FEDERAL PERSONAL PROPERTY

Opportunities Exist to Improve Identification of Unneeded Property for Disposal

Why GAO Did This Study
The federal government owns billions of dollars of personal property—such as office furniture, scientific equipment, and industrial machinery. By law, each agency is required to follow GSA’s disposal process so that an agency’s unneeded property can be used by other agencies or certain non-federal entities. Since 2012, agencies have reduced their office and warehouse space due to government-wide initiatives, a reduction that in turn has required agencies to dispose of some affected personal property.

GAO was asked to review how federal agencies identify and dispose of unneeded personal property. This report examines (1) how selected agencies assess whether personal property is needed and (2) how these agencies dispose of unneeded property and how, if at all, space reduction efforts have affected disposals. GAO reviewed federal statutes and regulations, and selected five agencies—EPA, Forest Service, GSA, HUD, and IRS—mainly based on space reduction results and goals. GAO reviewed these agencies’ property disposal data for 2012 through 2016 and interviewed headquarters and field staff about their property management and disposal processes.

What GAO Found
The five agencies GAO reviewed—the Environmental Protection Agency (EPA), Forest Service, General Services Administration (GSA), Department of Housing and Urban Development (HUD), and Internal Revenue Service (IRS)—generally do not have policies or processes for identifying unneeded personal property, such as office furniture, on a proactive basis. Instead, officials from these agencies said they typically identified unneeded property as a result of a “triggering event,” such as an office space reduction. Executive agencies are required by law to continuously review property under their control to identify unneeded personal property and then dispose of it promptly. Without such policies or processes, agencies may not be routinely identifying unneeded property that could be used elsewhere, and efforts to maximize federal personal property use and minimize unnecessary storage costs may not be effective. GSA has issued regulations establishing a government-wide disposal process for unneeded personal property. However, according to GSA officials, the agency lacks the authority to promulgate regulations or formal guidance on management of in-use agency property, and there is no government-wide guidance to agencies on identifying unneeded personal property. Agencies are required to have internal control activities—such as policies and procedures—for reasonable assurance of efficient operations and minimal resource waste, and the Office of Management and Budget (OMB) provides guidance to agencies on implementing such activities. Guidance from OMB that emphasizes agencies’ internal control responsibilities could help ensure that agencies are proactively and regularly identifying property that is no longer needed.

The selected agencies reported little difficulty in following GSA’s personal property disposal process, reporting over 37,000 items as unneeded property in fiscal years 2012 through 2016. This property was disposed of through transfers to other agencies, donations to authorized recipients, sales, or discarding. When disposing of personal property from space reduction projects at locations GAO visited, agencies also reported using GSA’s process (see figure). Overall, agencies said they have not experienced major challenges with disposing of personal property from space reduction efforts. This lack of challenges could be because projects are geographically dispersed and spread over several years.

What GAO Recommends
OMB should provide guidance to executive agencies on managing their personal property, emphasizing that agencies’ policies or processes should reflect the requirement to continuously review and identify unneeded personal property. OMB did not comment on GAO’s recommendation.

Example Project – Department of Housing and Urban Development (HUD)

In 2017, HUD reduced its office space 30 percent at its Denver Regional Office as part of its space reduction efforts. HUD replaced most of its existing 20-year-old office furniture, which was too large to allow HUD to meet its space utilization goals, and sold or discarded the old furniture using GSA’s disposal process.