

Section 114-60.3 -- Property Inventories

Section	Subject
114-60.300	Definitions
114-60.301	Responsibilities
114-60.302	Inventory Frequencies and Methods
114-60.303	Inventory Reconciliation
114-60.304	Inventory Reports and Certification
114-60.305	Inventory Documents Retention
114-60.306	Inventory Training Requirements

114-60.300 -- Definitions

See Section 114-60.100 of the Interior Property Management Directives.

114-60.301 -- Responsibilities

a. The Director, Office of Acquisition and Property Management (PAM) is responsible for the development of Department-wide policy and oversight of the Department of the Interior (DOI) personal property management function, including museum property.

b. The bureau/office Property Management Officer (PMO)¹ is responsible for:

1. As identified in bureau/office policy, administering, coordinating and managing the bureau/office personal property program, including managing the inventory process for all bureau/office personal property accounts.
2. Providing guidance and direction to support all contract actions for personal property as required by the Federal Acquisition Regulation (FAR) and internal DOI standards.
3. Designating, in writing, the Accountable Property Officer (APO) for the accountable property area to which the APO is assigned.

¹ In some bureaus/offices, the respective National/Chief Curator (NCC) is responsible for DOI museum collections. The applicable PMO responsibilities apply to the NCC according to bureau policy.

- c. The Accountable Property Officer (APO) is responsible for the following:
1. Overall responsibility for a specified group of personal property items. The APO enforces necessary administrative measures to ensure the proper preservation and appropriate use of all government property under his/her jurisdiction.
 2. Accounting for and controlling personal property under his/her jurisdiction.
 3. Ensuring the completion of required personal property inventories in accordance with the provisions of Departmental and bureau/office policies. The APO may delegate the conduct of the inventory to another individual within the APO's area of responsibility.
 4. Promptly recording all reports of lost, stolen or damaged personal property assets.
 5. Designating Custodial Property Officers (CPO) and Inventory Data Collectors (IDCs or Inventory Counters) in writing.
- d. The Custodial Property Officer (CPO) is responsible for the following:
1. Daily management and oversight of assigned personal property.
 2. Notifying the APO and appropriate security officials of incidents involving the loss or theft of personal property.
- e. Inventory Data Collectors (IDCs or Inventory Counters) are responsible for the following:
1. Conducting an inventory of personal property.
 2. Completing the appropriate training prior to conducting a property inventory.
 3. Notifying the CPO and APO of any property assets that cannot be located during an inventory, assets discovered during the inventory, or inventory errors found during the property inventory.
- f. Supervisors are responsible for the following:
1. Safeguarding all government property on the property inventories under his/her jurisdiction.
 2. Ensuring compliance with all Departmental and bureau/office property management policies and procedures.
- g. Cognizant Employees (CE) are responsible for the following:
1. Safeguarding all government property under his/her jurisdiction.

2. Making all assigned personal property available for inventory.
3. Promptly reporting assigned Federal property that is lost, missing, damaged, or stolen.
4. Returning government property to the CPO when no longer required or as part of the exit clearance process.

114-60.302 – Inventory Frequencies and Methods

a. Frequencies.

1. Firearms and less-lethal weapons (e.g., TASERS, stun guns, dart guns, batons, electronic control devices, and training weapons), and museum property that is controlled property must be inventoried annually at a minimum.
2. Explosives, gases, gunpowder, chemical agents, and ammunition must be inventoried annually at a minimum.
3. System-controlled personal property, such as desktop and laptop computers, notebooks, and tablets, regardless of acquisition cost, and museum property that is not controlled property, must be inventoried biennially at a minimum.
4. Bureau-managed personal property is inventoried at a frequency determined by bureau/office policy.
5. Special inventories must be conducted upon notification of the theft or loss of firearms, less-lethal weapons, explosives, gases, gunpowder, chemical agents, and ammunition.
6. Special property inventories are conducted as required during change of designations for an interim/acting APO/CPO, a new APO/CPO, in the course of inspections/audits, or other special circumstances (see Appendix 1).
7. Special inventories of Government-furnished property must be conducted upon the termination of leases, grants, and cooperative agreements.

b. Methods to Determine the Inventory Sample Size.

1. **One Hundred Percent (100%)**. One hundred percent of the assets in the population at a given location are identified to be inventoried using the inventory method(s) provided in 302.c. This inventory method involves physically touching or scanning the bar codes of 100 percent of the property subject to the inventory. See 302.c.1, Physical Inspection.
2. **Statistical Random Sampling (SRS)**. The SRS method reduces the total population of assets to be inventoried to a statistically reliable and manageable sample size. To conduct this method, the APO, CPO and/or inventory data collectors must:

- i. Determine the random sample size from the total population of the assets being inventoried. To ensure statistical validity, the table in Appendix 2 of this Directive provides the random sample size based on the total property population.
- ii. Determine the list of randomly generated items to inventory.

c. Inventory Methods.

Using standards and industry best practices to conduct annual, biennial, and special property inventories, bureaus/offices must choose one or more of the following inventory methods:

1. Physical inspection. This method involves physically inspecting the asset. To conduct this method, the APO, CPO and/or inventory data collectors must:
 - i. Obtain an inventory list of all property and their locations.
 - ii. Confirm that each asset on the inventory list is at the location noted on the property record.
 - iii. Verify the data required in Section 302.d, and update the property record as needed.
 - iv. Document any missing assets and investigate their whereabouts as soon as possible.
 - v. Certify that the inventory was completed.
2. Inventory by Exception (IBE). This inventory method uses actions or transactions, (e.g., move orders, maintenance actions, calibration checks, usage logs, network connections) where the items are “touched” by persons without stewardship responsibilities, with supporting documentation directly associated with an accountable asset². Toward the end of the inventory cycle, an inventory is then performed on items not already accounted for by an action or transaction during the inventory period. If applicable, these types of inventories must be documented as part of the inventory plan and are subject to internal control procedures to ensure the validity of accountable property records. The Date of Last Inventory (DOLI) and Inventory Note data fields in FBMS must be updated at the time the IBE method is used during the scheduled inventory cycle. To conduct this method the APO, CPO, and/or inventory data collectors must:
 - i. Obtain an inventory list of assets and their locations based on the method selected in Section 302.b.
 - ii. Check the inventory list of assets to see if any of the property records indicate that the Date of Last Inventory (DOLI) and/or Inventory Note data fields were updated during the inventory cycle, then those assets are not to be inventoried again.

² For example, IT equipment has the benefit of network connections that can enable an “electronic touch” to each machine. Network servers can record the activity of pieces of equipment in the daily activity logs. Electronic “pings” can be sent to groups of computers to validate the computer to the network address. These actions are routine in nature and can provide the confirmation that assets exist and are functioning properly. Also, using the IBE inventory method for accounting for computer equipment connected to the network requires assistance from IT Managers/Specialists.

- iii. For any remaining sample population left on the inventory list without an updated DOLI/Inventory Note with an IBE, the inventory counters must conduct a physical inspection on those assets.
 - iv. Verify the data required in Section 302.d, and update the property record as needed.
 - v. Document any missing assets and investigate their whereabouts as soon as possible.
 - vi. Certify that the inventory was completed.
3. Transaction-based Inventory (TBI). This inventory method uses electronic or hard copy documentation of property transactions to verify the existence of assets listed on the inventory without physically touching an asset. An asset is considered to be inventoried if documentation exists of a transaction (e.g., transfer, warehousing, location change, issue, receipt, loan, or any movement of the asset/object) that an APO, CPO, or CE performed involving physical contact with and inspection of the asset during the scheduled inventory cycle. The Date of Last Inventory (DOLI) and Inventory Note data fields in FBMS must be updated at the time the TBI method is used during the scheduled inventory cycle. To conduct this method, the APO, CPO, and/or inventory data collectors must:
- i. Obtain an inventory list of assets and their locations based on the method selected in Section 302.b.
 - ii. Check the inventory list of assets to see if any of the property records indicate that the DOLI and/or inventory note were updated during the inventory cycle, then those assets are not to be inventoried again.
 - iii. For any remaining sample population left on the inventory list without an updated DOLI/Inventory Note with TBI, the inventory counters must conduct a physical inspection on those assets.
 - iv. Verify the data required in Section 302.d, and update the property record as needed.
 - v. Document any missing assets and investigate their whereabouts as soon as possible.
 - vi. Certify that the inventory was completed.

d. Mandatory Inventory Data.

The following mandatory data³ must be completed and verified during an inventory:

³ #6, 7 and 8 do not apply to museum collections. #4 and 5 will apply when the capability to record these data for museum objects is added to the Interior Collections Management System.

1. **Assets Found:** The presence of an item is verified by employing one of the accepted inventory methods and comparing the item located to the record on the property inventory.
2. **Item Count:** The number of items is verified by comparing the number of items inventoried with the number on the property record.
3. **Location:** The location of the item on the property record is verified by comparing it with the actual physical location.
4. **Date of Last Inventory:** The date each asset is inventoried. This is a data element in the Financial and Business Management System (FBMS).
5. **Inventory Note:** Note the method used to inventory the asset. This is a data element found in FBMS.
6. **Serial Number:** Verify the serial number on the equipment matches the inventory list.
7. **Make:** Verify the make of the equipment matches the inventory list
8. **Model:** Verify the model of the equipment matches the inventory list.

114-60.303 -- Inventory Reconciliation

a. Missing Asset:

If an asset is determined to be missing during an inventory, the following procedures must be carried out by property staff (APO, CPO, and/or IDCs), with assistance provided by cognizant employees, as appropriate:

1. Obtain the pertinent inventory records, along with photographs (if available), for use during the investigation.
2. Thoroughly search storage and other areas as applicable.
3. If the missing item is located, its property record must be updated and no further action is required.
4. If the missing item cannot be located, the status of the missing object must be recorded as "missing" in the property record for the item and additional notes are to be used to document all pertinent information concerning the missing item. Professional judgment must be used to determine whether to notify investigative or law enforcement officials concerning the possibility of theft of the missing item.

5. If the missing item cannot be located and is controlled property, the following steps must be carried out:
 - i. Contact law enforcement or other appropriate investigating official as soon as practicable.
 - ii. Document the missing asset.
 - iii. Provide copies of the property record and available photographs to the investigating official and obtain a copy of the completed incident report.
 - iv. Include copies of the incident report and other documentation related to the missing asset with the property record for the asset.
6. Record the status of the asset as “missing” in the official record where documentation concerning the missing asset will be filed.
7. Within 30 days of discovering that personal property is missing and cannot be located, a Report of Survey (DI-103) must be completed. See 114-60.800, Survey Procedures.
8. The applicable Asset Master Records must be annotated to indicate a Report of Survey (DI-103) is being processed for missing assets.
9. The PMO, APO or CPO or other designated authority shall research errors to determine the cause(s) of the loss and/or complete a special inventory as identified in Appendix 3.

b. Asset discovered during inventory.

If an asset is discovered during inventory that was not previously documented in the organization’s property records, the personal property staff must follow the appropriate acquisition or disposition procedures to account for the asset.

c. Reconciliation of an inventory:

1. All property records and the related general ledger accounts must be brought into agreement based upon the results of property inventories. Any adjustments must be documented.
2. Any differences found on the property inventory versus the count of property on hand and the quantity balance on the property records must be promptly investigated to determine the causes of the differences, and to identify necessary improvements to inventory procedures.
3. Reconciliation of the property accountability records, including any necessary adjustments and DI-103, Report of Survey, will be completed no later than September 30 of each fiscal year.

114-60.304 -- Inventory Reports and Certification

All bureaus and offices must generate a report for inventories conducted.

1. The APO must certify the scheduled property inventories conducted during the fiscal year, and submit that certification and any other supporting documentation to the PMO on or before September 30 of each fiscal year.
2. The PMO must verify completeness of all APO certifications and forward a consolidated certification memorandum, signed through bureau executive leadership to the Director, Office of Acquisition and Property Management (PAM), by October 31 of each year.

114-60.305 -- Inventory Documents Retention

All inventory documentation, including electronic files/notes or hard copy printouts used in the inventory process, must be retained until the third succeeding inventory has been completed. The earliest records must then be removed from the files. Exception: All inventory documentation, including electronic files or paper copy printouts used in the inventory process, must be retained for firearms and less-lethal weapons for the entire life cycle of these assets.

114-60.306 -- Inventory Training Requirements

All employees who have oversight over firearms, less-lethal weapons and ammunition activities must complete firearms accountability training annually.

Inventory Requirements - Change of Designated Authority

<p>Accountable Property Officer (APO)</p>	<p>Custodial Property Officer (CPO)</p>	<p>Inventory Required</p>
<p>The outgoing APO has certified all of the property accounts before the inbound APO arrival. The inbound APO signs an acceptance of responsibility letter to PMO.</p>	<p>The outgoing CPO has conducted a property inventory before the inbound arrives. The inbound CPO signs an acceptance of responsibility letter to the APO.</p>	<p>No</p>
<p>The outgoing APO did <u>not</u> certify all of the property accounts before the APO arrives, but the inbound APO signs an acceptance of responsibility letter for all of the property accounts.</p>	<p>The outgoing CPO did <u>not</u> sign a property inventory before the inbound CPO arrives, but the inbound CPO signs an acceptance of responsibility letter for the property account.</p>	<p>No</p>
<p>The outgoing APO did <u>not</u> certify all of the property accounts before the inbound APO arrival. The inbound APO did <u>not</u> sign an acceptance of responsibility letter for all of the property accounts.</p>	<p>The outgoing CPO did <u>not</u> sign a property inventory before the inbound CPO arrives and the inbound CPO did <u>not</u> sign an acceptance of responsibility letter for the property account.</p>	<p>Yes</p>

Statistical Random Sample Table*

Population	Sample Size	Maximum Error Rate	Population	Sample Size	Maximum Error Rate
10	10	1	400	200	10
20	19	1	450	212	11
30	28	1	500	222	11
40	36	2	600	240	12
50	45	2	700	255	13
60	52	3	800	267	13
70	60	3	900	277	14
80	67	3	1000	286	14
90	74	4	1500	316	16
100	80	4	2000	333	17
125	95	4	3000	353	18
150	109	5	4000	364	18
175	122	6	5000	370	19
200	134	7	10000	384	19
250	154	8	20000	392	20
300	172	9	50000	397	20
350	187	9	100000	398	20

* Research Randomizer: <http://www.randomizer.org/form.htm>.

NOTE: Museum Property: The Statistical Random Sample Table appropriate to museum collections is provided in DOI Museum Directive 21, *Inventory of Museum Collections*.

Error Rates Determined during the Property Inventory

Personal Property Thresholds	Error Rate	Research Requirements
<p>1. Equal to or less than \$5,000 bureau-managed personal property (includes personal property leases)</p>	<p>Five Percent</p>	<p>Research is not required if the 5% error rate is not exceeded. The PMO or APO or both can remove the asset from the property inventory and the inventory is complete.</p> <p>Research is required if the error rate is greater than 5% to find the root causes for the errors. If the assets are lost, missing, stolen or damaged, a Report of Survey must be initiated.</p>
<p>2. Equal to or greater than \$5,000, but less than \$15,000 system-controlled personal property (includes personal property leases)</p>	<p>Five Percent</p>	<p>Research is not required if the 5% error rate is not exceeded. The PMO or APO both can remove the asset from the property inventory unless the errors involve computers.</p> <p>Research is required if the error rate is greater than 5% to find the root causes for the errors. If the assets are lost, missing, stolen or damaged, a Report of Survey must be initiated.</p>
<p>3. Equal to or greater than \$15,000 capitalized equipment (includes personal property leases)</p>	<p>Zero Percent</p>	<p>Research is not required when no errors are found.</p> <p>Research is required on any errors involving capitalized equipment to find the root causes for the errors. If the assets are lost, missing, stolen or damaged, a Report of Survey must be initiated.</p>

<p>4. Firearms and less-lethal weapons and museum property that is controlled property (regardless of cost)</p>	<p>Zero Percent</p>	<p>Research is not required when no errors are found.</p> <p>Research is required on any errors involving firearms, other weapons, explosives, gases, gunpowder, chemical agents' ammunition, and museum property that is controlled property to find the root causes for errors. If the assets are lost, missing, stolen or damaged, a Report of Survey must be initiated.</p>
<p>5. Suspected fraud, waste, or abuse</p>	<p>Zero Percent</p>	<p>Any error found in 1, 2, 3, and 4 that appears to be a result of fraud, waste or abuse must be reported directly to the Office of Inspector General.</p>