
CHAPTER 9. PROPERTY SURVEY BOARDS

- 9-1 POLICY. The circumstances concerning the loss, theft, damage, destruction, or other condition adversely affecting the accountability and use of personal property shall be investigated to the maximum extent feasible. Restitution to the Government will be sought in those cases where the Property Survey Board recommends and the Reviewing Official determines that an employee is pecuniarily liable.
- 9-2 GENERAL. This chapter establishes responsibilities, policies, and procedures for:
- A. Reporting lost, stolen, or damaged Government property to appropriate law enforcement agencies and Accountable Property Officers (APOs).
 - B. Reporting unreconciled inventory findings to the Property Survey Board.
 - C. Investigating the circumstances concerning any act or condition adversely affecting the accountability and use of personal property.
 - D. Appointing of Property Survey Boards to conduct investigations and submit recommendations based upon findings.
 - E. Actions which shall be taken to determine personal liability of employees, as appropriate.
- 9-3 RESPONSIBILITIES.
- A. Appointing/Appellate Officials.
 - 1. The Director, Office of Administrative and Management Services (OAMS), in Headquarters, shall:
 - a. Appoint a Headquarters Property Survey Board composed of three or more officials or employees of the Department to investigate the loss, theft, damage, or other condition which adversely affects the accountability or use of Government property; appoint a sufficient number of Alternate Members to serve in the absence of the Principal Members.
 - b. Appoint a Chairperson of the Board to conduct Board activities. The Chairperson may:
 - (1) Act upon cases in lieu of the full Board, provided that the acquisition value of the property in question is \$300 or less.

- (2) Convene the Board to review cases involving property with an acquisition value of \$300 or more, as determined,
 2. The Deputy Director, OAMS, shall serve as the Appellate Official having authority to review and decide on appeals made in Headquarters.
 3. The Director, Office of Administration (DOA), in each Regional Office, shall:
 - a. Appoint a Regional Property Survey Board composed of three or more officials or employees of the Department to investigate the loss, theft, damage, or other condition which adversely affects the accountability or use of Government property; appoint a sufficient number of Alternate Members to serve in the absence of the principal members.
 - b. Appoint a Chairperson of the Board to conduct Board activities. The Chairperson may:
 - (1) Act upon cases in lieu of the full Board, provided that the acquisition value of the property in question is \$300 or less.
 - (2) Convene the Board to review cases involving property with an acquisition value of \$300 or more, as determined appropriate.
 - c. Appoint the Manager of each Field Office and such other staff as may be required to investigate cases within the Field Office involving the loss, theft, destruction of, or damage to Government property for the purpose of making recommendations to the Regional Property Survey Board.
 - d. Serve as the Appellate Official having authority to review and decide on appeals made in the Regional and Field Offices.
- B. Reviewing Officials. The Director, Facilities Operations Division (FOD), in Headquarters, and the Director, Administrative Services Division (ASD) or Administrative and Management Services Division (AMSD), in each Regional Office, serve as Reviewing Official and shall:
 1. Consider all evidence and recommendations submitted by the Board prior to directing actions.

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2. Accept recommendations and findings of the Property Survey Board, when satisfied such recommendations and findings are sound and arrived at in an impartial manner based upon a thorough investigation.
 3. Render decisions as to pecuniary liability of employees and initiate actions required to obtain reimbursement and/or to delete property from accountability records.
 4. Document findings and decisions on form HUD 27, Report of Survey (Appendix 14).
 5. Notify employees of decisions, which shall include planned method of reimbursement on behalf of the Department in cases of pecuniary liability, appeal rights, and procedures.
 6. Notify the Director, Office of Finance and Accounting (OFA), in Headquarters, or Director, Regional Accounting Division (RAD), in Regional Offices of decisions of pecuniary liability requiring reimbursement and the deletion of property from fiscal account records.
 7. Refer cases to the Office of Inspector General, when deemed appropriate.
 8. Recommend disciplinary and/or adverse action based upon the evidence presented, when appropriate.
 9. Approve and direct the repair of property and/or relief from accountability after consideration of the findings and recommendations of the Board.
- C. Employees. All Department employees shall:
1. Notify the APO immediately of the loss, theft, destruction of, damage to, or other condition which adversely affects the accountability or use of Government personal property they are assigned and/or control.
 2. Explain circumstances concerning status of property on form HUD 27, Report of Survey.
 3. Appear before and provide information to the Property Survey Board as may be required during the investigation of cases of lost, stolen, or damaged Government property.
 4. Report property believed to have been lost or stolen immediately to the APO upon recovery.

D. Accountable Property Officers (APOs) shall:

1. Initiate an immediate search of the general area for property reported as missing, including items discovered missing during a physical inventory.
2. Report the loss or theft of personal property to the appropriate law enforcement authorities immediately.
3. Assure immediate preparation of the form HUD 27, Report of Survey and forward to the Director, FOD or Director, ASD/AMSD.
4. Report property believed to have been lost or stolen to the Director, FOD or Director, ASD/ASMD.
5. Coordinate activities with the Chief, Property and Supply Branch or Director, Regional ASD/AMSD to ensure adjustment of property records.

E. Board Members. Members of the Property Survey Board, under the direction of the Chairperson or Alternate Chairperson, shall:

1. Require the presentation of all unclassified information pertaining to the property or incident under investigation.
2. Request the appearance and testimony of any Department employee connected with the investigation.
3. Report to an office head any employee not cooperating or interfering with an investigation.
4. Request the testimony of "experts" within and outside of the Department, as required.
5. Conduct prompt and impartial investigations.
6. Examine and verify all evidence presented and available.
7. Submit recommendations relating to pecuniary liability, repair, and disposition from property accountability records to Reviewing Official consistent with the circumstances and findings disclosed by the investigation.
8. Inform Office heads whenever classified or unclassified material, which was not available, could affect the recommendations and findings submitted.

9. Limit access to information received and findings and recommendations formulated to personnel having a right and need-to-know.
 10. Recommend disciplinary and/or adverse action, when appropriate.
- F. Secretary to the Board. The Director, FOD, in Headquarters, and the Director, ASD/AMSD, in each Regional Office, shall designate a staff member to serve as Secretary to the Property Survey Board. The Secretary to the Board shall:
1. Provide administrative support to the Board as required preparatory to and during the investigation of cases and development of findings and recommendations.
 2. Provide information, technical advice, guidance, and assistance to all parties as required in the preparation of form HUD 27, Report of Survey, and the adjustment of property accountability records.
 3. Provide research and administrative assistance as required by Reviewing Official in the review of Board findings and recommendations, the determination of pecuniary liability, and the final disposition of cases involving loss, theft, or damage to, Government personal property.
- G. The Director, Office of Personnel, in Headquarters, and Director, Personnel Division, in each Regional Office, shall:
1. Initiate adverse personnel action as required.
 2. Defer final clearance of separating employees until conclusion of Report of survey proceedings, including appeals, if applicable.
- H. The Director, Office of Finance and Accounting (OFA) in Headquarters, and Director, Accounting Division RAD in each Regional Office, shall:
1. Initiate collection actions upon written notice from the Reviewing Official.
 2. Adjust appropriate General Ledger accounts upon receipt of form HUD 27, Report of Survey.
 3. Certify collection and adjustment actions on form HUD 27, Report of Survey, and return to Director, FOD, or Director, ASD/AMSD.

9-4 TERM OF APPOINTMENTS. The following shall be the term of appointments for members of a Property Survey Board:

- A. Chairperson. This official is appointed to serve for two calendar years and may, at the discretion of the Appointing Official, serve for an additional calendar year as a Member or Alternate Member.
- B. Alternate Chairperson and Member. This official is appointed to serve two calendar years and may, at the discretion of the Appointing Official, serve for an additional calendar year as Chairperson or Member.
- C. Member. This official is appointed to serve for two calendar years.
- D. Alternate Member. This official is appointed to serve for two calendar years.

9-5 BOARD MEETINGS. The Property Survey Board shall convene at the call of the Chairperson or Alternate Chairperson as often as may be required to review reports of property lost, stolen, or damaged, but no less than once each quarter, if there are Reports of Survey pending. At least three members, including the Chairperson, must convene to constitute a quorum for the purpose of voting on findings and recommendations.

9-6 RESTRICTIONS ON REVIEW OF CASES. The Chairperson, Alternate Chairperson, Member, or Alternate Member of a Property Survey Board shall not be involved in the review, investigation, or development of findings and recommendations by the Board for any cases involving property and employees in their respective program.

9-7 SETTING THE VALUE OF LOST, STOLEN, OR DAMAGED GOVERNMENT PROPERTY. Employees who have been found pecuniarily liable for lost, stolen, or damaged Government property, shall be charged the depreciated value of the property or, in cases of damage, actual repair costs.

A. Depreciation. The following criteria is to be used in determining the depreciated value of Government personal property:

- 1. Automated Data Processing (ADP) Equipment. The straight line method of depreciation using a six (6) year life span is applied to ADP equipment. The rate of 1.3888 percent, or 1/48th, of the acquisition cost is applied for each month if the age of the property for four years, at which time, the salvage value of the property, 10 percent of its acquisition cost, is reached. The property retains its salvage value until disposal.

- 2. Other than ADP Equipment. The straight line method of depreciation using a ten (10) year life span is applied to:

- a. Furniture and fixtures.
- b. Office machines.
- c. Training equipment.
- d. Shop and other equipment.

The rate of 0.8333%, or 1/120th, of the acquisition cost is applied for each month of the age of the property for ten years, at which time, the salvage value of the property, 10 percent of its acquisition cost, is reached. The property retains its salvage value until its disposal.

- B. Repair Costs. The servicing property office will obtain at least two (2) estimates of repair costs for use in the Property Survey Board determinations.

9-8 EMPLOYEE LIABILITY. An employee may be held accountable for loss of, or damage to Government property. The employee will be billed and will be expected to pay for lost, stolen, or damaged property. In accordance with the Debt Collection Act of 1982, if the indebtedness is not paid within 30 days of the billing date, the employee will be charged a minimum rate of interest on the outstanding debt that is equal to the average current value of funds to the treasury as published in the Federal Register each year, Reference HUD Handbook 1900.25 (Delinquent Debt Collection). If the indebtedness is not paid within 90 days of the billing date, the employee will be assessed an additional penalty charge, not to exceed six percent per annum.

If the employee does not or cannot liquidate the debt, the amount of indebtedness may be collected in monthly installments, or at officially established pay intervals, by deduction from current pay account. The amount deducted may not exceed 15 percent of disposable pay, except that a greater percentage may be deducted upon the written consent of the employee involved. If the employee retires or resigns, or if employment with HUD otherwise ends before complete collection of the indebtedness, the Department's last recourse is to off-set debts against the employee's last paycheck, lump sum payments for accrued annual leave or retirement benefits upon separation. Before initiating any proceedings to collect any indebtedness by offset, the Reviewing Official will provide the employee with a minimum 30 days written notice which will state:

- A. The nature and amount of the indebtedness determined by the Department to be due and that the employee will be billed for the indebtedness;

- B. That the employee is expected to pay the indebtedness;
- C. That interest will be charged if the indebtedness is not paid

within 30 days of the billing date and that an additional penalty will be assessed if the debt is not liquidated within 90 days of the billing date;

- D. That a repayment schedule is available and that the employee has an opportunity to enter into a written agreement with HUD to establish a schedule for debt payment under terms agreeable to the Department.
- E. The intention of the Department to initiate proceedings to collect the debt from the employee's current disposable pay account if the debt is not voluntarily liquidated by the employee within 30 days of the billing date.
- F. That the employee may review and copy HUD records relating to the debt;
- G. That the employee has an opportunity for a hearing on the determination of the Reviewing Official concerning the existence and amount of the debt and the method of payment; and
- H. An explanation of the appeal rights of the employee.

9-9 APPEALS.

- A. Notification of Intent to Appeal. An employee who intends to appeal a decision of pecuniary liability shall notify the Reviewing Official of such intent in writing within 15 calendar days of receipt of the decision.
- B. Notification of Appeal Hearing. The Appellate Official, upon receipt of a notification of intent to appeal, shall notify the employee in writing of the date, time, and place of the appeal hearing. The appeal hearing shall be scheduled within 15 calendar days of receipt of the appeal notice.
- C. Basic Rights.
 - 1. Right to representation. An employee has a right to be represented by legal counsel and to be accompanied by an advisor, attorney, or other representative in any personal appearance in connection with an appeal, solely at the employee's expense.
 - 2. Review of Files. The Department shall permit an employee to review and copy all files and records pertinent to the employee's appeal.

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- D. Determination and Notification of Appeal Decisions. Within 30 calendar days after receipt of all information submitted in support of the employee's appeal, the Appellate Official shall

make a written determination on the appeal and provide a copy to the employee. The written determination shall include:

1. The Appellate Official's decision upon review of the appeal.
2. The basis upon which the decision is rendered.

9-10 FORMS AND REPORTS. The following forms are used to establish possession of personal property and to investigate circumstances that adversely affect the use of property and accountability. All forms become part of individual case file records.

- A. Form HUD 26, Custody Receipt for Government Property on Personal Charge, used to record the issuance of property to individuals (Appendix 12).
- B. Form HUD 26a, Property Receipt Control Register, used to record sequential issuance of personal property on form HUD 26 (Appendix 13).
- C. Form HUD 27, Report of Survey, used to record all proceedings concerning property reported for survey (Appendix 14).
- D. GSA Form 3156, Offense/Incident Report, or equivalent form, is used by appropriate law enforcement agencies to record circumstances that adversely affect property (Appendix 10).
- E. FEMIS Equipment Listing used to record the assignment of equipment to HUD organizations. FEMIS Furniture Activity Report, used to record the aggregate assignment of furniture, by generic category, to HUD organizations. FEMIS Telephone Activity Report, used to record the aggregate assignment of telephones, by generic category, to HUD organizations. Inventory Exception Report, used to identify unsighted equipment, furniture, and telephone category changes.