to the using activity.

(5-12.10C Continued)

(iI Reviews. Once the equipment pool has been established, the Area PMO shall conduct an annual review of the records to determine the need for adding or deleting items of equipment.

D. Surveys - Annual Utilization.

Annual Operation Clean-Up Report. .

(1-| In accordance with DHHSMMM 103-43.101, all IHS activities are required to conduct an annual walk-through survey to inspect operating areas to locate and dispose of unrequired property.

These inspections shall be made by all activities of IHS annually during the month of February. Inspections should be conducted more frequently, if local conditions dictate such action.

(2) Personal property located as a result of this survey shall not be retained, unless it can be clearly established that the item(s) will be required to meet the needs of an approved future program or program expansion. Circumstances justifying retention of such item(s) shall be noted in the property file.

(3) Only those items of equipment identified as unrequired or excess, as a direct result of this survey, are to be reported to the Chief, PMB. Items of excess property, which are routinely reported to GSA throughout the year, are not to be included in this report.

(4) This report shall be completed and submitted in accordance with the IHS Accountable Reports Manual (Report No. 22.)

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5-12.11 DISPOSAL/DISPOSITION

- A. Purpose. This section prescribes Standard procedures for all IHS facilities regarding the removal of property from its assigned location; by sale, donation, transfer, condemnation and destruction, trade-in, or by other means.
- B. Unrequired.
- (1) The form HHS-22, Request for Property Action, is to be submitted to the Property - Accountable Officer, when personal-property is determined unrequired. A statement reflecting the type of necessary action requested will be annotated on the form HHS-22 (See.Exhibit S-12F).
  - (2) Action will be taken to determine if such items can be utilized within IHS.
  - (3) If there are no requirements within IHS, the personal property will be disposed of by other means.
- C. Transfer.
- (1) Unrequired - Redistribute within INS.
  - (2) Excess - Redistribute to Federal Agencies other than INS.
  - (3) Surplus - Redistribute to organizations external to the Federal Government.
  - (4) Replacement equipment shall not be made available within IHS.
- D. Excess/Surplus.
- To maximize utilization and minimize procurement of new personal property under the control of IHS or any Federal Agency, which is determined to be unrequired and replaced, shall be reported to GSA.

(5-12.'11D Continued)

(1) Reporting.

- a. Reporting shall **be** made in accordance with FSC Group and Classes (FPMR 101-43.4801, Excess Personal Property Reporting Requirements). The condition reflects property date reported.
- b. The report shall be made on the SF 120, Report of Excess Personal Property and - the SF-120A, Continuation Sheet.
- c. The operating manual, parts list, maintenance record, etc., if available, shall accompany the SF-120.

(2) Custodial Retention. .

- a. The reporting location shall require that the holding agency provide adequate protection to the property reported against the hazards of fire, theft, vandalism, and weather commensurate with the condition and value.
- b. The GSA may order partial or total transfer to other agencies.
- c. The GSA may return property to the reporting and holding agency control, if the pending transfer or donation cannot be completed or if no bids are received at the end of a 180 day period from the date the property is made available to GSA.

(3) Withdrawal and Corrections. Requests for withdrawal or corrections on a report shall be made on SF-120 or other method approved by GSA. Request to be submitted to GSA regional office to which the original report was

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(S-12.11D(3) Continued)

forwarded. Other actions or disposition by reporting or holding activity shall not be made until receipt of approval from GSA.

- (4) Reportable Property. Excess Personal Property when reported to GSA. (Reporting) and not transferred to other Federal agencies, will become surplus on the surplus release date. The surplus release date is established to occur 60 calendar days or less after receipt of the report (See Exhibit 5-12-I).
- (5) Transfer of Excess Personal Property.
- a. For a period of 15 - 90 days, GSA will offer excess property to other Federal Agencies.
  - b. Transfer Order Excess Personal Property (SF-122) will be provided by GSA for any property that is to be transferred to another Federal Agency (see Exhibit 5-12-J).
- (6) Donation of Surplus Property.
- a. For a period of 15 - 80 days, GSA will offer surplus property to State agencies.
  - b. Transfer Order of Surplus Personal Property (SF-123, Transfer Order Surplus Personal Property, See Exhibit 5-12-K) will be provided by GSA for any property that is approved for donation.

, (S-12.11D Continued)

(7) Sale of Surplus Property.

- a, Surplus property that does not have any donation requirement will be offered for sale by GSA after a screening period.
- b. Report of Personal Property for Sale (SF-126, See Exhibit 5-12-L), is used to report property directly to-GSA Sale Branch.
- c. Based on GSA Form 27, Notice of Award (See Exhibit 5-12-M), a disposal document is to be prepared.

(8) DRMO Turn-In.

- a. The Department of Defense form DD 1348-1 (See Exhibit 5-12-N), the DD Single Line Item Release/Receipt Document, will be used for turn-in to DRMO.
- b. Further use by DRMO will ensure maximum utilization of personnel, storage facilities, equipment, and provide disposal support.
- c. Based on the signed Form DD 1348-1 and acknowledgement within established agreement with DRMO, a disposal document is to be prepared.
- d. The DRMO will accept and process property for which it has disposal responsibility. The following will not be accepted:
  - o Live animals.
  - o Explosives and ammunition.

(S-12.11D(8)d Continued)

- 0 Incendiary and irritant products.
- 0 Drugs, biologicals, and controlled substances.
- 0 Nitrate base film.
- 0 Psychodiagnostic test set.
- 0 Hazardous property.
- 0 Material which cannot be disposed of in its present form because of regulations, e.g., consecrated religious items and cryptographic **material, etc.**
- 0 Radioactive commodities which require a Nuclear Regulatory Commission (NRC) license.
- 0 Unsalable material, material for which sale or other disposal is prohibited by U.S. Laws. This includes, but is not limited to classified material, inspection stamps and devices, etc.
- 0 Nonsalable material (other than refuse and trash), material that has no utilization or sales value as determined by DRMO, e.g. tires, etc., but is not otherwise restricted from disposal by U.S. Law or Military regulations.
- 0 Precious **metals** (See Section 5-12.10) can be turned in provided they are not hazardous property or in violation of the law.

(5-12.11 Continued)

E. Storage.

- (1) Adequate protection of excess/unrequired property is to be made against hazards of fire, theft, vandalism, and weather.
- (2) This property is to be tagged and identified with the disposal report number received from GSA:or other related disposition actions.

F. Small Lot Sales. Conducting small lot sales is to be in accordance with FPMR 101-45.3, Sale, Abandonment, or Destruction of Personal Property. Advance sale copies must be provided to the appropriate GSA regional sales office. Property shall be sold by competitive bid sale as prescribed in FPMR 101-45.304.1. Sealed bids are submitted for public opening at the time and place designated on the sales notice.

The OF 15, Sale of Government Property (See Exhibit 5-12-0), shall be used to advertise the sale. Posters must be completed and publicly posted at least 10 calendar days prior to the sale date.

- (1) Bid responses shall include complete name/address and amount of bid, submitted within the designated timeframe.
- (2) Only a certified type of payment (Cashier's check, certified check, money order, etc.) will be accepted.
- (3) The SF-114C, General Sale Terms and Conditions (See Exhibit 5-12-P), is applicable to all sales of personal property and is made part of all sales invitations.
- (4) Sufficient time should be allowed for inspection and the mailing of bids. A property listing of serviceable items

(S-12,11F(4) Continued)

will be provided upon request at anytime prior to sale.

(5) Establishment of minimum prices of those items to be sold shall be made by the holding agency. These estimated values will be utilized in evaluating bids received.

(6) A bidder register shall be maintained, which contains the bidder's name and bid price. The individual conducting the sales shall provide the following statement along with their name and title on all bid abstracts:

"I certify that I have personally opened and read all bids received, verified all entries- on this abstract of those bids received and find it correct."

(7) In the event of a tie, a time and place shall be established for a drawing of lot(s) with two witnesses present.

is> The OF 16, Sales Slip, Sale of Government Personal Property, shall be used as an invoice, cash receipt, and/or property release document (See Exhibit 5-12-Q).

(9) The agency will notify the successful bidder of the award and payment will be made in full before removal of personal property.

(10) Proceeds received shall be deposited into the U.S. Treasury as miscellaneous receipts.

(11) The result of sales shall be forwarded for review to the appropriate GSA regional sales office. A report shall be provided within 10 workdays of sale conclusion.

(12) Every effort shall be made to sell all property prior to being classified as having no commercial value.

(5-12.X1F Continued)

- (13) The GSA regional sales office may be contacted for technical assistance.
- G. Donations. The IHS shall participate in donations to programs by making surplus personal property available to other activities.
- (1) The holding agencies are responsible for performing and bearing the cost for the care and handling,
  - (2) Direct cost incidental to donation shall be borne by the designated donee. This includes transportation cost.
  - (3) The IHS shall assist in major disaster relief, in accordance with the Disaster Relief Act of 1974, P.L. 98-288, which authorizes Federal assistance to States, local governments, and relief organizations.
  - (4) After donation action is authorized by GSA, the IHS may transfer property to any public agency, educational or public , institution, or organization.
- H. Trade-In.
- (1) The IHS will make every effort to dispose of replaced property (eligible for trade-in) by trading the replaced equipment for similar type of equipment that is being acquired.
  - (2) A notation shall be made on the purchase order if a trade-in is allowed.
  - (3) When the newly acquired equipment is delivered, the trade-in equipment is to be released by having the disposition document (HHS-22) signed by the receiving official and Area Accountable Official.

(S-12.11H Continued)

- (4) Property ineligible for trade-in is listed below:
- 32 Woodworking machinery and equipment, except lathes, milling machines, and saws, circular or band.
  - 34 Metalworking machinery, except drill presses, lathes, milling machines, and saws, circular or band.
  - 41 Refrigeration and air-conditioning equipment,
  - 42 Fire fighting, rescue, and safety equipment.
  - 44 Furnace, steam plant, drying equipment, and nuclear reactors.
  - 45 Plumbing, heating, and sanitation equipment.
  - 46 Water purification and sewage treatment equipment.
  - 47 Pipe, tubing, hose, and fittings.
  - 48 Valves.
  - 51 Hand tools.
  - 53 Hardware and abrasives. .
  - 54 Prefabricated structures and scaffolding.
  - 55 Lumber, millwork, plywood, and veneer.
  - 56. Construction and building materials.
  - 68 Chemicals and chemical products.

(5-12.11H(4) Continued)

- 71 Furniture.
- 75 Office supplies and devices, except tabulating cards.
- 83 Textiles, leather, and furs.
- 84 Clothing and individual equipment.

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5-12.12 PRECIOUS METALS RECOVERY PROGRAM

- A. Purpose. This section establishes policies and procedures for recovery of precious metals within IHS, in accordance with FPMR 101-45.10 and Inter-Agency agreement with DOD.
- B. Sources of Precious Metals. Precious metals that may be designated for recovery include gold, silver, and the metals in the platinum family. Examples of silver-bearing scrap and waste include used photographic fixing (hypo) solution, photographic and X-ray film, silver alloys, and dental scrap. Other examples of precious metal-bearing materials include electronic scrap, ADPE, welding and brazing wire, anodes and batteries. Certain strategic and critical materials, lists of which are issued from time-to-time by GSA or DOD, may also be designated for recovery.
- (1) Silver Recovery. Silver is recovered from various types of property as mentioned before. Silver cell batteries, tableware, hollowware, insignia fixtures, buttons, dental amalgam, desalter kits, anodes and wire for welding and brazing are some of the sources for silver. One source that warrants further explanation is photographic materials (fixing solution, also called hypo-solution, films, and papers). A major source for silver is from photographic and X-ray film and paper. Some silver remains in processed black and white materials such as negatives, prints, motion picture films, radiographics (X-ray film), microfilms, and the like, as well as from unprocessed material of 'almost any kind. Unprocessed color films, negatives and transparencies also contain recoverable silver, however, processed color films and paper do not contain silver.

(5-12.12B(1) Continued)

Certain silver compounds have ability to change when exposed to light. In some cases 60 percent to 80 percent of the silver contained on the film is left in the hypo solution after the development process. Silver recovery from hypo-solution after the development process can be accomplished by metallic replacement. The method that the IHS recommends is the recovery cartridge. A more active metallic element in the filter (usually iron or copper) reacts with the silver thiosulfate complex. This complex is formed in the fixing reaction of a photographic process. The silver, a less active metal, is separated from the complex and the more active metal takes its place, the silver settles to the bottom of the recovery cartridge. The metallic replacement within the recovery cartridge is nothing more than chemical precipitation controlled to take place over a great length of time. The metallic replacement element dissolves slowly in the fixer and precipitates (replaces) silver.

- (2) Gold Recovery. Gold is recovered from various types of property such as badges, insignia, anodes, turnings, buttons, and eyeglass frames. High concentrations of gold are found in such materials as powders, slats, foil leaf, pellets, dental lingual bars, gold wire, dental alloys, jewelry, laboratory ware, and wire.
- (3) Combinations. Some property may contain a combination of gold, silver or platinum family metals. Examples are: A) expended cyanide and acid-based liquids, sludge, powders, and salts, derived from plating/deplating operations; B) high temperature alloys, such as stator vanes, aircraft exhaust cones and aircraft; and C) most electrical and electronic materials.

(5-12.12B Continued)

- (4) Portable Vacuum Cleaning. An additional method of recovering precious metals is using a portable vacuum cleaner. Wherever there is precious metal, i.e. dental operations, there is an opportunity to collect grindings and flakes from the (dental) work areas, clothing, drawers, and crevices. Sweepings should be collected in a disposal vacuum bag. When sufficiently filled, the vacuum bag is removed from the sweeper and then sealed. The contents of the vacuum bag should never be removed from the bag. The vacuum bag and contents are called Vacuum Cleaner Sweepings.

C. Turn - In :

- (1) Precious metal-bearing material should be turned into the nearest DRMO. For location of the nearest DRMO, call the, GSA Regional Office, and/or your local Area Utilization Officer.
- (2) The DRMO should be able to answer any questions concerning completion of the DD-1348-1 or other appropriate turn-in documentation.
- (3) The DRMO will accumulate, report, and ship the precious, metal-bearing material, and it will ultimately be refined to purity of 99.9 (.999 fine).

5-12.13 MOTOR VEHICLE MANAGEMENT

- A. Purpose. This section establishes procedures to be used in the daily management and operation of the motor vehicle management program for the IHS. The contractor motor vehicle management program is in Section 5-12.17, (which has been reserved).
- B. Acquisition of Motor Vehicles. This section prescribes policies and procedures relating to the GSA motor vehicle procurement and leasing program and defines requirements and guidelines to provide energy conservation in motor vehicles used for official purposes by the IHS.
- (1) The GSA is assigned the responsibility for procuring new motor vehicles for all civilian executive agencies. The GSA may authorize agencies, on an exception basis, to procure vehicles needed to meet urgent requirements, required for special purposes, or are otherwise unique to an agency.
  - (2) The IHS does not have the authority to use appropriations to purchase passenger and/or emergency medical vehicles. There is a general statutory prohibition against use of appropriations to buy or lease passenger motor vehicles, unless specifically authorized by law. Section 1343 (b) of Title 31 U.S.C. states:

"An appropriation may be expended to buy or lease passenger motor vehicles only:

- a. for the use of --
  - o the President
  - o the Secretaries to the President; or
  - o the heads of executive departments listed in section 101 of Title 5; or

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(5-12.13B(2) Continued)

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b. as specifically provided by law.

- (3) This prohibition does not apply to pick-up trucks, cargo vans, utility vehicles, and larger trucks.
- (4) The IHS Appropriation language authorizes the use of funds to lease passenger vehicles.
- (5) Classifications.

a. Sedans and Station Wagons. Before we can define a vehicular need, we must understand how vehicles are classified. The following table describes passenger and station wagon classifications within the Government.

	<u>Sedans</u>	<u>Station Wagons</u>	<u>Descriptive Name</u>
1 A			Small
1B		I	Subcompact
II		II	C o m p a c t
III		III	Midsize
IV		IV'	Large
V			Limousine

Acquisition of new or replacement passenger vehicles is limited to Classes II, unless a larger Class III vehicle is certified as essential to an agency's mission. Use of Class IV and V vehicles, limousines and large sedans or station wagons are not authorized. Acquisition of a Class III vehicle will be authorized only when the nature complexity, or functional requirements make this size vehicle an absolute necessity.

(5-12.13B(5)a Continued)

This requirement must be certified in writing and submitted to the Chief, PMB, IHS Headquarters for approval.

b. Trucks.

(i) Light trucks are defined as gasoline or diesel propelled - vehicles that are manufactured primarily for use on public streets, roads, and highways and weighing less than 8500 pounds GVWR (gross vehicle weight rating).

(ii) Medium trucks are similarly defined - by weight between 8500 and 12,499 pounds.

(iii) Heavy trucks are separated into two categories, those weighing between 12,500 and 23,999 pounds, and those weighing 24,000 pounds or more.

(6) Fuel Economy Requirements.

a. The requirement for using the smallest vehicle possible is for meeting the need for conserving energy as well as other economical purposes.

b. Fuel economy requirements expressed in miles per gallon, that each passenger automobile and light truck must meet, as well as the requirement that the vehicles of an agency in total must average, are set forth in FPMR 101-38.101-3.

(S-12.13B Continued)

(7) Leasing Motor Vehicles. The basis for leasing follows: .

- 'a.. Leasing of Government vehicles rather than purchasing shall be accomplished when it is more advantageous to the Government to do so and when existing Interagency Motor Pool service cannot be made available to supply the need. Long-term leases (60 days or more) are subject to the fuel economy provisions established in FPMR 101-38.101-3.
- b. Requirements for leased vehicles are to be submitted to the local GSA, Fleet Management Service Center, for review to determine if the requirement can be satisfied by the interagency motor pool system. If the IFMS is unable to provide the vehicles, a request for commercial leasing authority shall be submitted to the Chief, PMB, IHS. Leases involving charter services are not required to be submitted to GSA.
- c. If commercial leases are made, two copies of all long term vehicle leasing agreements shall be provided to GSA. This includes agreements to renew existing leases. If the leasing agreement does not contain the following information, it shall be submitted as an attachment to the lease:
  - o Year of the vehicle(s)
  - o Make
  - o Model
  - o Transmission type - where manual, indicate the number of forward speeds

(5.12.13B(7)c Continued)

- o Cubic inch/centimeters displacement
- o Fuel system - fuel injection or carburetor (indicate number of barrels)
- o Monthly lease cost and length of lease
- o 4 x 2 or 4 x 4 wheel drive
- o Lessee's name and address
- o Whether leased in California

c. Registration. Tags and Other Official Identification. The activity exercising management and control of a commercial leased or owned motor vehicle is responsible to register the vehicle when and as required, obtain tags, and apply the official identification as necessary.

- (1) Vehicles based in the District of Columbia shall be registered with the District's Department of Highways and Traffic in accordance with FPMR 101-38.201-1 and 101-38.202.1.
- (2) Government vehicles based outside the District of Columbia need not be registered with the State, territory or possession in which they are to be based.
- (3) The IHS commercially leased or owned vehicles will display HHS "C" tags on the front and rear of the vehicle, except for two wheeled vehicles that require a rear tag only. The HHS "C" tags are available from the Supply Service Center, Perry Point, Maryland. Tags once assigned will remain with the vehicle as long as it is used by the Department, or until tags are mutilated or defaced so that replacement is required.

(S-12.13C Continued)

- (4) The following identification shall be displayed for each Department owned or leased vehicle displaying Government tags:
- a. The name "Department of Health and Human Services" in letters 1" to 1-1/2" high and, if using agency identification, in letters 1/2" to 3/4" high immediately below.
  - b. The legend "For Official Use Only" shall be in letters 1/2" to 3/4" high and the legend "U.S. Government" immediately below in letters 3/4" to 1" high.
  - c. Agency identification and legends shall be placed on the vehicles as follows:
    - (i) Motor Vehicles. On the left side of the rear window, not more than 1-1/2" from the bottom of the window.
    - (ii) Motor Vehicles without rear windows. Centered on both front doors or in any appropriate position on each side of the vehicle.
    - (iii) Trailers. Centered on both sides of the front quarter of the trailer, in a conspicuous location.
  - d. All decal identifications can be ordered from the Supply Service Center, Perry Point, Maryland. The GSA no longer stocks decalcomanias for issue.

5-12;13C(4) Continued)

- e. A record of all official Government tags shall be maintained. Such records shall specify the vehicle to which tags are assigned and complete information regarding lost, stolen or damaged tags; tag replacements; and disposed tags.
- f. When a vehicle is removed from Government service or transferred to another Federal Agency, the HHS tags shall be removed from the vehicle and held for reuse. When the tags disposed of were removed from a vehicle that was disposed of, the records will be documented and retained by the office disposing the tags for three (3) years or until audited by the HHS audit agent whichever occurs first.
- g. Likewise, all decal identification and legends shall be removed when a vehicle is removed from Government service. Vehicles transferred to another U.S. Government Agency, however, may have the applicable legends left intact.

D. Official Use of Government Vehicles.

- (1) Officers and employees of the government shall use Government-owned or leased motor vehicles for official purposes only. The term "official purposes" shall be interpreted strictly and shall not be construed to encompass the mingling of official business with unofficial business.
- (2) Personnel authorized to travel on official business and also authorized the use of a Government vehicle, may use such vehicle without regard to normal duty hours as required. Use must be limited to conducting legally authorized official business, provided such travel from point-to-point is

5-12.13D(2) Continued)

performed over a route normally travelled by the public. Employees may stop along such routes to purchase meals or other items necessary for health, welfare, or sustenance.

However, the use of Government vehicles for such purposes as attending to personal business, attendance at luncheons or other social engagements, pleasure trips, and the like, or for transportation of any person not engaged in the conduct of official business or otherwise being transported in the interest of the Government is obviously not for "official purposes," and is therefore, illegal.

- (3) "Official purposes" does not include transportation of any officer or employee between his place of residence and place of employment, except as approved by the Secretary of HHS (See 5-12.13Ej.
- a. Outpatient Medical Service. Assignment of a medical officer to an outpatient clinic for duty does not in itself meet all the requirements of the statute. Medical officers who are not on Official Duty or subject to call for house calls to hospitals or for other emergencies during the time they are away from the clinic or office are subject to the same procedures and reporting requirements as nonmedical personnel.
- b. Field Work. The term "field work" is not necessarily synonymous with "Field Service" but is a practical term relating primarily to the nature of the work. For the purposes of this issuance, it will entail the performance of official duties away from the

(5012.13D(3)b Continued)

employee's regular Headquarters, office, or duty station such as hospital, laboratory, or clinic.

- c. Willful Misuse. Any officer or employee who willfully or knowingly uses or authorizes the use of a vehicle for other than official purposes, is subject to suspension of at least 1 month and/or removal, by the Director, IHS.

(4) Other Authorized Use.

- a. When in travel status, personnel using a Government vehicle may use such vehicle to obtain meals when suitable facilities are not available at the temporary work locations or at the temporary abode. Use of vehicles for this purpose shall be limited to transportation to and from the nearest suitable eating facility.
- b. Transportation of personnel of other Federal Agencies when on official business connected with an HHS function, when in the interest of the Government, and when it does not interfere with accomplishment of the IHS employee's primary business.
- c. Transportation of persons other than Federal employees may be permitted by the supervisors of the employee assigned the vehicle when necessary in the performance of official business. An IHS employee may transport a person other than a Federal employee in a

.(5-12.13D(4)c Continued)

Government vehicle when the use of the vehicle is the sole means of alleviating pain or injury, or preventing loss of life or serious damage to property.

- d: An employee who has a Government-owned or controlled vehicle on indefinite assignment, and his/her duties result in extended detail to another region or location or frequent change in post of duty, may transport dependents at the time of detail or change of post, with prior approval of the employee's supervisor. However, prior approval must be obtained for the use of a Government-owned or controlled vehicle between domicile and place of employment.

(5) Exclusive Assignments of Motor Vehicles.

- a. No Government-owned or leased motor vehicle shall be assigned for the exclusive use of any officer or employee for extended periods of time, except when -such an assignment is clearly essential to the execution of an authorized function or program.
- b. Vehicles may be assigned for the exclusive use of an officer or employee only by the Secretary, Assistant Secretary for Management and Budget, heads of operating agencies and their designees, and Regional Directors.

(6) Trip Records.

- a. A motor vehicle trip consists of a departure from and return to the customary storage place or dispatching point for the vehicle.

(5-12.13D(6)a Continued)

Each time a vehicle is dispatched or otherwise used, records of such use shall be maintained, which contain the following:

Reference OF 108 Daily Vehicle Usage Report (See Exhibit 5-12-R).

- o Type of vehicle and tag number;
  - .o Origin and destination;
  - o Signature and organization of official approving use of vehicle;
  - o Date, time, and odometer reading when vehicle was dispatched;
  - o Date, time, and odometer reading when vehicle was returned;
  - o Total time (days and/or hours) vehicle was used, and total miles driven;
  - o Receipts for expenditures by user for gasoline, oil, and other necessary repairs or adjustments;
  - o Report of vehicle defects;
  - o Report of vehicle accidents; and
  - o Certification that vehicle was used for official purposes only, with signature and title of person using vehicle, and date.
- b. There may be circumstances where the use of individual trip records as described above would be impractical. For example, a vehicle used for local shuttle service where it is dispatched

(5-12.13D(6)b continued)

many times daily for transporting mail and/or passengers between buildings. In these instances, subject to approval of the official responsible for property management, a summary format for recording data may be developed, provided that records maintained of such use contain the following information:

- o Type of vehicle and tag number;
- o Name of driver;
- o Number of passengers (if applicable) for each trip run of shuttle service, or type cargo for each trip or run by truck;
- o Date, time, and speedometer reading at beginning of first trip each day the vehicle is used;
- o Date, time, and speedometer reading after last trip each day the vehicle is used;
- o Report of vehicle defects;
- o Report of vehicle accidents; and,
- o Certification by driver that vehicle was used for official business only, with signature, and date.

(7) Justification for Use of Government Vehicles. Common carriers (air, rail, and bus) shall be used in lieu of transportation by motor vehicle, unless the use of such vehicles is clearly more economical and practicable, and solely in the Government's interest, such as:

(5-12.13D(7) Continued)

- a. The employee's itinerary requires a number of stops and the scheduled arrival and departure of public transportation does not coincide with the timetable of the itinerary, resulting in undue loss of Government time;
- b. It is necessary to transport a considerable amount of equipment with the employee;.
- c. The nature of the employee's work necessitates the use of transportation at a time of day or week when it would be highly impracticable to use public transportation; or,
- d. Such officers and employees are continually engaged in law enforcement work affecting public health and welfare, and the use of common carrier is impractical and is no, in the best interest of the Government.

E. Use of Government Vehicles Between Residence and Place of Employment.

- (1) The P.L. 99-550, enacted in 1986 and implemented by GSA regulations, establishes Government policy on the use of Government owned or leased vehicles between residence and place of employment. The use of Government-owned or leased vehicles between residence and place of employment shall be restricted to the Secretary, a single principal deputy designated by the Secretary and employees engaged in "field work" as defined above, and other officials or employees on an exception basis when a clear and present danger, emergency or a compelling operational consideration exists.

5-12.133(1) Continued)

Medical personnel on outpatient service are defined as engaged in field work.

(2) Only the Secretary may approve the use of Government vehicles between residence and place of employment. The approval process will be different based on the reason for approval.

a. Employees engaged in field work will be approved on the basis of positions. Each office requesting approval of vehicle use between residence and place of employment, for employees engaged in field work, shall submit justification, in memorandum format, to the Chief, PMB, IHS Headquarters for review, and further processing to the Office of Acquisition and Grants Management, Assistant Secretary Management and Budget, Office of the Secretary.

(i) The justification shall include:

- o position title and series;
- o number of employees affected;
- o name and title of person requesting approval;
- o date;
- o location of official duty station;
- o duration of the field work; and
- o justification for the use of the vehicles.

(ii) After the initial justification for each position has been approved,

(5-12.13E(2)a(ii))

the requesting office should resubmit the justification every two years, three months prior to the expiration of the previous approval.

(iii) If a position is approved for the use of a vehicle between residence and place of employment, the approval is only in effect when an employee is actually engaged in field work and should not be interpreted as authorization to use the vehicle at any time other than when conducting field work.

b. Requests for approval based on a clear and present danger, an emergency, or a compelling operational consideration \*shall be submitted by the requesting office to the Chief, PMB, IHS Headquarters. The justification may be submitted in memorandum form.

Approvals made under this section shall initially be for a period not to exceed 15 calendar days. Extensions of up to 90 calendar days may be requested as long as the underlying circumstances continue to exist.

(3) Records of the use of Government vehicles between residence and place of employment shall be maintained by each employee. This record shall be submitted to the Area PMO on a quarterly basis, and shall be maintained together with the, request for and approval of, the use of a Government vehicle between residence and place of employment.

(5-12:13E(3) Continued)

These records shall be readily available for audit on a trip-by-trip basis, until disposed of according to Department records management procedures. These records shall contain the following information:

- a. Identification of the vehicle (license plate number)
  - b. Destination
  - c. Starting and ending mileage
  - d. Purpose of trip
- F. Use of Government-owned Motor Vehicles by Cost Reimbursement Type Contractors. cost reimbursement type contractors may be authorized to use Government-owned vehicles when such authorizations are incorporated in the contract in order to meet performance needs. Vehicles provided shall be used for official purposes only in the execution of the contract. Procedures for use of Government vehicles are outlined in Section 5-12.17, which has been Reserved.
- G. Use of Government Vehicles by Visiting Government Personnel. Government employees visiting IHS activities in a travel status may be authorized to use a Government vehicle when such use is necessary to the purpose of the visit and when the requirement has been approved by an individual authorized to approve such requests. A valid State driver's license and IHS identification card must be in the possession of the operator.
- H. U.S. Government Motor Vehicle Operator's Identification Card. Employees operating Government vehicles on a regular basis, i.e., ambulance drivers, truck drivers, messengers, etc., are required to have both a valid state (territory, etc.) driver's license of the State in which they reside, for the type of vehicle to be operated, and a U.S. Government Motor Vehicle Operator's Identification Card, OF-346, formally

(5-12.13H Continued)

SF-46 (See Exhibit 5-12-S). The criteria for obtaining a Government Motor Vehicle Operator's Identification Card is contained in the HHS Personnel Manual, Chapter 930.

Incidental drivers operating Government vehicles are not required to have an OF-346, but must possess a valid State drivers license.

I. Motor Vehicle Operator Responsibilities. -

- (1) Each operator of a Government motor vehicle is responsible for its proper use and care, during the time it is in his/her possession. This encompasses:
  - a. Proper operation and protection of the vehicle and its contents (registration, instructions, credit card, etc., as applicable).
  - b. Insuring that accident forms SF-91, Operators Report of Motor Vehicle Accident, and SF-94, Statement of Witness, are with the vehicle when assigned (See Exhibits 5-12-T and 5-12-U).
  - c. Accomplishing necessary "on the road" maintenance and upkeep.
  - d. Proper completion of trip reports, vehicle deficiency notices, and accident reports.
  - e. Obtaining and turning in receipts for credit card charges.
  - f. Adherence to traffic laws and speed limits.

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(5-12.131(1) Continued)

- g- Limiting passengers or cargo to that allowable for the vehicle.
- (2) Each vehicle shall contain an operator's packet that should include as a minimum, the following:
- a. SF-91, Operator's Report of Motor Vehicle Accident.
  - b. SF-94, Statement of Witness.
  - c. Persons or organizations to be notified in the event of an accident and appropriate telephone numbers.
  - d. Procedures to follow when vehicle is damaged to the point of being inoperable or unsafe to drive.
  - e. Emergency repair procedures.
  - f. List of contractors where use of the National Credit Card is authorized;
  - g. Statement covering driver responsibilities for the operation and care of the vehicle.
  - h. The OF 26, Data Bearing Upon Scope of Employment of Motor Vehicle Operator (See Exhibit 5-12-V).
  - i. Information covering the use of SF-149, U.S. Government National Credit Card (See Exhibit 5-12-W).
- J. U.S. Government National Credit Card:
- (1). The SF 149, U.S. Government National Credit Card is authorized for use by HHS activities for obtaining authorized services and delivery of supplies at contractor service

(5-12,135(1) Continued)

stations. The SF-149 is the only Government wide credit card approved for use by Federal Agencies for the procurement of gasoline and services at service stations dispensing items provided by the contractors listed in the Defense Fuel Supply Center publication, "Government Vehicle Operator's Guide - Your Guide to Service Stations for Gasoline, Oil, and Lubrication." A listing of contractors shall also be included in the operators packet for each government vehicle.

- (2) Credit cards are susceptible to fraudulent use. Therefore, every effort shall be made to ensure that they are properly used and controlled. Area PMO shall establish and maintain appropriate administrative controls and monitoring procedures to ensure that lost or stolen cards are detected immediately. The controls shall ensure that cards are utilized for official purposes only.
- (3) Use of self-service pumps is required in accordance with FPMR 101-38 491-2.

K. Maintenance and Inspection of Motor Vehicles.

- (1) This section prescribes requirements and guidelines for preventive maintenance on all government vehicles. A systematic maintenance program is required for servicing and inspecting Government vehicles to insure that they:
  - a. Can be safely and economically operated during their service life;
  - b. Meet established emission standards; and
  - c. Meet warranty requirements.

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(5-12.13K Continued)

- (2) Operators of Government vehicles are responsible for completing and turning in trip records. The records shall contain the driver's name and organization, destination, date, time of departure from duty station and arrival time at destination, beginning and ending mileage, etc. The operator shall also use the report for providing information on vehicle accidents or deficiencies occurring or observed while the vehicle is in their possession. If the need for maintenance or minor repairs occurs when the vehicle is in possession of the operator, it is the operator's responsibility to take the necessary action whenever:
    - a. The vehicle will not operate otherwise, or
    - b. Delay in repair would likely result in further damage, or
    - c. Operational safety is involved, and
    - d. Maintenance or repair needed is estimated to be less than \$50.
  - (3) The National Credit Card will be used to charge incurred maintenance costs. Receipts shall be obtained and turned in with the trip record when the vehicle is returned.
- L. Motor Vehicle Accidents and Violations. Operators of Government vehicles shall exercise every precaution to prevent accidents. This means being alert; driving defensively; adhering to State, and local speed limits and traffic laws; and observing and reporting vehicle defects. Procedures for reporting accidents are set forth in the FPMR, Subpart, 101-38.6.
- (1) In the event of an accident, the operator shall:

(5-12.13L(1) Continued)

- a. Complete SF-91, Operator's Report of Motor Vehicle Accident, if possible, at the time and on the scene of the accident.
- b. The SF 91-A, Investigation Report of Motor Vehicle Accident, should be completed by the person responsible for investigating the accident (See Exhibit 5-12-X).
- c. The SF-94, Statement of Witness, should be completed by persons who witness an accident (See Exhibit 5-12-U).
- d. Form HHS-516, Accident Report, should be completed by person responsible for investigating the accident (See Exhibit 5-12-Y).
- e. If someone is injured, call a doctor or an ambulance.
- f; Notify police.
- 90 Obtain the following information from the other driver(s) involved in the accident:
  - (i) Name, address, and telephone number.
  - (ii) Vehicle operators permit number and State.
  - (iii) Registration (tag number and State).
  - (iv) Insurance company (name and address).
  - (v) Owner's name and address.
- h. Notify the head of the motor pool.

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(Sy12.13L(1) Continued)

- i. Notify his supervisor as soon as possible.
  - j. Deliver all reports and data to his supervisor.
- (2) The operator's packet contained in each Government vehicle, will contain the above mentioned forms along with instructions, persons-and organizations to be notified in event of an accident and their telephone numbers; procedures to follow when vehicle is damaged to the point of being inoperable or unsafe to drive; emergency repair procedures.
- (3) Operators of Government vehicles are responsible for adhering to State and municipal traffic regulations. Fines for traffic violations, including parking violations, are the responsibility of the vehicle operator.

M. Motor Vehicle Seat Belts.

- (1) All Department employees using Government vehicles, shall use the seat belts and shoulder straps provided with each vehicle.
- (2) If not already so provided, vehicles acquired by the Department shall be equipped as follows:
  - a. Front seat. Two safety belts
  - b. Rear seat. A minimum of two safety belts are required. Larger passenger vehicles that can carry three persons should have three seat belts.
  - c. Other vehicles regularly transporting passengers such as station wagons,

(5-12.13M(2) Continued)

vans and buses-will have a seat belt installed for each passenger the vehicle is designed to carry.

- d. Non-highway used vehicles. Vehicles used 90 percent or more on a station at reduced speed will not require seat belts; however, a belt is required for the driver where the vehicle is used over rough terrain.

- (3) Supervisors and driver licensing personnel are responsible for informing personnel authorized to use Government vehicles of the value of seat belts and for instructing that they be used. Potential passengers shall also be informed.

N. Storage and Parking of Government Vehicles.

- (1) The primary purpose of storing Government vehicles is to provide protection from theft, pilferage or damage. In the interests of economy, the first consideration shall be given to open storage. Use of available covered Government space that would otherwise go unused is a preferred option.
- (2) Open storage space should be secure to ensure safe guarding of vehicles. Depending on location, number of vehicles stored, and local conditions further security may or may not be warranted.
- (3) Government storage space, when available, will normally be used. When it is necessary to use commercial space, the same considerations with respect to closed and open storage and security apply.

(512.13N Continued)

(4) Operators issued Government vehicles are responsible for providing protection from theft, pilferage or damage while the vehicle is in their possession.

15) Employees in travel status will, when feasible and practicable, store Government vehicles at Government or Government designated storage locations. When this is not feasible, an operator will store (park) the vehicle in space that provides reasonable protection. Overnight, on-the-street parking is not considered as providing a equate protection, unless there are overriding circumstances.

(6) Vehicles will always be locked when stored or parked unless a particular parking facility does not permit locking.

0. Use and Replacement Standards.

(1) The application of replacement standards are set forth in the FPMR, Subpart 101-38.400.

(2) Upon determination that a Class III or larger sedan or station wagon is to be replaced, such vehicles are to be replaced by the Class II vehicles. When Class II vehicles will not serve the intended use, approval for the acquisition of a Class III vehicle will be requested from the Department Fleet Manager, Office of Acquisition and Grants Management, ASME, OS.

(3) The provisions of this section apply to all methods of acquisition (e.g., purchase, lease, donation, etc.) and to the renewal of existing lease agreements.

P. Motor Vehicle Management Reporting Requirements.  
See Section 5-12.2 for required reports.

5-12.14 TRAINING

A. Purpose. The coordination through and the effectiveness of property management activities depends upon the experience, knowledge, and capabilities of IHS personnel who are responsible for and/or perform duties in such activities. Since the IHS Property Management personnel engage in a multitude of entities that overflows into other programs, it is recognized that personnel directly involved in all phases of property management must become totally oriented in their own program before an efficient and effective program can be realized. The following actions shall be accomplished by IHS Headquarters and Area Offices.

- (1) The IHS Headquarters Chief, PMB, will develop and coordinate a comprehensive training program for all IHS, Area property management activities.

Through coordination with the Area Training Branch, a training workshop shall be accomplished annually for personnel, Area-wide, who are directly involved in property management functions. The concert shall not be restricted to property management functions, but will include grants, procurement, and other representations that have a direct relationship to the total operations. Training should provide efficiency in the accountability, acquisition, disposal, and reporting requirements necessary to carry, out Area programs.

- (2) Each Area shall develop an Individual Training Plan for each employee who has duties and responsibilities dealing with management. The courses should include, but are not limited to:
  - a. Personal Property Management.

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(5-12.14A(2) Continued)

- b. Property Utilization Disposal and Procedures.
  - c. Replacement Equipment Program.
  - d. Electronic Data Processing - Reports and Usage.
  - e. NECOP - Data Entry.
  - f. Inventory Accounting Procedures.
  - g. Contract Property Administration.
  - h. Indian Self-Determination. Act, P.L. 93-638, Contractor Requirements.
  - i. Vehicle Management, Records Management, Precious Metal Program, Security, and other related courses.
- B. Annual Inventories. The IHS Area Property Program will provide in-service training to Field operations.
- C. New Staff. The IHS Area offices' personnel will be provided an in-depth orientation of the Property Management activity. This orientation will include, but will not be limited to, the working relationships with other administrative programs.

. 5-12.15 ADMINISTRATIVE/PROGRAM REVIEWS

A. Administrative Reviews.

- (1) Purpose. Administrative Reviews are periodic assessment of Areas' compliance with established management policies and procedures, designed to improve the quality of IHS administrative management through a combination of standard setting, self-evaluation, peer evaluation, and monitoring.
- (2) Goals. The goal of the Administrative Review is to ensure compliance with policies and procedures currently covered in the Circular No. 90-3, Subject: Area Office Administrative Reviews, dated, April 26, 1990.
- (3) Objectives. 'The objectives of Area Office Administrative Reviews are as follows:
  - a. To monitor the Areas administrative management;
  - b. To furnish senior IHS management, objective information regarding Areas' adherence to established administrative standards;
  - c. To ensure the uniformity of administrative practices Agency-wide; and
  - d. To provide a basis for planning futures programs and activities. .

B. IHS Headquarters Program Reviews.

- (1) Purpose/Objective of Reviews. The IHS Headquarters PMB Program Reviews are essential to ensure that the activities are efficient and economical

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(S-12.15B(1) Continued)

in the requirements and determinations, acquisition, utilization, inventory controls, accountability, maintenance, and disposition of property.

Program Reviews serve as indicators for sound management actions and are required in accordance with policy and by DHHSMMM 103-1.5002.

- (2) Goals. Each Area will be reviewed, at a minimum, every three years by the PMB regarding activities within each IHS Area Office to:
- a. Determine compliance with prescribed policies and regulations;
  - b. Identify and recommend need for changes in existing procedures, improving the system, solving problems, and for corrective action(s);
  - c. Determine the need for additional guidance and/or training;
  - d. Provide Area/Headquarters Director and PMO with a summary of significant findings, commendable items, and statement of adequacies, as well as deficiencies; and
  - e. Review and evaluate staffing needs and utilization of present staff.
- (3) Special Reviews. Special or one-time reviews should be made in addition to those that are scheduled periodically, whenever the responsible official determines a need exists.

(S-12.15B(3) Continued)

This special review can be an evaluation; an audit; or an inspection. It determines the condition or -"state of health" of a property management activity. It is a useful tool for:

- a. Assisting the PMB, IHS Headquarters, in detecting operational problems and identifying opportunities for improving the efficiency and effectiveness of support to the Personal Property Management Program.
- b. Checking compliance with Government-wide, Department, PHS, and IHS operating regulatory requirements.
- c. Providing feedback for improving the IHS Personal Property Management Program and the implementing procedures of operating IHS policy.

(4) Preparation for the Review.

- a. Scope. The INS PMO will determine specific objectives to be accomplished during the review.
- b. Information from Reports. All property management reports received from the Area/Headquarters Office(s) concerned will be reviewed to determine timeliness and completeness.
- c. Notification. The first week of each fiscal year (FY) at least four Area Offices will be identified and notified in writing that a review will be conducted that FY by the IHS Headquarters PMB.

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(5-12.15B(4)c Continued),

This notification will be sent to the following:

- o The Area Executive Officer;
- o The Area PMO;
- o The Associate Director, OAM, IHS Headquarters; and
- o The Director, IHS Headquarters.

Prior to each review, an additional notification will be issued to each Area/Headquarters Office to finalize the review schedule.

(5) Conductins the Reviews. The following steps will be included during performance of the review:

- a. Entrance Interview. An entrance interview will be scheduled and conducted with the Area Executive Officer, the Area PMO and the property staff. During this interview, the nature of the review, methodology to be utilized in conducting the review, and the manner of reporting findings will be discussed.
- b. Review Elements. The following elements are covered in the review:
  - o Organization and Management Structure
  - o Staffing
  - o Training/Assistance
  - o Service Unit Trips

(5-12.15B(S)b-Continued)

- o Manuals, Guides, and Circulars
  - o Reports
  - o ADP Reports
  - o Requirements Determination
  - o Acquisition
  - o Accountability and Inventory Management
  - o Property Custodian Activities
  - o Reports of Survey
  - o Vehicles
  - o Maintenance and Repair
  - o New Facility Equipment Program
  - o Utilization and Disposal
  - o Precious Metals Program
  - o Contractor Property
- c. Findings. After the review has been conducted the results must be documented. A summary list of significant findings, including commendable items and statements of adequacies, as well as deficiencies will be prepared. One of the major goals of these reviews is to provide assistance and guidance rather than to merely inspect. Each finding will be documented with verifiable fact or set of facts.

(S-12,15B(5) Continued)

- d. Exit Interview. An exit meeting (close-out) will be held with the same official(s) with whom the entrance interview was made. A verbal summary of the findings will be discussed including any commendable items. Any recommendation(s) or suggestions for improvement will be offered. A written report will be furnished to the Area within 10 working days after the review, which will include all findings and recommendations.
- (6) Written Report. A written report of the findings, conclusions, and recommendations will be drafted, cleared, approved, and distributed within 10 working days to the following individuals:
- o The Area Executive Officer;
  - o The Area PMO;
  - o The Associate Director, OAM, IHS Headquarters; and
  - o The Director, DAS, OAM, IHS Headquarters.

The official copy of this report will be retained in the PMB, IHS Headquarters.

The format of the report will consist of the following:

- a. 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 Area Office.

(S-12.15B(6)a Continued)"

These timeframes will be agreed upon by both the PMO and the reviewer(s).

- b. Recommendations. Less important and less significant items of non-compliance that can impact on efficiency and effectiveness and that can easily be corrected are discussed in this section of the written report. Some of these deficiencies may be corrected at the time of the review.

Area Offices will be required to review this report and respond to the Chief, PMB, Headquarters, within the specified timeframes indicated by the milestone chart for corrective action. These responses must contain adequate documentation that the deficiency has been corrected and no longer exists.

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51i2.16 EQUIPPING NEW HEALTH FACILITIES

- A. Introduction. Through the Congressional budget process, IHS receives from time-to-time funding for new or replacement hospitals and health centers. Some Areas have had several projects over the years and others have had very few. Therefore, the experience level among Areas in identifying equipment needs for a new facility through the actual opening of the facility varies greatly.. Some Areas have performed these functions using Area or Service Unit staff, while some have contracted with outside vendors or architectural and/or engineering firms to perform some or all of the services. Under P.L. 93-638, tribal organizations now have the authority to contract for providing the equipment for a new facility the same as they can contract for the design and/or construction of the new facility.
- B. Backgrcund. In the 1970's IHS developed the "New Facilities Equipment Program" for use in managing the process of acquiring the equipment for a new health facility. This program utilized the services of the DPSC in Albuquerque, New Mexico. The program utilized batch processing of data to produce the required management reports. Over time, with the advent of data-based management programs for personal computers, use of programs in a batch processing mode when the volume of data is relatively small has become obsolete. Yet, the principles utilized in the "New Facilities Equipment Program" remain valid. Additionally, the DPSC no longer supports "New Facility Equipment Program." Irrespective of all the changes that have taken place, because the dollar value of equipment acquired for a new facility may vary, the need to manage the process remains a responsibility of the IHS.
- C. Policy. Responsibility for managing the clearance/approval process of acquisition of the equipment for a new or replacement health facility ,resides with the respective Area's PMO.

(S-12.16C Continued)

This responsibility does not prevent the Area from assigning the coordination responsibility to the most appropriate individual with their organization. Property management must still provide the necessary technical assistance to insure that responsibilities are met within appropriate regulatory authorities.

D. Process. The initial proposal of a major construction-project to its completion is a very time consuming process. The steps/phases of this process, as they apply to equipment acquisition, are provided for, guidance to those involved in the process .

(1) Phase Approval for Funding. Funding for a new or replacement health facility, requires the preparation of the following two documents by IHS and approved concurred by HHS:

- a. Program Justification Document (PJD)  
This document provides the justification for the project including services to be offered, total space required, current and projected workloads and projected budget.
- b. Program of Requirements (POR). This document provides directions to the architect in designing the facility. It includes a description of the individual spaces required, anticipated staffing levels and methods of operation of departments, description of services provided as well as a list of other criteria to be met during design.

(S-12.16D Continued)

- (2) Phase II - Funding Cycle Funds to start a project may be included in the President's Budget or added by a congressional committee. When there is indication of funding, the Area should discuss with the tribe(s) and Office of Engineering Services (OES) management of the project including P.L. 93-638 options. The result of these meetings should be the development of a management plan and a design team for the project. Consideration should be given to the assignment of a coordinator for the equipment acquisition process.
- (3) Phase III - Fundings Approval: When the project is approved in the budget and prior to funds becoming available, a generic equipment list for the facility should be developed. Working with the department heads and consultants, and utilizing the POR as a list of spaces by department, the room equipment lists should be developed for use by the architects and engineers during design. Each item should include: a unique item number; generic description; item location (on floor, countertop, wall, ceiling, or stored); physical properties such as size and weight; mechanical/electrical requirements (such as power required, water, gas, exhaust, BTUs of heat produced); space number, department number and quantity and indication, if item is contractor provided and installed.
- (4) Phase IV - Initial Design of Facility  
During design, the equipment lists should be refined. Manufacturer, model number, vendor, order number, cost, and indicator of special property approvals such as for telephones, computers, copiers, etc. should be added.

(5-12.16D(43 Continued)

Refinements/changes in contractor provided/installed items may be required also.

- a. Property Management Review. This review should include, in addition to special approvals, the following information:
  - o Category - Capitalized Accountable, non-capitalized accountable, non-capitalized non-accountable, and supply item;
  - o Federal Group and Class;
  - o Life expectancy (for accountable items);
  - o Special approval time requirements; and
  - o Suggested Index Number.
- b. Biomedical Engineering Review. This review should include adding information *on* the following:
  - o Category: To allow separation for items requiring their maintenance, maintenance by other(s), no maintenance;
  - o Manual requirements. Operator, maintenance, etc.;
  - o Training of operators and maintenance staff;
  - o Check-in requirements, if any;
  - o Vendor setup requirements, if any; and

(5-12.16D(4)b Continued)

- o Maintenance frequency.
  - c. Acquisition Office Review. This review should include assistance in identifying sources, purchase time requirements, and delivery times,
  - d. A review of existing equipment (if replacement facility) and determination of items to be relocated for continued use should be developed. A separate listing identifying Phases I - IV should be developed. This should be accomplished with assistance from property management, department managers as well as a representative from the biomedical and maintenance departments. Items suitable for relocation should be tagged showing where they will be located in the new facility. The equipment list should be amended to include items to be relocated and where items are located in the existing facility. Depending on Property Management's input, items not to be relocated should be identified as unrequired and disposed 0.5 accordingly. All items should carry the relocation tag until moved into the new facility.
- (5) Phase V - Final Design of Facility. During the final design phase, refinement should continue with the addition of color, etc. The budget should be refined by the addition of a purchasing priority code.

This is essential if the total estimated price for all items exceeds the available funds. The equipment list should include items that are essential to operations, although not necessarily classified as equipment, such as small medical instruments, etc.

(5-12.16D(5) Continued)

Depending on the projected construction period/project time schedule, property approval times and acquisition times, timely release of funds from IHS Headquarters to the Area should be planned with the IHS Headquarters project manager from the Division of Facilities Construction.

When the total equipment list is complete and summaries show all purchase requirements (total requirements less relocated items), the list should be submitted to the Chief, PMH, IHS Headquarters for approval of all items requiring special approvals. The list should be by item and include the following information:

- o Item Number
- o Description
- o Make and Model Number
- o Federal Group and Class
- o Room in Which Equipment is to be Utilized
- o Special Property Approval, Requirements
- o Quantity by Room and Total Quantity
- o Estimated Cost
- o Equipment Category  
(Capitalized/Accountable, etc.)
- o Purchase Priority
- o Summary Showing:
  - Total value of requirements;
  - Total value of items being relocated;
  - Total value to be purchased by priority categories;
  - Total of all priority categories.

(6) Phase VI - Construction: Purchasing, Receiving and Storing the equipment.

- a: Purchasing. Arrange purchasing paperwork to minimize the duplication of typing, such as a preprinted/automated request form and item listing of

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equipment by vendor that can be attached to the requisition. Items requiring additional information such as accessories, salient characteristics, etc. can be included.

As items are purchased, the equipment list should be updated to reflect requisition number and date submitted. As purchase orders are issued; the purchase order number/date should be added.

The following should also be updated: vendor, model number, order number, cost, etc. This allows development of lists of unpurchased items at any time during the purchasing process as well as overall budget analysis.

- b. Receiving. Items should be received in a manner consistent with prompt payment, special vendor setup requirements, etc. and normal methods of receiving equipment (See Section 5-12.10B). All items should be marked with department room number and where they are to be delivered in the new facility. Use of color codes in markings can also be helpful.
- c. Storing. Storage space for the incoming equipment should be planned and arranged, since items cannot be moved into the new facility until accepted from the contractor for beneficial occupancy. As items are received, they should be stored by department/room to the extent possible to aid in the move-in process.

(5-12.160 Continued)

- (7) Phase VII - Beneficial. Occupancy. Move items from storage into the facility. Arrange for unpacking, setup, installation, biomedical checks, training, etc. Posting room lists at entry to room facilitates accounting for all items as well as identification on missing items.
  
- (8) Phase VIII - Occupancy/Operation. Arrange post move-in checks and notify the Service Unit Director that the facility is ready for operation from an equipment standpoint. An updated contractor provided/installed equipment list shall be provided to the PMO.

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5-12.17 TRIBAL CONTRACT PROPERTY

- A. Introduction. This section of the manual was developed for the management of property provided to and acquired by Tribal Contractors.
- B. Purpose. The purpose of this section provides guidance, policies, and procedures for the efficient acquisition, utilization, accountability and disposal of Government-owned personal property acquired by Contractors, or provided by the Government.
- C. Definitions.

ACCOUNTABLE PERSONAL PROPERTY (TRIBAL CONTRACTS) - Personal property with an acquisition cost of \$1,000 or more, and sensitive items regardless of dollar value. The \$1,000 threshold is applicable only to Tribal Contract Property.

ACQUISITION COST - The unit price at which an item is received, including transportation and/or installation costs, less trade and cash discounts.

CONDITION CODES - Appraisals of the current condition of Government accountable property through the assignment of designated codes. For example, condition code "1" refers to unused property in good condition. See Exhibit 5-1Z.F, or the reverse side of form HHS-22, "Request for Property Action."

COST-REIMBURSEMENT CONTRACT - A form of contract in which the contract provides for payment of allowable incurred costs, to the extent prescribed in the contract. Contracts of this type establish an estimate of the total cost for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed (except at the contractor's own risk) without the approval of the Contracting Officer.

CONTAMINATED PROPERTY - Equipment/supplies that have been exposed to toxic or radioactive

(5-12.17C Continued)

materials, chemicals, or other waste products which render them unsafe for use.

CONTRACTING OFFICER - A person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

CONTRACTOR-ACQUIRED PROPERTY - Property purchased or otherwise provided by the Contractor using contract funds, and reportable as Government property.

DECALS - Tags designed and used to identify Agency property. Decals are affixed to accountable property and display the specific numbers assigned to individual items of Government property.

DISPOSITION - The sale,, transfer (with or without the exchange of funds), donation, destruction, or abandonment of property.

FIXED PRICE CONTRACTS - A form of contract in which the contract provides for a firm price or, in appropriate cases, an adjustable price. Contracts of this type that provide for an adjustable price may include a ceiling price, a target price (including target cost), or both. Unless otherwise specified in the contract, the ceiling price or target price is subject to adjustment only by operation of contract clauses providing for equitable adjustment or other revision of the contract price under stated circumstances.

FOLLOW-ON CONTRACT - A contract that is re-competed or renewed and awarded to the same or a different Contractor.

GOVERNMENT-FURNISHED PROPERTY - Property in the possession of or acquired directly by the Government, and subsequently delivered or

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(5-12.17C Continued)

otherwise made available to the Contractor.

GOVERNMENT PROPERTY - All Real and/or Personal Property owned by, or leased to the Government under the terms of a contract. Government property includes Government-furnished and Contractor-acquired property.

LEASED PROPERTY - Property that is either acquired by the Contractor or the Government under a lease arrangement,

LIABILITY - The degree of-a Contractor's obligation to the Government for Contractor inventory.

NON-EXPENDABLE PERSONAL PROPERTY (TRIBAL CONTRACTS) - Equipment that must be controlled from acceptance until release from responsibility in accordance with prescribed procedures. Non-expendable personal property includes:

- (1) Capitalized Items: Those items that meet the of the following criteria:
  - a, Have an estimated service life of one year or more,
  - b. Normally have an acquisition cost of \$5,000 or more per unit, -
  - C. Retain their identity when put into use, and
  - d. Will not be consumed during use.
- (2) Non-Capitalized Items: Those items normally having an acquisition cost of \$500 to \$4,999 per unit and that meets all of the other criteria for capitalized equipment.
- (3) Non-Capitalized (including sensitive) Items: Those items normally having an acquisition cost of less than \$500 that require special control or determined to be subject to unusual rates of loss, theft or misuse (sensitive items), and that meets all of the other criteria for capitalized equipment.

15-12.17C Continued)

PERSONAL PROPERTY (TRIBAL CONTRACTS) - All Government property, excluding real property and records, which is either furnished by the Government or acquired with contract funds.

PHYSICAL INVENTORY - An actual count of all property items assigned to a specific location to verify the accuracy of property records. Types of inventories are start-up, annual, special, and final.

PRECIOUS METALS - Uncommon and highly valuable metals characterized by their superior resistance to corrosion and oxidation, such as platinum and gold.

PROJECT OFFICER - An IHS program official designated in the contract as the technical representative of the Contracting Officer. The Project Officer provides technical direction to Contractors and interfaces with the Property Administrator about the Contractor's property requirements.

PROPERTY ADMINISTRATOR - An authorized representative of the Contracting Officer, designated by the Contracting Officer, acting within the limits of his/her authority as delegated by the Contracting Officer (See Exhibit 5-12-11).

The Property Administrator administers the contract requirements and obligations related to Government property at the office designated in the contract, and provides technical assistance to the Contractor relative to property management functions from acquisition of property to utilization and final disposition.

PROPERTY CONTROL SYSTEM - Identifies a Contractor's internal management program encompassing the protection, preservation, accounting for, and control of Government property from its acquisition through disposal.

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(5:12.17C Continued)

PROPERTY REPRESENTATIVE - An employee of a Contractor designated in writing by the Contractor to represent the Contractor and to administer the contract requirements and obligations relative to Government property at the location(s) designated in the contract.

REASSUMPTION (42 CFR 36.233) - The termination or rescision of a contract and return of control or operation of the contracted program or function to the IHS when the IHS determines that the Contractor's performance under the contract involves:

- (1) The violation of the rights, or the endangerment of the health, safety, and welfare of any person, or
- (2) gross negligence or mismanagement in the handling or misuse of funds provided under the contract.

RETROCESSION (42 CFR 36.231) - The return of responsibility for the operation of a contracted program or portion thereof to the IHS by the Contractor for any reason the Contractor deems appropriate.

SCREENING - The examination of excess property by Government or Contractor employees to determine its usefulness. A "screening pass" is issued by the Property Administrator to Contractor personnel, granting access to GSA holding areas.

START-UP INVENTORY - Physical inventory of Government-furnished property performed shortly after contract award and reported to the Property Administrator.

SUBCONTRACTOR - A Contractor that assists the primary Contractor in carrying out the scope of work. The sub-contractor is directly responsible to the primary contractor.

(5-12.17C Continued)

SURPLUS PERSONAL; PROPERTY (TRIBAL CONTRACTS) - Government-owned personal property classified previously as excess but not requested for transfer by any Federal agency; thus, it is available for donation or sale.

TITLE - The legal right to claim, control, and dispose of property as a result of a purchase.

UNAUTHORIZED PROPERTY - Government-furnished or Contractor-acquired property that is not authorized by an appropriate contract clause and/or modification, and is in the possession of a Contractor.

D. Responsibilities.

- (1) Area Contracting Officer - The Contracting Officer is responsible for ensuring performance of all necessary actions for effective contracting, including compliance with the terms of the contract and safeguarding the interests of the United States in its contractual relationship. If a Property Administrator has not been designated, the Contracting Officer is the Property Administrator.

The Contracting Officer is the only IHS official who can authorize the use of Government property under the contract. The Contracting Officer will provide copies of all contracts and modifications and will coordinate property matters with the Property Administrator.

- (2) Project Officer - The Project Officer is an IHS program official who is designated in the contract as the liaison of the Contracting Officer. Project Officers are appointed by the Contracting Officer to administer and monitor contract performance.

The Project Officer is responsible for providing a listing of property requirements

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(5-12.17D(2) Continued)

along with a justification to the Contracting Officer, who coordinates the review, approval and physical transfer of the property with the Property Administrator.

- (3) Property Administrator - The Property Administrator is responsible for administering the contract requirements and obligations relative to Government property as outlined in this chapter.

E. Pre-Award Requirements and Procedures.

The Property Administrator will:

- (1) Coordinate with program officials to determine property requirements.

The Property Administrator' will determine with the appropriate program activity property necessary to carry out the terms of the contract and identify source(s) of property acquisition.

- (2) Review clauses pertaining to Government property.

Conducts preliminary review of the contract to ensure the appropriate property clauses are addressed.

- (3) Evaluate/Review/Approve/Disapprove the property control system.

Upon submission of the Contractor's written property control system, the Property Administrator will evaluate the property control system to ensure the system meets the minimum requirements to adequately protect and control Government property. The

(5-12.173(3) Continued)

Contractor's property control system will include the following elements:

a. Acquisition:

Items are ordered in accordance with quantities stipulated in the contract.

Existing equipment on-hand is screened before submitting requisitions.

Correct source is identified (either Government-furnished or Contractor acquired)

b. Receiving:

Property received is inspected for discrepancies;

Receiving report is prepared, distributed, and forwarded to appropriate offices.

Discrepant items are segregated and documented (partial shipments, for example).

c. Records:

Equipment received is promptly and properly classified and labeled with an IHS property decal.

Inventory control and financial records are established and maintained for the property.

Basic property information is contained in the records.

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(5-12.173(3) Continued)

d. Storage;

An adequate system to control movement and location of property is maintained.

Property in storage is protected, preserved, and inspected to prevent loss, damage, and deterioration.

Adequate safeguards are provided for securing Government property.

A system is established for stored items, subject to age deterioration and warranty expiration,

e. Consumption:

Property and material is consumed only under contract performance.

Stock record system is maintained for consumable items.

f. Utilization:

Methods are established to ensure Government property is utilized only for purposes for which it is acquired or authorized by the contract.

Contractual authorization is obtained to use property for other than its original authorized purpose.

A system is established to review and identify Government property for release when it is no longer required for contract performance.

Criteria to justify retention of unrequired equipment will be documented.

\*(5-12.17E(3)f Continued)

g. Maintenance:

A scheduled maintenance program will be established, consisting of a systematic written procedure for servicing and inspecting equipment to provide for efficient and economical operation of Government equipment.

A program will be implemented to include the following categories of maintenance: preventive maintenance; routine repair and adjustment; emergency repair; and calibration.

A calibration control system will be established for all measuring and test equipment that will provide control of the evaluation, calibration, maintenance, and repair of Government equipment.

Records will be kept of maintenance and calibration performed, including cost and dates of maintenance.

Maintenance and calibration will be performed by technically qualified personnel.

High maintenance cost of Government property will be reviewed and corrective action taken.

h. inventory:

Physical inventories will be conducted on or before September 30th of each year, on an as needed basis, if required by the Government.

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(5-12.17E(3)h Continued)

Inventories are taken by personnel other than those having custody of the property or maintaining records. .

Depending on the size of the operation, inventories should not be conducted by the same individual who maintains the property records.

Physical inventory results will be reconciled with the property records.

Inventory results and discrepancies will be reported to the Property Administrator upon completion of physical inventories.

1. Subcontractor Control:

Procedures and controls will be established to ensure that Government property in a subcontractor's possession is protected.

Advise subcontractor of contractual property provision.

Advise subcontractor to report loss, damage, or destruction of Government property to the prime Contractor for notification to the Property Administrator.

j. Disposition:

Ensures instructions provided by the Property Administrator are carried out as directed.

Ensures proper documentation of property disposal actions.

(5-12.17E(3)j Continued)

Ensures the quantity, value, condition code, and location are reported accurately for property items requiring disposition.

Ensures a decontamination certification is included in the final inventory report at the conclusion of the contract, unless waived by the Contracting Officer.

k. Reports:

Annual inventory reports will be provided to the Property Administrator by October 31st each year.

Ensure that any loss of or damage to Government property is immediately reported to the Property Administrator.

Unrequired Government property to contract requirements will be promptly reported to the Property Administrator.

Form HHS-565, Report of Capitalized Equipment Nonexpendable equipment, is, submitted for all accountable Contractor-acquired and leased property: receipt of Government-Furnished Property is reported to the Property Administrator when property is received. (See Exhibit 5-12-LL)

(4) Discussins contract provisions with the Contractor during pre-award negotiations.

The Property Administrator will discuss all contract provisions and contract clauses, including reporting requirements, relative to Government property.

( 5 - 1 2 . 1 7 F . )

F. Post Award Requirements and Procedures.

The Property Administrator will:

- (1) On-site Review Of Contractor's property control system in operation.

The Property Administrator will conduct an on-site visit of the Contractor to review the functional property control system. The Property Administrator will schedule and notify the Contractor of the site visit/review annually..

At least 30 days in advance of the review, the Property Administrator will provide a copy of the Contractor Property Management Review Document to the Contractor.

The Property Administrator will use the Contractor Property Management Review Document for evaluating the functional effectiveness of the Contractor's system. After performing the review, the Property Administrator will discuss the findings with the Contractor.

Once the review has been completed, the Property Administrator will prepare a statement of findings. If deficiencies are found, the findings will be clearly defined and required corrective action identified. The completed Contractor Property Management Review Document will be attached to the Statement of Findings. A copy of the Statement of Findings Will be forwarded to the Contracting Officer, the Contractor's

(5-12:i7F(1) Continued)

Authorized Official, IHS Project Officer, Contractor's Property Representative, and IHS Area Property Management Officer.

The Property Administrator will establish a time frame with the Contractor for completion of any required corrections. The Property Administrator will provide assistance to the Contractor to complete this task, if required.

(2) Subsidiary system to account for Government Property.

The Property Administrator will establish and maintain a subsidiary system to account for Government property since the Contractor maintains the official record. The subsidiary system will be established and maintained on the IHS General Ledger Account 137.4.

The Property Administrator will establish and maintain a system of capitalized and non-capitalized transactions.

The capitalized transactions (\$5,000 and above) will be reconciled on a monthly basis with General Ledger Account 137.4.

(3) Review, approve, and process accordingly, documents submitted by Contractors.

The Property Administrator will review documents submitted by Contractors to ensure completeness and appropriateness. At such time as the Property Administrator determines documents are properly submitted, the Property Administrator will approve/disapprove (if applicable) and process accordingly.

Each Property Administrator will process all receipts, adjustments, or transfers of .

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(5-12.17F(3) Continued)

contract property through the IHS accountable property records system.

(4) Review, reconcile and process Annual Inventories submitted by Contractors.

The Property Administrator will compare documents submitted by contractors with subsidiary records maintained by the Property Administrator. The Property Administrator will, process the adjustments submitted by the Contractor after IHS acceptance and/or approval. Provide written acknowledgement to the Contractor of receipt and acceptance of inventory and forward a copy of acknowledgement and acceptance of inventory to the Contracting Officer, Project Officer, and Property Management Officer.

(5) Provide Technical Assistance and Train where needed.

The Property Administrator will provide technical assistance as appropriate when requested by the contractor or as determined by the annual property management review.

The following are basic property needs that may be addressed either by the Contractor or the Property Administrator through the annual property management reviews.

- a. Adequacy of training/experience of Contractor Property Representative.
- b. Adequacy of system/procedures:
  - (i) For processing equipment requests for new, replacement, or excess/surplus property;
  - (ii) To assure proper processing of all receipts of property;

(5-12.17F(5)b Continued)

- (iii) To properly account for property;
- (iv) To report unrequired property;
- iv) To assure that an effective preventive maintenance program is in effect;
- (vi) To assure Property Representative obtains appropriate approvals for leased equipment;
- (vii) To assure that a motor vehicle fleet plan is in place and is being used; and
- (viii) To assure that areas containing equipment are secured.

(6) Develop and maintain adequate Area Policies.

The Property Administrator will put in place and maintain Area policies that provide for the efficient acquisition, utilization, accountability, safeguarding, and disposal of personal property held by Contractors.

(7) Facts and Findings regarding Contractor's liabilities.

Wherever circumstances warrant, such as shortages found on physical inventory, theft, break-in or other loss of Government property assigned to a Contractor, the Property Administrator will request a written report of circumstances, facts, and findings from the Contractor's Property Representative. In cases of loss of property due to theft, suspected theft, or break-ins, police reports will be attached to the Contractor's report.

The Property Administrator will compile all the facts and findings on Form HHS-365, Inventory Adjustment, for review and approval by the Contracting Officer..

(5-12.17F(7) Continued)

The inventory adjustment will be processed and a copy of each adjustment will be maintained in a separate file in the Property Administrator's office, by fiscal year.

- (8) Establish and Maintain an adequate system to account for Government property.

The Property Administrator will work closely with each Contractor's designated Property Representative, Project Officer, Program Activity Official, and the IHS Contracting Officer to ensure the Contractor has a functional system that accounts for Government property.

The system should provide instructions for the proper recording of all transactions affecting Government property, i.e., HHS-22, HHS-565.

The Project Officer or Contracting Officer will submit the originals of any requests for property or receipts for property received from the Contractor to the Property Administrator.

- (9) Designation of Contractor Property Representative.

The Property Administrator will notify each Contractor annually by letter, that the Contractor is requested to designate a Property Representative for their respective contracts. The letter should specify what the designated Property Representative's functions will be in working with the IHS Property Administrator. (See Exhibit 5-12-JJ)

In the event that the Contractor has designated a new Property Representative, provisions should be stated in the Property Administrator's letter that training/instruction in Property Management is available from the Property

(5-12.17F(9) Continued)

Administrator's office. The Contractor should request this assistance in writing through their respective Project Officer.

- (10) The Property Administrator will ensure that Contractors establish and maintain a motor vehicle fleet plan in accordance with CFR.

The Property Administrator will ensure that Contractors establish and maintain a Motor Vehicle Fleet Plan in accordance with applicable portions of CFR Title 41 Part 101-38 (See Exhibit 5-12-NN).

The Property Administrator will ensure that a Motor Vehicle Fleet Plan has been established by the Contractor and approved by the Property Administrator prior to leasing of Government-owned or leased motor vehicles and/or Contractor owned or leased motor vehicles used in the performance of an IHS contract (See Exhibit 5-120MM).

- (11) Precious Metals Recovery Program.

The Property Administrator will ensure that Contractors establish and maintain a Precious Metals Recovery Program, in accordance with CFR, Title 41, Chapter 101-45.10, and DOD guidelines (See Exhibit 5-12-00).

The Property Administrator shall provide assistance to the Contractor in establishing a Precious Metals Recovery Program, if required, and assistance in conducting a survey at any Contractors' activities that may generate precious metals.

- (12) Records System.

The Property Administrator shall ensure that Contractors establish a system to maintain property records to include a description of the property, a serial number, or other identification numbers, i.e., Contractor's

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(5-12.17F(12) Continued)

I.D. tag, the source of the property, the location, use and condition of the property, replacement year, replacement cost, any ultimate disposition data, including the date of disposal of the property. †

(13) Acquisition/Disposal .

The Property Administrator will ensure the Contractor obtains proper authorization prior to Acquisition/Disposal of Government-owned property.

- a. The Property Administrator will ensure that prior written approval of the Contracting Officer is obtained for:
  - (i) Purchase of non-expendable property having an acquisition cost of \$500 or more per item; and
  - (ii) Purchase of the following regardless of cost; . audiovisual equipment, telecommunications equipment, automatic data processing equipment, used equipment, copying equipment, office furniture and furnishings, and equipment to be obtained through lease/rental rather than purchase.

The written request for approval should include the noun name, quantity, cost, and justification.

- b. The Property Administrator shall ensure that approval is obtained prior to disposal of any non-expendable personal property unless such disposal is for trade-in or sale of an item(s) where the proceeds from sale or the trade-in value of the item(s) will be applied to the

(5-12.17F(13)b Continued)

purchase of a replacement item(s) that will provide at the least the same end-use function(s) as the item(s) traded or sold.

(14) Physical Inventories

Property Administrator will ensure the Contractor conducts scheduled physical inventories of Government property and provides results to the Property Administrator.

The Property Administrator will notify the contractor in writing of the annual inventory requirement 90 days prior to established due date. In addition, the Property Administrator will ensure the Contractor completes inventory of all Government property by:

- a. Follow up letters, if needed, will be submitted to those locations that have not responded, by no later than 30 days after due date.
- b. Further followups or visits to Contractor's locations may be provided as deemed necessary.

G. Close-Out Requirements and Procedures.

The Property Administrator will ensure the Contractor conducts a close-out inventory.

(1) Completion:

The Property Administrator will notify the Contractor in writing of their requirement to perform a close-out inventory, immediately and/or no later than 30 days after completion of the contract, unless the Contracting Officer specifically approves an extension. Inventories should be performed, prepared, and submitted as prescribed in the contract.

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(S-12.176 Continued)

(2) Termination:

In the event of reassumption/retrocession, the requirements for the termination inventory must be conducted primarily for disposal purposes. The inventory shall be conducted pursuant to the procedures contained in this Section. Instructions will be provided by the Property Administrator,

(3) Final Inventory:

The Property Administrator will ensure the Contractor submits the final inventory of Government property in the following format:

- a. Serviceable capitalized equipment.
- b. Serviceable non-capitalized equipment.
- c. Serviceable materials.
- d. Salvageable property.
- e. Scrap.
- f. Shortages/Overages.

Each item must be completely identified with sufficient detail to permit verification by reference to reimbursement voucher or other documents. To the extent to which they apply, the following information is required:

- a. Description, make, model, type, serial number.
- b. Government identification number.
- c. Quantity.
- d. cost.

(5-12.170(3) Continued)

- e. Condition Code (See Exhibit 5-12-KK).
- f. Date and number of the acquisition document (reimbursement voucher, shipping, or other),
- g. Location (contractor's facility or other site).

Three copies of the inventory reports must be submitted to the Property Administrator with the use of Form HHS-565.

The Property Administrator will ensure that the Contractor submits the following signed certification with the completed final inventory.

I do hereby certify as (title of authorized' official) of (name of contractor) that the attached inventory reports are complete and correctly list and describe all item of materials, supplies, and equipment furnished to the Contractor, or for which the Contractor has been or will be reimbursed by the Government for use in the performance of Contract No. \_\_\_\_\_ that as of this date have not been consumed in performance of this contract; and that I will immediately notify the Contracting Officer of any change affecting these inventory reports at any time prior to final disposition of the inventory.

/s/ \_\_\_\_\_  
Signature of Authorized Official

Date \_\_\_\_\_

(5-12.170 Continued)

(4) Follow-on Inventories:

When Government property under contract is being transferred to another contract, it is suggested that a joint inventory be conducted. This may affect the transfer of the property, relief of liability for the closing contractor and receipt by the follow-on contractor.

(5) Subcontractor Inventories:

Contractor must submit a consolidated inventory report of all Government property, to include subcontractor inventory. Subcontractors should report their inventories to the Prime Contractor. Subcontractor inventory is reported in the same detail as outlined for Prime Contractors; state the location of the subcontractor property being reported.

H. Disposition of Property.

The Property Administrator will provide written instructions for the disposition of Government property. The Contractor may remove Government property from the Contractor site only in accordance with those instructions. The Contractor is responsible for the property until final disposition has been completed.

I. Leased Property.

Notify the Property Administrator at least 45 days before a lease arrangement is terminated, and report the status of any purchase credits. This applies to leases due to expire when the contract ends, and to leases that continue after the completion or termination of the contract. If the lease is expiring, the Government may elect to purchase the item, or if the lease has not expired, the Government may choose to buy out the

(5-12.171 Continued)

lease. Advance notice to the Property Administrator will permit sufficient time for a determination to be made.

J. Disposal Options.

(1) In disposing of the property, the Government may elect to exercise any of the options described below:

- a. If a cost reimbursement-type contract, allow the Contractor to buy Contractor acquired items/inventory at 100 percent of acquisition value;
- b. Return the items/inventory to the original supplier for credit, less any reasonable restocking charge. (Do not finalize the purchase or return any merchandise without written instructions from the Property Administrator);
- c. Transfer all or part of the inventory to another contract;
- d. Have the inventory returned to IHS; or
- e. Report the inventory as excess.

(2) Other options the Government may consider for the disposition of Government property include sale to the public, donation, abandonment, scrapping, and destruction. The Property Administrator will provide specific written instructions for the disposal of Government property.