

*OL Files
EVS 2*

9 JAN 1987

MEMORANDUM FOR: Acting Director of Logistics

FROM: Chief, Information and Management Support Staff,
OL

SUBJECT: Accountable Property Dollar Value

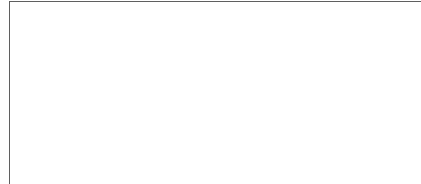
1. Per your request at the bi-weekly meeting of 5 January 1987 the following sequence of changes in dollar value minimums for accountable property occurred:

- a. \$10 to \$50 - 1967
- b. \$50 to \$200 - 1970
- c. \$200 to \$300 - 1978

2. Available documentation on this subject is attached for your perusal with pertinent information highlighted.

3. Should you require any additional information relative to accountable property, please call.

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Attachment:
As Stated

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OL-4002-87



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

April 9, 1981

B-200230

HEADS OF DEPARTMENTS AND AGENCIES:

Subject: Capitalization of Fixed Assets

In a memorandum to the Heads of Departments and Agencies dated April 4, 1980, on the same subject, ~~we established dollar minimums of~~

~~_____~~ Subsequently, several agencies requested that we revise the minimum for capitalizing furniture, fixtures and office equipment from \$300 to \$1,000 because of the difficulties involved in capitalizing those items between \$300 and \$1,000. The agencies indicated that adequate control could be maintained over the furniture, fixtures and office equipment through the maintenance of detailed property accountability records, rather than through capitalizing these items in asset accounts. ~~We agree with this~~

~~_____ if the property is~~
~~_____~~
~~_____~~

Agencies may adopt criteria providing for lower minimums if such amounts are reasonable and appropriate for their operation. No minimums in excess of \$1,000 should be established.

Sensitive items subject to pilferage, which cost less than the established minimum such as laboratory equipment, tools, calculators, and cameras, must be properly controlled. Control of these items may be exercised through property accountability records.

If current costs would be distorted in a given period by charging a large quantity of items which cost less than the minimum, such items should be recorded in a separate asset account and amortized over a reasonable period of time (2 GAO 12.5(d)).

Section 12.5 "Property" of Title 2 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies will be revised accordingly.

Milton J. Forster
Acting Comptroller General
of the United States

Enclosure 1

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MEMORANDUM FOR: Director of Logistics

FROM :

[]
Chief, Supply Division, OLSUBJECT : Proposed Changes to Agency Classification
Criteria for Property Accounting []

1. [] Action Requested: This memorandum contains recommendations in paragraph 4 to permit all office furniture, regardless of unit cost, to be dropped from formalized property accounting procedures, and to increase the expendability criteria for all other items except firearms, from the current \$200 value limit to \$300 or less.

2. [] Background: The present Agency expendability criteria - all items, except firearms, having a unit cost of \$200 or less are considered expendable - was approved in April of 1970. Due primarily to inflation factors, the validity of the present policy should be challenged. However, any change must be in compliance with governing regulations and be comparable with other agencies.

a. [] The General Accounting Office recognizes the practicality for establishing a minimum dollar value (2 GAO 12.5) for accountable property but leaves the determination of the level to each agency or service because of the varying needs.

b. [] Attachment N to Federal Management Circular 74-7, dated 13 September 1974, and relating to the Department of Interior, defines nonexpendable personal property as meaning tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit.

c. [] The Department of Interior implementation of the Federal Property Management Regulations (FPMR), Chapter 114-60.501 regarding classification criteria, is similar to our current procedures for property accountability and custodial controls. Subparagraph c of this Property Management Regulation states: "All

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SUBJECT: Proposed Changes to Agency Classification
Criteria for Property Accounting [redacted]

office furniture may be exempted from classification as capitalized equipment at the discretion of the bureau or office head, provided that suitable custodial controls are otherwise in effect to properly safeguard the Government-owned property."

3. [redacted] Staff Position: The primary advantages of a higher dollar limit and a declaration that furniture will be classified as expendable would be a decrease in the number of line items recorded under formal Type II accounting procedures and the reduced administrative workload at field installations.

[redacted] The primary disadvantage will be an increase in the "personal appeal type items" that would be outside the formalized property accounting procedures but still recorded by the responsible officer's as "controlled." However, since a large portion of the property that would be affected by this recommended change is under the technical cognizance of either the Office of SIGINT Operations, the Office of Technical Service, or the Office of Communications, many of these items would continue to be controlled by separate accounting subsystems based on sensitivity and details of use on operations. Information retrieval would continue to be readily available.

[redacted] Attached is a summary of the effect of this change on the above technical cognizant systems and Property In-Use Account [redacted] Information as to the effects on Type II accounts can only be determined after implementation and based on the annual dollar value reports submitted to the Office of Finance. As of 30 June 1977, we support [redacted] Type II accounts, with a reported dollar value of [redacted] as of 30 September 1976.

[redacted] Procedural instruction which would be issued to implement this proposal will place great emphasis on the need for proper discharge of personal responsibilities in the handling and control of Government property.

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SUBJECT: Proposed Changes to Agency Classification
Criteria for Property Accounting

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4. (C) Recommendation: Using the criteria established by the Department of Interior, it is recommended that:

a. Components be permitted to drop from property accountable records office furniture with a cost of \$300 or more provided that suitable custodial controls are in effect to properly safeguard Government property.

b. All items, except firearms, having a unit cost of \$300 or less be exempt from formal property accounting procedures.

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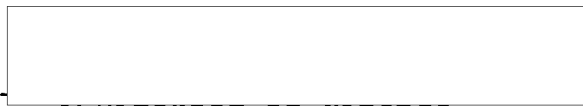
CONCURRENCES:

Concurred: See attached page 4

Chief, Audit Staff

Date

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M Director of Finance

31 Aug, '77
Date

25X1

APPROVED



Director of Logistics

DISAPPROVED:

Director of Logistics

DATE

9/26/77

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are easily convertible to personal use and which have characteristics of general appeal to individual tastes.

4. RECORDS

- a. Type II records will reflect only transactions affecting nonexpendable property.
- b. Although expendable items are excluded from formal accountings, personal appeal items should be controlled by hand receipts.
- c. Required:

<u>Description</u>	<u>Purpose</u>
(1) Form 1331, Materiel Record (stock record card) (Fig. 1)	Reflect current status of each item of accountable property.
(2) Form 1330, All-Purpose Property Transaction Record (Fig. 2)	Headquarters Type II accounts should continue to use Forms 88 (Req'n), 1707 (PTI), and 390 (RIA). The Form 1330 should be used to document operational expenditures and for hand receipts; it may also be used for any other documentation internal to the account.
(3) Document file	<ol style="list-style-type: none"> (a) File of all documents supporting transactions. (b) New series beginning with No. 1 on 1 May of each year. (c) Documents filed in same order as recorded.
(4) Loan file	An alphabetical (name) file of hand receipts of all property on loan. Do not assign a Document Control Number to hand receipts.

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