

## INDIAN AFFAIRS MANUAL

Part 23

Property Management

Chapter 8

Relief of Accountability

Page 1

- 8.1 Purpose.** The intent of this chapter is to establish IA policy with regard to Relief from Accountability and Reports of Survey.
- 8.2 Scope.** This policy applies to all government employees who use government owned property.
- 8.3 Policy.** This chapter implements reports of survey procedures outlined in IPMD 114-60.8 and establishes the basic requirements for the appointment of Boards of Survey or other survey authorities to investigate circumstances surrounding lost, damaged, stolen, or destroyed government owned property; to establish requirements for investigations; report findings, and make determinations for the relief of accountability. It also prescribes personal financial liability for lost, stolen, damaged, or destroyed Government property, and review of Survey actions.
- 8.4 Authority.** In accordance with Departmental Regulations, Interior Property Management Directive 114-60.8
- 8.5 Relief from Accountability.** Accountable Property Officers (APOs) shall request relief of accountability for property loss, damage, theft, destruction, or unserviceability of property by initiating a Report of Survey, Form DI 103 or Certificate of Unserviceable Property, Form DI-103A.

APOs will ensure the accountability and control of IA property resources, however Custodial Property Officers (CPOs) at all levels are accountable for property under their control. They will ensure that all employees are aware of their responsibilities and are held responsible for the proper use and care of Government-owned or leased property in their possession, and that all Government property is used only for official purposes.

**A. Survey action is not required.**

- a. To document the loss of non-expendable, non-sensitive property with a depreciated value of less than \$5,000. CPOs are responsible for documenting losses of non-expendable, non-sensitive property with an original acquisition cost of less than \$5,000, in accordance with IA policy.
- b. For damage to a motor vehicle when such damage is clearly not the result of employee negligence and there is no possibility of a claim against the Government, e.g., broken windshields from flying debris, minor dents while appropriately parked, damaged tires resulting from road hazards, etc.
- c. When a Certificate of Unserviceable Property is used in accordance with IPMD 410 DM 114-60.809.

## INDIAN AFFAIRS MANUAL

**B. Referral to Survey Authority.** If the documentation or conditions indicate a pattern of unacceptable losses for low value property, the APO or CPO may refer the incident, regardless of original acquisition cost, to a Survey authority for investigation.

**C. Survey action is required for** relief from accountability, except as permitted in IPMD 410 114-60.801(a); for lost, stolen, damaged, or destroyed Government property valued at or above the \$5000 accountability threshold. A Survey action is also required for all sensitive property.

**8.6 Types of Survey Authority.** When Survey action is required, it will be conducted by one of the following methods: A Standing Board of Survey, a Traveling Survey Officer, a Local Survey Officer, or a Special Board of Survey. Board members and Survey Officers must be Government employees. Contractor or other non-Government personnel may not be appointed although they may participate in an advisory capacity.

**A. Appointment.** Survey authority will be appointed, in writing, by the APO.

**B. Membership.** APOs and the employees responsible for the property to be surveyed shall not be Survey authorities. Property Managers may participate either as full members, or non-voting participants in an advisory capacity.

**C. Periods of appointment.** Survey appointments will be for a period of at least one year and not more than three years. In the event of a change in the APO, (i.e., transfer, retirement, death), existing appointments will remain in effect until a new APO is appointed.

**8.7 Standing Board of Survey.** A Standing Board of Survey includes a chair person and at least two members. All designations must be in writing and made by the APO. Members of the board of survey are held responsible for investigating the loss of Government property, completing reports of survey by documenting the investigation and arriving at findings and making determinations about the disposition of the property and financial liability for the loss.

**8.8 Local Survey Officer.** A Local Survey Officer has the same responsibilities as a Standing Board of Survey, but can only be appointed to investigate loss of non-sensitive Government property with an original acquisition cost of less than \$15,000.

**8.9 Traveling Survey Officer.** A Traveling Survey Officer has the same authorities, responsibilities, and restrictions as a Standing Board of Survey and acts in lieu thereof. A Traveling Survey Officer may be appointed in instances where the APO is responsible for the property at separate geographic locations, and it has been determined that use of a Traveling survey Officer is required.

## INDIAN AFFAIRS MANUAL

---

Part 23  
Chapter 8

Property Management  
Relief of Accountability

Page 3

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- 8.10 Special Boards of Survey.** Property Administrators may establish Special Boards of Survey to investigate unusual losses such as those resulting from major incidents (e.g., fire, flood, earthquakes, etc.). Special Boards of Survey have the same responsibilities and authority as Standing Boards of Survey. No limits are imposed upon the membership or size of the Special Board. All members must be appointed.
- 8.11 Report of Survey Forms.** Form DI-103, Report of Survey and attachments deemed necessary will be used to document the results of Survey investigations, findings, and determinations.
- 8.12 Distribution.** The original Report of Survey will be signed by the Survey Authority(s) and submitted through channels to the Reviewing Authority. If approved, the original Report of Survey will be used as authority to make adjustments to the property records. Report of Survey files must be retained for six years and then destroyed.
- 8.13 Additional Distribution.** Copies of approved reports of survey for property losses over \$50,000 shall be forwarded through the Division of Property Management to the Department of the Interior, Office of Acquisition and Property Management, Office of the Secretary, by the Regional Property Management Officer.
- 8.14 Notification of a Board of Survey/Survey Officer.** When circumstances require convening a Survey authority, the APO for the property to be surveyed will immediately notify the Board Chairperson or Survey Officer. Survey action must be initiated within 30 days of the discovery of the loss. Delays must be explained in writing and attached to the Survey document.
- 8.15 Limitations.** Boards of Survey and Survey Officers will limit their activities to surveying Government property. Loss of private property, even though directly resulting from the actions of an employee, is not the concern of Boards of Survey or Survey Officers, but is handled through the tort claims process.
- 8.16 Continuing Property in Service.** Where it is found that property has further usefulness in its present condition, or after necessary cost-justifiable reconditioning, or has useable parts, Survey authorities may recommend that the property be continued in service, reported for reutilization as available excess property, or cannibalized for parts.
- 8.17 Witnessing Destruction or Reduction to Scrap.** Where approved Reports of Survey/Certificates of Unserviceable Property direct the destruction or reduction of property to scrap, such disposition must be witnessed by an individual designated by the APO. The witness cannot be the APO or CPO to whom the property is assigned.

## INDIAN AFFAIRS MANUAL

Part 23  
Chapter 8

Property Management  
Relief of Accountability

Page 4

- 8.18 Destruction and Disposal of Hazardous Materials.** Hazardous materials, including hazardous material containers and personal property containing hazardous materials shall be destroyed under Federal, State, and local waste disposal and air and water pollution control standards. Additional requirements for the abandonment and destruction of certain specific hazardous materials are contained in FPMR 101-42.1102.
- 8.19 Certificate of Unserviceable Property Forms.** Certificate of Unserviceable Property Form DI-103a will be used for documenting the disposition of property that is obsolete or worn out through fair wear and tear. A DI-013A, Certificate of Unserviceable Property **may not** be used for motor vehicles, firearms, or museum property. Motor vehicles and firearms must be reported on a Report of Survey form DI-103. Board of survey procedures are applicable for vehicles and firearms which are lost, stolen, damaged, destroyed or unserviceable.
- 8.20 Conducting an Unserviceable Property Action.** Unserviceable property actions must be well documented, with care taken to obtain all the necessary signatures. After final approval, property records will be changed to reflect the destruction or rehabilitation of the property. The documentation must be maintained six years for audit purposes and then destroyed.
- 8.21 Determination of Unserviceability.** The cognizant employee will make a recommendation to the CPO as to whether the property is unserviceable. If the CPO concurs, he or she will notify the APO who will complete a DI-103A, Certificate of Unserviceable Property and recommend method of disposition and sign completed form. If the property is determined to be serviceable and is not needed, disposal procedures must be followed and annotated on the Certificate.
- 8.22 Reviewing Authority for Reports of Survey and Certificates of Unserviceable Property.** The Reviewing Authority for Reports of Survey will be the Central/Regional Office PA's. If they are the CPO of the surveyed property, the Reviewing Authority will be at the next higher reporting level. Certificates of Unserviceable Property will be signed by the Regional APOs. A Reviewing Authority may not be a member of the Board of Survey which acted in the particular case under consideration. Under no circumstances will a Reviewing Authority include the APO for the property involved. Copies of all actions shall be forwarded to the Regional APO.
- 8.23 Authority to Overturn Findings and Determinations.** The Board of Survey or Survey Officer's findings and determinations cannot be overturned by the Reviewing Authority or the APO. The Reviewing Authority may only return a Report of Survey for reasons of technical insufficiency or inadequate documentation. If the Reviewing Authority

## INDIAN AFFAIRS MANUAL

Part 23  
Chapter 8

Property Management  
Relief of Accountability

Page 5

disagrees with the Board of Survey's or Survey Officers findings and determinations, he or she will prepare a written statement outlining reasons for such disagreement, and attach it to the Report of Survey. The Report of Survey will be forwarded to the next higher organizational level for resolution.

The Reviewing Authority for Certificates of Unserviceable Property may disapprove a Certificate if supporting documentation is inadequate or incomplete. In those instances, the Reviewing Authority will outline the deficiencies, disapprove the action, and specify what additional information is required. The Certificate will be returned to the originator with recommendations thereon. The revised Certificate and statements must be resubmitted by the originator to the APO within 30 days. Upon resubmission, a final determination will be made.

**8.24 Removal of Surveyed Property from Accountability Records.** Surveyed property will not be removed from the property accountability records until the Reviewing Authority has approved the Report of Survey.

Property approved on Certificates of Unserviceable Property for destruction/reduction to scrap/cannibalism cannot be removed from the property records until an approved Certificate is signed by the witness(es).

**8.25 Property Irregularities.** Property irregularities will be investigated by Boards of Survey/Survey Officers. Property irregularities include:

- A. Loss of Government property in which the total is in excess of \$5,000, either in the aggregate for 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, or misappropriation of Government property.
- F. Loss or theft of a firearm or weapon, ammunition, explosives, hazardous materials, or a controlled substance.

**8.26 Reporting Theft, Unauthorized use, or Vandalism to Law Enforcement Authorities.**

All thefts, unauthorized use, and/or vandalism must be reported to the local or state law enforcement authority, and where appropriate to facility security forces. Theft and vandalism of items will be reported to the Federal Bureau of Investigation (FBI). The FBI may choose to conduct an active investigation. Reports for items valued at less than

## INDIAN AFFAIRS MANUAL

Part 23  
Chapter 8

Property Management  
Relief of Accountability

Page 6

\$5,000 will also be reported to the FBI for filing and further analysis, but normally no investigation will be conducted.

**8.27 Investigation Requirement.** In addition to the general investigation requirements for Survey action, 355 DM 2 requires additional investigation of property irregularities when the situation warrants. The provisions in the Departmental Manual pertaining to Office of Inspector General (OIG) investigations are in addition to Boards of Survey/Survey Officer requirements.

**8.28 Responsibilities.** If during the investigation, evidence of property irregularities exist, as outlined in IPMD 410 114-60.807-1, Boards of Survey or Survey Officers will refer the findings to the Reviewing Authority. The Reviewing Authority will review the findings to determine whether the case merits referral to the OIG. When it is determined that property irregularities exist, the initial findings and all of the pertinent documentation will be forwarded to the Assistant Inspector General for Investigations. A copy of each case referred to the OIG will be provided to the APO and to the DOI Director, Office of Acquisition and Property Management (PAM), for review. No further investigations or disciplinary actions will be taken pending the outcome of the OIG review.

The OIG will review all Reports of Survey, conduct investigations and provide the head of the Office and the Director, PAM with the results and recommendations. If investigations are not appropriate, notify the reporting office and PAM. If notified, survey procedures may begin.

### **8.29 Employee Liability, Notification, and Appeal.**

#### **A. Determination of Liability.**

- a. No Liability. Employees will not be held financially liable for any loss attributable to inadequate instruction or inherent defects in the property. The loss of Government property alone does not automatically indicate negligence. If the Survey authority cannot prove negligence based on facts, or convincingly demonstrate in written argument that the employee acted in an imprudent manner, it cannot arrive at a determination of negligence.

Employees and APOs will be relieved of accountability and financial liability when they satisfactorily explain the circumstances, the loss occurred despite reasonable care and precautions.

- b. Liability. Under circumstances other than the above, employees will be held financially liable when a thorough investigation determines that:

- (1) Property loss was a result of use for other than official purposes;

## INDIAN AFFAIRS MANUAL

- (2) Property loss was due to simple or ordinary neglect or negligence, which is an act or omission of the employee in which he or she failed to exercise the degree of care, precaution, attention, and vigilance which a prudent person would exercise under like circumstances;
- (3) Property loss resulted from a supervisor or manager who failed to provide an employee with adequate instructions or authorized the use of property by an employee unfamiliar with its operation (in such cases, the supervisor or management official may be found negligent); or
- (4) Property loss was due to gross negligence, which is an act or omission which constitutes misconduct in accordance with 370 DM 752, or a wanton and reckless disregard for the property.

c. Non-Government personnel liability.

- (1) Legal use. Use of Government Property by non-Government personnel must be authorized by a legal instrument such as a contract, cooperative agreement, etc., which contains the required property clauses. No Survey action is required when such use of Government property is properly authorized. Where Government property is lost, damaged, or destroyed a determination of liability and amount due, if any, will be made by the contracting officer or other designated Government representative for the contract, memorandum of understanding, cooperative agreement, etc.
- (2) Illegal use. Unauthorized use of Government property by non-Government personnel is illegal (see 18 U.S.C. 641).
  - a. If Government employee permits unauthorized use the action shall be considered a property irregularity and shall be reported to the OIG in accordance with IMPD 410 114-60.807-4.
  - b. Any other illegal use shall be reported to law enforcement authorities in accordance with IPMD 114-60.807-2.

**8.30 Employee Notification and Participation.** The Chairperson, Board of Survey or Survey Officer will send written notification to the employee who may be held liable for property loss, and afford the employee the opportunity to present a written statement of facts surrounding the loss. Any such statement must be presented to the Board of Survey/Survey Officer by the employee within fourteen (14) calendar days of the date of the notification. The statement(s) will become a part of the Report of Survey and will be considered in the investigation and determination of financial liability.

## INDIAN AFFAIRS MANUAL

The employee may orally address the Board within the same time frame, but must provide an accompanying written statement of any facts he or she wishes the Board to include in the Report of Survey.

**8.31 Financial Liability and Disciplinary Actions.** Any deliberation as to the question of an employee's financial liability must be completely separate and apart from, and without prejudice to, any personnel action that may be under consideration (e.g., admonishment, reprimand, suspension, reassignment, demotion, etc.). The assessment of financial liability is not to be used in lieu of, or as a form of, disciplinary action. Boards/Officers cannot recommend personnel actions, but will confine their recommendations to recovering Government losses and correcting the cause of the incidents.

**8.32 Determining the Amount of Financial Liability.** When the Board of Survey or Survey Officer finds that an employee should be held liable for property loss, damage, or destruction, the Board/Officer will determine and specify in writing the exact dollar amount of financial liability for which the employee should be held liable. More than one employee may be found negligent for an incident involving a piece of property, but the dollar amount must be prorated equally among the negligent employees, e.g., if two employees are equally to blame for a loss, then the total amount of loss should be divided between them. The amount of liability assessed the employee shall be determined as follows:

- A. Simple negligence. The amount of financial liability assessed the employee by the Board of Survey/Survey Officer in cases where property loss, damage, or destruction was the result of simple or ordinary negligence shall be:
  - a. Damage: The estimated or actual cost of repairs for damage that was a direct result of the incident, regardless of whether or not the property was repaired; or, the replacement cost for a comparable item, whichever is less.
  - b. Loss or theft: The amount of liability for Government property which was lost or stolen as a result of simple negligence will be the estimated or fair market value of the property computed by subtracting the accumulated depreciation from the acquisition value or the replacement cost of a comparable item, whichever is less.
  - c. Destruction: The amount of financial liability for Government property which was destroyed as a result of simple negligence will be the estimated or fair market value of the property computed by subtracting the accumulated depreciable amount; or the replacement cost of a comparable item; whichever is lowest.
  - d. In no case involving simple negligence will the employee be assessed more than \$250 or one month's disposal pay, and always a the lesser amount. Under no circumstances shall associated costs such as towing, storage, damage to private

## INDIAN AFFAIRS MANUAL

property, etc. be part of the liability assessed.

- B.** Gross negligence: When Board of Survey/Survey Officer finds that an employee should be held liable for loss, theft, damage, or destruction of property, including vehicles and heavy equipment resulting from gross negligence, the amount of liability will be determined as follows:
- a. Damage. The amount of financial liability for property damage will be the lower of the replacement cost of a comparable item or the estimated or actual cost of repairs, regardless of whether or not the property is repaired.
  - b. Loss or Theft: The amount of financial liability for property loss or theft of Government property resulting from gross negligence will be the lower of the replacement cost of a comparable item or the estimated or fair market value of the property computed by subtracting the accumulated depreciation from the acquisition value.
  - c. Destruction: The amount of financial liability for destruction of Government property resulting from gross negligence will be the lower of the replacement cost of a comparable item or the estimated or fair market value of the property computed by subtracting the accumulated depreciation from the depreciable amount.

Under no circumstances shall associated costs such as towing, storage, damage to private property, etc. be part of the liability assessed.

**8.33 Depreciation Formula for Lost, Damaged or Stolen Property.** Straight-line depreciation is IA's standard for depreciation. To determine the value of property at the time of its loss or damage do the following:

- A.** Determine the acquisition value (fair market or estimated value at the time of receipt).
- B.** Identify the salvage value (10% of the original acquisition value in A).
- C.** Subtract the salvage value from the acquisition value.
- D.** Subtract the acquisition year from the current year and multiply the result by twelve.
- E.** Subtract the acquisition month from the current month.
- F.** Add or subtract the result from line E with line D.
- G.** Multiply the result from line C by the result from line F.
- H.** Determine the useful life and subtract the acquisition year less the model year. Multiply the result by twelve.

## INDIAN AFFAIRS MANUAL

Part 23  
Chapter 8

Property Management  
Relief of Accountability

Page 10

- I. Divide the result from line G by the result from line H.
- J. The result from line I is the accumulated depreciation for the item at the time of loss and is then subtracted from the acquisition value to determine the amount of financial liability.

**8.34 Employee Notification of Findings and Determinations.** The Board/Survey Officer will provide the employee with the following information immediately following the completion of review and approval of a Survey action. A copy of the signed, reviewed, and approved reports of survey, including findings and recommendations, and a letter stating that if the employee chooses to appeal the findings and determinations of the Board of Survey/Survey Officer, he or she may file with the Director, Office of Hearings and Appeals (OHA), (801 N. Quincy Street, MS-300-QC, Arlington, VA 22203) a notice of appeal within 30 days of the date of the decision transmitted by the letter (See IPMD 114-60.808-7 and 114-60.808 for filing procedure.) A copy of your appeal letter must be forwarded to (the applicable property office) to ensure billing procedures will not be implemented until your appeal is decided”.

**8.34 Employee Appeal of Survey Findings and Determinations.** An employee may appeal a Board/ Survey Officer finding of simple or gross negligence and/or financial liability.

Appeal procedures are found in 43 CFR 4.1(b)(4). Appeals will normally be decided by an ad hoc board of appeals at the Department’s Office of Hearings and Appeals. All findings by the ad hoc board of appeals are final for the Department in accordance with 43 CFR 4.1(b)(4).

- A. A copy of all appeals shall be sent by the appellant to the appropriate servicing property office, who will ensure that billing procedures are not inadvertently begun and will transmit the official file to the OHA.
- B. Bureaus/offices have the right to respond to an appeal. Upon notification of an employee appeal the bureau/office must immediately contact the OHA requesting an opportunity to respond. A timeframe for responding will also be established.

**8.36 Transmittal of the Official File.** Within 10 days of receipt of a copy of the notice of appeal, the official whose decision is being appealed shall ensure that the entire original \* official file on the matter is transmitted to the Director, OHA (43 CFR 4.702). The official file shall be organized in a logical reverse chronological order and bound or stapled so that it will not become disorganized in the transmittal process.

\*Note: Photographic copies of photographs are not acceptable.

## INDIAN AFFAIRS MANUAL

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Part 23  
Chapter 8

Property Management  
Relief of Accountability

Page 11

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**8.37 Debt Collection.** Amounts owed by the employee resulting from a Survey action may be voluntarily remitted or collected by administrative offset in accordance with 31 U.S.C. 3716 1988). Employees may replace lost, stolen, or destroyed items with a comparable item or have damaged items repaired, upon written approval by the APO.

**8.38 Billing the Employee.** When it is determined by the Board/Survey Officer that an employee should be held financially liable for Government property loss, damage, or destruction and that determination has been approved by the Reviewing Authority, the Government will establish its claim against the employee after the 30-day period by billing the employee for the amount determined by the Board of Survey. Payment of such billing does not convey title to the property; rather, payment should be construed simply as restitution to the Government for losses suffered.

- A.** Suspension of billing procedures. Billing procedures will be suspended pending the outcome of a timely appeal. Billing will be reinstated if the Office of Hearings and Appeals finds in favor of the Government, or when the Director or an Appeals Board provides that a decision or any part of it shall be in full force and effective immediately. (See 43 CFR 4.21)
- B.** Exemption. Because of the costs associated with the collection process, offices may elect not to collect small amounts in cases of simple negligence. If the amount is less than the estimated cost to effect the collection and does not exceed \$100, the appropriate finance officer may waive it. All other requirements of IPMD 410, 114-60.8, remain in full force and effect.