

3.900 PROPERTY BOARD OF REVIEW SYSTEM

3.901 Standard for Property Boards of Review

This part establishes the authorities and responsibilities each Operating Unit's PMO regarding circumstances surrounding loss, theft, damage, destruction, or other circumstances adversely affecting personal property. It authorizes the appointment of a Property Board of Review which examines facts to determine and establish the extent of personal liability based upon findings.

3.902 Policy

Any incident of loss, theft, damage, destruction, or other condition adversely affecting property shall be reported by the respective PMO to the Department's security office for the investigation of circumstances surrounding the lost or damaged property. All investigating facts shall be referred to the Operating Unit's PMO who shall establish or convene a Property Board of Review. [The PMO shall establish a Property Review Board under the following circumstances:](#)

- a. The incident is known or suspected to be the result of willful intent or gross negligence, regardless of the property value; or
- b. The item of property involved has an original acquisition cost of [\\$5,000 or more, and/or may be considered sensitive](#), unless the PMO certifies in writing that the particular circumstances clearly indicate that a Property Review Board is unwarranted. This would be the case when there is no reason to suspect neglect, misuse, or theft, such as cases of apparent inventory processing discrepancies. The review action must include a finding on the extent of the employee's responsibility. [Recurring irregularities in a single location or property account shall be referred to a Property Board of Review.](#)

3.903 Establishment of Property Boards of Review

The PMO of each Operating Unit shall appoint, as necessary, a [Property Board of Review](#) at the level of local, regional, or central administration, depending upon the degree of decentralization of property accountability.

A Property Board of Review typically consists of three or more members, one of whom shall be designated as Chairperson. In the absence of a justifiable determination to the contrary, PMOs, PAOs, and PCs shall not serve on a Property Board of Review. The PMO or PAO may act, however, in an advisory capacity.

It is the responsibility of each member of the Property Board of Review to exercise independent judgment, free from influence by recommendations or suggestions of other board members, employees, or superiors. Extreme caution should be taken by board members in rendering recommendations concerning the disposition of Government-owned property since actions are always subject to review. [Findings should be based on facts, results of investigations](#), review of pertinent documents, and consideration of all available evidence.

3.904 Reporting Property for Boards of Review Actions

Form CD-52, "Report of Review of Property", or other appropriate forms approved by the DPMO, shall be used for reporting property for Board of Review actions. Copies of these reports must be furnished to the PAO for proper recording in the financial accounts and property records.

3.905 Responsibility of Property Boards of Review

Operating Unit PMO shall determine when actions are required by a Property Board of Review in cases of missing, damaged or destroyed personal property.

Reports of Review shall be comprehensive, as required by the type of case being reported, in advising:

- a. Circumstances for reporting;
- b. Responsibility for reported condition of property;
- c. Determination of negligence, intent to defraud, or misconduct;
- d. Action taken to recover property; and
- e. Action by legal or law enforcement officers, if any.

Where the facts reported by a Board of Review indicate liability of nongovernmental personnel for loss, damage, theft, or destruction of Government property, a copy of the report shall be provided to the appropriate legal office for action.

3.906 Lost, Missing, Stolen, Damaged, or Destroyed Property

The PC assigned responsibility for property that is lost, missing, stolen, damaged or destroyed, shall complete the appropriate portion of Form CD-52, "Report of Review of Property", and forward it through the PAO to the PMO. The Property Board of Review will review the circumstances surrounding the loss, theft, damage, or destruction of the property and forward the CD-52, "Report of Review of Property", with results of the Board's findings and recommendations to the PMO. [The following information should be contained on the CD-52 or on a separated attached sheet:](#)

- a. [The details of the circumstances surrounding the loss, theft, damage, or destruction of the property;](#)
- b. [The date \(s\) of the incident;](#)
- c. [The names, phone numbers, title, and office of individuals involved in the circumstances;](#)
- d. [The date an investigation by the Security Office was requested and status of the investigation \(if applicable\);](#)
- e. [Pertinent information to the circumstances such as where the property was stored, how the property used, how often the property is used, and who typically uses the equipment;](#)
- f. [The details of the efforts to find or repair the property;](#)
- g. [The acquisition cost and current depreciated value of the property, repair costs and replace cost;](#)
- h. [The PMO's rational for establishing the Property Board of Review; and](#)
- i. [The PAO and PMO shall provide available copies of investigations, police reports, or other such information to the Property Review Board.](#)

3.907 Recommendation of Liability for Employees

When Government property is lost, stolen, damaged or destroyed, the Board will determine whether the employee(s) involved was negligent, and whether such negligence resulted in the loss, damage, theft, or destruction of Government property. In any instance where the employee's negligence resulted in loss, theft, damage or destruction of Government property, the Board will use the following guidelines to develop findings which recommend the amount of financial liability to be charged to the employee.

- a. Employees will not be determined to be liable for loss, damage or destruction attributable to inadequate supervision or instruction, negligence or inherent defects in the property.

b. Under circumstances other than the above, a recommendation to hold an employee liable will be made when facts show:

- (1) That the property was missing damaged or destroyed as a result of its being used for other than official purposes;
- (2) That the loss, damage or destruction was due to simple or ordinary neglect or negligence, which is an act or the failure of the employee to exercise the degree of precaution, attention and vigilance necessary to protect the interest of the Government; and
- (3) That the loss, damage or destruction was due to gross negligence, which is an act or omission of the employee's willful negligence, or a wanton and reckless disregard for property.

c. Whenever there are dissenting opinions from the findings and recommendations among the members of the Board of Review, the majority opinion will be the recommendation of the Board. The minority view will be appended to the report for the PMO.

d. An employee has the right to have an adverse finding reviewed by higher authority. A request by the employee for such review will be submitted in writing to the PMO and will set forth in detail the specific reasons that the findings should be reviewed. The PMO will forward the request, his/her comments and the complete Board of Review record to the reviewing authority. The decision of the reviewing authority shall be final.

3.908 Determining the Amount of Financial Liability

When the Property Board of Review recommends that an employee shall be held liable for property loss, damage or destruction, the Board will determine and specify in writing the exact dollar amount of financial liability for which the employee should be responsible. The amount of liability shall be determined as follows:

a. Simple negligence (excluding motor vehicle liability): The amount of financial liability assessed the employee by the Property Board of Review in cases where property loss, damage or destruction was the result of simple or ordinary negligence shall be:

- (1) 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. Consideration should be given to original acquisition cost, current fair market value, expected useful life, depreciation, condition and age, and value to the Government, as compared to replacement costs for a comparable item. In no case will the Board assess the employee more than one month's scheduled pay; and
- (2) Loss or destruction. The amount of liability for property which was lost or destroyed as a result of simple negligence will be the value of the property lost or destroyed, based upon the original acquisition cost, current fair market value, expected useful life, depreciation, condition and age, credit for salvage, and value of the property to the Government at the time of its loss or destruction.

Replacement costs may also be considered if the cost of a comparable replacement item is less than the original acquisition cost of the property lost or destroyed, or the depreciated value of the property in question. In no case will the Board assess the employee more than one month's scheduled pay.

b. Simple negligence (motor vehicles): When a Property Board of Review finds that an employee is responsible for loss, damage, or destruction of a Government motor vehicle, as a result of simple negligence, the employee shall be held financially liable for either \$200, or the amount of loss, damage, or destruction, whichever is less. In determining the amount of loss, damage or destruction, the Board must consider such factors as original acquisition cost, current fair market value, expected useful life, depreciation, condition and age, credit for salvage, and value to the Government at the time of its loss or destruction.

Note: This policy is established because the Government is a self-insurer of motor vehicles, and employees are unable to protect themselves from catastrophic losses from motor vehicle accidents as they would be able to do in the private sector. The maximum amount of liability is based upon the standard insurance industry deductible which would apply if an employee were operating [their](#) privately-owned vehicle.

c. Gross negligence: When a Property Board of Review recommends that an employee be held liable for property loss, damage or destruction resulting from gross negligence of the employee, the amount of liability shall be determined as follows:

(1) Damage. Financial liability for property damage shall be the estimated or actual cost of repairs for damage that was a direct result of the incident, regardless of whether or not the property is repaired. The loss suffered by the Government is determined by taking into consideration such factors as original acquisition cost, current fair market value, expected useful life, condition and age, depreciation, credit for salvage, and amount of reimbursement required to make the Government whole.

(2) Loss or Destruction. Financial liability for property loss or destruction shall be estimated using the fair market value of the property, taking into consideration such factors as original acquisition cost, current fair market value, expected useful life, condition and age, depreciation, and value to the Government at the time of its loss or destruction. The employee shall be held financially liable for the full amount of the loss suffered by the Government.

3.909 Reviewing Authority for Property Boards of Review Reports

The reviewing authority for Review Reports shall be the Head of the Operating Unit or office or designee, depending on the organizational level to which the property was assigned. In all cases, the reviewing authority must be at least one organizational level higher than the one at which the property was assigned.

3.910 Findings of Property Boards of Review

Findings of a Board shall be final and are not subject to change or modification by the PMO. The line manager may return a Board finding for reasons of technical insufficiency or inadequate documentation. If the PMO disagrees with the Board findings, he/she will prepare a written statement outlining reasons for such disagreement, which will become an attachment to the report findings. The report findings, along with the PMO's statement, shall be forwarded to the approving authority for resolution.

3.911 Billing the Employee

When the Property Board of Review findings recommend holding an employee financially liable, the PMO, if in agreement, shall initiate action to bill the employee for the amount involved. Payment of such billing does not convey title to the property; rather, payment should be construed simply as reimbursement required to make the Government whole.

3.912 Establishing Receivable Accounts

Operating Units will establish administrative procedures for notifying the accounting office of employee liability. A copy of the approved Review Report, which specifies the amount of financial liability, must be complete and forwarded to the accounting office, with a memorandum [completed by the PMO](#), requesting that the employee be

billed for the amount liable. This memorandum, which is the determination of indebtedness, shall be signed or concurred with in writing by the Head of the bureau/office or designee.

a. U.S. Government billings for financial liability must be in accordance with the Debt Collection Act of 1982 (P.L. 97-365).

b. If an employee found by the Board to be financially liable is no longer employed by the agency in which the loss, damage or destruction occurred, the PAO will forward all pertinent papers to the PMO. The PMO will provide the Review Report, with a letter of explanation, to the head of the employing office or designee, requesting that action be taken to collect the amount of indebtedness.

3.913 Responsibility of the PAO

Upon completion of the Property Board of Review action, [the PMO will forward the entire file to the](#) PAO for coordination of the appropriate action required by the report. When the accountable official is responsible for the property involved in the report, the final action will be completed under the direction of the approving official. Files supporting the removal of cannibalized items from property records must be signed and approved by the Board of Review and such information should be made available to auditors upon request.