



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
National Policy

ORDER
4600.27B

Effective Date:
03/08/12

SUBJ: Personal Property Management

1. Purpose of This Order.

a. This order describes how the Federal Aviation Administration (FAA) manages its personal property. Personal property means property of any kind except real property. This order reflects Federal laws that tell the FAA how to manage its personal property and policy for physical control, accountability and utilization and disposition of government-owned, leased, and/or borrowed personal property. This order and its supporting process and procedure guides implement applicable Federal laws and regulations.

b. This order does not govern how the FAA manages real property, government-furnished property and contractor-acquired property. The FAA's Acquisition Management System (AMS) describes how to manage those assets. You can read about AMS on the FAA Acquisition System Toolset (FAST) website (<http://fast.faa.gov>).

2. Audience. This order applies to and tells all FAA organizations and personnel how to manage personal property.

3. Where Can I Find This Order? You can find this order on https://employees.faa.gov/tools_resources/orders_notices/ or public website; http://www.faa.gov/regulations_policies/orders_notices/.

4. What This Order Cancels. This revision cancels the following orders pertaining to inventory and warehouse management and replaces the cancel orders with the Inventory Management Guide.

- a. FAA Order 4600.27A, Personal Property Management, dated August 21, 2009.
- b. FAA Order 4630.1C, Management of Depot Inventories of Operating Materiel, dated November 12, 1986.
- c. FAA Order 4630.6, National Aviation Facilities Experimental Center (NAFEC) Materiel Management, dated November 1, 1971.
- d. FAA Order 4633.1, Physical Inventory, dated April 15, 1969.
- e. FAA Order 4700.2, Storage Management, dated April 5, 1978.

5. The Definition of Personal Property. Personal property is property of any kind except real property. The two categories of personal property are tangible and intangible. Tangible personal property refers to any type of property that can generally be moved, touched, or felt. Intangible personal property refers to personal property that cannot actually be moved, touched or felt, but instead represents something of value.

a. **Accountable Personal Property.** Personal property is accountable if it has a useful life expectancy of 2 years or more (3 or more years for administrative information non-National Airspace System (NAS) systems), does not lose its identity when placed in service, and

(1) costs \$5,000 or more; or

(2) is vulnerable to loss, theft, and misuse or relates to safety, security, calibration, and licensing. These items are accountable regardless of cost. The FAA Personal Property Process and Procedure Guide (see Appendix B) gives specific examples of this type of property.

b. **Inventory.** Inventory is personal property you acquire before you actually need or use it, and keep in a storage space to issue or use at a later time. This might include things like reparable field spares and project materiel. Inventory also includes personal property you maintain in major central and regional storage facilities as well as smaller, point-of-use facilities.

6. Who Manages FAA Personal Property? The FAA uses specific names to identify the people and organizations that manage its personal property. The names of those positions and their responsibilities include additional roles and responsibilities defined in the process and procedure guides listed in Appendix B.

a. **Property Management Officer (PMO).** The PMO develops and implements policy, systems, training, and other procedures as the focal point for FAA personal property management within and outside the FAA. The PMO has the authority to:

(1) obtain and manage fleet cards under the provision of 49 USC 106 and may delegate this authority to individuals who have the proper training and knowledge

(2) review and approve requests for waivers to the requirements contained in this order

b. **Vice President of Technical Operations Services.** The Vice President of Technical Operations Services typically serves as the PMO and that person can delegate that authority to the Director of Safety and Operations Support.

c. **Property Managers.** Property managers are responsible to carry out agency policies related to the personal property under their control. Property managers assign staff to manage various FAA property management programs. They identify in writing the Property Custodians responsible for the personal property in their accountable area.

d. **Property Custodians.** Property Managers designate in writing the Property Custodians responsible to control the personal property within a specified custodial area. Property Custodians must be those with supervisory responsibility for a custodial area and should be at the lowest managerial level. Property Custodians:

- (1) create and maintain accurate property records;
- (2) take and maintain inventories;
- (3) initiate reports of survey for lost, damaged, or destroyed personal property;
- (4) initiate the disposition of personal property no longer required; and
- (5) advise employees of their responsibility to properly use and care for personal property.

e. **Inventory Managers.** Depot management officials assign inventory managers to be responsible for implementing Agency policies and procedures and managing inventory under their control.

f. **Employees and Managers.** All employees are responsible to safeguard personal property from fraud, waste, abuse, or loss. Managers have the additional responsibility to ensure that they record, track, manage, and dispose of all personal property in ways that follow this order and help the FAA to best carry out its mission.

7. How to Create a Record of Accountable Personal Property. An accountable record is the system of names and numbers you will use to identify and track FAA personal property:

a. FAA staff must establish an accountable record and use the Federal Property Management Regulations (FPMR) to name and number all personal property. Contractors must provide valid national stock numbers (NSN) for all systems, equipment, and parts acquired by the FAA. If the NSN has not been assigned to an item, contractors must provide sufficient descriptive data to obtain a NSN from the Defense Logistics Agency (DLA) Information Service. You will assign a local stock number to all accountable personal property and inventory that do not meet the criteria for an NSN.

b. If you apply a unique asset identification tag (e.g., barcode) to FAA property, then comply with the Asset Identification Process and Procedure Guide (see Appendix B):

(1) If you acquire an NAS system, your vendor must identify and tag all assets to the lowest replacement/reparable unit (LRU) using the specifications within the Asset Identification Process and Procedure Guide. If the FAA PMO approves in writing, then you may use an acceptable commercial equivalent.

(2) If you acquire non-NAS accountable assets or systems, they must be tagged on delivery or when the FAA accepts them.

c. You must document with a signed receipt all personal property that you transfer or loan.

d. Record all personal property in the appropriate property management system. If that property comes with documentation from a third party that lists the item's date in service and cost, maintain that in the official property record to support any physical audits of that property.

e. If your accountable property has a change in ownership, status, or location, be sure to track it in FAA's property management system and use documents that will support an audit.

8. Physical Inventories/Reviews.

a. Physical inventories are integral components of FAA's internal control environment. They verify the physical existence of items and confirm property and financial records are accurate. Inventories can also disclose property management procedural weaknesses and identify the need for additional safeguards to prevent misuse, theft, and other losses.

b. Property management reviews are taken as part of the physical inventory process to identify unrequired personal property and inactive or slow-moving items. Any items that no longer contribute to FAA's mission in a cost-effective manner are identified for reassignment or disposition in accordance with Federal and Agency requirements.

9. Reports of Survey: How to manage the loss of government personal property.

a. Use Reports of Survey to:

- (1) investigate the loss, theft, damage, or destruction of government property;
- (2) approve corrective actions;
- (3) justify when you adjust or remove items from property and financial accounting systems and records; and
- (4) relieve the custodian of responsibility for the item.

b. For non-accountable property and inventory purchased under the franchise fund stored at the FAA Logistics Center, a report of survey is required only when you suspect neglect, misuse, theft, or fraud.

10. How to Reuse or Dispose of Unrequired FAA Personal Property.

a. Reutilize or dispose of unrequired or excess FAA personal property in the following order:

(1) Reassign: means give property, without reimbursement, to another organization within FAA or Department of Transportation (DOT).

(2) Transfer: means give property, with or without reimbursement, to another Federal Agency or the District of Columbia under regulations prescribed by the General Services Administration (GSA).

(3) **Donate:** means give property without reimbursement to eligible recipients under regulations prescribed by GSA.

(4) **Sales:** means to trade interest or ownership for monetary reimbursement to either the United States Treasury, or the Agency's applicable appropriation under exchange/sale authority in accordance with regulations prescribed by GSA.

(5) **Abandon or destroy:** means leave property at its original location or relocate it to a public or private facility to be crushed, burned, or buried under regulations prescribed by GSA.

b. Many FAA systems and equipment are unique and **if used outside the NAS** serve no practical purpose to other entities and may endanger **NAS integrity**. Under the provisions of Title 49, USC, section 401 10(c)(2)(F), Special NAS Disposal, the FAA is exempt from the provisions of the Federal Management Regulations (FMR) and FPMR regarding the disposition of the FAA airport, airway systems, or technical equipment with the capacity to transmit across NAS-controlled airway frequencies. Implementation of this authority is delegated to the Air Traffic Organization (ATO), Technical Operations Services. All NAS systems require a reutilization and disposition plan.

11. Agency Reporting Requirements. The FAA will meet current Federal and departmental reporting requirements.

12. Authority to Change This Order. The Vice President of Technical Operations Services or his/her delegate is authorized to issue or change this order.

13. Changes to Process and Procedure Guides. The Vice President of Technical Operations Services or his/her delegate is authorized to issue or change FAA guides as needed to meet the needs of the agency. Updates to the guides resulting from changes to system software and changes not related to procedures or functional responsibilities may be initiated directly by the Technical Operations Service Management Group and evaluated for appropriateness by that office. Changes to procedures or functional responsibilities will be coordinated with the offices of primary interest for comment for a period of 30 calendar days. After comment resolution, the addition or change will be added to the guide and will become the current guidance.

14. Delegation of Authority.

a. The Vice President of Technical Operations Services serves as the PMO and his/her authority is delegated to the Director of Safety and Operations Support.

b. Implementation of the authority identified in paragraph 14 is delegated to the ATO, Technical Operations Services.

c. The Vice President of Technical Operations Services or his/her delegate is authorized to issue the guides and change the guides as listed in Appendix B, Process and Procedure Guide.

15. List of Appendixes.

a. **Referenced Regulatory Documents.** Appendix A, Reference Regulatory Documents, lists pertinent government regulatory documentation affecting personal property management as set forth in this FAA policy order.


b. **Process and Procedures Guides.** Appendix B, Process and Procedure Guides, lists the supporting FAA process and procedure guides required to implement the policy contained in this order.

(1) The information in these guides replaces the guidance contained in the cancelled orders. Appendix B provides a path showing where topics in the cancelled orders can be found in their associated guide.

(2) These guides are available electronically at https://intranet.faa.gov/FAAEmployees/org/linebusiness/ato/operations/technical_operations/amnsst/process/.

(3) Additional personal property and materiel management orders that remain in effect will be cancelled once the process and procedure guides relating to each subject area are published.

16. Distribution. This order is distributed to division/group level in Washington headquarters, regions, and ATO service areas and service centers, to division level at the Mike Monroney Aeronautical Center and the FAA Technical Center; and to all FAA field offices with a standard distribution.



Michael P. Huerta
Acting Administrator

Appendix A. Referenced Regulatory Documents

Reference	Subject
General (multiple areas)	
40 USC Subtitle I, Chapter 5	Federal Property and Administrative Services Act of 1949 as amended
FPMR 101-25	Use of government personal property
DOT 4410.4	Equipment management and control
FPMR 101-26	Sources of supply
Office of Management and Budget (OMB) Circular A-123	Management's responsibilities for internal control
OMB Circular A-130	Management of Federal information resources
FMR Bulletins	Listing of various FMR bulletins relating to motor vehicle management and reutilization and disposal
FMR Notices	Listing of various FMR notices relating to motor vehicle management and reutilization and disposal
FPMR Bulletins	Listing of various FPMR bulletins relating to motor vehicle management and reutilization and disposal
Motor vehicles	
FPMR 101-39	Interagency fleet management systems
FMR 102-5	Home-to-work transportation
FMR 102-34	Motor vehicle management
DOT M 4440.3C	Motor vehicle management manual
49 USC 32917	Fuel economy
OMB Circular A-11 Section 25.5, Table 1	Budget - changes in fleet report
31 USC 1343	Buying/leasing passenger motor vehicles
31 USC 1349	Adverse personnel actions (use of motor vehicles)
Executive Order (EO) 10579	Interagency motor vehicle pools and systems
EO 12375	Fuel economy
14 USC 139.329	Ground vehicles
Energy Policy Act of 1992, Section 303	Alternative fueled vehicles
EO 13101	Alternative fueled vehicles
EO 13149	Alternative fueled vehicles
EO 13043	Use of seat belts
DOT 3902.9B	Seat belt program management

Reference**Subject****Inventory/Warehouse Management**

29 Code of Federal Regulations (CFR) Part 1910	Occupational Safety & Health Administration (OSHA) standards
FPMR 101-27	Inventory management
FPMR 101-28	Storage and distribution
DOT 4420.5	Management of materiel inventories
Joint Financial Management Improvement Program (JFMIP)-SR-03-02	Inventory, supplies, and materials system requirements

Reutilization and Disposition

FMR 102-36	Excess property
FMR 102-37	Donation of surplus property
FMR 102-38	Sale of personal property
FMR 102-39	Exchange/Sale
FMR 102-42	Foreign gifts and donations
FPMR 101-42	Hazardous material
49 USC 401 10(c)(2)(F)	Special NAS disposal

Cataloging

FPMR 101-29	Federal product descriptions
FPMR 101-30	Federal catalog system
DOT 4420.3A	DOT participation in the federal catalog system

Appendix B. Process and Procedures Guides

1. Process and Procedure Guides. These guides are available electronically at https://intranet.faa.gov/FAAEmployees/org/linebusiness/ato/operations/technical_operations/amnsst/.

- a. FAA Asset Identification Process and Procedure Guide
- b. FAA Motor Fleet Management Process and Procedure Guide
- c. FAA Personal Property Process and Procedure Guide
- d. FAA Project/Materiel Management Desk Guide, Version 1.0, CHG 1
- e. FAA Reutilization and Disposition Process and Procedure Guide
- f. FAA Fleet Management Process and Procedure Guide
- g. FAA Fleet Card Process and Procedure Guide
- h. FAA Inventory Management Guide

2. Cancelled Orders to Guides. The following crosswalk shows where topics in the cancelled orders can be found in their associated guide.

a. FAA Order 4630.1C	Inventory Management Guide
(1) Definitions	Attachment 1
(2) Initial Provisioning	N/A
(3) Criteria for Stocking Items	Chapter 3
(4) Categories of Materiel	Chapter 1
(5) Stock Levels	Chapter 3
(6) Stock Replenish Computations	Chapter 3
(7) Economic Order Quantity Principle	Chapter 3
(8) Acquisition of Excess Property	NA
(9) Stock Level Review	Chapter 3
(10) Depot Performance Standards	Chapter 3

b. FAA Order 4630.6	Inventory Management Guide
(1) Definitions	Attachment 1
(2) Criteria for Stocking Items	Chapter 2
(3) Economic Order Quantity Principle	Chapter 3
(4) Operating Materiel Inventory Stock Levels	Chapter 1
(5) Operating Materiel Inventory Stock Replenishment Computations	Chapter 3
(6) Inventory Item Review	Chapter 3
(7) Stock Level Requirements Review and Stratification of Assets	Chapter 3
(8) Materiel Identification	Chapter 3
(9) Physical Inventory	Chapter 5
(10) Reports	Various Sections
c. FAA Order 4633.1	Inventory Management Guide
(1) Definitions and Application	Attachment 1
(2) Responsibilities	Chapter 5
(3) Inventory Team	Chapter 5
(4) Conduct of Inventory	Chapter 5
(5) General Standards and Methods	Chapter 5
(6) Inventory Adjustment	Chapter 5
(7) Project Materiel	Chapter 5
(8) Property in Storage	Chapter 5
(9) FAA Technical Center	Chapter 5
(10) Aeronautical Center, FAA Depot	Chapter 5

d. FAA Order 4700.2	Inventory Management Guide
(1) Determination of Storage Requirements	Chapter 4
(2) Use Standards	Chapter 4
(3) Property Inspection and Preservation	Chapter 4
(4) Marking of Stock Items	Chapter 4
(5) Physical Layout	Chapter 4
(6) Storage Aids	Chapter 4
(7) Materiel-Handling Equipment	Chapter 4
(8) Safety, Security, and Housekeeping	Chapter 4
(9) Security	Chapter 4
(10) Housekeeping and Fire Prevention	Chapter 4

3. Additional Personal Property and Materiel Management Orders. FAA Order 4580.2A, Personal Property Loan Agreements will remain in effect until process and procedure guides relating to each subject area are published.