



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

ORDER
4600.27C

Effective Date:
09/04/15

SUBJ: Personal Property Management

1. Purpose of This Order. This order provides guidance on how the Federal Aviation Administration (FAA) manages its personal property program. It serves as a high level overview of property management, and implements applicable Federal laws and regulations. Additional detailed directives and information are published in related Process and Procedure Guides.

The objective of this order is to:

- a.** Establish a system of internal instructions that provide guidance to agency personnel performing property management functions.
- b.** Provide a clear understanding of the Federal laws that direct the FAA on how to manage personal property, as well as a policy for physical control, accountability, using, and disposing government-owned, leased, and borrowed personal property.
- c.** Ensure effective and efficient use of Agency property required to carry out the Agency's mission and to minimize the potential for fraud, waste, abuse and mismanagement of government personal property.

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. Additional information about AMS is located on the FAA Acquisition System Toolset website at <http://fast.faa.gov>.

2. Audience. This order applies to all FAA organizations, federal employees and contractors.

3. Where Can I Find This Order. You can find this order on the MyFAA Employee Web site at https://employees.faa.gov/tools_resources/orders_notices/. This order is available to the public at http://www.faa.gov/regulations_policies/orders_notices/.

4. What This Order Cancels. This order cancels FAA Order 4600.27B *Personal Property Management*, dated May 1, 2013.

5. Definition of Personal Property. "Personal property" is defined as tangible property that does not meet the definition of real property, provided it is not considered a consumable item when in use and ordinarily does not become an indivisible component of other property. Personal

Property is sub-divided into Accountable and Non-Accountable personal property category (or classification) for property management purpose.

a. Accountable Personal Property. Accountable personal property has a useful life expectancy of two years or more (three or more years for non-National Airspace System (NAS) systems), does not lose its identity as a component when placed in service, and meets any of the following criteria:

- 1) Costs \$5,000 or more; or regardless of cost;
- 2) Is vulnerable to loss, theft, misuse or;
- 3) Relates to safety, security or;
- 4) Is subject to calibration, licensing requirements or;
- 5) Is installed facility equipment or;
- 6) Any FAA-owned motorized vehicle or vessel.

FAA Managers are responsible for identifying, within their area of management, personal property assets that fit the definition of “Accountable Property”.

b. Non-Accountable Property. Non-accountable property is an asset not meeting the criteria above. These assets do not have to be recorded in the system of record; however, they must be reported to the Property Disposal Officer (PDO) as a report of excess (ROE) when no longer required.

6. Property Management Responsibilities. Federal employees and contractors must exercise reasonable judgment to conserve and protect property owned or leased by the Government. FAA’s goal is to be good stewards of taxpayers’ funds by ensuring accurate, timely, effective and efficient accountability of FAA property.

7. FAA Roles and Responsibilities for Personal Property Management. The FAA assigns property management responsibilities to the people and organizations that manage its personal property. The responsibilities and related positions are described below.

a. Senior Property Management Official. The Director of the FAA Aviation Logistics Organization (ALO-1) is designated as the Agency’s Senior Property Management Official (SPMO). The SPMO is responsible for developing and implementing policy, systems, training, and other procedures for FAA personal property management. The SPMO ensures that the FAA personal property management program meets applicable legal and regulatory requirements. The SPMO may delegate any of these authorities as necessary. The SPMO has general authority to take all actions necessary to fulfill these responsibilities, as well as the following specific authorities:

- 1) Obtain and manage fleet cards under provision 49 USC 106, and may delegate this authority to individuals who have the appropriate training and knowledge; and

- 2) Review and approve requests for waivers to the policies contained in this order, and may delegate this authority to individuals who have the proper training and knowledge.

b. Personal Property Division Manager. The Personal Property Division Manager (PPDM), ALO-400, is responsible for carrying out the policies and procedures for managing personal property. Responsibilities include developing and publishing Agency policy for personal property and motor fleet management. The PPDM may designate program managers to develop policy as necessary. In addition, the PPDM is responsible for leading and supporting logistics property management activities.

c. Property Managers. Property Managers are appointed by the SPMO and are responsible for safeguarding and maximizing the utilization of personal property and assisting employees and managers in carrying out the requirements. Property Managers implement agency policies and procedures for managing personal property within their geographic area. They may assign or delegate authority to other personnel to manage FAA's various property management programs within their geographic area. Property Managers may further delegate responsibility and authority to other logistics organization managers or supervisors. The Process and Procedure Guides, listed in appendix B, define additional tasks, roles and responsibilities.

d. Property Officers. Property Officers include Personal Property Officers (PPO), Property Disposal Officers (PDO), and Survey Officers (SO). Property Managers designate or assign (in writing) Property Officers. Property Officers are responsible for assisting others in performing functions and transactions when managing FAA property. In addition, Property Officers must:

- 1) Confirm the accountability of the property identified by the Property Manager, and
- 2) Work with Property Custodian/Delegate/Manager, to ensure that the appropriate training is completed and that accounts are set up within the property accountability system.

e. Property Custodians. Property Custodians are responsible for managing all Government property in their assigned cost center(s) as detailed in this order, and may designate other employees to assist with these duties. In addition, Property Custodians:

- 1) Ensure accountable property is recorded and maintained in the FAA's property management system of record within 30 days of receipt;
- 2) Verify and certify inventories;
- 3) Maintain accurate property records;
- 4) Initiate Reports of Survey for stolen, lost, damaged, or destroyed personal property. Ensure stolen or lost property has been reported to the Servicing Security Element (SSE);

- 5) Identify property, that is no longer required, for disposition;
- 6) Perform a Custodian Change Inventory when leaving the Agency or moving to another position outside their custodial area;
- 7) Advise and oversee FAA employees and contractors who use and care for, Government-owned, leased, and borrowed personal property;
- 8) Appoint Delegates to assist in managing property in their custodial area. If delegated to a contract employee, ensures that the duties are authorized per the terms of the applicable contract;
- 9) Notify the PPO prior to leaving the custodial area for any reason (e.g., retirement or reassignment);
- 10) Notify the appropriate PPO in the FAA Logistics Organization of any additions or changes to new/existing cost center(s);
- 11) May designate a Property Delegate to assist in managing the property, and ensuring timely, appropriate actions to properly account for the “Accountable Property” asset throughout its life cycle; and
- 12) Complete the required training.

Unless otherwise limited by the Property Manager. Custodians have general authority to take all actions necessary to fulfill these responsibilities as well as any other responsibilities expressed or implied.

f. Property Delegates. Property Delegates are any individual formally designated (in writing) by the Custodian to the PPO. Property Custodians may delegate required property management tasks to one or more other federal or contract employees. On behalf of the Property Custodian, Property Delegates may perform any property record transactions, excluding approving Reports of Survey and certifying inventories. The Property Custodians designate a Property Delegate by completing a Delegation of Authority memorandum and forwarding it to the PPO. On behalf of the Property Custodian, Property Delegates must:

- 1) Create and maintain accurate property records;
- 2) Perform and verify inventories;
- 3) Prepare Reports of Survey for lost, damaged, or destroyed personal property for Custodian review and approval;
- 4) Identify and initiate the disposal of personal property no longer required; and
- 5) Complete the required training.

g. Employees and Managers. All Federal employees and contractors are responsible for safeguarding personal property from fraud, waste, abuse, and loss. Managers have the additional responsibility of ensuring that they record, track, manage, and dispose of all personal property per this order.

8. Process for Changing Property Custodians. In the FAA, personal property is tracked by the cost centers established in the Delphi financial system. The FAA Manager controlling the lowest level of operational use at a given cost center is considered the Property Custodian per this order; thus, there is always a manager who has at least implied responsibility for property at a cost center. It is the joint responsibility of a newly assigned manager and their direct supervisor to take appropriate action to establish the profile of the newly assigned cost center manager in the Automated Inventory Tracking System (AITS).

a. Designation of a Property Custodian. While policy assigns property custodian responsibility to specific levels of management, it is necessary for the responsible manager to be designated the Property Custodian by name.

- 1) The newly assigned Property Custodian and their direct supervisor are responsible for having accounts designated in the current system of record.
- 2) The responsibility is fulfilled when the PPO is notified of the management change and the change to the system of record is recorded.

b. Departure of a Property Custodian. When a cost center Property Custodian leaves (e.g., retirement or reassignment), the control and responsibility automatically transfers to the next higher level of manager until a new Property Manager is designated.

The PPO may approve the Property Custodian change per the following conditions.

- 1) A property inventory for the cost center has been completed.
- 2) The new Property Custodian has completed the appropriate training.
- 3) The new Property Custodian accepts the inventory.
- 4) The Property Custodian performs all tasks necessary to affect accurate accounting and management of the personal property.

The PPO may change the Property Custodian designated to resolve any discovered discrepancy between the name of the Property Custodian designated in current system of record and the name of the actual manager currently having control of the cost center.

Where there is reasonable cause to conclude that a manager designated as a Property Custodian is not effectively managing a cost center's property, per this order and the process and procedure guides, the PPO may revoke that manager's Property Custodian designation and reassign the designation to another higher level manager. The PPO will collaborate with the higher level manager prior to a reassignment decision.

9. Physical Inventory or Electronic Asset Verification. Inventories are integral components of the FAA's internal control environment and serve to verify that all accountable personal property is in the custodial area where assigned and is included on the property record. Inventories can disclose property management procedural weaknesses and identify the need for additional safeguards to prevent misuse, theft, or loss. The Property Manager has the authority to conduct additional inventories as deemed necessary.

- a. Accountable assets must be inventoried at least once every three years.
- b. Regardless of the date of the previous inventory, a physical wall-to-wall inventory must be completed whenever a change in custodial responsibility occurs.
- c. Once an inventory is initiated in the property system, the Property Delegate must complete the inventory by the inventory's established due date. In the event an inventory cannot be completed by the due date, a request for an extension must be made to the PPO.
- d. Once an inventory has been marked as completed in the property system, the Property Custodian must certify or reject the inventory. This should be done as soon as practical or within 30 days.

10. Report of Survey. A Report of Survey is an investigation and report regarding property that is lost, stolen, damaged or destroyed. A Report of Survey must be conducted when any accountable Government equipment is stolen, lost, damaged, or destroyed.

a. 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 neglect, misuse, theft, or fraud is suspected.

b. Assets deemed to be lost, stolen, damaged or destroyed must be reported to the SSE within 24 hours of discovery. All FAA employees and contractors must notify their immediate supervisor regardless of whether the item is under their control or personally assigned.

c. Upon discovery, the Property Custodian has 30 days to investigate and submit a Report of Survey to the Report of Survey Officer. In the event 30 days is not sufficient, all FAA employees and contractors must notify the ROS Officer that additional time is needed.

11. Reutilization or Disposition of Unrequired FAA Personal Property. All FAA employees and contractors are responsible for reporting unrequired personal property to the appropriate AITS Custodian/Delegate for appropriate disposition.

a. Reuse or dispose of excess FAA personal property per the AITS Report of Excess (ROE) process with guidance from the supporting PDO in the following sequence.

1) Exchange / Sale: Property not excess to the needs of the agency but eligible for replacement may be exchanged or sold under the provisions of FMR part 102-39 in order to

apply the exchange allowance or proceeds of sale in whole or part payment for replacement with a similar item.

2) Reutilization (Reassignment): Give property, without reimbursement, to another organization within FAA or the Department of Transportation.

3) Transfer: Move property, with or without reimbursement, to other Federal agencies to fill current or future authorized requirements in lieu of new procurements under General Services Administration (GSA) Regulations.

4) Donate: Give property, without reimbursement, to eligible non-Federal public agencies and other specifically designated recipients under regulations prescribed by GSA.

5) Sale: Where interest or ownership in FAA property is relinquished for monetary reimbursement. Per GSA Regulations, funds must be deposited into either the United States Treasury or into the FAA entity's applicable appropriation account if sold under FMR 102-39.

6) Recycle: Process property and materials into new materials or products to prevent waste of potentially useful materials per GSA Regulations. Federal Electronic Assets must be recycled through either a Responsible Recycling (R2) or an e-Stewards certified recycler or other GSA approved certified recycler.

7) Destroy (Demanufacture): To permanently alter the physical condition of personal property to make it unusable for its intended design or function. Normally implemented in accordance with the provisions of 1. c. below.

8) Abandon in Place: A method for disposing of excess property that involves leaving the property at its original location and relinquishing ownership to non-FAA entities. Abandonment will be implemented only in extreme circumstances and requires written authorization from the ALO-400 National Reutilization & Disposition Program Manager. The action must be recorded on a Transfer Agreement executed between the FAA and the gaining entity.

b. All NAS systems require an approved Reutilization and Disposition Plan.

c. Many FAA NAS systems and equipment are unique and if used outside the NAS may endanger the integrity/security of the NAS. Under the provisions of Title 49, USC, section 401 10(c)(4) (Special NAS Disposal), the FAA is exempt from the provisions of the Federal Management Regulations (FMR) and Federal Property Management Regulation (FPMR) regarding the disposition of the airport and airway property and technical equipment used for special purposes of the FAA (i.e., technical equipment with the capacity to transmit across NAS-controlled airway frequencies.) This means NAS equipment that has the capability to transmit, navigate, or provide surveillance across the NAS air waves does not have to be reported as excess to GSA under FMR 102-36 and may be immediately disposed of via an R2 or e-Stewards certified recycler. The Director of the Aviation Logistics Organization or their designee implements this authority.

12. Documentation required for IT Asset Exchange. Documentation is required when Information Technology (IT) exchanges in-use IT equipment. When AIT exchanges or replaces a piece of accountable IT equipment (e.g. laptop, etc.), information detailing the asset removed (old) and the replacement asset (new) will be documented. The minimum data required is listed below.

- a. New Asset Details (Barcode, Description, Serial Number)
- b. Old Asset Details (Barcode, Description, Serial Number)
- c. Receiver Details (Region, Cost Center, Name, Phone number)

A copy of the "AIT Asset Form" will be provided to the recipient of the asset and the recipient will forward a copy to the Delegate in the organization.

13. Process for Changing the Process and Procedure Guides. The Director of Aviation Logistics Organization or the designee authorizes issuance or changes to FAA guidelines as needed to meet the needs of the Agency. Changes to procedures or functional responsibilities will be coordinated with the affected parties 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.



Michael P. Huerta
Administrator

Appendix A. Administrative Information

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

2. **Delegation of Authority.**

a. The Director of Aviation Logistics Organization or the designee serves as the SPMO.

b. The Director of Aviation Logistics Organization or the designee authorizes revisions to the guides listed in Appendix B.

3. **Authority to Change This Order.** The Director of Aviation Logistics Organization or the designee authorizes issuance or changes to this order.

4. **Reference Regulatory Documents.** Reference Regulatory Documents lists some of the Federal statutes and executive policy pertinent to FAA personal property management. This order incorporates, by reference, any future revisions to the listed statutes and policy, as well as any new statutes or executive policy that may affect FAA property management.

Reference	Subject
General (multiple areas)	
40 USC Subtitle I, Chapter 5	Federal Property and Administrative Services Act of 1949 as amended
FPMR 101-25	Using 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	Lists FMR bulletins relating to motor vehicle management and reutilization and disposal
FMR Notices	Lists FMR notices relating to motor vehicle management and reutilization and disposal
FPMR Bulletins	Lists FPMR bulletins relating to motor vehicle management and reutilization and disposal

Reference	Subject
Motor Vehicles	
FPMR 101-39	Interagency fleet management systems
FMR 102-5	Home-to-work transportation

Reference	Subject
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	Using seat belts
DOT 3902.9B	Seat belt program management

Inventory/Warehouse Management

29 Code of Federal Regulations (CFR) Part 1910	Occupational Safety & Health Administration standards
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	Personal property sales
FMR 102-39	Exchange/Sale
FMR 102-42	Foreign gifts and donations
FPMR 101-42	Hazardous material
49 USC 401 10(c)(4)	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 and Property Bulletin

1. Process and Procedure Guides

a. Process and Procedures Guides lists supporting FAA process and procedure guides necessary to implement the policy contained in this order. The information in these guides replaces the guidance contained in the cancelled orders.

b. 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 is published.

c. These guides are available electronically at:
https://employees.faa.gov/org/staffoffices/afn/regions_center/materiel_personal_property/process

- (1) FAA Asset Identification Process and Procedure Guide
- (2) FAA Personal Property Process and Procedure Guide
- (3) FAA Reutilization and Disposition Process and Procedure Guide
- (4) FAA Motor Fleet Management Process and Procedure Guide
- (5) FAA Fleet Management Process and Procedure Guide
- (6) FAA Fleet Card Process and Procedure Guide

2. Additional Personal Property and Materiel Management Orders

FAA Order 4580.2A, "Personal Property Loan Agreements" will remain in effect until the process and procedure guides related to each subject area are published