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Approved for Release  
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Director for Facilities and Environmental Quality

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Date

DEPARTMENT OF COMMERCE  
CHIEF FINANCIAL OFFICER AND ASSISTANT SECRETARY FOR  
ADMINISTRATION  
OFFICE OF FACILITIES AND ENVIRONMENTAL QUALITY

PROPERTY BULLETIN # 001, FY23

**SUBJECT:** Standardization of Useful Life and Salvage Value for Departmental Personal Property Assets

**EFFECTIVE DATE:** October 1, 2023

**EXPIRATION DATE:** Effective until canceled or superseded

**SUPERSEDES:** Property Bulletin #001, FY16 Amendment 1

**BACKGROUND**

The Office of Financial Management (OFM) issued “*Property Bulletin #001, FY16, Standardization of Useful Life and Salvage Value for Departmental Personal Property Assets*”, effective date October 1, 2015, and “*Property Bulletin #001, FY16 Amendment #1*”, effective date August 3, 2016, to standardize the useful life and salvage value for the Department of Commerce's personal property assets. The implementation of “*Property Bulletin #001, FY16*” caused inconsistent depreciation calculations for personal property assets in DOC's personal property management system. The Office of Administrative Programs (OAP) issued supplemental guidance to Bureaus to mitigate these issues.

**PURPOSE:** The purpose of this property bulletin is to standardize the useful life and salvage value of all personal property assets. Standardization practices will facilitate the Department’s goals of streamlining personal property business processes across all Bureaus.

**DEFINITION AND EXAMPLE:** In accordance with the Federal Catalog Program (FCP), a government-wide program established by Public Law (PL) 82-436, Cataloging and Standardization, the Federal Government catalogs and manages products and goods procured by the Government through a standardized coding system, known as the Federal Supply Classification (FSC) system.

This system is comprised of a Federal Supply Group (FSG); a two-digit coding structure which identifies an item’s supply group. Currently, there are 78 groups which are subdivided into [646 supply classes](#) known as an FSC, a four-digit coding structure. It is

important to understand that an FSC is derived from an FSG and that the useful life and salvage value recommendations are associated to an item's FSG code.

An example to classify a computer (desktop or laptop) is shown below:

A computer falls within the supply group labeled 70, ADP Equipment, Software, Supplies and Equipment. The subdivision or class within this group for a computer is 42, Mini and Micro Computer Control Devices. To categorize a computer within the FCP, the coding structure is as follows:

2-digit FSG

**70     42**

4-digit FSC

**APPLICABILITY/PROCEDURES:** This property bulletin applies to all Departmental Property Officials and/or financial point of contacts. For cataloging purposes, the useful life and salvage values are associated and categorized by an item's FSG and may be further subdivided to an item's FSC. Such standards are inherited from the catalog entry assigned in the DOC Business Applications Solution (BAS) property and financial systems in accordance with the respective standards outlined within this property bulletin.

Assets entered into the BAS Sunflower Asset Management System (SAMS) on or after the effective date of this policy will utilize the standardized listing of useful life and salvage values assigned in Appendix A, Minimum Useful Life and Salvage Values for Departmental Personal Property Assets.

The effective date of the policy may impact existing assets within the SAMS and the implementation of this policy limits the ability for useful life and salvage value overrides at the asset level. Assets entered into SAMS prior to the effective date of policy that have an override will utilize the existing useful life and salvage assigned.

If the existing asset did not have an override, any update at the catalog level will affect all assets using the catalog. Similarly, existing financial assets that are depreciating without an override will also affect this policy.

If the existing asset did have an override, the depreciation schedule will not change and the financials will be unaffected. Depreciation schedules are based on a 360-day schedule within the BAS Sunflower Property application and apply to all assets (i.e., personal property, real personal property, and fleet). All financial matters concerning the depreciation schedule or future depreciation schedule change must be addressed and governed by the Office of Financial Management.

**STANDARD FOR PERSONAL PROPERTY ASSETS:** The Department will refer to the minimum useful life and salvage values classified by FSG with the exception of

electronic assets, which are classified by FSC in the Minimum Useful Life and Salvage Values Based on E.O.13834, IEEE 1608.2 and IEEE 1608.3 table below.

Please refer to the Attachment A, Minimum Useful Life and Salvage Values for Departmental Personal Property Assets, for a standardized listing of useful life and salvage values.

**WAIVERS:** Asset level overrides require a waiver. When requesting a waiver, please include the submission/justification, and all supporting documents as it pertains to that particular asset (e.g., purchase order, receipt, transfer documentation, etc.) or any documentation that captures the acquisition cost and date for that asset.

A waiver option has been incorporated with the understanding that a bureau's mission may warrant a change, or a discrepancy identified that should be corrected.

If a waiver is necessary, please submit your waiver request in memorandum format along with a written justification to the Associate Director for the Office of Personal Property Management and Transportation. The bureau should request a waiver if they believe that a Property, Plant, and Equipment (PP&E) item's estimated useful life (for SAMS depreciation purposes) should differ from the standard useful life set forth in this Property Bulletin. If approved, the BAS Project Management Office, in collaboration with contractor support staff will apply the respective change(s) and communicate system configuration updates via the BAS Change Control Board to affected stakeholders.

**STANDARD FOR ELECTRONIC ASSETS:** Pursuant to Executive Order (E.O.) 13834, Electronic Stewardship, Requirement and Priority Strategies states Chief Information Officers (CIO), in coordination with Chief Sustainability Officers (CSO), should ensure that appropriate life cycle management strategies for electronics assets are implemented in accordance with statutory requirements and E.O. goals. To comply with the E.O., the Department, in collaboration with the Office of Sustainable Energy and Environmental Programs and the Office of the Chief Information Officer has defined the FSCs listed in the chart below as "electronic equipment."

For electronic assets, please refer to the Department's Useful Life and Salvage Value chart below which list for the goals established within E.O. 13834 and the Institute of Electrical and Electronics Engineers, Inc. (IEEE) standards:

**Minimum Useful Life and Salvage Values  
Based on E.O.13834, IEEE 1608.2  
and IEEE 1608.3**

**REFERENCES:**

- Attachment A, Minimum Useful Life and Salvage Values for Departmental Personal Property Assets
- [OMB Circular No. A-76 Revised Appendix #3, Useful Life and Disposal Value PL 82-436, Cataloging and Standardization](#)
- [Department of Army Supply Bulletin SB-708-21, Federal Supply Classification](#), dated May 2005
- [E.O. 13834, Implementing Instruction for Executive Order 13834](#)
- IEEE 1608.2, IEEE Standard for Environmental Assessment of Imaging Equipment
- IEEE 1608.3, IEEE Standard for Environmental Assessment of Televisions

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**Appendix A, Minimum Useful Life and Salvage Values for Departmental Personal Property Assets**

Category	Useful Life (yrs.)	Salvage Value	Federal Supply Classification (FSCs)
<b>Automatic Data Processing Equipment including Software, Supplies, and Support – FSG 70</b>			
Digital Duplicator	4	0	7025
Monitor	4	0	7025
Multi-Function Device (Fax/Printer/Scanner)	4	0	7025
Printer	4	0	7025
Scanner	4	0	7025
Desktop Computer	4	0	7042
Laptop Computer or Tablet	4	0	7042
Equipment (Other)	4	0	7020, 7021, 7022, 7025, 7035, 7040, 7042, 7045
<b>Special Industry Machinery – FSG 36</b>			
Copier	4	0	3610
<b>Communication, Detection, and Coherent Radiation Equipment – FSG 58</b>			
Fax Machine	4	0	5815
<b>Office Machines, Text Processing Systems, and Visible Record Equipment – FSG 74</b>			
Mail Machine	4	0	7490
<b>Musical Instruments, Phonographs, and Home-Type Radios – FSG 77</b>			
Television	4	0	7730
<b>* Only the FSCs listed in the table above supersede the FSG standards listed in Attachment A.</b>			

FSG	TITLE	SALVAGE VALUE %	SERVICE LIFE
10	WEAPONS	0	15
11	NUCLEAR ORDNANCE	0	10
12	FIRE CONTROL EQUIPMENT	0	10
13	AMMUNITION AND EXPLOSIVES	0	10
14	GUIDED MISSILES	0	15
15	AIRCRAFT AND AIRFRAME STRUCTURAL COMPONENTS	0	20
16	AIRCRAFT COMPONENTS AND ACCESSORIES	0	20
17	AIRCRAFT LAUNCHING, LANDING, AND GROUND HANDLING EQUIPMENT	0	10
18	SPACE VEHICLES	0	5
19	SHIPS, SMALL CRAFT, PONTOONS, AND FLOATING DOCKS	0	15
20	SHIP AND MARINE EQUIPMENT	0	15
22	RAILWAY EQUIPMENT	0	7
23	GROUND EFFECT VEHICLES, MOTOR VEHICLES, TRAILERS, AND CYCLES	0	10
24	TRACTORS	0	10
25	VEHICULAR EQUIPMENT COMPONENTS	0	10
26	TIRES AND TUBES	0	0
28	ENGINES, TURBINES, AND COMPONENTS	0	15
29	ENGINE ACCESSORIES	0	7
30	MECHANICAL POWER TRANSMISSION EQUIPMENT	0	15
31	BEARINGS	0	0
32	WOODWORKING MACHINERY AND EQUIPMENT	0	7
34	METALWORKING MACHINERY	0	15
35	SERVICE AND TRADE EQUIPMENT	0	5
36	SPECIAL INDUSTRY MACHINERY	0	10
37	AGRICULTURAL MACHINERY AND EQUIPMENT	0	7
38	CONSTRUCTION, MINING, EXCAVATING, AND HIGHWAY MAINTENANCE EQUIPMENT	0	10
39	MATERIALS HANDLING EQUIPMENT	0	10
40	ROPE, CABLE, CHAIN, AND FITTINGS	0	0
41	REFRIGERATION, AIR CONDITIONING, AND AIR CIRCULATING EQUIPMENT	0	7
42	FIRE FIGHTING, RESCUE, AND SAFETY EQUIPMENT; AND ENVIRONMENTAL PROTECTION EQUIPMENT AND MATERIALS	0	10
43	PUMPS AND COMPRESSORS	0	10
44	FURNACE, STEAM PLANT, AND DRYING EQUIPMENT; AND NUCLEAR REACTORS	0	7
45	PLUMBING, HEATING, AND WASTE DISPOSAL EQUIPMENT	0	10
46	WATER PURIFICATION AND SEWAGE TREATMENT EQUIPMENT	0	7
47	PIPE, TUBING, HOSE, AND FITTINGS	0	0
48	VALVES	0	0
49	MAINTENANCE AND REPAIR SHOP EQUIPMENT	0	10
51	HAND TOOLS	0	5
52	MEASURING TOOLS	0	7
53	HARDWARE AND ABRASIVES	0	0
54	PREFABRICATED STRUCTURES AND SCAFFOLDING	0	10
55	LUMBER, MILLWORK, PLYWOOD, AND VENEER	0	0
56	CONSTRUCTION AND BUILDING MATERIALS	0	0
58	COMMUNICATION, DETECTION, AND COHERENT RADIATION EQUIPMENT	0	10
59	ELECTRICAL AND ELECTRONIC EQUIPMENT COMPONENTS	0	10
60	FIBER OPTICS MATERIALS, COMPONENTS, ASSEMBLIES, AND ACCESSORIES	0	10
61	ELECTRIC WIRE AND POWER AND DISTRIBUTION EQUIPMENT	0	7
62	LIGHTING FIXTURES AND LAMPS	0	10

<b>FSG</b>	<b>TITLE</b>	<b>SALVAGE VALUE %</b>	<b>SERVICE LIFE</b>
63	ALARM, SIGNAL, AND SECURITY DETECTION SYSTEMS	0	5
65	MEDICAL, DENTAL, AND VETERINARY EQUIPMENT AND SUPPLIES	0	7
66	INSTRUMENTS AND LABORATORY EQUIPMENT	0	10
67	PHOTOGRAPHIC EQUIPMENT	0	10
68	CHEMICALS AND CHEMICALS PRODUCTS	0	0
69	TRAINING AIDS AND DEVICES	0	10
70	AUTOMATIC DATA PROCESSING EQUIPMENT INCLUDING SOFTWARE, SUPPLIES AND SUPPORT	0	2
71	FURNITURE	0	7
72	HOUSEHOLD AND COMMERCIAL FURNISHINGS AND APPLIANCES	0	5
73	FOOD PREPARATION AND SERVING EQUIPMENT	0	7
74	OFFICE MACHINES, TEXT PROCESSING SYSTEMS, AND VISIBLE RECORD EQUIPMENT	0	5
75	OFFICE SUPPLIES AND DEVICES	0	0
76	BOOKS, MAPS, AND OTHER PUBLICATIONS	0	5
77	MUSICAL INSTRUMENTS, PHONOGRAPHS, AND HOME-TYPE RADIOS	0	10
78	RECREATIONAL AND ATHLETIC EQUIPMENT	0	7
79	CLEANING EQUIPMENT AND SUPPLIES	0	0
80	BRUSHES, PAINTS, SEALERS, AND ADHESIVES	0	0
81	CONTAINERS, PACKAGING, AND PACKAGING SUPPLIES	0	10
83	TEXTILES, LEATHER, FURS, APPAREL AND SHOE FINDINGS, TENTS AND FLAGS	0	5
84	CLOTHING, INDIVIDUAL EQUIPMENT, AND INSIGNIA	0	5
85	TOILETRIES	0	0
87	AGRICULTURAL SUPPLIES	0	0
88	LIVE ANIMALS	0	7
89	SUBSISTENCE	0	0
91	FUELS, LUBRICANTS, OILS, AND WAXES	0	0
93	NONMETALLIC FABRICATED MATERIALS	0	0
94	NONMETALLIC CRUDE MATERIALS	0	0
95	METAL BARS, SHEETS, AND SHAPES	0	0
96	ORES, MINERALS, AND THEIR PRIMARY PRODUCTS	0	0
99	MISCELLANEOUS	0	5