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## **PART 110-50 - PROPERTY MANAGEMENT**

### **110-50.000 Scope of Part.**

This part prescribes authorities, policies and related departmental requirements governing the management of real and personal property as provided by Chapter 102 of the Federal Management Regulations (FMRs).

The authorities for these regulations are contained in:

- (a) Title 40 USC – the recodification of the Federal Property and Administrative Services Act of 1949, as amended.
- (b) The General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, Title 2.
- (c) Code of Federal Regulations, 7 C.F.R. 2.24.
- (d) Debt Collection Act of 1982.

### **Subpart 110-50.001 - Definitions**

#### **110-50.001-1 Accountable Property.**

**Real Property** – All owned real property with an acquisition cost of \$25,000 and above and all leased or assigned real property.

**Personal Property** – All capital leases (this would exclude operating leases for personal property) and all owned personal property having an acquisition cost of \$5,000 or more, and any item valued at less than \$5,000 but determined by an Agency Property Management Officer (APMO) to be sensitive. (See AGPMR [110-50.001-18](#) for definition of leases.)

#### **110-50.001-1a Capitalized Property.**

**Real Property** – All property with an initial acquisition cost of \$25,000 or more. All other property is classified as non-capitalized.

**Personal Property** – All Property that meets the following criteria:

- (1) It must be of durable nature;
- (2) It must have a useful life of 2 or more years once placed into service; and
- (3) Its initial acquisition cost must be \$25,000 or more, or \$100,000 or more for internal use software. All other personal property not meeting these criteria is classified as non-capitalized.

### **110-50.001-2 Controlling Agency.**

The officially designated agency authorized to hold custody of real and personal property for the United States Government. The agency exercises immediate assignment control over the use and occupancy of such property. Controlling agency does not include an agency that has granted a permit or other right to another agency to assume custody.

### **110-50.001-3 Depreciation.**

The rational and systematic method of allocating the cost of an asset over its estimated useful life.

### **110-50.001-4 Gross Negligence.**

A conscious and voluntary disregard of the need to use reasonable care, which is likely to cause foreseeable grave injury or harm to persons, property, or both. It is conduct that is extreme when compared with ordinary Negligence, which is a mere failure to exercise reasonable care.

### **110-50.001-5 Maintenance.**

The routine recurring work required to keep property in substantially original condition. It may include replacement of parts, materials or equipment.

### **110-50.001-6 Betterment.**

Changes made to property by substituting superior parts for inferior parts, the objective of which is to make the basic unit more useful or to extend its service life.

### **110-50.001-7 Official Property Records.**

The set of property records used for property management control and accountability. Official property records can be stored either electronically or on hard copy. Duplicate records, however, should not be maintained. Information on the PMIS/PROP and CPAIS-RP databases are considered official.

**110-50.001-8 Property Management Information System (PMIS).**

An automated database management system that provides managers with personal property inventory control and accountability on a nationwide basis. PMIS has three subsystems for personal property: (1) PROP (property), (2) EMIS (motor vehicles) and (3) SPIN (supplies).

**110-50.001-9 Repairs.**

Expenditures or labor, not limited to outside sources, required to keep property in operating condition suitable for its intended use.

**110-50.001-10 Sensitive Personal Property.**

Any item of accountable property valued less than \$5,000 which is highly susceptible to loss or theft as defined by the Agency Property Management Officer.

**110-50.001-11 Custodian.**

The employee who has been assigned personal property for their use.

**110-50.001-12 Additions.**

A part added to a building or structure in such a manner as to become a part thereof.

**110-50.001-13 Improvements.**

Buildings, structures, and facilities located on land.

**110-50.001-14 Leasehold Improvements.**

Easements, rights-of-way, and improvements to land, buildings, or structures, and facilities occupied and paid for by the agency as lessee. This definition does not include the cost of any Government-owned buildings, structures, and facilities placed on land by an agency.

### **110-50.001-15 Public Domain.**

Lands which have never left Federal ownership; also lands in Federal ownership which were obtained by the Government in exchange for public lands or for timber on such lands; original public domain lands which have reverted to Federal ownership through implementation of public land laws.

### **110-50.001-16 Real Property.**

For the purpose of this part, real property is any interest of the United States Government in land, buildings, or structures, including any permanently attached fixtures, appurtenances, and improvements of any kind located thereon. The definition prescribed in FMR [102-71.20](#) is for application in the utilization and disposal of real property.

### **110-50.001-17 Resource Improvements.**

Expenditures made for the primary purpose of increasing the value of the land through reforestation, range revegetation, timber stand improvement, and the propagation of seed and tree planting stocks.

### **110-50.001-18 Leases.**

The proper classification of a lease is determined by the circumstances surrounding the transaction. According to Statements of Financial Accounting Standards #13 ([SFAS 13](#)), Accounting for Leases, if substantially all of the benefits and risks of ownership have been transferred to the lessee, the lease should be recorded as a capital lease. Otherwise, the lease should be recorded as an operating lease.

### **110-50.001-19 Personal Property.**

Property that is not classified as either real property or Federal Government records and includes all equipment, materials, and supplies.

## **Subpart 110-50.1 - Authorities and Responsibilities**

### **110-50.101 Authority and Responsibility of the Director, Office of Procurement and Property Management.**

The Director, Office of Procurement and Property Management (OPPM), is responsible for the promulgation of departmental policies, standards, techniques and procedures pertaining to the acquisition, leasing, utilization, value analysis, construction, maintenance, and disposal of real and personal property, including control and use of space assignments.

### **110-50.102 Department Property Management Officer.**

The Chief, Property Management Division, is the Department's Real and Personal Property Management Officer and has responsibility for the development of policies, procedures and standards for the effective acquisition, maintenance, utilization, and disposal of real and personal property throughout the Department.

### **110-50.103 Agency Property Management Responsibilities.**

Each Agency/Office Head is responsible for the effective implementation of a property management program to ensure maximum utilization of department property, operation of adequate inventory control and accountability systems, proper disposal of unneeded assets, and adequate security for government resources.

### **110-50.104 Agency Property Management Organization.**

Each Agency/Office Head will provide resources to accomplish the following property management tasks:

- (a) Maintain accurate and complete property records using the departmental property system of record.
- (b) Conduct physical inventories of accountable personal property at least every two years.
- (c) Survey agency property on a continuous basis and reassign underutilized items to other units within the agency for maximum usage.
- (d) Effect prompt determinations of excess and refer such property for departmental and federal screening and subsequent disposal.
- (e) Execute correct disposal of property eligible for abandonment or destruction.
- (f) Screen for available excess property from other departments/agencies/offices rather than make new procurements.
- (g) Ensure adequate security of government resources.

- (h) Provide adequate training for property management personnel.
- (i) Report lost, stolen or damaged property immediately on Form AD-112, Report of Unserviceable, Lost, Stolen, Damaged or Destroyed Property.
- (j) Establish controls for property being used by or in the possession of contractors or cooperators.

#### **110-50.105 Agency/Office Property Management Officers.**

Each Agency/Office Head will designate Agency/Office Property Management Officers (PMO) to serve as a departmental contact for Agency/Office Property Management Programs. The PMO will be appointed at levels in the agency/office to implement its programs and to make initial determinations regarding apparent gross negligence. The PMO will be in a managerial position and must be at least one organizational level above the employee for which they make a recommendation concerning liability.

#### **110-50.106 Accountable Property Officers.**

Each Agency/Office Head will designate managers to act as Accountable Property Officers (APO). The APO must ensure that all procedures are followed in accordance with the FMR, AGPMR, and NFC procedures manual for those agencies that have responsibility and accountability for real or personal property. The APO must also ensure that employees have the necessary resources to adequately secure equipment for which they have responsibility.

#### **110-50.107 Employee/Custodian Responsibilities.**

USDA employees are directly responsible for the use and protection of Government property assigned to them, and will be held financially responsible in cases of gross negligence. Whenever property is lost, stolen, damaged or destroyed, the employee will prepare a Form AD-112, Report of Unserviceable, Lost, Stolen, Damaged or Destroyed Property, and submit it to their appropriate APO for further action. An employee charged with gross negligence has the right to appeal under the hearing process prescribed by USDA regulations concerning debt collection found in [7 C.F.R. 3.50-3.62](#). Agencies may impose stricter standards for sensitive items (e.g., weapons, badges, etc.).

#### **110-50.108 PMO Actions on Lost, Stolen, Damaged or Destroyed Property.**

Upon receipt of a Form AD-112, if the APO indicates property in the categories of lost, stolen, damaged or destroyed, the PMO will consider both circumstances and evidence to determine if there appears to be gross negligence involved. Should the PMO relieve an employee of liability, the Form AD-112 is referred to the property and fiscal officers for inventory adjustments. However, should the PMO determine that gross negligence is apparent, the Form



AD-112 and associated documentation will be referred to the agency head or their designee for consideration of appropriate action under the Debt Collection Act. Cases of lesser negligence may be referred to agency personnel officials for consideration of disciplinary action.

#### **110-50.109 Removing Property from Government Offices.**

All employees in the Washington, DC area are required to follow the procedures set forth in [DR-5200-001](#) for removing property from a Government owned or leased building. In offices that do not fall under the procedures listed above, the APO should use Form AD-873, Property Pass or OF-7 Property Pass to authorize removal of property from Government space.

#### **110-50.110 Liability of State Employees Using Government Property.**

State/Cooperative agreements should provide for the State to assume liability for Federal property in its possession.

### **Subpart 110-50.2 - General Provisions - Real Property**

#### **110-50.201 Scope of Subpart.**

This subpart promulgates Department policy and general regulations applicable to more than one phase of real property management.

#### **110-50.202 Department Policy.**

Only such real property as is needed for effective program operations should be acquired and then only after obtaining legislative authorization and such other clearances with appropriate committees of Congress as the circumstances warrant. Private property should be acquired or improvements constructed only if suitable Government owned facilities are not available (See AGPMR [110-73.255-5005](#), USDA Acquisition by Purchase or Exchange). First priority will be given to locating Department facilities and offices in rural areas with consideration to areas of persistent labor surplus. Similar field activities which serve the same geographical areas such as county, state, or region will be housed together in collocated offices (See [DR 1620-2](#), USDA Space Management Policy). Property held by this Department must be fully utilized and adequately maintained. Property no longer required must be promptly reported as excess or otherwise disposed of as authorized by law (See AGPMR [110-75.25](#), Utilization of Excess Property).

### **110-50.203 Intergovernmental Review of Department of Agriculture Programs and Activities.**

- (a) Agencies will coordinate all Direct Federal development projects in accordance with 7 C.F.R. 3015, Subpart V. Direct Federal development projects include: planning and construction of facilities and installations or other public works, the acquisition, use and disposal of real property, and granting of licenses and permits.
- (b) Agencies will consult with all state, area wide, regional and local clearinghouses on appropriate plans and projects, and will ensure that such clearinghouses are afforded an opportunity to review and comment on these activities. Consultation and project review will be in accordance with 7 C.F.R. 3015, Subpart V, and supplemental Department Regulations.
- (c) Direct Federal development projects that do not conform to state, area wide, regional and local plans will require departmental approval. Requests for approval will be submitted to the Director, Office of the Chief Financial Officer, Room 139-W, 1400 Independence Ave., S.W., Washington, DC 20250, Attention E.O. 12372.

### **Subpart 110-50.3 - General Provisions - Personal Property**

#### **110-50.301 Scope of Subpart**

This part prescribes policy, principles, standards and related requirements governing the accountability and control of property by agencies/offices of the Department.

#### **110-50.302 Use of Farm Service Agency Personal Property by FSA County Committees.**

The Farm Service Agency (FSA) may lend personal property for which it is accountable to FSA County Committees. The accountability, use and disposal of such property will be in accordance with Department and GSA regulations and as further prescribed by the Administrator, FSA.