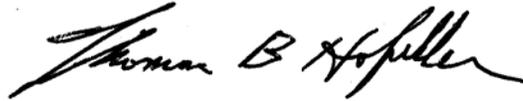


**For:** State and County Offices

**State Office Biennial Physical Inventory Requirement**

**Approved by:** Associate Administrator for Operations and Management



**1 Overview**

**A Background**

State biennial inventories **must** be completed according to the Department of Agriculture Property Management Regulation and the Property Management Sustainable Process. The physical inventory regulations under 7 CFR subpart 104-51.106 are accessible at [www.usda.gov/da/property/agpmrn.pdf](http://www.usda.gov/da/property/agpmrn.pdf). The Property Management Sustainable Process was established for accountability and to produce a timely, valid, and reliable inventory for the Under Secretary to certify.

**B Purpose**

This notice provides:

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

**C Contacts**

If there are questions about this notice, State Offices shall contact either of the following employees in MSD, Kansas City Administrative Services Branch, Property and Facilities Management Section (PFMS):

- Verda Gibson by telephone at 816-926-1517
- Alease Williams by telephone at 816-926-2608.

Disposal Date	Distribution
January 1, 2009	State Offices; State Offices relay to County Offices

**Notice AS-2144**

**2 Action**

**A Classifying Personal Property**

State and County Offices are reminded that existing or new personal property acquisitions are to be classified as 1 of the following.

<b>Classification</b>	<b>Criteria</b>
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>
Accountable	Unit acquisition cost between \$5,000 and \$24,999.
Sensitive	<b>Only</b> guns ammunition with unit acquisition cost of \$200 or more.
Controlled	<b>Not</b> capitalized, accountable, or sensitive, but <b>must</b> be properly controlled and managed.

**Exception:** CCC has determined that **all** SCOAP equipment was capitalized when it was initially acquired; therefore, SCOAP equipment will continue to be carried on the Property Management Inventory System (PMIS) regardless of each item’s unit acquisition cost.

**B Conducting and Completing Physical Inventories**

Prepare for physical inventory according to the following table.

<b>Step</b>	<b>Action</b>	
1	<b>Before</b> 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.	
2	Coordinate inventory schedules with personnel involved in the inventory process.	
3	Establish inventory schedules with beginning and ending deadline dates.	
4	Minimize removal of personal property items from the custodial location until completion of inventory.	
5	State Offices shall generate and print the Personal Property Physical Inventory 350 Report by Property Management Officer (PMO) from PMIS, and distribute to County Offices.	
	<b>TO create the...</b>	<b>USE...</b>
	State Office inventory <b>only</b>	entire Accountable Officer (AO) code.
	State Office and all County Office inventories	PMO number identified by first 2 numbers of AO code.  <b>Example: 01FA01213000ST</b>  <b>Note:</b> This report only includes capitalized and accountable personal property.

**Notice AS-2144**

**2 Action (Continued)**

**B Conducting and Completing Physical Inventories (Continued)**

<b>Step</b>	<b>Action</b>
6	Conduct a room-by-room inventory of <b>all</b> personal property listed on the Personal Property Physical Inventory 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.
7	Count all <b>controlled personal property</b> (chairs, tables, workstations, etc.) items with unit acquisition costs under \$5,000. Maintain controlled property inventory on FSA-950.
8	<p>County Offices:</p> <ul style="list-style-type: none"> <li>• <b>must</b> record <b>all</b> personal property on FSA-950 and submit a copy to the State Office</li> <li>• may record capitalized and accountable property on the same FSA-950</li> <li>• shall record controlled property on a separate FSA-950.</li> </ul>
9	<p>State Offices <b>must</b>:</p> <ul style="list-style-type: none"> <li>• certify that a complete physical inventory was conducted for <b>all</b> personal property in their accountable area, including SCOAP</li> </ul> <p style="padding-left: 40px;"><b>Note:</b> All other IT equipment is managed and inventoried by USDA, OCIO, ITS.</p> <ul style="list-style-type: none"> <li>• send a copy of the certification statement to PFMS as soon as the inventory is completed, by either of the following: <ul style="list-style-type: none"> <li>• FAX to 816-926-1782, Attn: Verda Gibson, Mail Stop 8388</li> <li>• mail to FSA, MSD, KCASB, PFMS, Attn: Verda Gibson Mail Stop 8388 PO Box 419205 Kansas City MO 64141-6205.</li> </ul> </li> </ul> <p><b>Note:</b> To keep the inventory status current, inventories <b>must</b> be completed and certified <b>on or before</b> the <b>last inventory date</b> displayed in PMIS.</p>

Notice AS-2144

2 Action (Continued)

C Updating PMIS Property Records

Update PMIS records according to the following table.

Step	Action
1	Promptly process all transaction documents and update PMIS records for all FSA- and CCC-owned capitalized, accountable, and sensitive property located within the State Office and each of the County Offices.
2	Record and maintain <b>only</b> capitalized, accountable and sensitive property records in PMIS.  <b>Note:</b> Each record <b>must</b> contain the following information: <ul style="list-style-type: none"><li>• accountable officer number location</li><li>• accounting classification information</li><li>• acquisition unit cost</li><li>• detailed description</li><li>• serial number.</li></ul>
3	<b>After</b> completing and certifying State and County Office inventories, change the last inventory date displayed in PMIS as follows: <ul style="list-style-type: none"><li>• access Administrative Menu</li><li>• select “3”, “Transaction Menu”</li><li>• select “5”, “AO Inventory Update”</li><li>• enter AO number to be updated</li><li>• change Date of Last Inventory to the most recent physical inventory date.</li></ul>