

For: State and County Offices

State Office Biennial Physical Inventory Requirement

Approved by: Deputy Administrator, Management



1 Overview

A Background

State biennial inventories must be accomplished according to the Department of Agriculture Property Management Regulations (AGPMR) and the Property Management Sustainable Process. The physical inventory regulation under Subpart 104-51.106 is accessible at www.usda.gov/da/property/AGPMR-N.htm. The Sustainable Process was established for accountability and to produce a timely, valid, and reliable inventory product for the Under Secretary to certify.

B Purpose

This notice provides:

- a reminder about the biennial physical inventory requirement
- personal property classification standards
- instructions to State Offices for conducting and completing physical inventories
- instructions for managing controlled property.

C Contacts

If questions about this notice, contact either of the following:

- KCAO, Administrative Services Division, Property Management Branch (PMB) at 816-926-1714
- MSD, Property Operations Branch at 202-720-7005.

Disposal Date	Distribution
January 1, 2006	State Offices; State Offices relay to County Offices

2 Action

A Classifying Personal Property

State and County Offices are reminded to classify existing or new acquisitions of personal property according to the following table.

Classification	Criteria
Capitalized	unit acquisition cost of \$25,000 or more and software with the unit acquisition cost of \$100,000 or more
Accountable	unit acquisition cost between \$5,000 and \$24,999
Sensitive	only guns and ammunition, acquisition cost of \$200 or more
Controlled	not capitalized, accountable, or sensitive but must be properly controlled and managed

Exception: CCC has determined that all State and County Office Automation Project (SCOAP) equipment was capitalized when it was initially acquired. Therefore, SCOAP equipment will continue to be carried on the Property Management Information System (PMIS) regardless of each item’s unit acquisition cost.

B Conducting and Completing Physical Inventories

Prepare for physical inventory by doing the following.

- Before starting inventory, make necessary corrections and additions to update PMIS. Promptly process all transaction documents to ensure that all property in the pipeline is included in the inventory.
- Coordinate inventory schedules with personnel involved in the inventory process.
- Establish inventory schedules with beginning and ending deadline dates.
- Minimize removing personal property items from the custodial location until completing inventory.

Notice AS-2077

2 Action (Continued)

B Conducting and Completing Physical Inventories (Continued)

Conduct physical inventory by doing the following.

- Generate and print the Personal Property Physical Inventory 350 Report from PMIS.

To produce the:

- State Office inventory, use the entire Accountable Officer's (AO) code
- State and all County Office inventory, use the Property Management Officer number which is identified by the first 2 numbers of the AO code.

Example: 01FA01213000ST

Note: This report only includes capitalized and accountable personal property.

- Conduct a room-by-room check of all personal property listed on the 350 report and make necessary adjustments (additions, transfers, deletions, etc.). Ensure that appropriate documentation such as completed FSA-951's are on file to support adjustments.
- Count all controlled personal property (chairs, tables, workstations, etc.) items under \$5,000. Maintain controlled property inventory on FSA-950.
- County Offices must record all their personal property on FSA-950's and submit a copy to the State Office. Do **not** list capitalized and accountable property on the same FSA-950 that lists controlled property.

State Offices must:

- certify that a complete physical inventory was conducted of all personal property in their accountable area
- send a copy of the certification statement to PMB, as quickly as possible, after the inventory is completed by either of the following:
 - FAX to 816-926-2835, Attn: Verda Gibson, Mail Stop 8388
 - mail to: FSA
Attn: Verda Gibson - PMB
Mail Stop 8388
PO Box 419205
Kansas City, MO 64141-6205.

Note: To keep the inventory status current, complete and certify inventory on or before the last inventory date shown in PMIS.

2 Action (Continued)

C Updating PMIS Property Records

State Offices must update PMIS records for all FSA and CCC-owned capitalized, accountable, and sensitive property within the State Office and each of the County Offices.

Record and maintain only capitalized, accountable, and sensitive property records in PMIS. Each record must contain the following information:

- detailed description
- serial number
- acquisition unit cost
- accounting classification information
- accountable officer number
- location.

After completing and certifying the State and county inventories, change the last inventory date shown in PMIS according to the following instructions:

- access the Administrative Menu
- select "3" (Transaction Menu)
- select "5" (AO Inventory Update)
- enter "AO number" to be updated
- change "date of last inventory" to the most recent physical inventory date.