

ARTICLE 56
GOVERNMENT PERSONAL PROPERTY MANAGEMENT

Section 56.01 - General. The Department will provide guidance for the security of the Department's personal property against waste, loss, theft, damage, fraud, unauthorized use, and mismanagement.

Except as specified in this Article, the Department's Personal Property Management Handbooks 2200.01, dated December 2000 and 2235.7, dated July 1991 will be followed.

Section 56.02 - Employee Responsibilities for Government or Leased Property Issued for Official Use. Employees must safeguard and maintain the government property assigned to them and use such property in the performance of official duties. Employees must promptly report unused and unneeded property to their supervisors.

- (1) Employees must reasonably safeguard the property assigned for use in the performance of their official duties. Such property may belong to or leased to the Government and may not be converted for personal or private use.
- (2) Employees shall notify their supervisors of the need to replace, repair, or acquire personal property. They shall also notify their supervisors of possible hazards (fire, theft, deterioration, improper or insecure storage) to items issued.
- (3) Employees who are issued Government-owned or leased property that requires a custody receipt shall be instructed by the Department as to that property's proper use, maintenance, security, and disposition. At the time such property is issued, the receiving employee shall be advised how to obtain maintenance services for such items.
- (4) Employees responsible for sensitive property shall be afforded appropriate security arrangements for such property by the Department. They shall also have access to such property in order to perform the duties of their assigned position in conjunction with taking appropriate measures to insure that property is secured.
- (5) Membership in the bargaining unit shall not be a factor in determining the priority of property issuance, repair, or replacement.

Section 56.03 - Management Responsibilities for Government Property Issued for Official Use.

- (1) When property requiring a custody receipt is issued, the Department shall advise the employee as to that property's proper use, maintenance, security, and disposition and how to obtain maintenance services for such items.
- (2) Managers and supervisors who issue sensitive property shall provide the employee appropriate security arrangements for such property. The managers and supervisors shall provide access to the employee of such property in order to perform the duties of their assigned position in conjunction with providing instruction on appropriate measures to insure that property is secured.

- (3) Managers and supervisors shall act promptly (i.e. notifying the Accountable Property Officer) to replace the equipment, once they have been notified by the employee of the need to replace, repair, or acquire personal property or possible hazards (fire, theft, deterioration, improper or insecure storage) to government or leased items.
- (4) The Department shall ensure that the HUD acquisition, repair, and/or replacement process for remedial equipment and devices for qualified employees with disabilities shall be accomplished without undue delay.
- (5) The Department shall ensure that forms for reporting loss, theft, or damage to Government-owned personal property, as well as forms needed to identify and remove privately-owned personal property from the premises, shall be readily available to employees through administrative offices.
- (6) The Department shall annually notify the Union of the month and location for all scheduled property inventories.
- (7) The Department agrees to issue an annual staff bulletin to all employees regarding Government Personal Property Management Responsibilities. This bulletin shall enumerate Management and employee responsibilities for complying with this article and Handbook 2235.7 REV, Personal Property Management.

Section 56.04 - Privately-Owned Property Placed in Official Use.

- (1) Use of privately-owned personal property for Official Use must be approved by the Department.
 - (a) **Equipment.** Employees are not required to use privately-owned equipment while conducting official business. If an employee chooses to use their own equipment, they shall request approval from the Office of Facilities Management Division in Headquarters, or Office of Field Support in the Field or their designees. For all computer equipment, the request must be approved by Office of Chief Information Officer (OCIO). If an employee chooses not to obtain approval from the Department, it will be at their own risk and the Department will not be held liable for any loss or damage.
 - (b) **Supplies/Services.** Supplies and services required for the proper functioning of privately-owned personal property may be obtained at government expense, as long as and to the extent that such property is being used in an officially-approved capacity. This policy does not apply to motor vehicles.
 - (c) **Loss, Theft, or Damage of Privately-Owned Property Officially Approved for Use.** Claims may be filed against the government for loss, theft, or damage of privately-owned property officially approved for use. See Claims Against Government Under Federal Tort Claims Act (24 CFR Part 17, Subpart A) and Claims Under the Military Personnel and Civilian Employees Claims Act of 1964 (24 CFR, Part 17, Subpart B).

Section 56.05 - Credit Cards Issued for Small Purchases by HUD.

- (1) **Non-approved Purchases.** Small purchase credit cardholders shall not be held responsible for non-approved purchases unless such purchases are made knowingly and willfully in violation of the regulations.
- (2) **False, Fictitious, and Fraudulent Purchases.** The cardholder is prohibited through use of the card, from making any purchase knowing such purchase to be false, fictitious, or fraudulent. If the cardholder knowingly and willfully makes a false, fictitious, or fraudulent claim, he or she shall be subject to a fine of not more than ten thousand dollars (\$10,000) or imprisonment of not more than five (5) years, or both.
- (3) **Lost or Stolen Cards.** The cardholder may be responsible to the Federal Government for charges on a lost or stolen card only if the cardholder knowingly and willfully fails to report it in accordance with procedures outlined in Instructions for Use of U.S. Government Bankcard for the Cardholder. These procedures shall be explained to all new bankcard holders prior to the issuance of the card. The cardholder shall not be held financially responsible for charges on a lost or stolen card unless the Government is held accountable by the card issuer.
- (4) **Departmental Agency Review.** Any determination as to financial liability based upon these provisions shall be made jointly by the proposing official and Office of the Chief Human Capital Officer as appropriate. The Union will be notified of the determination from a Departmental agency review.
- (5) **Card Security.** Upon request, cardholder shall be provided a secure place to safeguard the card.
- (6) **Card Destruct Notice.** Cardholders no longer authorized to use the card shall cut the card in half and shall return the card with the completed card destruct notice to his/her approving official.

Section 56.06 - Surplus of Government Personal Property. In accordance with GSA regulations, surplus property may not be purchased directly from the Department. Employees interested in acquiring surplus Government property may purchase such property at public GSA auctions.

Section 56.07 - Property Survey Board Investigations and Appeals. Loss, theft, damage, destruction, or other condition adversely affecting the use of Departmental personal property will be investigated by Department. Restitution to the government will be sought in those cases where an employee is determined to be negligent or deliberately destructive in failing to safeguard and properly use government property.

Employees who are subject to inquiry or investigation by the Department shall be allowed to be represented by the Union.

The right to a copy of all documents relating to the inquiry or investigation to the extent such disclosure is not inconsistent with law and existing Government-wide regulations.

(1) **Loss or Damage of Government Equipment.** When the reviewing official determines that an employee is liable for loss of, or damage to, Government property, they shall send a notice to the employee stating the following:

- i. The date upon which the loss of, or damage to, Government property was discovered;
- ii. The estimated cost of repair or replacement with substantially equivalent or identical Government property;
- iii. The specific reasons why the employee is believed to be liable for the loss of, or damage to, Government property; and
- iv. A statement that the employee shall have the right to appeal any decision made for loss of, or damage to, Government property by both internal review and the negotiated arbitration procedure.

Section 56.08 - Liability. In order for the Department to find an employee pecuniary (monetarily) liable for any loss of, or damage to, Government property, it must prove the loss of, or damage to, Government property was caused by the employee's negligence in safeguarding or the deliberate destruction of property or equipment.

- (1) If the employee is determined to be pecuniary (monetarily) liable, and 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 the employee's salary. The amount deducted shall not exceed fifteen (15) percent of disposable pay except with the affected employee's written consent. If arbitration is invoked over the indebtedness, the payment will be held in abeyance until a final decision is determined.
- (2) Any collections under this Article shall be done under the procedures set forth in the Delinquent Debt Collection Handbook, 1900.25 Rev, and 4 CFR 102.2, 102.3, and 102.11.

Section 56.09 - Setting The Value Of Lost, Stolen, Or Damaged Government Property. Employees who have been found pecuniary (monetarily) 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.

- (1) The depreciation will be based on industry-standard or market resale value.
- (2) Where applicable, the servicing property office will obtain at least two (2) estimates of repair costs for use in the determinations.

Section 56.10 - Physical Inventory. All HUD-owned and rented reportable property must be inventoried once every two years, at a minimum. HUD Employees are responsible for having property on personal charge available for verification and counting during inventories and for identifying privately-owned property to those conducting the inventory.

(1) **Notice to Employees.** Prior to scheduled inventories, employees will be notified of:

- (a) Inventory starting and completion dates.
- (b) Property on personal charge must be available for verification and counting.
- (c) Privately-owned property must be labeled as privately owned. Sensitive and portable items normally secured and/or not visible must be available. If scheduled inventory is conducted during non-working hours, Accountable Property Officers must arrange to inventory sensitive, portable, and other secured equipment.