



**310 FW 3**  
***Recordkeeping, Inventories,  
and Capitalization of  
Personal Property***

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**3.1 What is the purpose of this chapter?** This chapter describes how we keep records and inventories and capitalize personal property.

**3.2 What are the authorities for this chapter?**

A. See 310 FW 1 for a list of authorities for all the chapters in Part 310.

B. For Departmental policy specific to this chapter, read Interior Property Management Directives (IPMD), 410 – Subpart 114-60.2, Accountability, and 114-60.3, Property Inventories and Federal Property Management Regulations (FPMR), Subchapter H, Part 101-42.

**3.3 How is 310 FW 1 organized?** Table 3-1 shows how we organized this chapter.

<b>Table 3 1: Organization of 310 FW 3</b>	
<b>Section</b>	<b>Content</b>
3.1 – 3.3	What are the purpose, authority, and organization of the chapter?
<u>3.4</u>	What is the Service's system to maintain personal property records?
<u>3.5</u>	Who is responsible for personal property recordkeeping?
<u>3.6</u>	How does the Service record and store ammunition?
<u>3.7</u>	How does the Service record Federal property in the custody of non-Federal entities?
<u>3.8</u>	Who is responsible for personal property management system inventories?
<u>3.9</u>	What do Accountable Officers have to do to reconcile shortages or overages when conducting inventories?
<u>3.10</u>	How does the Service verify that employees are adequately maintaining records for personal property?
<u>3.11</u>	When does the Service conduct special inventories?
<u>3.12</u>	What is capitalized personal property and how does the Service record it?
<u>3.13</u>	How does the Service establish the actual value of capitalized personal property?
<u>3.14</u>	When and how does the Service reconcile capitalized property?

**3.4 What is the Service's system to maintain personal property records?**

A. The Personal Property Management System (PPMS) is the only system Regions may use for management of system-controlled personal property.

B. Regions may use PPMS as a local inventory tool to track Service-managed property, or they may

use another tracking system, such as a spreadsheet or DI-105 forms.

**3.5 Who is responsible for personal property recordkeeping?** We describe the general responsibilities for personal property in 310 FW 1. Following are responsibilities specific to recordkeeping:

**A. Regional Personal Property Managers:**

(1) Use PPMS to record, manage, and establish inventories for system-controlled personal property; and

(2) Maintain personal property records based on Parts 280 to 289, Records Management.

**B. Accountable Officers** are responsible for:

(1) Maintaining accountable personal property records. These include:

(a) Inventories,

(b) Purchase orders,

(c) Receipts of property,

(d) Transfers of property,

(e) Disposal documentation,

(f) Certificates of unserviceable property, and

(g) Reports of Survey (see 310 FW 6).

(2) Managing system-controlled personal property in PPMS;

(3) Managing bureau-managed personal property on local inventory records;

(4) Maintaining expendable personal property records for only those items that meet the following criteria:

(a) Acquired in bulk quantity for future use with an aggregate acquisition cost of \$15,000 or more per invoice line item,

(b) Have a total value per invoice line item over a 3-month period of \$5,000 or more, and

(c) Are not day-to-day administrative operating supplies (paper, pens, notebooks, etc.)

(5) Controlling museum property as described in 410 DM, Managing Museum Property; and

(6) Maintaining personal property records as described in Parts 280 to 289, Records Management.

**3.6 How does the Service record and store ammunition?** We classify ammunition as expendable personal property and as hazardous material (see FPMR, Subchapter H, 101-42). It requires special safeguards, management, and control.

**A. Receiving Officers or authorized law enforcement personnel** who handle the receipt of ammunition must:

- (1) Adhere to special storage requirements and local fire codes for ammunition storage, and
- (2) Secure the ammunition immediately in a locked container or vault until it is issued or used.

**B. Accountable Officers:**

- (1) Must maintain a local inventory for control and issuance of ammunition;
- (2) Use a purchase order, receiving report, or the vendor's invoice to track quantities shipped;
- (3) File these documents for recordkeeping and auditing purposes; and
- (4) Not record the ammunition in PPMS.

**3.7 How does the Service record Federal property in the custody of non-Federal entities?** See 310 FW 5, Reuse, Transfer, Loan, Donate, Sales/Exchange, Recycling, or Disposal of Personal Property for information about recording personal property in the custody of others.

**3.8 Who is responsible for Personal Property Management System inventories?**

**A. The Chiefs, CGS or CFM** must annually provide:

- (1) Accountable Officers with procedural guidance on processing inventories and due dates for certification, and
- (2) Certification in writing from the Regional Director (or from the Chief, CFM, in Headquarters) by October 15 to the Assistant Director – Business Management and Operations, that the physical inventories have been completed and that property records are accurate.

**B. Regional Personal Property Managers** must annually:

- (1) Update Property Officer designation appointment letters and the Quality Control Checks (QCC) Table in PPMS before starting the inventory,
- (2) Provide Accountable Officers with access to their system-controlled personal property inventory in PPMS,
- (3) Reconcile property inventory discrepancies that the Accountable Officer reports in PPMS, and
- (4) Make adjustments to PPMS records within 90 days after the physical inventory.

**C. Accountable Officers** must annually:

- (1) Conduct a physical inventory of all system-controlled personal property within their accountable area within the designated timeframe. After completing the inventory, Accountable Officers must:
  - (a) Verify that all firearms are accounted for (with a Custodial Officer or another Service employee present to serve as a witness) and the descriptions, serial numbers, model numbers, and condition are annotated correctly on the PPMS inventory;
  - (b) Reconcile all shortages or overages (see section 3.9) and upload pertinent documents to the inventory, or provide supporting documentation to the Regional Personal Property Manager; and

(c) Digitally sign the inventory, certifying that:

(i) It is complete,

(ii) It reflects actual quantities on hand,

(iii) All firearms are accounted for, and

(iv) Discrepancies are noted or reconciled.

(2) Ensure that local inventories are maintained as outlined in 310 FW 1, Exhibit 1.

**3.9 What do Accountable Officers have to do to reconcile shortages or overages when conducting inventories?** Accountable Officers must:

A. Document any shortages on a Report of Survey (Form DI-103) with supporting documentation and send this to the Regional Personal Property Manager.

B. Document any overages by sending a Receiving Report, (Form DI-102) and copy of the invoice or Transfer of Property (Form DI-104) to the Regional Personal Property Manager.

C. Report missing system-controlled personal property as outlined in 310 FW 6.

**3.10 How does the Service verify that employees are adequately maintaining records for personal property?** Headquarters and the Regional Personal Property Managers will conduct random inspections, audits, property management reviews, and physical inventories.

**3.11 When does the Service conduct special inventories?** We may conduct special inventories when:

A. Changes of Accountable or Custodial Property Officers or other special circumstances occur,

B. We are performing financial or program audits,

C. We are directed to do so by the Department, or

D. We are missing an asset or we find one outside of the annual inventory.

**3.12 What is capitalized personal property and how does the Service record it?**

A. For us to consider it capitalized personal property, it must:

(1) Be non-expendable property with a useful life of 2 years or more;

(2) Have an individual item/unit acquisition cost of \$15,000 or more; and

(3) Be acquired and held by us.

B. When we receive capitalized personal property, we record it in the general ledger account through the Federal Financial System.

C. The Regional Personal Property Manager records the asset in PPMS, including the original

acquisition cost and date of manufacture. PPMS automatically depreciates and determines the net book value of the asset.

**D.** We do not capitalize personal property we acquire through lease or loan, museum property, and systems furniture, regardless of cost.

**E.** Read IPMD, 410 – Subpart 114-60.2, Accountability, for more information about capitalized personal property.

### **3.13 How does the Service establish the actual value of capitalized personal property?**

**A.** We determine the cost of the property item by:

**(1)** The billed price (not the retail price):

**(a)** Less any discount,

**(b)** Including trade-in value, transportation, storage, labor, or installation charges,

**(c)** Including State taxes we pay as part of the purchase price, and

**(d)** Minus all maintenance and warranty costs.

**(2)** See Exhibit 1 for more detailed information about determining the cost.

**B.** For assets received from other agencies or the private sector, if there is insufficient information to determine the value, we give it the fair market value.

**C.** The capitalization threshold for software is different from other personal property. We use a threshold of \$100,000 per license. We record and track software that meets the capitalization threshold in PPMS.

### **3.14 When and how does the Service reconcile capitalized property?**

**A.** Every month Headquarters, Division of Financial Management provides a capitalized and a non-capitalized equipment report to each Regional Personal Property Manager. The report shows:

**(1)** Disbursements made for the acquisition of capitalized and non-capitalized personal property during that month, and

**(2)** The monthly line-item and total balance recorded in the general ledger for that Region's personal property holdings.

**B.** The Regional Personal Property Manager:

**(1)** Reviews the capitalized and a non-capitalized equipment reports and reconciles them against the Interior Department Electronic Acquisition System (IDEAS) report for accuracy. He/she notes any differences and by the 15<sup>th</sup> of each month sends the property reconciliation report to the Denver Finance Center and the CFM Headquarters; and

**(2)** Investigates differences to determine the cause and identifies and implements necessary improvements within the Region to prevent future irregularities.

**C. The Denver Finance Center:**

- (1)** Reconciles the Regional reports against general ledger accounts, and
- (2)** Makes final adjustments in the general ledger.

**D.** Because these records are subject to both internal and external audits, we must support all entries with valid documentation (i.e., acquisition, purchase, transfer, and disposal documents).

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