

Hello and welcome to module one of Asset Management 101. I'm Gwen Rush, Property Management Specialist from the National Operations Center. Asset Management is a core business function that manages through established policies and procedures the organization's financial investment in personal property, real property and fleet. This course focuses on the personal property portion of the bureau's asset management function.

Personal property management is the process and system for controlling the acquisition, receipt, storage, issue, utilization, maintenance, protection, accountability and finally disposal of personal property to best satisfy the bureau program needs. In this module we are going to go over the foundation of the property management system. We will be covering the laws and regulations that govern asset management and the objectives of the personal property management program. You will learn about the organizational structure and find out who does what. There are plenty of definitions that you will need to learn and by the end of this module you will understand the various roles and responsibilities of the employees that have a part in asset management. If you are the property manager or asset manager, you are responsible for the life cycle management of the bureau's personal property. Besides personal property you may be responsible for fleet and heavy equipment which also include property owned by General Services Administration or assets owned by other federal agencies that support the bureau's infrastructure. Now let's talk a moment about the laws regulations governing personal property management.

What are the authorities for property management and where do they come from? We are going to go over the most often referenced regulations and guidance. The laws are dictated by congress and are written in the form of an act, executive order or regulation. You will be learning about the property management administrative services act of 1949 which is where our property laws or found. The Stevenson-Wydler Act allows for colleges and universities to pick up scientific and technical property, the Federal Acquisition Regulation or FAR governs the contracting process and the Federal Management Regulation or FMR is where our specific laws and regulations concerning property are and finally executive order 12999 better known as computers for learning allows schools to acquire computers and computer related equipment from the government.

These laws cannot be changed or altered by an agency of the government. However, we as an agency may write additional regulations pertinent to our mission. The Department of Interior has regulations in the form of manuals such as 410 DM 114. Additional regulations may be more stringent than congressional regulations but may not contradict or reverse a congressional law. A bureau or office may write additional regulations as well and these regulations pertaining to the bureau or office may be more stringent than the agency regulations but again may not contradict or reverse an agency regulation.

BLM Manual 1520 is the BLM's manual governing personal property management. It includes delegations of authority and establishes our sensitive property list and accountability thresholds. BLM guidebook G-1520-1 gives us the processes to carry out personal property management. The personal property home page contains everything you ever wanted to know about personal property and fleet management.

Now let's talk about the objectives of the personal property management program. They are to establish and promote management and accountability for the bureau's assets through sound personal property principles and policies. They establish systems and procedures to supply, maintain, account and dispose of personal property as well as reutilize or acquire needed supplies and services based on the best value to the government. They also ensure the effective practical protection use and control of personal property managed by the bureau to prevent waste, fraud and abuse.

Now to meet this objective receiving officers must document the inspection acceptance and receipt of personal property. Administrative personnel must process receiving reports to ensure payment to vendors within the timeframe specified in the Prompt Payment Act and in accordance with procurement or contract terms. Administrative personnel must identify government property upon receipt by marking it as such. Subsidiary records must be maintained to identify property and reconcile with the general ledger accounts. Managers must

ensure government assets in their control are managed and tracked. Both managers and employees must use maintenance utilization and disposal standards in their business decisions. Managers must review the circumstances regarding loss, damage or theft of government owned personal property in a timely manner and document their findings. Available excess and surplus property programs must be used in the acquisition of personal property whenever cost effective. Excess and surplus personal property must be transferred or disposed of timely and replacement schedules are established to ensure saving on exchange, sales or trade-ins of personal property. Managers must provide the most economical and efficient means of transportation with respect to safety, program requirements and energy consumption. The objectives are pretty lengthy and get into quite a bit of detail about managing personal property.

Now maybe you can take a stab at writing your own brief objective of the program. What is the main thread or thought that runs through these objectives? A correct answer might be; personal property management is the system of accountability to protect assets from loss. Next we are going to talk about the most basic definitions in asset management which are ownership, accountability and responsibility.

Throughout this training and in your job as property manager, you will be hearing the terms ownership, accountability and responsibility. These words are often a source of confusion. A lack of standard semantics can cause problems when the

relationships and responsibilities between the organization, property and people are unclear. Ownership is having legal or rightful title to the property. Property is either owned, leased or on loan to the bureau. Ownership is directly assigned to the accountable office who acquired the property and on whose books or inventory the property is listed. Ownership of property allows the owner to make any and all decisions regarding the property within the constraints of the laws and regulations. Ownership remains with the bureau until a disposal action occurs that transfers the ownership to an approved entity outside of the bureau. Accountability and ownership are often used interchangeably, however the ultimate accountability for bureau property is placed on the accountable officer who procured or acquired the property. The bureau of land management is the owner of the property because congress appropriated funds to the bureau for the purchase but the accountable office is the bureau office that dispersed the funds from their portion of the appropriated funds to procure the property.

Annual inventories are performed in each accountable office and the accountable officer must sign and acknowledge control of their property. An outgoing accountable officer must request an inventory of all property that he or she is accountable for at the time of their departure and the inventory must be reconciled prior to the arrival of the new accountable officer. The new accountable officer must approve the inventory of property they are assuming accountability for and sign a letter of acceptance for the accountability of the property. Responsibility implies a trust or obligation for the property. The

employee to whom the property has been assigned is ultimately responsible for property although he or she may not have physical custody of the property. The Custodial Property Officer or CPO is responsible for property assigned to employees in his or her branch or division. The Cognizant Employee is in physical possession of the property and is therefore also responsible for the property items they physically have in their possession. A Cognizant Employee will be asked to sign a DI-105 receipt for property by the CPO to note responsibility and location of property. The Cognizant Employee may loan property to another employee but must have the recipient also sign a DI-105 receipt for property to ensure the responsibility is shifted to the employee who has the physical custody. Failure to follow through with a signed receipt of property may result in financial liability to the Cognizant Employee if the property is lost or damaged due to the negligence of another employee who has physical custody with no signed receipt or property.

To summarize, ownership is having legal or rightful title to the property. Property is either owned leased or on loan to the bureau. Accountability and ownership are often used interchangeably, however the ultimate accountability for bureau property is placed on the accountable officer who procured or acquired the property. Responsibility implies a trust or obligation for the property. The employee to whom the property has been assigned is ultimately responsible for the property although they may or may not have physical custody of the property.

Okay let's continue with more definitions that you will encounter in asset management. First and foremost, personal property or assets defined as federally owned or leased equipment provided by BLM to each employee to perform their assigned duties. This includes all property, materials and supplies unless they are incorporated in or permanently affixed to real property.

Examples of personal property are computers, vehicles and heavy equipment, motorcycles, ATVs, trailers, boats, desks, file cabinets, chairs, GPS units, cell phones or blackberries; the list can go on and on but you get the idea. We are not talking about land or buildings but basically everything else. Accountable property is any asset purchased leased or acquired in any fashion by the bureau for operational use.

Depending on the dollar value of the asset, different levels of accountability apply. In general you will often hear the accountability threshold referred to as five thousand dollars but there are various thresholds that require you to account for the assets in different ways. Capitalized property are assets with an acquisition cost of fifteen thousand dollars or more. These assets require monthly reconciliation to the applicable general ledger account. A motor grader would be a good example of capitalized property. Non-capitalized property are assets with an acquisition cost between five thousand and fourteen thousand nine hundred and ninety-nine dollars. This type of asset must be recorded and tracked in the personal property management system but is not carried in the general ledger. Some examples would be trailers, ATVs and things like that.

Next we have bureau sensitive personal property which is personal property at any dollar value that requires accountability because of susceptibility or high probability of theft, misappropriation or misuse. Another reason to designate as sensitive property is the scarcity of the asset or the criticality to mission accomplishment. This type of asset must be recorded and tracked in the personal property management system. Computers, GPS units, radios; these are some examples of bureau sensitive personal property. Local managed property are assets with an original acquisition cost under five thousand dollars and are not considered sensitive property that I just mentioned. Locally managed property must be physically marked with a BLM triangle or sticker to identify the property as BLM owned. It is not recorded in the property system. What is not considered personal property are expendable items such as paper, pens and other office supplies, records of the federal government and real property which is land, buildings or permanent fixtures. Next we'll move on to who actually is responsible or accountable for property.

Accountable Officers are responsible for ensuring accountability of personal property items in their areas of accountability; that accurate personal property records are maintained, that custodial officers are designated and that all employees are aware of their roles and responsibilities and personal liabilities resulting from improper use and care of items assigned to them. The accountable officer encourages best practices in managing the bureau's assets by all managers in the office. He or she also ensures the integrity of the asset

management program in their office by providing appropriate security, warehouse management and checks and balances to safeguard all assets. The BLM director, a state director or district manager might be the accountable officer for their office. Custodial Property Officers are the local operating officials responsible for ensuring individuals within their area of responsibility acquire, maintain and properly use property needed to perform their duties and identify unneeded property for disposal. Sub-custodial officers may be designated by custodial officers under their organizational area of responsibility to assist them in fulfilling their responsibilities. Cognizant Employees are employees who use personal property. They must maintain custody and care for property assigned to them and report any damage or loss immediately.

Who actually accomplishes the work of property management in our agency? As a property manager you are a part of the BLM asset management organizational structure. You should be familiar with this structure to ensure effective communication. The BLM director is responsible for the overall management of the BLM personal property program. The Deputy Director is authorized to act for the director in all phases of BLM personal property management. BLM Senior Asset Manager is the assistant director for business and fiscal resources directorate in Washington D.C. The Bureau Property Officer is responsible for providing bureau policy and guidance for effective personal property management. This position is located in the branch of asset management in the business resources division at headquarters. This branch includes both the

property management and engineering functions. The bureau operational component of asset management is located within the Division of Business Services Property Operations Section at the National Operation Center in Denver. The property section is responsible for providing business services, data and information to all bureau employees including technical and process assistance. Field Offices including state offices have a variety of operational staff spread throughout their organizations that provide on the ground asset management such as facility managers, engineering technicians, property staff, recreation technicians and planners, fleet managers, warehouse staff, campground hosts and partners or friends of the organization. The Administrative Officer or Business Manager is responsible for the management of all local office business, strategic and tactical program goals including property. This position supervises the property manager. The Administrative Officer ensures safeguards and processes are in place to properly manage the receipt, storage and disposal of all assets and to prevent loss, damage or theft. They perform checks on the warehouse or ware yard, receiving procedures and storage procedures to ensure the appropriate management of assets. They ensure the annual inventory is properly performed and appropriate actions are documented and updated. Asset Managers are responsible for ensuring effective property management in their respective state by communication and field office reviews of property management processes. Property Managers are responsible for the receiving, controlling and disposing of property assigned

within their accountable office. Property managers are the main point of contact for anything to do with property.

Specifically here is a list of the types of duties you will be performing in a property manager role. Receive personal property when it's delivered. Validate the shipment with the order. Assign a property number if needed and affix a BLM triangle on the property. Enter the property information into the property system. Ensure the warehouse procedures are adequate to receive, safeguard and issue personal property. Assist the Custodial Property Officers during inventory and at the end of the life cycle prepare the appropriate documents to dispose of property. Prepare reports of survey and obtain supporting documentation for any personal property damage or loss.

Now Receiving Officers are designated by the accountable officer to officially certify receipt of personal property and a Contracting Officer's role in asset management is to ensure appropriate property clauses are included in the contracts and agreement delineating contractor responsibility and liability for government property according to the Federal Acquisition Regulation or FAR. Contracting Officers representatives as they relate to property are pro- appointed by the Contracting Officer and are responsible for inspection, certification and correspondence to the appropriate Receiving Officer for contracts and agreements involving government owned property.

Now that we have discussed the roles and responsibilities; let's move into the last topic we want to cover in this module; the life cycle of an asset. Property has a life cycle, a beginning and an ending or a cradle to grave process. Your duties may include all of the property in life cycle stages or you may share some of the responsibilities with other employees. Let's take a look.

Here are the five stages to the life cycle of a property item; requirements determination, acquisition, receiving, inventory and accountability and finally disposal. Click on each topic to get a brief description of what each of these stages is about. Requirements determination is the first stage of asset management. Planning for upcoming property requirements during the budget process each year can be very cost effective to take advantage of special buys, excess acquisition and consolidated buys. Acquisition of personal property can be obtained from underutilized or available property within your office, the bureau or other DOI offices or by obtaining other federal agencies' excess property. Available and excess acquisition provides an immediate cost savings to your office because the only expense is in the shipping or travel to pick up the property. Excess property can be found by searching the General Services Administration web site for all federal agency reporting and screening. When excess property cannot be found to meet the need, the item needs to be purchased through a Contracting Officer. All acquisitions of property must be inspected before being accepted by the government to ensure the items conform the specifications of the contract or purchase order. Throughout the life of the

property, you are required to conduct an inventory on an annual basis to ensure accountability for the bureau's assets. Disposal is the process of getting rid of an asset when it's no longer serviceable or needed. There are many options for disposing of property. In addition we'll cover what happens when an asset is damaged or lost. We still need to account for that property, determine liability and ultimately remove the asset from the books.

Now you have a general idea of what personal property management is all about. As we go through the next five modules of this training we will be going into detail on each of the five stages to prepare you to perform the tasks necessary to manage your organization's assets.