

**EXECUTIVE ORDER NO. 100**

*Property Management Policies and Procedures*

**WHEREAS**, the Republic of Palau National Government has since its inception as a constitutional government followed Trust Territory of the Pacific Island Property management regulations. as well as a number of separate directives issued by the Minister of Administration; and

**WHEREAS**, there is and has been a need to develop comprehensive property management policies and procedures suitable to present circumstances, current good management practices, and reflective of the desires of this Administration;

**NOW, THEREFORE**, by the power vested in me as President under the Constitution and Laws of the Republic of Palau, I hereby proclaim and order that the attached Property Management Policies and Procedures are issued effective March 5, 1991.

**IN WITNESS, HERETO**, I have set my hand and affixed my seal this 5<sup>th</sup> day of March, 1991 in the State of Koror, Republic of Palau.

Ngiratkel Etpison

**REPUBLIC OF PALAU NATIONAL GOVERNMENT**  
**MANUAL OF ADMINISTRATIVE PROCEDURES**

SECTION 2400  
Property Control and Safeguard  
Effective: [sic]

2410 Authority and Purpose

2410.100-Authority These property management policies and procedures are authorized and promulgated by Executive Order No. 100 dated March 5, 1991.

The Minister of Administration may issue supplemental policies, procedures, and instructions as necessary insofar as they are presented to the President and are not disapproved within 21 days of presentation.

2410.200 - Purpose These policies, procedures, and responsibilities regulate the receipt, accountability, management, and record-keeping of personal property of the Republic of Palau National Government.

2410.300 - Applicability These policies and procedures apply to all personal property acquired by or held by the Republic of Palau National Government except for those governmental organizations exempted by law. Specific regulations are provided for National Museum property.

2415 Definitions

- (a) Accountable Officer - an employee designated as responsible for ensuring maintenance of property accountability records and for providing control over property assigned to a particular organizational entity.
- (b) Accountable Property - property for which accountability control records are maintained and which may or may not be charged to a fixed asset account. Accountable property includes all capitalized, non-capitalized, sensitive, leased or contractor held property with an original acquisition cost of \$100.00 or more. All museum property is accountable with no dollar limitation.
- (c) Acquire - to procure, purchase, or obtain government property in any manner, including transfer, excess, donation or forfeiture.
- (d) Acquisition Cost - the full cost of acquiring assets including handling, storage, packing, shipping, transportation, installation, and other related costs of obtaining the assets in their current form and location less discounts for prompt payments. Donated property will have an acquisition cost that is equal to the fair market value at the time of receipt.

- (e) Capitalized Property - non-expendable property, the acquisition cost of which is \$500.00 or more and charged to a fixed asset account. Museum property is not capitalized.
- (f) Contractor Inventory - any property acquired by or in the possession of a contractor or subcontractor under a contract, grant or other agreement pursuant to the terms of which title to the property is vested in the ROPNG.
- (g) Custodial Officer - the official under whose daily control and supervision the property is located. The official is responsible for ensuring that employees who are assigned such property exercise proper use, care, operation, maintenance, and safekeeping of all personal property under their control. A Custodial Officer reports to an Accountable Officer. (A Custodial Officer shall not be an Accountable Officer).
- (h) Expendable Property -
  1. property which is consumed, loses its identity or becomes an integral part of other property when put to use; and
  2. property which has an expected service life of less than one year, and
  3. property, while non-expendable, is considered expendable because of its high rate of breakage in service or because it has an acquisition cost of less than \$500.00, and is non-sensitive.
- (i) Loss - loss of, damage to, or destruction of property of the ROPNG.
- (j) Materials and Supplies - any item necessary for the maintenance, operation, and support of governmental activities without distinction regarding its use for administrative or operational purposes.
- (k) Museum Property - a collection of museum objects which are maintained so these objects can be preserved, studied or interpreted for the public benefit. Examples include prehistoric and historic objects, artifacts, works of art, archival documents, and natural history articles.
- (l) Non-Capitalized Property - includes expendable property and non-expendable property, the acquisition cost of which is less than \$500.00. The cost of this property is expended to the appropriate budgetary account.
- (m) Non-Expendable Property - property which has a continuing use, is not consumed in use, has an expected service life of one or more years and has an acquisition cost of \$100.00 or more.
- (n) Neglect and Negligence (Simple and Gross) -

1. Simple negligence is the failure or omission to observe, for the protection of the ROPNG's interests, that degree of care and vigilance which the circumstances justly demand, whereby the ROPNG suffers through loss, damage, or destruction of property.
  2. Gross negligence is an act of omission of the employee(s) which constitutes misconduct, willful negligence, or a wanton and reckless disregard for the property.
- (o) Personal Property - property of any kind or an interest therein except (1) real property, and (2) records of the Republic. Specifically, personal property includes all equipment, materials, supplies, and museum objects. It does not include property which is incorporated in, or permanently affixed to, real property.
- (p) Personal Property Management - a process for controlling the acquisition, receipt, storage, issuance, utilization, maintenance, protection, accountability and disposal of property.
- (q) Property Accountability - the establishment and maintenance of adequate property accountability records and safeguards to ensure effective control over property.
- (r) Property Management Officer - the senior management official (Chief of the Division of Property and Supply) who is responsible for the control and administration of personal property.
- (s) Real Property - relatively permanent in nature and stationary such as real estate, buildings, water lines, sewer systems, and bridges.
- (t) Receiving Officer (Depot Operations) - an individual(s) designated in writing by the Property Management Officer to receive all property at a location. The Depot operations personnel, Division of Property and Supply, are responsible for the receipt and inspection of personal property and for ensuring that required documentation is processed.
- (u) Responsible Employee - any employee who utilizes ROPNG property.
- (v) ROPNG - abbreviation for Republic of Palau National Government. Used in place of, or interchangeably with, "The Republic" or "Government".
- (w) Sensitive Property - property which is controlled by property records and which is determined to be sensitive by the high probability of its theft or misuse. It shall include, at a minimum, all firearms and proprietary programs or software.
- (x) Scrap - property which has no value except for its basic material content.

#### 2420 Property Control Responsibilities

2420.100 - Purpose This section outlines the system of personal property accountability to be established and maintained by the ROPNG. It establishes uniform nomenclature to be used in the assignment of personal property, management responsibilities, custody, and control.

2420.200 - Responsibilities

2420.210 The Minister of Administration - has the primary authority and responsibility for providing policy decisions, direction, supervision, oversight and guidance on all activities related to personal property in the Republic.

2420.220 The Property Management Officer (Chief, Division of Property and Supply)-is the operating official with the day to day responsibility for the property management program in the ROPNG. This official reports directly to the Director, Bureau of National Treasury. The duties of the official include, at a minimum, the following:

- (a) responsibility for implementing these regulations and providing guidance to all Accountable Officers:
- (b) responsibility for overall administration, coordination, and control of the personal property management program;
- (c) providing for the conduct of required inventories by the accountable officers; and
- (d) providing documentation to the Finance Office for all capitalized property.

2420.230 An Accountable Officer - will be appointed by the Minister of each Ministry and by other executive directors for their organizational entities. The Minister of Administration will be notified of each appointment. These officers shall be responsible for:

- (a) accountability and control of personal property within their respective entities.
- (b) ensuring compliance with property management regulations;
- (c) maintenance of all required accountability records in his/her area of responsibility and providing all required documentation to support entries, changes and deletions to the property system;
- (d) ensuring the proper and effective maintenance, control and safeguarding of property;
- (e) coordination with the Property Management Officer on the disposal of excess personal property;

(f) designation and appointment, in writing, of a Custodial Officer within the property accountability area to assist in the daily control of property. (Custodial Officer assignments will be required if the accountable area is so large as to require assistance or if the property is located at more than one location); and

(g) receipt of property from the Division of Property and Supply.

2420.240 Custodial Officers - are the operating officials under whose daily control and supervision the property entrusted to his/her possession is located. Their responsibility is to assist the Accountable Officer, as designated in writing, to discharge his/her responsibilities relative to the property management system.

2420.250 Receiving Officers - (Depot operations) are responsible for the receipt and inspection of all personal property received at a specific location. Other duties include:

(a) provision of required documentation indicating receipt of capitalized property to the Property Management Officer for transmittal to the finance office; and

(b) provision of required documentation to the Property Management Officer and Accountable Officers in order that the item received can be immediately placed on the property accountability records.

## 2430 Accountability

### 2430.100 - General Requirements

#### 2430.1 10 Scope -

(a) All non-expendable property acquired by and/or held by the ROPNG for which the original acquisition cost is \$100.00 or more shall be controlled in the property accountability system. Property with an acquisition cost of more than \$500.00 will be recorded in a general ledger (Fixed Asset) account as capitalized property.

(b) Sensitive property, regardless of dollar value, shall, at a minimum, be controlled in the property accountability records. All non-expendable and sensitive property shall be charged to an Accountable Officer immediately upon receipt of the property.

(c) Museum property is personal property and must be controlled and maintained as accountable property. However, because museum collections are generally not subject to depreciation but rather to appreciation, Museum property will not be capitalized in a general ledger control account.

(d) Proprietary programs or software, whether purchased off-the-shelf or developed

by the vendor for the ROPNG, will be considered as sensitive property and be subject to the same controls and accountability which are required for any sensitive property.

2430.120 Accountability - Property accountability remains fixed until an Accountable Officer is relieved of such accountability by one of the following:

- (a) transfer of accountability to another Accountable Officer;
- (b) transfer of excess property to another organization;
- (c) sale of property;
- (d) authorized condemnation, destruction, abandonment or donation;
- (e) Board of Survey procedures; and
- (f) termination of lease or loan agreement.

2430.200 - Restrictions on Uses

- (a) No officer or employee of the ROPNG shall use government property for other than official purposes except in emergency conditions such as situations threatening loss of life or property and disasters such as typhoons.
- (b) Government-owned personal property may be furnished for use only when specific authority exists to do so, and then only within the scope, purpose, and limitations as stated in the authority, purchase order, or memorandum of understanding.
- (c) Property including vehicles may not be used in or moved to an employee's residence or away from the workplace to which the property is assigned, unless specific written authority is granted by the Property Management Officer, and is not in conflict with other ROPNG policies. The written authority will indicate the period of time the employee is authorized such use, and specify the termination date of the authorization. Vehicles will be used for official purposes only and may not be moved to an employee's residence without specific authorization.
- (d) Non-Government-owned personal property shall not be installed in, affixed to, or otherwise made a part thereof of any ROPNG-owned personal or real property. This restriction does not apply to the use and installation of privately-owned decorative items or memorabilia to or in the work place.

2430.300 - Records

- 2430.310 ROPNG Property Records - must capture transactions affecting the government's investment in property, control physical quantities of property and its location, and enable periodic, independent verifications of accuracy of the accounting records through periodic physical counts, property management reviews, and physical inventories.
- 2430.320 General Ledger Account - The Bureau of National Treasury shall establish and maintain a system of general ledger control accounts (Fixed Assets) to properly account for all capitalized personal property for which title is vested in the ROPNG (including inventories of Government property which is held by non-Government entities).
- 2430.330 Property Accountability Records - ROPNG property accountability records must capture transactions affecting the Republic's investment in personal property acquired by purchase, transfer, or other means for which the original acquisition cost is \$100.00 or more. Accountable property will be subject to at least annual physical inventories and property accountability records reconciliation.
- 2430.340 Reconciliation of the General Ledger Accounts and Property Accountability Records - For capitalized property, it is necessary to maintain both a general ledger (Fixed Asset) account and a property accountability record. The total valuation of property reflected in each of these records shall be reconciled at least quarterly. Any adjustments necessary to bring these records into complete agreement shall be properly and adequately supported.
- 2430.400 - Capitalized Property
- 2430.410 The ROPNG - will account for all property items which have an acquisition cost of \$500.00 or more.
- 2430.420 General Ledger Control Account (Fixed Assets) - The original acquisition cost of capitalized property acquired and disposed of shall be reflected in a general ledger control account (Fixed Assets). Determination as to the items of non-expendable property which are to be capitalized shall be made prior to, or at the time the property received, and the cost thereof charged to the appropriate equipment account from the receiving report document. The general ledger control account, together with the property accountability records, shall provide a permanent record of the acquisition and disposition of all capitalized property, and shall provide the information needed for inventory control and management purposes.
- 2430.430 Property Accountability Records - For capitalized property in the custody of the ROPNG, the general ledger control (Fixed Assets) account for capitalized property shall be supported by detailed property accountability records to identify the items of property, the costs of which are charged to equipment accounts. Property accountability records shall be established from the receiving report, or



other documentation which indicates receipt, immediately upon notification of receipt of the property. These records shall be subject to both internal and external audit and all entries made therein must be supported by valid acquisition and disposal documents.

2430.440 Accountable Property in the Custody of Contractors, Grantees, or Others  
Accountability records shall be established and maintained for all ROPNG-owned property which is in the custody of a contractor, grantee, or others in accordance with the terms of any legal instrument. This property shall be subject to the same inventory, reconciliation, and management controls as any other accountable property held by the ROPNG. The Contracting/Grants Officers, or other authorizing officials, will be responsible for the accomplishment of the physical inventories of such ROPNG-owned property, and the reconciliation of any discrepancies revealed by such inventory.

2430.450 Quarterly Reconciliation of Accounts - The total value of capitalized property recorded in the property accountability records shall be compared with the related balances shown in the general ledger control account at least quarterly. Property records must be integrated with or reconciled with the related general ledger account. Any differences shall be documented, reconciled, and adjusted in accordance with sound accounting practices to bring the two records into complete agreement.

2430.500 - Non-Capitalized Property Property accountability records will be maintained for all non-capitalized property for which the acquisition cost is greater than \$100.00. General ledger control accounts are not required to be maintained for non-capitalized property.

#### 2430.600-Custody of Property

2430.610 Outgoing Personnel - When an Accountable Officer is to be relieved of accountability, the outgoing Accountable Officer is responsible for conducting a physical inventory of the property for which he/she is responsible and accountable. The incoming Accountable Officer shall assist if available. Any shortages or overages must be reconciled prior to departure. The incoming Accountable Officer shall be required to formally accept full accountability and responsibility for all property involved in the transfer.

2430.620 Relief of Custody - When a Custodial Officer is relieved of responsibility for personal property, it is the responsibility of the Accountable Officer to ensure that property entrusted to that individual is accounted for before his/her departure. This may be done by either requiring that the Custodial Officer have a physical inventory performed for the property for which he/she is responsible, or the Accountable Officer may require a written statement that all property entrusted to the Custodial Officer is accounted for.

## 2430.700 - Responsibility Records

2430.710 Non-Expendable Property - To document the responsibility for non-expendable property, an Accountable Officer shall sign the property record card upon receipt of the property from the Property Management Officer or another Accountable Officer. Certain items in common use, but not in the custody of any one employee, may be controlled by means of location records in lieu of the receipt for property procedure described herein, at the discretion of the Property Management Officer. Examples of items which can generally be controlled by use of location records are major shop equipment and office desks and file cabinets.

2430.720 Expendable Property - Responsibility records of the type prescribed in 2430.710 of this section for accountable property are not required to be maintained for expendable property. The ROPNG shall, however, ensure that appropriate safeguards and controls are established at the operating office level whenever experience at the location indicates that such action is necessary to guard against:

- (a) Excessive losses of any specific item,
- (b) Excessive purchases or withdrawals when compared to program requirements for any specific item, or
- (c) Use of property for other than official purposes.

2430.730 Property Clearance - Upon separation, transfer or reassignment of an employee, a physical inventory shall be taken of all property in the employee's custody.

## 2430.800 - Property Inventories

2430.810 The Property Management Officer (Chief, Division of Property and Supply) - is responsible for ensuring that the Accountable Officer(s) conducts the physical inventories. An Accountable Officer may delegate the conduct of the inventory to members of the property management staff, designated inventory items, or to other employees within the Accountable Officer's area of responsibility.

2430.820 Annual Physical Inventories - A complete physical inventory shall be conducted at least annually for the following categories of personal property:

- (a) capitalized property;
- (b) non-capitalized, non-expendable property; and
- (c) expendable materials and supplies.

At least once each year, a complete physical inventory shall be taken of all

expendable property. Materials, supplies and other expendable property carried as cupboard stocks (where the cost of the items has been charged to an expense account) shall be visually inspected as appropriate, to prevent over or under stocking and to ensure the disposal of unneeded items. Any inventory taken only once in a fiscal year shall be taken between September 15th and September 30th.

2430.830 Special Inventories

- (a) A physical inventory shall be taken of all accountable property in the custody of an individual employee upon his/her transfer or separation. Any items of property not properly accounted for at the time of transfer or separation shall be made the subject of a Report of Survey or Certificate of Unserviceable Property.
- (b) Special inventories may be required during audits, during changes of Accountable Officers, or as other circumstances arise requiring an inventory.

2430.840 Annual Inventory Reconciliation - The results of the annual and special physical inventories shall be compared with the quantities recorded in accountability records. Property records and the related general ledger accounts shall be brought into agreement based upon the results of physical inventories. Such adjustments shall be appropriately reviewed and documented.

2430.850 Inventory Report - After completing the physical counting, reconciliation and adjustment process, the Accountable Officer shall certify in writing to the Property Management Officer (Chief, Division of Property and Supply) that the physical inventories have been completed and that subsidiary property records reflect actual quantities on hand.

2440 Classification of Property

2440,100 - Classification

2440.110 The Property Management Officer - shall classify all items of personal property as expendable or non-expendable.

2440.120 Non-Expendable Property - shall be further classified to indicate whether it is to be capitalized, non-capitalized or treated as materials and supplies for physical and financial control purposes.

2440.130 The Property Management Officer - shall issue instructions to ensure that:

- (a) a listing of the non-expendable property items commonly used by the ROPNG will be developed indicating the classification placed on each item or each group of items.

- (b) the listing will be upgraded as new items not previously classified are acquired;  
and
- (c) the classification listing will be promulgated for use by all Accountable Officers.

#### 2440.200 - Criteria

- 2440.210 Determining Classifications - In determining the proper classification of the various items of non-expendable property, consideration shall be given to such factors as acquisition cost, expected useful service life, susceptibility to personal uses, nature of use, sensitivity, cost of maintaining accountability and/or responsibility records compared with cost of possible losses if such records are not maintained and any other factors which may have a bearing on the classification.
- 2440.220 Acquisition Cost - Any single item of non-expendable property having an original acquisition cost of \$500.00 or more shall be capitalized.
- 2440.230 Sensitive Property - shall be classified as accountable property if the acquisition cost is greater than \$100.00
- 2440.240 All Museum Property - shall be controlled through accessioning and cataloging procedures, regardless of value.
- 2440.250 Non-Expendable Property - Any single item of non-expendable property having an original acquisition cost of \$100.00 or more will be accounted for in the property records.

#### 2450 Receipt of Property and Services

2450.100 - Policy It is the policy of the Republic to document the receipt of all personal property, regardless of the method or source of acquisition. This includes, but is not limited to property which is acquired from commercial sources, fabricated in Government shops, donated recovered or obtained by transfer. Property received shall be recorded on a receiving report to:

- (a) provide a record of receipt;
- (b) provide a document of entry to the records and accounts; and
- (c) substantiate the disbursement voucher.

Appropriate receiving documents shall be prepared immediately upon receipt of the property.

#### 2450.200 - Basic Receiving Principles

2450.210 The Property Management Officer (Chief, Division of Property and Supply) - must observe certain basic principles and take specific actions when assigning the responsibility for receiving Government property and for documenting receipts. These are:

- (a) Designation of Receiving Officer - The Property Management Officer is responsible for designation of an individual(s) to receive all property. The personnel in Depot operations, Division of Property and Supply are assigned this responsibility. Under no circumstances will an employee(s) designated as Receiving Officer(s) have responsibility for the purchase of property.
- (b) Acknowledging receipt of property - The individual signing the receiving report shall be designated by the Property Management Officer in writing to receive property. The Receiving Officer is responsible for the receipt and inspection of personal property, and for ensuring that required documentation is present. The signature of the person receiving the property serves as certification that the property listed thereon have been received; it also serves as the basis for expending Government funds. The Receiving Officer is accountable for property received until such time as the item is received and placed on the accountable property records of the Accountable Officer.

2450.220 Establishing Initial Accountability for Property - The Accountable Officer assumes accountability for all property received when the shipment is accepted and he/she signs the Property Record Card. The Accountable Officer retains accountability for the item and shares this responsibility, if applicable, with the Custodial Officer to whom the item is assigned.

2450.230 The Accountable Officer - shall take immediate action to ensure that prescribed accountability records are established upon receipt of documents evidencing the receipt of such property.

2450.300 - Documentation of Receipts A receiving report shall be used to provide the documentation prescribed in this sub-part. The following documents also can be used to document receipt of property:

- (a) Receiving report - the receiving report copy of the purchase order, invoice, voucher, when such form is used to make purchases;
- (b) Repair form - copies of commercial shop repair order forms, provided that copies so used show appropriate accounting information and are signed by an individual sufficiently familiar with the equipment being repaired to certify that the parts and/or services listed thereon have been received; and
- (c) An accession receiving report - will be used to document receipt of museum property. A Deed of Gift, Loan Form, Loan Agreement, or Last Will and

Testament may also contain receiving information, and may be made a part of the Accession Receiving Report as appropriate.

## 2460 Identification of Personal Property

### 2460.100 - ROPNG Ownership Identification Markings

2460.110 Identification Policy - All ROPNG accountable property except that exempted as provided in Section 2460.120 shall be marked to identify it as ROPNG-owned.

### 2460.120 Exemption

- (a) Very small, delicate or precision apparatus, which cannot be marked in a permanent manner without damage to the property, is exempted from any requirement for marking or numbering. However, the numbers assigned to items of capitalized or sensitive property exempted in accordance with this section shall be recorded on the property accountability records covering such property.
- (b) Because permanent marking of museum property is potentially damaging, items of museum collections are exempted from the marking requirements of this sub-part.

### 2460.200 - Assignment and Display of Property Numbers

2460.210 Non-expendable and Sensitive Items - Each item of non-expendable property valued at \$100.00 or more and all sensitive items shall be assigned and marked with an identifying property number. The numbers assigned to these property items shall be entered on the applicable capitalized and property accountability records covering such property.

2460.220 Expendable and Non-sensitive Items - Hand tools and other items of non-expendable, non-sensitive property need not be marked with an identifying property number. Such property shall, however, be marked to indicate Government ownership.

2460.300 - Items Requiring Special Identification Motor vehicles and boats shall display prescribed Government identification markings which include a ROPNG seal and special license plates and identification.

## 2470 Report of Survey Procedures

### 2470.100 - Scope

2470.110 Organization - The property Survey Board will be composed of the Minister of Administration, an Assistant Attorney General, and the Director of Public Works. The Chief of the Division of Property and Supply (Property Management Officer)

shall be an ex-officio member of the Board.

2470.120 Duties - The duties of the Board shall be as follows:

- (a) investigate and determine lost, missing, worn-out, damaged, destroyed, unserviceable, and surplus government property;
- (b) authorize the disposal of such property through the Division of Property and Supply; and
- (c) meet regularly and make reports and recommendations to the President.

2470.200 - Requirements for Action

2470.210 Report of Survey - action is required to document the circumstances described below:

- (a) property loss;
- (b) property damage;
- (c) Condemnation of property for salvage, reduction to scrap, destruction or abandonment, if the total acquisition cost of the property is \$500.00 or more;
- (d) other determinations of property unserviceability (when the property is no longer useable for the purpose for which it was acquired, or it is not cost-effective to repair), if the total acquisition cost of the property is \$100.00 or more;
- (e) damage to a Government-held vehicle resulting from a motor vehicle accident that is investigated and reported in order to determine whether or not an employee should be held financially responsible for the damage. (Determinations as to financial liability for motor vehicle damage should be based on the official police report of the incident);
- (f) donation of surplus personal property to eligible recipients;
- (g) any circumstances in which there is a possibility of claim against the Government in connection with the administration, care and use of Government property.

2470.220 Report of Survey - action shall not be required for the following types of property actions:

- (a) transfer of available property to another Accountable Officer(s) with the ROPNG;
- (b) donations of surplus property to eligible recipients;

- (c) when a certificate of unserviceable property is used; and
- (d) transfer of excess property to State Governments.

2470.230 Accountable Officers - shall request relief of accountability for property loss, damage or destruction by initiating a request through the Property Management Officer to the Board of Survey. Complete documentation is essential, and information provided shall be such that the Board of Survey will be able to make impartial decisions concerning the disposition of the property and determinations as to any financial liability.

#### 2470.300 - Board of Survey Conduct

##### 2470.310 Procedures -

- (a) The Board of Survey is charged with ensuring that a complete and thorough investigation is conducted; examining and verifying all evidence presented; documenting findings; making written recommendations for disposition of property; making determinations as to whether an employee has committed simple or gross negligence; arriving at findings regarding financial liability as indicated by results of the investigation; and preparing a signed Report of Survey.
- (b) Investigations conducted by the Board of Survey shall be objective, comprehensive and thorough. Every effort shall be made to determine the whereabouts of missing property. Members shall be diligent in utilizing every available source of information, including review of records and interviews of employees or other persons. They will examine and verify all evidence presented and available and arrive at findings consistent with the circumstances and conclusions disclosed by such examination.
- (c) Investigation reports should document the last known location of missing property, the last known Custodian, and Accountable Officer, the events surrounding the loss, damage or destruction, the results of personal interviews and review of records, and other efforts made by the Board to ascertain facts leading to conclusions and supporting any findings.
- (d) The Board of Survey should carefully examine property being surveyed. Where the Board finds that property has further usefulness, either in its present condition or after necessary and cost-justifiable reconditioning, it may recommend that the property continue to be used.

2470.320 Scrap - Where approved Reports of Survey direct the destruction or reduction to scrap of property, such disposition shall be witnessed by two employees, one of whom shall be a member of the Survey Board. The witnessing officer may not be the Accountable Officer or a previous Custodian of the property.



- 2470.330 Removal of Surveyed Property - Missing property will not be removed from the property records until the Board of Survey completes the Report of Survey, and returns it to the Property Management Officer. The approved Report of Survey will serve as the authority for deletion of the item(s) from the property accountability records.
- 2470.340 Property Irregularities - Property irregularities, including property loss, damage and destruction cases, shall be investigated by Boards of Survey. Examples of property irregularities include:
- (a) loss, damage or destruction to Government property where the total loss suffered is in excess of \$1,000.00 either in the aggregate or for a single incident, or for a single item
  - (b) repetitive losses of a particular type of property or recurring losses at a given location;
  - (c) losses of a suspicious nature;
  - (d) evidence of serious misconduct or irregularity (fraud, falsification of records, etc.);
  - (e) known, suspected, or alleged fraud, waste or abuse affecting the personal property program, or misappropriation of Government property; and
  - (f) loss or theft of a firearm, weapon, ammunition, explosives, or controlled substance. When appropriate, the Board of Survey will forward Reports of Survey to the Public Auditor for further investigations.
- 2470.350 Determination of Liability - When Government property is lost, damaged or destroyed, the Board of Survey will determine whether the employee(s) involved was responsible for the loss, damage or destruction. In any instance where employees are responsible for loss, damage or destruction, the Board will use the following guidelines in arriving at findings pertaining to the financial liability of an employee:
- (a) employees will not be held financially liable for loss, damage or destruction attributable to inadequate instruction, inexpert use or inherent defects in the property;
  - (b) under circumstances other than the above, employees will be held financially liable when a thorough investigation determines:
    - (1) that the property was lost, stolen, damaged or destroyed as a result of its being used for other than official purposes;

- (2) that the loss, damage or destruction was due to simple negligence, which is an act of the employee(s) in which the employee(s) failed to exercise the degree of care, precaution, attention, and vigilance necessary for protecting the interests of the Government, or failed to exercise that degree of care Which a prudent person would exercise under like circumstances; or
  - (3) that the loss, damage or destruction was due to gross negligence, which is an act or omission of the employee(s) which constituted misconduct, willful negligence, or a wanton and reckless disregard for the property.
- (c) Upon a finding by the board that an employee should be held financially liable for a loss, the employee will have the option of accepting the finding, and agreeing in writing to pay the debt over a period of time agreed to by the Minister of Administration which shall in no case exceed two years. The debt shall be interest free for as long as the employee complies with the agreed upon re-payment schedule. This agreement will authorize the Minister of Administration to take a stipulated judgment against the employee for the amount of the loss in consideration for a covenant not to execute upon the judgment for as long as the employee continues to work for the government, and complies with the agreed upon repayment schedule. If the employee refuses to enter into such an agreement, the Attorney General shall represent the government in a lawsuit against the employee and shall attempt to recover interest, court costs, and if possible legal fees. The Attorney General shall have discretion to settle such cases as he/she deems fit.

#### 2470.400 - Certification of Unserviceable Property

##### 2470.410 Conditions for Use -

- (a) A Certificate of Unserviceable Property will not be used for weapons, firearms, ammunition, controlled substances, explosives, or museum property.
- (b) A Certificate of Unserviceable Property shall be used in circumstances when all of the following conditions are met:
  - 1. the total acquisition cost of the property to be surveyed does not exceed \$500.00.
  - 2. property irregularities are not apparent.
  - 3. possible claims against the Government are not involved.

##### 2470.420 Procedure -

- (a) Property that is considered to be unserviceable will be reported by the

Accountable Officer to the Property Management Officer. The report shall include a description of the property, its location, and circumstances surrounding its unserviceability.

- (b) The Property Management Officer will make the final determination and appropriate adjustments to the official property records.