

# INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 10

Property Classification

Page 1

- 1.1 Purpose.** This chapter establishes the Indian Affairs' (IA) policy for personal property classification. Federal Supply Classification (FSC) of personal property is determined by its universal product code (UPC), type, description, and asset class, and material group which dictates how to record the asset.
- 1.2 Scope.** This policy applies to all programs and offices under the authority of the Assistant Secretary - Indian Affairs (AS-IA), including offices reporting to the AS-IA, the Bureau of Indian Affairs (BIA), and the Bureau of Indian Education (BIE).
- 1.3 Policy.** It is IA's policy to properly classify property by using the Financial and Business Management System (FBMS) UPC Search Tool, and refer to the Department of the Interior (DOI) Acquisition, Arts, and Asset Policy (AAAP) (DOI-AAAP)-0105, Personal Property Classifications.
- 1.4 Authority.**

## **A. Statutes and Regulations.**

- 1) P.L. 81-152, Federal Property and Administrative Services Act of 1949, as amended
- 2) 41 CFR 101, Federal Property Management Regulations System
- 3) 41 CFR 102-35.20, Federal Property Management Regulation
- 4) Federal Acquisition Regulation (FAR) 52-245-1, Government Property

## **B. Guidance.**

- 1) 410 Departmental Manual (DM) 1 - 2: Personal Property Management
- 2) 411 DM 1, Policy and Responsibilities for Managing Museum Property
- 3) DOI Museum Property Directive 1: Introduction to Managing Museum Collections
- 4) DOI-AAAP-0105 v01, Personal Property Classifications
- 5) DOI-AAAP-0122 v03, Property, Plant, and Equipment Capitalization Criteria

## **1.5 Responsibilities.**

- A. Deputy Assistant Secretary – Management (DAS-M)** is responsible for administering this policy.

## INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 10

Property Classification

Page 2

- B. Directors, BIA and BIE** ensure this policy is implemented throughout BIA and BIE in compliance with all applicable laws, regulations, policies, and procedures. The Directors also designate BIA and BIE personal Property Administrators (PAs).
- C. Deputy Bureau Director (DBD), Office of Justice Service (OJS), BIA** ensures this policy is implemented throughout OJS offices in compliance with all applicable laws, regulations, policies, and procedures. The DBD, OJS also designates OJS PAs.
- D. Director, Office of Facilities, Property, and Safety Management (OFPSM)** has overall responsibility for the IA Property Management Program, including policy and oversight, and serves as the IA Property Management Officer (PMO).
- E. Chief, Personal Property Management (PPM), OFPSM** is responsible for implementing the Property Management Program, and for ensuring IA is in compliance with property management policies and procedures consistent with General Services Administration (GSA) and DOI regulations and requirements.
- F. PA** is responsible for implementing this policy and related procedures, and for providing advice and guidance on day-to-day property operations to the office(s)/their management that they support. The PA designates the Accountable Property Officers (APOs) for his/her program offices.
- G. Regional Property Officer (RPO)** is responsible for:
- 1) overseeing the Property Management Program in his/her respective region, including implementing and executing BIA property management policies and procedures to ensure compliance;
  - 2) providing advice and guidance on day-to-day personal and real property matters to the respective regional offices;
  - 3) reviewing, approving, or rejecting the purchase request (PR) in FBMS for personal property, fleet, and real property; and
  - 4) reviewing, approving, or rejecting the purchase requisition, BIA-4314, for charge card purchases for personal property, fleet, and real property for non-sensitive and non-system-controlled property.
- H. APO** provides operational guidance to all program offices within his/her geographical jurisdiction and executes the functional responsibilities of property management. Additionally, APOs designate Custodial Property Officers (CPOs) in cooperation with the appropriate supervisor approval.

## INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 10

Property Classification

Page 3

- I. **CPO** is responsible for managing day-to-day property operations, including personal and real property management, entrusted to their program through the CPO designation letter. The CPO's property management responsibilities cannot be re-designated, re-assigned, or re-delegated to another individual unless done by the RPO/APO upon direction from their program manager/supervisor. CPO is also responsible for ensuring the correct UPC code is used on the PR in FBMS and the correct Budget Object Class (BOC) Codes are used on the purchase requisition, BIA-4314, for charge card purchases.
- J. **Cognizant Employee (CE)** is any employee who utilizes Federal Government property and therefore is responsible for the proper and reasonable care, use, safekeeping, and return of such property.

### 1.6 Definitions.

- A. **Accessioning** is the formal act of legally accepting an object or objects to the category of material that a museum holds in the public trust, or in other words those in the museum's permanent collection.
- B. **Accountable personal property** is non-expendable property with a useful life of two years or more for which detailed accountability or property control records are maintained and may or may not be charged to a GL control account. Accountable property includes system controlled, bureau-managed, capitalized, non-capitalized, leased, contractor-held property, and sensitive equipment regardless of cost. All museum property is accountable with no dollar threshold.
- C. **Asset** is personal and real property acquired by IA that has been physically received, paid for, or accepted from an external transfer, incoming donation/in-kind gift, or grant. Capitalized, sensitive, and system-controlled assets are recorded at their original acquisition cost.
- D. **Budget Object Class (BOC) Codes** describe the nature of the obligation, e.g. personnel services, travel, supplies, or equipment. These codes are controlled at the Department level.
- E. **Cataloging** an object involves creating a detailed and accurate record of each item, including its identification, description, dimensions, creator, and other relevant information. This process ensures that every object is accounted for, physically located, and intellectually accessible, allowing for better management, research, and access for both museum staff and the public.

## INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 10

Property Classification

Page 4

- F. Contractor loaned property** is property (including Federal Government-furnished equipment (GFE)) acquired by, or in possession of, a contractor or subcontractor under a contract, compact, grant, cooperative agreement, concessions contract, or memorandum of understanding, according to the contract terms of where the title is vested in the Federal Government. Contractor records of Federal Government property established and maintained under the terms of an agreement are the Federal Government's official property records. However, Property Managers must maintain records of capitalized Federal Government personal property provided to a contractor under the terms of a contract and report such property to the general ledger (GL) financial accounts.
- G. Damaged property** is personal property that is unserviceable yet may be repaired. If it is not repaired, it will be designated as damaged.
- H. Excess personal property** is any personal property under the control of any Federal Government agency which is not required for its needs and the discharge of its responsibilities, as determined by the Agency head or designee.
- I. Lease property** is property such as copiers, buildings, vehicles, etc., that are acquired through a contractual lease arrangement calling for the user to pay the owner for the use of an asset.
- J. Lost property** is any IA personal property asset that cannot be found after a reasonable search and is determined to be lost.
- K. Non-accountable property** is non-sensitive property with a normal life expectancy of less than two years and an acquisition cost of less than \$300. It is generally consumed in the normal course of this use or becomes an integral part of another item.
- L. Property accountability** means the assigned responsibility and liability associated with the management of Federal Government property. It includes the responsibility for establishing and maintaining property records, safeguarding property, and ensuring its proper use, as well as submitting required reports. It also includes the liability associated with loss, theft, damage, or destruction of said property.
- M. Property responsibility** means the obligation of an individual to properly use, care for, and safeguard property entrusted to their possession or under their direct supervision.
- N. Real property** is land, buildings, and other structures held in title by the Federal Government and administered by IA, which are affixed to the earth. Examples include buildings of all types, including portable structures that are on foundations or affixed to permanent utility systems, roads, parking facilities, utility systems, wells, ditches, dams,

## INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 10

Property Classification

Page 5

and property items that are permanently affixed to real property, such as furnaces and sinks. Real property may also include heritage assets.

- O. Surplus personal property** is any excess personal property not required for the needs and the discharge of the responsibilities of Federal Government agencies, as determined by the Administrator of the GSA or designee.
- P. System-controlled property** means property with an original acquisition cost of \$5,000 or more and sensitive property, regardless of cost. System controlled property must be recorded and controlled in a bureau/office property management system.
- Q. Universal Product Code (UPC)** is a code used to describe a product, service, and/or research and development purchased by the Federal Government. The UPC is an eight-digit code which begins with the Federal Supply Classification (FSC) Group (first 2 digits) and Class (second two digits). The first four digits of the UPC are used to group products into logical equipment and service families for management purposes within the GL.
- R. Unrecorded property** is any property item found during an inventory that meets the requirements for accounting and control as defined for capitalized, sensitive, and system-controlled property, and which asset is not included on the inventory listing. After appropriate investigation to establish the item's ownership, it must be added to the custodian's property records.

### 1.7 Standards, Requirements, and Procedures.

- A. Personal property** is any general Federal Government property not classified as real property. Personal property is inclusive of all equipment, vehicles, communications equipment, computers, firearms, aircraft, software, materials and supplies, and museum property. It doesn't include property that is incorporated in, or permanently affixed to, real property. Personal property is further classified as expendable or non-expendable.
  - 1) Expendable personal property is non-sensitive property with an average life expectancy of less than two years, when used, are consumed, lose identity, or become an integral part of other property, such as office supplies, printer cartridges, copy paper, etc.
  - 2) Non-expendable personal property includes assets that, regardless of cost or dollar value, have continuing use as a self-contained unit, are not consumed in use, do not lose identity when used, or do not ordinarily become a non-severable component of other personal property, has an expected service life of two or more years, may be sensitive property, or may not be charged to a GL control account, and for which

## INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 10

Property Classification

Page 6

accountability or property control records are maintained.

- 3) The FBMS is the official DOI system of record for real and personal property, except for museum property.

**B. Property Classification Criteria.** To determine the proper classification of assets for expendable or non-expendable personal property, consider such factors as acquisition cost, expected useful life, nature of use, sensitivity, cost of maintaining accountability and/or responsibility records compared with cost of possible increased losses if such records are not maintained, and any other factors which may affect the classification. The classification will determine the type of inventory control and accounting records required. Bureaus and offices must apply the classifications for accountable personal property as defined below and adhere to the recordkeeping requirements set forth below:

- 1) Capitalized personal property is accountable, non-expendable personal property (excluding museum property), with a useful life of two or more years, and an original acquisition cost at, or above, the \$25,000 capitalization threshold. Installation, shipping and handling, and configuration costs are included as part of the original acquisition value and are capitalized. Real property is capitalized at \$100,000.
  - Recordkeeping Requirement: Personal property that meets the capitalization threshold is charged to a general ledger account, depreciated, and tracked in the system of record (FBMS). The cost recorded will be consistent with the cost requirements for capitalization.
- 2) Non-capitalized personal property is non-expendable personal property with an original acquisition cost between \$5,000 to \$24,999, excluding museum property. Non-capitalized personal property must be recorded and tracked in the system of record (FBMS).
  - Recordkeeping Requirement: Non-Capitalized personal property must be recorded and tracked in the system of record (FBMS).
- 3) Sensitive personal property is non-expendable personal property, which is controlled, regardless of value, by detailed property accountability records and is determined to be sensitive because of its high probability of theft, misuse, or misappropriation, or because it has been designated as sensitive by management. Sensitive property designated by IA includes motor vehicles, trailers, tablets, laptops, desktops, servers, Radio Communication Equipment (RCU), weapons, ballistic vests, ammunition, and explosives. Sensitive property must be recorded and tracked in the system of record (FBMS), excluding museum property.

## INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 10

Property Classification

Page 7

- Recordkeeping Requirement: Sensitive personal property must be recorded and tracked in the system of record (FBMS), excluding museum property.
- 4) Museum collection (previously called “museum property”) is a standardized term used by museum professionals to describe museum objects, and which consists of an assemblage of objects representing the disciplines of archeology, art, biology, ethnography, geology, history, and paleontology that are retained for long-term preservation, study, and interpretation consistent with statutory requirements, the relationship to BIA’s mission, or other appropriate factors. A museum collection consists of all accessioned, unaccessioned, cataloged, and uncatalogued objects which meet the criteria in the respective Scope of Collection Statement. Museum collections do not include items used for displaying museum objects, such as exhibit cases, dioramas, lighting, graphics, replicas, etc. The Interior Museum Collection Management System (I/MCMS) is the official DOI system of record for museum property, a subset of personal property and a type of collectible heritage asset. This is sensitive, non-expendable personal property that is system-controlled, and not subject to capitalization. The catalog record must indicate whether an object has been designated controlled property.
- Recordkeeping Requirements: Museum property must be recorded and tracked in I/MCMS or equivalent system (see DOI Museum Property Directives 3, 18, 20, and 21). The catalog record must indicate whether an object has been designated controlled property.
- 5) Internal use software are programs or operating systems purchased from commercial vendors "off-the-shelf", internally developed, or contractor developed solely to meet the DOI's internal or operational needs.
- Recordkeeping Requirement: The software purchased or developed for internal needs must be recorded and tracked in the system of record if it meets the definition and capitalization criteria. The capitalization threshold for internal use software is \$100,000 per license. Note that the capitalization threshold for internal use software is different than the capitalization threshold for other personal property.
- 6) Bureau-managed personal property is non-expendable personal property with an original acquisition cost of \$500 to \$4,999, excluding sensitive and museum property.
- Recordkeeping Requirement: Bureaus and offices must establish guidelines for recording and tracking property with this classification. Bureau managed personal property is not recorded in FBMS.

## INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 10

Property Classification

Page 8

- 7) Bulk personal property/stores is expendable or non-expendable property acquired for future use, usually in substantial quantity.
  - Recordkeeping Requirement: Bureaus and offices must establish guidelines for recording and tracking property with this classification. Stores personal property is not recorded in FBMS.
- 8) Federal Government furnished personal property held by a contractor are acquired by or in the possession of a contractor or subcontractor under a contract, grant, cooperative agreement, concessions contract, or memorandum of understanding, pursuant to terms where title is vested in the government, excluding museum property.
  - Recordkeeping Requirement: Adhere to FAR 52.245-1 and guidance provided in the associated contract, grant, cooperative agreement, concessions contract, or memorandum of understanding to record the asset.
- 9) Capital leases are leases that transfer substantially all the benefits and risks of ownership to the lessee. If, at its inception, a lease meets one or more of the following four criteria noted below, the lease should be classified as a capital lease by the lessee. Otherwise, it should be classified as an operating lease.
  - a) The lease transfers ownership of the property to the lessee by the end of the lease term.
  - b) The lease contains an option to purchase the leased property at a bargain price.
  - c) The lease term is equal to or greater than 75 percent of the estimated economic life of the leased property.\*
  - d) The present value of rental and other minimum lease payments, excluding that portion of the payments representing executory cost, equals or exceeds 90 percent of the fair value of the leased property.\*

Note: \*Criteria 3 and 4 above are not applicable when the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property.

- Recordkeeping Requirement: Determined by the classification of the leased asset.



## INDIAN AFFAIRS MANUAL

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Part 23

Property Management

Chapter 10

Property Classification

Page 9

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10) Personal property operating lease is a contract that allows for the use of an asset, does not convey rights of ownership of the asset, and is not included in the general ledger.

- Recordkeeping Requirement: Leased assets must be recorded in FBMS when valued at or above the accountability threshold, or if sensitive. Short-term leased assets (less than 6 months) are excluded from this requirement.

### Approval

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Daniel Galvan  
Acting Deputy Assistant Secretary – Management

Date