

Department of Veterans Affairs  
Washington, DC 20420

VA Handbook 7125  
Transmittal Sheet

## GENERAL PROCEDURES

- 1. REASON FOR ISSUE.** This handbook sets forth Departmentwide directives and procedures which implement and supplement materiel management policies and responsibilities found in the FPMR.
- 2. SUMMARY OF CONTENTS.** This handbook provides policy and procedures pertaining to subject matter in the general area of materiel management or property management .
- 3. RESPONSIBLE OFFICE.** Materiel Management Service, Office of the Deputy Assistant Secretary for Acquisition and Materiel Management.
- 4. RELATED DIRECTIVE.** VA Directive 7125, Supply and Procurement - General Procedures
- 5. RESCISSION.** VA Manual MP-2, Subchapter E, Subpart 108.25. General

**CERTIFIED BY:**

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**GENERALPROCEDURES****CONTENTS**

	<b>PAGE</b>
<b>PART 1. AGENCY RESPONSIBILITIES</b>	<b>5</b>
1. <b>100</b> Purpose and Scope	
2. 101 Supply Through Storage and Issue	
3. 150 Personally-owned Property Placed in Official Use	
<b>PART 2. USE STANDARDS</b>	<b>7</b>
1. <b>302-57</b> Telephone Monitoring Devices	
2. 350 Refrigerators	
3. 351 Flags and Reproduction of the VA Seal	
4. 352 Furniture and Furnishing for Personnel Quarters	
5. 352-2 Personnel Quarters Under Jurisdiction of Veterans Health Administration	
6. 352-3 Personnel Quarters Under Jurisdiction of the National Cemetery System	
7. 354 Motor Vehicle Components	
8. 355 Microwave Ovens	
9. 356 Reproduction Equipment	
<b>PART 3. REPLACEMENT STANDARDS</b>	<b>11</b>
1. 401 General	
2. 401-50 Program Objectives and Responsibilities	
3. 40-52 Replacement Criteria	
4. 401-3 Exceptions to Replacement Standards	
<b>PART 4. ACCOUNTABILITY</b>	<b>15</b>
1. 5001 General	
2. 5002 Accountability	
3. 5003 Personal Responsibility	
4. 5004 Supervisory Responsibility	
5. 5005 Staff Responsibility	
6. 5006 Equipment Inventory Listing	
7. 5007 Relief From Responsibility	
8. 5008 Transfer of Accountability	

## PART 1. AGENCY RESPONSIBILITIES AND PROCEDURES

**1. 100 Purpose and Scope.** This handbook is to be used with VA Directive 7125, which sets forth policy and guidelines that implement the FPMR, and supplemental VA policy.

**2. 101 Supply Through Storage and Issue.** Additional factors to be considered when determining if an item will be included in posted supply fund inventory are:

- a. Shall be one for which a price advantage will be realized from posted buys resulting in more economical costs to using activities,
- b. Shall have a rate of usage to preclude excessive loss due to deterioration or obsolescence, or
- c. An item of which stock must be on-hand due to its particular or specialized use.

**3. 150 Personally-owned Property Placed In Official Use.** A policy for privately-owned property will be established at the local level wherein employees will be advised of the following:

- a. Property placed in official use for the convenience of the Government may be serviced and repaired just as any other piece of Government property. Excluded from this authorization are personally-owned vehicles.
- b. The Government is not responsible for loss, service, or repair of property placed in use for the convenience of the employee. Exception: devices needed to assist an employee due to a disability or impairment.
- c. The Chief, A&MMS, will ensure Engineering Service is aware of all property placed in use.

## PART 2. USE STANDARDS

**1. 302-57 Telephone Monitoring Devices.** Telephone monitoring instruments, mechanical or electronic, are authorized for use by field facilities only in accordance with, and under the controls applicable to, the use and operation of the item(s) as outlined in MP-6, Part VII, Chapter 2.

### 2. 350 Refrigerators

a. Only explosion proof refrigerators approved by Underwriters' Laboratories, or other nationally recognized testing laboratories, will be used for temporary storage of flammable liquids and volatile solvents. Explosion proof refrigerators are those which are constructed to meet the requirement for class I, division I locations, as described in Article 500, National Electrical Code NAPA No. 70.

b. All nonexplosion proof refrigerators, other than in personnel quarters, assigned for use at the facility will be distinctly labeled in a conspicuous place as follows: NOT FOR THE STORAGE OF FLAMMABLE LIQUIDS.

c. Refrigerators for specimens/reagents will be clearly labeled as: **NOT FOR STORAGE OF CONSUMABLE FOOD PRODUCTS.**

### 3. 351 Flags and Reproduction of the VA Seal

a. The United States flag, the VA flag, and a plastic reproduction of the VA seal are authorized for display in the respective offices of administration heads, assistant secretaries, deputy assistant secretaries, other key officials, facility directors, and in auditoriums used and operated by **VA**. At installations where VA is the sole occupant of the building, and at Manila, Philippines, these flags and seals are also authorized for display in the main lobby. In addition, at Manila, Philippines, the Philippine flag is authorized for display with the United States flag. The Directors of National Cemetery area offices may authorize display of a VA flag in the administration building of the national cemeteries under their jurisdiction when such action is approved by the Director, National Cemetery System.

b. Directors of VA regional offices and national cemetery area offices may authorize display of a United States flag and a plastic reproduction of the VA seal in VA offices and national cemeteries under their jurisdiction, where the size and activity of the office indicate such action to be in the interest of the Government.

c. A United States flag is authorized for display in:

(1) Chapels or other buildings used for religious purposes by VA.

(2) Theaters used and operated by VA.

(3) Rooms established to conduct formal hearings for veterans.

(4) The reception area of Veterans Services Divisions.

(5) The reception area of outpatient clinics.

(6) The personnel office where the oath of office is administered.

d. A plastic reproduction of the VA seal is authorized for display in areas where display of the VA flag is not authorized, but where display of the seal is desirable due to the presence of beneficiaries or the public.

e. The United States flag and the VA flag may be carried in burial ceremonies and other outdoor ceremonies, with appropriate escort, at the discretion and under the responsibility of the facility director or the national cemetery director.

f. Where services are held, one flag, indoor type, Christian faith or Jewish faith, as applicable, is authorized for each chapel.

g. Destruction of national, state, local, or VA flags will be accomplished by shredding or burning.

#### 4. 352 Furniture and Furnishings for Personnel Quarters

a. Nonhousekeeping quarters will be provided with furniture and furnishings within the limitations set forth by the facility director.

b. Furniture and furnishings will not be provided in housekeeping quarters except as authorized in this section.

c. Facilities will not purchase or acquire furniture or furnishings not authorized by this section.

#### 5. 352-2 Personnel Quarters Under Jurisdiction of Veterans Health Administration

a. Each set of housekeeping quarters will be equipped with smoke detectors, fire extinguishers, a cooking stove, a refrigerator, and, where not installed, kitchen cabinets and a medicine cabinet. Items essential to the protection or maintenance of housekeeping quarters may also be furnished. Such items are:

(1) Fireplace equipment (andirons, tools, screens).

(2) Doormat.

(3) Rods, curtains, or draperies.

(4) Waste receptacles (outside use only).

b. Each set of quarters designated for use by and occupied by an employee will be provided with a dishwasher, a clothes washer and dryer or a washer-dryer combination, carpeting (wall-to-wall) or rugs, rug cushions, and curtains or draperies.

c. In addition, housekeeping quarters may be equipped with furniture and furnishings in order to accommodate a married resident. Items furnished will be limited to those necessary to provide a reasonable degree of livability, and will be obtained from excess sources. These quarters will not be furnished with the equipment listed in paragraph (b) of this section.

d. Furniture and furnishings presently assigned to housekeeping quarters may be repaired, provided that the immediate or cumulative cost of such repairs, including labor and material, shall not exceed 55 percent of the cost to replace the item. The facility director will, under any one of the circumstances cited in this paragraph, have all furniture and furnishings not authorized by this section removed from housekeeping quarters when:

(1) The quarters are vacated and it is determined that the condition and quantity of the furniture is such that the quarters may not be considered adequately furnished.

(2) The incoming occupant of the quarters requires less than 50 percent of the furniture presently in the quarters.

(3) The facility director determines that the quarters will be rented at the unfurnished rate.

e. Furniture will not be stored when removed from housekeeping quarters, but may be used to upgrade similar furniture in other housekeeping quarters or utilized elsewhere at the facility. Items not utilized will be disposed of in accordance with excess property procedures.

**6. 352-3 Personnel Quarters Under Jurisdiction of National Cemetery System.** Each set of housekeeping quarters will be equipped with smoke detectors, a cooking stove, a refrigerator, and a garbage disposal, if appropriate. Carpeting (wall-to-wall) will only be provided when approved by the Director, National Cemetery System (40), on the basis that it is more economical than repair or replacement of the flooring or it is essential for health or comfort of the occupant.

**7. 354 Motor Vehicle Components**

a. Fire fighting vehicles may be equipped with a siren and red or blue emergency warning lights.

b. Facility ambulances and police patrol vehicles will be equipped with emergency running lights and accessories in conformance with the motor vehicle code of the state in which located.

c. All vehicle warning accessories must conform to vehicle manufacturer's electrical system tolerances. Subject to approval of GSA, in accordance with FPMR 101-39.304, accessories will be temporarily installed on GSA-owned vehicles by use of detachable roof cross bars.

d. Radio transmission equipment is authorized for use by field facilities only in accordance with and under controls applicable to the use and operation of the item as outlined in VA Manual MP-6, Part VIII, Chapter 5.

#### 8. 355 Microwave Ovens

a. Microwave ovens for employee use will not be procured with appropriated funds.

(1) Exceptions:

(a) temporary living quarters used to house employees on TDY,

(b) engineering and construction services, e.g., resident engineer, or

(c) in Regional Medical Education Centers and educational training centers.

b. Any use of microwave ovens must comply with VA Safety, Occupational Health, and Fire Protection Standards set forth in VA Manual MP-3, Part III, Appendixes 5H and 5N.

#### 9. 356 Reproduction Equipment

a. In accordance with Government Printing and Binding regulations, Paragraph 30, Central Office approval is required for copiers meeting one or more of the following criteria:

(1) exceeds 65 copies per minute,

(2) costing more than \$10,000, or

(3) requires a dedicated operator.

b. All related commercial print-shop capacity items such as cameras (composing and process), composition devices, offset presses, paper cutters (power operated), paper drilling machines (power operated), collating machines (sheet and signature), and binding equipment (adhesive, perfect, wire or plastic, power operated), must have central office approval.

c. Requests for approval will be forwarded to Publications Service (036), 810 Vermont Avenue, NW, Washington, DC, 20420, on VA Form 134 or VA Form 1348.

## PART 3. REPLACEMENT STANDARDS

### 1. 401 General

a. Purpose. To provide policy and guidance in support of FPMR regarding the use and replacement of equipment.

b. Definitions

(1) Replacement means and is limited to acquiring an item for the specific purpose of using it in place of an item that will no longer perform the tasks for which it is needed.

(2) Exchange means to replace a nonexcess personal property item by trade or trade-in. The value of the replaced item is used to reduce or offset the cost of the acquired item.

(3) Acquired means obtained in any manner, e.g., purchased, transferred, donated, manufactured.

### 2. 401-50 Program Objectives and Responsibilities

a. Objectives

(1) To provide for orderly replacement of equipment.

(2) To facilitate projection of equipment replacement in terms of needed equipment.

(3) Provide an estimate of projected costs for planning purposes.

(4) Enable management to maintain a balance between equipment investment and actual need.

(5) To provide a means of projected long-range funding requirements.

b. Responsibilities. It is the responsibility of the Chief, A&MMS, or designee to ensure mandates are adhered to regarding premature replacement, trade-in allowances, and accurate disbursement of funds received from sales.

### 3. 401-52 Replacement Criteria

a. Except as provided in 7125.401-53, a decision to replace a piece of equipment must comply with the applicable conditions as follows:

(1) The cumulative cost of repair exceeds the economical repair limits or would not extend the useful life of the equipment beyond the normal replacement period.

Repair/replacement limits, prescribed in FPMR 101-25.4, are applicable to all equipment. For motor vehicles, see FPMR 101-38.4. A table of Economical Repair Costs as a Percent of Acquisition Cost is provided as a guideline (see 7125.9901).

(2) The new item will serve the same or similar purpose as the replaced item. The item being replaced will be used as a trade-in or sold in accordance with the trade-in/sale provisions of MP-2 108.46 and FPMR 101-46, provided the certifications required by FPMR 101-46 are obtained.

**NOTE:** *It is not an accepted practice to retain replaced equipment. However, if approved for retention at the facility, each item retained will be identified on the applicable Equipment Item List (EIL) and within the AMES/MERS program to ensure they are not included in future replacement or budget forecasts.*

(3) Continued use of the item constitutes a safety hazard which cannot be economically corrected.

b. Items should not be replaced solely because life expectancy standards have been met. The determination that an item should be replaced involves the following considerations:

(1) The operating requirements of the using service.

(2) The certification of technical repair personnel of operating condition by use of Unserviceable Property Tag, VA Form 25984.

(3) The application of repair and replacement criteria.

(4) The availability of funds.

#### 4. 401-53 **Exceptions to Replacement Standards**

a. Facility requests to replace an item that does not meet the specific replacement standards prescribed in FPMR 101-25.4 must be approved by the Deputy Assistant Secretary for Acquisition and Materiel Management (92B), in coordination with the appropriate facility director. Central Office requests must be approved by the appropriate administration head, Director, National Cemetery System, assistant secretary, deputy assistant secretary, or staff office director.

b. Written justification by the official requesting the replacement item, and concurrence by the facility director, or for Central Office by the appropriate administration head, Director, National Cemetery System, assistant secretary, deputy assistant secretary, or staff office director, are required when:

(1) The replacement item is not covered by a specific standard and does not meet the standard implicit in the table of economical repair costs set forth in 7125.9901 of this handbook.

(2) Replacement is made prior to the expiration of the useful life of the item.

## PART 4. ACCOUNTABILITY

### 1. 5001 General

a. Responsibility. Any employee who uses, supervises the use of, exercises control over, or has custody of public property in their personal possession or in possession of employees under their jurisdiction is responsible for such property. Responsibility may be divided into four categories: personal, supervisory, EIL, and staff.

#### b. Definitions

(1) Accountability. The state of being accountable or requiring an accounting; the ability to account for personal property by providing a complete audit trail for property transactions from receipt to final disposition.

(2) Control. The ongoing function of maintaining physical oversight and surveillance of personal property throughout its complete life cycle using various property management tools and techniques.

(3) Accountable Officer. Chief, A&MMS, or designee.

### 2. 5002 Accountability

a. Materiel management includes the obligation imposed by law, administrative order, or regulation upon an official of VA to render an accounting to another official for funds or property entrusted to them, whether VA-owned, leased, abandoned, or acquired by loan from any source.

b. The Chief, A&MMS, or designee, is the accountable officer at a field facility. In Central Office, the accountable officer is the Deputy Assistant Secretary for Administration (03).

c. The accountable officer will be relieved of accountability for personal property when:

(1) Expendable property is issued to a VA activity or sold from Supply Fund stock.

(2) Expendable or nonexpendable property is transferred to another VA facility, Federal agency, or otherwise disposed of in accordance with law.

(3) Property is reclassified, i.e., from personal property to real property.

(4) An approved adjustment voucher or report of survey is posted to the perpetual inventory account.

(5) Relieved of official duty as provided for in 7125.5008.

### 3. 5003 Personal Responsibility

a. Personal responsibility for Government property is the obligation of every employee, whether such property has been issued to, is specifically assigned for personal use, or is used by them on occasion. Employees who, in the performance of their duty, are required to operate or use Government equipment or devices have a special obligation in that they are responsible for performing operating care, sometimes referred to as first echelon care, incorporating tasks considered to be part of the operating technique. These tasks may include, but are not limited to, those listed in VHA Supplement, VA Manual MP-3.

b. An employee may be held pecuniarily liable for the loss, damage, or destruction of Government property when the loss, damage, or destruction is due to the employee's negligence or misuse of such property, or to dishonesty or willful destruction of the property.

NOTE: *The extract from Public Law 772, 80th Congress (18 U.S.C. 64 I), will be posted on bulletin boards and other conspicuous places for the information and guidance of all concerned.*

4. **5004 Supervisory Responsibility.** An obligation assumed by every employee who accepts an administrative or supervisory position. Personnel having this responsibility shall be held pecuniarily liable for the loss, damage, or destruction of property under their supervision only when it is positively shown that the employee was guilty of neglect or carelessness, as outlined in 7125.5101a. (2) (a) or (b).

5. **5005 Staff Responsibility.** The Chief, A&MMS, has the responsibility to assure management that all Government property assigned to the facility is properly utilized, maintained, and conserved during its useful life.

6. **5006 Equipment Inventory Listing.** The employee designated to assume responsibility for nonexpendable property will do so by personally signing the EIL. In signing this receipt, the employee certifies that all property, including VA-owned, leased, loaned, or donated, listed on the EIL is present and accounted for as of that date. They also acknowledge that they are, as of that date, responsible to the accountable officer for all property listed on their signed EIL. Additions to, or deletions from, this account made subsequent to the date of signature will be supported by the appropriate signed documentation. They will remain responsible for such property unless relieved, as provided for in 7125.5007.

7. **5007 Relief From Responsibility.** Responsibility for EIL property, which has been formally charged to the responsible employee by means of either the EIL, VA Form 2237, or computer generated form, will terminate when:

- a. Property has been returned to the accountable official and a valid receipt secured,
- b. They have, with their successor, inventoried all property for which they are charged and

- (1) Have had all overages and shortages properly adjusted,
- (2) Obtained the signature of their successor on the EIL,
- (3) Delivered the signed copies to the accountable official, and
- (4) Secured their clearance.

**8. 5008 Transfer of Accountability.** When an accountable official is relieved of official duties, formal accountability, as distinguished from liability, will be immediately transferred to the temporary or permanent successor. Via memorandum, the official assuming accountability will verify the completeness and accuracy of all property accounts and, with the outgoing official, will affix signature. An adjustment voucher will be prepared, if necessary. In the event that the outgoing official is prevented from executing this action by reason of death or disaster, the justification will appear on the memorandum in lieu of the signature. The original memorandum will be filed in the Delegation of Authority file maintained in the office of the Chief, A&MMS, and copies provided to the incoming and outgoing officials.

## PART 5. REPORT OF SURVEY PROGRAM

### 1. 5101 General

a. The Report of Survey system is the method used by VA to obtain an explanation as to the circumstances surrounding the loss, damage, or destruction, other than through fair wear and tear, of Government property. VA Form 1217, Report of Survey, will be used to document the findings, fix responsibility, record pecuniary liability, if any, established by a board of survey or surveying officer, and will be used as the official document to adjust the record account. The term board, wherever used in this part, refers to the board of survey or the surveying officer.

(1) Surveying Officials. Personnel charged with the review or investigation of incidents involving loss, damage, or destruction of Federal property; determination of financial liability for loss or damage of such property; and authorization for removal of items from official property records.

#### (2) Negligence

(a) Simple. An act, failure, or omission on the part of the responsible employee(s) to exercise the appropriate degree of care, precaution, or vigilance resulting in loss, damage, or destruction of Government property.

(b) Gross. An act, failure, or omission on the part of the responsible employee(s) to a greater degree and deemed by competent authority to be misconduct or willful, wanton or reckless disregard for Government property resulting in the loss, damage, or destruction of Government property.

b. When the findings indicate the possibility of holding a beneficiary responsible for the action investigated, medical center professionals, e.g., nurses, doctors, therapists, should be added to the board. The findings and recommendations pertinent to the incident will be completed by the board, annotated as to action taken, and submitted to the facility director.

### 2. 5101-I Initiation of Report of Survey

a. Any employee who detects a loss of, or observes damage to, Government property will immediately make an oral report to the supervisor, who in turn will advise the local police authority, VA or otherwise, and formalize the findings on VA Form 1217, Report of Survey. The VA police will include all information relative to the preliminary investigation conducted by the supervisor or their subordinates. The form will then be forwarded to the accountable official. Under no condition will such a report be delayed longer than the time required to search the immediate area or question persons who might have knowledge of the incident. Employees failing to report, and supervisors failing to initiate a Report of Survey, may be subject to disciplinary action. Except where circumstances make it necessary, damaged property will not be moved until inspected by the board (see 7125.5101-I 6). If removal is necessary, the reasons will be listed on the

certificate of circumstances for later review. When property is lost by suspected theft, local authorities will be requested to assist in recovering the property in accordance with instructions contained in VA Manual MP-1, General Administrative, Part I, Chapter 2. Notation of such action will be incorporated in the Report of Survey.

b. VA Form 1217 may not be required when a Government motor vehicle is damaged or destroyed and the approving authority determines that there is sufficient evidence contained in the accident report to establish whether pecuniary liability or disciplinary action will or will not be initiated. In this instance, copies of VA Form 1393, Uniform Offense Report, with additional supporting documents, will be made a part of the file and may be used as the official document to adjust the inventory record.

c. Upon the discovery of any shortages in inventory of a Schedule I through V, Controlled Substance, regardless of dollar value, VA Form 1217 will be prepared to substantiate adjustment actions. The registrant shall complete DEA Form 106, Report of Theft or Loss of Controlled Substances, 21 CFR 1301.76b, and notify the DEA field division officer of the loss or theft.

### 3. 5101-2 Report of Survey Register

a. The accountable official will establish and maintain, on a fiscal year basis, a Report of Survey register and file. The register will be maintained as shown in 7125.9902.

b. Each VA Form 1217 will be assigned a number in sequential order. Follow-up procedures will be established to expedite action. A copy of each Report of Survey will be retained in A&MMS.

4. **5101-3 Surveys Involving Loss.** To eliminate the possibility of clerical error and assure that the property is actually missing from the facility, the accountable officer will review all related records in cases of reported loss to include outstanding repair service records, as well as the loans from the VA file and property pass file.

5. **5101-4 Surveys Involving Damage.** In cases involving damage, the accountable officer will inspect the damaged property and verify reported information. The assistance of technically qualified persons (Government employee or commercial representative) will be obtained to assess the extent of damage, feasibility of repairs with respect to operating efficiency, cost of repairs, and reasonable estimate of depreciation from acquisition or construction cost. This information will be documented on or attached to VA Form 1217.

6. **5101-5 Admission of Responsibility for Loss or Damage.** In the event that an individual admits responsibility for the loss or damage and volunteers payment, the collection will be completed without need for a Report of Survey investigation. The accountable officer will provide the responsible official with the facts and circumstances so that disciplinary action may be assessed.

## 7. 5101-6 Approving Authority

a. The approving authorities for Reports of Survey involving the loss, damage, or destruction of Government property are:

- (1) VA Medical Center, Outpatient Clinic, or Regional Office - Director
- (2) National Cemetery System facilities - Director
- (3) Denver Distribution Center - Director
- (4) National Acquisition Center - Associate Deputy Assistant Secretary for National Acquisition Center
- (5) VA Central Office - Deputy Assistant Secretary for Administration (03)

b. Delegation of this authority will be limited to the Assistant/Associate Director of a facility, the Assistant Director or equivalent at the VANAC, and the Deputy Assistant Secretary for Administration in VA Central Office. This approval/disapproval authority is directly related to the recommendations of the survey board or surveying officer.

c. In exceptional cases, the approving authority may refer the Report of Survey to higher authority for approval (see 7125.5101-20 (c) and (d) and 7125.5101-21 of this directive). For purposes of this system, the higher approving authorities are:

- (1) VHA field facilities - Regional Director
- (2) VBA field facilities - Deputy Under Secretary for Benefits
- (3) OFIRM field activities - Deputy Assistant Secretary for Information Resources Management
- (4) Denver Distribution Center - Associate Deputy Assistant Secretary for Depots
- (5) National Acquisition Center - Deputy Assistant Secretary for Acquisition and Materiel Management
- (6) VA Central Office - Assistant Secretary for Human Resources and Administration
- (7.) National Cemeteries - Directors, National Cemetery Area Offices

## 8. 5101-7 Approving Authority Action

a. A survey official or board will be appointed by the approving authority, or Administrative Officer, if so delegated, from a standing list of officials.

b. The approving authority may designate the accountable officer to appoint a survey officer/board when a previously approved group has been appointed to conduct survey investigations.

#### 9. 5101-8 Establishment of Board of Survey

a. It is mandatory that a board of survey, comprised of three impartial and qualified persons, be appointed when:

(1) There is a possibility that a VA employee may be assessed pecuniary liability or disciplinary action as a result of loss, damage, or destruction of property.

(2) The value of lost or destroyed property involved (estimated value of real property or value of personal property carried in the perpetual inventory accounts) is \$5,000 or more, or the estimated cost of repairs to damaged property is \$5,000 or more.

**NOTE:** *Local management may establish policy to include inventory losses of a lower value.*

b. A copy of VA Form 1393, Uniform Offense Report, and any other supporting documents will be made a part of the Report of Survey file. Documentation will provide satisfactory explanation of the circumstances surrounding the loss, damage, or destruction of Government property and contain sufficient evidence to determine that pecuniary liability or disciplinary action is or is not involved.

c. The person formally charged with the responsibility for the property in question will not serve on the board, nor will any person involved in the circumstances surrounding the property loss or damage or who may be involved with processing a collection action from an employee (see 7125.5101-23). The accountable official will not be appointed to the board but may act as an advisor unless responsible for the property involved.

d. A permanent board and alternates may be appointed to handle these surveys. All persons serving on the board will be advised of the importance and extent of their responsibility by the approving authority.

**10. 5101-9 Responsibility of Board of Survey.** The board will give their full attention to the survey action, arrange their official duties accordingly, be thoroughly familiar with, conduct investigations according to, and arrive at findings and recommendations in compliance with the provisions of Directive 7125.5101.

**11. 5101-10 Preliminary Board Agreement.** The board will carefully study all available information, e.g., VA Form 1217, supporting statements, exhibits, and other related documents. An agreement will be reached on certain critical points relative to identity of property involved, nature of action affecting its property status, and existence of evidence indicating fault on the part of a particular individual or group.

**12. 5101-I 1 Conduct of Board of Survey.** The board will determine the method and extent of investigation. Where the facts, such as suspected theft or violation of criminal statutes, indicate a need for more extensive investigation, the matter will be referred to the approving authority with recommendation for further investigative action by a facility board, facility police, or the Federal Bureau of Investigation, in accordance with the authority outlined in 38 CFR 1.452(a) and (c).

13. 5101-12 Determinations by Board of Survey. The board will conclude and document, on the Report of Survey, one or more of the following determinations:

- a. Property recovered without loss or cost to the Government.
- b. Property recovered - Government required to suffer cost of repair, servicing, or replacement.
- c. Value of property not recovered.
- d. Extent and nature of damage to property.
- e. Identification of the person or group responsible for loss or damage.
- f. A finding of pecuniary liability or of insufficient evidence to support a charge or pecuniary liability.
- g. A finding that the evidence establishes a degree of negligence or a violation of regulations for which some disciplinary action is required. Disciplinary action will be taken in accordance with current human resources policies.

**14. 5101-I 3 Findings and Recommendations.** The Findings and Recommendations section of VA Form 1217 will be completed based on the board's determination of factors. In presenting the findings, all evidence will be clearly described or cross-referenced. A copy of the Report of Survey file will be forwarded to Security Service upon final approval by the director. Security Service will be responsible for reporting lost or stolen property to the Federal Bureau of Investigation.

**15. 5101-14 Pecuniary Liability.** A recommendation of pecuniary liability must be based on evidence which clearly shows intent, neglect, or carelessness.

a. No one is to be held liable for performing, or failure to perform, an action because of a reasonable human error of judgment or a normal physical limitation. In arriving at a recommendation, especially one where a charge of pecuniary liability will result, the board will consider the following:

(1) The existence of adequate evidence contained in the findings to support the recommendation.

(2) Evidence of prior incidents of negligence, misuse, abuse, or acts of a questionable nature with respect to handling property by the persons involved.

(3) Evidence of attempts by persons involved to improve or correct conditions causing the action being investigated.

(4) Evidence that officials charged with the responsibility failed to establish/enforce sound property utilization, protection, and security measures.

(5) Factual statements of acquisition or construction costs, applicable depreciation, reliable repair or replacement estimates, and estimate of salvage or sales value relative to the property in question.

(6) Evidence that the imposition of property responsibility upon the individual(s) was/is incompatible with the requirements of their assignments.

b. Whenever there is a dissenting opinion relative to the findings or recommendations among the members of a board, the majority opinion will be the recommendation. The minority view will be included, however, for the approving official's review.

c. When it is recommended that an employee be held financially liable, a copy of the Report of Survey, complete with findings and recommendations, will be sent directly to the employee, instructing them to submit a written reply within 10 working days to the approving official. The reply must state the employee's concurrence or objection to the findings. Failure to reply to the approving official, in writing within the 10 working days, will be considered as acceptance of the pecuniary liability (see 7125.5101-24).

## **16. 5101-I 6 Disposal of Property Prior to Completion of Board Action**

a. Except when property constitutes a hazard to health or other property, it will not be disposed of until it has been determined by the board that it is no longer needed for investigative purposes.

b. Property turned in to the accountable official will be receipted for, on VA Form 1217, and disposed of in accordance with applicable provisions of FPMR, Subchapter H.

17. 5101-17 Completion of Board Action. The board will complete, sign, and forward the Report of Survey to the approving official. Under no circumstances will any documentation required to support the report be withheld as essential to another record. Official documents are not to be removed from their proper location; however, true copies will be provided and certified by the surveying officer or chairman of the board. Information, no matter how confidential or delicate in nature, will be presented in written form.

**18. 5101-I 8 Review.** Upon receipt of the completed VA Form 1217, the approving official will personally review the entire file, giving special attention to the following:

- a. Thoroughness of investigation.
- b. Clarity and validity of findings and recommendations,
- c. Completion of applicable criteria in recommendations, including statements of person(s) held liable by the board in cases involving pecuniary liability.

**19. 5101-19 Additional Data.** The approving official may request that the board conduct further inquiries to obtain additional data whenever such action will contribute to a complete evaluation of the recommended action.

**20. 5101-20 Decision.** The approving official, after careful consideration of factors and recommendations, extenuating circumstances, and the effect of their decision upon the policy of sound property utilization, will either:

- a. Concur and sign. When this will require collecting pecuniary charges from any person other than an employee of the United States acting within the scope of their employment, the original file will be forwarded to the District Counsel at the regional office having jurisdiction over the area where the facility is located. Collection will be accomplished by the District Counsel pursuant to 38 CFR 14.608.

- b. Disapprove by entry on or attachment to the VA Form 1217, state their exception to the recommendation, and request reconsideration by the board. The board's reply will be made part of the survey file.

- c. Forward the original and one copy of the file to the higher approving authority when a reversal of the board's original recommendation will result in holding an individual pecuniarily liable.

- d. Forward the original and one copy of the file to the higher approving authority when the facility approving authority and the survey board are unable to reach a unanimous decision.

**21. 5101-21 Responsibility of Accountable Officer**

- a. Upon completion of the survey action, the entire file will be forwarded to the accountable officer for coordination of the appropriate action required by the report.

- b. If the Report of Survey was required for items originally recorded on an adjustment voucher, the Report of Survey will cross-reference that same adjustment voucher number for audit trail purposes.

c. The approved Report of Survey will be filed with the adjustment voucher to support entries made in the accounts, and a copy will be maintained in the Report of Survey file. Reports of Survey covering items which are not accounted for in the perpetual inventory accounts will not be assigned a common or voucher number.

**NOTE:** *When the accountable officer is responsible for the property involved in the report, the final action will be completed under the direction of the approving official.*

22. **5101-22 Disposal of Property After Completion of Board Action.** When directed by the approving authority, the property involved will be disposed of in compliance with the provisions of FPMR, Subchapter H. All disposal documents covering surveys will be cross-referenced to VA Form 1217.

23. **5101-23 Pecuniary Liability.** When the survey calls for collection of pecuniary charges from a Government employee acting within the scope of employment, a memorandum citing the circumstances and referencing the Report of Survey number will be prepared by the accountable officer and forwarded to Fiscal Service for action.

24. **5101-24 Employee's Right of Review.** An employee has the right to have an adverse survey finding reviewed by higher authority. A request for such review will be submitted in writing to the approving authority, within 10 working days of receiving notification of the findings, and detail the specific reasons why the findings should be reviewed. The approving authority will forward the request, their comments, and the complete board record to the appropriate higher approving authority. The decision of the higher approving authority will be final.

## PART 6. MISCELLANEOUS SPECIAL REQUIREMENTS

1. **5204 Weighing Scales and Fuel Pumps.** The services of State, county, municipal, or other equally reliable agencies to accomplish inspections will be utilized as required by local ordinances/laws.

2. **5205 Safes, Vaults, and Other Depositories.** Safes, vaults, and other depositories for valuables, schedules I and II controlled substances as defined in 21 U.S.C. 812, and precious metals from all sources of supply will be located so as to provide maximum security and will be locked at all times when not in use.

### 3. 5205-1 Custody of Combinations

a. A copy of the combination to each safe, vault, or depository at a VA facility will be kept in a sealed envelope in a safe or vault under the custody of the facility director. The envelope will be properly labeled, sealed in the presence of the facility director, service chief concerned, or designee. Each of these officials will sign the envelope in such manner that it cannot be opened without detection.

b. If, in the absence of personnel having knowledge of the combination, it becomes necessary to open any safe, vault, or depository, the only one authorized to do so is the facility director, service chief concerned, or designee.

c. Combinations will be entrusted to the fewest possible individuals consistent with good operations. Those individuals will be held personally responsible for safeguarding this information and shall keep any combination in their personal possession at all times.

4. **5205-2 Changing Combinations.** Combinations of safes, vaults, or depositories shall be changed at least once every 5 years, or immediately under the following conditions:

a. When such equipment is placed in use upon receipt from the manufacturer or other sources.

b. When a person knowing a combination is transferred, separated, or reassigned to a position where such knowledge is not warranted.

c. When deemed necessary by the facility director.

5. **5205-3 Exceptions.** The provisions of 5205-1 and 5205-2 of this directive do not apply to safes, vaults, or other depositories assigned to an agent cashier or those under the control of the facility director used for the safeguarding of classified information. Policies and procedures with respect to such equipment are set forth in MP-1, Part I, Chapter 5, and MP-4, Part I.

**6. 5208 Trust Fund Property.** Policy regarding gifts and donations is found in VHA Supplement, MP-4, Part VII.

## PART 7. HAZARDOUS PRODUCT/EQUIPMENT REPORTING

**1. 5300 General.** Policy for the identification, tracking, and removal of potentially hazardous products, including medical devices, equipment, and subsistence items, that could endanger the life or safety of VA beneficiaries, visitors, or employees will be in accordance with the Safe Medical Device Act, Public Law 101-629, dated November 28, 1990, Public Law 102-300, dated June 16, 1992 (21 CFR), and VHA Directive 10-94-010. The facility director will designate a program coordinator.

a. The FDA (Food and Drug Administration) has the authority to ban or recall devices which present unreasonable risks or substantial harm. When a manufacturer or the FDA recognizes that a product is potentially hazardous, action must be taken to notify all users of the product and to provide instructions for its removal or recall. FDA recalls and field corrections are classified into three categories:

(1) Class I. A situation in which there is a reasonable probability that the use of or exposure to a hazardous product will cause serious adverse health consequences or death.

(2) Class II. A situation in which the use of or exposure to a hazardous product may cause temporary or medically reversible adverse health consequences, or where the probability of serious health consequences is remote.

(3) Class III. A situation in which the use of or exposure to a hazardous product is not likely to cause adverse health consequences.

b. The General Services Administration issues "Safety Alerts" on potentially hazardous products under its contracts. Other Government agencies issue notices of hazardous products under their jurisdiction. Manufacturers may also issue warnings or recalls on their products.

c. VANAC will publish and distribute a "Monthly Recall Summary" of all FDA recalls for the previous month and any other known recalls or alerts that may apply to VA facilities and other Government agency customers.

d. Each VA facility shall establish written procedures for the identification, handling, storage, transport, and disposal of hazardous products. VA employees who routinely come into contact with hazardous products shall be trained in proper procedures.

**2. 5302 Externally Identified Hazardous Products.** A facility plan will be written to outline procedures for externally identified hazardous products and materials. The following elements shall be included:

a. VHA will ensure that all health care facilities will subscribe to the "FDA Enforcement Report."

b. VANAC will issue messages or notifications of class I and hazardous products to all VA facilities. These publications will be identified by the heading "This is National Acquisition Center Notification Recall/Hazardous Product," followed by a reference number consisting of the fiscal year, a dash, and a sequential number.

c. Chief, A&MMS, will assure the maintenance of a file of all VANAC class I and hazardous product notifications. For accountability purposes, a listing of the VANAC notices will be maintained from receipt to final disposition. All other hazardous product notices from GSA, manufacturers, etc., will be filed separately in chronological order.

d. Upon receipt of a hazardous notice, the Chief, A&MMS, or designee, will promptly send a copy of the notice to each affected management official for review and response. The original notice will be retained on file at the facility.

e. When responses from the using organizations are received, appropriate action will be initiated by the Chief, A&MMS, or designee.

**3. 5303 Internally Identified Hazardous Products.** A facility plan will be written to outline procedures for internally identified hazardous products and materials. The following elements will be included in the facility plan:

a. Hazardous products and material will be reported to the designated coordinator. That official shall consult with the appropriate authority to determine to what extent the hazard may affect the safety of beneficiaries, visitors, or employees. When the degree of risk has been established, action to limit, restrict, or remove the product from use will be immediately implemented.

b. Validated hazards shall be reported through the appropriate channels in accordance with VHA Directive 10-94-010, February 4, 1994, para 4f.

c. During weekends and holidays, the FDA Headquarters Office will be notified should any medical devices be found to be imminently dangerous to the life or safety of beneficiaries or employees. In such cases, a report of the circumstances involved will be made by the responsible management official upon the resumption of normal working hours.

d. This policy involves hazardous products only when the degree of risk has been established by appropriate authority and action has been taken to limit, restrict or remove the product from use. VA Quality Improvement Program, as outlined in VAAR 846.70, remains in effect.

**PART 9. ILLUSTRATIONS**

**1. 9901 Economical Repair Costs As a Percent of Acquisition Cost**

Years in Use (Year After Year of Manufacture)

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

Average Years in Useful Life When New:

1	
2	4 0 0
3	5 0 2 5 0
4	6 0 4 0 2 0 0
5	8 0 6 0 4 0 2 0 0
6	8 0 6 4 4 8 3 2 1 6 0
7	8 0 6 7 5 3 4 0 2 7 1 3 0
8	8 0 6 8 5 7 4 6 3 4 2 3 1 1 0
9	8 0 7 0 6 0 5 0 4 0 3 0 2 0 1 0 0
10	8 0 7 1 6 2 5 3 4 4 3 6 2 7 1 8 9 0
11	8 0 7 2 6 4 5 6 4 8 4 0 3 2 2 4 1 6 8 0
12	8 0 7 3 6 5 5 8 5 1 4 4 3 6 2 9 2 2 1 5 7 0
13	8 0 7 3 6 7 6 0 5 3 4 7 4 0 3 3 2 7 2 0 1 3 7 0
14	8 0 7 4 6 8 6 2 5 5 4 9 4 3 3 7 3 1 2 5 1 8 1 2 6 0
15	8 0 7 4 6 9 6 3 5 7 5 1 4 6 4 0 3 4 2 9 2 3 1 7 1 1 6 0
16	8 0 7 5 6 9 6 4 5 9 5 3 4 8 4 3 3 7 3 2 2 7 2 1 1 6 1 1 5 0
17	8 0 7 5 7 0 6 5 6 0 5 5 5 0 4 5 4 0 3 5 3 0 2 5 2 0 1 5 1 0 5 0
18	8 0 7 5 7 1 6 6 6 1 5 6 5 2 4 7 4 2 3 8 3 3 2 8 2 4 1 9 1 4 9 5 0
19	8 0 7 6 7 1 6 7 6 2 5 8 5 3 4 9 4 4 4 0 3 6 3 1 2 7 2 2 1 8 1 3 9 4 0
20	8 0 7 6 7 2 6 7 6 3 5 9 5 5 5 0 4 6 4 2 3 8 3 4 2 9 2 5 2 1 1 7 1 3 8 4 0

[ % of acquisition costs considered economical ]

**2. 9902 REPORT OF SURVEY (R/S) REGISTER FILE.** The accountable official will establish and maintain, on a fiscal year basis, a report of survey register and file in the following format:

R/S No. & Description	Acq. Cost of Item	Date of Initial Contact	Date R/S Report Proposed	Date R/S Completed	Voucher Number	Date Completed
1/93 Theft of typewriter	\$436	2/1/93	2/2/93	2/28/93	A3A043	3/1/93
2/93 Loss of paint from paint shop	\$70 (est)	4/7/93	4/11 /93	4/30/93	N/A	5/1/93
3/93 Visitor's car damaged wall.	\$150 (est)	5/6/93	5/7/93	5/13/93	N/A	5/13/93
4/93 Theft of records	N/A	5/12/93	Pending			