



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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In Reply Refer to:
1520 (BC-680A) P

December 1, 1998

Instruction Memorandum No. BC-99-012
Expires 09/30/99

To: All Washington Office and Field Officials
Attention: Administrative Officers and Property Managers

From: Acting Director, National Business Center

Subject: Capitalization Threshold for Personal Property and Bureau Sensitive Accountability

A task force working under the Department of the Interior's (DOI) Finance Officers' and Property Management Partnership has reviewed DOI's policy on the capitalization threshold for personal property. The objective of this review was to determine an appropriate maximum Department-wide capitalization threshold which captures a significant portion of the personal property value in the financial systems.

Based on an analysis of the personal property of individual Bureaus, it was determined that the capitalization threshold could be increased and still capture 70% of the value of personal property.

Policy

A subsequent review by Bureau Finance and Property Officers has determined that a \$10,000 threshold would be implemented for Fiscal Year (FY) 99. The following conditions now apply:

- All personal property with an acquisition cost of \$10,000 or more must be capitalized in Bureau Fixed Assets (FA) personal property subsystem unless:
 - the item of personal property has a useful life of two years or less.
- If the value of a non-capitalized item of property is increased to \$10,000 or above during the same accounting period (within the FY the item is received) through "betterments", the base item and betterments will both be capitalized.

Accountable Property

The increase in the capitalization threshold for financial and property records will not affect the \$5,000 accountability threshold. All items received between \$5,000 - \$9,999 will now be recorded as FA type ES for equipment sensitive in the FA subsystem. Those existing capitalized items that were acquired in FY 98 and prior, will continue to be recorded in the FA property subsystem as FA type EC for equipment capitalized.

Dropping of Accountability and New Sensitive Classes

Attachment 1 contains the list of Bureau sensitive items that will no longer be accounted for and the new Bureau sensitive classes.

Effective Date

This \$10,000 threshold for personal property and changes to the Bureau sensitive classes will be effective October 1, 1998.

Please contact Jim Crews at (303) 236-4676 if you have any questions concerning this policy.

Signed by:
Ed Fritchie
Acting Director
National Business Center

Authenticated by:
Lynne J. Lotvedt
Staff Assistant

1 Attachment

1 - List of Bureau sensitive items will no longer be accounted for (1p)

Distribution:
WO-850, LS, 1075
RS-150, Library
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BC-680, Reading File

Dropping of Accountability

The following Bureau sensitive items will no longer be accounted for effective October 1, 1998.

- ES 580550 = 312A Cellular Phones
- ES 582051 = 312A All Pagers
- ES 582550 = 312A Global Positioning Systems (GPS)
Non-Military - Value <\$500
- ES 582050 = 312A Portable Radios (where controlled through Fire Stores Account)

New Bureau Sensitive Classes

INCLUDES ANYTHING WITH AN I OR M (PLATES) AND ALL LEASED PROPERTY AND:

- ES 701051 = 312A ADPE, MOD CONFIGURATION CPU
- ES 702157 = 312A ADPE, MOD FILE SERVER
- ES 702599 = 312A ADPE, MOD INPUT/OUTPUT/STORAGE DEVICES
- ES 702552 = 312A ADPE, MOD TERMINAL X
- ES 702154 = 312A ADPE, MOD WORKSTATION ADMINISTRATIVE
- ES 702152 = 312A ADPE, MOD WORKSTATION BASIC
- ES 702156 = 312A ADPE, MOD WORKSTATION DISABLED PHYSICAL
- ES 702159 = 312A ADPE, MOD WORKSTATION ENHANCED GIS
- ES 702158 = 312A ADPE, MOD WORKSTATION ENHANCED GP
- ES 702153 = 312A ADPE, MOD WORKSTATION PERSONAL
- ES 702155 = 312A ADPE, MOD WORKSTATION PORTABLE
- ES 702162 = 312A ADPE, MOD WORKSTATION 250
- ES 702160 = 312A ADPE, MOD WORKSTATION 604
- ES 702150 = 312A ADPE, PC
- ES 701050 = 312A ADPE SYSTEM CONFIGURATION
- ES 582550 = 312A GLOBAL POSITIONING SYSTEM >\$500
- ES 100550 = 312A FIREARMS/GUNS
- ES 582050 = 312A RADIO
- ES 667550 = 312A SURVEYING EQUIPMENT (now only includes surveying instruments)