



Standard Practice for Administrative Control of Property¹

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1. Scope

1.1 This practice covers the management of administratively controlled movable, durable property.

1.2 Generally, organizations should establish and maintain control of such property inventories in a manner that will strike a balance between the costs of control and the risks of sustaining incidents of lost damaged or destroyed property.

1.3 The creation and maintenance of cost effective property management systems is of vital concern, and the costs of inventory control used to identify and locate property should be continually assessed against the physical inventory results.

1.4 The cost effective and timely identification and location of property assets is a critical economic factor in the success of any organization.

2. Referenced Documents

2.1 ASTM Standards:

E 2131 Practice for Assessing Loss, Damage, or Destruction of Property²

E 2132 Practice for Physical Inventory of Durable, Moveable Property²

E 2135 Terminology for Property and Asset Management²

2.2 Other Document:

The NPMA Standard Property Book, First Edition, July 1999

3. Terminology

3.1 *Definitions*—As used in this section, the term durable and moveable property and property are synonymous.

3.1.1 *administratively controlled property*—the property assets that are controlled at the discretion of asset managers managing the inventories of individual operational units.

3.1.2 *physical inventory*—the verification of the existence, location, and quantity of property items. The process may involve verifying additional property information.

3.1.3 *property management*—a monitoring and control function, charged with assuring that organizational processes relate to the lifecycle management of property support organization objectives, represent sound business practice, and are compliant with applicable standards, policies, regulations, and contractual requirements.

3.1.4 *property records*—information retained for managing property.

3.1.5 *sensitive items (property)*—items for which, regardless of value, there is a reasonable need for extraordinary security, accountability and control. For example: firearms, portable photographic equipment, binoculars, personal digital assistants, portable power tools, portable communication equipment, portable computers, and controlled pharmaceuticals and substances.

4. Significance and Use

4.1 A physical inventory is a form of an assessment or audit. While inventories can take many forms, organizations should ensure that the information resulting from the inventory has a value to the organization, which is at least equal to, if not in excess of, the costs of conducting the inventory.

4.2 Inventories involve significant time to plan, execute and reconcile, involve significant property staff, and disrupt mission operations.

4.3 Effective property control techniques are critical to reduce or eliminate the impact of lost, damaged and destroyed property and to ensure compliance with accepted practices concerning property accounting.

4.4 The following results should be achieved as the result of an inventory:

4.4.1 Verification that property on record is on-hand in the physical location assigned, in the proper custodial area in serviceable condition, and is assigned an organization identification control number.

4.4.2 Identification of unrecorded property so that it can be reconciled to property and financial records and assigned for reuse.

4.4.3 Location and identification of missing items.

4.4.4 Reconciliation of custodial, accountable property, and financial records for miscoded, missing or items in need of repair.

¹ This practice is under the jurisdiction of ASTM Committee E53 on Property Management Systems and is the direct responsibility of Subcommittee E53.01 on Process Management.

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² *Annual Book of ASTM Standards*, Vol 04.12.