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Approved for Release  
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Date

DEPARTMENT OF COMMERCE  
CHIEF FINANCIAL OFFICER AND ASSISTANT SECRETARY FOR ADMINISTRATION  
OFFICE OF FINANACIAL MANAGEMENT

PROPERTY BULLETIN # 001, FY16

**SUBJECT:** Standardization of Useful Life and Salvage Value for Departmental Personal Property Assets

**EFFECTIVE DATE:** October 1, 2015

**EXPIRATION DATE:** Effective until canceled or superseded

**SUPERSEDES:** Property Bulletin #001, FY09

**BACKGROUND:** In 2005, the Department contracted with Sunflower Systems to consolidate the two instances, operated separately by the Office of Secretary (OS) and National Oceanic and Atmospheric Administration (NOAA), into one system. During the OS/NOAA consolidation, the useful life and salvage values previously assigned by NOAA, based upon Office of Management and Budget (OMB) Circular A-76 Revised Appendix #3, "Useful Life and Disposal Value," were migrated and adopted as the standard useful life and salvage values for all personal property assets. This bulletin supersedes Property Bulletin #001 FY09, due to it only addressing the useful life and salvage values for electronic assets and not all personal property assets.

**PURPOSE:** The purpose of this property bulletin is to standardize the useful life and salvage value of all personal property assets. Standardization practices will facilitate the Department's goals of streamlining personal property business processes across all Bureaus. An example of this practice is the standardization of useful life and salvage values, which are used to properly calculate depreciation costs of personal property assets.

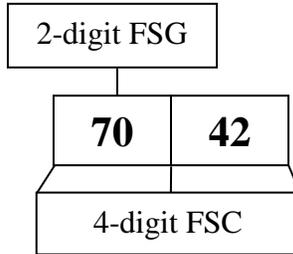
**DEFINITION AND EXAMPLE:** In accordance with the Federal Catalog Program (FCP), a Government-wide program established by Public Law (PL) 82-436, Cataloging and Standardization, the Federal Government catalogs and manages products and goods procured by the Government through a standardized coding system, known as the Federal Supply Classification (FSC) system.

This system is comprised of a Federal Supply Group (FSG); a two digit coding structure which identifies an item's supply group. Currently, there are 78 groups which are subdivided into [646 supply classes](#) known as a FSC, a four digit coding structure. It is

important to understand that a FSC is derived from a FSG and that the useful life and salvage value recommendations are associated to an item's FSG code.

An example to classify a computer (desktop or laptop) is shown below:

A computer falls within the supply group labeled 70, ADP Equipment, Software, Supplies and Equipment. The subdivision or class within this group for a computer is 42, Mini and Micro Computer Control Devices. To categorize a computer within the FCP, the coding structure is as follows:



**APPLICABILITY/PROCEDURES:** This property bulletin applies to all Departmental Property Officials and/or financial point of contacts. For cataloging purposes, the useful life and salvage values are associated and categorized by an item's FSG and may be further subdivided to an item's FSC. Such standards are inherited from the catalog entry assigned in the PPMS and/or agency financial system, in accordance with the respective standards outlined within this property bulletin.

**STANDARD FOR PERSONAL PROPERTY ASSETS:** The Department will refer to the minimum useful life and salvage values classified by FSG as its respective standard, with the exception of electronic assets, which are classified by FSC in the table listed below.

For personal property assets, please refer to the Attachment A, Minimum Useful Life and Salvage Values for Departmental Personal Property Assets, for a standardized listing of useful life and salvage values.

**STANDARD FOR ELECTRONIC ASSETS:** Pursuant to Executive Order (E.O.) 13423, Strengthening the Federal Environmental, Energy, and Transportation Management, Section XII, Electronics Stewardship (B) (iii) (a), it states that an agency should "strive to extend the useful life of electronic equipment to four (4) or more years". To comply with this E.O., the Department, in collaboration with the Office of Sustainable Energy and Environmental Programs and the Office of the Chief Information Officer has defined the FSCs listed in the chart below as "electronic equipment". As a result, the useful life and salvage values deviate from the Department's respective standard for electronic assets only.

For electronic assets, please refer to the chart listed below for the Department's listing of useful life and salvage values in accordance with E.O. 13423 and the Institute of Electrical and Electronics Engineers, Inc. (IEEE) standards:

**Minimum Useful Life and Salvage Values Based on E.O. 13423,  
IEEE 1608.2 and IEEE 1608.3**

Category	Useful Life (yrs.)	Salvage Value	Federal Supply Classification (FSCs)
<b>Automatic Data Processing Equipment including Software, Supplies, and Support – FSG 70</b>			
Digital Duplicator	4	0	7025
Monitor	4	0	7025
Multi-Function Device (Fax/Printer/Scanner)	4	0	7025
Printer	4	0	7025
Scanner	4	0	7025
Desktop Computer	4	0	7042
Laptop Computer or Tablet	4	0	7042
Equipment (Other)	4	0	7020, 7021, 7022, 7025, 7035, 7040, 7042, 7045
<b>Special Industry Machinery – FSG 36</b>			
Copier	4	0	3610
<b>Communication, Detection, and Coherent Radiation Equipment – FSG 58</b>			
Fax Machine	4	0	5815
<b>Office Machines, Text Processing Systems, and Visible Record Equipment – FSG 74</b>			
Mail Machine	4	0	7490
<b>Musical Instruments, Phonographs, and Home-Type Radios – FSG 77</b>			
Television	4	0	7730
<b>* Only the FSCs listed in the table above supersede the FSG standards listed in Attachment A.</b>			

**REFERENCES:**

Attachment A, Minimum Useful Life and Salvage Values for Departmental Personal Property Assets

[OMB Circular No. A-76 Revised Appendix #3, Useful Life and Disposal Value PL 82-436, Cataloging and Standardization](#)

[Department of Army Supply Bulletin SB-708-21, Federal Supply Classification](#), dated May 2005

[E.O. 13423, Strengthening the Federal Environmental, Energy, and Transportation Management](#)

IEEE 1608.2, IEEE Standard for Environmental Assessment of Imaging Equipment

IEEE 1608.3, IEEE Standard for Environmental Assessment of Televisions

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**Attachment A, Minimum Useful Life and Salvage Values for Departmental Personal Property Assets**

<b>FSG</b>	<b>TITLE</b>	<b>SALVAGE VALUE %</b>	<b>SERVICE LIFE</b>
10	WEAPONS	0	15
11	NUCLEAR ORDNANCE	0	10
12	FIRE CONTROL EQUIPMENT	0	10
13	AMMUNITION AND EXPLOSIVES	0	10
14	GUIDED MISSILES	0	15
15	AIRCRAFT AND AIRFRAME STRUCTURAL COMPONENTS	0	20
16	AIRCRAFT COMPONENTS AND ACCESSORIES	0	20
17	AIRCRAFT LAUNCHING, LANDING, AND GROUND HANDLING EQUIPMENT	0	10
18	SPACE VEHICLES	0	15
19	SHIPS, SMALL CRAFT, PONTOONS, AND FLOATING DOCKS	0	15
20	SHIP AND MARINE EQUIPMENT	0	15
22	RAILWAY EQUIPMENT	0	7
23	GROUND EFFECT VEHICLES, MOTOR VEHICLES, TRAILERS, AND CYCLES	0	10
24	TRACTORS	0	10
25	VEHICULAR EQUIPMENT COMPONENTS	0	10
26	TIRES AND TUBES	0	0
28	ENGINES, TURBINES, AND COMPONENTS	0	15
29	ENGINE ACCESSORIES	0	7
30	MECHANICAL POWER TRANSMISSION EQUIPMENT	0	15
31	BEARINGS	0	0
32	WOODWORKING MACHINERY AND EQUIPMENT	0	7
34	METALWORKING MACHINERY	0	15
35	SERVICE AND TRADE EQUIPMENT	0	5
36	SPECIAL INDUSTRY MACHINERY	0	10
37	AGRICULTURAL MACHINERY AND EQUIPMENT	0	7
38	CONSTRUCTION, MINING, EXCAVATING, AND HIGHWAY MAINTENANCE EQUIPMENT	0	10
39	MATERIALS HANDLING EQUIPMENT	0	10
40	ROPE, CABLE, CHAIN, AND FITTINGS	0	0
41	REFRIGERATION, AIR CONDITIONING, AND AIR CIRCULATING EQUIPMENT	0	7
42	FIRE FIGHTING, RESCUE, AND SAFETY EQUIPMENT; AND ENVIRONMENTAL PROTECTION EQUIPMENT AND MATERIALS	0	10
43	PUMPS AND COMPRESSORS	0	10
44	FURNACE, STEAM PLANT, AND DRYING EQUIPMENT; AND NUCLEAR REACTORS	0	7
45	PLUMBING, HEATING, AND WASTE DISPOSAL EQUIPMENT	0	10
46	WATER PURIFICATION AND SEWAGE TREATMENT EQUIPMENT	0	7
47	PIPE, TUBING, HOSE, AND FITTINGS	0	0
48	VALVES	0	0
49	MAINTENANCE AND REPAIR SHOP EQUIPMENT	0	10
51	HAND TOOLS	0	5
52	MEASURING TOOLS	0	7
53	HARDWARE AND ABRASIVES	0	0
54	PREFABRICATED STRUCTURES AND SCAFFOLDING	0	10
55	LUMBER, MILLWORK, PLYWOOD, AND VENEER	0	0
56	CONSTRUCTION AND BUILDING MATERIALS	0	0
58	COMMUNICATION, DETECTION, AND COHERENT RADIATION EQUIPMENT	0	10
59	ELECTRICAL AND ELECTRONIC EQUIPMENT COMPONENTS	0	10
60	FIBER OPTICS MATERIALS, COMPONENTS, ASSEMBLIES, AND ACCESSORIES	0	0
61	ELECTRIC WIRE AND POWER AND DISTRIBUTION EQUIPMENT	0	7
62	LIGHTING FIXTURES AND LAMPS	0	10
63	ALARM, SIGNAL, AND SECURITY DETECTION SYSTEMS	0	5
65	MEDICAL, DENTAL, AND VETERINARY EQUIPMENT AND SUPPLIES	0	7
66	INSTRUMENTS AND LABORATORY EQUIPMENT	0	10
67	PHOTOGRAPHIC EQUIPMENT	0	10
68	CHEMICALS AND CHEMICALS PRODUCTS	0	0
69	TRAINING AIDS AND DEVICES	0	10

**Attachment A, Minimum Useful Life and Salvage Values for Departmental Personal Property Assets**

<b>FSG</b>	<b>TITLE</b>	<b>SALVAGE VALUE %</b>	<b>SERVICE LIFE</b>
70	AUTOMATIC DATA PROCESSING EQUIPMENT INCLUDING SOFTWARE, SUPPLIES AND SUPPORT	0	3
71	FURNITURE	0	7
72	HOUSEHOLD AND COMMERCIAL FURNISHINGS AND APPLIANCES	0	5
73	FOOD PREPARATION AND SERVING EQUIPMENT	0	7
74	OFFICE MACHINES, TEXT PROCESSING SYSTEMS, AND VISIBLE RECORD EQUIPMENT	0	5
75	OFFICE SUPPLIES AND DEVICES	0	0
76	BOOKS, MAPS, AND OTHER PUBLICATIONS	0	5
77	MUSICAL INSTRUMENTS, PHONOGRAPHS, AND HOME-TYPE RADIOS	0	10
78	RECREATIONAL AND ATHLETIC EQUIPMENT	0	7
79	CLEANING EQUIPMENT AND SUPPLIES	0	0
80	BRUSHES, PAINTS, SEALERS, AND ADHESIVES	0	0
81	CONTAINERS, PACKAGING, AND PACKAGING SUPPLIES	0	10
83	TEXTILES, LEATHER, FURS, APPAREL AND SHOE FINDINGS, TENTS AND FLAGS	0	5
84	CLOTHING, INDIVIDUAL EQUIPMENT, AND INSIGNIA	0	5
85	TOILETRIES	0	0
87	AGRICULTURAL SUPPLIES	0	0
88	LIVE ANIMALS	0	7
89	SUBSISTENCE	0	0
91	FUELS, LUBRICANTS, OILS, AND WAXES	0	0
93	NONMETALLIC FABRICATED MATERIALS	0	0
94	NONMETALLIC CRUDE MATERIALS	0	0
95	METAL BARS, SHEETS, AND SHAPES	0	0
96	ORES, MINERALS, AND THEIR PRIMARY PRODUCTS	0	0
99	MISCELLANEOUS	0	5