

Reclamation Manual

Directives and Standards

Subject:	Real Property Disposal
Purpose:	This Directive and Standard (D&S) provides direction for the management and reporting of real property disposals. This D&S benefits the Bureau of Reclamation (Reclamation) by setting basic standards and providing information on Reclamation's disposal process, applicable documentation, and required reporting to comply with Federal laws, regulations, and policies for asset management.
Authority:	A list of relevant authorities is included in paragraph 12 of this D&S.
Approving Official:	Director, Dam Safety and Infrastructure
Contact:	Asset Management Division, 86-67200 Mission Support Organization, Property Policy Section, 84-27100

1. **Introduction.** Reclamation will dispose of or relinquish real property (land, buildings, and structures) that is no longer needed for project purposes. This may include real property needed for construction of facilities, operations and maintenance (O&M), flood control, recreation, fish and wildlife, protection and security of project facilities and the environment, and other project purposes. It is important to note that if a project need exists and can be met through reservation of a lesser interest in the real property, the real property retained must be sufficient to protect the interests of the United States.
2. **Applicability.** This D&S applies to Reclamation staff responsible for managing real property. It addresses the processes Reclamation staff will use to manage, track, and report real property disposals while also incorporating processes for decommissioning Reclamation assets or facilities. Employees must determine if Reclamation has authority to carry out provisions of law and, if so, who within Reclamation is delegated such authority (see Reclamation Manual (RM) Delegations of Authority) to dispose.
3. **Determination to Dispose.** To begin the disposal process, an administrative determination is required that demonstrates the real property is no longer needed for project purposes or that disposal with reservation of a lesser interest would be sufficient. Disposal determinations shall be made via memorandum from the responsible office's Authorized Official to the Regional Director. Copies of determinations shall be provided to the Regional Property Manager and Regional Realty Officer. In some instances, specific authorities exist that provide for exceptions to this requirement. At a minimum, disposal determinations shall include:

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- A. **Authorized Official.** A reviewing authority (Regional Property Management, Authorized Official) must approve decommissioning determinations or land disposals before any such action occurs. Disposal of Reclamation real property includes land, interest in lands, improvements thereon, and/or water rights by sale, transfer, exchange, or conveyance to other Departmental bureaus, other Federal agencies, or non-Federal entities in accordance with the limitations in 205 DM 10 (255 DM 1.1.A. and 255 DM 2.1.G.) (see RM Delegations of Authority).
- B. **Disposal Justification.** Provides a summary of why the asset is no longer needed for project purposes.
- C. **Disposal Determination Date.** The memorandum's date of signature will be used to populate necessary data in the Financial and Business Management System (FBMS) and, subsequently, the Federal Real Property Profile Management System (FRPP MS).
- D. **Estimated Disposal Date.** An estimated disposal date provides the program manager the information necessary to assist with tracking the disposal and accounting for changes.
- E. **Planned Disposition Method.** A planned disposition method will assist with identifying potential barriers to disposal. Examples of disposition methods include demolition (or off-site removal), transfer (to another Federal agency), title transfer (to an operating entity), sale (public or negotiated), and disposal by GSA under authorities of that agency.
- F. **Real Property Unique Identifier (RPUID).** The RPUID is a unique identifier that links real property data to the FBMS, FRPP MS, and Reduce the Footprint (RtF) Program when applicable. If an RPUID is assigned to an asset, it will assist with tracking progress through the disposal process as well as updating relevant data in FBMS, FRPP MS, and RtF. An RPUID can consist of multiple assets or parts of assets.
- G. **Additional Asset Data.** Includes but is not limited to information on the asset size (acreage for land, square footage for buildings, etc.), location (latitude, longitude, address, and/or legal description), and necessary ownership details (e.g., owned or withdrawn land, owned or leased building/structure, reserved or transferred works, etc.).

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4. **Decommissioning/Replacing Reclamation Assets (Does not include land).** In determining whether an asset should be decommissioned or replaced, the responsible office shall leverage previous and current periodic inspection reviews. If periodic inspections identify a significant decline in condition that is beyond Reclamation's ability to repair, replace, or recommission, the responsible office can continue with the decommissioning/replacement process. Note: Decommissioning does not involve land. Land must be reviewed for Reclamation Project purpose. See Appendix B and RM, *Identification of Unneeded Land* ([LND 08-03](#)).
- A. **Demolished/Donate.** No real property shall be demolished or donated by Reclamation unless a duly authorized official determines in writing that:
- (1) the property has no commercial value,
 - (2) the estimated cost of its continued care exceeds the estimated proceeds from sale,
 - (3) the real property has been deemed a safety or environmental hazard, or
 - (4) there is no further need within the specific Reclamation Project.
- B. **Duly Authorized Official.** For the purposes of decommissioning, a duly authorized official must be someone not directly accountable for the subject real property. For Reclamation's purposes, this will be the Area Manager or Regional Director.
- C. **Decommissioning Report.** The responsible office aiming to decommission a real property asset must submit a Decommissioning Report to the Regional Director or designated representative that includes, at a minimum, details on the subject real property; circumstances relating to the decommissioning; analysis of repair, replacement, recommissioning, and disposal alternatives; analysis of associated contracts, commitments, and affected stakeholders; and justification for the preferred action. Any additional supplementary information relevant to the subject real property may also be included.
- D. **Review and Approval.** Following review of the Decommissioning Report, the Regional Director or designated representative shall approve or reject via official memorandum. The responsible office's decommissioning proposal and copies of the decision memorandum shall be provided to the Director, Dam Safety and Infrastructure (86-67000); Director, Mission Support Organization (84-27000); and regional realty, property, finance, and O&M offices where applicable.

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- E. **Continued Inspection.** The responsible office shall continue to perform inspections of real property planned for decommission under the Review of Operations and Maintenance Program to ensure that the asset's condition has not degraded to a level that requires further action until disposal is complete. See [FAC 01-04](#), [FAC 01-07](#), [FAC 01-12](#), [FAC 07-01](#), [FAC 04-01](#), and [FAC 04-15](#) for inspection requirements and frequency.
5. **General Disposal Requirements and Considerations.** Following administrative determination that the real property is no longer needed, the responsible office can commence the disposal process. Refer to Appendix A for a checklist that includes all required and suggested actions throughout the disposal process, Appendix B for additional land disposal requirements and guidance, and Appendix C for additional disposal requirements and guidance for bridges and crossings. Disposal of real property by Reclamation requires the following actions, except as noted.
- A. **Environmental, Cultural Resources, and Hazardous Materials Compliance.** Disposals require compliance with environmental, cultural resources, and hazardous materials laws, regulations, and policies. These include but are not limited to the National Environmental Policy Act (NEPA); Executive Order 11988, *Floodplain Management*; Executive Order 11990, *Protection of Wetlands*; the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA); the Clean Water Act; the Endangered Species Act; the National Historic Preservation Act (NHPA) sections 106 and 111; the Native American Graves Protection and Repatriation Act; and various other cultural resources acts and executive orders in effect at the time of disposal.
- B. **Housing and Urban Development (HUD) Screening.** A screening through HUD is required under Title V of the Stewart B. McKinney-Vento Homeless Assistance Act (42 U.S.C. § 11411) to determine if the real property is suitable for use by the homeless (except for disposals under Subsection Q of the Fact Finders Act of December 5, 1924, or Section 3b (2) of Public Law 89-72, or other specific authorizing legislation). Only those assets classified as buildings designated as excess or underutilized and planned for disposal are required to go through the Title V review. This process is initiated by completing the HUD checklist and transmitting it to Mission Support Organization, Property Policy Management Section 84-27110.

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- C. **Circularization and Screening for Use by Reclamation or Other Federal Agencies.** Available real property disposals shall be reported to the Regional Office at least 150 days or more in advance of the date the property will become available for disposal. The Regional Office or GSA shall determine, normally by circularization, whether available real property is needed within Reclamation, the Department of the Interior, or the Federal Government. See 41 CFR § (c), Part 102-75, Real Property Disposal. Except for disposals under Section 3b (2) of Public Law 89-72, either:
- (1) screening is required to determine if the real property is needed by another office or region within Reclamation or any other Federal agency; or
 - (2) if valued under \$50,000, an administrative determination is to be made by the office responsible for the property that it is not required for the needs and responsibilities of Federal agencies.
- D. **Noncompetitive Sales Justification.** When the character or condition of the real property or unusual circumstances make it impractical to advertise publicly for competitive bids, an administrative determination justifying disposal by other than competitive sale should be completed by the responsible office. For negotiated noncompetitive sales a determination must be made that a public benefit will result from the negotiated sale that would not be realized from a competitive sale, and an Excess Profits Covenant for Negotiated Sales to Public Bodies shall be included in the offer to purchase and in the conveyance document. A sample excess profits covenant is illustrated in 41 CFR § 102-75.895.
- E. **Donated Real Property.** Real Property that is dangerous to public health or safety shall not be donated to a public authority without first rendering such property harmless or putting adequate safeguards in place. This issue must be addressed by contractual provisions wherein the grantee agrees to remediate those conditions and prevent use of the asset until such is completed.
- F. **Appraisals.** Land to be sold or exchanged shall be appraised in accordance with [LND 05-01](#), *Real Property Appraisal*.
- G. **Disposition of Receipts.** Refer to RM, *Crediting Requirements for Incidental Revenues*, [PEC 03-01](#), to determine how revenues generated from the sale of real property shall be credited; to *Use of the Collection Information Form for Incidental Revenues*, [PEC 03-02](#), for information on how to complete a Collection Information Form; and to *General Property, Plant, and Equipment (G-PP&E)*, [FIN 07-20](#), for FBMS recording of proceeds generated from the sale of real property.
- H. **Property Boundary Survey (Land Disposal Only).** A signed property boundary survey, legal description, and identification of the estate to be transferred may be required elements to complete the disposal.

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6. **Final Disposal.** After the HUD screening has been completed, compliance with the NHPA has been completed,¹ and any hazardous material has been removed, remediated, or noticed that was identified during the environmental assessment pursuant to CERCLA Section 120(h),² disposal of the real property can proceed, whether by sale at a public auction,³ transfer to another Federal agency or managing partner, or demolition.
7. **Completed Disposals.** Following completion of a disposal activity, the responsible office shall complete a property voucher (Reclamation [instructions](#) and form [7-763](#)) for the respective real property disposal. Property vouchers are to be routed through the responsible office's property and finance personnel for signature ahead of submission to the Mission Support Organization, Property Policy, for review and approval ahead of retirement in FBMS. Timely submission of property vouchers is integral in meeting accounting requirements for disposals. For land disposals, refer to Quitclaim Deed (see Appendix B). For disposals that require a property voucher, a complete property voucher shall include:
- A. **Accountable Office Details.** Include the name of the responsible office overseeing the disposal activity as well as its location (city, state).
- B. **Acquisition Cost.** Include the original acquisition cost for the real property asset.

¹ Refer to [LND 02-01](#) Paragraph 5(D) for additional information on NHPA and Reclamation's cultural resource management disposal responsibilities.

² CERCLA 120(h) applies to fee conveyances of Federal real property to non-Federal entities. Reclamation shall assess hazardous substance activity on the property and provide the notifications, deed covenant, and right of access requirements to the property conveyance grantee as follows prior to final disposition of the property:

- Give notice of hazardous substance activity to the grantee
- Include a covenant in the deed that "all remedial action necessary to protect human health and the environment with respect to any such substance remaining on the property has been taken before the date of such transfer"
- Include a deed covenant that the "United States will return and perform any additional response action that may be required in the future"
- A clause to retain a perpetual right of access necessary to do such additional response actions.

Reclamation will meet these requirements by utilizing the Environmental Site Assessment (ESA) Process in accordance with American Society for Testing and Materials (ASTM) E1527 or the Phase I ESA Process for Forestland or Rural Property in accordance with ASTM E2247, as applicable. An ESA shall be conducted by an Environmental Professional, as defined in 40 CFR 312.10, or conducted under the supervision or responsible change of the Environmental Professional. If the Phase I Site Assessment does not reveal evidence of a recognized environmental condition (REC), the ESA Process has been completed and CERCLA-required notices and deed covenant can be included in the real property conveyance. If the Phase I Site Assessment reveals any REC, a Phase II ESA in accordance with ASTM E1903 may be required. If the Phase I ESA reveals hazardous substance activity but no other RECs, Reclamation shall meet the CERCLA 120(h) requirements by giving the grantee notice of hazardous substance activity and including the CERCLA-required statements via deed covenants.

³ Real property that is not part of a direct sale will be processed by the General Services Administration (GSA). It is important to engage GSA early in the process due to additional time and coordination involved.

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- C. **Asset Number.** The asset numbers correlate to the FBMS asset number for all disposed real property under a single disposal activity. Asset numbers are essential to completing the retirement of all disposed assets in FBMS.
 - D. **Book Value.** Include the book value for the asset at the time of disposal. The disposal date represents the date the asset is transferred, destroyed, or determined to no longer have value.
 - E. **Document Date.** Include the date that the property voucher was created.
 - F. **Description.** A complete description includes the real property asset's name, FRPP RPUID, and any other details the responsible office deems necessary.
 - G. **Disposal Code.** The disposal code identifies the appropriate method for disposal to be documented in FBMS (e.g., 55D for demolition, 30S for public sale, etc.).
 - H. **Financial Data.** Additional information on the finance office portion of the property vouchers allows for the inclusion of granular financial data where applicable. This includes but is not limited to the fund, Work Breakdown Structure (WBS), fund center, cost center, etc.
 - I. **Property Voucher Number.** This unique number includes the accounting office's code, Fiscal Year (FY), and serial number for the transaction.
 - J. **Transaction Price or Sales Price.** If disposal is done via sale, include the sale price and any fees the General Services Administration (GSA) may charge for the disposal.
 - K. **Accountable Action Determination (AAD)/Report of Survey (ROS).** For assets that are disposed via demolition/off-site removal, a completed ROS shall accompany the signed property voucher. The signed ROS verifies that the asset has been fully removed and there are no further associated liabilities with the disposition.
8. **Retirement in FBMS.** Following submission of a signed property voucher to the Mission Support Organization, Property Policy Section (84-27100), the Property Management Specialist/Disposal Coordinator will review and sign the property voucher and process the asset retirement in FBMS for disposed building and structure assets. For accounting purposes, record disposals in the period of disposal, retirement, or permanent removal from service in accordance with RM D&S, *General Property, Plant, and Equipment (G-PP&E)* ([FIN 07-20](#)). Accounting entries must be recorded prior to the end of the fiscal year. Realty staff with proper FBMS roles shall process asset retirements in FBMS for disposed land and realty assets in accordance with RM D&S, *Land* ([FIN 07-22](#)).
- A. Once an asset is retired in FBMS, the respective building or property record must be updated to include all relevant disposal information for reporting to the FRPP MS. The responsible office shall work with the regional property and realty offices to update this

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data. This includes but is not limited to the disposition method, disposition date, and the net proceeds and actual sales price (if disposed via sale).

- B. There are instances of partial retirements of assets, such as part of a road, part of a canal, or part of the asset value to include sub-assets. The process listed above is valid, but only a percentage of the asset will be removed from inventory.
 - C. Staff will coordinate with appropriate regional offices and Denver directorates to update all systems of record and remove disposed assets from relevant databases, for example, the Enterprise Asset Registry and Capital Asset and Resource Management Application (CARMA).
9. **Title Transfer and Land Disposal Considerations.** Reclamation staff will review all Reclamation project land or interests in land associated with a requested title transfer to determine the current disposition and eligibility for transfer (see RM [CMP 11-01](#), *Title Transfer for Reclamation Project Facilities*).
10. **Bridges.** For special considerations for bridge disposal please see Appendix C.
11. **Definitions.**
- A. **Asset.** The real property (land, building, or structure) at the FRPP level being evaluated for disposal.
 - B. **Authorized Official (Land Only).** Regional Directors or their delegates as referenced in the RM Delegations of Authority section 4.K(4).
 - C. **Conveyance.** Transfer of an interest in property by deed, mortgage, or lease.
 - D. **Decommissioning.** To permanently remove and retire facilities from Reclamation service.
 - E. **Disposal.** To retire, remove, sell, or demolish (fully or partially) a real property asset from Reclamation inventory. In regard to land, to transfer Reclamation land to any other party, private or governmental.
 - F. **Financial and Business Management System (FBMS).** The business management system related to financial management of real property and real property reporting.
 - G. **Federal Real Property Profile Management System (FRPP MS).** A database of all real property under the custody and control of all executive branch agencies, except when otherwise required for reasons of national security.
 - H. **Property Voucher.** The financial disposal record for real property disposals within FBMS.

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- I. **Quitclaim Deed.** Legal instrument whereby the grantor transfers the rights in a property to the grantee without a warranty of title or interest.
- J. **Reclamation Project Land.** Land or interests in land owned by the United States and under the jurisdiction of Reclamation, which have been withdrawn from public lands, acquired, or donated to Reclamation for project purposes.
- K. **Real Property.** Any interest in land, together with the improvements, structures, and fixtures located thereon.
- L. **Recognized Environment Condition (REC).** The presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to release to the environment, (2) under conditions indicative of a release to the environment, or (3) under conditions that pose a material threat of a future release to the environment. De minimis conditions are not RECs.
- M. **Reduce the Footprint (RtF).** An initiative implemented by the Office of Management and Budget (OMB), which released the National Strategy for Real Property and the companion RtF. The National Strategy is a three-step framework to improve real property management: freeze growth in the inventory, measure performance to identify opportunities for efficiency improvements through data-driven decision-making, and ultimately reduce the size of the inventory by prioritizing actions to consolidate, co-locate, and dispose of properties.
- N. **Report of Survey.** Stolen, Lost, Damaged, or Destroyed Department of the Interior Property. The finalization and consolidation of all documents (HUD, NEPA, SHPO, Property Voucher, etc.) and reviewed by several levels. Also required in written policy for all Real Property Disposals by the Property Management Branch ([RPMC 14-08](#)).
- O. **Reserved Works.** Reserved works are those facilities owned by the U.S. and operated and maintained by Reclamation.
- P. **Responsible Office.** The responsible office is the office assigned the Operation, Maintenance, and Accountability of Real Property Assets. The Responsible Office for disposal may vary. For Land Assets, it is Realty Specialists, Natural Resource Specialists, and other land management staff who process the deeds, etc. For Buildings and Structures, it is typically Property Management who processes the Property Vouchers, Reports of Survey, etc.
- Q. **Retirement.** When an asset is sold, donated, or in any other way disposed, deactivating a Real Property Asset within the FBMS system removes it from inventory and accountability. The process also takes into consideration the asset's original purchase price, the current book value, the amount depreciated over the life of the asset, and the amount of revenue received, if any.

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- R. **Transferred Works.** Reclamation facilities, structures, land, resources, or other assets for which the operation and maintenance activities have been contractually transferred to, and are generally financed by, the contracting entity (usually a water user organization), but for which ownership remains with the United States.

12. Authorities.

- A. **Major Laws.** There are a variety of authorities and regulations that must be complied with in the disposal of real property. It should be noted that appropriate acts and specific project authorizing legislation exist that contain acquisition and/or disposal authorities and not all are listed here. The following include but are not limited to the major laws and regulations relevant to the disposal of real property by Reclamation.
- (1) Use of Earth, Stone, and Timber from Public Lands and Forests, February 8, 1905 (33 stat. 706; U.S.C. § 420).
 - (2) Town Sites and Power Development, April 16, 1906 (34 Stat. 116; 43 U.S.C. § 561).
 - (3) Farm Units, Town Sites, and Desert-Land Entries, June 27, 1906 (34 Stat. 520; 43 U.S.C. §§ 561 and 568).
 - (4) Sale of Surplus Acquired Lands, February 2, 1911 (36 Stat. 895; 43 U.S.C. § 374).
 - (5) Sale of Surplus Improved Public Lands, May 20, 1920 (41 Stat. 605 and 606; 43 U.S.C. § 375).
 - (6) Fact Finders Act, December 5, 1924 – Subsection Q (43 Stat. 704; 43 U.S.C. § 376).
 - (7) Sale of Unproductive Public Land, May 16, 1930 (46 Stat. 367 and 368; 43 U.S.C. § 424).
 - (8) Reclamation Project Act of 1939, August 4, 1939 – Sections 10 and 11 (53 Stat. 1196 and 1197; 43 U.S.C. 3 §§ 75a and 387).
 - (9) Columbia Basin Project Act, March 10, 1943 (57 Stat. 14; 16 U.S.C. § 835).
 - (10) Gila Project, July 30, 1947 (61 Stat. 629; 43 U.S.C. § 613b).
 - (11) Federal Property and Administrative Services Act of 1949, June 30, 1949, as amended (63 Stat. 377).
 - (12) Disposal of Small Tracts, March 31, 1950 (64 Stat. 39; 43 U.S.C. § 375).

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- (13) Farm Unit Exchange Act, August 13, 1953 (67 Stat. 566; 43 U.S.C. § 451).
- (14) Colorado River Storage Project, April 11, 1956 (70 Stat. 110; 43 U.S.C. § 620g).
- (15) Acquisition of Farmlands, Seedskafee Project, August 28, 1958, Public Law 85-797 (72 Stat. 963).
- (16) Federal Water Project Recreation Act, July 9, 1965, Public Law 89-72 (79 Stat. 214; 16 U.S.C. § 4601-14; and Stat. 216; 16 U.S.C. § 4601-18).
- (17) National Historic Preservation Act of 1966, as amended, Public Law 89-665, as amended by Public Law 96-515 (54 U.S.C. § 306121).
- (18) National Environmental Policy Act of 1969, as amended (42 U.S.C. § 4321).
- (19) Endangered Species Act of 1973 (16 U.S.C. § 1531-44).
- (20) Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9620).
- (21) Native American Graves Protection and Repatriation Act, November 16, 1990, Public Law 101-601 (25 U.S.C. § 3001-13; 104 Stat. 3048-58).
- (22) Colorado River Basin Project Act, September 30, 1968, Public Law 90-537 (82 Stat. 885; 43 U.S.C. § 1501).
- (23) Riverton Extension Unit Reauthorized, September 25, 1970, Public Law 91-409 (84 Stat. 861).
- (24) Colorado River Basin Salinity Control Act, June 24, 1974, Public Law 93-320 (88 Stat. 266).
- (25) Federal Land Policy Management Act of 1976, October 21, 1976, Public Law 94-579 (90 Stat. 2743).
- (26) Federal Asset Sale and Transfer Act, December 13, 2006, Public Law 114-287 (130 Stat. 1463).

B. Regulations. In addition to the authorities, the following regulations influence the application of Reclamation's land disposal authorizations.

- (1) Federal Management Regulations (FMR). The FMR are government-wide property regulations issued by GSA and published in the Code of Federal Regulations (CFR) under Title 41, Subtitle C, Chapter 102. The remaining chapters of Subtitle C are reserved for individual government agencies to issue

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their own implementing and supplementing property management regulations. The section of 41 CFR § 102 that deals with the disposal of real property appears as 41 CFR § 102-75, *Real Property Disposal*.

- (2) Interior's Property Management Directives (IPMD) 410 DM 114-47. The IPMD, a supplement to the FMR, were removed from regulatory status and designated as directives, except for a section dealing with Government-Furnished Quarters.
- (3) Joint Policies of the Departments of the Interior and the Army Relative to Reservoir Project Lands (43 CFR § 8).
- (4) Sale of Lands in Federal Reclamation Projects (43 CFR § 402).
- (5) Reporting Hazardous Substance Activity When Selling or Transferring Federal Real Property (40 CFR § 373).

13. **Review Period.** The originating office will review this release every 4 years.

RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: _____

Release No. _____

Ensure all employees needing this information are provided a copy of this release.

Reclamation Manual Release Number and Subject

Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

Filing instructions

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All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: _____

Date: _____