

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice AS-2269**

**For:** State and County Offices

**State and County Office Biennial Physical Inventory Requirement**

**Approved by:** Deputy Administrator for Management



**1 Overview**

**A Background**

The department regulation, “Agriculture Property Management”, requires that a physical inventory of personal property be conducted every two years. Chapter 110, Subchapter N, Part 110-50 of the regulation can be accessed at, <http://www.dm.usda.gov/property/AGPMR%20Part%20110-50%20-%20Property%20Management.pdf>. In accordance with this regulation state and county offices are required to complete a biennial inventory.

For accountability purposes the property management sustainable process was established. This process produces a timely, valid and reliable inventory for the Under Secretary to certify.

**B Purpose**

This notice provides:

- a reminder regarding the state and county office biennial physical inventories that are due at various times throughout calendar year 2014,
- personal property classification standards,
- instructions for the state and county offices to conduct a complete physical inventory, and
- instructions for managing controlled property.

**Disposal Date**

December 1, 2014

7-7-14

**Distribution**

State Offices; State Offices relay to County Offices

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## Notice AS-2269

### 1 Overview (Continued)

#### C Contacts

For questions regarding this notice, state offices shall contact either of the following:

- James “Mike” Brown by either of the following:
  - e-mail to **james.m.brown@kcc.usda.gov**, or
  - telephone at 816-926-7747
- Paige Haggins by either of the following:
  - e-mail to **paige.haggins@wdc.usda.gov**, or
  - telephone at 202-720-2827.

**Note:** County offices shall contact their state office for questions regarding this notice.

### 2 Action

#### A Classifying Personal Property

Existing or new acquisitions of personal property are to be classified as one of the following:

Classification	Criteria
Accountable	Unit acquisition cost between \$5,000 and \$24,999.
Capitalized	<ul style="list-style-type: none"><li>• Unit acquisition cost of \$25,000 or more.</li><li>• Software with a unit acquisition cost of \$100,000 or more.</li></ul>
Controlled	<b>Not</b> capitalized, accountable, or sensitive, but <b>must</b> be properly controlled and managed.
Sensitive	<b>Only</b> guns and ammunition purchased, regardless of cost.

**Exception:** The Commodity Credit Corporation (CCC) has determined that all State and County Office Automation Project (SCOAP) equipment was capitalized when it was initially acquired; therefore, SCOAP equipment **currently** on the Property Management Information System/Personal Property (PMIS/PROP) will continue to be carried regardless of each item’s unit acquisition cost.

2 Action (Continued)

**B Conducting and Completing Physical Inventories**

The physical inventory is to be prepared in accordance with the following:

Step	Action						
1	Before starting the inventory, ensure that all necessary corrections and additions have been made to update PMIS. Promptly submit all transaction documents to ensure that all property in the pipeline is included in the inventory.						
2	Coordinate inventory schedules with personnel involved in the inventory process.						
3	Establish inventory schedules with the beginning and ending deadline dates.						
4	Minimize removing personal property items from the custodial location until after completing inventory.						
5	State offices shall generate and print the Personal Property Physical Inventory PROP-350 Report from PMIS/PROP and distribute it to county offices.						
	<table> <tr> <th>TO CREATE...</th><th>USE THE...</th></tr> <tr> <td>state office inventory <b>only</b></td><td>entire accountable officer (AO) code.</td></tr> <tr> <td>state office and all county office inventories</td><td>                     Payment Management Office number identified by the first 2 digits of the AO code.   <b>Example:</b> "01FA01212000ST".   <b>Note:</b> This report only includes capitalized and accountable personal property.                 </td></tr> </table>	TO CREATE...	USE THE...	state office inventory <b>only</b>	entire accountable officer (AO) code.	state office and all county office inventories	Payment Management Office number identified by the first 2 digits of the AO code.  <b>Example:</b> "01FA01212000ST".  <b>Note:</b> This report only includes capitalized and accountable personal property.
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6	Conduct a room-by-room physical inventory of <b>all</b> personal property listed on the PROP-350 Report and do the following: <ul style="list-style-type: none"> <li>• make necessary changes (additions, transfers, deletions, etc.) by manually recording (write on report) property found in the office above \$5,000, but <b>not</b> listed on the report,</li> <li>• line through property listed that is no longer in the office, and</li> <li>• ensure that appropriate documentation, such as completed FSA-951's or purchase/receipt documents, are included to support the changes.</li> </ul>						

2 Action (Continued)

B Conducting and Completing Physical Inventories (Continued)

Step	Action
7	Count all the controlled personal property (chairs, tables, workstations, etc.) items that are under \$5,000. Maintain the controlled property inventory on the FSA-950, Personal Property Inventory Listing.
8	<p>County offices shall record the following:</p> <ul style="list-style-type: none"> <li>• all personal property on FSA-950's and submit a copy to the state office, and</li> <li>• controlled property on the separate FSA-950.</li> </ul> <p><b>Note:</b> Capitalized and accountable property may be record on the same FSA-950.</p>
9	<p>State offices shall:</p> <ul style="list-style-type: none"> <li>• certify that a complete physical inventory was conducted of all personal property in their accountable area, including <b>SCOAP</b>,</li> <li>• continue to access PROP and update SCOAP and any other property with a unit acquisition cost of \$5,000 or more, and</li> <li>• provide copies of the following documents for personal property with a unit cost of \$5,000 or greater to PFMS: <ul style="list-style-type: none"> <li>• copy of the corrected PROP-350 Report, with the written changes,</li> <li>• purchase orders,</li> <li>• receiving reports,</li> <li>• approval document for any credit card purchases,</li> <li>• FSA-951, Personal Property Transaction, and</li> <li>• a signed certification statement (last page of PROP-350 Report).</li> </ul> </li> </ul> <p><b>Notes:</b> All information technology (IT) equipment is managed and inventoried by USDA's Office of Chief Information Officer (OCIO), Information Technology Services.</p> <p>The state custodial officer will update PMIS/PROP and/or the FSA-950 to reflect the changes made during the physical inventory.</p>

**2 Action (Continued)**

**C Submitting Documentation**

Submit the documentation to James “Mike” Brown by either of the following:

- FAX to 816-823-2950, Attn: James “Mike” Brown, PFMS, or
- mail to:

USDA, Farm Service Agency  
Attn: James M. Brown, PFMS  
Beacon Facility, Mail Stop 8378  
9240 TROOST AVE  
KANSAS CITY MO 64131-3055.

**Important:** Inventories **shall** be completed and certified **on or before** the last inventory date displayed in PMIS/PROP.