

ORDER

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
EASTERN REGION

JAMAICA, NY 11430

EA 4650.8

JUN 6 2000

SUBJ: MANAGEMENT AND CONTROL OF IN-USE PERSONAL PROPERTY

1. **PURPOSE.** This Order establishes uniform procedures for the accurate maintenance and accountability of personal property inventory in the Aviation Information and Services Division, AEA-60, and its Staff and Branches, AEA-61 and AEA-62. This Order provides standards and procedures and describes the employee's responsibility for documenting all transactions of in-use personal property. It provides increased emphasis on the agency's efforts to eliminate or reduce waste, fraud, and mismanagement of Government personal property.
2. **DISTRIBUTION.** This Order is distributed to all AEA-60 employees, to include the Communications and Analysis Staff, AEA-61, and Information Systems Branch, AEA-62.
3. **CANCELLATION.** None.
4. **BACKGROUND.** This Order supplements and is based on FAA Order 4650.21B, Management of In-Use Personal Property, FAA Order EA 4650.7C, Accountability of Personally Charged Property, and Federal Aviation Personnel Manual (FAPM) Letter 2635, Conduct and Discipline. Property accountability is the responsibility to ensure security and conscientious inventory management of actual property (all property, except real property and records, of the Federal Government, which is subject to the ownership, or under the control of the FAA; that which is tangible and/or moveable). This obligation, imposed by law, requires keeping accurate records of personal property assets; conducting physical inventories to reconcile property records; and includes maintaining an audit trail for applicable physical property and financial transactions.
5. **DEFINITIONS.**
 - a. **Property Management Officer** is the Manager, Materiel and Services Branch, AEA-52 .
 - b. **Property Custodian** is the head of the organizational element, e.g., Division Manager, responsible for the administration, use, accountability, and control of in-use personal property entrusted to his/her possession or under his/her direct supervision in his/her Custodial Area.
 - c. **In-Use Personal Property.** An item of personal property which is performing or serving its assigned operational function, is permanent in nature, and does not lose its individual identity when placed in use.

EA 4650.8

- d. **Personal Property.** All property (tangible and/or moveable), except real property and records, of the Federal Government which is subject to the ownership or under the control of the FAA.
 - e. **Custodial Areas** are defined as the Aviation Information and Services Division, and its subordinate organizations, i.e., Communications and Analysis Staff, and Information Systems Branch, where accurate management and control of in-use personal property is maintained.
 - f. **Accountable/Custodial Officer** is the head of the office or branch and delegated by the Property Custodian to manage and control Government property held or acquired by that office.
 - g. **Cognizant Employee** are staff employees responsible for all property entrusted to their care and are responsible for protection and proper use of Government property. Usually a cognizant employee is under the direct supervision of an Accountable/Custodial Officer who has daily control and/or supervision of the assigned property.
 - h. **Accountability Unit** is the supporting administrative unit that maintains the accountability records of the office responsible for property management and is designated by the Accountable/Custodial Officer and/or Property Custodian. The accountability unit will adhere to and apply the principles of accountability control.
6. **PROPERTY CUSTODIAN.** The Manager, Aviation Information Services Division, is responsible for the administration, use, accountability, and control of in-use personal property in his/her Custodial Area. He/she may not delegate this responsibility, but may designate a representative (Accountable/ Custodial Officer and a supporting Accountable Unit) responsible for supporting administrative work duties, and/or to provide an accountable signature for the Property Custodian. See sample memorandum, Appendix 4.
7. **ACCOUNTABLE/CUSTODIAL OFFICER.** The Manager, Information Systems Branch is the Accountable/Custodial Officer for government property held or acquired by Aviation Information and Services Division. Primary responsibilities of this officer are:
- safeguarding the property;
 - enforcing measures to prevent loss, theft, misuse, or abuse of the property;
 - maintaining proper records for the property;
 - preventing unauthorized use or misappropriation of the property;
 - taking and recording of physical inventories or assigning the responsibility for actually taking the physical count and for recording and reconciling the inventory results to others.

8. RESPONSIBILITIES/ACCOUNTABILITY.

• 8.1. **Review of Personal Property Holdings.**

Each office will continuously examine the personal property in its custody and will maintain its inventory at the lowest practical level. Unneeded or surplus property should be considered first for reassignment, and if not feasible, the office will promptly make the property available and facilitate its transfer or take other disposal action. Refer to **Personal Property Flow Chart** in Appendix 1.

• 8.2. **Use of Government-Owned Property**

8.2.1 Cognizant employees will be strictly responsible for the prevention of unauthorized use and misuse of property in their custody or chargeable to their custody. Cognizant employees are responsible for the care, protection, and proper use of Government property. When custody is relinquished to another individual, the employee releasing the property should utilize procedure referred to under *paragraph 8.2.3b*. The receipt should be kept until the property is returned.

8.2.2 Prior authorization is required in all cases where an employee requires the use of Government-owned property at an employee's residence, or on official travel. Permission to use Government-owned property for authorized work-related use at an employee's residence must be approved in writing by the employee's manager, supervisor, and/or team leader and indicate the period of time the employee is authorized.

8.2.3 When property is removed from the immediate work area, a signed receipt must be obtained for accountability and control purposes. When the property is removed for six consecutive months or more, the Cognizant employee and/or the Custodial Officer must also notify the Property Accountability Unit. Regardless of the original cost of the property, when property is removed from the immediate work area, a signed receipt must be obtained for appropriate action and immediately filed with the Property Accountability Unit. Designated accountability units will ensure that, for accountable property, the new location is noted in the PPIMS with appropriate supporting documents of transfer. If applicable, a transfer form must be completed. The following information applies:

8.2.3a Transfers Out of the Custodial Area. To transfer property out of the custodial area submit **FAA Form 4650-12, Materiel Requisition/Issue/Receipt Form** (see sample Appendix 2).

8.2.3b Transfers Within the Same Custodial Area. To accomplish property transfers within the same custodial area use the following method:

Accountability Unit updates information on **Memorandum Receipt, FAA Form 4650-11** (see sample Appendix 3) with signature of Cognizant Employee, or Cognizant Employee submits an electronic record of transfer by cc:Mail to Accountability Unit.

• 8.3 **Property Accountability Procedures**

Any office having custody of property assigned to another line of business or purchased with funds made available by another organization will maintain separate accountability records of property while

EA 4650.8

in inventory custody. The Personal Property Inventory Management System (PPIMS), which is electronically generated quarterly, will be used for formal control of property with loaned organization.

Formal control and accountability records will be maintained for property, and will be accomplished by the Division designated Accountability Unit in partnership with the Accountable/Custodial Officer and the Logistics Division.

• 8.4 Accounting for Property

The recipient of personal property items over \$500 should acknowledge receipt by signing the Materiel Property Voucher, FAA Form 4650-12, (see sample Appendix 2) or other similar document, the same as for warehouse supplies or other property. These documents should be retained for a minimum of 3 years and should be filed within individual employee in-use personal property folders retained by the Accountability Unit.

• 8.5 Transfer of Accountability

A Property Voucher, FAA Form 4650-12 (Appendix 2), must be prepared to document the transfer of any item regardless of original cost to maintain tracking records. The original property voucher will be forwarded to the Logistics Division, if the item's original cost is valued at over \$500 or more.

• 8.6 Property Accountability Procedures

Property maintained in the Personal Property Inventory Management System (PPIMS) will be assigned to individual employees. Receiving reports with signatures of individual employees may be used for this purpose (as per paragraph 8.2.3b), or electronic cc:Mail record of validation from the Cognizant Employee transmitted to the Accountability Unit.

• 8.7 Individual Custody Record Files

A separate custody record file (PPMIS) will be established, maintained, and generated by the Logistics Division (AEA-50) for each Accountable/Custodial Officer branch or office. Custody records will be developed from the copies of receipts for property (and from PPIMS report copies generated by AEA-50). Originals of these receipts (or items listed in PPIMS reports) will be regarded as charges against the employee (Cognizant Employee) accepting custody and will be maintained in their individual folders retained by the Accountability unit. Copies of all receipts will also be filed in the Accountable/Custodial Officer's file along with a copy of "delegation of authority" (see sample, Appendix 4).

8.7.1 Entries and proper form completions will be made for accountability records and forwarded to the Logistics Division, Acquisition Management Branch (AEA-55), for updating records.

8.7.2 Receipts will be retained in the appropriate individual custody file until they are physically reconciled against the quarterly generated PPLMS.

- **8.8 Consolidated Receipt for Property**

Consolidations may be prepared to serve as a summary receipt for property (while maintaining receipts as support documents). A summarized statement of the current charged items to the employee will be prepared so that the new statement or listing, ordinarily in the PPIMS, reflects the net of all individual charged items less all individual transfers or excesses for equipment in any one or all of the employee custody files.

- **8.9 Reconciliation of Custody Records**

The accuracy of custody records will be verified and adjusted quarterly and may be verified at other times as necessary or desirable.

8.9.1 After the cognizant employee has signed the new (consolidated) listing or has electronically mailed verification of his/her personally charged property to the Division Property Accountability Unit, it may be considered as a receipt for property superseding and, in effect, canceling all prior receipts of that employee pending reconciliation.

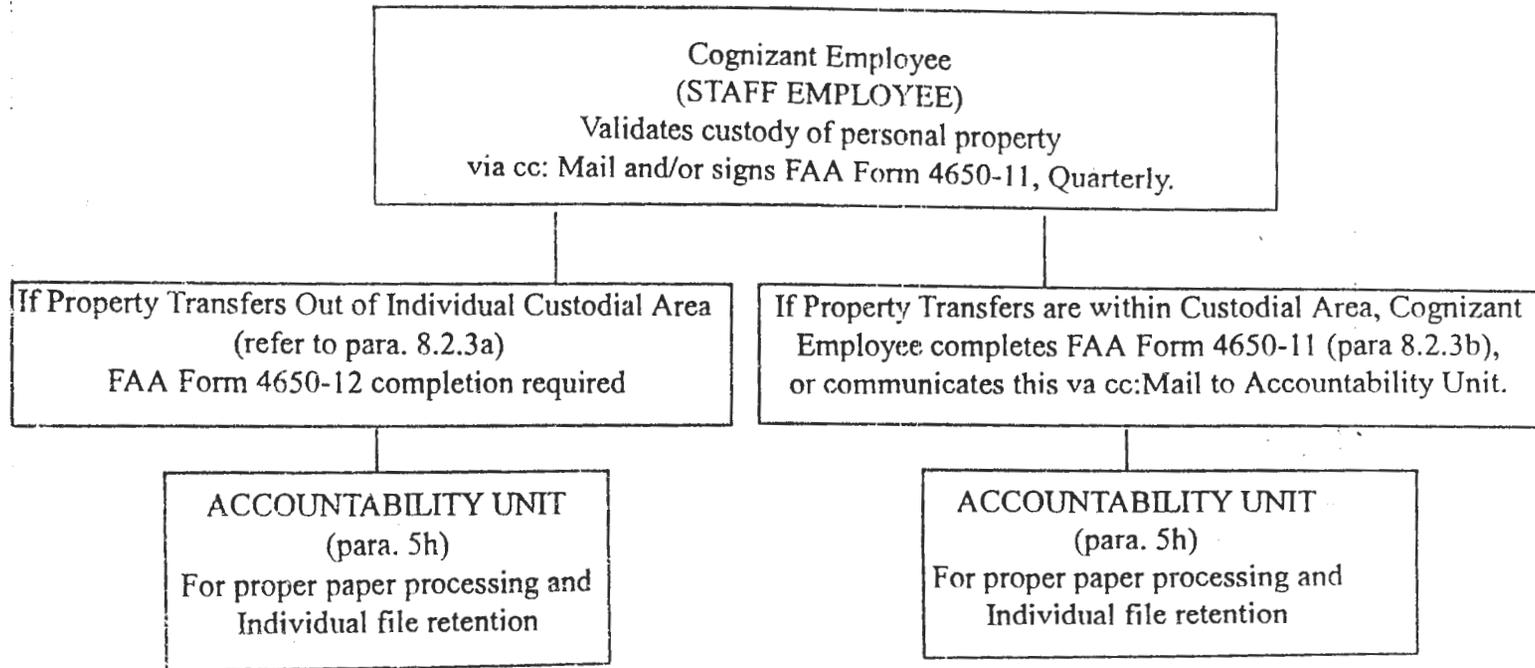
8.9.1a At least two copies of each consolidated receipt for property should be prepared, one for the custody file, retained by the Accountability Unit, and one for the employee.

8.9.1b Where multipage receipts result from these procedures, the employee should initial each page except that which contains the statement of acceptance and signature. The statement and signature may appear on either the first or the final page of the consolidated receipt.



Arlene B. Feldman
Regional Administrator

Personal Property Flow Chart



MEMORANDUM RECEIPT		PROPERTY ID OR SERIAL NO. OR OTHER IDENTIFYING INFO		M/R Number
				Date
Deliver To	Name	Division or Branch	Location	
Received From		Authorization		

Statement of Responsibility:

I have received the item(s) listed below and accept personal responsibility for the property. As an employee of the Government to whom public property has been entrusted, I clearly understand that: (1) I am responsible for the proper custody, care, and safeguarding of the property whether in use or in storage; (2) I am authorized to use the property for official purposes only; (3) I will either return the property to the issuing officer when no longer required for the purpose intended, upon demand, transfer, or separation from the Government; (4) I am responsible for making good the loss or destruction of or damage to the property and may be held financially liable unless I can show to the satisfaction of the Survey Officer by "Report of Survey, FAA Form 4630-8" setting forth the circumstances of the case, that the loss, damage, or destruction of the property was not occasioned by any fault, abuse, or neglect of mine.

QUAN.	ARTICLE AND SERIAL NUMBER	PROPERTY ID OR SERIAL NO.	NEW OR FAIR VAL

SIGNATURE OF USER

DATE OF ISSUE

SIGNATURE OF ISSUING OFFICER

DATE RECEIVED

DELEGATION OF AUTHORITY



U.S. Department
of Transportation
Federal Aviation
Administration

Memorandum

Subject: INFORMATION: Delegation of Authority to Sign
Accountable Property Transactions

Date: 11/22/85

From: Manager, Systems Maintenance Engineering
Branch, AGL-460

Room: AGAs:17351

To: Property Manager, Great Lakes Region, AGL-53E

This letter advises of the delegation of authority to the personnel listed below for signing of accountable property transactions, excess reporting and correspondence related thereto for Cost Center Codes:

(8030 & (8033)

Primary:

Name Lewis Adams, Jr. Title AGL-462 (2) (8030 & (8033)

Alternates:

Name Jim Soper Title AGL-463 (8030)

Name Leonard Heator Title AGL-462 (8030)

Name Don Mahr Title AGL-463 (8030)

Name Steve Diegrich Title AGL-464 (8030)

I am aware that this delegation of authority does not relieve me of the liability and responsibility for proper accounting, care and effective utilization of Government property assigned to my custody.

James J. Heinen
Property Custodian