



Standard Practice for Establishing the Guiding Principles of Property Management¹

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1. Scope

1.1 This practice covers the creation of a set of guiding principles to be applied to the practice of property management. Such principles will enunciate the objectives and intent of the property community, stress simplified procedures, promote less rather than more, judgment rather than “by-the-book” decisions, and encourage the adoption of “best practices.”

1.2 The acceptance of guiding principles has the potential to foster a problem-solving mentality within the property management community, encourage the use of innovative and cost-effective practices, create greater commonality between government and industry practices, and increase the ability of organizations to respond to changing needs and business conditions.

1.3 The potential economic and practical benefits of operating in a manner consistent with a set of guidelines outweigh concerns about the loss of predictability, uniformity, and consistency.

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

E 2219 Practice for Valuation and Management of Moveable, Durable Property²

E 2220 Practice for Establishing the Full Valuation of the Loss/Overage Population Identified During the Inventory of Movable, Durable Property²

E 2221 Practice for the Administrative Control of Property²

2.2 NPMA Standard:

The NPMA Standard Property Book, Second Edition, August 2001³

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.

³ Available from the National Property Management Association, Inc., 1102 Pinehurst Rd., Oaktree Center, Dunedin, FL 34698.

2.3 Federal Standards:

GAO Manual for Guidance of Federal Agencies, Title 2, Accounting⁴

Federal Property and Administrative Services Act of 1949⁴

Federal Property Management Regulations⁴

Federal Management Regulations⁴

The Budget and Accounting Procedures Act of 1950⁴

Federal Acquisition Regulations⁴

Securities Exchange Act of 1934 (Title 15 Section 78m(b)(2)(A))⁴

Securities and Exchange Commission Staff Accounting Bulletin No.99, Materiality (1999)⁴

Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 6, Accounting for Property, Plant, and Equipment⁴

FAR Part Appendix Part 9900, Cost Accounting Standards⁴

3. Terminology

3.1 Definitions of Terms Specific to This Standard:

3.1.1 *acquisition cost, n*—purchase price paid for property and any appropriate subsequent improvements to it. Includes cash paid or fair value received and material amounts of preparation cost such as inspection, testing, and installation.

3.1.2 *agency, n*—government organization, regardless of level (federal, state, or local).

3.1.3 *best value, n*—expected outcome of an action, in the entity’s estimation, which provides the greatest overall benefit (adapted from FAR 2.1).

3.1.4 *care and handling, n*—includes the costs of completing, repairing, converting, rehabilitating, operating, preparing, preserving, protecting, insuring, packing, storing, conserving, and transporting of property, and, in the case of property that is dangerous to public health, safety and security, destroying or rendering such property useless for its original purpose.

3.1.5 *company, n*—for-profit organization.

3.1.6 *entity, n*—an agency, institution or organization or any component thereof.

3.1.7 *institution, n*—not-for-profit, nongovernmental organization.

⁴ Available from U.S. Government Printing Office Superintendent of Documents, 732 N. Capitol St., NW, Mail Stop: SDE, Washington, DC 20401.