

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 completed according to USDA’s Property Management Regulations and Property Management Sustainable Process.

The physical inventory regulations under Chapter 110 - Agriculture Property Management Regulations Subchapter N, Property Management Part 110-50 are available at <http://www.dm.usda.gov/property/AGPMR%20Part%20110-50%20-%20Property%20Management.pdf>.

The Property Management 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 the following:

- reminder about the biennial physical inventories that are due in calendar year 2013
- personal property classification standards
- instructions to State and County Offices for conducting and completing physical inventories
- instructions for managing controlled property.

Disposal Date	Distribution
January 1, 2014 4-30-13	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C Contacts

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

- James (Mike) Brown by either of the following:
 - e-mail at **james.m.brown@kcc.usda.gov**
 - telephone at 816-926-7747
- Lawanda Rayfus by either of the following:
 - e-mail at **lawanda.rayfus@kcc.usda.gov**
 - telephone at 816-926-3641.

2 Action

A Classifying Personal Property

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

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

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

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2 Action (Continued)

B Conducting and Completing Physical Inventories

Prepare physical inventory according to the following.

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

Step	Action	
1	Before starting inventory, ensure 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 beginning and ending deadline dates.	
4	Minimize removing personal property items from the custodial location until completing inventory.	
5	State Offices shall generate and print the Personal Property Physical Inventory PROP-350 Report by Property Management Officer (PMO) from PMIS/PROP and distribute to County Offices.	
	To create...	Use...
	State Office inventory only	entire Accountable Officer (AO) code.
	State Office and all County Office inventories	PMO number identified by first 2 numbers of AO code. Example: 01FA01212000ST Note: This report only includes capitalized and accountable personal property.
6	Conduct a room-by-room physical inventory of all personal property listed on the PROP-350 Report and complete the following actions:	
	<ul style="list-style-type: none"> • make necessary changes (additions, transfers, deletions, etc.) by manually recording (write on report) property found in the office above \$5,000, but not listed on the report • line through property listed that is no longer in the office • ensure appropriate documentation, such as completed FSA-951's or purchase/receipt documents are included to support changes. 	

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2 Action (Continued)

B Conducting and Completing Physical Inventories (Continued)

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

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2 Action (Continued)

C Submitting Documentation

Submit documentation to PFMS by either of the following methods:

- FAX to 816-823-2950, Attn: James (Mike) Brown, PFMS
- mail to:

USDA, Farm Service Agency
Attn: James M. Brown – PFMS
Beacon Facility – Mail Stop 8378
9240 Troost Avenue
Kansas City, MO 64131-3055.