

**Forest Service Handbook
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**Forest Service Handbook 3109.12 – Property Acquisition Assistance Handbook
Chapter 50 - Review Of Federal Excess Personal Property (FEPP) Program**

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Approved by: Robin L. Thompson, Associate Deputy Chief

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Responsible Staff:

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Posting Instructions: Amendments are numbered consecutively by handbook number and calendar year. Post by document; remove the entire document and replace it with this amendment. Retain this transmittal as the first page(s) of this document.

Digest: Following is an explanation of the changes throughout the directive by section.

Zero Code: Makes major editorial changes to fit organizational structure and revises direction for clarity throughout the chapter.

04: Clarifies areas of responsibility and adds references to the Federal Excess Property Management Information System (FEPMIS) as a tool developed to assist State cooperators in managing Forest Service personal property.

05: Adds definitions for the following terms: "Accountable Officer," "Acquisition Date," "Agency Acquisition Management System (AAMS)," "Change of Status," "Cooperator," "Demilitarization (DEMIL)," "Donee," "Emergency," "Expendable Property," "Federal Excess Property Management Information System (FEPMIS)," "Fire Program," "Flight Safety Critical Aircraft Part (FSCAP)," "GSA Xcess," "Incidental Use," "Inventoried Property," "Modification," "Mutilate," "Negligence," "Ninety/Ten rule," "Non-expendable Property," "Property Management Officer (PMO)," "Public Body," "Reimbursable Property," "Report Number,"

“Rolling Stock,” “Review,” “Screen,” “Separation of Duties,” “Technical Assistance,” “Transfer,” and “Unsalvageable Aircraft Part.”

Removes obsolete terms: “Exchange/Sale Property,” “Non-accountable Property,” “Non-reportable Excess Personal Property,” “Reportable Excess Personal Property,” and “Standard Price.”

06: Updates references to include Web hyperlinks.

10: Makes major editorial changes to fit organizational structure throughout the chapter. Revises direction for clarity and adds references to the Federal Excess Property Management Information System (FEPMIS) as the method for processing acquisitions.

20: Makes major editorial changes to fit organizational structure throughout the chapter. Revises direction for clarity, adds references to the Federal Excess Property Management Information System (FEPMIS) as the method of processing acquisition, management, and disposal of excess property, and adds direction for use of new form; FS-3100-9; Request for Cannibalization, Modification and Deregistration of Forest Service Owned Property.

30: Makes major editorial changes to fit organizational structure and revises direction for clarity throughout the chapter. Adds references to the Federal Excess Property Management Information System (FEPMIS) as the method to facilitate disposition of Federal Excess Personal Property (FEPP) property.

40: Makes major editorial changes to fit organizational structure and revises direction for clarity throughout the chapter. Adds references to the Federal Excess Property Management Information System (FEPMIS) as the method to facilitate acquiring, managing, and disposing of excess aviation property. Adds direction for use of the form; FS-3100-9; Request for Cannibalization, Modification and Deregistration of Forest Service Owned Property.

50: Makes major editorial changes to fit organizational structure and revises direction for clarity throughout the chapter. Adds references to the Federal Excess Property Management Information System (FEPMIS) as the method of processing acquisition, management, and disposal of excess property. Adds direction for use of form FS-3100-9, Request for Cannibalization, Modification and Deregistration of Forest Service Owned Property.

60: Makes major editorial changes to fit organizational structure, revises direction for clarity, and adds references to the Federal Excess Property Management Information System (FEPMIS) as the source for needed forms for Federal Excess Personal Property (FEPP) throughout the chapter.

62.1: Updates the requirements for the Annual Non-Federal Recipients report.

63.1: Adds the FEPP Review Checklist exhibit.

63.2: Updates the disposal codes for FEPP.

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50.1 - Authority

1. FSM 1440. This Forest Service manual provides the authority to perform reviews and frequency of reviews, to establish sufficient controls that reasonably ensure achievements within the program.
2. Office of Management and Budget Circular No. A-123 Revised, Management's Responsibility for Internal Control. This Circular provides specific requirements for assessing and reporting on controls.
3. U.S. Department of Agriculture (USDA) Management Control Manual, Departmental Manual 1110-002, November 29, 2002. Establishes department-wide policy and detailed guidelines and procedures for all agencies and staff offices to: 1) improve the accountability and effectiveness of USDA programs and operations through the use of sound systems of management/internal controls, and 2) ensure compliance with laws and regulations.

The agreements supporting participation in the Federal Excess Personal Property (FEPP) program provide the Forest Service access to and the right to examine any directly pertinent records and documents to evaluate compliance with the terms and conditions of such agreements.

50.2 - Objective

The objective of the Forest Service review of the Federal Excess Personal Property (FEPP) program is to assure that:

1. Federal excess personal property is accounted for by the State and is used to support rural and wildland firefighting responsibilities.
2. There is proper authorization and documentation for FEPP acquisitions and disposals.
3. Administration of the FEPP program conforms to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483), as amended, FMR 102-36.

50.3 - Policy

The Forest Service shall periodically review the State and Forest Service administration of the FEPP program. Such reviews must follow the "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" issued by the Comptroller General of the United States (<http://archive.gao.gov/>).

Conduct reviews in accordance with section 52 of this chapter.

50.4 - Responsibility

Responsibility for conducting reviews of State FEPP programs is shared by Fire and Aviation Management, Acquisition Management, and Financial Management at the regional and Area level of the Forest Service.

The Forest Service regional/Area Director should specify, by supplement to this handbook, the participating staff groups at their locations. State personnel should participate in reviews of the FEPP program to assure that the program conforms to Federal and State policies.

50.5 - Definitions

Audit. To examine State records and accounts for accuracy in order to evaluate State controls and accounting practices relative to the FEPP program. Audits may only be performed under the authority of the USDA Office of Inspector General, the General Accounting Office, and State auditing procedures.

Review. To examine State procedures for acquisition, management, and disposal of FEPP in accordance with this handbook and related Forest Service and U.S. Department of Agriculture directives. Reviews also examine compliance with General Services Administration, Federal Aviation Administration, and other external agency rules.

51 - Review Guidelines

51.1 - Review Scope and Frequency

Forest Service and State personnel shall perform reviews in accordance with FSM 1441, Scope and Frequency of Reviews.

Each region and Area shall determine the frequency and scope of reviews. The adequacy of each State's internal controls and accounting practices and procedures must dictate the scope of the review. Use representative testing and sampling techniques if efficient and economical.

State foresters should include the FEPP program in audits and reviews conducted by State personnel, and share results of State reviews and audits with Forest Service reviewers to help reach agreement on improvements needed in the program.

51.2 - Review Plan

Base regional and Area review plans on the criteria in FSM 1441. At a minimum, the review plan must specify:

1. The program subject for review;
2. Purpose of review;

3. Organization of the review team;
4. Scope of review coverage; and
5. Expected benefits of such review.

52 - Conduct of Reviews

Conduct reviews in accordance with FSM 1440 and the Federal Excess Personal Property (FEPP) Review Checklist (sec. 63.1, ex. 01 of this handbook).

52.1 - Review Notification

The Forest Service should notify, in writing at least 30 days in advance of the review, the appropriate State party of the program to be reviewed. Retain a copy of the notice in the work papers and send a copy to the appropriate program management staff group.

52.2 - Preliminary Procedures

Before starting the review, the reviewer shall obtain and review key reference materials which generally include:

1. Background data on the State forestry organization, overall operations, and key staff. Copies of any State legislative, executive, judicial orders, or directives that have a direct bearing on the administration of the FEPP program should be helpful.
2. The chain of command in the State for the acquisition, assignment, and disposal of the FEPP. Specify names, titles, and span of authority.
3. Screening authority, by names, duty stations, and expiration dates of screeners' authorizations. Estimate the percentage of the total acquisition each screener accomplishes.

If the entity is responsible for the rehabilitation of acquired property, (local fire departments may bear that responsibility), determine how the State ensures that the process is completed.

4. Document if there is a formal assignment process. If there is not, explain why. In either case; comment on the functionality of the process.
5. Reconciled records of the property on loan to the State with regional and Area property records (sec. 22.6 of this handbook).
6. A copy of the paperwork documenting the most recent State physical inventory. Ascertain if it reasonably reflects an actual physical inventory rather than merely paperwork reconciliation or a casual certification.

7. A reasonable number of transfer documents (no fewer than 10) to track through the audit trail in the State offices to the physical item.

8. A random sample of AD-112 and FS-3100-9 forms that are approved for cannibalization, deregistration, or modification of FEPP. Verify the current location of these property items and their current status.

9. Most recent Federal or State audit and review reports to determine if the State took corrective action on noted deficiencies.

Applicable studies, audits, or program reviews by State personnel are of considerable value.

10. Establish the review itinerary. Plan to visit as many of the 10-percent sample as possible. Once site visits are established, identify property that have been assigned by the State.

11. Obtain a current Forest Service property inventory. Randomly select 10 percent of the inventoried items. Verify the current location of these items. Determine the method for reviewing them:

- a. Physical inspection by the review team;
- b. Physical inspection by State disinterested party;
- c. Physical inspection by Forest Service disinterested party; and
- d. Inventory form to be certified by the custodian, with random physical inspection by one of the above parties. **NOTE:** In consultation with the other responsible Forest Service staffs, a percentage other than 10 percent may be chosen. The reasons should be documented.

52.3 - Entrance Conference

At the start of each review, the reviewer shall meet with the officials responsible for the program being reviewed to discuss the purpose and scope of the review and any potential problem areas. Include a summary of the meeting in the review report.

Inform Forest Service program management officials about the conference so that they may attend.

52.4 - Sampling

Use sampling, as appropriate, in Forest Service review tests. Where possible, the reviewer shall use statistical or scientific sampling in accordance with FSM 1443.5 Sampling. Regardless of method, the reviewer shall ensure that sufficient evidence is obtained to support the findings.

52.5 - Matters Requiring Immediate Action

If evidence of possible fraud, negligence, gross negligence, or other similar irregularity is discovered, the reviewer shall immediately contact the regional/Area Director, who in turn must refer the evidence to the regional forester for consideration and forwarding to the Office of the Inspector General.

52.6 - Exit Conference

Upon completion of the fieldwork, the reviewer shall hold an exit conference with officials of the program reviewed to discuss all findings and recommendations.

Inform Forest Service program management officials about the conference so they may attend.

The exit conference gives the reviewer an opportunity to obtain comments on the accuracy and completeness of the facts presented and conclusions reached. It also provides officials with advance information to use as a basis for initiating corrective action without waiting for the final report. Whenever possible, obtain the comments on the findings and incorporate them in the report. Also, include in the report information on any corrective measures taken or promised to be taken.

53 - Review of Work Papers and Report

53.1 - Review Work Papers

Prepare review work papers as prescribed throughout section 52.

53.2 - Review Report

The regional/Area Director shall issue review reports to the accountable officer as soon as possible after completion of the fieldwork, but no later than 45 working days after the exit conference. The regional/Area Director shall designate a Forest Service program manager to respond to review findings and recommendations.

Closure should normally require no more than 6 months. The review may not be closed out until all actions have been completed and documented. Failure by the State to complete action items may be grounds for suspension of participation in the program. Failure by the Forest Service to complete action items may be grounds for disciplinary action.

54 - Follow up on Review Recommendations

Follow up on discrepancies and recommendations with monthly progress reports until actions on all items in the review report meets the closing criteria.