

GAO

December 2001

**PROPERTY
MANAGEMENT
SYSTEMS
REQUIREMENTS**

**Checklist for
Reviewing Systems
Under the Federal
Financial Management
Improvement Act**



PREFACE

December 2001

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires, among other things, that agencies implement and maintain financial management systems that substantially comply with federal financial management system requirements. These requirements are detailed in the Federal Financial Management System Requirements series issued by the Joint Financial Management Improvement Program (JFMIP), in Office of Management and Budget (OMB) Circular A-127, *Financial Management Systems*, and in OMB's *Revised Implementation Guidance for the Federal Financial Management Improvement Act (FFMIA) of 1996*, issued January 4, 2001. JFMIP intends for the requirements to promote understanding of key financial management systems concepts and requirements, to provide a framework for establishing integrated financial management systems to support program and financial managers, and to describe specific requirements of financial management systems.

We are issuing this checklist, which reflects JFMIP's *Property Management Systems Requirements* (JFMIP-SR-00-4, October 2000), to assist (1) agencies in implementing and monitoring their property management systems and (2) managers and auditors in reviewing their property management systems to determine if they substantially comply with FFMIA. This checklist is not required to be used in assessing property management systems. Rather, it is provided as a tool for use by experienced staff and is one in a series of documents we have issued to assist agencies in improving or maintaining effective operations. (See the last page of this document for a list of related products.) This checklist, the JFMIP source document, and the two previously mentioned OMB documents should be used concurrently. Those using this tool must apply experienced judgment in its interpretation and application. They must consider the impact of the completed checklist on an entire property management system and whether the system, as a whole, substantially complies with requirements.

Additional copies of the checklist can be obtained from the U.S. General Accounting Office, 700 4th Street NW, Room 1100, Washington, DC 20548, or by calling (202) 5126000, or TDD (202) 512-2537. This checklist replaces GAO's previously issued exposure draft of the *Property Management Systems Requirements Checklist* (GAO-01-554G, June 2001) and is available on the Internet on GAO's Home Page (<http://www.gao.gov>) under "Other Publications" and the subheading "Accounting and Financial Management." Printed copies of the JFMIP document also can be obtained from GAO, or they can be downloaded from the JFMIP website at <http://www.jfmip.gov> under "JFMIP Documents" and the subheading "System Requirements."



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Abbreviations

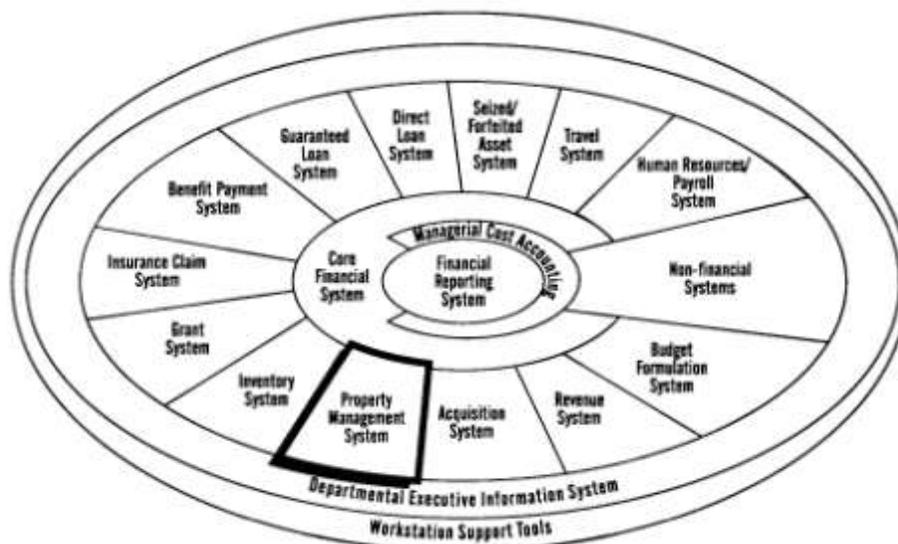
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
FASAB	Federal Accounting Standards Advisory Board
FFMIA	Federal Financial Management Improvement Act
FMR	Federal Management Regulation
FPMR	Federal Property Management Regulation
GSA	General Services Administration
JFMIP	Joint Financial Management Improvement Program
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PP&E	Property, Plant, and Equipment
SFFAS	Statement of Federal Financial Accounting Standards

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OVERVIEW

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires, among other things, that agencies implement and maintain financial management systems that substantially comply with federal financial management system requirements. These requirements are detailed in the Federal Financial Management System Requirements series issued by the Joint Financial Management Improvement Program (JFMIP)¹ and Office of Management and Budget (OMB) Circular A-127, *Financial Management Systems*. The JFMIP requirements document describes the federal financial system architecture as consisting of (1) core financial systems, (2) other financial and mixed systems (including the property management systems), not all of which are applicable to all agencies, (3) shared systems, and (4) departmental executive information systems (systems to provide management information to all levels of management).² Figure 1 is the JFMIP model that illustrates how these systems interrelate in an agency's overall systems architecture.

Figure 1: Agency Systems Architecture



Source: JFMIP *Property Management Systems Requirements* (October 2000).

¹JFMIP is a joint undertaking of OMB, the General Accounting Office, the Department of the Treasury, and the Office of Personnel Management (OPM), working in cooperation with each other and with operating agencies to improve financial management practices throughout the government. The program was initiated in 1948 by the Secretary of the Treasury, the Director of the Bureau of the Budget (now OMB), and the Comptroller General and was given statutory authorization in the Budget and Accounting Procedures Act of 1950. The Civil Service Commission, now the Office of Personnel Management, joined JFMIP in 1966.

²JFMIP has also issued the *Framework for Federal Financial Management Systems* (FFMSR-0, January 1995), which defines the framework for establishing and maintaining financial management systems to support management and deliver programs of the federal government. GAO published a companion checklist, *Framework for Federal Financial Management System Checklist* (GAO/AIMD-98-21.2.1, May 1998).

To date, JFMIP has issued 10 of the 15 functional requirements shown in figure 1.³

We are issuing this checklist — which reflects JFMIP’s first issuance of the *Property Management Systems Requirements* (JFMIP-SR-00-4, October 2000) — to assist (1) agencies in implementing and monitoring their property management systems and (2) managers and auditors in reviewing agency property management systems to determine if they substantially comply with FFMIA. This checklist is not a requirement. However, it is provided as a tool for use by experienced staff. This checklist; the JFMIP source document; OMB Circular A-127, *Financial Management Systems*; and OMB’s *Revised Implementation Guidance for the Federal Financial Management Improvement Act (FFMIA) of 1996*, issued January 4, 2001, should be used concurrently. Staff members who use this tool must apply experienced judgment in its interpretation and application. They must consider the impact of the completed checklist on the entire property management system and whether the system, as a whole, substantially complies with requirements.

Authoritative Guidance

The basis for assessing compliance with the FFMIA requirements is provided by OMB Circular A-127 and OMB’s implementation guidance, which agencies use in order to implement and maintain financial management systems that comply substantially with federal requirements. The implementation guidance identifies various criteria that an agency must meet to substantially comply with these requirements. One of the criteria listed in the OMB guidance is the JFMIP system requirements series.

The source of all the questions in this checklist is the JFMIP *Property Management Systems Requirements* (JFMIP-SR-00-04, October 2000), which addresses requirements for property management systems. The JFMIP document acknowledges that property management system functionality does not necessarily reside in a single software application or functional system. In fact, property information may reside in or may be calculated in a number of applications or systems. The property management systems described in the JFMIP document may comprise all these applications and/or systems, their interfaces, and the processes required to manage property. It should be noted that the checklist is based on the existing published JFMIP standards and that changes in laws, regulations, and standards and practices since the JFMIP standards were issued are not included in the checklist.

The JFMIP document segregates functional requirements into two general categories — mandatory and value-added. The mandatory requirements describe what the system must do. They consist of the minimum acceptable functionality necessary to establish a system and are based on federal laws, regulations, directives, or judicial decisions. Mandatory requirements are those against which agency heads evaluate their systems to determine substantial compliance with system requirements under FFMIA. These requirements apply to existing systems in operation and new systems planned or under development.

³Thus far, the series includes the (1) Core Financial System Requirements, (2) Inventory System Requirements, (3) Seized Property and Forfeited Assets System Requirements, (4) *Direct Loan System Requirements*, (5) *Guaranteed Loan System Requirements*, (6) *Travel System Requirements*, (7) *Human Resources & Payroll Systems Requirements*, (8) *System Requirements for Managerial Cost Accounting*, (9) *Grant Financial System Requirements*, and (10) *Property Management Systems Requirements*.

The checklist uses “(M)” immediately following the question to indicate a mandatory system requirement.

The value-added requirements describe optional features and may consist of any combination of the following: (1) using state-of-the-art technology, (2) employing the preferred or best business practices, or (3) meeting the special management needs of an individual agency. Agencies should consider value-added features when judging systems options. The need for these value-added features in agency systems is left to the discretion of each agency head. The checklist uses “(V)” immediately following the question to indicate that the item is value-added and not mandatory.

How to Use This Checklist

OMB’s 2001 implementation guidance provides chief financial officers (CFO) and inspectors general with a means for determining whether their agencies’ financial management systems substantially comply with federal financial management system requirements. The annual reporting required by 31 U.S.C. 3512(d) is one means of assisting agencies in the determination of substantial compliance. Agencies can also use this checklist as a tool to help determine compliance with federal financial management system requirements.

Completing this checklist will allow agencies to systematically determine whether specific systems requirements are being met. In determining substantial compliance, agencies should assess the results of the completed checklist based on the property management system requirements taken as a whole.

The checklist contains three columns with the first citing the question. Use the second column to answer each question “yes,” “no,” or “na.” Use the third column to explain your answer. A “yes” answer should indicate that the agency’s property management systems provide for the capability described in the question. For each “yes” answer, the third column should contain a brief description of how the property management systems satisfy that capability and should also refer to a source that explains or shows the capability.

A “no” answer indicates that the capability does not exist. For a “no” answer, the third column should provide an explanation and, where applicable, a reference to any related supporting documentation (e.g., the agency is working on modifying or implementing its property management systems to have the capability available in subsequent years; management believes the capability is not cost effective and will not enhance the property management systems’ ability to manage operations). Cost-benefit studies or support for a “no” answer should be identified in the explanation column. If there are no cost-benefit studies or other support, a full explanation should be provided.

“No” answers should not be viewed individually or taken out of context. Rather, “no” answers should be assessed as to their impact on the overall property management systems and the extent to which the “no” answers inhibit the entire property management systems from achieving compliance.

Certain questions within the checklist may not be applicable to the agency. Answer such nonapplicable questions with “na” and provide an appropriate explanation in the third column.

PROPERTY MANAGEMENT SYSTEMS REQUIREMENTS

The property management systems requirements document defines mandatory and value-added functional requirements for the three sections described below, which are (1) general requirements, (2) acquiring/receiving property, and (3) managing and accounting for property. Additionally, an interface requirements chapter provides information on input and output interfaces with the property management system. (There are no checklist questions drawn from pages 20 & 21 of the JFMIP source document.)

1. General requirements identify mandatory and value-added system functionalities that are common for all property management functions. In addition, there are functional requirements that apply to specific categories of property. (The checklist questions for this area are drawn from pages 12-13 of the JFMIP source document.)
2. Acquiring/receiving property addresses initial physical control when property is delivered or real property is placed in service. Property is recognized as accounted for when title passes to the entity obtaining the property or when goods are delivered. Property may be purchased, leased, loaned, granted, transferred, constructed, or donated. The property management system may obtain information from the acquisition system when property is ordered. The property management system records receipt of property and the results of an initial physical inspection regarding the condition of property, whether from vendor, donated, transferred, or gained through discovery. (The checklist questions for this area are drawn from pages 14 & 15 of the JFMIP source document.)
3. Managing and accounting for property. The managing property function captures and provides data to assist property managers and officials in managing property. The accounting-for-property function pertains to recording the acquisition cost of the property, or net book value/fair market value for donated or transferred items. (The checklist questions for this area are drawn from pages 16-19 of the JFMIP source document.)

The checklist questions follow the JFMIP source document. It should be noted that not all questions will apply in all situations and, as with the use of any checklist, professional judgment should be exercised. Using the JFMIP source document and its “Appendix C: Glossary” which defines terms used, along with OMB Circular A-127, *Financial Management Systems*, and OMB’s *Revised Implementation Guidance for the Federal Financial Management Improvement Act (FFMIA) of 1996*, issued January 4, 2001, will help ensure that the user is cognizant of the background information necessary to fully understand the questions.

Property Management Systems Requirements

General Requirements	Yes/No N/A	Explanation
1. Does the property management system record-for all property management functions- beginning balances, acquisitions, and withdrawals, and does it calculate ending balances expressed in values and physical units, except for heritage assets and stewardship land, for which all end-of-period balances are expressed in physical units only? (M)	Y	The following DPAS functions support this requirement: Asset Receiving Accounting CFO Statement History
2. Does the property management system capture, for all property management functions, the condition of the asset for heritage assets; stewardship land; national defense property, plant and equipment (PP&E); and general PP&E for which a condition assessment survey was performed? (M)	Y	The following DPAS data element supports this requirement: Condition Code
3. Does the property management system provide edits (controls), for all property management functions, to prevent duplication and reduce the likelihood of creating erroneous property documents/records to ensure the integrity of data recorded in the system? (M)	Y	The current DPAS system functions include edits and validation that will not allow duplication of a Stock Number/Serial Number combination or a duplicate Asset ID. Additionally each asset is required to have an Asset ID assigned.
4. Does the property management system permit, for all property management functions, only authorized users to enter, modify, or otherwise alter property records? (M)	Y	The DPAS system is CAC enabled for access as a user. Security users are not allowed access to property records and grant are responsible to allow users access in accordance with roles approved and assigned by the agency officials.
5. Does the property management system provide, for all property management functions, an audit trail for entries to a property record, including the identification of the individual(s) entering or approving the information and/or data? (M)	Y	The DPAS Asset Activity Inquiry provides an asset audit trail that includes the login Id of those individuals processing update actions.

Property Management Systems Requirements

General Requirements	Yes/No N/A	Explanation
6. Does the property management system identify, for all property management functions, the type of transaction affecting the property item, e.g., initial acquisition, change in location, and disposal? (M)	Y	The DPAS Asset Activity Inquiry provides an asset audit trail that includes the Program Description to identify the action taken.
7. Does the property management system incorporate, for all property management functions, adequate security features that prevent unauthorized access to the property system by unauthorized individuals? (M)	Y	A DPAS user must possess a valid and active CAC. In addition, each user account is built by role, restricting the user's functionality, and by level of access which determines the scope of information available to the user.
8. Does the property management system enable, for all property management functions, the transfer of responsibility for property from one authorized manager to another authorized manager? (M)	Y	The following DPAS functions support this requirement: Lateral Transfer – UIC to UIC Site to Site Transfer Custodian to Custodian Transfer
9. Does the property management system capture, for all property management functions, real property information for the General Services Administration's (GSA) Worldwide Inventory system as directed in Federal Property Management Regulation (FPMR) 102-84 (property management only)? (M)	Y	The only portions that deal with personal property management in FPMR 102-84 relate to utilization and disposal which DPAS supports with the DAISY interface with DRMO. DPAS provides financial accounting for Real Property.
10. Does the property management system produce, for all property management functions, reports in accordance with user-defined criteria? (M)	Y	The DPAS system has standard reports and forms for all functions within the system. The Data Inquiry module allows the users to build custom requests and reports.

Property Management Systems Requirements

General Requirements	Yes/No N/A	Explanation
11. Does the property management system capture, for all property management functions, the fact that an environmental or hazardous substance is located on or contained within a property item, in accordance with 41 Code of Federal Regulations (CFR) 101-42.202? (M)	Y	The following DPAS data elements identify Hazardous materials: Hazardous Material Code Special Control Item Code
12. Does the property management system distinguish, for all property management functions, between capitalized property and expensed property tracked in the property management system? (M)	Y	The DPAS system contains code that identifies and manages assets as Capitalized or Expensed property and maintains financial data in the Accounting tables.
13. Does the property management system capture and prioritize the estimated cost of repairs? (V)	N	
14. Does the property management system accumulate data from multiple appropriations? (V)	Y	DPAS provides the capability to accumulate multiple appropriations with the following data elements: Appropriation Allotment Serial Number Fund Code
15. Does the property management system provide an on-line search capability based on user-defined parameters? (V)	Y	DPAS provides a multitude of AD-Hoc queries that allows for the use of user-defined parameters in generating query results. The Data Inquiry module allows the users to build custom queries and reports.
16. Does the property management system provide the capability of interfacing on-line or through the Internet with other property management systems external to the agency to facilitate identification, location, or transfer of federal property governmentwide? (V)	Y	The DPAS system interfaces with the following systems that facilitate these requirements: UIT WAWF DAISY RPUID UII

Property Management Systems Requirements

General Requirements	Yes/No N/A	Explanation
<p>Specific categories — Information technology</p> <p>17. Because information technology assets are personal property, the property management system may already capture the data required to account for these assets. However, does the property management system also capture (1) information essential to ensuring that software and software licenses are controlled and (2) information driven by contractual licenses and agreements with software developers, vendors, or software licensors? (V)</p>	<p>Y</p>	<p>Utilizing the functionality within the DPAS Catalog and Asset Receipt modules, users have the capability to manage software and software licenses as described in item 17 (1) and (2). The Component to end Item relationship, Agency Defined Fields and System ID aspects of the DPAS application can be utilized to accommodate this requirement.</p>
<p>Specific categories — Government property in the custody of others</p> <p>Note: There are no checklist questions drawn from this section of the JFMIP source document (p. 13).</p>		<p>NOTES FOR GFE?</p> <p>This Document was created in Dec 2001. At that point the contractor’s records were the “official” records for government property in the possession of contractors. In 2007, the Federal Acquisition Regulation and DoDI 5000.64 changed the requirement for the governments Accountable Property System of Record (APSR) to contain the official records. DPAS has all the required functionality to manage GFP including Contractor information, Contract information and all required asset information associated with the accountable GFP contract. These assets are coded with a Loan Cd of G in DPAS.</p> <p>DPAS also tracks assets Loaned to other Government activities with all associated asset information. These assets are coded in DPAS as loan cd of “M”.</p>
<p>Specific categories - National defense PP&E</p> <p>Note: There are no checklist questions drawn from this section of the JFMIP source document (p. 13).</p>		

Property Management Systems Requirements

Acquiring/Receiving Property	Yes/No N/A	Explanation
<p>1. Does the property management system create a skeletal property record or have any other mechanism for capturing information on property in-transit from the providing entity (e.g., vendor, donator, loaner, and grantor)? The skeletal property record or other mechanism is required only for property for which the government has taken title. For example, the skeletal property record or other mechanism may identify the following on newly acquired property:</p> <ul style="list-style-type: none"> • name and address of the shipper/vendor; • estimated date of delivery; • shipping address ("ship to" address); • item identification (e.g., nomenclature, quantity, description, year of manufacture, make/model/ serial number, federal stock classification or national stock number); • requisition information (e.g., contract/purchase order or other requisition document number, name and address of requisitioning organization); and • Order date. (M) 	Y	<p>The DPAS system provides the capability to identify an asset as “Inbound” or “Outbound” by assigning the appropriate “Intransit Code” in the Asset Receipt module. In addition , the following DPAS functions allow for tracking of information identified:</p> <p>Catalog</p> <p>Wide Area Workflow (WAWF)</p> <p>By storing the Contract Number or CAGE code (or both) in Asset Receiving, the shipper/vendor information can easily be obtained.</p>
<p>2. Does the property management system complete the skeletal property record or create a property record for items with no skeletal property record, upon the agency's assuming possession of the item, placing the real property asset in service, or initiation of a real estate instrument/grant? (M)</p>	Y	<p>The DPAS system provides this capability with the following processes:</p> <p>Accounting Module – CIP/WIP</p> <p>Accounting Module – Real Property Actions</p>

Property Management Systems Requirements

Acquiring/Receiving Property	Yes/No N/A	Explanation
3. Does the property management system capture the method of acquiring each property item or bulk property items (e.g., direct purchase, completed work-in-process, capital lease, donation, nonreciprocal transfer, or reciprocal transfer) and the date of acquisition? (M)	Y	The DPAS system captures the method of acquisition with the assignment of the appropriate "Action Code".
4. Does the property management system capture quantity, date of physical receipt or date real property is available for use or placed into service, and condition of item received when a condition assessment was made? (M)	Y	The DPAS Accounting Module provides these functions.
5. Does the property management system forward physical receipt information, including quantity and date of physical receipt, to the acquisition system and the core financial system? ⁴ (M)	Y	The DPAS system interfaces with the Wide Area Workflow (WAWF) The DPAS system generates and forwards an "X819" (Capitalization of Purchased Assets) and an "X815" (Transfer In of a Capital Asset) transaction to the core financial system.
6. Does the property management system interface electronically with GSA's Worldwide Inventory? (V)	N/A	DPAS provides financial accounting for Real Property.
7. Does the property management system provide information on the status of upgrades and overhauls to property? (V)	Y	DPAS provides the capability to track "Improvement Costs" in the Accounting Module and track overhauls in the Maintenance & Utilization Module.
8. Does the property management system aggregate relatively homogenous assets into asset pools? All assets in the asset pools have the same estimated useful life, and the acquisition cost of each item in the asset pool would be the average cost of all items in the pool. However, each item in the asset pool must have a separate property record and a separate agency-unique identification number. (V)	Y	DPAS provides this capability through the following processes: Catalog Asset Receipt System ID Inquiries and Reports

⁴The property management system should be capable of interfacing with other financial and/or mixed systems. However, interface requirements and systems architecture necessary to meet management and reporting requirements are determined by each agency. The "Interface Requirements" section of the JFMIP source document contains more information.

Property Management Systems Requirements

Acquiring/Receiving Property	Yes/No N/A	Explanation
9. Does the property management system capture warranty/ guarantee information, including terms and period of coverage? (V)	Y	DPAS provides this capability through the Asset Receipt Module.

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
Acquisition of property; Changes in asset values		
1. Does the property management system, for capitalized property and stewardship assets, classify PP&E by asset type (e.g., general, heritage, stewardship land, national defense)? (M)	Y	DPAS distinguishes between these classifications with the following codes: Type Asset Code Asset Code
2. Does the property management system, for capitalized property and stewardship assets, distinguish between heritage assets and multi-use heritage assets? (M)	Y	DPAS identifies Heritage Assets with the assignment of the appropriate Asset Code.
3. Does the property management system, for capitalized property and stewardship assets, capture changes in quantities, including unit of measure, where applicable, for beginning balance adjustments, additions, and deletions and does it compute ending balances by asset category? (M)	Y	DPAS captures these changes in the Asset Activity Inquiry and the CFO Statement.
4. Does the property management system, for capitalized property and stewardship assets, provide an audit trail for all adjustments to quantities and units? (M)	Y	DPAS captures these adjustments in the Asset Activity Inquiry.
5. Does the property management system, for capitalized property and stewardship assets, capture the acquisition cost of an asset and any changes in the valuation, where applicable for reporting purposes? (M)	Y	DPAS captures these costs in the following processes: Asset Management – Receiving Module Asset Management – Update Module Accounting Module
6. Does the property management system, for capitalized property only, capture the estimated value of donated assets? (M)	Y	These costs are captured in the following processes: Asset Management – Receiving Module Asset Management – Update Module Accounting Module

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
7. Does the property management system, for capitalized property only, provide an audit trail for all adjustments to property values? (M)	Y	DPAS provides an audit trail for these adjustments in the Asset Activity Inquiry.
8. Does the property management system, for capitalized property only, classify PP&E according to the <i>Standard General Ledger</i> accounts (e.g., buildings, land, equipment, assets under capital lease, software)? (M)	Y	DPAS complies with the DoD Standard General Ledger accounts.
9. Does the property management system, for capitalized property only, generate data for the journal entries necessary for recording changes in the valuation, including any associated gains or losses? (M)	Y	DPAS generates the required financial transactions for the journal entries through the Accounting Module.
Depreciation, amortization, or depletion of capitalized assets		
10. Does the property management system capture the estimated useful life, depreciation/amortization/depletion method, and salvage/residual value for each asset or group of assets, when applicable? (M)	Y	DPAS captures this information in the following processes: Catalog Module Accounting Module
11. Does the property management system calculate depreciation/amortization/ depletion based on a management-prescribed method (e.g., straight line, physical usage) and the net book value of capitalized assets? (M)	Y	DPAS utilizes the “Straight Line” method to calculate depreciation.

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
12. Does the property management system accumulate amortization, depletion, and depreciation expense? (M)	Y	DPAS accumulates depreciation expense in the Accounting module.
13. Does the property management system provide an audit trail for amortization, depletion, and depreciation expense? (M)	Y	DPAS maintains history transactions for these actions.
14. Does the property management system allow authorized users system access to change the estimated useful life of an asset, the depreciation method, and estimated salvage value and to make adjustments to PP&E asset and contra-asset accounts on an exception basis? (M)	Y	A DPAS user must possess a valid and active CAC. In addition, each user account is built by role, restricting the user's functionality, and by level of access which determines the scope of information available to the user. With the appropriate authorizations and role, the user can complete the requirements listed.
Transfer, disposal, or retirement of assets		
15. Does the property management system identify excess property or property held for disposal/ retirement? (M)	Y	DPAS identifies excess assets and reports through the DAISY interface with DRMS.
16. Does the property management system transfer property data to the property disposal organization or receiving entity? ⁵ (M)	Y	DPAS identifies excess assets and reports through the DAISY interface with DRMS.
17. Does the property management system capture date of transfer, transferring entity, and recipient organization (disposal organization or recipient entity)? (M)	Y	DPAS identifies excess assets and reports through the DAISY interface with DRMS.

⁵The property management system should be capable of interfacing with other financial and/or mixed systems. However, interface requirements and systems architecture necessary to meet management and reporting requirements are determined by each agency. The "Interface Requirements" section of the JFMIP source document contains more information.

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
18. Does the property management system capture all essential information related to excess property and disposal as required by Federal Management Regulation (FMR) 102-36 for applicable agencies? (M)	Y	DPAS identifies excess assets and reports through the DAISY interface with DRMS.
19. Does the property management system capture type of disposal action (e.g., retirement, exchange, sale, and donation), final disposition, and date of disposal? (M)	Y	DPAS captures this information through the Document Register function of the system.
20. Does the property management system capture property retirement or disposal status? (M)	Y	DPAS captures this information through the DAISY interface with DRMS.
21. Does the property management system capture deletions? (M)	Y	DPAS captures deletions in the History table.
22. Does the property management system calculate gain or loss at time of disposal or retirement, sale, exchange, or donation? (M)	Y	DPAS generates the appropriate financial transaction for these type actions.
23. Does the property management system transfer the asset's acquisition cost, accumulated depreciation/amortization, and the amount of gain or loss to the core financial system at the time of asset transfer, disposal, or retirement? (M)	Y	DPAS transfers this information to the core financial system via the appropriate accounting interface.
24. Does the property management system maintain an audit trail of transfer, disposal, and retirement actions? (M)	Y	DPAS provides an audit trail of this information in the Asset Activity Inquiry.

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
Deferred maintenance and condition		
25. Does the property management system capture management's estimate of deferred maintenance? This may be accomplished through a process or system other than the property system. (M)	N	DPAS does not track maintenance. The sites have other systems that capture this data.
26. Does the property management system capture management's assessment of property condition? This may be accomplished through a process or system other than the property system. (M)	Y	DPAS captures management's assessment with the assignment of the proper "Condition Code".
27. Does the property management system capture the fact that an environmental or hazardous substance is located on or contained within a property item, in accordance with 41 CFR 101-42.202? (M)	Y	The following DPAS data elements identify Hazardous materials: Hazardous Material Code Special Control Item Code
Clean-up costs		
28. Does the property management system capture the total estimated clean-up cost when the item is placed in service if the PP&E meets the criteria established in paragraph 88 of Statement of Federal Financial Accounting Standards (SFFAS) No. 6, <i>Accounting for Property, Plant, and Equipment</i> ? This may be accomplished through a process or system other than the property system. (M)	N	DPAS does not capture clean-up costs.
29. Does the property management system capture environmental liabilities associated with PP&E when an event has occurred and the liability is probable and estimable? (See Federal Accounting Standards Advisory Board's (FASAB) Technical Release 2, <i>Environmental Liabilities Guidance</i> (March 1998)). This may be accomplished through a process or system other than the property system. (M)	N	DPAS does not capture Deferred Maintenance or Clean-up Costs.

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
30. Does the property management system, for general PP&E, calculate the annual amortization of estimated material, clean-up costs, and the unamortized balance? (M)	N	DPAS does not calculate these costs.
Property accountability		
31. Does the property management system capture property identification number, which may be the item's serial number? (M)	Y	DPAS has the capability to capture and store multiple identification numbers to include: Asset ID, Mfr Serial Number, Serial Number (e.g. Vehicle Registration Number), Accounting Reporting Number (accounting control number for capital assets) and UID.
32. Does the property management system capture location? (M)	Y	DPAS captures asset location in the Asset Management – Receipt and Update modules.
33. Does the property management system capture an item's current ownership status (e.g., owned by the government, leased to the government under a capital lease, leased to the government under an operating lease, loaned to the government)? (M)	Y	DPAS captures an item's current ownership in the Asset Management – Receipt and Update modules.
34. Does the property management system capture the current user (e.g., the agency, contractor, and grantee)? (M)	Y	DPAS captures the current user in the Asset Management – Receipt and Update modules.

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
35. Does the property management system capture an item's current use status whether in use, in storage, in transit, etc.? (M)	Y	DPAS captures an item's current status in the Asset Management – Receipt and Update modules.
36. Does the property management system capture the identity of the property custodian and/or the accountable organization? (M)	Y	DPAS identifies the property custodian and identifies the accountable organization as a "UIC".
37. Does the property management system capture in-transit information to establish/maintain accountability and control over government property (e.g., name and address of the shipper/vendor, estimated date of delivery, shipping address, item identification, source information)? (M)	Y	DPAS captures this information in the Asset Receiving module.
Property record maintenance		
38. Does the property management system provide the capability of electronically transferring property records between interfacing systems for the gaining and losing property custodians within the agency? (V)	Y	<p>The following DPAS functions support this requirement:</p> <ul style="list-style-type: none"> Lateral Transfer – UIC to UIC Site to Site Transfer Custodian to Custodian Transfer
39. Does the property management system provide analytic tools for supporting analysis and evaluation of annual maintenance status, needs, and costs for effective program planning and budgeting? (V)	N	DPAS does not provide this capability.
40. Does the property management system capture property maintenance, upgrade, and overhaul schedules? (V)	N	DPAS does not provide this capability.

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
41. Does the property management system capture actual maintenance, upgrade, and overhaul data? (V)	N	DPAS does not provide this capability.
42. Does the property management system capture space utilization information? (V)	Y	DPAS captures space utilization in the Accounting module/Real Property functions.
43. Does the property management system support the use of barcode scanners? (V)	Y	DPAS supports Intermec barcode scanner technology.
44. Does the property management system record the stratification of critical and noncritical maintenance? (V)	N	DPAS does not provide this capability.
45. Does the property management system record detailed information regarding known flood hazard or flooding of real property? (V)	N/A	DPAS is not the official holder of Real Property. DPAS only performs the accounting functions for Real Property.
Acquisition of property; changes in asset value		
46. Does the property management system calculate and allocate interest expense for lease payments and apply the balance to reduce capital lease liability? (V)	N	DPAS does not perform this function and most likely this would be performed by the accounting system
47. Does the property management system identify the type of cost recorded (e.g., acquisition cost, estimated fair market value, revaluation, present value)? (V)	Y	DPAS captures these costs in the Asset Management – Receipt and Update modules.
48. Does the property management system capture the acquisition cost of individual items acquired through bulk purchase, when required by agency policy? (V)	Y	DPAS captures these costs in the Asset Management – Receipt and Update modules.

Property Management Systems Requirements

Managing and Accounting for Property	Yes/No N/A	Explanation
49. Does the property management system capture the cost of capitalizable improvements separate from the original cost, the estimated change in the asset's life as a result of the improvement, and the date of improvement? (V)	Y	DPAS captures this information in the Accounting module/Improvement Costs.
Depreciation, amortization, or depletion of capitalized assets 50. Does the property management system calculate depreciation on asset pools? (V)	N	DPAS accounts for and reports each asset and each improvement separately, thus there is no need to perform asset pooling or depreciation using the pooling method.
51. Does the property management system separately calculate depreciation on capital improvements? (V)	Y	DPAS calculates depreciation on capital improvements on separate schedules.
Deferred maintenance and condition 52. Does the property management system provide the capability of forecasting or scheduling maintenance requirements for future periods? (V)	N	DPAS does not provide this capability.
Transfer, disposal, or retirement of assets 53. Does the property management system capture estimated cost to demolish property or otherwise dispose of property? (V)	N	DPAS does not capture these costs.

Property Management Systems Requirements

Interface Requirements	Yes/No N/A	Explanation
Note: There are no checklist questions drawn from this section of the JFMIP source document (pp. 20-21). (See Footnotes 4 and 5.)		

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Related Products

These related products address three main categories: internal control, financial management systems, and financial reporting (accounting standards). We have developed these guidelines and tools to assist agencies in improving or maintaining effective operations and financial management.

Internal Control

Standards for Internal Control in the Federal Government, GAO/AIMD-00-21.3.1, November 1999.

Determining Performance and Accountability Challenges and High Risks, GAO-01-159SP, November 2000.

Streamlining the Payment Process While Maintaining Effective Internal Control, GAO/AIMD-00-21.3.2, May 2000.

Internal Control Management and Evaluation Tool, GAO-01-1008G, August 2001.

Financial Management Systems

Framework for Federal Financial Management System Checklist, GAO/AIMD-98-21.2.1, May 1998.

System Requirements for Managerial Cost Accounting Checklist, GAO/AIMD-99-21.2.9, January 1999.

Human Resources and Payroll Systems Requirements Checklist, GAO/AIMD-00-21.2.3, March 2000.

Travel System Requirements Checklist, GAO/AIMD-00-21.2.8, May 2000.

Guaranteed Loan System Requirements Checklist, GAO-01-371G, March 2001.

Inventory System Checklist, GAO/AIMD-98-21.2.4, May 1998.

Core Financial System Requirements Checklist, GAO/AIMD-00-21.2.2, February 2000.

Direct Loan System Requirements Checklist, GAO/AIMD-00-21.2.6, April 2000.

Seized Property and Forfeited Assets Requirements Checklist, GAO-01-99G, October 2000.

Grant Financial System Requirements Checklist, GAO-01-911G, September 2001.

Financial Reporting (Accounting Standards)

“Checklist for Reports Prepared Under the CFO Act,” (Section 1004 of the GPO/PCIE *Financial Audit Manual*, July 2001). This is a checklist containing agency financial statement reporting requirements.

These documents are available on the Internet on GAO's Home Page (<http://www.gao.gov>) under the heading “Other Publications” and the subheading “Accounting and Financial Management.” They can also be obtained from GAO, 700 4th Street NW, Room 1100, Washington, DC 20548, or by calling (202) 512-6000 or TDD (202) 512-2537.