Army Regulation 735–5

Property Accountability

# Property Accountability Policies

**Rapid Action Revision (RAR) Issue Date: 22 August 2013**

Headquarters
Department of the Army
Washington, DC
10 May 2013

**UNCLASSIFIED**

# SUMMARY of CHANGE

AR 735-5
Property Accountability Policies

This rapid action revision, dated 22 August 2013-

- Updates information (fig 13-1).
- Updates approving authority and/or appointing authority definition (para 13-17).
- Make administrative changes (throughout).

Headquarters
Department of the Army
Washington, DC
10 May 2013

# *Army Regulation 735–5

Effective 10 June 2013

## Property Accountability

# Property Accountability Policies

By Order of the Secretary of the Army:

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*General, United States Army*
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**History.** This publication is a rapid action revision. This rapid action revision is effective 22 September 2013. The portions affected by this rapid action revision are listed in the summary of change.

**Summary.** This regulation provides basic policies for accounting for Army property and accounting for lost, damaged, or destroyed Army property.

**Applicability.** This regulation applies to the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve, unless otherwise stated. During mobilization, the proponent may modify chapters and policies contained in this regulation.

**Proponent and exception authority.** The proponent of this regulation is the Deputy Chief of Staff, G–4. The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The proponent may delegate this approval authority, in writing, to a division chief within the proponent agency or a direct reporting unit or field operating agency of the proponent agency in the grade of colonel or the civilian equivalent. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity's senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25–30 for specific guidance.

**Army internal control process.** This regulation contains internal control provisions in accordance with AR 11–2 and identifies key internal controls that must be evaluated (see appendix D).

**Supplementation.** Supplementation of this regulation and establishment of command and local forms are prohibited without prior approval from the Deputy Chief of Staff, G–4 (DALO–SUS), 500 Army Pentagon, Washington, DC 20310–0500.

**Suggested improvements.** Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the Deputy Chief of Staff, G–4 (DALO–SUS), 500 Army Pentagon, Washington, DC 20310–0500.

**Distribution.** Distribution of this publication is made in electronic media only and is intended for command levels C, D, and E for the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve.

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*This publication supersedes AR 735–5, dated 28 February 2005. This edition publishes a rapid action revision of AR 735–5.



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**Glossary**

# Chapter 1
# Introduction

## 1–1. Purpose

This publication contains concepts and guidelines for establishing and maintaining the Command Supply Discipline Program (CSDP). The CSDP addresses supervisory and/or managerial responsibilities within the supply system from the user to the Army command (ACOM), Army service component command (ASCC), and/or direct reporting unit (DRU) level. AR 710–2 outlines the specific requirements for the CSDP. The CSDP is a compilation of existing regulatory requirements brought together for visibility purposes. It is directed at standardizing supply discipline throughout the Army. Also, the CSDP is meant to simplify command, supervisory, and managerial responsibilities. Simplification is accomplished by outlining the various requirements for responsible personnel, by standardizing requirements, and by formalizing follow-up procedures.

## 1–2. References

Required and related publications and prescribed and referenced forms are listed in appendix A.

## 1–3. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are explained in the glossary.

## 1–4. Responsibilities

*a.* The Deputy Chief of Staff, G–4 (DCS, G–4) will ensure all detailed property accounting policy and procedures developed for specific materials or situations comply with this regulation. The DCS, G–4 is responsible for the development, supervision, and implementation of automatic identification technology (AIT) applications pertaining to property accounting policy and procedures.

*b.* Commanders of ACOMs, ASCCs, DRUs, and commanders of U.S. Army Installation Management Command (IMCOM) regions authorized to develop specific commodity, or command unique property, accounting policies, and procedures will ensure they comply with the policies and procedures prescribed by this regulation.

*c.* Brigade and battalion commanders and equivalent-level commanders in a table of distribution and allowance (TDA) environment will develop and implement oversight management over—

(1) Financial liability investigations of property loss (see para 13–20*b*).

(2) Damage statements (see para 14–18*b*(2)(a)).

(3) Inventory adjustment reports (see paras 14–34*b*).

*d.* Commanders at all levels will—

(1) Ensure compliance with all policies and procedures prescribed by this regulation that apply to their command.

(2) Implement a command supply discipline program.

(3) Ensure available AIT such as bar code, 2D bar code, optical memory cards, radio frequency identification device tags, contact buttons, satellite tracking, or electronic signature capability are fully integrated into all Government property management and accountability functions (such as, receipt, store, inventory, issue, and ship). AIT utilization applies to both formal and informal property accounting.

*e.* Developers of standard and unique automated supply systems will ensure all systems contain the essential elements of data, and are in compliance with the policies contained herein. Computer-generated supply forms specified in prescribed forms section of this regulation must be understood by the supply level using and receiving the forms. Guidance pertaining to the forms approval process is contained in AR 25–30. Computer-generated forms approved by the proponent will replace or will be used instead of the manually prepared forms.

## 1–5. Statutory and Department of Defense provisions

The general policies and procedures contained in this regulation are based on the following statutory authority and Department of Defense (DOD) accounting policy:

*a.* Title 5, United States Code, Section (5 USC 5511), 5 USC 5512, and 5 USC 5514.

*b.* 10 USC 2636, 10 USC 2775, 10 USC 4831, 10 USC 4832, 10 USC 4836, 10 USC 4837, 10 USC 4839, and 10 USC 4840.

*c.* 10 USC 908.

*d.* 32 USC 710.

*e.* 37 USC 1007.

*f.* DOD 4140.1–R.

*g.* DOD 7000.14–R.

## 1–6. Internal management controls

The key internal management controls are as follows:

*a.* Property accountability.

*b.* Accounting for lost, damaged, and destroyed Government property.

### 1–7. Civil-funded property

This regulation does not apply to the civil-funded property of the U.S. Army Corps of Engineers (USACE). Civil-funded property accountability is managed in accordance with 41 USC 102. However, in the interest of efficient management and Army uniformity, this regulation will be complied with when feasible for civil-funded property, as determined by the Chief, USACE. The USACE military-funded property will be managed using this regulation. The financial liability in investigation of property loss prescribed by DOD 7000.14–R and this regulation is applicable to all USACE property, regardless of funding source.

## Chapter 2
## Property Accounting Requirements

### Section I
### Basic Principles

### 2–1. General requirements

*a.* All persons entrusted with Government property are responsible for its proper use, care, custody, safekeeping, and disposition.

*b.* Persons will not be assigned to a duty that will prevent them from exercising proper care and custody over the property for which they are responsible.

*c.* When a person assumes accountability for property that is remotely located, records must be maintained to show the location of the property and the persons charged with its care and safekeeping.

*d.* Vouchers for the issue or expenditure of property that are not specifically authorized by regulations or authorization tables will give the reason for the transaction and identify the commander who directed it.

*e.* Army property will not be used for any private purpose except as authorized by Headquarters, Department of the Army (HQDA).

*f.* No Government property will be sold, given as a gift, loaned, exchanged, or otherwise disposed of unless specifically authorized by law. Items replaced in-kind and payments made under the provisions of paragraph 12–1 and paragraph 12–2 for lost, damaged, or destroyed Army property do not constitute a sale of Army property. Title to such property remains with the Government.

*g.* Giving or accepting an issue document, hand receipt, or other form of receipt to cover articles that are missing, or appear to be missing, is prohibited.

*h.* Property documents and records maintained for stock record accounts need not show the manufacturer's serial numbers unless specifically required by Army policy. Serial numbers, for property in use, will be shown on property books and property book supporting documents under AR 710–2.

*i.* Army property will not be loaned or leased except as specifically authorized in Defense Finance and Accounting Service-Indianapolis Center (DFAS–IN) Regulation 37–1, AR 405–45, AR 700–131, or other appropriate regulations.

*j.* Military members or civilian employees of the Army who occupy Government quarters, or who have been issued furnishings for use in family quarters, must properly care for such property. Military members and civilian employees occupying Government quarters are responsible for the damage caused by their dependents' negligence to the quarters and the furnishings and equipment contained therein.

*k.* The requisitioning or assembling of excess repair parts and/or components to create an unauthorized end item is prohibited. All excess equipment and supplies will be turned in to the appropriate supply support activity (SSA) in accordance with AR 710–2.

### 2–2. Accounting for Army property

*a.* All property (including historical artifacts, art, flags, organizational property, and associated items) acquired by the Army from any source, whether bought, scrounged, or donated, must be accounted for as prescribed by this regulation and other appropriate ARs. The accounting will be continuous from the time of acquisition until the ultimate consumption or disposal of the property occurs. Supporting documents will be maintained as prescribed by appropriate regulations.

*b.* Property is categorized for financial accounting and reporting purposes as tangible property both real and personal property. Real property consists of lands and permanent structures (see chap 4). Personal property is made up of equipment and other nonexpendable supplies, collectively called nonconsumable supplies, all consumable supplies (see chap 4), and relocatable buildings.

*c.* All property or material, except real and contractor-acquired property, acquired in any manner will be properly accounted for on item detail accounting records and financial (dollar) item accounting records. Responsibility will be

fixed as prescribed by this regulation or other Army policy. The local commander may direct more stringent controls for expendable material.

*d.* All Army property, except real property, will be classified for property accounting purposes as expendable, durable, or nonexpendable. The criteria for the assignment of each accounting requirements code are shown in chapter 7. The physical characteristics and the anticipated use are the main factors in classifying an item. However, unit price will be considered to ensure that the costs of the accounting procedures being required are not out of proportion to the cost of the item being controlled. Items classified as—

(1) Nonexpendable will require formal property book accounting at the user level.

(2) Expendable or durable items require no formal accounting after issue to the user level unless these items specifically fall under the criteria of paragraph 7–7*b* and AR 710–2.

(3) All durable property will be controlled at the user level using hand-receipt procedures or managed using inventory lists. The brigade and battalion commander or the head of the activity will monitor items coded durable in accordance with paragraph 7–5*b*. In addition, the commander or the head of the activity will conduct management reviews annually, in accordance with paragraph 7–7*d*.

*e.* Accountable officers will establish accountability for any property not accounted for as soon as the discrepancy is discovered.

*f.* Employees of the Army, both military and civilian, will turn in all found Government property to the supply system.

## 2–3. Centralized accounting

Where accountability is maintained at a central location and the property is physically stored at other installations, the property will not be included in the installation accountable records kept at the storage locations. Locator cards or other needed management records will be maintained at the storage location.

## 2–4. Other Service storage of Army property

Accountability for Army approved "packages" of production equipment and other equipment stored at a Defense Logistics Agency (DLA) installation will be established and maintained in a separate Army property account. The equipment will bear an Army account serial number. An officer or civilian employee of DLA will be the accountable officer. Financial (general ledger) control over the equipment will be maintained by the Army commodity command that supports and justifies the packages (see DFAS–IN Regulation 37–1).

## 2–5. Army property in possession of contractors

*a.* Government property may be furnished to, or acquired by contractors, under the provisions of a contract.

(1) Property provided to a contractor under the terms of a contract assigned or transferred to the Defense Contract Management Agency for administration remains Army property.

(2) Contractor accountability and responsibility will be as set forth in the contract clause (see Federal Acquisition Regulation (FAR)). Army property in the hands of the contractor can be items that have been transferred to the contractor by the authority of the appointed Government contracting official. In some cases, some Army equipment is considered reportable under the terms and conditions of the contract.

(3) If the current contract does not require the contractor to report the on hand Army property, the contract will be amended to add specific Army reporting requirements.

*b.* The contracting office that awarded the contract will maintain direct responsibility and control over the property. The contractor will retain stewardship responsibility for property assigned to them via the contract (see FAR and DOD 7000.14–R). Internal and external Army reporting requirements to include but not limited to procedures in DFAS–IN Regulation 37–1 and AR 710–3 will be satisfied by use of the data required to be maintained and reported by the FAR and/or Defense Federal Acquisition Regulation Supplement (DFARS).

*c.* When contracts are not assigned to Defense Contract Management Agency and Government-furnished equipment or Government-furnished property (GFP) is authorized and stipulated in the contract clause the issuing contracting officer will appoint a property administrator using the evaluation criteria in DFARS to administer, oversee, and maintain property accountability for the Government-furnished equipment or GFP issued to the contactor.

*d.* For contracts awarded under FAR Government property clause, accountability for GFP will be transferred to the contracting office having jurisdiction over the contract; however, the property book office will create and maintain a GFP transfer listing in Property Book Unit Supply-Enhanced which will have authorization quantity and on hand quantity on the property book for fiduciary reporting and/or asset visibility purposes.

(1) Property book officers (PBOs), when directed through proper channels by the official having command responsibility over the property required by a contract, will release the Government property to a contractor as GFP. The transfer of accountability of property provided to a contractor will be accomplished by using a DD Form 1149 (Requisition and Invoice/Shipping Document) or DD Form 250 (Material Inspection and Receiving Report) or DD Form 1348–1A (Issue Release/Receipt Document). The document transferring accountability will be approved by the same contracting office that approved the contract, or the representative, prior to the GFP being provided to the

contractor. PBOs will use the transfer document to establish a GFP asset listing in Property Book Unit Supply-Enhanced. This asset listing will be used to track visibility of GFP contractor equipment.

(2) A Joint physical inventory of GFP will be conducted by the losing unit or agency and the contractor prior to the beginning of the contract period. On completion of the inventory and written acknowledgment of receipt by the contractor via the DD Form 250, DD Form 1149, or DD Form 1348–1A, the PBO will post the transfer document as a loss to the Army's hand receipt and gain to a contract GFP fiduciary record. A fiduciary record will be the contractors tracking method of accounting for GFP (that is, spreadsheet or designated contractor accounting system). The PBO will continue to maintain the basic property book asset record for visibility of GFP transferred to the contractor. The contracting office's designated representative will notify the PBO upon contractor receipt, transfer, or disposal of any GFP during the life of the contract (see AR 710–2). The PBO will update the fiduciary records as changes to GFP are communicated and in accordance with AR 710–2.

(3) Upon termination or completion of the contract, a Joint physical inventory by the contractor and the property administrator will be accomplished. A transfer document transferring accountability back to the contracting officer and/or property administrator using DD Form 250, DD Form 1149, or DD Form 1348–1A. The contracting officer will reconcile the transfer document for shortages and will approve the transfer prior to the PBO acknowledging receipt and accepting accountability for the returned GFP. Upon completion of transfer document, the GFP asset listing for that contract will be discontinued.

*e.* For contracts awarded under FAR, accountability for GFP will be laterally transferred on DD Form 1149, per AR 710–2 to the contracting office. The official property records will be maintained by the Government. The contractor will maintain Stewardship records. These records will be kept separate and distinct from installation property book records. Responsibility for GFP will be assigned to the contractor using the technical exhibit to the contract.

*f.* Contractor acquired property (CAP) is any property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the Government has title. CAP that is subsequently delivered and accepted by the Government for use on the same or another contract is considered GFP. Policy and procedures for accounting for CAP equipment is in accordance with FAR.

## 2–6. Inventories of personal property

*a.* Supplies and equipment on hand at U.S. Army Materiel Command (AMC) accountable supply distribution activities and depots will be inventoried once a year according to DOD 4000.25–2–M. This will be done more often when prescribed by other regulatory guidance.

*b.* A complete physical inventory of all supplies and equipment in storage at SSA awaiting issue or turn-in will be accomplished annually according to AR 710–2, as applicable. The results will be reconciled with the stock accounting records.

*c.* At the user level, all on-hand property carried on property book records and/or hand receipt records will be inventoried annually, or upon change of the primary hand receipt holder, whichever comes first.

*d.* Upon change of the PBO, all property not issued on hand receipt will be jointly inventoried by the outgoing and incoming PBOs. The conduct of these inventories will be documented and the results reconciled with the accounting records. See AR 710–2 for variances in the frequencies of these inventories. The above inventories will be accomplished in accordance with AR 710–2.

*e.* Real property heritage assets will be inventoried at least once every 3 years or upon change of the accountable officer, whichever comes first, per AR 405–45. The results will be reconciled with the accounting records. Real property, general property, and equipment and stewardship land will be inventoried at least once every 5 years.

*f.* For Army prepositioned stocks (APS) a 100 percent inventory is required when ships are off loaded during cyclic maintenance vessel berthing. Inventories will be conducted more often when prescribed by other regulations or when directed by the commander or the accountable officer. The person having possession of, or having command and/or direct responsibility, over the property is responsible for the conduct of the inventory. The accountable officer will ensure inventories are conducted when required. A record of the inventory and all adjustment documents resulting from the inventory will be maintained with the property records for a minimum of 2 years.

*g.* Installation support activities collocated with Army maintenance depots will inventory their materiel assets using the inventory rules of DOD 4000.25–2–M.

*h.* Library materials accounted for under the provisions of AR 735–17 will be inventoried on cyclic basis so all items are inventoried at least once every 3 years.

*i.* When and where feasible and practical, physical inventories will be accomplished using AIT.

## Section II
## Accountability and Responsibility

### 2–7. Accountability

Accountability is the obligation of a person to keep records of property, documents, or funds. These records show identification data, gains, losses, dues-in, dues-out, and balances on hand or in use.

### 2–8. Responsibility

Responsibility is the obligation of an individual to ensure Government property and funds entrusted to their possession, command, or supervision are properly used and cared for, and that proper custody, safekeeping, and disposition are provided.

*a. Types of responsibilities.* Figure 2–1 shows the different types of responsibility and their relationship to the levels of command.

(1) *Command responsibility.* Commanders are obligated to ensure all Government property within their command is properly used and cared for, and that proper custody, safekeeping, and disposition are provided. Command responsibility is inherent in command and cannot be delegated. It is evidenced by assignment to a command position at any level and includes the following:

*(a)* Ensuring the security of all property of the command, whether in use or in storage.

*(b)* Observing subordinates to ensure their activities contribute to the proper custody, care, use, safekeeping, and disposition of all property within the command.

*(c)* Enforcing all security, safety, and accounting requirements.

*(d)* Taking administrative or disciplinary measures, when necessary.

(2) *Supervisory responsibility.* The obligation of a supervisor to ensure all Government property issued to, or used by their subordinates is properly used and cared for, and that proper custody, safekeeping, and disposition are provided. It is inherent in all supervisory positions, is not contingent upon signed receipts or responsibility statements and cannot be delegated. It arises because of assignment to a specific position and includes the following:

*(a)* Providing proper guidance and direction.

*(b)* Enforcing all security, safety, and accounting requirements.

*(c)* Maintaining a supervisory climate that will facilitate and ensure the proper care and use of Government property.

(3) *Direct responsibility.* The obligation of a person to ensure all Government property for which they have receipted, is properly used and cared for, and that proper custody, safekeeping, and disposition are provided. Direct responsibility results from assignment as an accountable officer, receipt of formal written delegation, or acceptance of the property on hand receipt from an accountable officer. Commanders or directors of separate TDA activities will determine and assign in writing those individuals who will have direct responsibility for property.

(4) *Custodial responsibility.* The obligation of an individual for property in storage, awaiting issue, or turn-in to exercise reasonable and prudent actions to properly care for, and ensure proper custody, safekeeping, and disposition of the property are provided. Custodial responsibility results from assignment as a supply sergeant, supply custodian, supply clerk, or warehouse person, and is rated by, and answerable directly to, the accountable officer or the individual having direct responsibility for the property. Responsibilities include the following:

*(a)* Ensuring the security of all property stored within the supply room and storage annexes belonging to the supply room or SSA is adequate.

*(b)* Observing subordinates to ensure their activities contribute to the proper custody, care, safekeeping, and disposition of all property within the supply room and storage annexes belonging to the supply room or SSA.

*(c)* Enforcing all security, safety, and accounting requirements.

*(d)* When unable to enforce any of these, reporting the problem(s) to their immediate supervisor.

(5) *Personal responsibility.* The obligation of a person to exercise reasonable and prudent actions to properly use, care for, safeguard, and dispose of all Government property issued for, acquired for, or converted to a person's exclusive use, with or without receipt.

*b. Responsibility relationships.*

(1) Command and supervisory responsibility depend on the location of the property within the chain of command. This responsibility is a part of a job or position and is incurred by assuming that command or supervisory position. It cannot be delegated.

(2) Direct responsibility is a formal assignment of property responsibility to a person within the supply chain who has the property within their custody, but not necessarily in their possession or for their use. Accountable officers always have direct responsibility unless it has been specifically assigned to another person. Accountable officers may delegate such responsibility by written designation or by issue of the property on a hand receipt.

(3) Personal responsibility always accompanies the physical possession of property.

*c. Responsibility for public funds.* A person who receives or handles public funds has personal responsibility for

safeguarding those funds until they are deposited with a disbursing officer. That person is financially liable for the full value of the loss of funds when the loss is attributable to their personal negligence or misconduct.

## 2–9. Relationship between accountability and responsibility

Accountability pertains to maintaining formally prescribed property records for a property or sales account. It is an obligation officially assigned to a specific person and may not be delegated. Responsibility pertains to the care, custody, safekeeping, and disposition of Government property. The specific type of responsibility depends on the relationship of the person to the property. Accountability and the five types of responsibility are separate obligations. They are incurred for separate reasons.

*a.* Accountability and each type of responsibility carry specific duties. Financial liability can be assessed against any person who fails, through negligence or misconduct, to perform those duties and where such failure is the proximate cause of a loss to the Government (see para 13–29*c*).

*b.* The appointment as an accountable officer for a stock record account and/or a property book account carries with it responsibility as follows:

(1) At the stock record account level, the appointment as an accountable officer carries with it direct responsibility for all the property carried on the stock accounting records. This direct responsibility may be further delegated to the storage supervisor.

(2) At the property book level, the appointment as a PBO carries with it direct responsibility for all the property carried on the property book records that has not been issued on hand receipt. Property issued by a PBO on hand receipt (called the primary hand receipt) carries with it the delegation of direct responsibility for the property listed. Further hand receipting (sub-hand receipting) does not transfer direct responsibility nor relieve the primary hand receipt holder of their duties.

*c.* Any member of the Army, civilian or military, may be charged with responsibility for property.

*d.* A contractor is charged with direct responsibility for specifically identified GFP provided to the contractor under the terms of the contract.

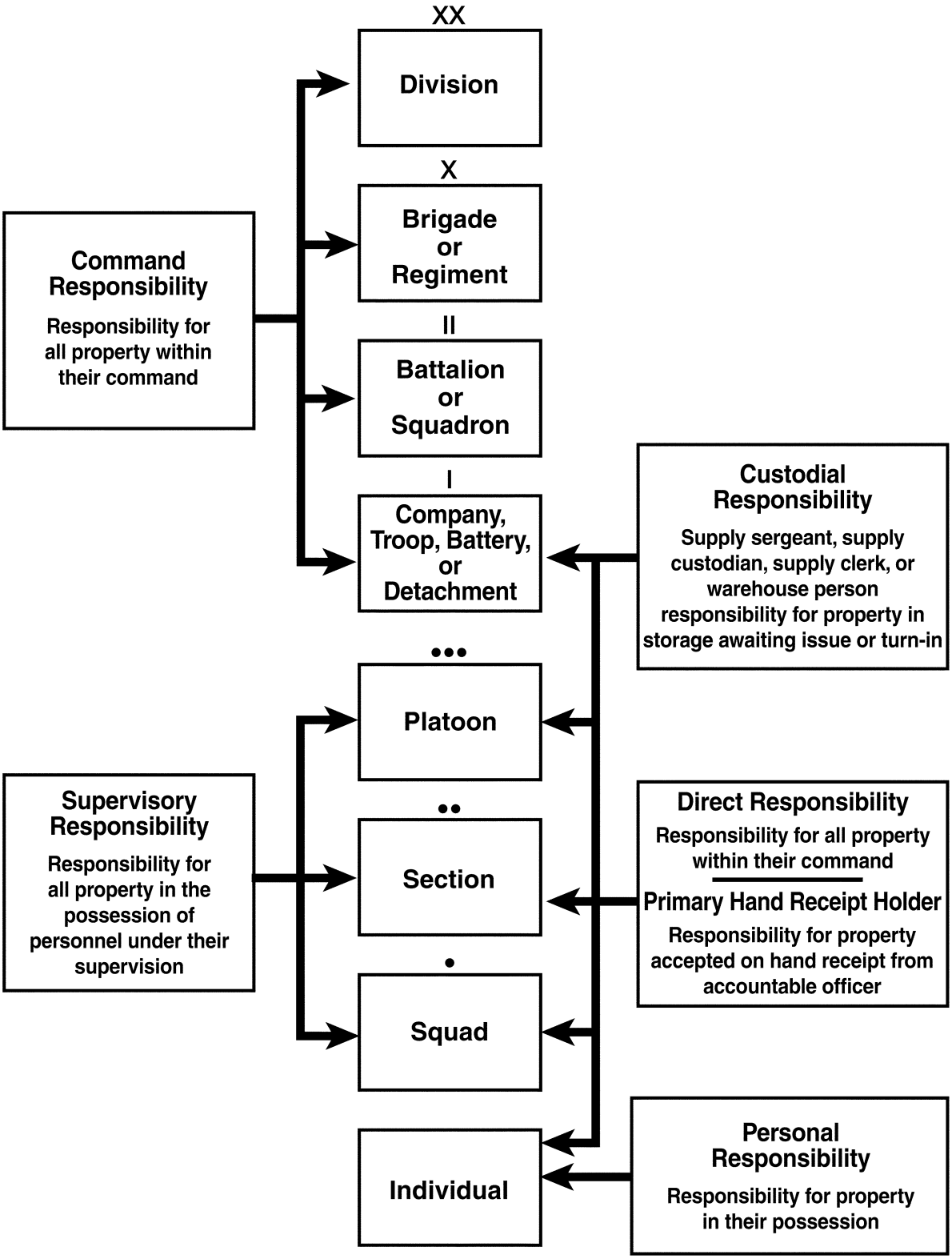



**Figure 2–1. Five types of responsibilities and their relationship to levels of command**

## Section III
## Accountable Officer

### 2–10. Appointment of an accountable officer

An accountable officer will be appointed in writing. The appointing authority will be the commander or the head of the activity for which the property records are being maintained. The commander or TDA activity head may designate in writing a representative to appoint the PBO or accountable officer. The designated representative may be a DOD commissioned officer or a DOD civilian manager.

*a.* The three types of accountable officers are—

(1) A transportation officer, who is accountable for property entrusted to them for shipment.

(2) A stock record officer, who is accountable for supplies being held for issue from time of receipt until issued, shipped, or dropped from accountability.

(3) A PBO, who is accountable for property at the using unit level on receipt and until subsequently turned in, used (consumed) for authorized purposes, or dropped from accountability. (Hand receipt holders are not accountable officers.)

*b.* An accountable officer supervises the preparation, maintenance, and management of the document and/or voucher registers, regardless of the physical location of the registers.

*c.* An accountable officer may be—

(1) Any DOD commissioned officer or warrant officer. (Army National Guard (ARNG) officers must be federally recognized.) Brigade and battalion commanders appointing PBOs will ensure the appointee is familiar with all supply directives issued from higher headquarters.

(2) A DOD civilian employee, general schedule (GS)–07 or above, if determined by the appointing official to be properly qualified.

(3) A DOD enlisted person, in the grade of E–5 or above, when appointment is approved by the ACOM, ASCC, or DRU commander or the head of a HQDA agency, when personnel cited in paragraph 2–10*a*(1) or 2–10*b*(2) are not available. Within the ARNG, the unit supply sergeant will not be the PBO unless a traditional M-day officer is not assigned to the unit.

(4) An ARNG military technician employed under 32 USC 709, who—

*(a)* When assigned to a modification table of organization and equipment (MTOE) unit, meets the criteria of paragraph 2–10*c*(1) or 2–10*c*(3) based on their status as a unit member.

*(b)* When assigned to a TDA activity, meets the criteria of paragraph 2–10*c*(2) based on their technician status. ARNG military technicians appointed as PBOs in MTOE type organizations will not be appointed as a PBO in a TDA activity simultaneously.

(5) Foreign national employees of the Army, in overseas areas when approved by the ACOM, ASCC, DRU, or the command two levels above the organization for which the accountable officer is appointed and does not apply to accountable records maintained for communications security (COMSEC) equipment or controlled cryptographic items (CCIs) and cryptographic high value property (CHVP). COMSEC custodians maintaining accountable records for COMSEC equipment must be U.S. citizens per AR 380–40. Foreign nationals may not act as PBOs for COMSEC, CCI, or CHVP. Storage facilities that employ foreign nationals as PBOs are not approved for storage of CHVP, CCI, or COMSEC materiel.

*d.* Persons will not perform the functions of stock record officer (SRO), PBO, transportation officer (TO), General Services Administration (GSA) Smart Pay Purchase Card ordering officer, or blanket purchase agreement ordering officer duties simultaneously. As an exception, PBOs within U.S. Military Entrance Command (USMEPCOM) may perform duties as an ordering officer simultaneously. The following limitations apply:

(1) Purchases made by the ordering officers using the GSA Smart Pay Purchase Card are limited to $3,000 per transaction.

(2) There must be a primary and an alternate ordering officer designated. The primary will be the activity PBO and the alternate will be the activity budget accounting assistant.

(3) Ordering officers must complete the 8-hour cardholder-training program before transacting any purchases.

(4) The identity of the item(s) to be purchased, the authorization for the item(s), and the unit cost must be documented in accordance with USMEPCOM standard operating procedures (SOP). The ordering officer, the support group supervisor, and the activity commander must see SOP on requirements before purchases are made.

(5) The receipt of the supplies and equipment must be documented in accordance with the USMEPCOM SOP by a receiving official other than the ordering officer.

(6) Purchased items similar to those items coded nonexpendable contained in Federal Logistics Record (FEDLOG)

are considered nonexpendable property and will be accounted for on property book records in accordance with AR 710–2.

(7) A copy of the credit card purchase receipt attached to the completed in accordance with USMEPCOM SOP will be provided to the supporting stock record officer within 72 hours of receipt per paragraph 6–3.

*e.* At the direction of the commander or head of activity, an accountable officer may when conditions dictate, exercise accountable officer functions over more than one stock record account. The appointing authority will exercise due diligence to ensure that the accountable officer is not assigned stock record accounts beyond a reasonable span of control that would preclude the accountable officer from being able to meet the terms of their responsibilities as an accountable officer.

*f.* Accountable subsistence sales officers are appointed under AR 30–22.

*g.* Normally, an accountable officer will not be assigned duties that will remove or separate them from their property account for an extended period of time. In the event an accountable officer is assigned duties that will separate them from their accountable officer's duties for a period of 30 calendar days or longer, an interim or replacement accountable officer will be appointed. The procedures for transfer of accounts in chapter 5 will apply.

*h.* Within U.S. Army Reserve (USAR) units—

(1) Commanders appointing PBOs will ensure the appointee is familiar with all supply directives issued from higher headquarters.

(2) Active Guard, Active Reserve, and/or Active Army commissioned or warrant officers assigned may be appointed as the PBO.

(3) The position of USAR center commander is an additional duty over and above the responsibilities of a unit commander. As such, the USAR center commander may appoint a PBO or designate a primary hand receipt holder for the center's property.

## 2–11. Contractibility of the accountable officer

The responsibilities of the accountable officer as an individual and the position of the accountable officer are not contractible. Those functions of the accountable officer that involve the exercise of substantive discretionary authority in determining Government requirements and controlling Government assets cannot be contracted out. However, contractors can perform certain functions in support of the accountable officer when those functions are performed in accordance with the criteria defined by the Government. These functions must be mandatory requirements, requiring no personal judgment or discretion on the part of the contractor.

*a.* The functions below in support of the accountable officer are contractible for stock control operations, property control, troop issue subsistence activity (TISA), self-service supply centers (SSSCs), central issue facility (CIF), and clothing initial issue point operations, which includes the following:

(1) Cataloging.

(2) Receiving operations (does not include Government certification of acceptance, which authorizes payment for goods received from commercial vendors or contractors).

(3) Storage operations.

(4) Issue operations.

(5) Data conversions, files, document control, and inventory and adjustment (except the individual with final approval authority will be a Government employee).

(6) Item management, materiel management, and similar accounting functions, except those with final approval authority for discretionary actions such as determining requirements and authorizing disposal.

*b.* The following accountable officer functions are Governmental and cannot be performed by contractors for the Army:

(1) Procurement management certifying the acceptance of goods received from commercial vendors or contractors, which authorizes the payment for goods received.

(2) Those individuals with final approval authority as cited above on the immediate staff of the accountable officer.

*c.* Contractors may be appointed as COMSEC custodians for COMSEC accounts designated as "Contractor Maintenance COMSEC Accounts." All other COMSEC custodians are considered accountable officers and therefore their positions and responsibilities are not contractible. Any exceptions to this policy must be sent through Deputy Chief of Staff, G–2 (DCS, G–2) (DAMI–CDS) to the DCS, G–4 (DALO–SUS).

## 2–12. Duties of accountable officers

*a.* The accountable officer will maintain a formal set of property accounting records that show, on a continuing basis, the item identification, gains and losses, on hand balances, and the conditions and locations of all property assigned to the property account. Documentation identified in the appropriate functional regulations will be maintained to support the recorded entries.

*b.* An accountable officer of a sales account will maintain formal sales records that show, on a continuing basis, the value of the sales and the monetary assets in addition to paragraph 2–12*a*.

*c.* When property that must be accounted for is issued to a property book account, the PBO receiving the property is charged with property book accountability. Accountability remains with the PBO until the property is transferred to another accountable officer or the property is dropped from the property book records on a valid credit voucher.

*d.* Army contractors may be held accountable and responsible for Government property provided to them under the terms of their contracts (DFAS–IN Regulation 37–1 and the FAR will govern.) However, contractor personnel cannot be designated as accountable officers, as defined by this regulation.

## 2–13. Property book accounts

*a.* The property book account is a formal set of property accounting records and files maintained at the user level. It is used to record and account for all nonexpendable and other specially designated property issued to that activity (see AR 710–2).

*b.* A property book account will be established for each activity having an assigned parent organization unit identification code (UIC). When an element of the unit deploys, separate property book records for the property accompanying the element will be established. On arrival at the location of the contingency or war, units will receive property book support from the task force PBO. On termination of the contingency or war, accountability for property will be returned to owning unit, for return to their home station. This applies to both the Active Army and the Army Reserve Components.

*c.* Each property book account will be managed by a formally appointed PBO. The PBO is an accountable officer within the context of this regulation (see para 2–10).

## 2–14. Stock record accounts

*a.* The stock record account (SRA) is a formally established set of records and files used to account for Army property being held for issue. Each SRA is assigned a unique DOD Activity Address Code (DODAAC) as an identification number. This account is operated by a designated accountable property officer, called a SRO.

*b.* The authority to setup an SRA is contained in the parent unit's authorization document or mission statement. As an exception, a component commander may establish a stock record account for the duration of a contingency to be operated by different supply support units on a rotational basis.

*c.* A mission property account is a special type of SRA. It is established to support a specific mission or activity such as, testing, research and development, manufacturing, production, maintenance, or renovation. It will be used only to stock material for, and make issues to, the activity that the account was established to support.

*d.* Mission SRAs will be established as directed by the ACOM, ASCC, and DRU commander.

*e.* Mission SRAs will be established within the ARNG as directed by the Chief, National Guard Bureau (CNGB).

*f.* Item accounting for property capitalized under the Defense Business Operations Fund will be per AR 710–2. Financial accounting will be per DFAS–IN Regulation 37–1.

*g.* ACOMs, ASCCs, and DRUs may authorize organizations that must function independently as support or maintenance activities to maintain separate SRAs.

*h.* The SRA, unless specifically exempted, is a subsidiary record of the financial general ledger control account, titled "Inventories," maintained by the finance and accounting officer (FAO).

## 2–15. Stock record account serial number

*a.* The DODAAC is the SRA serial number. Logistics Support Activity assigns DODAACs (see AR 725–50).

*b.* The commander appointing an accountable officer will request the assignment of a DODAAC through channels when—

(1) A new account is established.

(2) A DODAAC has not been assigned to the present account.

(3) A present DODAAC needs revision.

*c.* The DODAAC represents the SRA; they do not represent the officer who maintains the account.

*d.* A unique DODAAC will be assigned to accounts established to maintain records of Government property provided to contractors according to the DFARS.

*e.* Requests to establish or cancel SRA serial numbers for Army libraries will be sent through command channels to HQDA. For law libraries, see AR 27–1; for medical libraries, see AR 40–3; for all other libraries, see AR 735–17.

## 2–16. Sales accounts

*a.* Sales accounts are special property accounts established to support the authorized sale of supplies or services procured with appropriated funds.

*b.* Army military clothing sales store, TISA, and other sales accounts will be established as prescribed by the applicable AR.

*c.* Each sales account will be managed by a formally designated sales officer. The commander of the activity for whom the account is being maintained will be the appointing authority.

*d.* Sales officers are responsible for the collection and safekeeping of all cash receipts, the maintenance of required

financial and property records, and the prompt turn-in of all cash proceeds and documentation to the supporting FAO. Other specific duties of a sales officer are included in the regulation that authorized the establishment of the sales account.

# Chapter 3
# Army Property and Non-Army Property

## 3–1. Army property

Army property is all property under the control of the Department of the Army (DA) except property accounted for as owned by a nonappropriated fund (NAF) activity. It must be accounted for on a property account unless specifically exempted by an AR. Property leased by an Army activity is considered Army property for accounting purposes. Property loaned to a non-Army activity remains Army property. Real property accounts for all assets on the installation regardless of who funded the construction or pay for sustainment (except privately owned) will be reflected in the installation real property inventory. Property built by NAF, Air Force, and Navy are considered tenants on the installation and will be reflected as such in the inventory (see AR 405–45 on reporting).

## 3–2. Non-Army property

Property of another military Service, other Government activity, or a foreign Government, not under Army control is considered non-Army property. Property issued or loaned directly to an Army member or employee, rather than to the local Army element, is non-Army property.

## 3–3. Liability of the Army for property on loan from other activities

*a.* Unless otherwise stated in loan agreements or contracts, the Army has control over and accounts for as "Army property" any property loaned to the Army by another military Service, Government activity, foreign Government, or civilian institution. Such property will be accounted for by the use of a temporary file. This file will include copies of all documents authorizing the loan and all documents that relate to the loan transaction.

*b.* Borrowed property will not be recorded on Army property books or SRAs.

*c.* Borrowed property will be controlled and responsibility assigned using hand receipt procedures.

*d.* The Army assumes liability for borrowed property. This liability may be satisfied by—

(1) Return of the borrowed item in acceptable condition.

(2) Reimbursement to the lender.

(3) Repair of damaged items at Army expense.

(4) Replacement in-kind of lost or damaged items.

*e.* Financial liability may be assessed under chapter 13, when appropriate.

# Chapter 4
# Real Property, Capital Equipment, and Other Nonexpendable Supplies

## Section I
## Real Property

## 4–1. General requirements and references

*a.* This section contains general policies for real property accounting in support of statutory reporting requirements.

*b.* Specific policies and procedures for real property accounting are found in AR 405–45 and DA Pam 405–45.

*c.* Procedures for financial accounting and reporting of real property assets are contained in the following publications:

(1) Industrial property accounting procedures are in the FAR.

(2) Procedures for real property inventory reporting are in AR 405–45.

## 4–2. Real property

Real property consists of lands and improvements to land, buildings, and facilities, including improvements and additions, and utilities systems. It includes equipment affixed and built into the facility as an integral part of the facility (such as, heating systems, installed carpeting, and overhead hoists), and nonmoveable equipment. Real property is divided into the four basic classes for accounting purposes:

*a.* Land.

*b.* Buildings.

*c.* Structures.

*d.* Linear structures.

### 4–3. Real property accountable officer

A real accountable property officer will be appointed, in writing, at each installation or activity to maintain the accountable records for all real property belonging to the site.

*a.* Any person assigned to the public works property office, and who meets the prerequisites of paragraph 2–10 may be appointed as the real property accountable officer. The appointing authority will be the garrison commander or a designated representative. It is not necessary for the real property accountable officer to be reappointed when there is a change of garrison commanders.

*b.* Supplies for real property maintenance activities may also be under the control of the real property accountable officer.

*c.* The real property accountable officer responsibilities include inventory management, asset accounting, financial reporting, assigning space, space utilization, and real estate.

### 4–4. Property records

*a. General.* A property record is maintained in the real property inventory. The records will be maintained to show both the quantity and the dollar value of the on-hand items. Specific procedures are in AR 405–45, DA Pam 405–45, AR 415–28, and DA Pam 415–28. All documents that show the acquisition, issue, or disposition of real property will be recorded in a voucher register. This register will be retained by the real property accountable officer to support changes to real property records, per AR 405–45. Audit trails must be kept-that is, DD Form 1354 (Transfer and Acceptance of DOD Real Property), DA Form 337 (Request for Approval of Disposal of Buildings and Improvements), contracts, work orders, and drawings. Copies of DD Form 1354 will be kept for the life of the facility plus 10 years.

*b. Accounting.* The FAO performing the installation's integrated accounting will maintain the financial control accounts in the installation's general ledger. Summary or detail posting documents will be provided to the FAO by the facility engineer. As a minimum, the ledger accounts will include land, buildings, structures and linear structures.

*c. Inventory.* Real property general property and equipment and stewardship land will be inventoried at least once every 5 years. Real property heritage assets will be inventoried at least once every 3 years or upon change of the accountable officer, whichever comes first per AR 405–45. The results will be reconciled with the accounting records.

*d. Valuation.* Real property will be recorded at acquisition cost. When costs are not known, local engineer personnel will calculate the original acquisition costs in accordance with procedures in DOD 7000.14–R. The real property system will automatically calculate the depreciation. All capital improvements must be recorded (see AR 405–15).

### 4–5. Real property at contractor site

Accounting for Government real property furnished to or acquired by DA contractors (industrial property) is the same as accounting for real property at military installations. The reporting pattern, however, is different. Procedures are in the FAR, DFAS–IN Regulation 37–1, and AR 405–45. The contractor must meet all accounting and reporting requirements of the contract.

## Section II
## Personal Property Relocatable Buildings and/or Facilities

### 4–6. Overview

*a.* This guidance establishes Army policy and procedures for the authorization, acquisition, use, sustainment, and disposition of relocatable buildings and/or facilities acquired as personal property. It applies to relocatable buildings and/or facilities on Army-controlled property, Army-purchased, or Army-leased as personal property, regardless of the source of funds.

*b.* This guidance does not apply to personal property items that are accountable in organic troop unit allowance lists such as, table of allowances and table of organization and equipment, tents, portable chemical toilets, and family housing.

*c.* This guidance does not apply to building types and forms that are provided as an integral part of a mobile equipment item and that are incidental portions of such equipment components, such as medical mobile units, communications vans, or communications trailers.

*d.* This guidance does not apply to tactical use relocatable buildings and/or facilities that are centrally managed.

*e.* This guidance does not apply to relocatable structures and/or facilities that are 120 square feet or smaller in combined floor size that are not connected to real property utilities. These structures will be approved, accounted for, and controlled by IMCOM and/or National Guard Bureau (NGB). Each structure will have a sign displaying with unit, point of contact, phone number and any other information IMCOM and/or NGB requires.

*f.* This guidance does not apply to relocatable buildings and/or facilities provided and approved as swing space or support as part of a military construction, Army (MCA) and/or medical military construction (MILCON) project and

the relocatable buildings and/or facilities must be removed immediately upon completion of the MCA and/or medical MILCON contract. Site and utility support for contractor provided relocatable buildings and/or facilities must be locally approved by the garrison.

*g.* This guidance does not apply to relocatable buildings provided and approved as swing space or support as part of an operation and maintenance construction or repair project. The relocatable buildings and/or facilities must be removed immediately upon completion of the contract. Those relocatable buildings and/or facilities must not be the major part or main use of the project and are to be used only to support the work of the project. Site and utility support for contractor provided relocatable buildings and/or facilities must be locally approved by the garrison.

*h.* Contractor-owned relocatable buildings and/or facilities provided for contract administration do not require approval under this policy and must be removed upon completion of the contract. Site and utility support for contractor provided relocatable buildings and/or facilities must be locally approved by the garrison.

*i.* This guidance does not apply to tents that are purchased or leased, are not part of a TDA or table of organization and equipment, and are not connected to real property utilities. Sprung type shelters and similarly constructed structures are not considered tents.

## 4–7. General policy

*a. Interim requirement.* A short-term, urgent requirement due to transitory peak military missions, deployments, military contingency operations, disaster relief requirements, or pending approval and construction of real property facilities via normal military construction programs. The short term requirement must have an approved exit plan to dispose of the facility or facilities.

*b. Relocatable building and/or facility.* Personal property used as a structure, that would have a building category code if it were real property, designed to be readily moved, erected, disassembled, stored, reused, and meets the 20 percent rule. Personal property is managed as equipment.

(1) The sum of building disassembly, repackaging, and nonrecoverable building components, including typical foundation costs must not exceed 20 percent of the purchase cost of the relocatable building and/or facility. If the percentage is greater than 20 percent, then the facility must be acquired as real property and follows real property project approval authorities. Typical foundations include blocking, footings, bearing plates, ring walls, and slabs that are an integral part of the relocatable building facility. Foundations do not include construction cost of real property utilities, roads, sidewalks, parking, force protection, fencing, signage, lighting, and other site preparation (clearing, grubbing, ditching, drainage, filling, compacting, grading, and landscaping). Slabs that are real property and not part of the actual building are not counted in the 20 percent.

(2) Tents that use real property utilities will be considered relocatable buildings and/or facility.

*c. Site preparation project approval.*

(1) Site preparation costs are classified as construction because the items installed are permanent in nature and become real property-foundations, utilities, and parking. Projects for site preparation are subject to the statutory approval limitations for new construction. A construction project must result in a complete and usable facility. In the case of site preparation projects, the "complete and usable facility" is the prepared site. Accordingly, for project approval purposes, the work to prepare each distinct site is a project. Generally, in order to be "distinct," a site is characterized by the following:

*(a)* Independent of work at any other site to be "complete and usable."

*(b)* Independent of mission function at any other site to be "complete and usable."

*(c)* Site preparation work on no other site is dependent on it.

(2) Site preparation costs must be combined into one project for approval purposes for sites that are interdependent, but may be separately approved for sites that are interrelated. Interrelated contiguous sites are considered distinct and separate as long as each site is prepared as a complete and useable independent project.

*d. Expense and/or investment threshold.* The expense and/or investment threshold applies to the purchase and assembly and does not include delivery and setup.

*e. Delivery and setup.* The process of bringing the relocatable components from the point of origin to the point of destination and includes all work necessary to unload and stage the components. Delivery and setup will be locally approved.

*f. Purchase and assembly.* Procurement of the relocatable components and work necessary to have a complete building or system, excluding delivery and setup. Assembly includes connection to existing utility systems. Purchase and assembly are included in the approval request.

*g. Personal property.* Purchased relocatable buildings and/or facilities are inventoried, accounted for with item unique identification which will be tied to a specific approval document.

*h. Services contracts.* Services contracts will not be used to acquire relocatable buildings and/or facility.

*i. Approval.* Army relocatable building and/or facility approval and redelegation authorities action include the commander, IMCOM, NGB, ACOM, ASCC, and DRU commanders, or Deputy Assistant Secretary of the Army (Installations and Housing) lease (nonbase realignment and closure) Time: known requirement 1 year or less and cost:

total lease $100,000 or less. Time: known requirement exceeds 1 year or cost: greater than $100,000. Purchase no authority unrestricted.

*j. Approval authorities.* The authorities for leased relocatable buildings and/or facility are based on the total estimated leased cost. Setup, sustainment, and removal costs are normally contained within the lease.

*k.* Approval authorities for purchased relocatable buildings and/or facility are based on the total estimated cost (total actual purchase plus assembly).

*l.* IMCOM and/or NGB will validate and submit requests in accordance with installation SOPs for relocatable buildings or facilities on IMCOM and/or NGB controlled installations. For contingency areas and installations not funded by and under command and control of IMCOM or NGB, ACOMs, ASCCs, and DRUs will validate and submit requests in accordance with installation SOPs for relocatable buildings and/or facilities directly to the Assistant Chief of Staff of Installation Management (ACSIM) with a copy of the request provided to IMCOM or NGB. The project approval documentation will consist of the following:

(1) A request memorandum from the region or HQ.

(2) Legal review.

(3) Completed relocatable building and/or facility approval worksheet (IMCOM-developed and ACSIM-approved format).

(4) Validated economic analysis.

(5) Approved site plan.

(6) Justification for relocatable requirement.

*m.* IMCOM or NGB will maintain a comprehensive list of all Army relocatable buildings and/or facility, including those located at non-IMCOM or NGB controlled installations. IMCOM and/or NGB will cross-level all Army-owned relocatable buildings and/or facilities at the end of the approved period of use.

*n.* The approved period of use begins with beneficial occupancy date of relocatable building and/or facilities.

*o.* IMCOM or NGB will ensure that relocatable buildings and/or facility, including those from non-Army tenants, meet all current Army standards for relocatable buildings and/or facilities or have obtained a waiver from HQDA (DAIM–OD).

*p.* Real property conversion and diversion rules do not apply to personal property relocatable buildings and/or facilities.

## 4–8. Procedures

*a. Economic analysis.* A life cycle economic analysis will be performed to determine the economic preference of lease versus purchase for all relocatable buildings and/or facilities. This analysis provides the basis to determine the most cost effective or viable option, and will consider all feasible alternatives (for example, lease, purchase, construction of permanent facility, use of commercial space, or use or conversion of existing facilities). Net present value measure will be used for lease versus purchase analysis. CG, IMCOM and/or NGB and ACOM, ASCC, and DRU commanders will validate economic analyses. An economic analysis is not required if the lease requirement is less than 12 months and the lease cost is less than $100,000.

*b. Purchase of relocatable building and/or facility as personal property.*

(1) Approval authority for purchase of relocatable buildings and/or facilities is based on per-building cost. Construction projects for site preparation for relocatable buildings and/or facilities will be approved in accordance with military construction authorities based on the total estimated funded project cost. The validated requirement for site preparation may not be fragmented or met in a piece meal fashion in order to circumvent statutory military construction funding or construction approval limitations. The acquisition cost of relocatable buildings and/or facilities is an unfunded construction project cost. The appropriate fund source for purchase of relocatable building and/or facility is determined on a per building basis and is approved separately from construction project approvals in accordance with 10 USC 2851.

(2) Funds made available for operation and maintenance (for example, operation and maintenance, Army (OMA)) will be used for acquisition for purchase of relocatable buildings and/or facilities that are equal to or cost less than the expense and/or investment limit of $250,000 per building ($100,000 for Army working capital fund (AWCF)).

(3) Funds made available for procurement of equipment (for example, other procurement, Army (OPA)) will be used for acquisition by purchase of relocatable buildings and/or facilities that cost more than the investment and/or expense limit of $250,000 per building ($100,000 for AWCF).

(4) Site preparation (foundations, exterior utilities, and other supporting construction) is a funded real property construction project cost and will be approved and funded using construction funds following construction approval authorities.

(5) Costs for packaging and transporting relocatable buildings and/or facilities are unfunded construction project costs and are paid using the same funds that acquired the relocatable buildings and/or facilities.

(6) Costs of erection and assembly of relocatable buildings are unfunded costs and are paid using the same funds that acquired the relocatable buildings and/or facilities.

*c. Lease of relocatable buildings and/or facilities as personal property.*

(1) Approval authority for lease of relocatable buildings and/or facilities is based on the total lease cost and known or estimated duration of the lease requirement. The term of the lease will not be split to justify lease versus purchase. Renewal and extension of relocatable building and/or facility leases will be considered on the individual merits of the requirement and will be based on an economic analysis that justifies continued lease versus purchase of the relocatable buildings and/or facilities. The appropriate fund source for lease of relocatable buildings and/or facilities is determined on a per lease basis. Leases of relocatable buildings and/or facilities are either operating leases or capital leases. Use capital lease criteria, not negative criteria.

(2) All the criteria listed below must be met for the lease to be considered an operating lease.

*(a)* Ownership of the relocatable building and/or facility remains with the lesser during the term of the lease and is not transferred to the Government at or shortly after the end of the lease term.

*(b)* The lease does not contain a bargain-price purchase option.

*(c)* The lease term does not exceed 75 percent of the estimated economic life of the relocatable building and/or facility.

*(d)* The present value of the minimum lease payments (per building lease cost less delivery, sustainment, and removal) over the lease does not exceed 90 percent of the fair market value of the relocatable building and/or facility at the beginning of the lease term (per building purchase cost less delivery).

*(e)* The relocatable building and/or facility is general purpose rather than being for a special purpose of the Government and is not built to the unique specification of the Government as lessee.

*(f)* There is a private sector market for the relocatable building and/or facility.

(3) If any one or more of the criteria listed above in paragraphs 4–8*c*(2)*(a)*through 4–8*c*(2)*(f)*are not met, then the lease is a capital lease.

(4) Construction projects for site preparation for relocatable buildings and/or facilities will be approved in accordance with military construction authorities based on the total estimated funded project cost. The validated requirement may not be fragmented or acquired in a piece meal fashion in order to circumvent funding or approval limitations. Funded and unfunded construction project costs and the source of funds will be determined according to the following guidance:

*(a)* Site preparation (foundations, exterior utilities, and other supporting construction) is a funded project cost.

*(b)* Costs for packaging and transporting relocatable buildings and/or facilities used for interim requirements are unfunded project costs and are paid using the same funds that acquired the relocatable buildings and/or facilities.

*(c)* Costs of erection and assembly of relocatable buildings and/or facilities are unfunded project costs and are paid using the same funds that acquired the relocatable buildings and/or facilities.

*(d)* Costs of removal/demolition of relocatable buildings and/or facilities are unfunded project costs.

(5) Sustainment of relocatable buildings and/or facilities will be paid from the same funding account that paid for the lease or purchase, if allowable within the appropriation guidelines, or from the appropriation supporting installation real property facilities.

(6) All utilities services (for example, electricity, water, and gas) for relocatable buildingsor facilities will be separately metered. Operating costs for base operations support services (for example utilities, refuse collection, and custodial services) will be paid according to existing installation support agreements.

## 4–9. Management of relocatable buildings and/or facilities

*a. General.* Relocatable buildings and/or facilities can be purchased or leased and is to be used for predefined, short term periods of time. Relocatable buildings and/or facilities are designed to be readily moved, erected, disassembled, stored, and reused. The normal life expectancy of a relocatable building and/or facilities is 15 years. A useful life expectancy greater than 15 years must be documented with manufacturer certificates, warranties, or memorandum.

*b. Modular and pre-engineered buildings.* Modular and pre-engineered buildings are not relocatable buildings and/or facilities because modular and pre-engineered buildings are designed to be used as permanent buildings and would usually incur excessive costs and possible damage if relocated. These buildings must be acquired following real property acquisition rules.

*c. Approved period of use.* All relocatable buildings and/or facilities have a specified approved period of use. The lease contract term will not exceed the approved period of use. The approved period of use for a relocatable building will begin upon beneficial occupancy of the building.

*d. Accountability and/or property book records.* All relocatable buildings and/or facilities (both owned and leased) will be accounted for on garrison property book records as equipment to comply with personal property and Public Law 101–576 data reporting requirements. In addition to recording relocatable buildings and/or facilities in the personal property records, relocatable buildings and/or facilities should be recorded in the real property database of record with an "RELO" code in order to be used for future requirements forecasting.

*e. Cross-leveling or disposal.* The IMCOM and/or NGB will maintain and review biannually the relocatable building and/or facility disposal plan.

(1) Once the interim requirement has been met (that is, either the surge diminishes or the permanent construction is finished), the relocatable building and/or facility needs to be either removed by the contractor (if leased), cross-leveled

by IMCOM and/or NGB to a new location, or disposed of in accordance with standard property procedures (see this regulation).

(2) Deputy Assistant Secretary of the Army (Installations and Housing) approval is required prior to an Army-owned relocatable building and/or facility being cross-leveled to a different use, regardless of whether the relocatable buildings and/or facilities remain on the original installation or are cross-leveled to a new location.

(3) If the relocatable building and/or facility has met or exceeded its estimated economic life (15 years under normal circumstances), the building should be removed from the installation property books and turned in to DLA Disposition Service Office for sale or disposal.

### 4–10. Relocatable buildings and/or facilities used as temporary real property in lieu of permanent real property

Only the Deputy Assistant Secretary of the Army (Installations and Housing) may approve use of relocatable buildings and/or facilities as substitutes for permanent or conventional buildings when the duration of the requirement is greater than 6 years. The relocatable building and/or facilities must be acceptable concerning life, safety, real property, and engineering requirements. In such cases, the relocatable buildings and/or facilities will be converted to and accounted for as real property. The original building purchase cost, transportation, erection costs, site preparation, and related supporting costs will be approved and funded according to AR 405–45 and AR 405–70. The costs will be summarized on DD Form 1354 to become part of the real property facility file.

## Section III
## Capital Equipment and Other Nonexpendable Supplies

### 4–11. General accounting and reporting policy

This section provides basic policy for accounting and reporting of capital equipment and other nonexpendable supplies in use. Formal accounting and reporting of durable and expendable supplies are not required after issue to the user level.

*a. Accounting.* Both item accounting records and financial (dollar) accounting records will be maintained unless specifically exempted by regulation. No financial accounting is required for property issued for use as an integral part of an MTOE type organization. Formal financial accounting records for property issued to other than MTOE type units will be maintained by the FAO supporting the unit. Accounting records will be maintained by the PBO appointed to provide property book support.

*b. Reporting.* Reporting requirements will be accomplished as specified in this section.

### 4–12. Valuation

*a.* Recorded values of capital equipment will show the investment in the equipment and provide a way to evaluate maintenance costs. When an item of capital equipment is received, the price is recorded in the capital equipment account of the general ledger. The price remains unchanged until the item is disposed of.

*b.* Capital equipment will be recorded in accounting records at its standard price. When the standard price is not available, invoice cost or engineering estimates will be used.

*c.* The recorded value is not reduced for depreciation unless specifically directed.

*d.* Freight in and installation costs for equipment in use at Army industrial fund activities will be accumulated for capitalization in the appropriate accounts.

*e.* DFAS–IN Regulation 37–1 has additional pricing policy.

### 4–13. Capital equipment

Capital equipment is that nonconsumable personal property which possesses a capital nature and is classified as nonexpendable in the Army supply system or would be so classified if included in that system. The following guidance applies to all types of capital equipment with a value of $100,000 or more.

*a. Property in modified table of organization and equipment organizations.*

(1) *Accounting records.* Accounting records will consist of item property book records under AR 710–2.

(2) *Inventory.* Inventories will be performed under AR 710–2. To the fullest extent possible, the inventories will be performed using the most current suite of AIT technologies.

*b. Property in other than modified table of organization and equipment organizations.*

(1) *Accounting records.* The accounting records will consist of books of account maintained in the FAO and the supporting property records kept by the user. They provide the data needed to support the financial reports required by DFAS–IN Regulation 37–1. The records will include the following:

*(a)* General ledger control accounts showing the dollar value of capital equipment in total and the FAO subsidiary control accounts under DFAS–IN Regulation 37–1.

*(b)* Item property records under AR 710–2 and other appropriate regulations. The accountable or responsible officer

will furnish posting documents to the FAO. When possible, this will be the same documentation provided for item accounting (see DFAS–IN Regulation 37–1).

(2) *Inventory*. Inventories will be performed under AR 710–2, AR 740–26, or other appropriate regulations. Inventories will be reconciled with the account maintained at the FAO. The installation commander may require more frequent inventories, if desired.

### 4–14. Capital equipment at contractor site

Procedures in paragraph 4–8*b* and paragraph 4–9 apply to capital equipment furnished to or acquired by contractors. The reporting pattern; however, is different. Specific procedures are in DFAS–IN Regulation 37–1 and the FAR.

### 4–15. Other nonexpendable supplies

Other nonexpendable supplies consist of that portion of nonconsumable personal property that is classified as nonexpendable in the Army supply system, or that would be so classified if included in that system, but does not meet the criteria for capital equipment. Financial inventory accounting procedures are under DFAS–IN Regulation 37–1.

### 4–16. Organizational historical artifacts

Display items that have been identified as historically significant properties will be accounted for in accordance with AR 870–20. Historically significant items include but are not limited to weapons, military equipment, articles of clothing and personal equipment, flags, works of art, unit and individual decorations, and campaign streamers. They also include other objects, except official records, that constitute relics or evidence of battle experience or other military activity of local or national significance to the U.S. or foreign armed forces.

## Chapter 5
## Transfer of Accounts

### 5–1. General transfer of accountability policy

This chapter prescribes policy and procedures for making administrative transfers of property accountability and responsibility by other than ordinary physical issue and receipt transactions. Excluded are transfers of property accountability and responsibility to the following:

*a.* Commissary officers.

*b.* Troop issue subsistence officers.

*c.* Reserve Components when not in Federal service, except as specified in AR 710–2.

*d.* Contractors who are furnished or have acquired Government property.

*e.* Army military clothing sales stores operated by the Army and Air Force Exchange System.

### 5–2. Change of stock record officers

*a.* A statement of transfer of accountability is required when a transfer of property occurs and no shipment is involved. The individual being relieved of accountability will prepare a statement similar to the one shown in figure 5–1. The individual assuming the accountability will prepare a statement similar to the one shown in figure 5–2. Three copies of each statement are required.

*b.* When separate sections of the voucher register are maintained for different types of property in the property account, the statement of transfer of accountability must include one of the following:

(1) The last voucher number used for each of the sections of the account prior to the transfer.

(2) The date (as of close of business) of transfer of accountability for each section of the account.

*c.* Disposition of the transfer statements will be as follows:

(1) One copy retained by the officer being relieved of accountability.

(2) One copy filed with the property records.

(3) One copy, together with a copy of the document directing the transfer, forwarded immediately to the activity or installation commander, or the State Adjutant General, as appropriate.

(4) For transfers between U.S. Property and Fiscal Officers (USPFOs), one additional copy will be prepared and sent to the Chief, National Guard Bureau (NGB–ARL–LP), 111 South George Mason Drive, Arlington, VA 22204–1382.

### 5–3. Inactivating a stock record account

When an SRA is to be inactivated, all property still recorded on the account will be transferred to another property account. To establish closing balances and to ensure accounting continuity, the following will be done:

*a.* Establish the transfer date.

*b.* Terminate all actions that result in inbound materiel.

*c.* Conduct a reconciliation to clear all materiel receipts due-ins.

*d.* Conduct a physical inventory of the account and reconcile with the stock records. (Appropriate adjustments must be provided to the FAO for general ledger update.)

*e.* Number, serially (beginning with 1) all stock record cards or automated system equivalent in the account being closed.

*f.* Post all transactions dated on or before the transfer date to the stock record cards or automated system equivalent.

*g.* Rule off all cards below the last entry.

*h.* Prepare a transfer of accountability statement similar to the statement shown in figure 5–3 in two copies. Show the account being closed as consignor and the gaining account as consignee. When stock record cards or the automated equivalent is retained with property held in place as mobilization reserve, a notation to that effect will be included on the transfer statement.

*i.* Process the transfer statement as follows:

(1) The consignee and the commander will sign both copies.

(2) One copy will be filed as the final voucher to the closed account.

(3) One copy will be filed as a debit voucher to consignee account.

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

Office Symbol Date

MEMORANDUM FOR

SUBJECT:

1. I attest that the balances shown on the stock record account (designation of the account) at the time of transfer, last voucher number (DODAAC, Julian date and four position serial numbers), date (day, month, and year) (or as of close of business (day, month, and year)) are true and correct to the best of my knowledge and belief. The property has this date been transferred to (name of receiving officer) pursuant to (order directing the transfer).

(Signature, Officer turning over property)
(Type name)
(Grade, Branch)
(Title)

**Figure 5–1. Format for the transfer of property accountability statement by the losing stock record officer**

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

Office Symbol Date

MEMORANDUM FOR

SUBJECT:

1. I attest that I have this date received from (name) my predecessor, all property related to stock record account (designation of the account) for which my predecessor was accountable, plus all property charges against and less all authorized credits to the account at the time of transfer, last voucher number (DODAAC, Julian date, and four position serial numbers), on (day, month, and year) (or as of close of business (day, month, and year)). I have this date assumed accountability for the property pertaining to this document.

Approved

(Signature, Commander)
(Typed name)
(Grade, Branch)
(Title)

(Signature, Officer receiving property)
(Type name)
(Grade, Branch)

**Figure 5–2. Format for the transfer of property accountability statement by the gaining stock record officer**

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

Office Symbol Date

MEMORANDUM FOR

SUBJECT:

1. To transfer accountability for balances on the attached stock records, numbered 1 through (final count) to account number (new account number) for the purpose of closing account number (old account number). Stock record cards will be retired with the records of account number (old number).

Approved

(Signature, Commander)
(Typed name)
(Grade, Branch)
(Title)

(Signature, Consignee)
(Type name)
(Grade, Branch)
(Title)

**Figure 5–3. Format for the gaining accountable officer's transfer of property accountability statement for inactivating a stock record account**

## 5–4. Other transfers of accountability

*a.* The transfer of custody or accountability of installation real property will be per AR 405–45 and DA Pam 405–45.

*b.* Accountability for property carried on a property book will be transferred to a successor per AR 710–2. A joint inventory will be conducted for any property not hand receipted by the PBO. The inventory will be conducted within the time frame prescribed in AR 710–2.

(1) The incoming PBO will complete a formal statement assuming property book accountability. Specific wording is in AR 710–2.

(2) The PBO statement will be filed with the property book or automated equivalent.

(3) For ARNG only (on the same page as the PBO statement), the ARNG USPFO, or designated representative will complete the following statement after the joint property book inventory is made: "Property records verified (date) (Signature of USPFO or representative.")

(4) The new PBO will be accountable for the property on signing the statement or on expiration of the time limits set forth in AR 710–2, whichever occurs first.

*c.* Property book accounts will be deactivated when the commander for whom the account is being maintained determines the account is no longer needed.

(1) The commander will advise the PBO, in writing, of the effective date and the reason for the deactivation. One copy of the notification, along with the deactivation or other pertinent orders, will be filed with the property book records.

(2) The PBO will—

*(a)* Conduct a complete physical inventory of all property on the account.

*(b)* Adjust the property book as necessary.

*(c)* Turn in the property to the supporting SRA.

## 5–5. Emergency transfers of accountability

*a.* The Commander, U.S. Army Reserve Command Regional Readiness Command, regional support commands, or State adjutant general (AG) must take emergency action—

(1) On the death of an accountable officer.

(2) When competent authority decides an accountable officer is mentally unfit.

(3) When the property account is to be transferred and the accountable officer is absent, in the hospital or confinement for a period of 30 days or more, or has been relieved for cause.

*b.* The commander or State AG will appoint a board of officers (three when practicable) to determine the correctness and condition of the account. The board and the new accountable officer will perform a joint inventory of the property.

(1) The board will adjust any discrepancies under paragraph 12–1 and transfer accountability to the new accountable officer.

(2) If the person was in charge of both public funds and Army property, the board of officers appointed to settle the public funds account may also be authorized to take the action described in paragraph 5–5*b*(1) to settle the property account.

*c.* A report of the board, including the results of the inventory and a certificate of transfer, will be prepared in triplicate. After the commander or State AG approves the report, one copy will be filed at the installation or U.S. Army Reserve Command headquarters. Other copies will be forwarded under paragraph 5–2.

*d.* A physical inventory of the property is not required when the conditions above involved an officer accountable for Government property furnished to a DA contractor under the terms of a contract.

*e.* When the situations in paragraph 5–5*a* apply to a person with direct responsibility for property, the commander or State AG will take all necessary action, to include appointment of a board of officers, if deemed appropriate, to ensure property accountability is maintained.

## 5–6. Change of station

Army property issued to a person will be turned in before that individual departs the unit/installation on a permanent change of station move. However, certain special purpose or fitted items are authorized to be transferred with the individual:

*a.* Organizational clothing and individual equipment (OCIE) and common table of allowance (CTA) 50–900, DOD 4140.25–M, and other applicable notes.

*b.* Personal clothing per AR 700–84.

*c.* The individual protective mask, chemical-biological, when issued to a Soldier as “hard-to-fit,” will be transferred with the individual on permanent change of station moves and placed on their organizational clothing and individual equipment record. The gaining unit PBO may stock repair parts for the M45 mask as an authorized substitute for the unit’s MTOE or TDA mask. Upon discharge from the Service, the mask will be turned in to the Integrated Materiel Management Center, routing identifier code A12, Soldier and Biological Chemical Command.

## 5–7. Equipment of prisoners

When a prisoner is transferred under provisions of AR 190–47 action will be taken per AR 700–84.

## 5–8. Equipment of hospitalized personnel

When personnel are hospitalized, action will be taken per AR 700–84.

## 5–9. Property impounded or held as evidence

The commander owning the property that has been impounded and held as evidence for investigation and judicial proceedings in accordance with AR 195–5 will obtain a signed copy of the DA Form 4137 (Evidence/Property Custody Document), which will serve as a hand receipt until item is returned or disposed.

## Chapter 6
## Receipt, Shipment, and Issue of Property

### 6–1. General requirements

*a.* Commanders will ensure that all management and accountability functions of receipt, storage, inventory, issue, and shipment fully utilize available AIT such as, bar code, 2D bar code, optical memory cards, radio frequency identification devise tags, contact buttons, satellite tracking, or electronic signature capability.

*b.* The accountable officer will ensure that—

(1) All receipts, shipments, and issues of property for which they are accountable, are posted to the appropriate property or sales account.

(2) Records to support each receipt or issue (or other postings) are maintained within the account for a minimum of 1 year after the posting date.

(3) At the end of the year (fiscal or calendar, however the document register is maintained), the register becomes inactive and a new register is started. The old register is held in the current files area for 1 year. During that year, any open transactions from the prior year that are completed, are closed out (posted) on the old, inactive register. At the end of the 1 year period, all open numbers (if any still exist) are transferred to the new document register. The old inactive register is held for one additional year and then destroyed.

*c.* All property received from the national level or a commercial vendor will be recorded on an SRA before it is issued to an authorized customer.

*d.* The accountable officer may appoint DOD military or DOD civilian employee assistants to aid in managing the account. Such appointment(s) will be in writing. The accountable officer is responsible for any transactions authorized by an assistant.

### 6–2. Property receipt, shipment, and issue

*a. Receipt.*

(1) The receiving officer will record only the items actually received, regardless of the quantities shown on the shipping or transferring documents. Overages or short shipments will be reported in accordance with chapter 16 of this regulation.

(2) Detailed instructions for receiving and handling shipments of Government property are prescribed in DOD 4145. 19–R–1.

*b. Shipments.*

(1) Accountability for property will be maintained during shipment and not dropped from accountability. Procedures are contained in AR 725–50 and DOD 4500.9–R.

(2) When Government-owned materials or supplies are furnished to contractors, one copy of the shipping document will be sent to the property administrator.

*c. Issue.* Property will be issued to authorized customers when a correctly prepared request for issue document is presented either manually or electronically.

### 6–3. Receiving property directly from a vendor

*a.* Property will be accompanied by a receiving report, such as a DD Form 250 (Material Inspection and Receiving Report), DD Form 1155 (Order for Supplies or Services), Government purchase card receipt, or a Standard Form (SF) 44 (Purchase Order Invoice-Voucher). The report will be used to show receipt of property from a vendor under the terms of a contract or purchase order. The FAR and AR 30–22 provide specific procedures for the various types of purchases.

*b.* The receiving report supports a payment voucher and becomes a voucher to a property account. When vendors deliver directly to the using unit, a copy of the receiving report will be provided to the supporting SRO within 72 hours.

*c.* Instructions for processing receiving reports are in paragraph 6–4 of this regulation, FAR, and DFAS–IN Regulation 37–1.

### 6–4. Processing of receiving reports by the stock record officer

*a.* The prompt payment of invoices is of prime importance in maintaining favorable relations with and cooperation of contractors furnishing supplies and/or services to the Government. It is essential that all receiving reports be prepared and forwarded as expeditiously as possible in order that payment may be made at the earliest possible date. It is of particular importance that the submission of receiving reports covering contracts that involve discounts be expedited.

*b.* Receiving reports will be forwarded by the SRO under transmittal letter in time to be received by the designated payment office no later than 5 working days after receipt and acceptance of goods and/or services, unless other

arrangements are made. Designated payment offices will acknowledge receipt and stamp receiving reports and invoices with the date received in that office.

### 6–5. Property accountability for discrepancies in shipment

*a.* Accountability for material that is "short" reverts to the consignor (unit and/or agency that initiated the request). The consignee will report the shortages on DD Form 361 (Transportation Discrepancy Report (TDR)) or SF 364 (Report of Discrepancy (ROD)) and coordinate with the supporting FAO to initiate any necessary billing adjustments. Property responsibility for items not received in shipment ends because only the number actually received is posted to the consignee's stock record or sales account (see chap 16 of this regulation).

*b.* Accountability for items "over" (including items shipped in error) and damaged items is established by the consignee.

*c.* The consignee also assumes property responsibility for any "over" or damaged material (in the condition described). The consignee retains the material until final disposition. The consignee reports the "over" or damaged material on DD Form 361 or SF 364. Disposition instructions for material are provided by the consignor.

*d.* Shortages of COMSEC equipment and CCI require the submission of a security report per Technical Bulletin (TB) 380–41, respectively.

## Chapter 7
## Nonexpendable, Expendable, and Durable Property

### 7–1. General accounting requirements

*a.* All Army property, except real property, is classified for property accounting purposes as expendable, durable, or nonexpendable. Logistics Support Activity assigns the accounting requirements code (ARC) using the ARC assignment criteria contained in DA Pam 708–2. An ARC is assigned to each item of supply to identify its specific classification and the degree of accounting and control that must be applied at the user level. The ARC is published in appropriate supply publications.

*b.* The criteria in this chapter will be used to classify nonstandard items locally procured or fabricated.

*c.* Army property that becomes lost, damaged, or destroyed (except for funds on the records of an FAO) through causes of other than fair wear and tear will be accounted for per paragraph 12–1 of this regulation.

### 7–2. Nonexpendable property

Nonexpendable property is personal property that is not consumed in use and that retains its original identity during the period of use. This includes all nonconsumable major end items authorized by DA-recognized authorization documents (see AR 71–32). These items have an ARC of "N" contained in FEDLOG. Commercial and fabricated items similar to items coded "N" in FEDLOG are considered nonexpendable property.

### 7–3. Accounting for nonexpendable property

*a.* Nonexpendable property requires formal accountability throughout the life of the item. Nonexpendable items will be accounted for at the using unit level using property book procedures in accordance with AR 710–2. Above the user level, accountability will be maintained using stock record accounting procedures in accordance with AR 710–2, as applicable. Other publications that include policy and procedures on accounting for property are AR 700–138, AR 710–1, and AR 725–50.

*b.* Additional commodity unique requirements are contained in the commodity-oriented regulations cited in AR 710–2 and chapter 4 of this regulation.

*c.* All items categorized Class V (ammunition) and the items is an inert training devise, the item is nonexpendable.

*d.* All items categorized Class VII (major end item), the items is nonexpendable.

*e.* All items listed in SB 700–20 and is assigned Federal supply classification (FSC) 8405, FSC 8415, FSC 8420, FSC 8425, FSC 8430, FSC 8435, FSC 9440, FSC 8445, or FSC 8450 and the item is not a bag item or authorized by CTA 50–970, the item is nonexpendable.

*f.* All items assigned FSC 3510, FSC 4110, FSC 4140, FSC 6240, FSC 7105, FSC 7110, FSC 7125, FSC 7195, FSC 7210, FSC 7220, FSC 7230, FSC 7290, FSC 7310, FSC 7320, FSC 7350, FSC 7820, or FSC 7910 and the unit is over $2,500, the item is nonexpendable.

*g.* All items assigned FSC 8115, FSC 8145, or FSC 9540 and the items is classified as an end item, the item is nonexpendable.

*h.* All items assigned FSC 8340, tents and tarpaulins, and the item are classified an end item, the item is nonexpendable.

*i.* All items assigned FSC 8345, flags and pennants and the pennants: (a) organizational colors; (b) national flags; (c) state flags; (d) positional colors; or (e) distinguishing flags, the item is nonexpendable.

*j.* All hand tools or measuring tools and the unit price of the item is equal to or exceeds $300, the item is nonexpendable.

## 7–4. Durable property

Durable (D) property is personal property that is not consumed in use and that does not require property book accountability but, because of its unique characteristics, requires control when issued to the user. The following classes or types of property will be coded durable and responsibility assigned as follows:

*a.* All hand tools in FSC 5110, FSC 5120, FSC 5130, FSC 5133, FSC 5136, FSC 5140, FSC 5180, FSC 5210, FSC 5220, and FSC 5280 with a unit cost of $50 or more. When the unit of issue contains more than one item (such as, package, box, and dozen) and the cost of a single item (unit of measurement) is less than $50, the entire set will be treated as an expendable item at the user level, even though it may be coded as durable in FEDLOG.

*b.* All items coded with an ARC of "D" in FEDLOG except specific hand tools identified in paragraph 7–4*a*.

*c.* Nonconsumable personal property having a unit cost over $500, but less than $5,000, assigned a controlled inventory item code (CIIC) of "U" and a reportable item control code (RICC) of "0" not otherwise coded with an ARC of "N" (nonexpendable).

*d.* Nonconsumable supply Class 8 items as limited by AR 40–61 and not otherwise coded with an ARC of "N" (nonexpendable) in FEDLOG.

*e.* Commercial and fabricated items similar to those items coded with an ARC of "D" (durable) in the FEDLOG.

*f.* Audiovisual production master material and copies that are accounted for under AR 25–1.

*g.* Cellular phones and pagers with a unit cost of less than $500 dollars.

*h.* Information management processing equipment such as, computers, laptops, monitors, and printers will be formally accounted for on the property book as these items are considered highly pilferable.

*i.* Software.

*j.* All items with assigned FSC 3510, FSC 4110, FSC 4140, FSC 6240, FSC 7105, FSC 7110, FSC 7125, FSC 7195, FSC 7210, FSC 7220, FSC 7230, FSC 7290, FSC 7310, FSC 7320, FSC 7350, FSC 7820, or FSC 7910 and the unit price is over $300 but less than $2,500, the item is durable.

## 7–5. Accounting for durable property

*a.* Accounting procedures for durable items before issue to the user-level are the same as for nonexpendable and expendable items.

*b.* Formal accounting for durable property at the user level is not required. However, because of the nature of these items, they must be controlled and responsibility assigned as follows:

(1) Durable hand tools that are components of sets, kits, and outfits will be controlled using hand receipt annexes or component hand receipts, per AR 710–2.

(2) Durable hand tools that are not components of sets, kits, and outfits will be controlled using hand receipts and sub hand receipts. Tool room or tool crib procedures may be used in lieu of hand receipts and sub hand receipts in accordance with AR 710–2.

*c.* Following issue, commanders or heads of activity will have an informal accounting method to record issues and turn ins to allow monitoring of items other than those contained in the paragraph 7–5*b*. Hand receipts and sub hand receipts are one method of informal accounting.

*d.* Annually, the commander or the head of the activity will conduct a management review of all durable items issued or turned-in to determine whether there are any indications of any missing items, and whether there are any indications of fraud, waste, or abuse.

*e.* Anytime there are indications of lost, damaged, or destroyed durable property, the commander or the head of the activity should investigate the loss, damage, or destruction to determine whether corrective measures should be taken to correct the deficiency and financial liability should be assessed.

*f.* The commander or the head of the activity will document that a management review of durable property was conducted, stating what the results were, and what corrective actions, if any, were taken. Documentation will be prepared in the form of a memorandum for record in duplicate. One copy will be retained at the unit or activity, and one copy provided to the financial liability investigation approving authority. These memorandums for records will be retained on file for 2 years before being destroyed.

*g.* Durable software will be controlled in accordance with AR 710–2.

## 7–6. Expendable property

Expendable (X) property is property that is consumed in use, or loses its identity in use. It includes items not consumed in use, with a unit cost of less than $500, and having a CIIC of "U" assigned. The following classes or types of property will be classified as expendable:

*a.* Supplies consumed in the maintenance and upkeep of public service. Examples are oil, paint, fuel, and cleaning and preserving materials.

*b.* Supplies that lose their identity when used to repair or complete other items. Examples are assemblies, repair parts, and accessories.

*c.* Supplies consumed by Government activities in the manufacturing, testing, sampling, or for experimental purposes. Also included are audiovisual products, training devices, training aids, and displays when these supplies will be consumed or rendered unserviceable for the purpose originally intended.

*d.* Office supplies and equipment (such as, paper, staplers, and hole punchers) with a unit cost of less than $500.

*e.* Subsistence items.

*f.* Commercial or fabricated items similar to items with an ARC of "X" in FEDLOG.

*g.* Special tooling, jigs, fixtures, and templates, provided—

(1) Like item is not available through normal supply channels.

(2) Items are fabricated for exclusive use by U.S. Army Joint Munitions Command depots in depot rebuild programs and cost less than $5,000 each.

*h.* Class V (ammunition) with a subclassification other than "L," missile materiel, the item is expendable.

*i.* All items assigned Class I (subsistence); Class III (petroleum, oil, and lubricants); Class VI (personal demand items); Class IX (repair parts and assemblies); the item is expendable.

*j.* All items with FSC 3510, FSC 4110, FSC 4140, FSC 6240, FSC 7105, FSC 7110, FSC 7125, FSC 7195, FSC 7210, FSC 7220, FSC 7230, FSC 7290, FSC 7310, FSC 7320, FSC 7350, FSC 7820, or FSC 7910 and the unit price is less than $300, the item is expendable.

*k.* All items assigned FSC 8115, FSC 8145, or FSC 9540 and the item is a component of a container, the item is expendable.

*l.* All other flags and pennants other than: (a) organizational colors; (b) national flags; (c) state flags; (d) positional colors; or (e) distinguishing flags are expendable.

## 7–7. Accounting for expendable property

*a.* Accounting for expendable property before issue to the user is the same as accounting for durable and nonexpendable property.

*b.* Expendable property authorized by an MTOE or TDA and deployable or augmentation property authorized by a CTA will be accounted for on property book records, no matter the ARC (including all types of munitions).

*c.* All other expendable property is considered, for accounting purposes, to be consumed upon issue; consequently, no formal accounting of expendable property is required after issue from the SRA level, to the user level.

*d.* Some items, although classified as expendable, are of such a nature as to require additional supply and issue controls. Such controls, when needed, will be prescribed by the national item manager. Examples are shown below.

(1) Expendable items, component assemblies, repair parts, and accessories identified as recoverable or pilferable items (see AR 710–2).

(2) Drugs identified by The Surgeon General (see AR 40–61).

(3) Undenatured alcohol and alcoholic liquors (see AR 40–61).

(4) Food items at the dining facility level (see AR 30–22).

(5) Bulk fuels (see AR 710–2).

(6) Subsistence drawn for training (see CTA 50–970 and AR 30–22).

(7) When expendable tools are issued to the user, issues will be controlled and responsibility assigned by using hand receipt, component hand receipt, tool room, or tool crib procedures (see AR 710–2).

*(a)* Expendable components of sets, kits, and outfits (SKO) and end items will be controlled using component hand receipts when SKO and/or end items are issued to the user level.

*(b)* Expendable hand tools issued by a tool room and/or tool crib become the personal responsibility of the recipient. The recipient is responsible for the return of the hand tool(s) to the tool room and/or tool crib.

*(c)* When expendable hand tools are issued outside a tool room environment or not as a component of SKO or end items, the recipient will acknowledge receipt in writing. Receipt may be a log or other locally developed method. Receipt will be retained for 2 years before being destroyed. These tools will be turned in upon the individual's departure.

(8) Facilities engineering supplies (see AR 405–45).

(9) Radio frequency tags (see AR 710–2).

*e.* Items issued for the purpose of destructive testing and experiments will be accounted for as expendable property. These include items that are issued to—

(1) An Army activity or a Government laboratory for use in tests or experiments that will cause the items to be destroyed, made useless, or undergo identity change.

(2) An Army activity for use as training aids, devices, or displays that will be consumed in training, with the understanding that when the items are no longer needed they will be disposed of under current supply procedures.

*f.* Private firms likely to become manufacturers of supplies or equipment, or to perform services under a contract

with the Army, may be issued free samples on approval of procuring activity. Such items will be accounted for as expendable property (see DODI 4140.57).

(1) All items will be credited to the SRA on issue and no further accounting will be required.

(2) Written authority for the transfer will be filed with a valid credit voucher. Any of the following is considered a valid credit voucher:

*(a)* Receipt from a commercial carrier or transportation agency.

*(b)* Certificate signed by the accountable officer showing the date and place items were mailed.

*(c)* Receipt from an authorized representative of the private firm or organization.

*g.* Fabricated items described in paragraph 7–6*f* will be accounted for as expendable property. However, a control point will be established for fabricated items earmarked for reuse. Before fabricating a new item, a check of the control point for a like item already on-hand will be made.

# Chapter 8
# Deviations From and Waivers to Property Accounting Policy and Procedures

## 8–1. General requirements

This chapter contains the policy and procedures for requesting waivers and deviations to Army property accounting policies prescribed by this regulation. Requests for waivers and deviations to accounting procedures for Government property furnished to, or acquired by, contractors under the terms of their contract will be submitted under the provisions of this chapter. (Deviations or waivers concerning contract clauses or other contractual matters are not included in this chapter.) Requests for deviations or waivers will be initiated by the command level responsible for the property account concerned. These requests will be submitted through command channels. Each intermediate command level will indicate, by memorandum, their concurrence with the request and the supporting justification. Requests not favorably considered will be returned to the originator. Request to waive property accountability and implement wartime policy in all or part of AR 710–2 must be by direction of the DCS, G–4.

## 8–2. Deviations

*a.* A deviation is the temporary authority given to a property account to use a procedure that is different from that prescribed by regulation. Requests for deviation from accounting procedures will be submitted after a command review has established that the deviation is necessary.

*b.* Specific justification will be submitted with each request for deviation. Justification must include the reasons why the prescribed procedures will not be used, and an evaluation of the advantages that will result from the proposed procedure. In addition, drafts of the proposed directives needed to implement the proposed deviation must accompany the request for deviation.

*c.* Property accounts requesting deviation authority will request it for a specific period of time. Approval of the request will limit the deviation authority to that specific period. Requests for extension of deviation authority must be submitted prior to its expiration, and include complete justification.

*d.* Requests for deviation authority from property accounting procedures will be sent through command channels to the DCS, G–4 (DALO–SUS), 500 Army Pentagon, Washington DC 20310–0500.

*e.* The approval authority for deviations of and exceptions to supply policy and property accountability is the DCS, G–4 (DALO–SUS), 500 Army Pentagon, Washington DC 20310–0500.

## 8–3. Waivers

*a.* A waiver is the formal release of a property account from the obligation to comply with a specified property accounting requirement for a specific period of time.

*b.* A waiver of property accounting requirements will be requested when one or more of the following circumstances exist:

(1) An internal review finds the property records cannot be audited because of inadequacies, incompleteness, or missing records.

(2) An audit or internal review of property records has been completed and the resulting report reveals deficiencies that, in the opinion of the command or audit agency, cannot be corrected under existing authority.

(3) The property accounting records have been lost, stolen, or destroyed.

(4) Reconstruction of the property records would be necessary to prepare them for audit, and such reconstruction is considered uneconomical, or not in the best interest of the Government.

*c.* Requests for waivers will be prepared per paragraph 8–5. Requests will be submitted through command channels to the final approval authority in paragraph 8–4.

*d.* Installation and ACOM, ASCC, DRU commanders, IMCOM regions, heads of HQDA staff agencies, and the CNGB will review each request for waiver submitted to them.

(1) Approved requests will be endorsed to the final approving authority.

(2) When the reviewer determines additional investigation is required, a board of officers will be appointed to conduct the investigation (see para 8–6).

*e.* Installation and ACOM, ASCC, and DRU commanders; CG, IMCOM; heads of HQDA staff agencies, and the CNGB will review each report of the board of officers that supports a request for waiver.

(1) Approved reports will be attached to the approved request for waiver and the request will be sent to the final approving authority.

(2) Disapproved reports will be returned to the originator.

## 8–4. Final approving authority

*a.* Final approval authority for waivers up to an adjustment of $1 million is delegated to ACOM, ASCC, DRU commanders, the CNGB, and the head of the HQDA staff agency concerned. ACOM, ASCC, and DRU commanders may further delegate approval authority for waivers to subordinate commanders in the grade of major general or above. One copy of each approved waiver will be sent through command channels to the DCS, G–4 (DALO–SUS), 500 Army Pentagon, Washington, DC 20310–0500.

*b.* Further delegation of approval authority to lower echelons is not authorized.

*c.* Requests for waivers in excess of $1 million will be forwarded through command channels to the DCS, G–4 (DALO–SUS), 500 Army Pentagon, Washington, DC 20310–0500 for final approval. On completion of a case, the waiver will be returned through command channels. The ACOM, ASCC, DRU commander, the CNGB, or the head of the HQDA staff agency concerned will ensure that any required actions are completed.

## 8–5. Requests for waivers

*a.* Requests for waiver of property accounting requirements will be submitted by formal memorandum with the signature of the commander responsible for the property account. Each request will include, as an attachment, a report on the status of the property account requiring waiver action. The report will be prepared by the accountable officer or, in the case of a contract property account, by the property administrator. In the event the account is closed, the report will be prepared by such officer as may be designated.

*b.* The status report will—

(1) Be narrative in format.

(2) Contain the following essential information:

*(a)* Specific nature of the waiver requested, with inclusive dates.

*(b)* History of the property account.

*(c)* Current status of the property involved.

*(d)* Status of any DD Form 200 (Financial Liability Investigation of Property Loss) action initiated under chapter 13 of this regulation.

(3) Be signed by the officer designated to prepare the report.

*c.* Requests for waivers pertaining to contract property accounts will be forwarded through the contracting officer that awarded the contract.

## 8–6. Appointment of a board of officers

*a.* When further investigation is required by paragraph 8–3*d*(2), a board of not fewer than three qualified officers will be appointed to conduct the investigation. For approving authority and officer qualifications see AR 15–6. The installation commander, the ACOM, ASCC, and/or DRU commander, the CNGB, or the head of the HQDA staff agency concerned will appoint the board, or may direct a subordinate commander to appoint the board. The investigating board will—

(1) Conduct a physical inventory of all property on-hand at the installation to identify all items pertaining to the account being reviewed.

(2) Inquire into the responsibility for the unsatisfactory condition of the account.

*b.* To the extent practicable, members of the board will not be under the jurisdiction of the installation commander having, or having had, command responsibility for the account involved.

*c.* Where the quantity of the property to be inventoried justifies such action, the appointing activity will designate, or cause to be designated, a technically qualified inventory team to assist the board in the inventory. Team members will not be under the jurisdiction of the accountable officer for the account being inventoried.

*d.* One member of the board of officers will be specifically qualified in investigative procedures. For procedures see AR 15–6.

## 8–7. Preparation of the report of proceedings

Except as otherwise prescribed in this regulation, the conduct and the reports of proceedings of boards of officers

convened under this regulation will conform to AR 15–6. The following essential elements of information will be included in the report:

*a.* Station where the account under investigation is, or was located, and the designation and serial number (DODAAC if stock record account, or UIC if property book) of the account.

*b.* Purpose of the board's investigation.

*c.* Facts disclosed by the board's investigation, in sequence, and including all pertinent data necessary for a proper understanding of the situation.

*d.* The board's conclusions with respect to, but not limited to, the following subjects:

(1) Whether the account is regarded as being in proper condition for audit. If the account cannot be placed in proper condition without an undue amount of effort, the findings will so indicate. The period during which the account is regarded as being unsatisfactory or unauditable will be specified.

(2) Identification of any person or persons responsible for the improper or illegal disposition of records, the failure to conform to published accounting instructions, or the failure to exercise proper supervision. An opinion will be expressed in each case as to whether negligence or criminal intent was involved.

(3) Whether there is an indication of negligence or willful misconduct shown on the part of a person or persons in connection with the improper or illegal disposition of any assets of the account. The board will also indicate the status of any actions initiated under other regulations or the Uniform Code of Military Justice (UCMJ).

*e.* The board will only make recommendations that fall within the approval jurisdiction of the reviewing authorities. For instance, a recommendation that a person be discharged from the Service or be tried by court-martial would not be proper. However, a recommendation that the findings of the board be brought to the attention of those exercising that jurisdiction would be proper.

(1) The board may properly state that the evidence indicates the loss was caused by negligence on the part of a specific person or persons, and recommend that a DD Form 200 be processed under the provisions of chapter 13 of this regulation. In such cases, the board will not act as the financial liability officer, but will ensure that a copy of the board's proceedings is provided to the financial liability officer for inclusion in the formal financial liability investigation of property loss.

(2) The board will recommend either that the account be audited for a specified period, or that accounting requirements be waived for a specified period, giving dates.

*f.* The completed report will be forwarded to the activity, which caused the board to be appointed.

# Chapter 9
# Offer and Payment of Rewards for the Recovery of Lost Army Property

## 9–1. General requirements

Monetary rewards may be offered and paid to persons or organizations outside the Government for the recovery of, or information leading to the recovery of lost Army property (continental United States (CONUS) and outside the continental United States). The decision to offer a reward will be based on both the dollar value of the lost property and the importance of its recovery to the Army. The maximum amounts that may be offered are shown in table 9–1. Rewards will not be offered nor paid when such payment would be inconsistent with local laws, prevailing customs, governing treaties, or international agreements. This does not apply to contingency operations. Stolen Army property is not considered lost property and is not included in the rewards program.

**Table 9–1**
**Rewards**

| Item | Standard amount[1] | Maximum amount[2] |
|---|---|---|
| Aircraft | $100 | $500 |
| Missiles | $100 | $500 |
| Vehicles, weapons, and/or ammunition | $100 | $500 |
| Communications and electronic equipment | $50 | $200 |
| Any airborne item lost in flight or from crashed aircraft not located by search and rescue | $25 | $100 |
| Flight clothing and equipment | $25 | $50 |

**Table 9–1**
**Rewards—Continued**

| | | |
|---|---|---|
| Other items | $25 | $50 |

Notes:
[1] Installation commanders are authorized to offer rewards up to these amounts when authority is delegated per paragraph 9–2.
[2] ACOM, ASCC, DRU, and subcommand commanders are authorized to approve offers of rewards up to the maximum amount. The maximums listed apply to any one case for information leading to the recovery of missing Army property or to its return.
[3] Approval or disapproval of rewards.
[4] ACOM, ASCC, and/or DRU commanders will approve or disapprove proposed offers of rewards up to the amounts shown in table 9–1. Those commanders may delegate to installation commanders the authority to approve the standard amounts shown in table 9–1.
[5] Payment of rewards.

## 9–2. Approval or disapproval of rewards

ACOM, ASCC, and/or DRU commanders will approve proposed offers of rewards up to the amounts shown in table 9–1. Those commanders may delegate to installation commanders the authority to approve the standard amounts in table 9–1.

## 9–3. Payment of rewards

*a.* Awards will not be paid to—

(1) Military or civilian employees of the Armed Forces or any other officer or employee of the Government.

(2) Agencies of the Government.

*b.* After an offer has been published, rewards will be paid to persons or organizations if they submit the property or information leading to its recovery after learning that—

(1) A reward is being offered.

(2) A general practice is made of offering rewards.

*c.* Payment of the reward will be made by the installation offering the reward after the lost property has been returned to Army control.

*d.* Each reward payment will be supported by a written statement from the accountable property officer stating that—

(1) The provisions of the offer have been satisfied.

(2) Accountability for the property described in the offer has been reestablished.

## 9–4. Announcement of rewards

*a.* Notices of rewards will read as shown in figure 9–1 and are to be used in the daily bulletin, post bulletin board, or hand flyers.

*b.* Any information that might lead to the recovery of lost property will be included in the notice.

*c.* Notice of rewards may list one or more items.

*d.* Distribution of announcements offering a reward will be sufficiently broad to ensure reaching all persons and organizations reasonably expected to help recover the property.

The U.S. offers a reward of ($ amount (Under of the Secretary of Defense)) for the recovery of, or information leading to the recovery of (lost items(s)) which is the property of the U.S. Army. Lost items(s) should be returned to, or information given to (appropriate commander). This offer expires on (day, month, and year).

**Figure 9–1. Format for the announcement of rewards**

## 9–5. Funds

The activity's operation and maintenance funds are used to pay for the rewards. The accounting classifications to be used are contained in DFAS–IN Regulation 37–1.

# Chapter 10
# Loans, Bonding, and Other Accounting Procedures

## Section I
## Loans and Bonding

### 10–1. Loans

Army property may be loaned as prescribed by appropriate regulation. AR 700–131 provides detailed policy and procedures for loan or lease of Army property. Additional policy and procedures that apply to specific types of material may be found in—

*a.* See AR 30–22 for operational rations.

*b.* See DFAS–IN Regulation 37–1 for materiel owned by the stock fund.

*c.* See AR 25–1 for visual information products.

*d.* See AR 725–1 for veteran's organizations and chapter 6 for the scouting program.

*e.* See AR 215–1, for the checkout of rental of appropriated fund and NAF property to authorized morale, welfare, and recreation patrons.

### 10–2. Legal bonds

*a.* Civil authorities and organizations that borrow Army property must post a surety bond equal to the value of the property being borrowed unless specifically exempted by HQDA. Bonds ensure the safe return of the loaned property or reimbursement for any loss of, or damage to the loaned property. The bond will consist of one of the following:

(1) A properly executed surety bond with a certified check, cash, or negotiable U.S. Treasury bond.

(2) A notice of bond by a reputable bonding company deposited with the loan approving authority. (Specific instructions and formats are contained in AR 700–131 and AR 725–1.)

*b.* This requirement is waived—

(1) When the loan is of an emergency nature and to delay the loan would impact upon the health, safety, or security of persons and property.

(2) For the checkout or rental of appropriated fund and NAF property for recreational purposes as prescribed in AR 215–1. (The patron pays a fee or signs for the property (checkout)). Therefore, a bond is not required.

### 10–3. Reserve Officers' Training Corps or National Defense Cadet Corps bonding

*a.* Each institution hosting ROTC or National Defense Cadet Corps (NDCC) units must post a bond or other indemnity in such amount as is adequate, but not less than $5,000, for the care and safekeeping of all property issued to the institution to include uniforms stored by the institution; exceptions will include uniforms issued to cadets, expendable articles, and supplies expended in operation, maintenance, or instruction. A bond without surety thereon is acceptable if the institution concerned furnishes satisfactory evidence of its financial responsibility. Bonding is not required when institutions elect to have accountability and responsibility for Government property retained by the DA (senior program units only).

*b.* The Secretary of the Army delegates to ROTC region commanders and major overseas commanders having authorized ROTC units under their jurisdiction the authority to determine the amount of the bond to be required and the financial responsibility of the institution. All such determinations by these commanders will be made "For the Secretary of the Army" on the basis of the standards in c and d below. Any case not clearly falling within these standards will be forwarded through command channels to U.S. Army Human Resource Command (AHRC) (AHRC–OPD–C), 1600 Spearhead Division Avenue Fort Knox, KY 40122–5405 for action by the Secretary of the Army (see exempt report, AR 335–15). The submission will include the following:

(1) Evidence of financial responsibility of the institution, including a financial statement.

(2) Total value of the following controlled items entrusted to the institution:

*(a)* All weapons smaller than 40 millimeters.

*(b)* Small arms ammunition.

*(c)* Field glasses, compasses, stopwatches, and fire control equipment.

*(d)* Other valuable items susceptible to pilferage (such as, knives, bayonets, radiac meters, radiac chargers, and dosimeters).

(3) The cumulative value of losses of controlled items of property over the past 3 years.

(4) A statement by the ROTC region commander of the experience in recovering such losses from the institution over the past 3 years. (This statement is sufficient evidence of financial responsibility for State institutions or schools operating under State charters or directly under the control of municipalities.)

*c.* In determining the amount of the bond to be required of an institution, the following standards apply:

(1) The amount of the bond will not be less than $5,000.

(2) The amount of the bond will not be less than the value of cumulative losses of property requiring bonding incurred by the institution during the preceding 3 years.

(3) The amount of the bond will not be less than the ROTC region commander considers adequate to protect the interest of the Government for the property involved.

*d.* In determining that a bond without surety thereon is acceptable, the following is considered adequate evidence of the institution's financial responsibility:

(1) A financial statement of the institution that shows that total assets exceed the total liabilities by an amount greater than the total value of the property requiring bond that is, or will be, issued to the institution.

(2) An independent audit, other report, or other documentary evidence indicating that the institution accounts payable are settled within 10 days, and that its commercial credit rating is satisfactory (such as, AAA and AA).

(3) In the case of schools operating under State charters and institutions directly under the control of municipalities, documentary evidence showing, during the preceding 3 years, amounts due the Government in connection with the ROTC or NDCC program were paid promptly by the institution.

*e.* Supplies and equipment will not be issued to an institution that maintains accountability and responsibility for such supplies and equipment until a bond has been executed and filed with the appropriate ROTC region command headquarters, or the U.S. is otherwise indemnified.

*f.* ROTC region commanders will review bonds in force at least once every 3 years to ensure conformance with standards prescribed in paragraph 10–3*c* and paragraph 10–3*d*. Institutions will be required to furnish the reports and statements necessary to make a proper review.

*g.* On establishment of an Army ROTC or NDCC unit at an institution which is required, or elects, to maintain accountability and responsibility for supplies and equipment to be issued, the ROTC region commander will—

(1) Obtain two copies of the following:

*(a)* The resolution or bylaw citing the authority of the president or other designated officer to execute the bond on behalf of the institution and designating an institutional representative to be the military property custodian. These copies will be authenticated as true copies by the signature of the secretary and by the corporate seal, where applicable. In the case of high schools, an authenticated attestation by the governing assemblage designating a representative to be military custodian will be obtained.

*(b)* The charter or articles of incorporation, or similar documentary evidence of organization, or a reference to the statute if incorporated by direct legislative action.

(2) Forward one set of the documents to AHRC (AHRC–OPD–C), 1600 Spearhead Division Avenue Fort Knox, KY 40122–5405. The other set will be retained at the ROTC region headquarters.

*h.* On approval of the establishment of an Army ROTC or NDCC unit at an institution that will maintain accountability and responsibility for Government property, the ROTC region commander will forward to the institution a DA Form 1622–R (Bond for Safekeeping of Government Property Issued to Educational Institutions). If necessary, DA Form 1622–1–R (Affidavits of Individual Sureties) will also be forwarded to the institution, along with a statement of the approximate value of the Government property authorized for initial issue to the institution. The amount of the bond and requirements for acceptance of a bond without surety thereon also will be provided.

*i.* The surety on the bond, if required, may be U.S. bonds or notes deposited with the ROTC region commander.

*j.* The bond or other form of indemnification, when duly executed, will be returned to the ROTC region commander. The commander will retain it and assure the sufficiency of the sureties required. No bond or other form of indemnification will be accepted until it has been examined and approved by the installation or overseas command judge advocate.

*k.* When a bond presently in effect conforms to the above requirements, no change in the bond is necessary. When a new bond is required, the forms prescribed in paragraph 10–3*h* will be used.

*l.* Where an institution maintains both Army and other Service ROTC or NDCC units, a separate bond will be needed to cover DA property that requires a bond. Provisions of this paragraph apply with respect to such bond.

### 10–4. Junior Reserve Officers' Training Corps bonding and/or insurance

*a.* Institutions of secondary education hosting a Junior ROTC (JROTC) unit must post a bond, or provide proof of suitable insurance in lieu of posting a bond, for the care and safekeeping of all property as stipulated in their application and agreement for the establishment of a JROTC unit, as recorded on DA Form 3126 (Application and Contract for Establishment of a Junior Reserve Officers' Training Corps Unit) under the provisions of AR 145–2. The amount of the bond or insurance will be a minimum of $5,000. When the amount needed to compensate the Army for Government property issued to the institution that may become lost, damaged, or destroyed is greater than $5,000, the amount of the bond or insurance will be increased to that amount. The bond or insurance policy must name the Army as the beneficiary for the amount needed to replace the lost, damaged, or destroyed Government property. Government property includes all nonexpendable property accounted for under the provisions of AR 710–2, to include uniforms stored by the institution. It does not include uniforms issued to cadets, expendable articles, and supplies expended in operation, maintenance, or instruction.

*b.* Proof of suitable insurance in lieu of a bond may be an affidavit on school or board of education letterhead with

the signature of the principal or similar authority to the effect that all Government property used by the JROTC program is covered by the school's insurance policy.

*c.* Schools that are self-insured may also provide an affidavit to the effect that the school accepts financial responsibility for all Government property used by the JROTC unit. Schools with a history of causing the Government unrecoverable losses may be required to post a bond, as determined by the ROTC region commander or the Army's major overseas area commander having authorized the Army JROTC unit under their jurisdiction.

*d.* The Secretary of the Army delegates to ROTC region commanders, and Army major overseas area commanders having authorized JROTC units under their jurisdiction, the authority to determine the amount of the bond or insurance required, and the financial responsibility of the institution. All such determinations by these commanders will be made "For the Secretary of the Army" on the basis of the standards in paragraph 10–4*a* through paragraph 10–4*c*. Any case not clearly falling within these standards will be forwarded through command channels to AHRC (AHRC–OPD–C), 1600 Spearhead Division Avenue Fort Knox, KY 40122–5405 for action by the Secretary of the Army (see exempt report, AR 335–15).

*e.* ROTC region commanders and Army major overseas area commanders having authorized JROTC units under their jurisdiction will review the bonds and insurance affidavits in force at least once every 3 years to ensure their conformance with the standards prescribed in paragraph 10–4*a* through paragraph 10–4*c*. Institutions will be required to furnish the reports and statements necessary for the ROTC region commanders to make a property review.

## Section II
## Other Accounting Procedures

### 10–5. Financial inventory accounting

A financial inventory accounting system will be established and maintained for inventories of Army material held on records of accountability within the Army supply system. It will be the formal accounting system used to integrate the required quantitative and monetary accounting of Army property. It will not be used to account for property in the hands of troops, or for fixed assets accounted for under the real property record system. Financial inventory accounting records will be maintained by the servicing FAO based on information provided by the accountable officers. Specific policy and procedures are contained in DFAS–IN Regulation 37–1.

### 10–6. Summary accounting

*a.* Summary accounting is a simplified inventory accounting procedure that records only the net result of all transactions that took place during the posting period. It is designed for use at certain retail level issue functions involving low dollar value items and in self-service operations. It can be in terms of items or dollars, but not both. Its purpose is to improve supply and financial operations and reduce the workload in supply management and accounting.

*b.* Property accounts will be maintained using detail accounting procedures unless specifically exempted by HQDA. Each transaction is recorded on the property record and a running balance is maintained. The use of summary accounting procedures must be specifically authorized in AR 710–2 or other functional regulation. Procedures for implementing summary accounting, when authorized by AR 710–2 are contained in DA Pam 710–2–1.

### 10–7. Contractor-operated property accounts

Contractor personnel are authorized to act as responsible property officers for Government-furnished equipment accounts when such function is included in the scope of their contracts. Cognizant contracting officers will ensure that the contractor is made responsible for Government-owned property under FAR Government property clause and that adequate property accountability and recordkeeping requirements are included in the formal contract.

# Chapter 11
# Command Supply Discipline Program

## Section I
## Introduction

### 11–1. General information

This chapter contains concepts and guidelines for establishing and maintaining the CSDP. The CSDP addresses supervisory or managerial responsibilities within the supply system from the user to the ACOM, ASCC, and/or DRU level. AR 710–2 outlines the specific requirements for the CSDP.

*a.* The CSDP is a compilation of existing regulatory requirements brought together for visibility purposes. It is directed at standardizing supply discipline throughout the Army. Also, the CSDP is meant to simplify command, supervisory, and managerial responsibilities. Simplification is accomplished by outlining the various requirements for responsible personnel, by standardizing requirements, and by formalizing follow-up procedures.

*b.* The CSDP is a commander's program. Brigade and battalion commanders will implement the CSDP using existing resources. Examples of existing resources are in AR 11–1 and staff personnel. Whichever activity the commander designates to assist with implementing the CSDP, the designated activity will then incorporate the CSDP policy in their evaluation plans and procedures. All existing supply evaluation programs will absorb the CSDP. Additionally, local inspector general's can be used at the commander's discretion to conduct special inspections using the systemic methodology for determining root causes for problems identified through the CSDP. Therefore, commanders will not establish new evaluation teams because of the CSDP.

*c.* The CNGB will enforce each state ARNG CSDP. Using the ARNG Command Logistics Review Team to ensure federal property is accounted and protected under the provisions of 32 USC 710.

## 11–2. Purpose

*a.* The purpose of the CSDP is to—

(1) Establish supply discipline as regulatory guidance.

(2) Standardize supply discipline requirements.

(3) Provide responsible personnel with a single listing of all existing supply discipline requirements.

(4) Make the Army more efficient regarding time spent monitoring subordinates' actions.

*b.* To achieve the above purpose, the CSDP will—

(1) Ensure compliance with DA supply policy and procedures.

(2) Determine the adequacy of established DA supply policy and procedures.

(3) Identify supply problems to permit timely corrective action within the chain of command.

## 11–3. Terms

*a. Supervisory personnel.* All individuals in a position of responsibility whose job involves them with supply operations within or for the Army force structure. This applies to officers, warrant officers, noncommissioned officers, and civilians.

*b. Supply economy.* The conservation of material by anyone dealing with Army supplies to ensure that only the proper item in the necessary amount is used to accomplish a task. The term "stewardship of resources" is synonymous with "supply economy."

*c. Supply discipline.* The compliance with established DA regulations to administer supply economy effectively. Supply discipline applies to the use of supply funds and to all functions and levels of supply operations (from contractor through the national and retail level, to the user).

*d. Command Supply Discipline Program.* A four-fold program addressing—

(1) Responsibilities of commanders and supervisory personnel to instill supply discipline in their operations.

(2) Guidance for evaluating supply discipline.

(3) Feedback through command and technical channels for improving supply policy.

(4) Follow-up to ensure supply discipline is maintained.

*e. Repeat finding.* A discrepancy of noncompliance noted from a previous evaluation and unresolved beyond the established suspense date.

*f. Requirements listing.* A compilation of existing regulatory requirements as a single source listing, organized by level of responsibility or function.

## 11–4. Roles

*a.* The DCS, G–4 will—

(1) Prescribe overall guidance establishing and monitoring the CSDP.

(2) Coordinate with the Army Staff and other agencies to develop policy and/or resolve policy problems (that is, Deputy Chief of Staff, G–1 assistance to improve personnel aspects of supply management).

(3) Conduct periodic reviews and updates of the program.

(4) Provide ACOM, ASCC, and/or DRU coordinators with periodic program updates.

*b.* Commanders of proponents for schools will—

(1) Modify present blocks of instruction on supply management to include CSDP. No additional program of instruction time is authorized.

(2) Continually improve and update supply training at all levels.

*c.* The CG, AMC will—

(1) Establish and implement a CSDP consistent with DA policy addressing the national level of the supply system.

(2) Conduct periodic reviews and updates of the national portion of the CSDP.

(3) Coordinate with the DCS, G–4 to resolve policy problems.

*d.* The CG, U.S. Army Combined Arms Support Command will provide for the development and maintenance of retail supply systems that implement retail supply policy. This does not include those retail systems unique to AMC.

*e.* ACOM, ASCC, and/or DRU and equivalent commanders will establish an aggressive CSDP within their respective commands by—

(1) Appointing a CSDP coordinator.

(2) Ensuring the CSDP is implemented by all subordinate elements.

(3) Initiating intra-service support agreements, if desired, as explained in paragraph 11–6*e* of this regulation.

(4) Providing recommended changes to the CSDP to the DCS, G–4 (DALO–SUS).

(5) Adding to the program, when necessary, to account for any uniqueness within their command.

*f.* Subordinate commanders (excluding company, battery, and troop) will—

(1) Implement an aggressive CSDP by using existing assets (that is, chain of command, organizations, or programs) to avoid duplication or fragmentation of effort. The commanders' designated asset will then incorporate CSDP into their evaluation plans and procedures.

(2) Provide the necessary emphasis to ensure the success of the CSDP.

(3) Appoint, in writing, a senior logistician in the headquarters as the CSDP monitor.

(4) Recognize both superior and inferior performance regarding supply discipline.

(5) Use the results of the CSDP evaluations to determine candidates for the Army Supply Excellence Award Program (see AR 710–2).

*g.* Immediate supervisors and company, battery, and troop commanders will—

(1) Review the requirements listing within the CSDP in order to become familiar with the applicable regulatory requirements (see AR 710–2).

(2) Use the listing as a guide in the routine performance of their duties.

(3) Report to their immediate higher headquarters any applicable requirements within the listing that cannot be completed.

## Section II
## Program Guidance

### 11–5. Intent

The purpose of the CSDP is to—

*a.* Establish supply discipline as regulatory guidance as follows:

(1) Standardize supply discipline requirements.

(2) Provide responsible personnel with a single listing of all existing supply discipline requirements.

(3) Make the Army more efficient regarding time spent monitoring subordinates' actions.

*b.* To achieve the above purpose, the CSDP will—

(1) Ensure compliance with DA supply policy and procedures.

(2) Determine the adequacy of established DA supply policy and procedures.

(3) Identify supply problems to permit timely corrective action within the chain of command.

### 11–6. Implementation procedures

*a. Requirements listing (AR 710–2).*

(1) A compilation of existing requirements is established as a requirements listing. The present supply-oriented supervisory responsibilities are listed according to level of responsibility.

(2) Each level of command will review the requirements listing for completeness and make the necessary additions to account for any uniqueness.

*b. Implementation.*

(1) Each commander will provide the personal interest and direction necessary to establish and ensure the success of their CSDP.

(2) The CSDP will be incorporated into existing resources in the command to avoid redundancy of effort.

(3) Each command level above the unit level will appoint a CSDP coordinator to assist the commander with establishing and monitoring the CSDP.

*c. Evaluations.*

(1) The CSDP does not require vertical assessments of subordinate organizations' activities. Each command level is required to evaluate the next lower level of operations (except for ROTC battalions, which will be inspected per AR 710–2). Further evaluations of lower levels are as command directed.

(2) The frequency of evaluations is as follows:

*(a)* The frequency of internal evaluations, as desired.

*(b)* External evaluations are conducted on a periodic basis as established in AR 710–2.

(3) The evaluation process is as follows:

*(a)* The purpose of the evaluation is to determine whether or not an organization is complying with regulatory guidance.

*(b)* The requirements listing establishes the minimum standards (see AR 710–2). Commands are encouraged to develop command checklists using the requirements listing as a baseline.

*(c)* Evaluators will record findings on each applicable requirements listing entry. The results of the last evaluation will also be reviewed to determine if past discrepancies were resolved. Resolved and repeat findings will be noted.

*(d)* The organization's supervisor will be briefed on the evaluation findings at the completion of the evaluation. The supervisor, during the outbriefing, will establish a suspense date (get-well date) for resolution of each discrepancy.

*(e)* The supervisor's chain of command is authorized to grant extensions to the established suspense date.

*(f)* In the case of a discrepancy due to circumstances beyond the control of the evaluated organization, refer to paragraph 11–6*c*(3)*(i)*.

*(g)* In the case of repeat findings, the chain of command will be notified of the problem upon completion of the evaluation in order to reestablish compliance.

*(h)* The evaluated organization and/or activity will be provided copies of each evaluation made under CSDP. The copies will specify any noncompliance findings along with the respective suspense dates determined by the supervisor. The evaluator will also retain a copy of the evaluation and use it for follow-up on corrective actions during the next periodic evaluation.

*(i)* If major problems or policy questions are surfaced during a CSDP evaluation, these findings will be elevated up the chain of command to that level capable of resolving the problem.

*d. Documentation.*

(1) At the user level, no additional recordkeeping unique to the CSDP is required. The normal recording of inventories and inspections are still required.

(2) The level conducting the external evaluation will—

*(a)* Provide the subordinate organization a copy of the evaluation results.

*(b)* Establish a file of evaluations conducted. A minimum of two evaluations per organization will be maintained.

(3) The minimum information required in the file of evaluations conducted is—

*(a)* Date of the evaluation.

*(b)* Organization evaluated.

*(c)* Findings and associated suspense dates.

*(d)* Repeat findings.

*e. Intra-service support agreements.* In order to make the CSDP a responsive and efficient program, maximum use of intra-service support agreements is encouraged. Numerous tenant units are located at many installations. Chain of command evaluations of these subordinate organizations in accordance with the CSDP frequency requirements may create extensive travel and man-hour support. Therefore, ACOMs, ASCCs, and/or DRUs are encouraged to enter into intra-service support agreements to authorize installation commanders to conduct evaluations of applicable tenant units. Evaluation results would then be forwarded to the respective ACOM, ASCC, and/or DRU headquarters.

### 11–7. Monitoring

At the ACOM, ASCC, and/or DRU and DA levels, formal visibility of the CSDP is provided through AR 11–1.

## Chapter 12
## Methods of Obtaining Relief from Responsibility for Property

### 12–1. General actions to protect Government property

*a. Administrative action.* Administrative measures available to commanders to ensure enforcement of property accountability. When property becomes lost or damaged, use one of the adjustment methods discussed in this regulation.

(1) The methods discussed below are designed to protect the right of the Government to obtain reimbursement for the loss or damage of Government property. These methods—

*(a)* Are materiel accounting oriented and are not appropriate for, nor intended to be used as, corrective action or punishment, when negligence or willful misconduct is known or suspected to have contributed to the loss or damage of Government property.

*(b)* Do not constitute a punishment.

*(c)* Do not and will not preclude the use of adverse administrative or disciplinary measures.

(2) Commanders at all levels who determine that the cause of loss or damage warrants adverse administrative or disciplinary action will take appropriate action. These actions include, but are not limited to—

*(a)* An oral or written reprimand.

*(b)* Appropriate remarks in officers, noncommissioned officers, and civilians evaluation reports.

*(c)* MOS reclassification.

*(d)* Bar to reenlistment.

*(e)* Action under the UCMJ. ARNG members who are not in the Federal service are not subject to the UCMJ; they are subject to the military codes of their States.

*(f)* Adverse actions against civilian personnel as authorized.

*b. Reporting requirements.*

(1) Persons responsible for Government property will immediately report, in writing, all losses or damages to their immediate supervisor or commander. The report will state the circumstances of the loss or damage and a listing and description of the property involved.

(2) When reporting personal arms and equipment (PA&E) according to AR 190–11, or whenever the loss appears to involve unlawful conduct report incident to military law enforcement authorities for investigation. Personal arms and personal equipment are the weapons and equipment assigned to Soldiers for their use. This includes a Soldier's OCIE issued to them. A preliminary investigation by the military or security police will assist the commander when taking action according to this regulation.

(3) Losses of equipment with sensitive or classified components or technology must be reported through local S-2 and supporting counter intelligence element within twenty-four hours to determine potential compromise by foreign powers.

(4) COMSEC, CHVP, or CCI losses require an incident report per TB 380–41, respectively.

(5) Report USAR element losses or damages incurred to the next higher USAR command and, if appropriate, to the Active Army law enforcement activity or provost marshal having area responsibility.

(6) When Government property is reported missing, commanders at all levels, primary hand receipt holder, or the accountable officer will initiate a preliminary investigation and search to be conducted to ensure the missing property is actually missing before an adjustment document in paragraph 12–1*c*(1) is initiated. The preliminary search will be aggressively pursued to meet the time limits in paragraph 13–8.

(7) In cases when a unit reports the loss, damage, or destruction of Class IX items with a recoverability code of D, F, or H, a copy of the documentation used to investigate the incident will be provided to the SSA Accountable Officer. A completed DD Form 200, blocks 1 through 14, does not have to be submitted.

(8) When Government property in the hands of a contractor is lost or damaged, FAR Government Property clause will be followed and if necessary a DD Form 200 will be initiated.

(9) When reporting Government property damaged or missing incidental to shipment by common or contract carrier, the consignee, accountable officer, or transportation officer will initiate either a DD Form 361 or a SF 364, as appropriate, in accordance with chapter 16 of this regulation.

(10) Individuals are responsible for the proper care, custody, and safeguarding of all OCIE issued to them in accordance with AR 710–2.

(11) Theft, loss, suspected theft, unaccounted or recovered arms, ammunition, and explosives require an incident report in accordance with AR 190–11 and this regulation.

*c. Administrative action to be taken for causes of other than fair wear and tear.* When DA property becomes lost or damaged by causes of other than fair wear and tear, take administrative action according to this regulation regardless of the ARC assigned to the property. This action will determine the facts concerning the incident and the amount of the loss to the Government, assess financial liability if appropriate, and/or provide relief from responsibility and accountability.

(1) Obtain relief from property responsibility by the following actions:

*(a)* DD Form 362 (Statement of Charges/Cash Collection Voucher), per paragraph 12–3 per this regulation.

*(b)* Cash sale provisions, per paragraph 12–2*b*.

*(c)* DD Form 200, per chapter 13.

*(d)* Board action according to AR 15–6 as used in conjunction with DD Form 200, per paragraph 13–25.

*(e)* Abandonment order, per paragraph 14–7.

*(f)* Memorandum to adjust losses of OCIE due to contamination, per paragraph 14–10b.

*(g)* Damage statement, per paragraph 14–18.

*(h)* Collateral investigation for aircraft accidents used in conjunction with DD Form 200, per paragraph 14–15.

*(i)* Memorandum to adjust losses of durable hand tools and components of SKO, per paragraph 14–19 and 4–19.

*(j)* Memorandum to adjust losses of durable and expendable items, per paragraph 14–20.

*(k)* Memorandum for record to adjust nonexpendable items consumed in use, per paragraph 14–28.

*(l)* DA Form 444 (Inventory Adjustment Report (IAR)), per paragraphs 14–34, 14–35, 15–2, and 15–3.

*(m)* DA Form 4170 (Statement of Gains and Losses) as authorized by AR 30-22.

*(n)* DD Form 361.

*(o)* SF 364 (also referred to as (Report of Discrepancy (SF 364)).

(2) Regardless of the method of accounting for property lost, damaged, or destroyed, title (ownership) of the property remains with the Government.

(3) Assign a document and/or voucher number to property adjustment documents per the following instructions:

*(a) Nonexpendable property (property book level).* Assign a document number from the nonexpendable document register to any adjustment document listed in paragraph 12–1*c*(1) that lists nonexpendable property or any property, which requires property book accountability.

*(b) Expendable or durable property (unit level).* Assign a document number from the expendable/durable document register to those adjustment documents listing only expendable or durable items, which do not require property book accountability.

*(c) Nonexpendable, expendable, or durable items (stock record activity level).* Assign a voucher number from a stock record activity voucher register to any document described in paragraph 12–1*c*(1) that lists supply system stocks.

*(d) Damaged property.* When processing for damaged end items, do not assign a document number to DD Form 200 or DD Form 362.

(4) This chapter outlines the authorized adjustment documents when individuals admit liability, agrees to voluntary repayment, and the value of the property is not more than 1 month's basic pay.

(5) Decision tables developed to help individuals determine which document to use to obtain relief from property responsibility are at tables 12–1 and 12–2. Figures 12–1 through 12–3 show the process for determining which document to use for the transaction.

(6) This regulation applies to relief actions for special military intelligence operations property losses.

**Table 12–1**
**Property record adjustments for damaged property**

| Damaged property | Adjustments | Remarks |
|---|---|---|
| OCIE, no negligence. | Memorandum to CIF. | See paragraph 14–18*a*(4). |
| Damaged property, no negligence involved. | Damage statement prepared as a memorandum. | See paragraph 14–18*b*. |
| Any item, person admits liability, and amount is less than 1 month's base pay. | DD Form 362. | See paragraph 12–3. |
| Any item, person admits liability, and amount is more than 1 month's base pay. | DD Form 200. | See paragraph 13–3*a*(3). |
| Any item, person does not admit negligence or liability. | DD Form 200. | See paragraph 13–3*a*(1). |

**Table 12–2**
**Property record adjustments for lost property**

| Lost property | Adjustments | Remarks |
|---|---|---|
| Any item other than controlled items. Person admits liability and the amount of the loss is less than 1 month's base pay. | Prepare DD Form 362. | DD Form 362 can be used for any amount for a contractor who admits liability and offers cash payment. |
| Loss of durable hand tools or components of SKO with no negligence or willful misconduct suspected, incident less than $500. | List the items on a memorandum, per paragraph 14–19. | Unit commander must sign the memorandum and provide quarterly summary to approving authority |
| Loss of durable or expendable items with no negligence or willful misconduct suspected, total incident less than $5,000. | List the items on a memorandum, per paragraph 14–20. | Appointing authority must approve the memorandum and provide quarterly summary to approving authority. |
| **Requires the initiation of a DD Form 200 and/or AR 15–6 investigation** | | |
| 1. Controlled items. | Prepare DD Form 200, per paragraph 13–3*a*(6). | Controlled items require an investigation under AR 15–6. Attach the investigation to DD Form 200, per paragraph 13–25. |
| 2. When directed by higher authority or DA directive. | Prepare DD Form 200, per paragraph 13–3*a*(9). | |
| 3. Loss discovered during inventory on change of accountable officers, and individual does not make voluntary reimbursement to the Government. | Prepare DD Form 200, per paragraph 13–3*a*(2). | |

**Table 12–2**
**Property record adjustments for lost property—Continued**

| | | |
|---|---|---|
| 4. Loss of household furnishings and the amount of loss is more than 1 month's base pay. | Prepare DD Form 200, per paragraph 13–3*a*(4). | Includes damage to Government family housing. |
| 5. Person admits liability for the loss or damage, but amount of the loss is more than 1 month's base pay. | Prepare DD Form 200, per paragraph 13–3*a*(3). | |
| 6. Negligence is suspected but no one admits liability. | Prepare DD Form 200, per paragraph 13–3*a*(1). | Person refused to sign DD Form 362. |
| 7. Bulk petroleum handling loss in gallon is over the allowable loss and over $1,000 or less in value. | Prepare DD Form 200, per paragraph 13–3*a*(5). | AR 710–2 addresses allowable losses and gains. |
| 8. Items lost as a result of fire, theft or natural disaster. | Prepare DD Form 200, per paragraph 13–3*a*(13). | |
| **Special instructions** | | |
| Bulk petroleum handling loss is over the allowable loss, and is less than $500. | Perform causative research per AR 710–2. | |
| Loss of hand tools authorized to a unit, and liability is admitted. | Respondent purchase from SSSC, if available, per paragraph 12–2*b*. Otherwise, prepare DD Form 362, per paragraph 12–3. | Cash sales only. Purchaser must have authority to buy, signed by their unit commander or designated representative. |
| Items lost in the laundry. | The facility manager will attempt to repair or replace damaged or lost items from surplus stocks. Failing this the facility manager authorizes a gratuitous replacement for military personal clothing. For OCIE, the facility manager prepares a memorandum for the complainant who will present it to their commander for preparation of a DD Form 200 (see para 14–24*c*). CIF and/or OCIE issue point will issue replacement of OCIE items. | |
| Items destroyed because of infection. | List the items on a memorandum naming the medical officer who directed the destruction, per paragraph 14–10. | The unit commander must sign the memorandum. |
| Destruction of property determined to be unsafe because of age. Includes drugs, ammunition, chemicals, and other supplies of a similar nature. | Prepare turn-in documents according to AR 710–2 or AR 40–61 for medical commodities (see para 14–9). | Information on age is published in Army supply bulletins. If such information is not available, initiate a DD Form 200. |
| Abandoned items. Combat, contingency, or large scale field maneuvers. | Written orders to abandon property, signed by an O–6 commander or above (see para 14–7). Approved memorandum is attached to a DD Form 200 and the DD Form 200 serves as the property voucher. No further investigation is required. | If command declines to approve order, a complete DD Form 200 is conducted. |

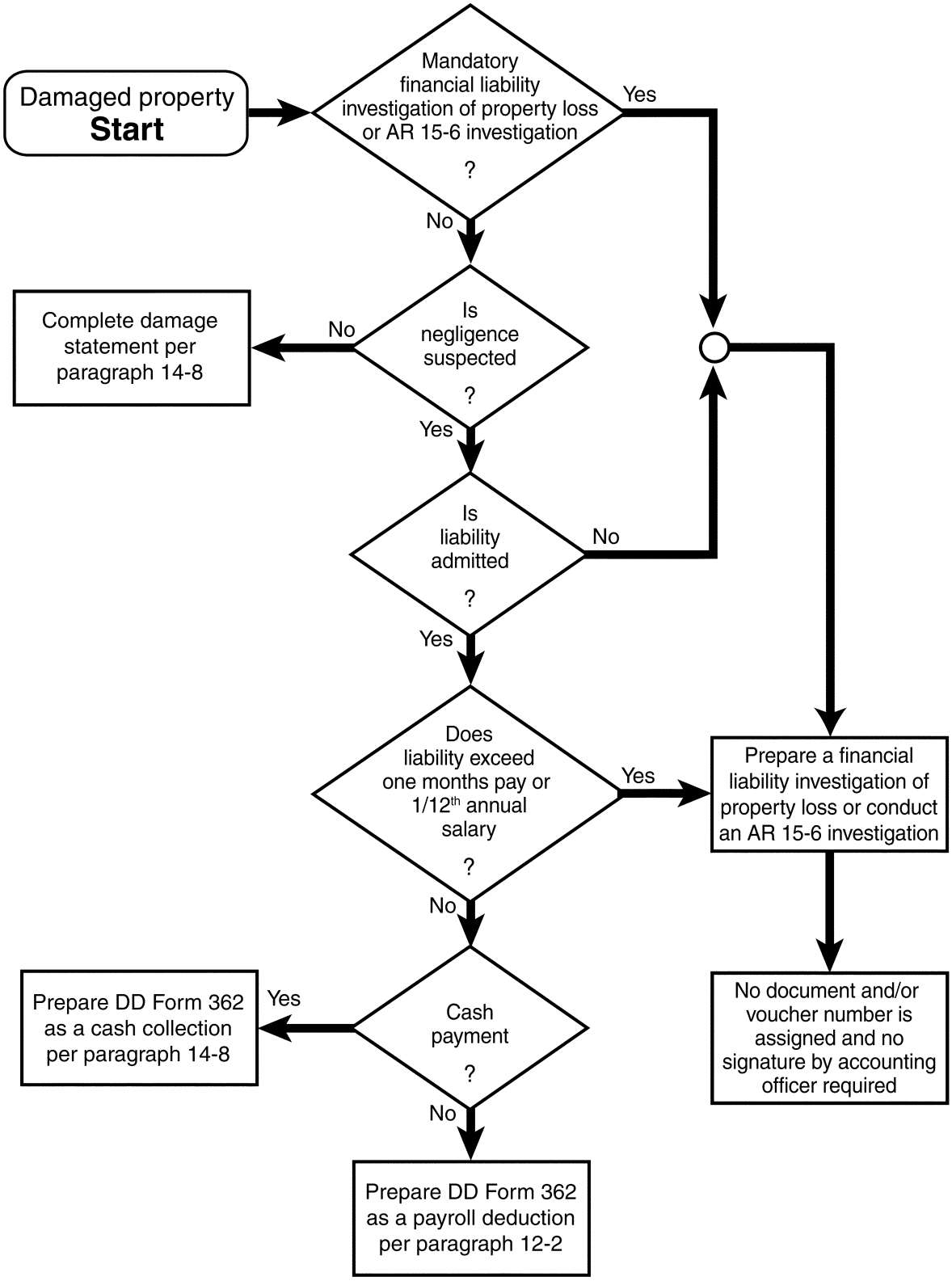



**Figure 12–1. Accounting process for damaged property**

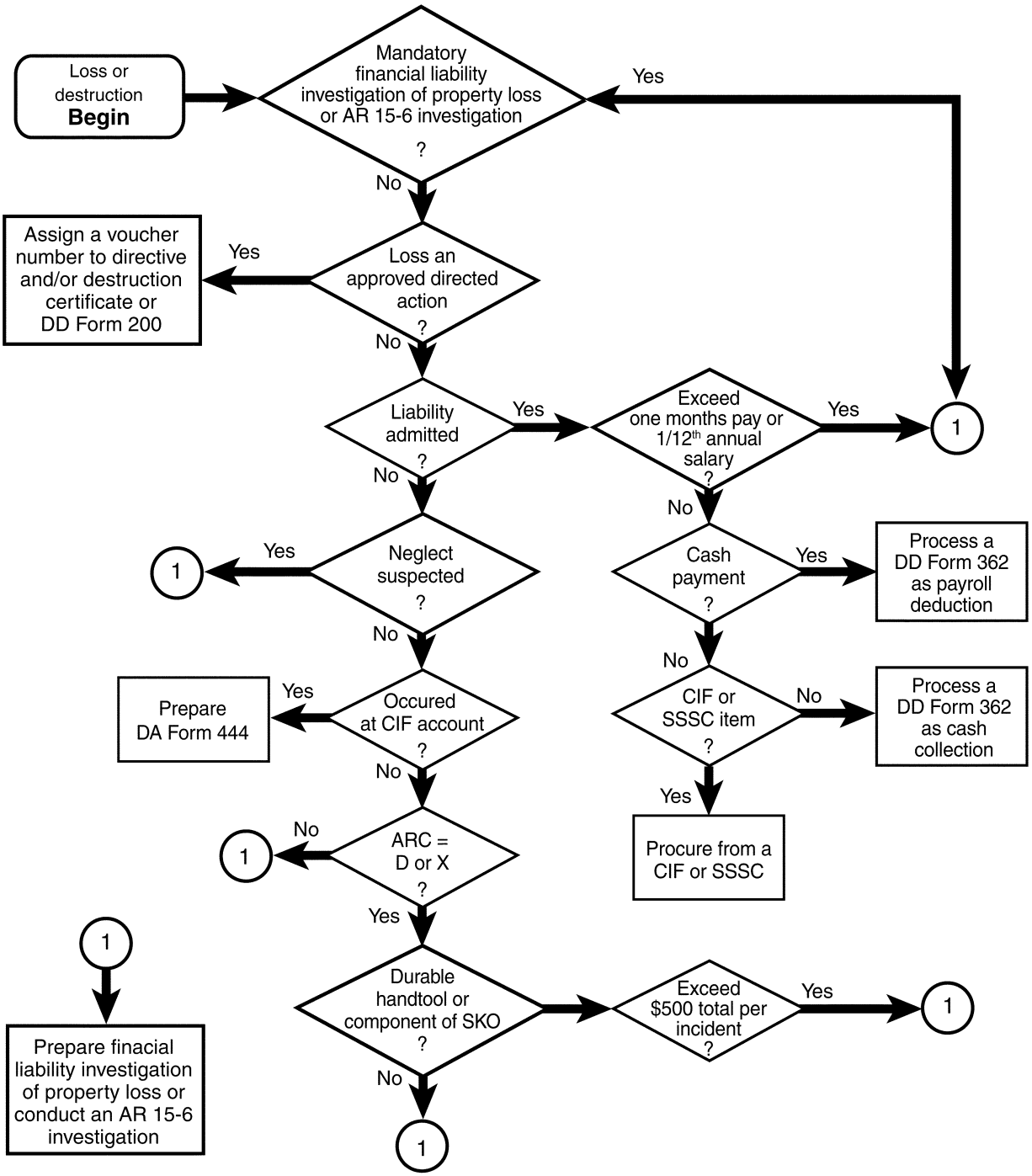



**Figure 12–2. Accounting process for loss property at the property book level**

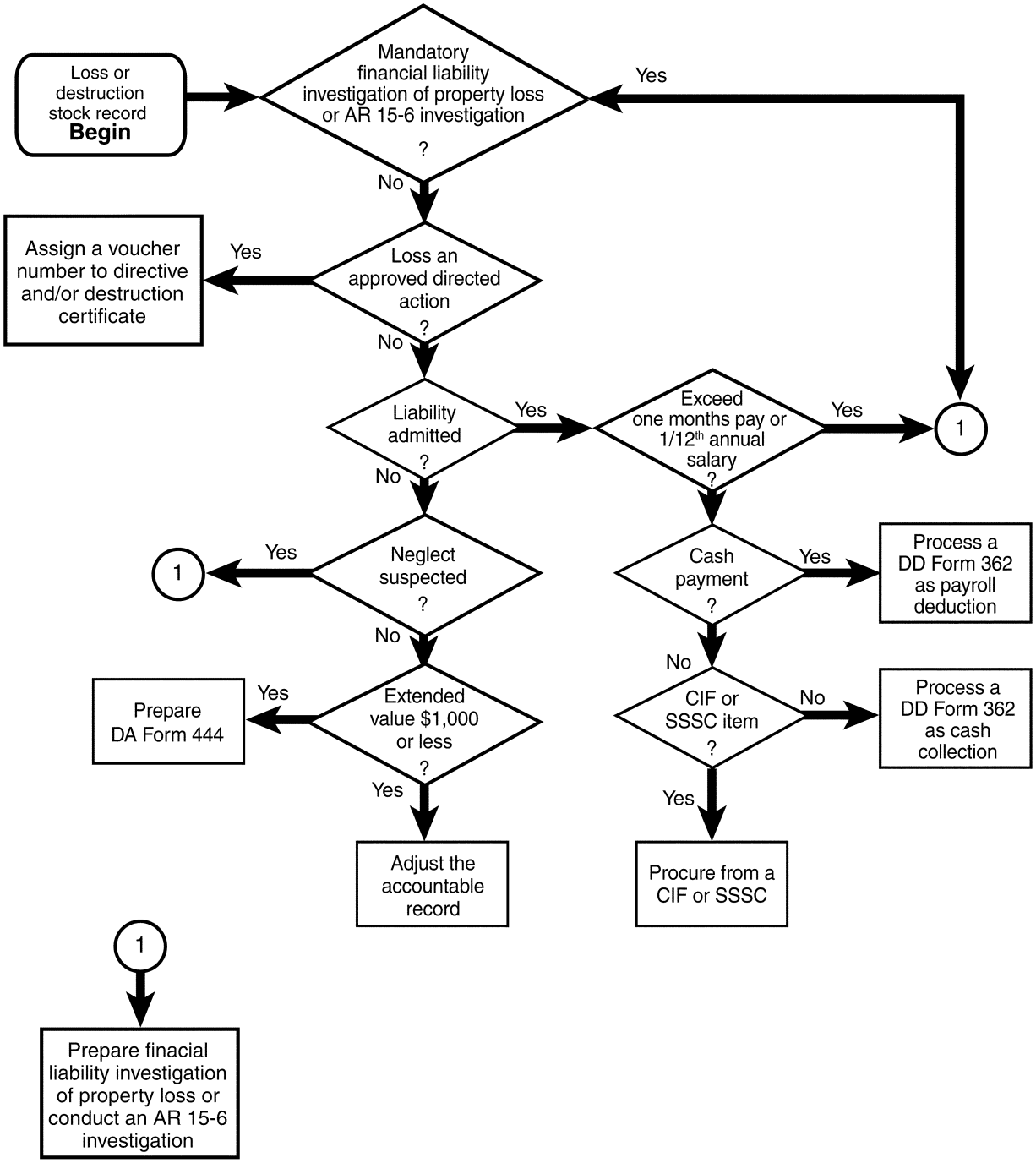



**Figure 12–3. Accounting process for lost property at the stock record account level**

## 12–2. Actions to take when individuals admit negligence

*a. Voluntary payment limitations.* The following persons may pay the actual loss to the Government in cash, check, or payroll deduction, except when a DD Form 200 or an AR 15–6 investigation is mandatory:

(1) All Service members and civilian employees of the Active Army or USAR, or members and employees of the ARNG may admit financial liability and offer cash, check, or payroll deduction payment in an amount not to exceed the person's monthly basic pay. This also applies to the payment of an individual's share of collective liability when more than one person has been assessed with financial liability. Table 12–3 shows how to compute financial liability against one person. Figure 12–4 illustrates how to compute collective and individual liability against two or more persons. DOD civilian will see their human resource service representative for DD Form 2481 (Request for Recovery of Debt Due the United States by Salary Offset) for payroll deduction submission.

(2) A contractor admitting financial liability, for any amount, may pay by cash, or check. The use of a DD Form 362 for a payroll deduction is not an option for a contractor admitting liability.

*b. Replacement by cash purchase.* A person who admits liability may voluntarily purchase replacements for lost or damaged hand tools or OCIE from the SSSC or CIF.

(1) Allow depreciation per appendix B.

(2) Accept payment made by cash or check.

(3) When lack of item availability prevents immediate purchase, account for the lost or damaged hand tools or OCIE items by using the DD Form 362. The procedures for initiation and processing a DD Form 362 are contained in paragraph 12–3.

(4) For ARNG, the USPFO may authorize replacement in kind when lack of item availability prevents cash sale of hand tools at the SSSC. This rule does not apply to Active Army and USAR members. USPFO sale of hand tools to ARNG members and to ARNG technicians is optional.

(5) No cash sales will be made without a DD Form 362 or a written authorization signed by the person's commander or designated representative. The authorization statement follows: "I authorize (name and grade) to purchase the following hand tools (or OCIE). Purchased items will remain the property of the Government." Allowable depreciation is chargeable to the accounting classification for the mission and/or base operation element funding the operations in which the tools or OCIE were used.

(6) Prepare the statement in original and make two copies. The unit retains copy two of DD Form 362 until copy one is returned to the unit by the individual making the purchase. After verification that the purchase was actually made from the authorized source, and accountability has been restored, copy two may be destroyed. The individual making the purchase retains copy one. The original will be retained by the SSSC or CIF.

(7) Figure 12–6 shows the flow of the cash purchase from the SSSC or the CIF.

**Table 12–3**
**Method of computing financial charges against a single respondent (dollar amounts shown in this table are for example purposes only)**

| Types of losses | | Actual loss | Amount charged[1] | Loss to the Government | |
|---|---|---|---|---|---|
| I. Losses of PA&E military members, officer and enlisted | | $150<br>$1,600 | $150<br>$1,600 | None<br>None | |
| II. Losses of other equipment or property (OEP) and PA&E losses by civilian personnel. [2] | | $200<br>$15,000 | $200<br>$1,700[3] | $200<br>$1,700[3] | |
| | **Base pay** | **Actual PA&E loss** | **Actual charge [3,4]** | **Loss to the Government** | |
| III. Combined PA&E and OEP losses by military members, officer, and enlisted | $1,500<br>$1,500<br>$1,500 | $500<br>$900<br>$5,000 | $200<br>$700<br>$200 | $700<br>$1,600<br>$1,700 | None<br>None<br>$3,500 |
| IV. Accountable officers are liable for the full amount of the loss to the Government, less depreciation. | | | | | |

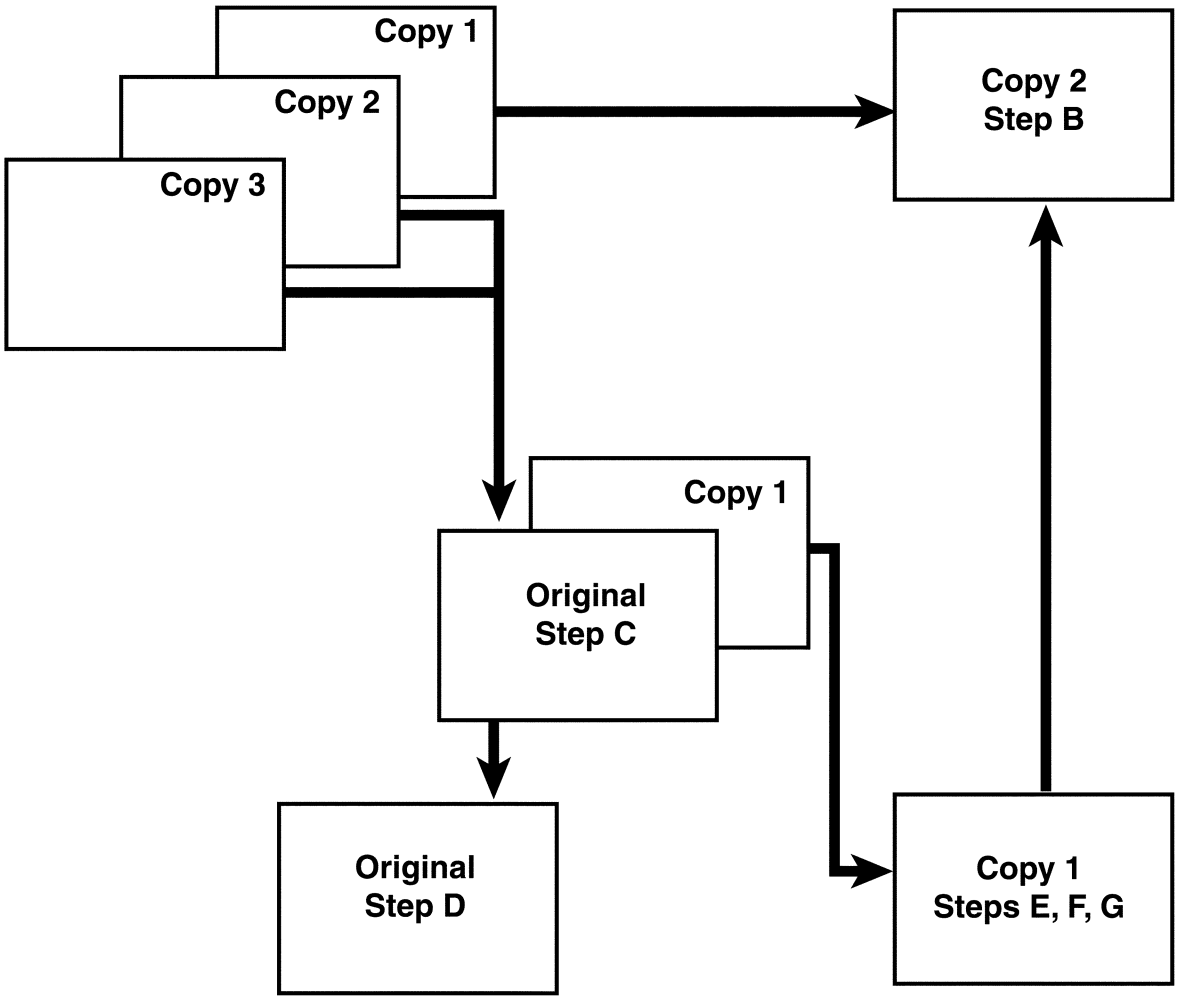
Notes:

[1] Officer and enlisted members are subject to financial liability for the entire amount of the PA&E loss.

[2] Total liability of OEP will not exceed 1 month's base pay.

[3] See paragraph 13–41 for exceptions.

[4] Total liability for OEP will be the cost of OEP or 1 month's base pay, whichever less is, plus the total cost of PA&E.




**Processing steps**

A. Prepare purchase authorization document in 3 copies per paragraph 12-2b. Assign a document number.
B. Unit retains copy 2.
C. Forward original and copy 1 to the CIF and/or SSSC for processing.
D. CIF and/or SSSC retains the original. CIF annotates copy 1 that purchase has been made.
E. Copy 1 is returned to the customer.
F. Unit verifies purchase by review of copy 1.
G. Accountability complete. Copy 1 is returned to the customer. Unit returns or destroys copy 2, as desired.

**Figure 12–4. Method for computing collective and individual financial liability when more than one person is changed**

## 12–3. DD Form 362

*a.* This form will be used when—

(1) Military and civilian employees admit liability and offer cash payment or agree to payroll deduction to settle the charge of financial liability.

(2) Contractor admits liability and offers cash payment.

(3) If a military member, the charge does not exceed monthly basic pay, or if a civilian, does not exceed 1/12th an annual salary. Contractors admitting liability will pay for the entire loss or damage, no matter the amount.

(4) There is not a mandatory requirement for either a DD Form 200 or an AR 15–6 investigation per paragraph 13–3 or paragraph 13–25 of this regulation.

(5) Civilians will see their human resource service representative for DD Form 2481 (Request for Recovery of Debt Due the United States by Salary Offset) for payroll deduction submission (see fig 12–8). The property book office will process the DD Form 362 upon receipt of the processed DD Form 2481.

*b.* The unit command, the primary hand receipt holder, or the accountable officer will prepare DD Form 362 as follows:

(1) *Block 1. Date.* Enter the date the document is prepared.

(2) *Block 2. Document and/or voucher number.* The PBO or stock record officer enters a document or voucher number for lost or destroyed items. Documents or voucher numbers are not assigned for damaged items. Document is posted to the accountable records when document or voucher number is assigned.

(3) *Block 3. Organization.* Enter the organization and UIC to which the individual being charged is assigned, or the name of the employing agency in the case of a civilian employee.

(4) *Block 4. Station.* Enter the name of the installation where the organization is located. The ARNG will enter the city and state of where they are located.

(5) *Block 5. Disbursing office collection voucher number.* Leave blank, to be completed by the Finance and Accounting Office.

(6) *Block 6. Disbursing station symbol number.* Leave blank, to be completed by the Finance and Accounting Office.

(7) *Block 7. Accounting classification.* Leave blank, to be completed by the Finance and Accounting Office.

*(a) Column a. Stock number.* Enter the stock number(s) and line item number(s) for the item(s) lost, damaged or destroyed. If the item(s) is nonstandard, enter the management control number or nonstandard line item number.

*(b) Column b. Item description.* Enter the complete description, and unit cost of the items lost, damaged or destroyed. Obtain the unit cost from the current FEDLOG and Army Enterprise Systems Integration Program at the time of the loss. In cases of damaged property, add "Damage to." When item(s) RICC 2, A, B, C, or Z listed on the document are totally destroyed (no residue to turn in), enter the words "no residue." After the last item, when depreciation is allowed, enter "Unit price in column d is the unit cost, less (percentage of depreciation) allowed per this regulation."

*(c) Column c. Quantity.* Enter the total number of each item lost, damaged, or destroyed.

*(d) Column d. Unit price.* Enter the unit cost, less depreciation when authorized by this regulation for items lost or destroyed. For items damaged, enter the cost of repair. Depreciation is not allowed for damaged items.

*(e) Column e. Total cost.* Enter the value of the unit price multiplied by the quantity for each item on the document.

(8) *Block 8. Type of action.* The commander will place an "X" in either—

*(a) Block 8a.* Payroll deduction.

*(b) Block 8b.* Cash collection, based on the desire of the individual being charged.

*(c) Block 8c. Grand total.* Enter the total from column title "total cost." Include any costs from additional pages, if applicable.

(9) *Block 9. Certification of Responsible Individual.* Complete blocks d through I as follows:

*(a) Block 9d. Rank and/or Grade.* Enter the grade of the individual being charged.

*(b) Block 9e. Name.* Enter the full name of the individual being charged.

*(c) Block 9f. Social security number.* Enter the social security number (SSN) of the individual being charged. Obtain the social security number from the unit or activity personnel roster.

*(d) Block 9g. Cause of Charge.* Enter lost, damaged, or destroyed through negligence, as applicable.

*(e) Block 9h. Signature.* Individual being charged, signs the document

*(f) Block 9i. Amount.* Individual being charged enters the amount being charged (amount from block titled grand total) in their own handwriting.

(10) *Block 10. Organization commander.*

*(a) Block 10a. Date.* The commander enters the date block b is signed.

*(b) Block 10b. Signature block and/or signature.* The commander signs above his or her signature block.

(11) *Block 11. Disbursing officer or payroll certifying.* Leave blank, to be completed by the Finance and Accounting Office.

*c.* Figure 12–6 and figure 12–7 depict the flow and distribution of the DD Form 362 from the time of initiation, to the final actions by the FAO, and the subsequent return to the initiator.

(1) The unit commander or activity head presents the DD Form 362 to the individual being charged, to examine the document.

(2) If the individual accepts the charge, they will be given the option of either making a cash payment, or if a military member or civilian employee, by settling the charge through payroll deduction.

*(a)* If the individual desires to make cash payment, the commander will place an "X" in the space titled "cash collection."

*(b)* If the military member or civilian employee desires to settle the charge through payroll deduction, the commander or activity head will place an "X" in the space titled "payroll deduction."

(3) Individuals will show their acceptance by verifying and signing the blocks following immediately below the "certificate of responsible individual" and entering in their own handwriting the amount of the charge.

(4) The unit commander or activity head will complete and sign the blocks immediately below the statement by the "organization commander."

(5) Document and/or voucher number will be assigned to DD Form 362 by the accountable officer. Post the document to the property accounting records, as appropriate, after verification of payment to FAO. Replenishment requisition will be submitted, as required.

(6) Make five copies of the completed form. The unit retains a copy, the person maintaining the document register or voucher register will retain a copy, the individual charged retains a copy, and two copies and the original are provided to the FAO.

(7) Send the original form and two copies to FAO.

*(a)* If payroll deduction option was checked, DD Form 362 will be forwarded to FAO under a transmittal memorandum with receipt acknowledgement requested. When commanders do not receive an acknowledgment of receipt within 20 calendar days from the FAO, they will make an initial follow-up to the FAO and continue to follow up every 10th working day thereafter, until FAO acknowledges receipt of the DD Form 362.

*(b)* When individuals elect to make cash payment, the commander may direct the individual to make payment directly to the FAO, or the commander may collect monies from the individual and make payment to the FAO. When individual makes payment to the FAO, they will be required to return the DD Form 362 annotated as a receipt of cash by the FAO within 2 workdays after the commander has approved the transaction. If the individual cannot show proof of payment, the commander will inquire to the FAO to verify receipt of the payment. If FAO has no record of payment, a new DD Form 362 will be initiated and processed as a payroll deduction, or a DD Form 200 will be initiated and the old document canceled. In the ARNG, monies shown on DD Form 362 will be received by the unit commander and forwarded with the DD Form 362 to the USPFO when processed as a cash collection.

*(c)* A copy of DD Form 362 will be provided to the accountable officer or the individual maintaining the document register.

(8) *Active Army and/or U.S. Army Reserve.* The Active Army will initiate and furnish a DD Form 362 to FAO within 5 workdays after the date of discovering the discrepancy. The USAR will accomplish this action within 60 days. For personnel departing the installation on an expiration term of service and/or permanent change of station move and hand carrying a DD Form 362 to the FAO, commanders, PBOs, and accountable officers will not affix clearing signatures or stamps on any document in accordance with installation SOP to clear the individual until after the individual returns to them a copy of the DD Form 362 annotated by FAO indicating receipt by the FAO.

(9) *Army National Guard.* The ARNG will initiate and forward a DD Form 362 to the USPFO within 45 workdays after the date of discovering the discrepancy. For personnel departing the installation on an expiration term of service and/or permanent change of station move and hand carrying a DD Form 362 to the USPFO, commanders, PBOs, and accountable officers will not affix clearing signatures or stamps on their DA Form 137–1 (Unit Clearance Record) and DA Form 137–2 (Installation Clearance Record) until after the individual returns to them a copy of the DD Form 362 annotated by the USPFO indicating receipt by the USPFO.

*d.* DD Form 362 may be electronically generated. This electronically generated form must contain all the data elements and follow the exact format of the existing printed form.

*e.* Replacement by cash purchase or accounting for a loss with a DD Form 362 does not constitute a sale of Government property. The Government retains title to all property listed on DD Form 362 and all property purchased as replacements for lost or damaged property per paragraph 2–1*f*.

*f.* Property listed on DD Form 362 may be recovered before a document or voucher number is assigned. When a portion of the items listed is recovered, the commander will line through those items recovered and initial adjacent to the line through. If all the items listed on the DD Form 362 are recovered before a document or voucher is assigned, destroy the DD Form 362. When property listed on a DD Form 362 is recovered after the collection of the indebtedness, in full or in part, or the charges are reduced due to improper computation, an amendment will be

prepared. The amendment citing the specific alteration will be attached to the statement of charges as an exhibit. A copy of the amendment will be provided to the accountable officer with instructions to reestablish accountability for the recovered property and then forwarded to the FAO and/or USPFO under a memorandum signed by the commander, directing repayment of the value of the recovered property to the individual, as a "collection erroneously received."

**Table 12–4**
**Methods**

| **Method of computing collective and individual financial liability when more than one person is changed** |
|---|
| Person's monthly basic pay x actual loss.=Person's Financial Charge |
| Combined monthly basic pay of all persons |
| Example: (actual loss=$1,000) |
| |
| Person number 1 monthly basic pay=$1,200 |
| Person number 2 monthly basic pay=$2,400 |
| Person number 3 monthly basic pay=$3,600 |
| |
| Total monthly basic pay of all of the above=$7,200 |
| |
| $1,200 (Person Number 1)=.16667 x $1,000=$166.67 |
| $7,200 (Total Basic Pay) |
| |
| $2,400 (Person Number 2)=.33333 x $1,000=$333.33 |
| $7,200 (Total Basic Pay) |
| |
| $3,600 (Person Number 3)=.50000 x $1,000=$500.00 |
| $7,200 (Total Basic Pay) |
| |
| Total financial charge=$1,000.00 |

**STATEMENT OF CHARGES/CASH COLLECTION VOUCHER**

1. DATE: 8 Jan 2015

2. DOCUMENT/VOUCHER NUMBER: W6212F 5008-1021

3. ORGANIZATION: A Troop, 4th Cavalry Regiment, UIC: WAAABO

4. STATION: Fort Mile High, TX 12345-1234

5. DISBURSING OFFICE COLLECTION VOUCHER NUMBER: 012345-1245549

6. DISBURSING STATION SYMBOL NUMBER: ABCD-EF

7. ACCOUNTING CLASSIFICATION: 12345.67890

| STOCK NUMBER a. | ITEM DESCRIPTION b. | QTY c. | UNIT PRICE d. | TOTAL COST e. |
|---|---|---|---|---|
| 8465-01-115-0026 | Canteen 1 Quart (C69536) ($3.25) | 1 | 2.92 | 2.92 |
| 8365-01-753-6490 | Cover Canteen Cold Weather (F29960) ($3.25) | 1 | 2.95 | 2.95 |
| 8415-01-926-1674 | Gloves Barb Wire Handler (DAI587) ($14.10) | 2 | 12.69 | 25.38 |
| 8465-01-033-8057 | Sleeping Bag Universal Type 2 (T71706) ($115.95) | 1 | 104.35 | 104.35 |
| 8415-01-519-8599 | Coat Army Combat Uniform (C10345) (36.00) | 1 | 32.40 | 32.40 |
| 8415-01-519-8600 | Coat Army Combat Uniform (C10345) (36.00) | 1 | 32.40 | 32.40 |
| 8415-01-519-8601 | Coat Army Combat Uniform (C10345) (36.00) | 1 | 32.40 | 32.40 |
| 8415-01-519-8602 | Coat Army Combat Uniform (C10345) (36.00) | 1 | 32.40 | 32.40 |
| 8415-01-519-8603 | Coat Army Combat Uniform (C10345) (36.00) | 1 | 32.40 | 32.40 |
| 8415-01-519-8604 | Coat Army Combat Uniform (C10345) (36.00) | 1 | 32.40 | 32.40 |
| 8415-01-519-8605 | Coat Army Combat Uniform (C10345) (36.00) | 1 | 32.40 | 32.40 |
| 8415-01-519-8606 | Coat Army Combat Uniform (C10345) (36.00) | 1 | 32.40 | 32.40 |

8. TYPE OR ACTION *(Select one)*

| a. PAYROLL DEDUCTION | b. CASH COLLECTION | c. GRAND TOTAL |
|---|---|---|
| | X | 394.80 |

9. CERTIFICATION OF RESPONSIBLE INDIVIDUAL

I certify that my signature hereon constitutes

a. An authorization to recover the amount of the indebtedness through payroll deduction, if payroll deduction is checked. If cash collection is checked, I am remitting debt in cash.

b. An affirmation that the articles are not now in my possession.

c. An agreement to turn-in to the appropriate supply officer all articles later recovered, it being understood that the U.S. Government retains title to the articles listed hereon.

| d. RANK/ GRADE | e. NAME *(LAST, First, Middle Initial)* | f. SOCIAL SECURITY NUMBER | g. CAUSE FOR CHARGE | h. SIGNATURE | i. AMOUNT |
|---|---|---|---|---|---|
| SPC | Doe, John A. | 123-45-6789 | Lost Property | John A. Doe | 135.60 |

10. ORGANIZATION COMMANDER

The statements hereon are complete and correct. All damaged property has been disposed of in accordance with current directives and the charges have been computed in accordance with the provisions of AR 735-5, Appendix B.

11. DISBURSING OFFICER OR PAYROLL CERTIFYING OFFICER

The amount entered in grand total has been (FAO) check the appropriate action below.

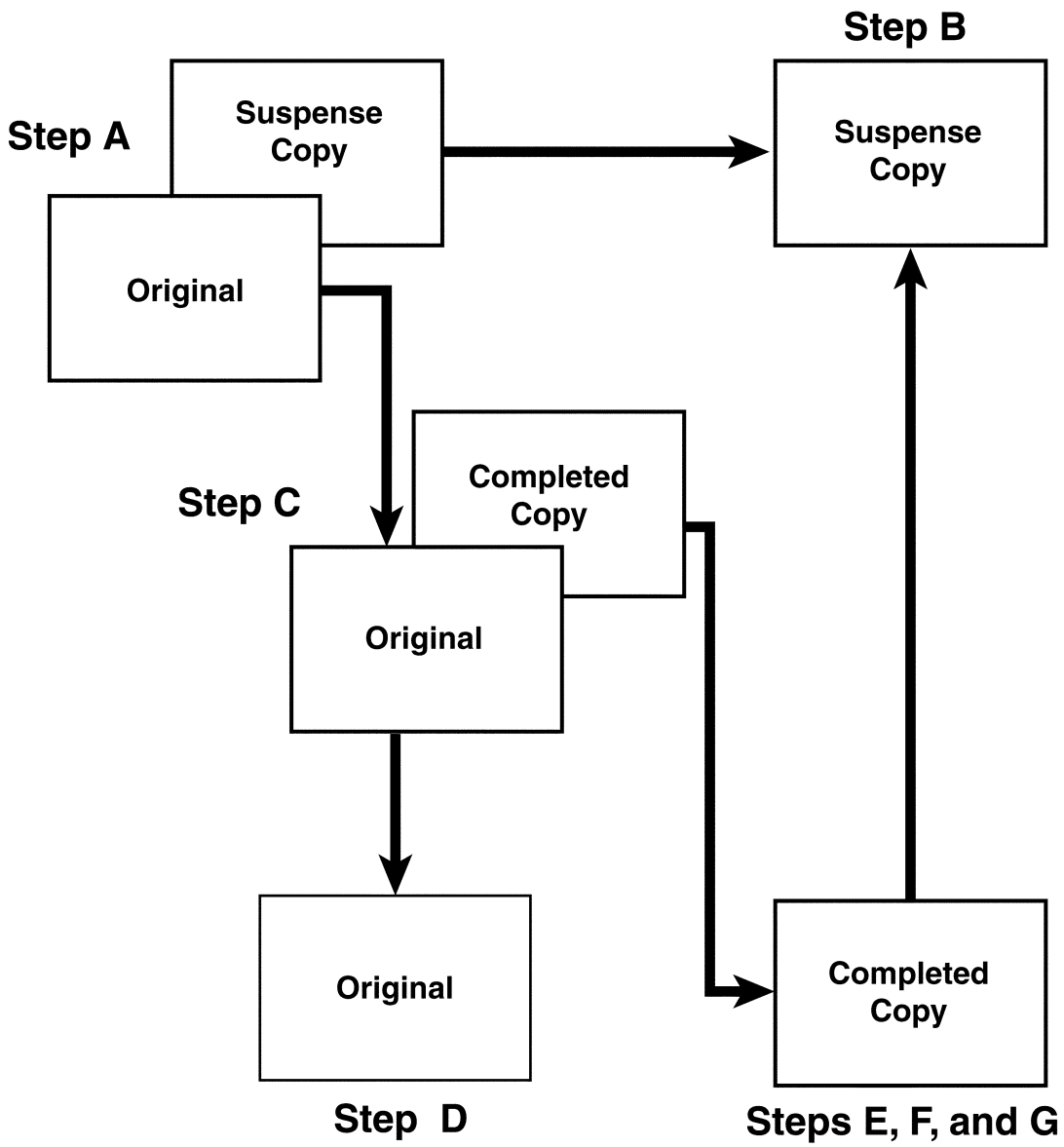
| | |
|---|---|
| | a. Entered on the appropriate pay record or payroll, or DD Form 139 has been prepared and forwarded for collection. |
| X | b. Remitted through cash collection. |

| a. DATE | b. SIGNATURE BLOCK/SIGNATURE | c. DATE | d. SIGNATURE BLOCK/SIGNATURE |
|---|---|---|---|
| 9 Jan 2014 | John B Doe, CPT, CAV, Commanding | 9 Jan 2014 | John C. Doe, MAJ, Finance |

**DD FORM 362, JUL 93** Previous edition may be used. Reset Adobe Professional 8.0

SAMPLE

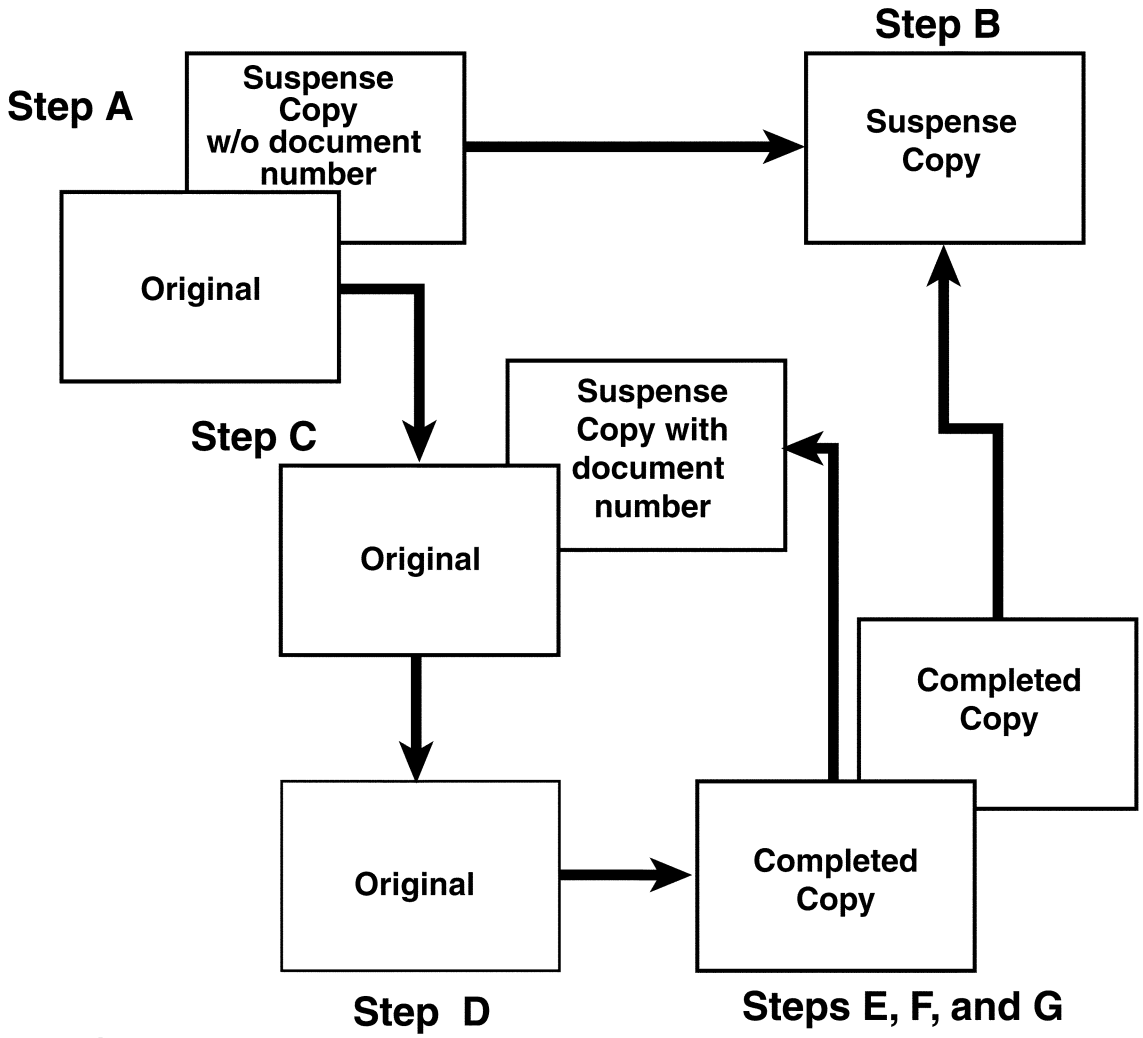
**Figure 12–5. Sample DD Form 362**




**Processing steps**

A. Prepare purchase authorization document and assign document number per paragraph 12-2. Make a copy.
B. Unit retains copy.
C. Forward original to the CIF and/or SSSC for processing.
D. CIF and/or SSSC annotates that purchase has been made, makes a copy for individual.
E. Completed copy carried by individual making purchase to unit.
F. Unit verifies that purchase has been made and makes copy. Copy provided to individual.
G. Accountability complete. Unit destroys suspense copy.

**Figure 12–6. Process flowchart for cash payment and/or purchase from central issue facility and/or self-service supply center**




**Processing steps**

A. Prepare DD Form 362. The commander will present the DD Form 362 to the individual for signature and their selection of type of payment (payroll deduction or cash collection) Unit makes a suspense copy.

B. Unit retains copy.

C. The person maintaining the document or voucher register will assign a document or voucher number and make a suspense copy for their file. No document number is assigned for damaged property.

D. Original are hand carried by individual charged or forwarded by the individual's commander to FAO under a transmittal memorandum with receipt acknowledgement requested.

E. FAO retains the original and makes a copy to send back to unit.

F. Unit sends a copy of the completed DD Form 362 to the person that assigned the document or voucher number who then destroys their suspense copy.

G. Accountability complete. Unit destroys suspense copy.

**Figure 12–7. Accounting process for DD Form 362**

## REQUEST FOR RECOVERY OF DEBT DUE THE UNITED STATES BY SALARY OFFSET

**PRIVACY ACT NOTICE**

**The data on this form is covered by the Privacy Act of 1974, as amended, 5 U.S.C. Section 552a.**

| **1. PAYING OFFICE IDENTIFICATION** | **2. EMPLOYEE IDENTIFICATION** | |
|---|---|---|
| a. NAME<br>Doe, John C. | a. NAME *(Last, First, Middle Initial)*<br>Doe, Rochelle A. | |
| b. ADDRESS *(Street, City, State and Zip Code)*<br>1234 Bright Street<br>Fort Belvoir, VA 22060 | b. ADDRESS *(Street, City, State and Zip Code)*<br>1234 Bright Street<br>Fort Belvoir, VA 22060 | |
| c. CONTACT NAME *(Last, First, Middle Initial)*<br>Doe, Susan B. | c. DATE OF BIRTH *(YYYYMMDD)*<br>19681115 | d. SOCIAL SECURITY NUMBER<br>123-45-6789 |
| d. E-MAIL ADDRESS<br>susan.b.doe@us.army .mil | e. TELEPHONE NO. *(DSN and Commercial)*<br>703-123-4568 | |

**To liquidate a debt to the United States, the named Creditor Component asks that the debt be collected as shown from the current pay of the employee identified above. Notices and inquiries concerning the debt should be sent to the address shown below.**

**3. DEBT INFORMATION**

| | | | | |
|---|---|---|---|---|
| a. REASON FOR DEBT<br>Loss of Government Property | | b. DATE RIGHT TO COLLECT ACCRUED *(YYYYMMDD)*<br>20140808 | | |
| | | c. DEBT IDENTIFICATION NUMBER, IF ANY<br>02 | | |
| d. ORIGINAL DEBT AMOUNT | $ 120.00 | e. NUMBER OF INSTALLMENTS | (1) @ | (2) Amount |
| f. INTEREST DUE *(If none, show N/A)* | $ 0.00 | 120 | 1.00 | $ 120.00 |
| g. PENALTY DUE *(If none, show N/A)* | $ 0.00 | 0 | 0.00 | $ 0.00 |
| h. ADMINISTRATIVE COST *(If none, show N/A)* | $ 0.00 | 0 | 0.00 | $ 0.00 |
| i. TOTAL COLLECTION TO BE MADE | $ 120.00 | j. COMMENCE DEDUCTIONS ON *(YYYYMMDD)* | 2010809 | |

**4. DUE PROCESS** *(X applicable items and either enter date action taken in Column (1) or X Column (2) or (3) and attach acknowledgement or consent.)*

| | | (1) Date Action Taken | (2) Acknow-ledgement | (3) Consent | | | (1) Date Action Taken | (2) Acknow-ledgement | (3) Consent |
|---|---|---|---|---|---|---|---|---|---|
| X | a. CREDITOR COMPONENT 30 DAY SALARY OFFSET NOTICE | 20150108 | X | | | d. HEARING HELD | | | |
| X | b. EMPLOYEE DID NOT RESPOND (Consent assumed) | 20150308 | | | X | e. DECISION FOR CREDITOR COMPONENT | 20150508 | | X |
| | c. EMPLOYEE REQUESTED A HEARING | | | | | f. OTHER *(Specify)* | | | |

**I certify the following:**
**(1) The debt identified above is properly due the United States from the named employee in the amount shown;**
**(2) This Agency's regulations implementing 5 U.S.C. 5514 have been approved by the Office of Personnel Management; and**
**(3) The information concerning this Component's and the employee's actions is correct as stated.**

**5. CREDITOR COMPONENT INFORMATION**

| | | |
|---|---|---|
| a. NAME<br>PM Night Vision | b. ADDRESS *(Street, City, State and Zip Code)*<br>568 Bright Street<br>PM Night Vision Fort Belvoir, VA 22060 | |
| c. CONTACT NAME *(Last, First, Middle Initial)*<br>Doe, Susan B. | d. E-MAIL ADDRESS<br>susan.b.doe@us.army .mil | e. TELEPHONE NO. *(DSN and Commercial)*<br>703-123-4568 |
| f. ACCOUNTING CLASSIFICATION *(Line of Accounting)*<br>09882.012974522.0134764646 | | |
| g. DOCUMENT NUMBER<br>W6212F 4225-0001 | | |
| h. CERTIFYING OFFICIAL | | |

| (1) Signature | (2) Date Signed *(YYYYMMDD)* | (3) Title | (4) Telephone No. *(DSN and Commercial)* |
|---|---|---|---|
| John A. Doe | 20150815 | Commander | 703-123-5689 |

**6. DFAS ACCOUNTING OFFICE**

| a. OFFICE, SYMBOL, AND PROCESSOR'S NAME | b. E-MAIL ADDRESS | c. TELEPHONE NO. *(DSN and Commercial)* | d. DATE *(YYYYMMDD)* |
|---|---|---|---|
| FINA-MON, Doe, Terry K | terry .k.doe@us.anny .mil | 703-659-3456 | 20150820 |

**DD FORM 2481, APR 2006** PREVIOUS EDITION IS OBSOLETE. Reset Adobe Professional 7.0

SAMPLE

**Figure 12–8. Sample of DD Form 2481**

# Chapter 13
# Financial Liability Investigations of Property Loss

## Section I
## General

### 13–1. Financial liability investigation of property loss versus the report of survey system

The financial liability investigation of property loss prescribed by DOD 7000.14–R replaces the report of survey system.

### 13–2. Purpose of a financial liability investigation of property loss

A DD Form 200 documents the circumstances concerning the loss or damage of Government property and serves as, or supports a voucher for adjusting the property from accountable records. It also documents a charge of financial liability assessed against an individual or entity, or provides for the relief from financial liability.

*Note.* For assessing liability for contractors refer to paragraph 14–13. The individual with direct responsibility will initiate the loss or damage process and submit it to the approving authority. The approving authority will forward the loss or damage documentation to the contracting officer that is monitoring the contract.

### 13–3. Mandatory initiation of a financial liability investigation of property loss

*a.* Initiate and process a financial liability investigation of property loss to account for lost, damaged, or destroyed Government property when one or more of the situations listed below exist. Table 12–1 and table 12–2 display these data in chart form, segregated for damaged property and lost or destroyed property. Process the DD Form 200 in accordance with the version of this regulation in effect at the time the loss, damage, destroy, or theft (LDDT) occurred. A DD Form 200 will be processed when—

(1) Negligence or willful misconduct is suspected as the cause, and the individual does not admit liability and refuses to make voluntary reimbursement to the Government for the full value of the loss less depreciation.

(2) The property lost, damaged, or destroyed involves a change of accountable officer's inventory and the outgoing accountable officer made no voluntary reimbursement for the full amount of the loss to the Government.

(3) The value of the admitted loss or damage exceeds the individual's monthly basic pay (military) or 1/12th of the annual salary of a civilian employee.

(4) The value of the damages or shortages in occupied Government quarters (real property and furnishings combined) or Government furnishings in non-Government quarters exceeds the individual's monthly basic pay.

(5) The total handling loss of a specific bulk petroleum product exceeds the allowable loss for that product, and the dollar value of the total loss exceeds $1,000 (see AR 710–2).

(6) Any controlled item is identified by a CIIC 1-6, 8, 9, N, P, Q, R, night vision devices and navigation systems (for example, Global Positioning System), investigate controlled inventory items lost or destroyed per AR 15–6. However, do not use the AR 15–6 investigation as authority to adjust property records or to assess financial liability. Process a DD Form 200 to accomplish either of these actions. There is no requirement to perform an additional investigation or assign a liability officer following an AR 15–6 investigation unless additional information is needed (see para 13–25). The loss of COMSEC, CHVP, or CCI also requires an incident report per TB 380–41. When possible, coordinate the submission of the loss report with the COMSEC custodian.

(7) Serial number changes for sensitive items will require the processing of a DD Form 200 and an AR 15–6 investigation if changes involve more than two characters.

(8) The loss or destruction involves public funds or other negotiable instruments and the individual does not voluntarily reimburse the Army for the loss.

(9) The loss involves public funds or other negotiable instruments and the value is $750 or greater.

(10) Required by higher authority or other DA regulatory guidance.

(11) Directed by an DA Form 444 approving authority.

(12) The loss or damage involves a GSA vehicle or a vehicle that was rented due to non-availability at the TMP and the administrative actions under paragraph 12–1*c* have not been taken.

(13) The loss is a recoverable item with a recoverability code of "D," "F," "H," or "L."

(14) The loss resulted from a fire, theft, or natural disaster.

(15) The total dollar value of Government owned vehicle damage loss exceeds $1,000.

(16) Soldier refuses to sign DD Form 362.

(17) Losses due to combat where equipment is determined captured, abandoned or a physical loss (no residue).

*b.* Paragraph 13–25 discusses the relationship between an investigation using the procedures in AR 15–6 and a DD

Form 200 using the procedures in this regulation. AR 190–11 contains mandatory requirements for initiating an AR 15–6 investigation for missiles and rockets, arms (including parts), ammunition, and explosives.

*c.* Do not use a AR 15–6 investigation or a DD Form 200 for ammunition at the stock record level unless the quantity lost or destroyed equals or exceeds those listed in AR 190–11. If the quantity lost or destroyed does not warrant an AR 15–6 investigation, prepare the adjustment document using inventory adjustment report procedures under the provisions of paragraph 14–34.

### 13–4. Related financial liability investigations of property loss

*a.* When property listed on more than one property account becomes lost, damaged, or destroyed in the same incident, initiate a separate DD Form 200 for each property account affected. Cross-reference the separate DD Form 200 to each other.

*b.* When the lost, damaged, or destroyed property is on the property records of the same account and the same document register, prepare only one DD Form 200.

### 13–5. Chain of command for processing financial liability investigations of property loss

Process a DD Form 200 through the chain of command for the individual responsible for the property at the time of the incident if the individual is subject to this regulation. When formalized support agreements require processing through other than the above, follow the requirements in the support agreement. When real property is damaged or destroyed, an information copy of DD Form 200 will be provided to the Director of Public Works or Directorate of Logistics at the conclusion of the initiation period.

### 13–6. Time constraints for processing financial liability investigations of property loss

Initiate and process DD Form 200 within a specific number of days, following the discovery of the loss or damage of Government property, as prescribed in paragraph 13–8. When delayed beyond the below listed processing times, the person responsible for the delay will prepare a written statement explaining the reason for the delay and attach it to the DD Form 200 as an exhibit. Total processing time equals the difference in days between the date of discovering the discrepancy (see DD Form 200, block 3) and the date the DD Form 200 is approved. The time used to notify the individual of the financial liability officer's recommendation and the approving authority's decision to hold the respondent financially liable per paragraph 13–34 and paragraph 13–42 are not included. Subtract one date from the other, less the time used to notify the individual, to determine the total processing time.

*a. Active Army.* Under normal circumstances, do not exceed 75 calendar days total processing time. Figure 13–1 depicts these time segments. Commanders may adjust the time segments shown in these figures downward at their discretion.

*b. U.S. Army Reserve and/or Army National Guard.* Under normal circumstances, do not exceed 240 calendar days total processing time. Figure 13–1 depicts the USAR and/or ARNG processing time segments. Commanders may adjust the time segments shown in these figures downward at their discretion.

*c. Contracting officers.* Under normal circumstances, do not exceed 120 calendar days total processing time.

### 13–7. Initiator of financial liability investigations of property loss

The initiator of a DD Form 200 will normally be the hand receipt holder, unit commander or agency head, the accountable officer, or the individual with the most knowledge of the incident.

### 13–8. Time constraints for initiation of financial liability investigations of property loss

Initiate financial liability investigations of property loss within the following time limits:

*a. Active Army.* The Active Army will initiate and present financial liability investigations of property loss to the appointing authority or approving authority as appropriate not later than 15 calendar days after the date of discovering the discrepancy. As an exception, financial liability investigations of property loss initiated to account for missing organizational clothing and individual equipment issued to Soldiers in an absent without leave status will be initiated and presented to the appointing authority or approving authority as appropriate on the day the Soldier is dropped from the rolls.

*b. U.S. Army Reserve and Army National Guard.* The USAR will initiate and present financial liability investigations of property loss to the appointing authority or approving authority as appropriate not later than 75 calendar days after the date of discovering the discrepancy. The ARNG will initiate and present financial liability investigations of property loss to the appointing authority or approving authority as appropriate not later than 75 calendar days after the date of discovering the discrepancy. All ARNG investigations will then be forwarded to the State USPFO who will serve as the final review authority.

**Investigation of Property Loss Time Segments**

Step 1
Investigation of Property Loss
Initiation Process

**Starts with the discovery of loss, damage or destruction**
-Preliminary search for the missing item(s)
-Identification of the missing, damage or destroyed items using Army Portion FEDLOG
-Gather dates and circumstances
-Initiation of the Financial Liability Investigation of Property Loss, DD Form 200
-Complete the narrative portion
-Get inquiry/investigation number assigned
-Get document/voucher number assigned
Provide the investigation of property loss to the appointing/approving authority

End the initiation process
15 days Active Army
75 days ARNG/USAR

Step 2
Investigation of Property Loss
Investigation and Recommendation Process

**Starts after the document/voucher number is assigned by the accountable officer and the investigation of property loss is provided to the appointing/approving authority**
-Appoint an investigation officer if deemed necessary
-Review the property records
-Release damaged equipment for repair
-Obtain statements
-Ascertain the facts
-Determine the proximate cause
-Calculate the actual loss
-Make recommendation
-If financial liability is recommended, notify individual(s)
-Consider respondent's rebuttal statement
-Provide to the approving authority

End of the investigation and recommendation process
30 days Active Army
85 days ARNG/USAR

Cumulative days (step 1 total days plus step 2 total days)
45 days Active Army
160 days ARNG/USAR

Step 3
Investigation of Property Loss
Adjudication Process

**Starts upon receipt by the approving authority from the Initiator, appointing authority, or the investigation officer as appropriate**
-Review by the approving authority
-If not already done, notify individual(s) of financial liability recommendation
-Jag review (when assessment of financial liability is sought)
Decision by the approving authority

End of the adjudication process
10 days Active Army
80 days ARNG/USAR

Cumulative days when investigating officer is assigned (step1 total days plus step 2 total days plus step 3 total days)
75 days Active Army
240 days ARNG/USAR

Cumulative days when investigation officer is not assigned (step 1 total days plus step 3 total days)
45 days Active Army
155 days ARNG/USAR

Step 4
Notify individual being charged

30 days Active Army
60 days ARNG/USAR

Step 5
Provide to FAO/USPFO for collection
Initiation Process

1 day Active Army
1 day ARNG/USAR

Note 1: Time used to notify the respondent of the investigation officer's recommendation to assess financial liability is not counted against the time constraints for step 2.
Note 2: Time used to notify the respondent of the approving authority's recommendation to assess financial liability is not counted against the time constraints for step 3.
Note 3: Should the JAG review take longer than 14 days, remainder of the time is not counted against the time constraints in step 3.
Note 4: ARNG and USAR units that have been mobilized will use the active duty time constraints.

**Figure 13–1. DD Form 200 processing time segments**

## 13–9. Basic requirements for DD Form 200

*a.* Prepare DD Form 200 in original and as many copies as the local command prescribes (see fig 13–2). Prepare an additional copy when any of the individuals mentioned in DD Form 200, block 9, are within 6 months of termination of their service or employment. This copy will be provided to the installation FAO.

*b.* When it becomes known that there will be a requirement to prepare a DD Form 200 to investigate the loss of Government property, a DA Form 7531 (Checklist and Tracking Document for Financial Liability Investigations of Property Loss) will be prepared with elements in part A completed as events occur. When the DD Form 200 is prepared, it will be attached to DA Form 7531, which will be used as a checklist and for tracking events as they occur (see fig 13–3 for a sample of DA Form 7531).

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED *(YYYYMMDD)* |
|---|---|---|
| 20151001 | 2AWAB0-15-01 | 20150930 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| C10345<br>8415-01-519-8599 | Coat Army Combat Uniform Large Regular | 1 | 36.00 | 36.00 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

[x] Lost [ ] Damaged [ ] Destroyed
[ ] Organization [ ] Installation [ ] OCIE

SGT John A. Doe was missing one each ACU coat at the shift change inventory. No coats were issued during e shift on 29-3September 2014, therefore the missing coat is lost. SGT Doe stated that someone must have stolen it during the night.

Exhibit A through F

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times.

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | b. TYPED NAME *(Last, First, Middle Initial)* | c. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 34th Engineer Battalion<br>Fort Knox, KY 401 | Doe, Merlin X., SSG, Squad Leader | 315-123-4569 |
| | d. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | e. DATE SIGNED<br>20151001 |

**12.** *(X one)* [x] **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** [ ] **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

| a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)* | b. COMMENTS/RECOMMENDATIONS |
|---|---|
| [ ] YES [x] NO | Request investigation to ensure all policy and procedures were followed. |

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A., CPT, Commanding | 315-456-8132 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151115 |

**13. APPOINTING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)* |
|---|---|---|
| [x] APPROVE<br>[ ] DISAPPROVE | Recommend approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government equipment. | [x] YES [ ] NO |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Shanna Y., LTC Commanding | 315-456-8132 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151115 |

**14. APPROVING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)* |
|---|---|---|
| [x] APPROVE<br>[ ] DISAPPROVE | Approved to hold SGT John A. Doe, financially liable in the amount entered in block 15d. SGT Doe's basic pay at the time of loss was $2,146.00 | [x] YES [ ] NO [ ] N/A |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Dean S. III, COL, Commanding | 315-159-000 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151205 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 13–2. Sample DD Form 200 only one item**

**15. FINANCIAL LIABILITY OFFICER**

a. FINDINGS AND RECOMMENDATIONS *(Attach additional pages as necessary)*

Add Page

I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU coat was lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.
SSG Zoe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately ten airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.

On the night of 29 September 2014, SGT Doe released everyone to go to chow at 2200hrs. He was the only one from the detail left on the airfield. After all had left for chow, SGT Doe went to the. back room to use the computer to read and send some e-mails. He did not leave anyone to watch the supplies out on the floor. He did not have eyes on the supplies while in the back room. SGT Doe admits to staying in the room until everyone returned from chow.

At the morning shift detail inventory, it was discovered that a large regular ACU coat was missing. None of the detail admitted to taking the ACU coat. All airfield personnel were interviewed but none admitted to knowing or seeing the thief. It was likely stolen during the time the items were unguarded, between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.
SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.
The ACU coat was not depreciated as it was new when it was determined missing.

Recommended that SGT John A. Doe be held liable in the amount of $36.00 and all others be relieved of responsibility for the lost item. SGT Doe's base pay at the time of loss was $2,146.00.

Exhibit A through M attached.

| b. DOLLAR AMOUNT OF LOSS | c. MONTHLY BASIC PAY | d. RECOMMENDED FINANCIAL LIABILITY |
|---|---|---|
| 36.00 | 0.00 | 36.00 |

| e. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | f. TYPED NAME *(Last, First, Middle Initial)* | g. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe Joel B. 1L T | 315-723-6745 |
| | h. DATE SUBMITTED TO APPOINTING AUTHORITY *(YYYYMMDD)* 20151030 | i. DATE APPOINTED *(YYYYMMDD)* 20151010 |
| | j. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | k. DATE SIGNED<br>20151029 |

**16. INDIVIDUAL CHARGED**

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND *(X one)*

[ ] Submit the attached statement of objection. [X] Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 2nd Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A. | 315-985-4568 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151116 |

**17. ACCOUNTABLE OFFICER**

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

W6212F 5284-1010

| b. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | c. TYPED NAME *(Last, First, Middle Initial)* | d. DSN NUMBER |
|---|---|---|
| EUSA-BD-PBO<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Reginald A. | 315-549-7135 |
| | e. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | f. DATE SIGNED<br>20151010 |

**DD FORM 200 (BACK), JUL 2009**

Reset

SAMPLE

**Figure 13–2. Sample DD Form 200 only one item–Continued**

**CHECKLIST AND TRACKING DOCUMENT FOR FINANCIAL LIABILITY INVESTIGATIONS OF PROPERTY LOSS**

For use of this form, see AR 735-5; the proponent agency is DCS, G-4.

To: Accountable Officer
1. Doe, Reginald A., CW2

To: Approving Authority
2. Doe, Dean S. IIL, COL

To: Financial Liability Officer
3. Doe, Joel B., ILT

To: Approving Authority
4. Doe, Dean S. III., COL

To: Staff Judge Advocate
5. Doe, Robert Z., COL

To: Approving Authority
6. Doe, Dean S. IIL, COL

***(A) Complete When a Loss is Discovered***

Date loss was discovered 20151001 Originating Unit A Company 234th Engineer Battalion

Preliminary search for item began 20151001 Preliminary search for item ended 20151011

Date assigned document number 20151010 Date assigned inquiry/investigation number 20151001

***(B) Initiator*** *(Blocks 1 and 3 through 11 are completed by the individual initiating the investigation of property loss. I Normally this will be the hand receipt holder or the accountable officer. When the hand receipt holder or accountable officer is not available, the person with the most knowledge of the incident causing the loss will initiate the financial liability investigating of property loss.)*

| | | | |
|---|---|---|---|
| Block 1. | Has the date the investigation of property loss initiated been entered? | Yes X | No |
| Block 3. | Has the date the loss was discovered been entered? | Yes X | No |
| Block 4. | Has the correct stock number(s) been entered? If more than one, use a continuation sheet per figure 13-5. For items with a line item number (LIN), enter the LIN and for those items with a reportable item control code (RICC) of, 2, A, B, C or Z, enter the RICC. | Yes X | No |
| Block 5. | Has the correct nomenclature(s) been entered, to include serial numbers if items have serial numbers? For damaged property, enter the cost of repair or the estimated cost of repair if actual cost is not available. Use continuation sheet when the loss to be investigated involves more than one item. | Yes X | No |
| Block 6. | Has the quantity of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary. | Yes X | No |
| Block 7. | Has the unit cost of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary. | Yes X | No |
| Block 8. | Has the total cost of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary. | Yes X | No |
| Block 9. | Has an accurate and concise statement of facts surrounding the loss been entered? Statement should identify as much as possible what happened, how it happened, where it happened, who was involved, when it happened and any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of the property. | Yes X | No |
| Block 10. | Has a recommendation been entered by the initiator? Recommendations may be entered by the commander, accountable officer, and when appropriate by the financial liability investigating officer. | Yes X | No |
| Block 11. | Has the individual who completed blocks 1 and 3 through 10, completed blocks 11a through 11e? | Yes X | No |
| Block 12. | Has the responsible officer or the reviewing authority completed blocks 12 through 12g? | Yes X | No |

Attach the financial liability investigation of property loss to this checklist and tracking document, and forward to the accountable officer or person maintaining the expendable/durable document register for assignment of a document/voucher number.

***(C) Accountable Officer*** *(Block 17 is completed by the accountable officer or person maintaining the expendable or durable document register prior to forwarding the investigation to the appointing authority or approving authority as appropriate.)*

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SAMPLE

**Figure 13–3. Sample checklist and tracking document for financial liability investigations of property loss page**

| | | | | |
|---|---|---|---|---|
| Block 17. | Has the accountable officer completed blocks 17a through 17f showing the assignment of a document number or voucher number to the financial liability investigation of property loss for lost and destroyed property? For damaged property, a document number is not assigned. | Yes ☒ | No ☐ | N/A ☐ |
| ***(D) Appointing Authority or Approving Authority as Appropriate*** *(Leave blocks 13a and 13d through 13h blank at this time. These blocks are completed after the investigation is completed to show whether the appointing authority approves of the financial liability officer's findings and recommendations. When an appointing authority has not been designated, these blocks will be left blank.)* | | | | |
| Block 13c. | Has the appointing authority or the approving authority as the appropriate completed block 13c indicating whether an financial liability officer is appointed? When a financial liability officer is appointed, use a memorandum as described in figure 13-12; when an AR 15-6 financial liability officer is appointed use, an appointment memorandum in accordance with AR 15-6, paragraph 2-1b. | | Yes ☒ | No ☐ |
| ***(E) Financial Liability Officer*** *(Block 15 is completed by the financial liability officer prior to returning the investigation to the appointing authority or approving authority as appropriate.)* | | | | |
| Block 15a. | The financial liability officer's findings and recommendations are recorded here. In conducting the financial liability investigation of property loss has the financial liability officer-- | | | |
| | o Scrutinized all available evidence. | | Yes ☒ | No ☐ |
| | o Interviewed witnesses and secured statements from individuals concerning:<br>oo The cause of the loss or damage.<br>oo The responsibility for the loss or damage. | | Yes ☒ | No ☐ |
| | o Compiled evidence substantiating or refuting any statement in block 9, DD Form 200. | | Yes ☒ | No ☐ |
| | o Physically examined the damaged property, when available, and released it for repair or disposal. This should be done on the first day of the financial liability officer's appointment. | Yes ☐ | No ☐ | N/A ☒ |
| | o Consulted with the appointing/approving authority as appropriate for guidance, when needed. | Yes ☒ | No ☐ | N/A ☐ |
| | o Determined the amount of damage, if property was damaged. This value may be the actual cost of repairs or an estimated cost of the repairs obtained from technical manuals or other reliable sources. Determine the value of the property immediately before it was damaged if the property is not economically repairable. The accountable officer may be asked to assist if he or she has not been directly involved. | Yes ☐ | No ☐ | N/A ☒ |
| | o Has action been taken to exercise control over the property recovered during the investigation? | Yes ☒ | No ☐ | N/A ☐ |
| | o Has the total loss to the government been computed correctly? | Yes ☒ | No ☐ | N/A ☐ |
| | o Has the financial liability officer coordinated this investigation with the claims investigating officer when the investigation covers the loss, damage or destruction of Government property that is being, has been, or shall be investigated because of attendant events by a claims financial liability officer. This includes cases where military personnel or civilian employees, while driving a privately owned vehicle, damage Government property and have insurance to pay for part of the loss. | Yes ☒ | No ☐ | N/A ☐ |
| | o Ensured that individuals being recommended for a possible charge of financial liability are aware of their rights. | Yes ☒ | No ☐ | N/A ☐ |
| | o Request individual(s) to acknowledge their understanding of their rights by completing block 16, DD Form 200. | Yes ☒ | No ☐ | N/A ☐ |

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SAMPLE

**Figure 13–3. Sample checklist and tracking document for financial liability investigations of property loss page–Continued**

| | | | | |
|---|---|---|---|---|
| | o If appropriate, prepare a statement that individual recommended for a charge of financial liability refused to sign block 16g, DD Form 200, after being given the opportunity.<br>oo A full explanation of the person's rights shall be included and a reply shall be requested.<br>oo If the reply is not received within 30 days after the date of mailing, the financial liability officer shall record this fact and take action to complete the DD Form 200. This record of fact shall be included in, or appended to, the DD Form 200.<br>oo Any reply received after the expiration of 30 days shall be forwarded through the same channels as the DD Form 200, form attachment to the original DD Form 200.<br>o Was consideration given to any new evidence received after a recommendation was made? If the financial liability recommendation remains unchanged, the financial liability officer shall note that the added evidence was considered and provide the rationale for not changing the decision. The notation shall be on all copies of the report immediately following the original recommendation If the financial liability officer makes a change in the original recommendations because of the new evidence, the financial liability officer shall record such change as "Amended Recommendations." These recommendations should be recorded immediately after the original recommendations. | Yes ☒ | No ☐ | N/A ☐ |
| Block 15b. | Has the dollar amount of the loss been entered by the financial liability officer? | Yes ☒ | No ☐ | N/A ☐ |
| Block 15c. | When a charge of financial liability is being recommended, has the monthly basic pay of the respondent been entered? | Yes ☒ | No ☐ | N/A ☐ |
| Block 15d. | When a charge of financial liability is being recommended, has the recommended amount of financial liability been entered? | Yes ☒ | No ☐ | N/A ☐ |
| Blocks 15e-15k. | Self explanatory. | Yes ☒ | No ☐ | N/A ☐ |
| On completion of the investigation, the financial liability officer forwards the completed DD Form 200 with all exhibits to the approving authority. When the approving authority has designated an appointing authority, the financial liability officer forwards the completed investigation to the appointing authority. | | | | |
| ***(F) Appointing Authority*** *(Block 13 is completed by the appointing authority when one has been designated by the approving authority. When an appointing authority has not been designated, block 13a through b and d through f are left blank.)* | | | | |
| Block 13a. | On completion of the appointing authority's review of the financial liability investigation of property loss, a recommendation is made to either approve or disapprove the financial liability officer's findings and recommendations. | Yes ☒ | No ☐ | N/A ☐ |
| Block 13b. | The appointing authority's rationale for the decision reached in block 13a is entered in block 13b. | Yes ☒ | No ☐ | N/A ☐ |
| Block 13c. | This block was previously completed, as indicated in ***(D)*** above. | Yes ☒ | No ☐ | N/A ☐ |
| Blocks 13c-13h. | Self explanatory. | Yes ☒ | No ☐ | N/A ☐ |
| On completion of block 13, the financial liability investigation of property loss is either --<br>o Returned to the financial liability officer for additional investigation or documentation of findings and recommendation, or<br>o Forwarded to the approving authority. | | | | |
| ***(G) Approving Authority*** *(This set of blocks is completed by the approving authority to show the approving authority's preliminary decision after the approving authority's initial review of the financial liability officer's findings and recommendations.)* | | | | |

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SAMPLE

**Figure 13–3. Sample checklist and tracking document for financial liability investigations of property loss page–Continued**

| | | | | |
|---|---|---|---|---|
| Block 14a. | On completion of the approving authority's initial review of the financial liability officer's findings and recommendations, has the approving authority indicated his or her approval or disapproval of the financial liability officer's findings and recommendations?<br>o If the financial liability officer has recommended that all persons be relieved of responsibility and accountability for the loss and the approving authority agrees with the financial liability officer, the approving authority may approve the financial liability investigation of property loss and close the investigation, per AR 735-5, paragraph 13-39g(3).<br>o If the financial liability officer has recommended that person(s) be charged with financial liability for the loss, and the approving authority agrees with the financial liability officer, the approving authority must forward the financial liability investigation of property loss to the supporting Office of the Staff Judge Advocate for legal review prior to making a final decision, per AR 735-5, paragraph 13-40d.<br>o When the approving authority makes a decision contrary to the recommendations of the investigating officer or AR 15-6 financial liability officer, either to relieve all concerned from financial liability or assess financial liability against a new individual, this decision is entered in block 14a(1) with appropriate comments in block 14b, per AR 735-5, paragraph 13-40d(2). | Yes ☒ | No ☐ | N/A ☐ |
| Block 14b. | Has the approving authority entered his or her rationale for the initial decision shown in block 14a? When a decision to charge an individual(s) with financial liability, comments should be entered stating who the respondent is and the amount of financial liability to be assessed. | Yes ☒ | No ☐ | N/A ☐ |
| Block 14c. | Has the approving authority indicated whether a legal review is necessary? A legal review is required when --<br>o A charge of financial liability is recommended.<br>o The recommendations appear to be inconsistent with the findings. | Yes ☒ | No ☐ | N/A ☐ |
| Blocks 14d-14h. | Self explanatory | Yes ☒ | No ☐ | N/A ☐ |

On completion of block 14, when the approving authority decides to approve a charge of financial liability, he or she must forward the financial liability investigation of property loss to the supporting Office of the Staff Judge Advocate for legal review prior to making the final decision to assess financial liability.

***(H) Staff Judge Advocate***

When financial liability is recommended, or when recommendations appear to be inconsistent with the financial liability officer's findings, a judge advocate or civilian attorney must review the findings and recommendations and provide an opinion on the adequacy of the evidence and its relationship to the findings and recommendations. This legal review will be attached to the financial liability investigation of property loss as an exhibit. On completion of the legal review, the financial liability investigation of property loss will be returned to the approving authority.

***(I) Approving Authority*** On receipt of the financial liability investigation of property loss containing a legal review from Staff Judge Advocate, the approving authority will conduct a final review of the financial liability officer's findings and recommendation together with the Staff Judge Advocate's legal review and make a final decision concerning the charge of financial liability.

o When a decision is reached to charge an individual with financial liability, the approving authority notifies the respondent by memorandum per AR 735-5, paragraph 13-42a. See AR 735-5, paragraph 13-43 addressing actions required when a respondent submits a request for reconsideration.

o When a decision is reached to relieve all concerned of accountability and responsibility for the loss, investigation will be closed out per AR 735-5, paragraph 13-40e.

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SAMPLE

**Figure 13–3. Sample checklist and tracking document for financial liability investigations of property loss page–Continued**

## 13–10. Preparation requirements for DD Form 200

*a.* Signatures will be entered by pen when DD Form 200 is manually prepared. When DD Form 200 and associated documents are electronically produced, electronic and/or digital signatures may be used. Final file copies must be maintained in hard copy.

*b.* The initiator prepares DD Form 200, block 1 and blocks 3 through 11 per figure 13–4 instructions in paragraph 13–10*d*, except when an AR 15–6 investigation is conducted.

(1) When more than one item is lost, damaged, or destroyed, the national stock number (NSN) (block 4), the quantity (block 6), and unit cost (block 7) will remain blank. Enter "See add page" in the item description (block 5). The total cost (block 8) will be computed by summing together the quantity of each item multiplied by the unit price. If the loss or damage involves more than one item, add you can put one item on the front page but ensure you type see added page, the grand total will be placed on the added page in the grand total block (see figs 13–4 and 13–5).

(2) If the loss or damage involves a component, list the component item in block 5 (Item description) and identify the end item in which it is a component (see fig 13–6).

(3) Unit price (block 7) or on added page will be the price contained in the FEDLOG in effect at the time of the loss. When a price is not available in FEDLOG, use the current fair market price of a similar item; otherwise, estimate the price and attach the basis for the estimate to the DD Form 200 as an exhibit. Do not compute the depreciation at this time; the financial liability officer will compute it in accordance with paragraph 13–32*d*(2).

*(a)* For subsistence sales accounts, obtain unit prices from the TISA or the commissary price list in effect at the time of the loss.

*(b)* Do not use reduced prices available to some members of private organizations.

*(c)* For leased property that is damaged, enter the word "Leased;" it is not necessary to enter the unit price for damaged leased property.

(4) Total cost (block 8) equals the quantity, multiplied by the unit price or the grand summed total of the quantity times the unit price from the added page when there are multiple items. For damaged property, enter the estimated cost to repair the damaged property in parenthesis in block 5, following the description of the damaged property.

(5) Block 9 will contain a description of the events leading to the loss or damage of Government property, with an explanation of how it happened, when it happened, and who was involved, omitting personal opinions and conjectures. The description will provide enough detail to determine the proximate cause of the loss or damage if possible. Show all persons directly concerned by name and grade. The description of the facts must be detailed enough to enable the appointing authority or the approving authority to make a determination of whether relief from, or assessment of financial liability will be sought without appointment of a financial liability officer, or that an investigation by a financial liability officer is required. The initiator of a DD Form 200 must prepare a thorough document in recognition that an investigation by a financial liability officer represents a significant expenditure of time and effort. It may be necessary for the initiator to obtain statements from individuals who were witnesses or who have knowledge of the incident resulting in the loss. If so, the initiator will ensure—

*(a)* The statements are prepared on DA Form 2823 (Sworn Statement) to record the statements. If the initiator believes a person providing a statement must be informed of any rights under the UCMJ, Art. 31b, prior to questioning, the initiator will consult with the servicing office of the staff judge advocate for advice on how and when the rights will be rendered.

*(b)* The statements are typed or printed legibly by the individual making the statement in black or blue ink. When DA Form 2823 is not available, plain bond paper or ruled paper with the word "certificate" printed or typed across the top may be used in lieu of the DA Form 2823 to record the statement.

*(c)* The person making the statement dates and signs the statement and/or certificate. Electronic and/or digital signature may be used if DA Form 2823 is electronically produced.

*(d)* The statements are lettered alphabetically at the bottom of the statement or certificate, followed with the date, amount, and organization as shown on the face of the DD Form 200. Example: "Exhibit A, DD Form 200, 18 May 2013, $375.00, Co Z, 906th Signal Battalion." Other exhibits such as an estimated cost of damage (ECOD), military police report, and hand receipt, will also be identified as exhibits as shown above.

*(e)* The statements are prepared in original and as many copies as prescribed by the local command. The original statement or certificate will be attached to the original of the DD Form 200. When copies of the DD Form 200 are required, copies of the statements will be attached to the copies of the DD Form 200.

(6) Except as authorized in paragraph 14–14, the initiator will not alter any part of DD Form 200, blocks 4 through 10, or any exhibit. The person preparing a statement may make minor corrections providing they initial the change(s).

(7) Figure 14–2 shows a sample DD Form 200 used to account for property that has been abandoned.

(8) Figures 13–4, 13–5, and 13–7 show a sample of an added page for blocks 4 through 8 and block 9, respectively.

(9) Have the person providing the statements in blocks 9 and 10 complete and sign block 11. If blocks 9 and 10

were completed by the responsible officer or reviewing authority, leave block 11 blank. Electronic and/or digital signature may be used if DD Form 200 is electronically produced.

(10) Leave blocks 13 through 16 blank.

*c.* Initiating a DD Form 200 resulting from an AR 15–6 investigation. When the loss of Government property is discovered during the conduct of an AR 15–6 investigation, a DD Form 200 must be initiated to adjust the property records and to assess financial liability, when appropriate. The initiator will do the following:

(1) *Blocks 1 through 8.* Prepare the DD Form 200 in accordance with figure 13–4. If the investigation involves more than one item, prepare blocks 1–8 in accordance with paragraph 13–10*b*(1).

(2) *Block 9.* Insert the words, "See AR 15–6 investigation." Identify the location of the AR 15–6 investigation if not attached as an exhibit due to security classification.

*d.* Instructions for DD Form 200 is as follows:

(1) *Block 1. Date intiated.* Date initiated (YYYMMDD). Enter the date the investigation of property loss is prepared. The date of 26 May 2014 is recorded as 20140526.

(2) *Block 2. Inquiry and/or investigation number.* Enter the approving authority's UIC, followed by a dash and two digit year of initiation, followed by another dash and the approving authority's consecutive numbering system. For example, WAH8AA–08–A–21, this UIC does not change if the approving authority is changed to account for final losses of $100,000 or greater or final losses of controlled items.

(3) *Block 3. Date loss discovered (YYYYMMDD).* Enter the date the loss or damage was discovered. The date 24 May 2014 is recorded as 20140524.

(4) *Block 4. National stock number.* Enter the NSN or management control number (MCN) or other identification numbers of the item described in block 5. For end items assigned a line item number (LIN) or nonstandard line item number, enter the LIN and/or nonstandard line item number above, adjacent, or below the NSN and/or MCN. When items listed on the DD Form 200 are totally destroyed, meaning that there is no residue to turn-in, enter the words "No Residue." If there is more than one item to list on the DD Form 200, you can put one item on the front page but ensure you type see added page. The grand total for a DD Form 200 with more than item will be totaled on the added page.

(5) *Block 5. Item description.* Enter the nomenclature of the item lost, damaged or destroyed. If the items are nonstandard, give a description accurate enough for their identification. When the item involved has been assigned a serial number, include the item's serial number in this block. For damaged property, enter ECOD in parenthesis in this block following the description of the damaged property if the actual cost of damage (ACOD) is not available. Also describe lost or damaged component parts as components, and list the end item they belong (see fig 13–6). (If there is more than one item to list on the DD Form 200, list the first item on the front page and type see added page in the description block) (see fig 13–4).

(6) *Block 6. Quantity.* Enter the number of item(s) lost, damaged or destroyed. If there is more than one item to list on the DD Form 200 blocks 4, 6, and 7 will remain blank. Type see added page. The grand total for a DD Form 200 with more than item will be totaled on the added page.

(7) *Block 7. Unit cost.* Enter the price as shown in FEDLOG in effect at the time of loss or destruction. When a price is not available in FEDLOG, us the current market price of a similar item; otherwise estimate to the investigation of property loss. For damaged items, do not record the repair cost in this column and instead leave this block blank. If there is more than one item to list on the DD Form 200, you can put one item on the front page but ensure you type see added page. The grand total for a DD Form 200 with more than item will be totaled on the added page.

(8) *Block 8. Total cost.* Enter the total cost of all property identified as lost or destroyed in blocks 4 and 5 and or all added pages. Total cost is computed by multiplying the unit price (block 7) of each item listed by the quantity (column 6). For damaged property, record the ACOD. If the ACOD is not available, no total cost is recorded and this block is left blank. The ECOD is recorded in block 5 following the description of the item. If there is more than one item to list on the DD Form 200, you can put one item on the front page but ensure you type see added page attached. The grand total for a DD Form 200 with more than item will be totaled on the added page.

(9) *Block 9. Circumstances under which property was (X one).* Place an X in the appropriate box identifying whether the property was lost, damaged, or destroyed. Enter a complete and accurate statement of facts in the case, including the date of discovery and the date and place of actual loss, damage explaining the difference must be explained. Show all persons directly concerned by name and grade refer to exhibits by the capital letter designation assigned according to paragraph 13–10*a*(5). Show all exhibits initially attached; for example "exhibit A through D attached." If space on the form is insufficient, added page may be used. If added pages are used, list their use by entering, "see added page(s) attached" in the block (see fig 13–7).

(10) *Block 10. Actions taken to correct circumstances reported in block 9 and prevent future occurences.* Initiators (hand receipt holders or accountable officers) and when appropriate the investigating officer enters what actions have been initiated or what action they recommend be taken to preclude further losses or damage of the equipment type identified in this investigation. If space on the form is insufficient, added pages may be used. If added pages are used, list their use by entering "see added page(s) attached" in this block.

(11) *Block 11. Individual completing blocks 1 through 10.* If the responsible officer completed blocks 1 through 10, leave blank. Otherwise complete as follows:

*(a) Organization address (unit designation, office symbol, base, state and/or country, and zip code).* Enter the office system and unit and/or organizational address of the individual who completed blocks 1 and 3 through 10.

*(b) Typed name (last, first, middle intial).* Enter the full name, rank, and position of the individual that completed blocks 1 and 3 through 10.

*(c) Defense switched network number.* Enter the telephone number of the individual identified in block 11b.

*(d) Signature.* The individual identified in block 11b enters their signature. Electronic and/or digital signature may be used if DD Form 200 is electronically produced.

*(e) Date signed.* Enter the date the individual identified in block 11b signed in block 11d. The date for 26 May 2014 is entered as 20140526.

(12) *Block 12. (X one).*

*(a) Responsible officer (property record items).* For losses, damage, or destruction of property at the using unit level check responsible officer (individual assigned direct responsibility). By virtue of assignment, the responsible officer is usually a PBO or other accountable officer, a unit commander, or head of an activity and has been formally assigned to their position in writing.

*(b) Reviewing authority (supply systems stocks).* For losses, damage, or destruction of property at the supply support activity (SSA), check reviewing authority.

*(c) Negligence or abuse evident and/or suspected (X one).* The responsible officer or the reviewing authority as appropriate, checks the "yes" or "no" block indicating whether negligence or willful misconduct is suspected. In the event negligence or willful misconduct is suspected, the commander's rationale for determining why further investigation is warranted will be documented in writing in block 12b.

*(d) Comments and/or recommendations.* Enter the rationale for the determination made in block 12a and recommendations. Show all exhibits initially attached; for example "Exhibits A through D attached." If space on the form is insufficient, added pages may be used. If added pages are used, list their use by entering "see added page(s) attached" in this block (see fig 13–2).

*(e) Organizational address (unit designation, office symbol, base, state and/or country, zip code)* Enter the office symbol, UIC, unit and/or organizational address of the responsible officer or the reviewing authority, as appropriate.

*(f) Typed name (last, first, middle initial).* Enter the full name, rank and position of the responsible officer or the reviewing authority, as appropriate.

*(g) Defense switched number.* Enter the telephone number of the individual identified in block 12d.

*(h) Signature.* The responsible officer or reviewing authority as appropriate enters their signature. Electronic and/or digital signature may be used if DD Form 200 is electronically produced.

*(i) Date signed.* Enter the date the individual identified in block 12b signed in block 12f. The date for 26 May 2014 is entered as 20140526.

(13) *Block 13. Appointing authority.* An appointing authority, when designated, initially makes a decision based upon the available evidence whether to appoint a financial liability investigating officer by choosing the correct block in 13c. If an investigating officer is required, the appointing authority completes a memorandum appointing the financial liability investigating officer or AR 15–6 investigating officer (see fig 13–8). Following the investigation or if no further investigation is required, the appointing authority completes blocks 13a–b and 13d–g.

*(a) Recommendation (X one).* The appointing authority, when used, makes a recommendation to approve or disapprove the findings in blocks 9 and 10 or following an investigation, whether to approve or disapprove the financial liability investigating officer's findings. If an appointing authority is not used, no block is checked.

*(b) Comment and/or rationale.* The appointing authority determines, upon receipt or following completion of an investigation, if financial liability should be assessed. When there is no evidence of negligence or willful misconduct, the appointing authority can recommend that all persons be relieved of financial liability. If the appointing authority can establish from information in blocks 9 through 10 and the attached exhibits that negligence or willful misconduct was the proximate cause of loss or damage, and a financial liability investigating officer is not used, the appointing authority must perform specific actions that the financial liability investigating officer would have done (see para 13–23). Following an investigation, the appointing authority enters his or her rationale, to justify the checked approved or disapproved in block 13a. If space on the forms is insufficient, added pages may be used. If added pages are used, list their use by entering "see added page(s) attached" in this block. If no appointing authority is used, this block will remain blank.

*(c) Financial liability officer appointed (X one).*

*1.* Yes.

*2.* No.

*(d) Responsible officer.* Upon receipt from the responsible officer or reviewing authority, the appointing authority, if used, or the approving authority makes a determination whether a financial liability investigating officer is to be appointed by checking the appropriate box. If an AR 15–6 financial liability investigating officer is to be appointed, the yes block will be checked and AR 15–6 will be hand written in on the form.

*(e) Organizational address (unit designation, office, symbol, base, state and/or country, zip code).* Enter the office

symbol, UIC, unit and/or organizational address of the appointing authority if used. In no appointing authority is used, this block will remain blank.

*(f) Typed name (last, first, middle initial).* Enter the full name, rank, and position of the appointing authority, if used. If no appointing authority is used, this block will remain blank.

*(g) Defense switched number*. Enter the telephone number of the appointing authority if used. If no appointing authority is used, this block will remain blank.

*(h) Signature.* The responsible officer or reviewing authority as appropriate enters their signature. Electronic and/or digital signature may be used if DD Form 200 is electronically produced.

*(i) Date signed.* Enter the date the individual identified in block 13g. The date for 26 May 2014 is entered as 20140526.

(14) *Approving authority.* An approving authority, when no appointing authority has been designated, initially makes a decision based upon the available evidence whether to appoint a financial liability investigating officer by choosing the correct block in 13c. If an investigating officer is required, the approving authority completes a memorandum appointing the financial liability investigating officer or AR 15–6 investigating officer (see fig 13–12). Following the completion of the investigation or if no further investigation is required, the approving authority completes blocks 14a-h.

*(a) Recommendation (X one).*

*1.* Approve.

*2.* Disapprove.

*(b) Approving authority.* The approving authority makes a recommendation to approve or disapprove the findings in blocks 9 and 10 or following an investigation, whether to approve or disapprove the financial liability investigating officer's or appointing authority's findings. When there is insufficient space in block 14, use an added page (see fig 13–7).

*(c) Comments and/or rationale.*

*1.* When the approving authority receives the DD Form 200 from the responsible officer or reviewing authority when no appointing authority has been designated, and initially determines there is no evidence of negligence, they may provide relief from responsibility by placing the statement "No further investigation is required. I do not suspect negligence or willful misconduct. I relieve all concerned from financial liability for the property listed in blocks 4 through 6." If the approving authority makes a determination that the investigation is incomplete or finds pertinent instructions have not been completed, the approving authority will return the DD Form 200 to the investigating officer through the appointing authority. If one is designated, or they relieve the financial liability investigating officer they must appoint a new financial liability investigating officer.

*2.* When the approving authority determines the financial liability investigation is complete, the approving authority will adopt the recommendations of the financial liability investigating officer or appointing authority by checking the approve box in block 14a and complete blocks 14b through 14h; or make a decision contrary to the financial liability investigating officer or appointing authority's findings by checking the disapprove box in 14a and either relieving all concerned from financial liability or assessing financial liability against a new individual.

*3.* Following the investigation, when the approving authority decides to relieve all concerned from financial liability, they will enter the following statements "All concerned are relieved from financial liability of the property listed on this financial liability investigation of property loss." The approving authority will clearly state the mitigating circumstances that justify waiving any or all financial liability in the comments and/or rationale (block 14b) or on a separate memorandum for record. If a separate memorandum is used, add the statement, "See separate memorandum for rationale of financial liability waiver" in block 14b.

*4.* If the approving authority believes that financial liability is appropriate, they will obtain a legal opinion as to its legal sufficiency prior to determining whether to assess financial liability.

*5.* When the approving authority decides to approve charges of financial liability against an individual, the approving authority will enter "Approved to hold (insert name, rank, and SSN) financially liable in the amount entered in block 15d." Also enter the respondent's basic pay at the time of loss or damage.

*6.* If the approving authority determines that it appears appropriate to approve financial liability against an individual not previously recommended for assessment of financial liability, the approving authority will ensure that all actions required by paragraphs 13–34 and 13–35 are completed prior to assessing financial liability and enter the reason for approving financial liability.

*7.* When the approving authority decides to approve collective and individual liability against two or more individuals, they prepare an added page containing the following for each individual assessed "Approved to hold (individual's rank, name and SSN) financially liable in the amount (enter the amount of the individual's financial liability) with the respondent's rank, last name and basic pay at the time of loss or damage and enter "see added page attached" in block 14b.

*8.* When the approving authority decides to relive all concerned persons from financial liability, the approving authority will retain the original DD Form 200 with all attachments and exhibits and destroy the remaining copies. When the approving authority determines to assess financial liability, the approving authority will retain the original

and provide a copy to each respondent. When the approving authority waives any or all financial liability, the approving authority will retain the original DD Form 200 and copies will be provided to each individual whose financial liability has been completely or partially waived.

*9.* If the final loss of equipment totals $100,000 or more or if there is a final loss of any controlled item, the approving authority will be the first general officer or senior executive service (SES) in the rating chain.

*(d) Legal review completed, if required (X one).*

*1.* Yes.

*2.* No.

*3.* N/A.

*(e) Approving authority.* The approving authority will check the Yes box if there is an assessment of financial liability and a legal opinion determining legal sufficiency was completed and the No box if a legal opinion was not completed. When there is no assessment of financial liability or if financial liability has been completely waived the approving authority will check the N/A box.

*(f) Organizational address (unit designation, office symbol, base, state and/or country, zip code).* Enter the office symbol, UIC, unit, and/or organizational address of the approving authority.

*(g) Typed name (last, first, middle initial).* Enter the full name, rank, and position of the approving authority.

*(h) Defense switched network number.* Enter the telephone number of the appointing authority.

*(i) Signature.* The approving authority enters their signature. Electronic and/or digital signature may be used if DD Form 200 is electronically produced.

*(j) Date signed.* Enter the date the approving authority signed in block 14g. The date for 26 May 2014 is entered as 20140526.

(15) *Block 15. Financial liability officer.*

*(a) Findings and recommendations (attach additional pages, as necessary).* Enter the findings of the investigating officer along with a recommendation regarding financial liability of the involved parties. Proper conclusions will be drawn from the available facts, not on opinion or suspicions. The investigating officer must sustain or refute the statements made in block 9 and any other statements that are part of the investigation. The investigating officer will state in his or her own words how the loss or damage occurred based upon the evidence obtained through the investigation. Recommendations should state the investigating officer's recommendation, such as financial liability to be assessed or relief from responsibility and accountability. Also state the disposition instructions for any unserviceable equipment. Show all exhibits initially attached; for example "Exhibits A through D attached." When block 15a is insufficient and added pages are used, list their use by entering "see added page(s) attached" in this block (see fig 13–7).

*(b) Dollar amount of loss.* Enter the actual cost of the loss.

*1.* For damaged property, enter the ACOD. If the ACOD is not available, use the ECOD and explain in block 15a why ACOD could not be used to determine the actual cost to repair.

*2.* For lost or destroyed property use the fair market value or depreciated value determined from appendix B. Explain in block 15a the method used to determine actual loss.

*(c) Monthly basic pay.* When recommending a charge of financial liability, enter the monthly basic pay of the military respondent. If the respondent is a DOD civilian, enter 1/12th of their annual salary in this block. When more than one individual is being recommended for charges of financial liability, use an added page and leave this block blank.

*(d) Recommendation financial liability.* Enter the amount of financial liability when a recommendation of financial liability is being made. When financial liability is not being recommended, enter 0. Financial liability is normally limited to one month's basic pay at the time of loss or the actual loss to the Government, whichever is less. For exceptions to this rule, see paragraph 13–41. When more than one individual is being recommended for charges of financial liability, use an added page and leave this block blank.

*(e) Organization address (unit designation, office symbol, base, state and/or country, zip code).* Enter the office symbol and unit/organizational address of the investigating officer.

*(f) Typed name (last, first, middle intial).* Enter the name and rank of the investigating officer.

*(g) Defense switched number.* Enter the investigating officer's telephone number.

*(h) Date report submitted to appointing authority (YYYYMMDD).* Enter the date the investigation is submitted to the appointing or approving authority as appropriate. The date 13 June 2014 is entered as 20140613.

*(i) Date appointed (YYYMMDD).* Enter the date the investigating officer is appointed. The date 27 May 2014 is entered as 20140527.

*(j) Signature.* The investigating officer enters their signature. Electronic and/or digital signature may be used if DD Form 200 is electronically produced.

*(k) Date signed.* Enter the date the investigating officer signed the investigation. The date 5 June 2014 is entered as 20140605.

(16) *Block 16. Individual charged.*

*(a)* I have examined the findings and recommendations of the financial liability officer and (X one).

*1.* Submit the attached statement of objections.

*2.* Do not intend to make such a statement.

*(b)* The individual being recommended for a charge of financial liability places an "X" in the appropriate box to indicate their intentions to submit a statement of objections to the investigating officer's findings and recommendations. Should respondent wish to make a statement, they will provide a memorandum, addressed to the investigating officer. They should include all evidence previously overlooked or incorrect that could change the investigating officer's recommendation. Statements of inability to pay recommended debt should not be included. If more than one person is being recommended for financial liability, leave this block blank and include this information on an added page.

*(c)* I have been informed of my rights to legal advice. My signature is not an admission of liability. No entry.

*(d) Organizational address (unit designation, office symbol, base, state and/or country, zip code).* Enter the office symbol and unit and/or organizational address of the respondent. If more than one person is being recommended for financial liability, leave this block blank and include this information on an added page.

*(e) Typed name (last, first, middle initial),* Enter the name and rank of respondent. If more than one person is being recommended for financial liability, leave this block blank and include this information on an added page.

*(f) Defense switched number.* Enter the respondent's telephone number. If more than one person is being recommended for financial liability, leave this block blank and include this information on an added page.

*(g) Signature.* The respondent enters their signature. An electronic and/or digital signature may be used if the DD Form 200 is electronically produced. In the event the respondent refuses to sign, the investigating officer will enter "Respondent refused to sign." If more than one person is being recommended for financial liability, include this information on an added page and enter "see added page(s)" in this block.

*(h) Date signed.* Enter the date respondent signed the investigation of property loss. The date 12 June 2014 is entered as 20140612. If respondent had refused to sign in block 16g, enter the date they refused to sign. If more than one person is being recommended for financial liability, leave this block blank and include this information on an added page.

(17) *Block 17. Accountable officer.* This block will only be completed after block 2 has been completed.

*(a) Document number(s) used to adjust property record.* The document or voucher number is entered by the accountable office or the individual maintaining the expendable and/or durable register as appropriate for lost of destroyed equipment. Do not complete this block for damaged equipment. Blocks 17b through 17f will be filled even or equipment is damaged.

*(b) Organizational address (unit designation, office symbol, base, state and/or country, zip code).* Enter the office symbol and unit and/or organizational address of the accountable officer or the individual maintaining the expendable and/or durable register, as appropriate.

*(c) Typed name (last, first, middle initial).* Enter the name and rank of the accountable officer or the individual maintaining the expendable and/or durable register, as appropriate.

*(d) Defense switched number.* Enter the accountable officer's or the individual's maintaining the expendable and/or durable register telephone number.

*(e) Signature.* The accountable officer or the individual maintaining the expendable and/or durable register as appropriate enters their signature. An electronic and/or digital signature may be used if the DD Form 200 is electronically produced.

*(f) Date signed.* Enter the date the accountable officer or the individual maintaining the expendable and/or durable register, as appropriate, signed the investigation of property loss. The date 26 May 2014 is entered as 20140526.

*(g) Initiating.* Initiating a DD Form 200 resulting from an AR 15–6 investigation. When the loss of Government property is discovered during the conduct of an AR 15–6 investigation, a DD Form 200 must be initiated to adjust the property records and to assess financial liability, when appropriate. The initiator will do the following:

*1. Blocks 1 through 8.* Prepare the DD Form 200 in accordance with figure 13–4 and instructions in paragraph 13–10*d*. If the investigation involves more than one item, prepare blocks 1–8 in accordance with paragraph 13–10*b*(1).

*2. Block 9. Insert the words, "see AR 15–6 investigation."* Identify the location of the AR 15–6 investigation if not attached as an exhibit due to security classification.

*3. Block 13b. Sample is as follows:* Recommend financial liability against Captain (CPT) Doe for failure to properly provide records in which to ensure proper custody was maintained. The circumstances in block 9 shows that CPT Doe failed to keep any records of equipment as it was issued or hand receipted to the users or supervisors. In fact, there is not a single valid sub hand receipt for any property. He failed to ensure that these records were maintained by anyone. Although CPT Doe had a great amount of supply personnel turbulence during his command, the onerous of the failure to keep any hand receipts lies with him along. He never asked nor did he seek to see the company's or supervisor's hand receipts. If he knew the fact that no hand receipts were kept, he did nothing to rectify the issue. He had many chances to fix his problem during cyclic inventories and command inspections. The loss of this equipment was caused

by this lack of records. Recommend that CPT Doe be held liable for the loss of the equipment which totaled $ 34,834. 23 after depreciation. CPT Doe's monthly base pay is $4,149.30 (see WAH8AA–14–FA–055).

*4. Block 14b. Sample is as follows:* Financial liability is assessed against CPT Doe for failure to properly provide equipment records. This one act ultimately ended in the loss of equipment because the equipment was issued and forgotten. CPT Doe's rebuttal gave no further evidence to show who the equipment was issued or hand receipted to. Approved to hold CPT Doe, SSN, financially liable for the amount of $ 4,149.30. CPT Doe's monthly base pay is $ 4,149.30. (See WAH8AA–14–FA–055.)

*5. Block 16.*

*a.* I have examined the findings and recommendations of the financial liability officer and (check one): (1) submit the attached statement; or objection, or (2) do not intend to make such a statement.

*b.* I have been informed of my rights to legal advice. My signature is not an admission of liability.

*c. Organization address.* 319th Military Intelligence Battalion.

*d. Name.* Doe, John A.

*e. Social security number.* XXX–XX–XXXX.

*f. Defense switched number.* XXX–XXXX.

*g. Signature.* Place signature here.

*h. Date signed.* Place date signed here.

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED *(YYYYMMDD)* |
|---|---|---|
| 20151001 | 2AWAB0-15-01 | 20150930 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| C10345<br>8415-01-519-8599 | Coat Army Combat Uniform Large Regular | 1 | 36.00 | 36.00 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

[x] Lost [ ] Organization [ ] Damaged [ ] Installation [ ] Destroyed [ ] OCIE

SGT John A. Doe was missing 16 each ACU coat and a sleeping bag at the shift change mventory. No coats or sleeping bags were tssued during the shift on 29-30 September 2014, the missing coat and sleeping bag are lost. SGT Doe stated that someone must have stolen it during the night.

Exhibit A through F

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times.

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | b. TYPED NAME *(Last, First, Middle Initial)* | c. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 34th Engineer Battalion<br>Fort Knox, KY 401 | Doe, Merlin X., SSG, Squad Leader | 315-123-4569 |
| | d. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | e. DATE SIGNED<br>20151001 |

**12.** *(X one)* [x] **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** [ ] **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

| a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)*<br>[ ] YES [x] NO | b. COMMENTS/RECOMMENDATIONS<br>Request investigation to ensure all policy and procedures were followed. | |
|---|---|---|
| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)*<br>EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | d. TYPED NAME *(Last, First, Middle Initial)*<br>Doe, Mark W. Jr., CPT, Commanding | e. DSN NUMBER<br>315-456-8132 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151115 |

**13. APPOINTING AUTHORITY**

| a. RECOMMENDATION *(X one)*<br>[x] APPROVE<br>[ ] DISAPPROVE | b. COMMENTS/RATIONALE<br>Recommend approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government equipment. | c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)*<br>[x] YES [ ] NO |
|---|---|---|
| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)*<br>EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | e. TYPED NAME *(Last, First, Middle Initial)*<br>Doe, Shanna Y., LTC Commanding | f. DSN NUMBER<br>315-456-8132 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151115 |

**14. APPROVING AUTHORITY**

| a. RECOMMENDATION *(X one)*<br>[x] APPROVE<br>[ ] DISAPPROVE | b. COMMENTS/RATIONALE<br>Approved to hold SGT John A. Doe, financially liable in the amount entered in block 15d. SGT Doe's basic pay at the time of loss was $2,146.00 | c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)*<br>[x] YES [ ] NO [ ] N/A |
|---|---|---|
| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)*<br>EUSA-BD-A<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | e. TYPED NAME *(Last, First, Middle Initial)*<br>Doe, Dean S. III, COL, Commanding | f. DSN NUMBER<br>315-159-000 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151205 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 13–4. Sample of DD Form 200 when more than one item is lost, damaged or destroyed**

**15. FINANCIAL LIABILITY OFFICER**

a. FINDINGS AND RECOMMENDATIONS *(Attach additional pages as necessary)*

Add Page

I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU coats and sleeping bag were lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.
SSG Zoe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately ten airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.
On the night of 29 September 2014, SGT Doe released everyone to go to chow at 2200hrs. He was the only one from the detail left on the airfield. After all had left for chow, SGT Doe went to the back room to use the computer to read and send some e-mails. He did not leave anyone to watch the supplies out on the floor. He did not have eyes on the supplies while in the back room. SGT Doe admits to staying in the room until everyone returned from chow.

At the morning shift detail inventory, it was discovered that a one large regular ACU coat and one sleeping was missing. None of the detail admitted to taking the ACU coats or the sleeping bag. All airfield personnel were interviewed but none admitted to knowing or seeing the thief. It was likely stolen during the time the items were unguarded, between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.
SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.

The ACU coats and sleeping bag were not depreciated as it was new when it was determined missing.
Recommended that SGT John A. Doe be held liable in the amount of$727.95 and all others be relieved of responsibility for the lost item. SGT Doe's base pay at the time of loss was $2, 146.00.

Exhibit A through M attached.

SAMPLE

| b. DOLLAR AMOUNT OF LOSS | c. MONTHLY BASIC PAY | d. RECOMMENDED FINANCIAL LIABILITY |
|---|---|---|
| 36.00 | 0.00 | 36.00 |

| e. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | f. TYPED NAME *(Last, First, Middle Initial)* | g. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe Joel B. 1L T | 315-723-6745 |
| | h. DATE SUBMITTED TO APPOINTING AUTHORITY *(YYYYMMDD)* 20151030 | i. DATE APPOINTED *(YYYYMMDD)* 20151010 |
| | j. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | k. DATE SIGNED<br>20151029 |

**16. INDIVIDUAL CHARGED**

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND *(X one)*

[ ] Submit the attached statement of objection. [X] Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br><br>A Company, 2nd Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A. | 315-985-4568 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151116 |

**17. ACCOUNTABLE OFFICER**

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

W6212F 5284-1010

| b. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | c. TYPED NAME *(Last, First, Middle Initial)* | d. DSN NUMBER |
|---|---|---|
| EUSA-BD-PBO<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Reginald A. | 315-549-7135 |
| | e. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | f. DATE SIGNED<br>20151010 |

**DD FORM 200 (BACK), JUL 2009**

Reset

**Figure 13–4. Sample of DD Form 200 when more than one item is lost, damaged or destroyed–Continued**

**CONTINUATION OF BLOCKS 4 - 8** Page 3 of 3 Pages

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER |
|---|---|
| 20151001 | 2AWAB0-15-01 |

| ITEM NO. | 4. NATIONAL STOCK NO. LINE ITEM NO. | 5. ITEM DESCRIPTION | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|---|
| 2 | T71706<br>8465-01-033-8057 | Sleeping Bag Universal Type 2 | 1 | 151.95 | 151.95 |
| 3 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 4 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 5 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 6 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 7 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 8 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 9 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 10 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 11 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 12 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 13 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 14 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 15 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 16 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 17 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| New Page | | | | FOR INTERMITTENT PAGES, ENTER SUBTOTAL: | 691.95 |
| | | | | IF LAST PAGE, ENTER GRAND TOTAL: | 727.95 |

**DD FORM 200, JUL 2009**

SAMPLE

**Figure 13–4. Sample of DD Form 200 when more than one item is lost, damaged or destroyed–Continued**

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED *(YYYYMMDD)* |
|---|---|---|
| 20151001 | 2AWAB0-15-01 | 20150930 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| C10345<br>8415-01-519-8599 | Coat Army Combat Uniform Large Regular | 1 | 36.00 | 36.00 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

[x] Lost [ ] Damaged [ ] Destroyed
[ ] Organization [ ] Installation [ ] OCIE

SGT John A. Doe was missing one each ACU coat at the shift change inventory. No coats were issued during e shift on 29-3September 2014, therefore the missing coat is lost. SGT Doe stated that someone must have stolen it during the night.

Exhibit A through F

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times.

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | b. TYPED NAME *(Last, First, Middle Initial)* | c. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 34th Engineer Battalion<br>Fort Knox, KY 401 | Doe, Merlin X., SSG, Squad Leader | 315-123-4569 |
| | d. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | e. DATE SIGNED<br>20151001 |

**12.** *(X one)* [x] **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** [ ] **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

| a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)* | b. COMMENTS/RECOMMENDATIONS |
|---|---|
| [ ] YES [x] NO | Request investigation to ensure all policy and procedures were followed. |

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A., CPT, Commanding | 315-456-8132 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151115 |

**13. APPOINTING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)* |
|---|---|---|
| [x] APPROVE<br>[ ] DISAPPROVE | Recommend approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government equipment. | [x] YES [ ] NO |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Shanna Y., LTC Commanding | 315-456-8132 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151115 |

**14. APPROVING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)* |
|---|---|---|
| [x] APPROVE<br>[ ] DISAPPROVE | Approved to hold SGT John A. Doe, financially liable in the amount entered in block 15d. SGT Doe's basic pay at the time of loss was $2,146.00 | [x] YES [ ] NO [ ] N/A |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Dean S. III, COL, Commanding | 315-159-000 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151205 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 13–5. Sample of DD Form 200 when added pages are used for blocks 4 through 8**

**15. FINANCIAL LIABILITY OFFICER**

a. FINDINGS AND RECOMMENDATIONS *(Attach additional pages as necessary)*

Add Page

I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU coat was lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.
SSG Zoe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately ten airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.

On the night of 29 September 2014, SGT Doe released everyone to go to chow at 2200hrs. He was the only one from the detail left on the airfield. After all had left for chow, SGT Doe went to the. back room to use the computer to read and send some e-mails. He did not leave anyone to watch the supplies out on the floor. He did not have eyes on the supplies while in the back room. SGT Doe admits to staying in the room until everyone returned from chow.

At the morning shift detail inventory, it was discovered that a large regular ACU coat was missing. None of the detail admitted to taking the ACU coat. All airfield personnel were interviewed but none admitted to knowing or seeing the thief. It was likely stolen during the time the items were unguarded, between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.
SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.
The ACU coat was not depreciated as it was new when it was determined missing.

Recommended that SGT John A. Doe be held liable in the amount of $36.00 and all others be relieved of responsibility for the lost item. SGT Doe's base pay at the time of loss was $2,146.00.

Exhibit A through M attached.

| b. DOLLAR AMOUNT OF LOSS | c. MONTHLY BASIC PAY | d. RECOMMENDED FINANCIAL LIABILITY |
|---|---|---|
| 36.00 | 0.00 | 36.00 |

| e. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | f. TYPED NAME *(Last, First, Middle Initial)* | g. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe Joel B. 1L T | 315-723-6745 |
| | h. DATE SUBMITTED TO APPOINTING AUTHORITY *(YYYYMMDD)* 20151030 | i. DATE APPOINTED *(YYYYMMDD)* 20151010 |
| | j. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | k. DATE SIGNED<br>20151029 |

**16. INDIVIDUAL CHARGED**

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND *(X one)*

[ ] Submit the attached statement of objection. [X] Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 2nd Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A. | 315-985-4568 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151116 |

**17. ACCOUNTABLE OFFICER**

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

W6212F 5284-1010

| b. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | c. TYPED NAME *(Last, First, Middle Initial)* | d. DSN NUMBER |
|---|---|---|
| EUSA-BD-PBO<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Reginald A. | 315-549-7135 |
| | e. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | f. DATE SIGNED<br>20151010 |

**DD FORM 200 (BACK), JUL 2009**

Reset

SAMPLE

**Figure 13–5. Sample of DD Form 200 when added pages are used for blocks 4 through 8–Continued**

**CONTINUATION OF BLOCKS 4 - 8** Page 3 of 3 Pages

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER |
|---|---|
| 20151001 | 2AWAB0-15-01 |

| ITEM NO. | 4. NATIONAL STOCK NO. LINE ITEM NO. | 5. ITEM DESCRIPTION | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|---|
| 2 | T71706<br>8465-01-033-8057 | Sleeping Bag Universal Type 2 | 1 | 151.95 | 151.95 |
| 3 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 4 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 5 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 6 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 7 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 8 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 9 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 10 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 11 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 12 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 13 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 14 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 15 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 16 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 17 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| New Page | | | FOR INTERMITTENT PAGES, ENTER SUBTOTAL: | | 691.95 |
| | | | IF LAST PAGE, ENTER GRAND TOTAL: | | 2,455.42 |

**DD FORM 200, JUL 2009**

SAMPLE

**Figure 13–5. Sample of DD Form 200 when added pages are used for blocks 4 through 8–Continued**

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED *(YYYYMMDD)* |
|---|---|---|
| 20151001 | 2AWAB0-15-01 | 20150930 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| C32815<br>4230-01-349-2413 | Component of Dividng Set<br>Suit brv w/Inflation Hose | 1 | 1,763.47 | 1,763.47 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

[X] Lost [ ] Damaged [ ] Destroyed
[ ] Organization [ ] Installation [ ] OCIE

SGT John A. Doe left his dry diving suit in the front of his car the night of 29 September 2014,which is against Brigade policy in the morning SGT Doe noticed the rear drivers window had been broken into and the diving suit was gone. A police was obtained see exhibit A.

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times in accordance with policy.

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | b. TYPED NAME *(Last, First, Middle Initial)* | c. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 34th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Merlin X., SSG, Squad Leader | 315-123-4569 |
| | d. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | e. DATE SIGNED<br>20151001 |

**12.** *(X one)* [X] **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** [ ] **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

| a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)* | b. COMMENTS/RECOMMENDATIONS |
|---|---|
| [ ] YES [X] NO | Request investigation to ensure all policy and procedures were followed. |

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A., CPT, Commanding | 315-456-8132 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | g. DATE SIGNED<br>20151115 |

**13. APPOINTING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)* |
|---|---|---|
| [X] APPROVE<br>[ ] DISAPPROVE | Recommend approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government equipment. | [X] YES [ ] NO |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Shanna Y., LTC Commanding | 315-456-8132 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | h. DATE SIGNED<br>20151115 |

**14. APPROVING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)* |
|---|---|---|
| [X] APPROVE<br>[ ] DISAPPROVE | Approved to hold SGT John A. Doe, financially liable in the amount entered in block 15d. SGT Doe's basic pay at the time of loss was $2,146.00. | [X] YES [ ] NO [ ] N/A |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Dean S. III, COL, Commanding | 315-159-0001 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | h. DATE SIGNED<br>20151205 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 13–6. Sample of DD Form 200 when components are missing**

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED *(YYYYMMDD)* |
|---|---|---|
| 20151001 | 2AWAB0-15-01 | 20150930 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| C10345<br>8415-01-519-8599 | Coat Army Combat Uniform Large Regular | 1 | 36.00 | 36.00 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

[x] Lost [ ] Damaged [ ] Destroyed
[ ] Organization [ ] Installation [ ] OCIE

SGT John A. Doe was missing 16 each ACU coat and a sleeping bag at the shift change mventory. No coats or sleeping bags were tssued during the shift on 29-30 September 2014, the missing coat and sleeping bag are lost. SGT Doe stated that someone must have stolen it during the night.

Exhibit A through F

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times.

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | b. TYPED NAME *(Last, First, Middle Initial)* | c. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 34th Engineer Battalion<br>Fort Knox, KY 401 | Doe, Merlin X., SSG, Squad Leader | 315-123-4569 |
| | d. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | e. DATE SIGNED<br>20151001 |

**12.** *(X one)* [x] **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** [ ] **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

| a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)* | b. COMMENTS/RECOMMENDATIONS |
|---|---|
| [ ] YES [x] NO | Request investigation to ensure all policy and procedures were followed. |

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A., CPT, Commanding | 315-456-8132 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | g. DATE SIGNED<br>20151115 |

**13. APPOINTING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)* |
|---|---|---|
| [x] APPROVE<br>[ ] DISAPPROVE | Recommend approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government equipment. | [x] YES [ ] NO |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Shanna Y., LTC Commanding | 315-456-8132 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | h. DATE SIGNED<br>20151115 |

**14. APPROVING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)* |
|---|---|---|
| [x] APPROVE<br>[ ] DISAPPROVE | Approved to hold SGT John A. Doe, financially liable in the amount entered in block 15d. SGT Doe's basic pay at the time of loss was $2,146.00 | [x] YES [ ] NO [ ] N/A |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Dean S. III, COL, Commanding | 315-159-000 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | h. DATE SIGNED<br>20151205 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 13–7. Sample of DD Form 200 when added pages are used block 9 and 15**

**15. FINANCIAL LIABILITY OFFICER**

a. FINDINGS AND RECOMMENDATIONS *(Attach additional pages as necessary)*

Add Page

I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU coats and sleeping bag were lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.
SSG Zoe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately ten airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.
On the night of 29 September 2014, SGT Doe released everyone to go to chow at 2200hrs. He was the only one from the detail left on the airfield. After all had left for chow, SGT Doe went to the back room to use the computer to read and send some e-mails. He did not leave anyone to watch the supplies out on the floor. He did not have eyes on the supplies while in the back room. SGT Doe admits to staying in the room until everyone returned from chow.

At the morning shift detail inventory, it was discovered that a one large regular ACU coat and one sleeping was missing. None of the detail admitted to taking the ACU coats or the sleeping bag. All airfield personnel were interviewed but none admitted to knowing or seeing the thief. It was likely stolen during the time the items were unguarded, between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.
SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.

The ACU coats and sleeping bag were not depreciated as it was new when it was determined missing.
Recommended that SGT John A. Doe be held liable in the amount of $727.95 and all others be relieved of responsibility for the lost item. SGT Doe's base pay at the time of loss was $2, 146.00.

Exhibit A through M attached.

| b. DOLLAR AMOUNT OF LOSS | c. MONTHLY BASIC PAY | d. RECOMMENDED FINANCIAL LIABILITY |
|---|---|---|
| 727.95 | 0.00 | 36.00 |

| e. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | f. TYPED NAME *(Last, First, Middle Initial)* | g. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe Joel B. 1L T | 315-723-6745 |
| | h. DATE SUBMITTED TO APPOINTING AUTHORITY *(YYYYMMDD)* 20151030 | i. DATE APPOINTED *(YYYYMMDD)* 20151010 |
| | j. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | k. DATE SIGNED<br>20151029 |

**16. INDIVIDUAL CHARGED**

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND *(X one)*

[ ] Submit the attached statement of objection. [X] Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 2nd Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A. | 315-985-4568 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | g. DATE SIGNED<br>20151116 |

**17. ACCOUNTABLE OFFICER**

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

W6212F 5284-1010

| b. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | c. TYPED NAME *(Last, First, Middle Initial)* | d. DSN NUMBER |
|---|---|---|
| EUSA-BD-PBO<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Reginald A. | 315-549-7135 |
| | e. SIGNATURE<br>**DIGITAL SIGNATURE 12345678** | f. DATE SIGNED<br>20151010 |

**DD FORM 200 (BACK), JUL 2009**

Reset

SAMPLE

**Figure 13–7. Sample of DD Form 200 when added pages are used block 9 and 15–Continued**

**CONTINUATION OF BLOCKS 4 - 8** Page 3 of 4 Pages

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER |
|---|---|
| 20151001 | 2AWAB0-15-01 |

| ITEM NO. | 4. NATIONAL STOCK NO. LINE ITEM NO. | 5. ITEM DESCRIPTION | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|---|
| 2 | T71706<br>8465-01-033-8057 | Sleeping Bag Universal Type 2 | 1 | 151.95 | 151.95 |
| 3 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 4 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 5 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 6 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 7 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 8 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 9 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 10 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 11 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 12 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 13 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 14 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 15 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 16 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| 17 | Cl0345<br>8415-01-519-8599 | Coat Army Combat Uniform | 1 | 36.00 | 36.00 |
| New Page | | | | FOR INTERMITTENT PAGES, ENTER SUBTOTAL: | 691.95 |
| | | | | IF LAST PAGE, ENTER GRAND TOTAL: | 727.95 |

**DD FORM 200, JUL 2009**

SAMPLE

**Figure 13–7. Sample of DD Form 200 when added pages are used block 9 and 15–Continued**

| CONTINUATION OF BLOCKS 9, 10, AND/OR 15.a. | Page 4 of 4 Pages |
|---|---|
| 1. DATE INITIATED *(YYYYMMDD)* 20151001 | 2. INQUIRY/INVESTIGATION NUMBER 2AWAB0-15-01 |

Use this area to continue each item as necessary. Specify item number.

Additional space provided if you run out of space in Blocks 9, 10, and 15a.

SAMPLE

DD FORM 200, JUL 2009

New Page

**Figure 13–7. Sample of DD Form 200 when added pages are used block 9 and 15–Continued**

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED (YYYYMMDD) | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED (YYYYMMDD) |
|---|---|---|
| 20150929 | 2AWAB0-15-12 | 20150928 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| M79678<br>5855-01-423-0524 | Night Vision Goggle AN/PVS-14<br>Ser# 071256 | 1 | 3,607.00 | 3,607.00 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

[x] Lost [ ] Organization [ ] Damaged [ ] Installation [ ] Destroyed [ ] OCIE

See AR 15-6 Investigation, Exhibit A.

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

See AR 15-6 Investigation, Exhibit A.

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code) | b. TYPED NAME (Last, First, Middle Initial) | c. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 34th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Merlin X., SSG, Squad Leader | 315-123-4569 |
| | d. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | e. DATE SIGNED<br>20151001 |

**12.** *(X one)* [x] **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** [ ] **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)*: [ ] YES [x] NO

b. COMMENTS/RECOMMENDATIONS
Request investigation to ensure all policy and procedures were followed.

| c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code) | d. TYPED NAME (Last, First, Middle Initial) | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A., CPT, Commanding | 315-456-8132 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151115 |

**13. APPOINTING AUTHORITY**

a. RECOMMENDATION *(X one)*: [x] APPROVE [ ] DISAPPROVE

b. COMMENTS/RATIONALE
Recommend approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government equipment.

c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)*: [ ] YES [x] NO

| d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code) | e. TYPED NAME (Last, First, Middle Initial) | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Shanna Y., LTC Commanding | 315-456-8132 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151115 |

**14. APPROVING AUTHORITY**

a. RECOMMENDATION *(X one)*: [x] APPROVE [ ] DISAPPROVE

b. COMMENTS/RATIONALE
Approved to hold SGT John A. Doe, financially liable in the amount entered in block 15d. SGT Doe's basic pay at the time of loss was $2,146.00

c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)*: [x] YES [ ] NO [ ] N/A

| d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code) | e. TYPED NAME (Last, First, Middle Initial) | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Dean S. III, COL, Commanding | 315-159-0001 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151205 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 13–8. Sample of DD Form 200 when a 15–6 investigation is required**

**15. FINANCIAL LIABILITY OFFICER**

a. FINDINGS AND RECOMMENDATIONS *(Attach additional pages as necessary)*

Add Page

See AR 15-6 Investigation, Exhibit A.

| b. DOLLAR AMOUNT OF LOSS | c. MONTHLY BASIC PAY | d. RECOMMENDED FINANCIAL LIABILITY |
|---|---|---|
| 3,607.00 | 2,146.00 | 2,146.00 |

| e. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | f. TYPED NAME *(Last, First, Middle Initial)* | g. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Joel B., 1lT | 315-723-6745 |
| | h. DATE SUBMITTED TO APPOINTING AUTHORITY *(YYYYMMDD)* 20151030 | i. DATE APPOINTED *(YYYYMMDD)* 20141010 |
| | j. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | k. DATE SIGNED<br>20151029 |

**16. INDIVIDUAL CHARGED**

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND *(X one)*

☐ Submit the attached statement of objection. ☒ Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A. | 315-983-4568 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151116 |

**17. ACCOUNTABLE OFFICER**

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

W6212F 5284-1010

| b. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | c. TYPED NAME *(Last, First, Middle Initial)* | d. DSN NUMBER |
|---|---|---|
| EUSA-BD-PBO<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Reginald A. | 315-549-7135 |
| | e. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | f. DATE SIGNED<br>20151010 |

**DD FORM 200 (BACK), JUL 2009**

Reset

SAMPLE

**Figure 13–8. Sample of DD Form 200 when a 15–6 investigation is required–Continued**

## 13–11. Responsible officer and/or reviewing authority

The responsible officer or reviewing authority will complete the DD Form 200, block 12. If blocks 9 and 10 were completed by the responsible officer or reviewing authority, leave block 11 blank.

*a.* The responsible officer and/or reviewing authority is usually a PBO or other accountable officer, a unit commander, or head of an activity and has been formally assigned to their position in writing.

*b.* The responsible officer and/or reviewing authority will make the determination if negligence or willful misconduct is suspected by checking the appropriate box in block 12a.

*c.* Block 12b will contain any comments and recommendations for the appointing and/or approving authority. At a minimum, block 12b will include the proximate cause, if determined, and any recommendation of financial liability. If space is not sufficient use white 8 1/2 x 11 paper to provide additional information. As an example:

(1) DD Form 200, block 12b continued, investigation of property loss WAH8AA–14–FA–055, 1 October 2014, $63,377.50.

(2) Recommend approval to relieve Sergeant First Class (SFC) Doe from financial liability. As the military police (MP) report shows, these items were stolen using forced entry from a connex by unknown individuals. I feel the MP's did a thorough investigation of the incident and further investigation is not required.

(3) Exhibit A attached.

## 13–12. Time constraints for actions by the responsible officer and/or reviewing authority

*a. Active Army.* The responsible officer and/or reviewing authority will forward financial liability investigations of property loss to the appointing authority or the approving authority as appropriate within 15 calendar days following the date of the discovery of the loss per paragraph 13–8*a*. The responsible officer and/or reviewing authority will explain any delay in writing and attach the explanation to the DD Form 200 as an exhibit.

*b. U.S. Army Reserve and Army National Guard.* The responsible officer and/or reviewing authority will forward financial liability investigations of property loss to the appointing authority or the approving authority as appropriate within 75 calendar days from the date of discovery of the loss, as shown in figure 13–1. The responsible officer and/or reviewing authority will explain any delay in writing and attach the explanation to the DD Form 200 as an exhibit.

## 13–13. Distribution

The responsible officer and/or reviewing authority will forward financial liability investigations of property loss with exhibits, to the approving authority for assignment of an inquiry investigation number (block 2) and then to the accountable officer for assignment of a document and/or voucher number.

## 13–14. Disposition of damaged property

The initiator of a DD Form 200 will not dispose of, repair, or continue to use the damaged property until the financial liability officer (when appointed), appointing authority, or the approving authority, decide it is no longer needed for investigative purposes.

*a.* When damaged property is not needed for investigative purposes, return to service that property considered fit for service, or make repairable property available for repair.

*b.* Turn in unserviceable uneconomically repairable property to the supporting supply support activity in accordance with AR 710–2. Determination of unserviceable uneconomically repairable items based upon an items maintenance expenditure limit will be made in accordance with procedures contained in AR 750–1.

*c.* Dispose of property damaged in shipment as provided in chapter 16 of this regulation.

*d.* For vehicular accidents resulting in minor damage to the exterior of the vehicle, the approving authority may allow the continued use of the vehicle when the following actions are accomplished

(1) Damaged vehicle is photographed documenting the damage caused by the accident.

(2) Certification obtained from a qualified automotive technician that damage does not prevent the safe use of the vehicle, and that continued use will not make the damages worse.

(3) Both the photographs and the certification will be attached as exhibits to the DD Form 200 when the investigation is initiated.

*e.* For vehicles leased from the GSA or rented from commercial activities that become involved in an accident, the following applies. The DD Form 200 approving authority may authorize the use of photographs and written estimated costs to repair the damaged vehicles, in lieu of the financial liability officer providing a release statement for the repair or turn in of the vehicles. The estimated costs of repairs must be prepared by a qualified technical inspector. When preparing the estimated cost of repair, the technical inspector must identify and document any damage to the vehicle (such as, through photographs), to include damage that existed prior to the accident. When this process is completed, the appropriate motor pool official may release the vehicle for repair or turn-in. The individual initiating the DD Form

200 will attach this documentation to the DD Form 200 as an exhibit. The financial liability officer will rely on this documentation of damage in lieu of physically examining the damaged vehicle.

## Section II
## Accountable officer

### 13–15. Accountable officer's action on a financial liability investigation of property loss

Accountable officer will complete blocks 17a through 17f as shown in figure 13–2 following the completion of blocks 1 through 12. A document or voucher number will be assigned to any initiated DD Form 200 thereby dropping accountability when received from the initiator except—

*a.* Blocks 17b through 17f will be completed for damaged property.

*b.* For equipment damaged and classified as unserviceable as a result of combat action or a combat related accident. Losses due to combat will only be removed from property records through the turn in of the equipment residue in accordance with AR 710–2.

*c.* When the lost or destroyed property is on another accountable officer's records. The accountable officer will return the DD Form 200 without action, and advise the initiator of whom the correct accountable officer is, if known.

*d.* For dining facility accounts adjusted using the Army Food Management Information System when no document number is assigned by the system.

### 13–16. Distribution of financial ability investigations of property loss by the accountable officer immediately after the document number or voucher number is assigned

*a.* The accountable officer retains one copy, and posts it to the appropriate accountable record(s). This copy will be filed with the supporting document files.

*b.* The accountable officer returns a copy to the initiator

*c.* The accountable officer forwards the original and all remaining copies (number as prescribed by the local command) of DD Form 200, with all exhibits, to the appointing authority or approving authority, as appropriate.

*d.* The accountable officer initiates replenishment action, as necessary.

## Section III
## Approving Authority and/or Appointing Authority

### 13–17. Criteria

*a.* The approving authority is defined as an Army officer or DA civilian employee authorized to appoint a financial liability officer and to approve financial liability investigations of property loss.

(1) In most cases for Army garrisons, garrison commanders will be the approving authority for financial liability investigations of property loss arising within their command or under their supervision. The minimum grades for approving authorities are shown in paragraphs 13–17*a* and paragraph 13–17*b*.

(2) For DD Form 200 containing recommendations affecting general officers or SES employees, the next general officer or SES employee in the chain of command senior to the general officer or SES employee being recommended for assessment of, or relief from, financial liability becomes the approving authority.

(3) For financial liability investigations assessing a final loss of $100,000 or greater, or loss of a controlled item, the approving authority will be the first general officer or SES employee in the rating chain. This authority may not be delegated.

(4) The appointing authority is an officer or civilian employee designated by the approving authority with responsibility for appointing financial liability officers. The minimum grades of appointing authorities are shown in paragraphs 13–17*d*(1) through 13–17*d*(3).

(5) The approving authority will normally be senior to the appointing authority. The approving authority for DD Form 200 is also the approving authority for inventory adjustment reports for inventory discrepancies at stock record accounts.

*b. Active Army and U.S. Army Reserve.* Army officers in command positions in the grade of colonel or above, DA civilian employees in supervisory positions in the grade of GS–15, chiefs of HQDA staff agencies, and ACOM, ASCC, and/or DRU commanders are approving authorities for financial liability investigations of property loss arising within their command or under their supervision. Commanders in the grade of colonel (COL) or above, chiefs of HQDA staff agencies, and ACOM, ASCC, and/or DRU commanders may delegate approving authority to an Army officer in the grade of COL or above, or a DA civilian employee in the grade of GS–15. If a command or agency is not headed by an Army officer in the grade of COL or above or a DA civilian employee in a supervisory position in the grade of GS–15, the approval authority will be the first individual in the chain of supervision or support agreement who so qualifies. Approving authorities in the rank of COL (O–6) and/or GS–15 or above may delegate, in writing, approving authority to an Army officer in the rank of LTC (O–5) for financial liability investigations assessing a final loss of

$5,000.00 or less that do not include equipment classified as COMSEC. sensitive items, and/or equipment that contains personal identification information (PII).

*c. Army National Guard.* Commanders in the grade of COL (federally recognized) are authorized to be appointed as the approving authority for financial liability investigations of property loss arising within their command. The Director, Army National Guard (DARNG) or designated representative may authorize an adjutant general to delegate or appoint in writing a COL assigned to a command billet awaiting federal recognition to be appointed as an approving authority. The USPFO in their respective State will be the final reviewing authority for all financial liability investigations in all cases except those involving general officers or probable State liability. Where there is probable general officer involvement or State liability, the Assistant Chief, National Guard Bureau (NGB–ZC) or their designated representative will act as the appointing, approving, and reviewing authority. The DARNG or their designated representative (Chief, NGB–ARL) may authorize the adjutant grade of lieutenant colonel (LTC). Approving authorities in the rank of COL (O–6) and/or GS–15 or above may delegate, in writing, approving authority on an Army officer in the rank of LTC (O–5) for financial liability investigations assessing a final loss of $5,000.00 or less that do not include equipment classified as COMSEC, sensitive items, and/or equipment that contains PII.

*Note.* This allows the Adjutant Generals to get permission from the Chief, NGB–ARL to appoint lieutenant colonels (O–5) as appointing and approving officials in the absence of a COL (O–6).

*d. Appointing authority (Active Army and U.S. Army Reserve).* The appointing authority is an officer or civilian employee designated by the approving authority with responsibility for appointing financial liability officers. The minimum grades of appointing authorities are shown in paragraphs 13–17*d*(1) through 13–17*d*(3). Commanders, directors, chiefs of HQDA staff agencies, ACOM, ASCC, and/or DRU commanders in the grade of COL or above or GS–15 may designate individuals to act as appointing authorities using informal memorandum with copies provided to all affected subordinate commanders and/or supervisors. Individuals designated must be—

(1) LTC or major (MAJ) filling an LTC billet or paragraph 13–17*d*(5).

(2) A DOD civilian employee GS–13 or above, a GS–12 filling a GS–13 position on the personnel authorization document above.

(3) When a general officer or SES is the approving authority for loss or damage of $100,000 or a loss of controlled item, the appointing authority will be the first COL in chain.

(4) Within AMC, a MAJ serving as a commander of a depot activity not co-located with its next higher headquarters.

(5) The DARNG or designated representative (Chief, NGB–ARL) may authorize the adjutant grade of LTC.

*e. Delegation of approving authority.*

(1) *Active Army and U.S. Army Reserve.* General officers in command positions who do not have subordinate commanders, general officers with subordinate commanders below the rank of COL, general officers who are chiefs of HQDA staff agencies, and ACOM, ASCC, and/or DRU commanders may delegate approving authority for financial liability investigations of property loss. Delegation must be in writing. Individual's delegated approving authority for financial liability investigations of property loss must be an Army officer in the grade of COL or above, or be a DA civilian employee in a supervisory position in the grade of GS–15 or above. In addition, they must be a member of the general's command or staff.

(2) *Army National Guard.* The AG may delegate approval authority to LTCs occupying COL command billets and awaiting Federal recognition to COL. General officers in command positions who do not have subordinate commanders may delegate in writing approval authority to member(s) of their staff. Individual(s) delegated must be a federally recognized COL or above. The DARNG or designated representative may authorize the AG to delegate or appoint in writing approval authority to member(s) of their staff in the grade of COL or above. The AG may designate a centralized approval authority for some or all commands in the State. Such designees must be senior to all of the commanders over whom approval authority is exercised, and such centralization will not preclude exercising appeal authority within the State. Such designation carries with it all of the responsibilities of an approval authority enumerated elsewhere in this regulation. These responsibilities may not be split or further delegated.

## 13–18. Conflict of interest

No person may act as an appointing authority or the approving authority that has had personal responsibility or accountability for the property listed on the DD Form 200 at the time the property became lost, damaged or destroyed. In such cases, the next higher commander or DA civilian employee in the chain of command or supervision will act as the appointing authority or the approving authority, as appropriate.

## 13–19. Processing steps for appointing authority and/or approving authority

Figure 13–9 depicts the financial liability investigation processing steps from receipt by the approving authority to assessment of financial liability, or relief from responsibility. Figure 13–10 depicts the financial liability investigation processing steps from receipt by the appointing authority, to assessment of financial liability, or relief from responsibility.

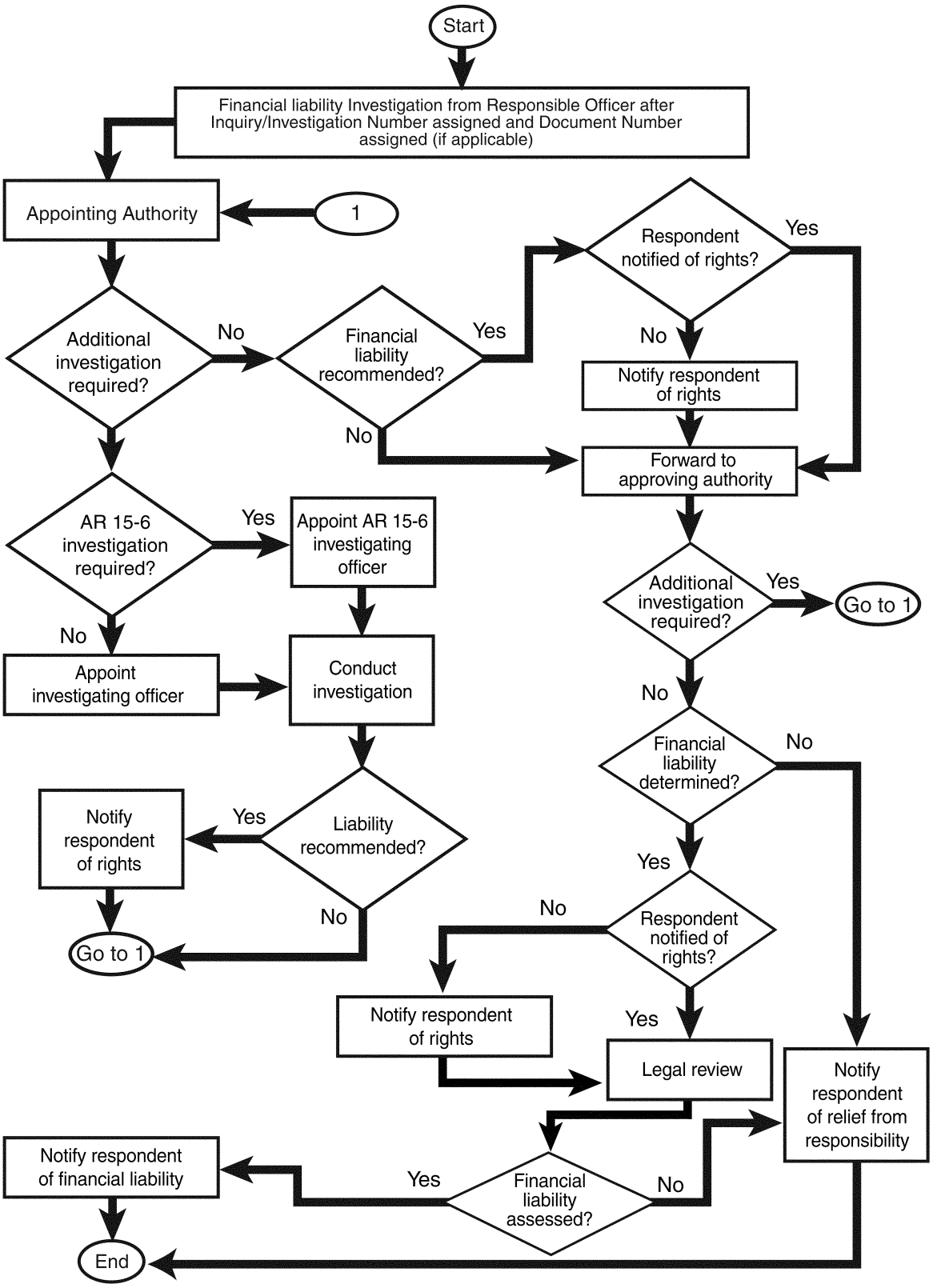


**Figure 13–9. Financial liability investigation processing steps with an appointing authority**

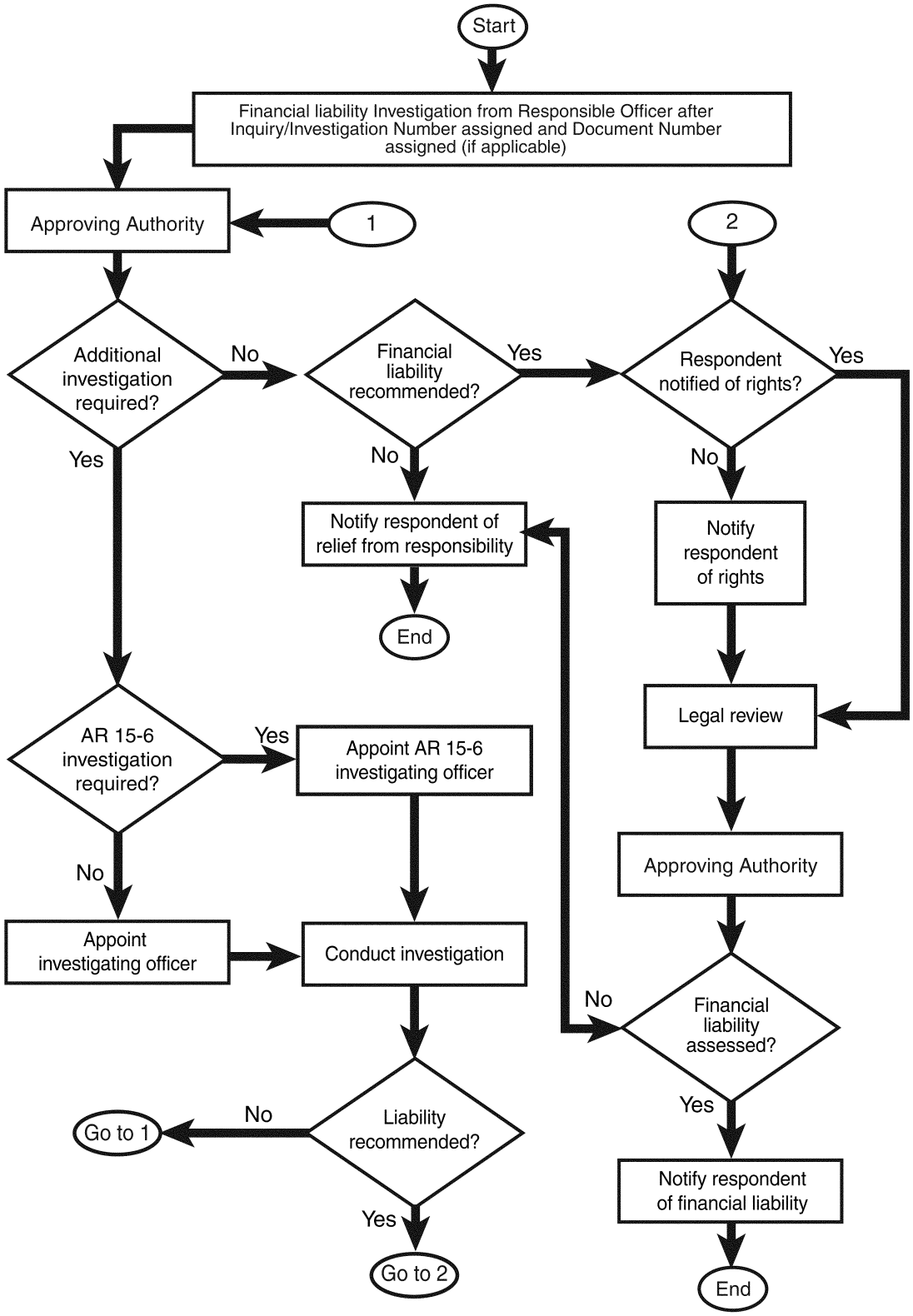


**Figure 13–10. Financial liability investigation processing steps without an appointing authority**

## 13–20. Supervising the financial liability investigation of property loss system

*a.* The approving authority will ensure the financial liability investigation of property loss system works to promptly discover, report, and investigate the LDDT of Government property. The approving authority will ensure that—

(1) Responsible persons keep themselves informed as to whether any property for which they are responsible or accountable becomes lost, damaged, or destroyed.

(2) Initiation, processing, and adjudication of financial liability investigations of property loss, takes place within the time limits cited in figure 13–1.

(3) Financial liability officers are thoroughly briefed on how to conduct a financial liability investigation and are provided with a copy of DA Pam 735–5. They are also informed of any specific time restraints.

(4) Administrative action takes place to correct the causes of avoidable delays exceeding the processing time limits established by this regulation.

(5) Assignment of the inquiry or investigation number is assigned prior to going to the accountable officer for a document and/or voucher number. The inquiry or investigation number is entered in block 2 of DD Form 200. The intent of the assignment of the inquiry or investigation number prior to the document and/or voucher number from the accountable officer is to ensure that the approving authority is aware and begins to track the financial liability investigation prior to the accountable officer decreasing the property from accountable records.

(6) The inquiry or investigation number will be formed using the approving authority's UIC, the two-digit year the inquiry or investigation number is assigned, and a serial numbering system determined by the approving authority. The inquiry or investigation number can be up to 44 characters, such as, WAJBAA–07–HQ–0002.

(7) DA Form 1659 (Financial Liability Investigation of Property Loss Register) and files are maintained according to AR 25–400–2 and figure 13–11 of this regulation. Normally, the register and the files of approved financial liability investigations of property loss are maintained at the headquarters of the approving authority. This includes the battalion or brigade S4, division, corps, or theater support command G4, Director of Logistics (DOL), or other subordinate staff elements as designated by the approving authority. Exceptions to this policy are allowed when—

*(a)* The logistics staff offices are consolidated at a command level above the approving authority, such as, brigade S4s consolidated at the Division G4. Under this scenario the register and associated files may be maintained at the Division G4.

*(b)* The financial liability investigation of property loss register may be maintained at a centralized office on the installation, providing inquiry and/or investigation numbers are assigned to all DD Form 200 initiated for those organizations supported. When this option is used, the approving authority still has the responsibility for the appointment of the financial liability officer per paragraph 13–17. Both the office maintaining the register and the approving authority's headquarters will maintain file copies of the approved financial liability investigations of property loss.

*b.* Brigade and higher level commanders with subordinate approving authorities for financial liability investigations will initiate and conduct oversight management of the financial liability investigation process at subordinate commands.

(1) A random sample of no less than 10 percent of the financial liability investigations of property loss approved by subordinate commands during the previous quarter will be reviewed quarterly.

(2) The review will be made to determine if the approving authorities for financial liability investigations of property loss are properly carrying out their responsibilities as approving authorities, that is, are the decisions made—

*(a)* Supported by the evidence documented in the DD Form 200?

*(b)* Fair and without bias or prejudice towards the respondent, when charges of financial liability were approved? Was the respondent's negligence and/or willful misconduct the proximate cause for the loss?

*(c)* In the best interest of the Army and the Government, when all persons were relieved of accountability and/or responsibility, and charges of financial liability were not made?

*(d)* Followed up with corrective actions or directives, as appropriate.

*c.* Assessment of financial liability for contractors. The approving authority will compile all documentation for the property loss or damage. The approving authority will forward this documentation to the contracting officer monitoring that specific contract. The contracting officer assisted by the property administrator will investigate the loss.

| FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS REGISTER<br>For use of this form, see AR 735-5; the proponent agency is DCS, G-4 | NAME OF ACTIVITY<br>234th Infantry Battalion | LOCATION<br>Fort Knox, KY 40121 | PAGE NO.<br>1 |
|---|---|---|---|

| INQUIRY/ INVESTIGATION NUMBER | DOCUMENT NUMBER | ORIGINATOR *(Accountable officer, or primary hand receipt holder)* | DATE LOSS DISCOVERED | DATE PREPARED | DATE APPROVED | NO. OF DAYS PROCESSING TIME | FINANCIAL LIABILITY CHARGES | | | COLLECTION OR APPEAL STATUS |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | ACTUAL LOSS | AMOUNT CHARGED | LOSS TO GOVERNMENT | |
| 02-273-01 | 4004-7024 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 75 | $100.00 | $100 | $0.00 | Collected |
| 02-273-02 | 4004-7025 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 26 | $15000.00 | $2146.00 | $12354.00 | Appeal Status |
| 02-273-03 | 4004-7026 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 74 | $150.00 | $150.00 | $0.00 | Collected |
| 02-273-04 | 4004-7027 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 63 | $150.00 | $150.00 | $0.00 | Collected |
| 02-273-05 | 4004-7028 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 52 | $100.00 | $100 | $0.00 | Collected |
| 02-273-06 | 4004-7029 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 48 | $150.00 | $150.00 | $0.00 | Collected |
| 02-273-07 | 4004-7030 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 75 | $100.00 | $100 | $0.00 | Collected |
| 02-273-08 | 4004-7031 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 75 | $150.00 | $150.00 | $0.00 | Collected |
| 02-273-09 | 4004-7032 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 75 | $100.00 | $100 | $0.00 | Collected |
| 02-273-10 | 4004-7033 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 66 | $150.00 | $150.00 | $0.00 | Collected |
| 02-273-011 | 4004-7034 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 72 | $100.00 | $100 | $0.00 | Collected |
| 02-273-12 | 4004-7035 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 70 | $150.00 | $150.00 | $0.00 | Collected |
| 02-273-13 | 4004-7036 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 69 | $100.00 | $100 | $0.00 | Collected |
| 02-273-14 | 4004-7037 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 71 | $150.00 | $150.00 | $0.00 | Collected |
| 02-273-015 | 4004-7038 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 59 | $100.00 | $100 | $0.00 | Collected |
| 02-273-16 | 4004-7039 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 75 | $150.00 | $150.00 | $0.00 | Collected |
| 02-273-17 | 4004-7040 | Doe, John | 29 Sept 15 | 30 Sept 15 | 30 Sep 2015 | 75 | $100.00 | $100 | $0.00 | Collected |

DA FORM 1659, OCT 2004 PREVIOUS EDITIONS ARE OBSOLETE. PAGE 1 OF 2
APD PE v1.00

SAMPLE

**Figure 13–11. Sample DA Form 1659**

## 13–21. Initial review by the appointing authority or the approving authority

On receipt of DD Form 200 from the accountable officer, the appointing authority when designated, or the approving authority will review the information in blocks 9, 10, and 12 along with any exhibits provided by the initiator and determine if—

*a.* A DD Form 200 has been directed by higher authority or other DA regulations or requested by an accountable supply distribution activity.

*b.* Sufficient information exists to provide a clear understanding of the circumstances surrounding the loss or damage of Government property and to determine the proximate cause.

*c.* The expense of performing an investigation by a financial liability officer is worth the significant expenditure of time and effort.

## Section IV
## Processing Financial Liability Investigations of Property Loss by the Approving Authority or Appointing Authority Without Appointing a Financial Liability Officer

## 13–22. Decision by the approving authority without further investigation

This action, a "short financial liability investigation of property loss," provides the approving authority the option of shortening the financial liability investigation of property loss process when the facts and circumstances permit. When an appointing authority has not been designated by the approving authority, block 13c is left blank.

*a. Relief from responsibility.* When the approving authority determines from the information contained in DD Form

200, blocks 9 and 10, and attached exhibits, there is no evidence of negligence, they may provide relief from responsibility by—

(1) Enter "X" in box adjacent to approved in block 13a.

(2) Completing blocks 14b through 14h, placing a statement in block 14b to relieve all concerned of property accountability and responsibility: "I have reviewed the information contained in blocks 9 and 10. No further investigation is required. I do not suspect negligence, or willful misconduct. I relieve all concerned from financial liability for the property listed in blocks 4 through 6."

*b. Assessment of financial liability.* When the approving authority can establish from the information contained on DD Form 200, blocks 9, 10, and 12 and attached exhibits that negligence or willful misconduct was the proximate cause of the loss or damage, financial liability may be assessed by—

(1) Ensuring that all actions normally performed by the financial liability investigation officer are performed, such as determination of fair market value or depreciation (see para 13–32).

(2) Preparing a memorandum to the respondent stating intent to assess financial liability without further investigation. The memorandum will include the facts, on which the proposed charge of financial liability is based, computation of the actual loss, and the amount of financial liability to be charged. The memorandum will include an explanation of the respondent's rights as described in paragraphs 13–34 and 13–35. A complete copy of the DD Form 200 with copies of all the exhibits will be attached to the memorandum as an enclosure. Instruct the respondent to complete blocks 16a through 16h before returning the DD Form 200 to the approving authority.

(3) On receipt of a rebuttal statement, if one is received, the approving authority will consider the financial liability investigation together with any new evidence provided, or allegations of error presented by the respondent. The approval authority will make appropriate comments and attach the rebuttal statement and remarks to the DD Form 200 as exhibits.

(4) On receipt and review of the rebuttal statement, or upon expiration of the time allowed the respondent to submit a rebuttal statement, forwarding to the installation legal advisor for a legal opinion per paragraph 13–38, the DD Form 200 with all exhibits and a copy of the memorandum to the respondent containing the facts on which proposed assessment of financial liability is based.

(5) On receipt of the legal opinion, final approval to hold respondent financially liable is accomplished by completing blocks 14a through 14h, inserting a statement in block 14b to assess financial liability against an individual. Use a statement similar to the following: "Approved to hold (insert name, grade, and SSN) financially liable in the amount of (enter amount). (Insert name and grade), monthly basic pay at the time of the loss was (enter amount)." Respondents must be notified of the approved charges of financial liability and be provided the opportunity to exercise their rights as listed in paragraph 13–42.

### 13–23. Recommendation by the appointing authority without further investigation

This action provides the appointing authority, when designated, the option to recommend shorting the financial liability investigation process when the facts and circumstances permit. The short financial liability investigation does not relieve the appointing and/or approving authority from performing those actions normally conducted by the investigation officer if liability is assessed, such as determination of fair market value or depreciation (see para 13–32).

*a. Relief from responsibility.* When the appointing authority determines from the information on DD Form 200, blocks 9, 10, and 12, and attached exhibits that no evidence of negligence or willful misconduct exists, they may recommend to the approving authority relief from responsibility by completing blocks 13b through 13h, placing a statement in block 13b recommending all persons be relieved of financial liability.

*b. Assessment of financial liability.* When the appointing authority can establish from the information contained in blocks 9 and 10, DD Form 200, and the attached exhibits, that negligence or willful misconduct was the proximate cause of the LDDT of Government property, the appointing authority must—

(1) Prepare a memorandum to the respondent stating their intent to recommend charges of financial liability without further investigation. The memorandum will include the facts on which the recommended charges of financial liability are based, computation of the actual loss, and the amount of financial liability being recommended. The memorandum will include an explanation of the respondent's rights as described in paragraph 13–34 and paragraph 13–35. A complete copy of the DD Form 200, to include copies of all the exhibits, will be attached to the memorandum as an enclosure. Instruct the respondent to complete blocks 16a through 16h before returning the DD Form 200 to the appointing authority.

(2) On receipt of a rebuttal statement, if one is received, consider the DD Form 200 together with any new evidence provided, or allegations of error presented by the respondent, and make appropriate comments and attach the rebuttal statement and remarks to the DD Form 200 as exhibits.

(3) On receipt and review of a rebuttal statement, or upon expiration of the time allowed the respondent to submit a rebuttal statement—

*(a)* Enter a statement in block 13b stating further investigation is not required. Enter the words "See block 15a for appointing authority's recommendation."

*(b)* Complete block 13c through block 13h.

*(c)* In block 15a, enter a recommendation regarding the charge of financial liability, and the amount of financial liability being recommended. Enter a statement explaining the facts on which the appointing authority's recommendation is based. Enter the name, grade, and SSN of those individual(s) being recommended for charges of financial liability.

*(d)* Complete blocks 15b, block 15c, and block 15d showing the amount of the loss, the respondent's monthly basic pay, and the recommended amount of financial liability. When more than one individual is being recommended for charges of financial liability, use an added page that contains the elements of information that are unique to the individuals being recommended for charges of financial liability. Enter "see added page" in block 15c and block 15d. Leave block 15e through block 15k blank.

*(e)* Ensure block 16a through block 16h are completed by the respondent. In the event respondent refuses to complete these blocks, enter a statement, "Respondent refused to sign," in block 16g and place the date refusal was made in block 16h. Forward the completed DD Form 200, with all exhibits, to the approving authority for final action, per paragraph 13–37. Electronic or digital signature may be used if DD Form 200 is electronically produced.

## Section V
## Appointment of the Financial Liability Officer or AR 15–6 Investigating Officer

### 13–24. Review of the DD Form 200 to determine if a financial liability officer or AR 15–6 investigating officer is necessary

*a.* The appointing authority or the approving authority as appropriate reviews the DD Form 200 to decide whether a financial liability officer is necessary. The decision whether a financial liability officer is necessary is indicated by the appointing authority or the approving authority as appropriate, completing block 13c and entering initials and the date (see para 13–10*c*). The appointment of a financial liability officer is accomplished by using a memorandum as shown in figure 13–12.

*b.* The appointing authority or the approving authority may direct an investigation according to AR 15–6 by lining through the words "financial liability" in block 13c and inserting "AR 15–6 investigation" in the row immediately above (see fig 13–2). An AR 15–6 investigating officer will be appointed using a memorandum of appointment in accordance with AR 15–6. The appointing authority and/or approving authority will present the investigation of property loss with all exhibits to the investigating officer.

*c.* The financial liability officer will be thoroughly briefed on how the investigation is to be conducted and be advised as to specific time restraints.

DEPARTMENT OF THE ARMY
ORGANIZATION
STREET ADDRESS
CITY STATE ZIP

OFFICE SYMBOL (Date)

MEMORANDUM FOR: (Individual concerned)

SUBJECT: Appointment of Investigating Officer

1. You are hereby appointed an investigating officer pursuant to AR 735–5, paragraph 13–24, to conduct an investigation of property loss. Your task in conducting an investigation of property loss is to determine whether someone's negligence or willful misconduct was the proximate cause of the (loss, damage, or destruction). If an individual was negligent, and that negligence was the cause of the (loss, damage, or destruction), it is appropriate to recommend assessment of financial liability against that individual.

2. Whenever it is necessary to advise a witness or respondent of their rights under the Uniform Code of Military Justice, Article 31b, you should consult with the servicing Office of the Judge Advocate prior to questioning that individual.

3. Submit your findings and recommendations on DD Form 200, block 15 to this office by (enter date). In the event your are unable to meet the above suspense date, prepare a written statement explaining the reason for the delay and attach it to the investigation of property loss as an exhibit.

Approving or Appointing Authority's
Signature Block
Signature

**Figure 13–12. Sample memorandum for appointment of a financial liability officer**

## 13–25. Use of an AR 15–6 investigation

*a.* There are five situations warranting an investigation performed per AR 15–6 in lieu of a financial liability investigation conducted under this regulation. These situations occur when directed by—

(1) Other regulatory guidance.

(2) A commander.

(3) A financial liability investigation approving or appointing authority per AR 15–6.

(4) The loss or destruction involves a controlled item with a CIIC of 1-6, 8, 9, N, P, Q, R, night vision devices, and navigation systems (for example, Global Positioning System).

(5) Serial number changes for sensitive items will require the processing of a DD Form 200 and an AR 15–6 investigation if changes involve more than two characters.

*b.* There are two distinct situations warranting an AR 15–6 investigation to be included as an exhibit to a DD Form 200:

(1) Upon review of DD Form 200 and attached exhibits by the approving authority or appointing authority, as appropriate, a decision is made that an AR 15–6 investigation will be initiated to investigate the loss. The decision whether to appoint an AR 15–6 investigating officer is reflected on DD Form 200, block 13c, as shown in figure 13–18 An AR 15–6 investigating officer is appointed using a memorandum of appointment per the AR 15-6, paragraph 2–1*b*.

(2) When a loss of Government property is discovered during the conduct of an AR 15–6 investigation, a DD Form 200 is initiated using the instructions in paragraphs 13–10*c* and 13–10*d*.

*c.* On completion of the AR 15–6 investigation:

(1) Attach the AR 15–6 investigation to DD Form 200 as an exhibit. Do not use the AR 15–6 investigation as a supporting document or voucher to adjust balances on property records or as a document to assess financial liability. Use DD Form 200 for these purposes.

(2) In block 15a, enter the words "See AR 15–6 investigation at exhibit (identify exhibit by an alpha character)." Mark classified or controlled AR 15–6 investigation reports in block 15a showing their identification and location.

(3) The AR 15–6 investigating officer will complete all actions as required by AR 15–6. If financial liability is recommended, the AR 15–6 investigating officer will complete block 15b through block 16h. The appointing authority or the approving authority as appropriate will accomplish any actions not performed by the AR 15–6 investigating officer or normally required of a financial liability officer, such as notifying the individual being charged, as prescribed in paragraph 13–32, paragraph 13–34, and paragraph 13–35, had once been appointed. No additional investigating officer will be appointed to perform these duties.

## 13–26. Financial liability officer

An individual appointed to investigate the circumstances, and make findings and recommendations relating to the loss or damage of Government property listed on a DD Form 200.

## 13–27. Financial liability officer qualifications

*a.* The financial liability officer must be an Army commissioned or warrant officer; an Army noncommissioned officer in the grade of SFC or above; civilian employee GS–7 or above, or a wage leader (WL) or wage supervisor (WS) employee. Chaplains may not be appointed as investigative officers. For financial liability investigations of property loss conducted in joint Service activities, financial liability officers may be any DOD commissioned or warrant officer, or a noncommissioned officer in the pay grade of E7 or above assigned to the activity. Additionally, a foreign national employee, GS–7 equivalent or above, may be designated to act as a financial liability officer on financial liability investigations of property loss originating within a civilian support center. Federal recognition of an ARNG member constitutes authority to be appointed as a financial liability officer.

*b.* Appoint as financial liability officer only those individuals who are senior to individual(s) subject to potential financial liability. Senior by time in grade (TIG) or pay band is acceptable. Refer to table 13–1 to determine the proper grade of a financial liability officer. If the financial liability officer discovers during the investigation that completion of the investigation will require them to examine the conduct or performance of duty of someone senior, or may result in a finding and recommendation adverse to a person senior to them, the financial liability officer will report that fact to the approving authority. The approving authority will review the findings, and either excuse the financial liability officer and designate another person senior to the individual concerned, or direct the investigation to continue if military exigencies make the change impractical. When employing the military exigency option, the approving authority will document the military exigency as an exhibit to the DD Form 200.

*c.* No person may act as the financial liability officer who is personally responsible for, or is in any way directly interested in the property listed on the DD Form 200.

*d.* An accountable officer will not act as the financial liability officer for losses or destruction of equipment on their accountable records. An accountable officer may act as a financial liability officer for equipment on their accountable records that is damaged and cannot be declared destroyed.

*e.* Appointment of financial liability officers is accomplished using an informal memorandum (see fig 13–12 for format).

**Table 13–1**
**Protocol for military and GS civilian grade comparison for appointment of financial liability officer purposes only**

To read this chart, find the required military and/or civilian grade in the potential respondent columns and read across to the financial liability officer qualifications column to find the grade that may be appointed as a financial liability officer.

| Potential respondent | | |
|---|---|---|
| **Military** | **Civilian** | |
| COL | GS–15 | Senior COL and/or GS–15 by TIG or position |
| | GS–14, wage supervisor (WS)–18/19 | Senior GS–14 or WS–18/19 by TIG or military and/or civilian grades greater than O–5, GS–14, or WS–18/19 |
| LTC | GS–13, WS–16/17 | Senior LTC, GS–13, WS–16/17 by TIG or position or military/civilian grades greater than O–5, GS–13, WS–16/17. |
| | GS–12, WS, and/or WL–15 | Senior GS–12 or WS/WL–15 by TIG or position or military/civilian grades greater than O–4 GS–12, or WS/WL–15 |
| MAJ | WS/WL–14 | Senior MAJ or WS/WL–14 by TIG or position or military/civilian grades greater than O-4, GS–11, or WS/WL–14. |
| | GS–11, WS/WL–13 | Senior GS–11 or WS/WL–13 by TIG or position or military/civilian grades greater than O–3, GS–11, or WS/WL–13. |
| CPT | GS–10, WS/WL–12 | Senior CPT, GS–10, WS/WL–12 by TIG or position or military/civilian grades greater than O–3, GS–10, or WS/WL–12. |
| 1LT | GS–9, WS/WL–11 | Senior 1LT, GS–9, or WS/WL–11 by TIG or position or military and/or civilian grades greater than O–2, GS–9, or WS/WL–11. |
| | GS–8, WS–10 | Senior GS–8 or WS–10 by TIG or position or military/civilian grades greater than second lieutenant (2LT), GS–8, or WS–10. |
| 2LT | GS–7, WS–9 | Senior 2LT, GS–7 or WS–9 by TIG or position or military/civilian greater than O–1, GS–7, or WS–9. |
| CW5 | | Senior CW5 by TIG or military and/or civilian grades equal to or greater than O–5, GS–13, or WS–16/17. |
| CW4 | | Senior CW4 by TIG or military and/or civilian grades equal to or greater than O–5, GS–12, or WS–15. |
| CW3 | | Senior CW3 by TIG or military and/or civilian grades equal to or greater than O–4, GS–11, or WS/WL–13. |
| CW2 | | Senior CW2 by TIG or military and/or civilian equal to or greater than O–3, GS–9, or WS/WL–11. |
| WO1 | | Senior WO1 by TIG or military and/or civilian equal to or greater than O–2, GS–8, or WS–10. |
| Sergeant Major of the Army | | CW5 or military and/or civilian grades equal to or greater than O-5, GS–12, or WS/WL–15. |
| Command sergeant major and/or sergeant major | | Senior command sergeant major and/or sergeant major by TIG or position, any CW2 to CW5, military, or civilian grades equal to or greater than O–4, GS-12, or WS/WL–15. |
| 1SG and/or master sergeant | | Senior 1SG and/or master sergeant by TIG or position or military/civilian grades equal to or greater than E–9, W–2, O–1, GS–7, or WS–9. |
| SFC | | Senior SFC by TIG or position or military and/or civilian found grades greater than E–7, W–1, O–1, WS–8, WL–10, or wage grade (WG)–15. |
| PVT through SSG | | Military and/or civilian grades equal to or greater than E–7, W–1, O–1, GS–7, WS–9, or WL–11 |
| | GS–1 through GS–6, WL–10, WS–8, WG–1 through WG–15 | Military and/or civilian grades equal to or greater than E–7, W-1, O–1, GS–7, WS–9, or WL–11. |

## 13–28. Time constraints for conducting the investigation by the financial liability officer

*a.* Unless the approving authority specifies a shorter time, a financial liability officer has up to 30 calendar days (USAR 85 days and ARNG 85 days) from the date of receipt to complete the financial liability investigation. Appointment as a financial liability officer becomes that person's primary duty until the approving authority accepts the investigation as completed, or until otherwise relieved from that duty. Any delay must be explained in writing by the financial liability officer and attached to the DD Form 200 as an exhibit.

*b.* In the event the financial liability officer is unable to complete the investigation and a new financial liability officer is necessary, appointment will be made using an informal memorandum using the format in figure 13–12. Include an explanation stating why the original financial liability officer is unable to complete the financial liability investigation.

## 13–29. Financial liability officer's responsibilities

A financial liability officer's responsibility is to determine the cause and value of the loss or damage of Government property listed on the DD Form 200, and to determine if assessment of financial liability is warranted. That determination must be determined from the facts developed during a thorough and impartial investigation. However, before beginning the investigation the financial liability officer must have an understanding of the terms "responsibility, culpability, proximate cause, and loss;" each term impacts upon a determination of financial liability. Individuals may be held financially liable for the loss or damage of Government property if they were negligent or have committed willful misconduct, and their negligence or willful misconduct is the proximate cause of that loss or damage. The following terms are addressed in order to assist the financial liability officer in evaluating financial liability:

*a. Responsibility.*

(1) *General.* The type of responsibility a person has for property determines the obligations incurred by that individual for the property. DA Pam 735–5 presents specific issues the financial liability officer must consider before recommending financial liability.

(2) *Command responsibility.* The obligation of a commander to ensure all Government property within their command is properly used and cared for, and that proper custody, accountability, safekeeping, and disposition of Government property are provided. Command responsibility is inherent in command and cannot be delegated. It is evidenced by assignment to command at any level and includes the following:

*(a)* Ensuring the security of all property within the command, whether in use or in storage.

*(b)* Observing subordinates to ensure their activities contribute to the proper custody, care, use, accountability, safekeeping, and disposition of all property within the command.

*(c)* Enforcing all security, safety, and accounting requirements.

*(d)* Taking administrative or disciplinary action when necessary.

(3) *Supervisory responsibility.* The obligation of a supervisor to ensure all Government property issued to, or used by its subordinates, is properly used and cared for, and that proper custody, safekeeping and disposition of the property are provided. It is inherent in all supervisory positions and is not contingent upon signed receipts or responsibility statements. It arises because of assignment to a specific position and includes the following:

*(a)* Providing proper guidance and direction.

*(b)* Enforcing all security, safety, and accounting requirements.

*(c)* Maintaining a supervisory climate that will facilitate and ensure the proper care and use of Government property.

(4) *Direct responsibility.* The obligation of a person to ensure all Government property for which they have receipted is properly used and cared for, and that proper custody, accountability, safekeeping, and disposition are provided. Direct responsibility results from assignment as an accountable officer, receipt of formal written delegation, or acceptance of the property on-hand receipt from an accountable officer.

(5) *Custodial responsibility.* The obligation of an individual for property in storage awaiting issue or turn-in to exercise reasonable and prudent actions to properly care for, and ensure proper custody, safekeeping and disposition of the property are provided. Custodial responsibility results from assignment as a supply sergeant, supply custodian, supply clerk, or warehouse person. Personnel with custodial responsibility are rated by and answerable directly to the accountable officer or the individual having direct responsibility for the property. Responsibilities includes the following:

*(a)* Ensuring the security of all property stored within the supply room and storage annexes belonging to the supply room or SSA is adequate.

*(b)* Observing subordinates to ensure their activities contribute to the proper custody, care, safekeeping and disposition of all property within the supply room and storage annexes belonging to the supply room or SSA.

*(c)* Enforcing all security, safety, and accounting requirements.

*(d)* When unable to enforce any of these, reporting the problem(s) to their immediate supervisor.

(6) *Personal responsibility.* The obligation of a person to exercise reasonable and prudent actions to properly use, care for, safeguard and dispose of all Government property in their physical possession. It applies to all Government property issued for, acquired for, or converted to a person's exclusive use, with or without receipt.

*b. Culpability.*

(1) Before a person can be held financially liable, the facts must show that they, through negligence or willful misconduct, violated a particular responsibility or duty involving the property.

(2) Simple negligence is the absence of due care, by an act or omission of a person which lacks that degree of care

for the property that a reasonably prudent person would have taken under similar circumstances, to avoid the loss or damage of Government property.

(3) Gross negligence is an extreme departure from due care resulting from an act or omission of a person accountable or responsible for Government property which falls far short of that degree of care for the property that a reasonably prudent person would have taken under similar circumstances. It is accompanied by a reckless, deliberate, or wanton disregard for the foreseeable loss or damage to the property.

(4) Whether a person's acts or omissions constitute negligence depends on the circumstances of each case. Negligence under some circumstances may not reflect negligence under other circumstances. Therefore, fully consider the following factors, as a minimum, when determining the reasonableness of a person's conduct:

*(a)* The person's age, experience, physical condition, and special qualifications.

*(b)* The type of responsibility the person had toward the property.

*(c)* The type and nature of the property.

*(d)* The nature, complexity, level of danger, or urgency of the activity ongoing at the time of the LDDT of the property.

*(e)* The adequacy of supervisory measures or guidance for property control.

*(f)* The feasibility of maintaining close supervision over the property, given the nature and complexity of the organization or activity supervised.

*(g)* The extent supervision could influence the situation considering pressing duties or lack of qualified assistants.

(5) Willful misconduct is any intentional wrongful or unlawful act or omission relating to Government property.

(6) A retired military member or civilian employee can be held financially liable for the loss or damage of Government property that can be attributed to their negligence while on active duty or employed by DA.

*c. Proximate cause.* Before holding a person financially liable for a loss to the Government, the facts must clearly show that the person's conduct was the "proximate" cause of the LDDT. That is, the person's acts or omissions were the cause that, in a natural and continuous sequence, unbroken by a new cause, produced the LDDT, and without which the LDDT would not have occurred.

*d. Loss.* Before holding a person financially liable for a loss to the Government, the facts must clearly show that the person's conduct was the "proximate" cause of the loss or damage. That is, the person's acts or omissions were the cause that, in a natural and continuous sequence, unbroken by a new cause, produced the loss or damage, and without which the loss or damage would not have occurred.

### 13–30. Relief of financial liability officer

*a.* A financial liability officer may be relieved by the approving authority and a new financial liability officer appointed when—

(1) The financial liability officer has failed to conduct the investigation in accordance with regulatory guidance contained in this regulation.

(2) The financial liability officer has been counseled by the approving authority concerning the inadequacy of the investigation.

*b.* A financial liability officer will not be relieved because the approving authority has a preconceived belief that differs from the financial liability officer's findings and recommendations.

*c.* When the approving authority decides to relieve a financial liability officer, the approving authority will check block 14a Disapprove box on DD Form 200, enter the date, and initial block 14a. The approving authority will document the rationale for relieving the financial liability officer on a memorandum for record, and attach it to the DD Form 200 as an exhibit.

*d.* Appointment of a subsequent financial liability officer will be made using a memorandum (see fig 13–12). A copy of the memorandum appointing the new financial liability officer will be attached to the DD Form 200 as an exhibit.

*e.* An added page, attached to the DD Form 200, will document the subsequent approval or disapproval of the current financial liability officer's findings and recommendations by the approving authority.

## Section VI
## Conducting a Financial Liability Investigation of Property Loss by the Financial Liability Officer

### 13–31. Conducting the investigation

Investigative work is a critical phase of the financial liability investigation of property loss system. A financial liability officer's task is to seek out all the facts that surround the loss or damage of Government property. The following paragraphs will assist the financial liability officer in collecting data needed to develop the findings:

*a.* A financial liability officer must stay free from bias or prejudice. An investigation should not be started with predetermined ideas as to what caused, or who is to blame for the LDDT. A thorough investigation may establish no fault, or it may establish that financial liability should be recommended.

*b.* The financial liability officer must begin the investigation immediately upon notification of being appointed financial liability officer.

*c.* As first priority, physically examine any damaged property, and release it for repair or turn-in. If expert opinion will be of value in determining the cause of damage, or the cost of repair, ensure that technical inspectors examine the property and give statements regarding any damaged property. If the damaged property is the result of a vehicular accident involving a GSA vehicle or a rental vehicle rented from a commercial activity, and the proof of damages (such as, photographs) and estimated cost of damages were documented according to paragraph 13–12*e*, it is not necessary for the financial liability officer to release the vehicle for repair or turn-in. However, the financial liability officer must rely on this documentation in lieu of physically examining the damaged vehicle.

*d.* Interview and obtain statements from all individuals whose useful testimony may assist in deciding the cause of, or responsibility for, the LDDT of the property listed on the DD Form 200. For losses or damages previously investigated by a board of officers, military police, or other authorized official, obtain a copy of the report, or extracted information and attach it to the DD Form 200 as an exhibit. When using classified or otherwise sensitive references, make a statement to that effect in block 15a along with the location and identification of the investigation report. Obtain other available exhibits such as hand receipts or ECODs.

*e.* Statements and other evidence provided by persons who were responsible for the property listed on a DD Form 200 may be self-serving. The financial liability officer must confirm, through the use of other independent statements and evidence gathered in the financial liability investigation, if available, as well as any other evidence of reliability that the financial liability officer considers relevant to indicate that such statements and evidence are factual.

*f.* The evidence provided by different persons may conflict. The financial liability officer must resolve conflicts and determine the true facts, as far as possible, by comparing the conflicting versions with other known facts, surrounding circumstances, and common sense.

*g.* The evidence provided by different persons may conflict. The financial liability officer must resolve conflicts and determine the true facts, as far as possible, by comparing the conflicting versions with other known facts, surrounding circumstances, and common sense.

*h.* Obtain and mark evidence as follows and attach to each copy of the DD Form 200:

(1) Prepare witness statements on DA Form 2823. When DA Form 2823 is not available, use plain bond or ruled paper, 8 1/2 by 11 inches, with the word "Certificate" typed or legibly printed across the top. Statements and/or certificates will be dated and signed by the individual giving the statement and/or certificate.

(2) Mark the bottom of each exhibit alphabetically, followed with the date, amount, and organization or account shown on the face of the DD Form 200 (for example, "Exhibit A, DD Form 200, 18 May 2014, $375.00, Co Z, 906th Signal Battalion.")

## 13–32. Financial liability officer's findings and recommendations

*a.* The financial liability officer will complete block 15b through block 15k in addition to block 15a.

*b.* The financial liability officer's findings and recommendations are entered on DD Form 200, block 15a. A finding is a conclusion reached by the financial liability officer during their investigation of the facts and circumstances surrounding the loss or damage of Government property. Findings are supported by evidence contained on DD Form 200, block 9 or in exhibit(s) attached to the DD Form 200. When writing findings, exclude personal speculation, suspicion, or opinion not supported by evidence. Findings are the conclusions, which form the basis for making recommendations, and must be factual. The financial liability officer must state the facts in their own words. Findings will be as complete as possible to enable the reviewers to ascertain relief from, or assessment of, financial liability.

(1) If the financial liability officer's findings rely on a self-serving statement in block 9, or in one of the exhibits, made by a person who was personally responsible for the property listed on DD Form 200 at the time of the loss, the financial liability officer's findings must explain how that person's statement is confirmed by other independently documented evidence, if available, or by any other evidence of reliability that the financial liability officer considers relevant.

(2) If the financial liability officer's findings rely on evidence which conflicts with other evidence, the financial liability officer must explain how the conflict was resolved.

*c.* After recording the findings, the financial liability officer must develop a logical recommendation(s) based on their findings as applied against the guidance contained in this regulation.

*d.* The financial liability officer will enter the following information in block 15 (see figs 13–2 and 13–7):

(1) The proximate cause of the loss or damage.

(2) The value of the lost or destroyed property listed on the DD Form 200 before the loss or destruction occurred. If depreciation is allowed, compute the value of the property as shown in appendix B. Enter the dollar amount of the loss in block 15b.

(3) For damaged property, use the actual (if available) or the estimated cost of repairs. Enter the dollar amount of the cost of repairs in block 15b.

(4) Enter the disposition, or recommended disposition, of damaged property classified as uneconomically repairable in block 15a.

(5) For property other than Government quarters, and/or furnishings and equipment therein, the financial liability officer will state in their findings whether the liability resulted from simple negligence or willful misconduct. When the financial liability investigation involves the LDDT to occupant's assigned Government quarters, and/or Government furnishings and equipment therein, the financial liability officer will determine whether the loss resulted from simple negligence, gross negligence or willful misconduct on the part of the occupant, or the occupant's dependents, quests or pets. When simple negligence is determined, the amount of financial liability will not exceed one month's basic pay or one twelfth of the annual salary for a DOD civilian employee. The occupant will be held financially liable for the full amount of the LDDT when it is determined to be the result of—

*(a)* Gross negligence or willful misconduct of the occupant.

*(b)* Gross negligence or intentional misconduct of the dependents, guests or pets, under circumstances where the occupant was on notice of the particular risk involved, and failed to exercise available opportunities for preventing or limiting the damage or loss. In the absence of evidence to the contrary, occupants will be presumed to be on notice of risks attending the activities of those whom the occupant invites upon the premises.

(6) Whether assessment of financial liability is appropriate. If financial liability is being recommended, the financial liability officer will enter—

*(a)* The name, grade, and social security number of the individual.

*(b)* When the LDDT involves Government quarters, and/or furnishings and equipment therein, state whether the recommendations are based on a finding of simple negligence, gross negligence, or willful misconduct.

*(c)* The amount to be charged the individual (see para 13–41 for liability limits). The total amount of recommended charges of financial liability is entered in block 15d. The methodology used for computation of the charges against a single individual is shown at table 12-3. When collective and individual liability is recommended, that is, when 2 or more persons are involved, the charges are computed according to table 12–4.

*(d)* Whether relief from financial liability is appropriate.

*(e)* The amount of the individual's monthly base pay at the time of the loss. Enter this amount in block 15c. When 2 or more individuals are recommended for charges of financial liability enter the information called for in blocks 15c and 15d in block 15a, adjacent to respondent's name and SSN. Enter "see block 15a in blocks 15c and 15d."

*(f)* The amount of the individual's monthly base pay at the time of the loss. Enter this amount in block 15c. When more than one individual is being recommended for charges of financial liability, use an added page that contains the elements of information usually entered in block 15c and block 15d of the individuals being recommended for charges of financial liability. Write "see added page" in block 15c and block 15d.

*(g)* If the individual is within 6 months of their expected termination of service or employment, enter the date the individual is expected to terminate their service, or employment.

*(h)* Enter the recommended financial liability in block 15d. If more than one individual is being charged, leave this block blank and enter the information from block 15c block 15d on an added page (see 13–32*f*(5)).

*e.* If financial liability is being recommended, the financial liability officer will cause the individual recommended for a charge of financial liability to complete block 16a through block 16h. When 2 or more individuals are recommended for charges of financial liability, enter the data normally placed in block 16a through block 16h the added page for each individual being recommended for charges of financial liability and attach to the DD Form 200 additional information for block 15c and block 15d as follows:

(1) DD Form 200, block 12b continued, Investigation of Property Loss WAH8AA–14–FA–055, 6 July 2014, $63,377.50.

(2) Monthly basic pay.

*(a)* SSG Flowers - $2,134.

*(b)* PFC Clark - $1,872.

(3) 1/12th annual pay (Mr. Dale Johnson - $5,200).

(4) Recommended financial liability.

*(a)* Total basic pay=$9,206.

*(b)* SSG Flowers=$2,134/$ 9,206=.23 * $7,634.22=$1,769.65.

*(c)* PFC Clark=$1,872/$9,206=.20 * $7,634.22=$1,522.39.

*(d)* Mr. Johnson=$5,200/$9,206=.56 *$7,634.00=$4,312.18.

*f.* Sample added page layout for DD Form 200 : Memorandum will read DD Form 200, block 16 continued, investigation of property loss WAH8AA–14–FA–055, 6 July 2014, $63,377.50.

(1) I have examined the findings and recommendations of the financial liability officer and (check one).

*(a)* Submit the attached statement or objection.

*(b)* Do not intend to make such a statement.

(2) I have been informed of my rights to legal advice. My signature is not an admission of liability.

(3) Organization address: 319th Military Intelligence Battalion.

(4) Name: Smith, William A.

(5) Social security number: XXX–XX–XXX.

(6) DSN: 543–9876.
(7) Signature: William A. Smith.
(8) Date signed: 6 July 2014.

## Section VII
## Actions After Financial Liability Officer's Recommendation

### 13–33. Financial liability not recommended

The financial liability officer forwards the DD Form 200 with exhibits in original and number of copies specified by the local command to the appointing authority or the approving authority as appropriate for action. The financial liability officer retains 1 copy.

### 13–34. Financial liability recommended

*a.* Before forwarding the DD Form 200 to the appointing or approving authority, the financial liability officer will give any individual, against who makes a recommendation to assess financial liability, a chance to examine the DD Form 200 after the findings and recommendations have been recorded on the DD Form 200, and the opportunity to make a rebuttal statement on their behalf (see para 13–35). The financial liability officer will—

(1) Explain to the individual recommended for a charge of financial liability, the consequences of the recommendation, if approved.

(2) Explain to the individual the significance of any rebuttal statement submitted by them regarding the possible assessment of financial liability.

(3) Consider and attach as an exhibit to the DD Form 200 any statement the individual desires to submit.

(4) For financial liability investigations of property loss involving LDDT of Government quarters and/or Government furnishings and equipment therein, explain to the individual whether a finding of gross negligence was established and the consequence of a finding of gross negligence.

*b.* The financial liability officer will notify the individual by memorandum (see fig 13–13) that they have the right—

(1) To inspect and copy Army records relating to the debt.

(2) To legal advice as authorized by AR 27–3. Free legal advice from the servicing legal office is normally provided only to military and DOD civilian employees.

(3) To submit a statement and other evidence in rebuttal of the financial liability officer's recommendation.

*c.* The financial liability officer will ensure the respondent completes DD Form 200, blocks 16a through 16h. A copy of the memorandum explaining the individual's rights will be attached to the DD Form 200 as an exhibit. If more than one individual is recommended for assessment of financial liability, the financial liability officer will prepare an additional page for each individual being recommended; containing the data normally placed in blocks 16a–h, and attaches them to the DD Form 200 (see fig 13–2).

*d.* Anytime an individual elects to sign a statement of charges after a DD Form 200 has been initiated, the DD Form 200 may be cancelled and the statement of charges processed.

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFICE SYMBOL (Date)

MEMORANDUM FOR: (Respondent's commander or supervisor)

FOR (Respondent's name, rank, and address)

SUBJECT: Financial Liability, Financial Liability Investigation of Property Loss (number) ($ amount)

1. You are hereby notified that you are being recommended for changes of financial liability to the Government, in the amount of ($ amount) for the (loss, damage, or destruction) of Government property investigated under subject investigation of property loss (Encl). If the approval authority approves my recommendation, you may be held financially liable.

2. Your attention is invited to AR 735–5, paragraph 13-34b, which lists you rights relative to this matter. You have the right to—

a. Inspect and copy Army records relating to the debt.

b. Legal advice.

c. Submit a statement and other evidence to the approving authority in rebuttal of my recommendation. The approval authority will consider any rebuttal statement you submit in making their determination of financial liability.

3. Time constraints for submission of a rebuttal are contained AR 735–5, paragraph 13-35b.

4. You are requested to complete blocks 16a through 16h of the enclosed DD Form 200, and to sign the endorsement below. Request these be returned to me not later than (enter the date) in the event I am not in receipt of these documents (enter date). I will forward the financial liability investigation of property loss to the approving authority as is.

Encl

Investigating Officer's
Signature Block and
Signature

OFFICE SYMBOL (Office Symbol/date basic correspondence) 1st End
SUBJECT: Financial Liability, Investigation of Property Loss (number) ($amount)

I hereby acknowledge receipt of notice recommending me for charge of financial liability contained on the basic correspondence above. The DD Form 220 with blocks 16a-16h completed is returned, as requested.

Encl

Respondent's Signature Block
And Signature

**Figure 13–13. Sample financial liability officer's notification to the respondent informing respondent of their intension to recommend a charge of financial liability**

### 13–35. Submission of individual rebuttal statement

*a. Rebuttal statement.* Individuals have the right to submit a rebuttal statement, or other added evidence, and to have that statement or evidence considered and attached to the financial liability investigation of property loss for consideration by higher authority. Individuals against whom a charge of financial liability is recommended may obtain legal advice from the servicing legal office, (Office of The Staff Judge Advocate, Post Judge Advocate, Command Counsel, or Legal Counsel). Normally this free legal advice is available only to military personnel and DOD civilian employees per AR 27–3.

*b. Time constraints.*

(1) An individual who receives a hand-delivered DD Form 200 packet has 7 calendar days from the date of receipt to reply with a rebuttal statement or other additional evidence. This time will not be included when computing the total processing time.

(2) Those individuals who are unavailable, but in the same country, have 15 calendar days from the date of mailing or the date an e-mail was sent to the individual to submit a rebuttal. The e-mail will include a complete packet as an attachment. The investigating officer will ensure that sent, delivered and read verification is applied. All verification e-mails will be attached to the DD Form 200 as exhibits. This time will not be included when computing the total processing time.

(3) Those individuals who are unavailable, and in a country different than the financial liability officer, have 30 calendar days from the date of mailing or the date an e-mail was sent to the individual to submit a rebuttal. The e-mail will include a complete packet as an attachment. This time will not be included when computing the total processing time.

(4) Notification to unavailable individuals will be made by certified mail, return receipt requested; or e-mail to AKO, with tracking option turned on. Copies of the notification memorandum will be attached to the DD Form 200 as an exhibit together with the evidence of mailing and return receipt or the e-mail tracking document that the e-mail has been read by the recipient.

(5) When the financial liability officer receives a rebuttal statement within the allotted time, they will consider the financial liability investigation of property loss together with any new evidence or allegations of error presented by the respondent. After review, attach the rebuttal statement to the DD Form 200. If the evidence provided changes the financial liability investigating officer's findings and recommendation, the new findings and recommendation will be placed in block 15a or on an added page. Forward the complete packet to the appointing authority or the approving authority as appropriate for action.

(6) When the financial liability officer does not receive a rebuttal statement within the allotted time, they will forward the DD Form 200 showing the financial liability officer's findings and recommendations to the appointing authority or the approving authority as appropriate.

(7) When the financial liability officer receives a rebuttal statement after the time allotted for a rebuttal has expired, they will consider any new evidence presented by the respondent. If appropriate, amend their recommendations and forward the amended recommendation by memorandum through the same channels the financial liability investigation was processed.

*c. Distribution.* The financial liability officer will forward the original and copies (number as specified by the local command) to the appointing authority or the approving authority as appropriate for action. The financial liability officer will retain one copy.

## Section VIII
## Review of Financial Liability Officer's Findings and Recommendations by a Designated Appointing Authority

### 13–36. Appointing authority's review of financial liability investigations of property loss

When an appointing authority is designated—

*a.* Brigade and battalion commanders and other appointing officials will personally review all financial liability investigations of property loss arising within their command or authority. The exception involves financial liability investigations of property loss listing property for which the appointing authority has either personal responsibility (see para 13–18) or accountability. In this instance, the appointing authority will forward the DD Form 200 with all exhibits to the approving authority without action.

*b.* The appointing authority will make an administrative check to determine if all pertinent instructions have been followed. Figure 13–3 provides a checklist and tracking document. The appointing authority, using and completing section F of checklist and tracking document will further check to ensure the investigation—

(1) Resolves contradictory statements.

(2) Confirms or refutes self-serving statements.

(3) Reflects clearly stated findings from documented evidence.

(4) Presents sound and logical conclusions and recommendations based on the findings and the policy contained in this regulation.

(5) Reflects that individuals have received counseling, advisement of their rights, and an opportunity to rebutt on their behalf.

(6) Reflects correct computation of financial charges.

(7) If late, contains statements of delay attached as exhibits.

(8) Reflects initials on all changes and minor corrections that support authenticity and clear doubt.

(9) Reflects an unbiased investigation.

### 13–37. Appointing authority's decision

The appointing authority will review the action taken by the financial liability officer, making certain all requirements have been met, and then will—

*a.* Return the investigation to the financial liability officer for additional investigation. If further investigation is required and/or pertinent instructions have not been complied with, the appointing authority will return the investigation to the financial liability officer as an enclosure to a memorandum specifying what additional data and/or corrections are required.

*b.* Concur with the findings and recommendations. If the appointing authority concurs with the recommendations of the financial liability officer, they will process the DD Form 200 as follows:

(1) Check "Approve" in block 13a.

(2) Complete blocks 13b and 13d through 13h.

(3) Forward the DD Form 200 with all exhibits to the approving authority. Approving authorities may require the appointing authority to obtain a legal opinion review from the legal office before forwarding the DD Form 200.

*c.* Nonconcur with findings and recommendations. If the appointing authority nonconcurs with the financial liability officer's recommendations, they will process the DD Form 200 by—

(1) Checking "Disapprove" in block 13a.

(2) Enter a statement in block 13b showing the rationale upon which their decision is based.

(3) Samples for block 13b should read:

*(a)* DD Form 200, block 13b continued, Investigation of Property Loss WAH8AA–14–FA–055, 6 July 2014, $63,377.50.

*(b)* Recommend financial liability against CPT Doe for failure to properly provide records in which to ensure proper custody was maintained. The circumstances in block 9 shows that CPT Doe failed to keep any records of equipment as it was issued or hand receipted to the users or supervisors. In fact, there is not a single valid subhand receipt for any property. He failed to ensure that these records were maintained by anyone. Although CPT Doe had a great amount of supply personnel turbulence during his command, the onerous of the failure to keep any hand receipts lies with him along. He never asked nor did he seek to see the company's or supervisor's hand receipts. If he knew the fact that no hand receipts were kept, he did nothing to rectify the issue. He had many chances to fix his problem during cyclic inventories and command inspections. The loss of this equipment was caused by this lack of records.

*(c)* Recommend that CPT Doe be held liable for the loss of the equipment which totaled $34,834.23 after depreciation. CPT Doe's monthly base pay is $4,149.30.

(4) If the financial liability officer does not recommend financial liability and the appointing authority recommends financial liability, ensuring the procedures outlined in paragraph 13–34*c* and paragraph 13–35 are accomplished.

(4) Completing blocks 13d through 13h.

(5) Forward the DD Form 200 with exhibits to the approving authority.

## Section IX
## Review by Approval Authority

### 13–38. Legal review of a financial liability investigation of property loss

*a.* The approving authority will personally review all financial liability investigations of property loss arising within their command or authority. The exception involves financial liability investigations of property loss listing property for which the approving authority has either personal responsibility or accountability (see para 13–18). In this instance, the next higher commander will act as the approving authority.

*b.* The approving authority will make an administrative check to determine if all pertinent instructions have been followed. Figure 13–3 provides a checklist and tracking document. Using section G of the checklist and tracking document, the approving authority will further check to ensure the investigation—

(1) Resolves contradictory statements.

(2) Confirms or refutes self-serving statements.

(3) Reflects clearly stated findings from documented evidence.

(4) Presents sound and logical conclusions and recommendations based on the findings and the policy contained in this regulation.

(5) Reflects individuals received counseling, advisement of their rights, and an opportunity to rebut on their behalf.

(6) Reflects correct computation of financial charges.

(7) If late, contains statements of delay attached as exhibits.

(8) Reflects initials on all changes and minor corrections that support authenticity and clear doubt.

(9) Reflects an unbiased investigation.

## 13–39. Legal review of a financial liability investigation of property loss

*a.* Upon receiving a DD Form 200 on which the approving authority believes financial liability is appropriate, the approving authority will obtain a legal opinion, if not already obtained by the appointing authority, as to its legal sufficiency prior to determining whether to assess financial liability.

*b.* A legal advisor will provide a written opinion as to the legal sufficiency of the financial liability investigation of property loss. If, in the legal advisor's opinion, the financial liability investigation of property loss is not legally sufficient, the opinion will state the reasons why and make appropriate recommendations. The opinion will be attached to the financial liability investigation prior to the approving authority's review and decision. The approving authority will ensure corrective actions are taken before taking final action to assess financial liability.

*c.* A lawyer other than the one who advised the respondent in the preparation of the respondent's rebuttal statement must perform the legal review required by the approving authority.

*d.* Time constraints for the legal review of financial liability investigations of property loss are included in the adjudication process (see fig 13–1). However, if the legal opinion will take more than 10 days (Active Army) or 80 days (USAR) or 30 days (ARNG), extensions will be granted in 10 day intervals until the legal review is received. When extensions are granted, the amount of time over 10 days (Active Army), or 80 days (USAR), or 30 days (ARNG) will not be included in the calculation of total processing time.

*e.* The approving authority cannot assess financial liability against individuals for the loss or damage to Government property if the findings and recommendations are found to be legally insufficient.

## 13–40. Approving authority's action after review of DD Form 200

*a.* Figure 13–14 shows the financial liability investigation processing steps from decision by the approving authority to receipt by the FAO and/or USPFO.

*b.* When the approving authority determines the financial liability investigation or AR 15–6 investigation is incomplete, or finds pertinent instructions have not been complied with, they will return the DD Form 200 to the financial liability officer or AR 15–6 investigating officer for further investigation. If an appointing authority was designated, the approving authority will return the DD Form 200 through the appointing authority. The approving authority will specify the additional data required using a memorandum.

*c.* A financial liability officer may be relieved by the approving authority and a new financial liability officer appointed per paragraph 13–30.

*d.* When the approving authority determines the DD Form 200 is complete, the approving authority will—

(1) Adopt the recommendations of the financial liability officer or AR 15–6 investigating officer, and approve them by checking block 14a Approved box, DD Form 200, inserting a statement in block 14b to assess financial liability against an individual (see fig 13–2). Use a statement similar to the following: "Approved to hold (insert rank, name, and SSN) financially liable in the amount entered in block 15d." Also enter the respondent's rank, last name, and basic pay at the time of loss or damage and completing blocks 14b through 14h.

*(a)* When the approving authority decides to approve collective and individual liability against two or more individuals, the following additional actions in paragraph (1): Since the data in blocks 16a through 16h allows only one individual to sign, it is necessary to prepare an added page. Using the added page, enter a statement similar to the statement described in paragraph (1) identifying each individual being held financially liable and the amount of financial liability being charged.

*(b)* When the approving authority decides to approve to relieve all concerned from financial liability they will enter an "X" in block 14a approved box and make the following statement in block 14b: "All concerned are relieved from financial liability for the loss or damage of the property listed on this financial liability investigation of property loss." The approving authority will then complete blocks 14d through 14h.

(2) Sample memorandum format for block 14b should read as follows:

*(a)* DD Form 200, Block 14b continued, investigation of property loss WAH8AA–14–FA–055, 6 July 2014, $63,377.50.

*(b)* Financial liability is assessed against CPT Doe for failure to properly provide equipment records. This one act ultimately ended in the loss of equipment because the equipment was issued and forgotten. CPT Doe's rebuttal gave no further evidence to show who the equipment was issued or hand receipted to.

*(c)* Approved to hold CPT Hugh Doe, SSN, financially liable for the amount of $4,149.30. CPT Doe's monthly base pay is $4,149.30.

(3) Make a decision contrary to the recommendations of the financial liability officer or AR 15–6 investigating officer to relieve all concerned from financial liability, to assess financial liability against a new individual, or waive or reduce the amount of financial liability assessed against a member or employee. The waiver to waive or reduce the amount of financial liability charged will be based on the approving authoritys review of all the pertinent information. When the approving authority's decision is to relieve or waive financial responsibility, the respondent will be notified using a memorandum (see fig 13–16).

(4) The approving authority can overrule, when appropriate, the recommendations of the appointing authority and the financial liability officer. When this action results in the assessment of financial liability, the individuals not previously recommended for liability will be advised in writing of their rights and afforded an opportunity to exercise their rights.

*(a)* To grant a waiver relieving all concerned of financial liability, place the following statement in block 14b, "I relieve all concerned of financial liability from the (damage, loss, or destruction) to the property listed in blocks 4 through 6." To reduce the amount of financial liability assessed place the following statement in block 14b. "To hold (name and grade of individual being assessed with financial liability) financially liable in the amount of ($ amount). Also enter the respondent's rank, last name, and basic pay at the time of loss or damage.

*(b)* The approving authority will clearly state the mitigating circumstances that justify waiving any or all financial liability in the comments and/or rationale (block 14b) or on a separate memorandum for record. If a separate memorandum is used, add the statement "See separate Memorandum for rationale of financial liability waiver" in the comments and/or rationale (block 14b).

*(c)* When the approving authority decides to relieve all concerned persons from financial liability, the approving authority will retain the original of DD Form 200 on file, and destroy the remaining copies. When the approving authority determines to assess financial liability, the approving authority will retain the original, send a copy to the FAO or USPFO, and provide each respondent with a copy.

*(d)* For ARNG, all investigations will then be forwarded to the State USPFO who will serve as the final reviewing authority. The final reviewing authority cannot be delegated to other than the USPFO. In cases of personal conflict, general officer, or State liability, the final reviewing authority is the DARNG or the designated representative, who also acts as the appointing and approving authority.

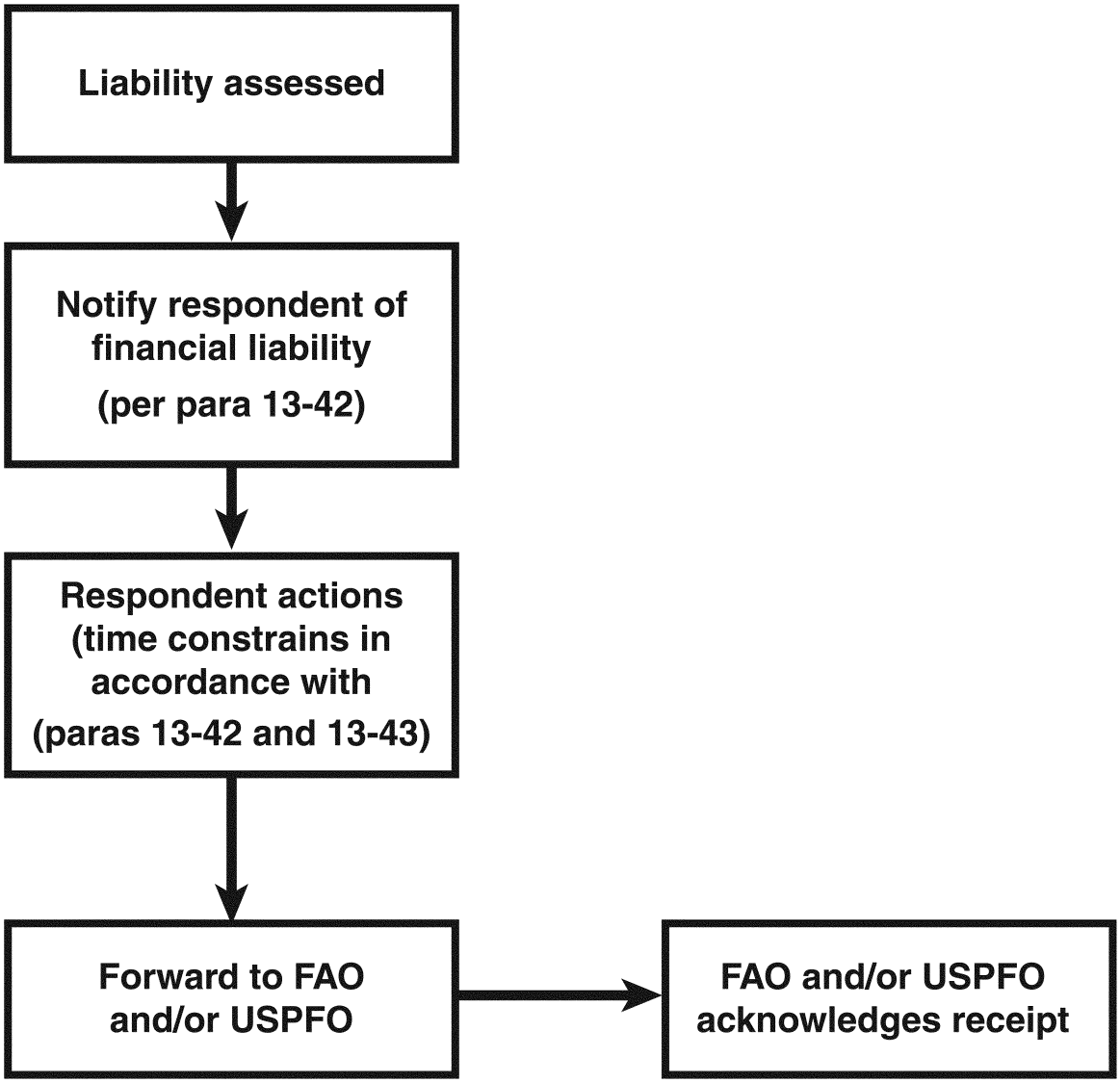


**Figure 13–14. Financial liability investigation processing steps from assessment of financial liability to receipt at FAO and/or USPFO**

### 13–41. Liability limits

*a.* When negligence or willful misconduct are shown to be the proximate cause for a loss, the following individuals or entities will be assessed the full amount of the Government's loss, minus amounts charged to others:

(1) Accountable officers.

(2) States and territories of the United States.

(3) Contractors and contractor employees (see the FAR).

(4) Nonappropriated fund activities.

(5) Persons losing public funds.

(6) Soldiers losing personal arms or equipment.

(7) Persons, who lose, damage, or destroy Government quarters, and/or furnishings and equipment provided by the Government for use in quarters, through gross negligence or willful misconduct. If simple negligence is shown, paragraph 13–41*b* applies.

(8) Individuals or entities not federally employed.

*b.* In all other cases, the amount equal to one month's basic pay at the time of the loss, or the actual amount of the

loss to the Government, whichever is less, may be assessed. The approval authority may reduce in whole or in part the amount of the individual's financial liability when the approval authority determines that the evidence documented in the investigating officer's findings indicates that the amount should be reduced because of the nature and circumstances surrounding the damage or loss.

(1) An exception is for military members who lose both PA&E and OEP. In this case, the amount of liability will be 1 month's base pay at the time of loss or the actual OEP amount of loss to the Government, whichever is less, plus the actual amount of the PA&E (see table 12–3).

(2) For ARNG and USAR personnel, 1 month's basic pay refers to the amount that would be received by the Soldier if on active duty.

(3) For DOD civilian employees, financial liability for losses of Government property (including personal arms and equipment) is limited to 1/12 of their annual pay.

(4) When two or more financial liability investigations of property loss are processed that involve the same incident, financial liability is limited to 1 month's basic pay. (Compute the charge per table 12–3.)

*c.* When two or more entities are held collectively and individually liable for a single loss, their individual financial charge is computed per table 12–4.

*d.* When a Soldier or DOD civilian employee is held collectively and individually liable with an individual and/or entity identified in paragraph 13–41*a*(8), table 12–4 is not used to compute the amounts of financial liability. The total dollar amount of the loss is divided by the number of respondents. The amount derived from this equation is the maximum amount each respondent will be assessed. For Soldiers and DOD civilian employees, the amount of financial liability assessed will be the amount derived from the above equation or 1 month's base pay or 1/12th the annual salary, whichever is less.

## Section X
## Notice to Respondents on Assessment of Financial Liability

### 13–42. Respondent's rights

*a.* Members of the Army, employees, and members of other Services having a reciprocal agreement with the Army may have approved charges of financial liability involuntarily withheld from their Federal pay. For military members and DOD civilian employees of other military Services, see chapter 14, section V. This also applies to former members of the Army and civilian employees who have retired prior to a decision being made on the assessment of financial liability. Payment will be taken from the retiree's retirement pay unless the retiree makes other arrangements for payment that are acceptable to the Army. Withholdings will be by salary or administrative offset according to 5 USC 5514 for civilian employees and 37 USC 1007 for military members. Before individuals are held financially liable, they must receive notice and the opportunity to exercise their rights, as listed below. Notification of the respondent will be accomplished by the approving authority using a memorandum (see fig 13–15). The memorandum with a copy of the DD Form 200 with all exhibits will be hand delivered to the person found financially liable. If the individual is not available locally, the memorandum will be forwarded by certified mail, return receipt requested. The memorandum will inform the individual that collection efforts will begin 30 calendar days (ARNG 60 calendar days) from the date delivered or mailed. If respondent exercises their rights described below in paragraphs 13–42*a*(3) or paragraph 13–42*a*(4), collection actions will be temporarily halted. The memorandum will provide a means for the respondent to acknowledge receipt. The memorandum (see fig 13–15) will state what rights the respondent has and the time limits for exercising these rights. When a memorandum is returned indicating that the memorandum is not deliverable, the approving authority need not make further attempts to notify the individual of their rights. The time utilized in notifying respondents of approved charges of financial liability, and of their rights is not counted towards the 75 days allowed for processing the DD Form 200. Individual rights are to—

(1) Inspect and copy Army records relating to the debt.

(2) Obtain free legal advice from the servicing legal assistance office relating to the assessment of financial liability, as authorized by AR 27–3. Normally this free legal advice is available only to military personnel and DOD civilian employees.

(3) Request reconsideration of the assessment of financial liability based on legal error. Requests for reconsideration denied by the approval authority will be forwarded to the appeal authority by the approval authority per paragraph 13–44*b* and paragraph 13–51*a*.

(4) Request a hearing concerning the amount of the debt or the terms of any proposed repayment schedule (civilian employees only). A request for a hearing will not be submitted until a request for reconsideration concerning the existence of the debt has been acted on by the appeal authority. A request for a hearing conducted by the FAO and/or USPFO will be submitted to the servicing FAO and/or USPFO. A respondent who chooses to challenge the existence of the debt will do so by submitting a request for reconsideration to the approving authority.

(5) Request remission or cancellation of the indebtedness (enlisted personnel only) under the provisions of AR 600–4.

(6) Request extension of the collection period.

(7) Submit an application in accordance with AR 15–185, DD Form 149 (Application for Correction of Military Record Under the Provisions of Title 10, U.S. Code, Section 1552).

*b.* Submission of a request for reconsideration, a hearing, or remission or cancellation of indebtedness, stops all collection action, pending a decision on the request made by the appropriate official.

*c.* The time constraints shown in figure 13–17 and figure 13–18 apply for the submission of requests for reconsideration and hearings. The time constraints in AR 600–4 apply to remission or cancellation of indebtedness. The time constraints in AR 15–185 apply to the correction of military records.

*d.* When time limits in paragraph 13–42*c* expire without action by the respondent, the approving authority will forward the DD Form 200 to the FAO and/or USPFO for collection under cover of a transmittal document requesting acknowledgment of receipt. The approving authority will make initial follow-up to the FAO and/or USPFO within 20 calendar days when the FAO and/or USPFO has not acknowledged receipt. Thereafter the approving authority will continue to follow-up every tenth day until the FAO and/or USPFO acknowledges receipt of the DD Form 200.

*e.* Civilians will see their human resource service representative for DD Form 2481 for payroll deduction submission. They will attach the DD Form 2481 upon receipt of the processed DD Form 2481.

*f.* When time limits in paragraph 13–42*c* expire without action by the respondent, the approving authority will forward the DD Form 200 to the FAO and/or USPFO for collection under cover of a transmittal document requesting acknowledgment of receipt. The approving authority will make initial follow-up to the FAO and/or USPFO within 20 calendar days when the FAO and/or USPFO has not acknowledged receipt. Thereafter the approving authority will continue to follow-up every tenth day until the FAO and/or USPFO acknowledges receipt of the DD Form 200.

*g.* The approving authority will attach a copy of the notification memorandum and FAO and/or USPFO receipt to the DD Form 200.

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFICE SYMBOL (Date)

MEMORANDUM FOR: (Respondent's commander or supervisor)

FOR (Respondent's name, rank, and address)

SUBJECT: Financial Liability, Financial Liability Investigation of Property Loss (number) ($ amount)

1. You are hereby notified that you are being recommended for changes of financial liability to the Government, in the amount of ($ amount) for the (loss, damage, or destruction) of Government property investigated under subject investigation of property loss (Encl). If the approval authority approves my recommendation, you may be held financially liable.

2. Your attention is invited to AR 735–5, paragraph 13–42, which lists you rights relative to this matter. You have the right to—

a. Inspect and copy Army records relating to the debt.

b. Legal advice.

c. Submit a statement and other evidence to the approving authority in rebuttal of my recommendation. The approval authority will consider any rebuttal statement you submit in making their determination of financial liability.

d. (Civilian employees only). Request a hearing concerning the amount of the debt or the terms of any proposed repayment schedule. A request for hearing will not be considered until after a request for reconsideration concerning the existence of the debt has been submitted and denied by the appellate authority. A respondent who wishes to reconsideration to approving authority.

e. (Enlisted personnel only). Request remission or cancellation of the indebtedness under the provisions of AR 600–4. A request for remission or cancellation of the indebtedness will be considered until the respondent has submitted a request for reconsideration and it has been denied by the approval authority and the appellate authority.

f. Request extension of the collection period.

g. Submit an application of the Army Board for Collection of Military Records under provision of AR 15–185. Submitting such an application is not property until other avenues of redress have been exhausted.

3. Submission of a request for reconsideration, a hearing, remission or cancellation of indebtedness, stops all collection action, pending a decision on the request by the appropriate official. These rights are listed in the order in which they should be exercised.

a. You have thirty calendar days from the date of this memorandum to submit a request for reconsideration. Submit request for reconsideration to: (insert the organization title and address).

b. (Civilian personnel only). Should be request for reconsideration be denied, you have an additional 30 calendar days from the date of the reconsideration denial to submit a request for hearing. Submit request for hearing. Submit request for hearing to: (insert the organization title and address of the servicing FAO).

**Figure 13–15. Sample approving authority's notification to the respondent that financial liability is being assessed**

b. (Enlisted personnel only) have thirty calendar days for the date of the notification of adverse action resulting from a request for reconsideration to submit a request for remission or cancellation of the indebtedness. Submit request for remission or cancellation of indebtedness to (insert organization title and address).

c. When the rights in paragraphs 2 through c have been exercised and you have been notified you are still financially liable and must make reimbursement to the Government, you should immediately contact your servicing FAO and/or USPFO to determine how to avoid possible interest and/or penalty charges if payment is not immediately made.

d. Should all of these rights be denied, or you fail to exercise one of the rights within the appropriate timeframe, your last avenue is redress is to make application to the Army Board for Correction of Military Records (ABCMR). Application to the ABCMR does not stop collection actions.

4. Should you have any questions concerning the above rights, you may contact my designated representative (insert name, grade, organization title and address) or the servicing Staff Judge Advocate office.

ENCL

Subject financial liability
investigation of property loss

Approving authority's
Signature block and signature

OFFICE SYMBOL
(Date)

1st End

THROUGH (Respondent's Commander or Supervisor)

FOR (Approving authority's name, grade, and address)

I hereby acknowledge receipt of notice of the assessment of financial liability contained in the basic correspondence. I am aware of the my rights as listed in the basic correspondence.

Respondent's
Name and rank
and signature

**Figure 13–15. Sample approving authority's notification to the respondent that financial liability is being assessed–Continued**

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFICE SYMBOL (Date)

MEMORANDUM THRU (Respondent's commander or supervisor)

FOR (Respondent's name, rank, and address)

SUBJECT: Notice of Relief of Financial Liability, Financial Liability Investigation of Property Loss (Number)

You are hereby notified that you are relieved of responsibility for the (loss, damage, or destruction) of the Government property listed on subject financial liability investigation of property loss.

Approving or Appointing Authority's
Signature Block and Signature or
Designated representative

**Figure 13–16. Sample approving authority's respondent notification of relief from responsibility**

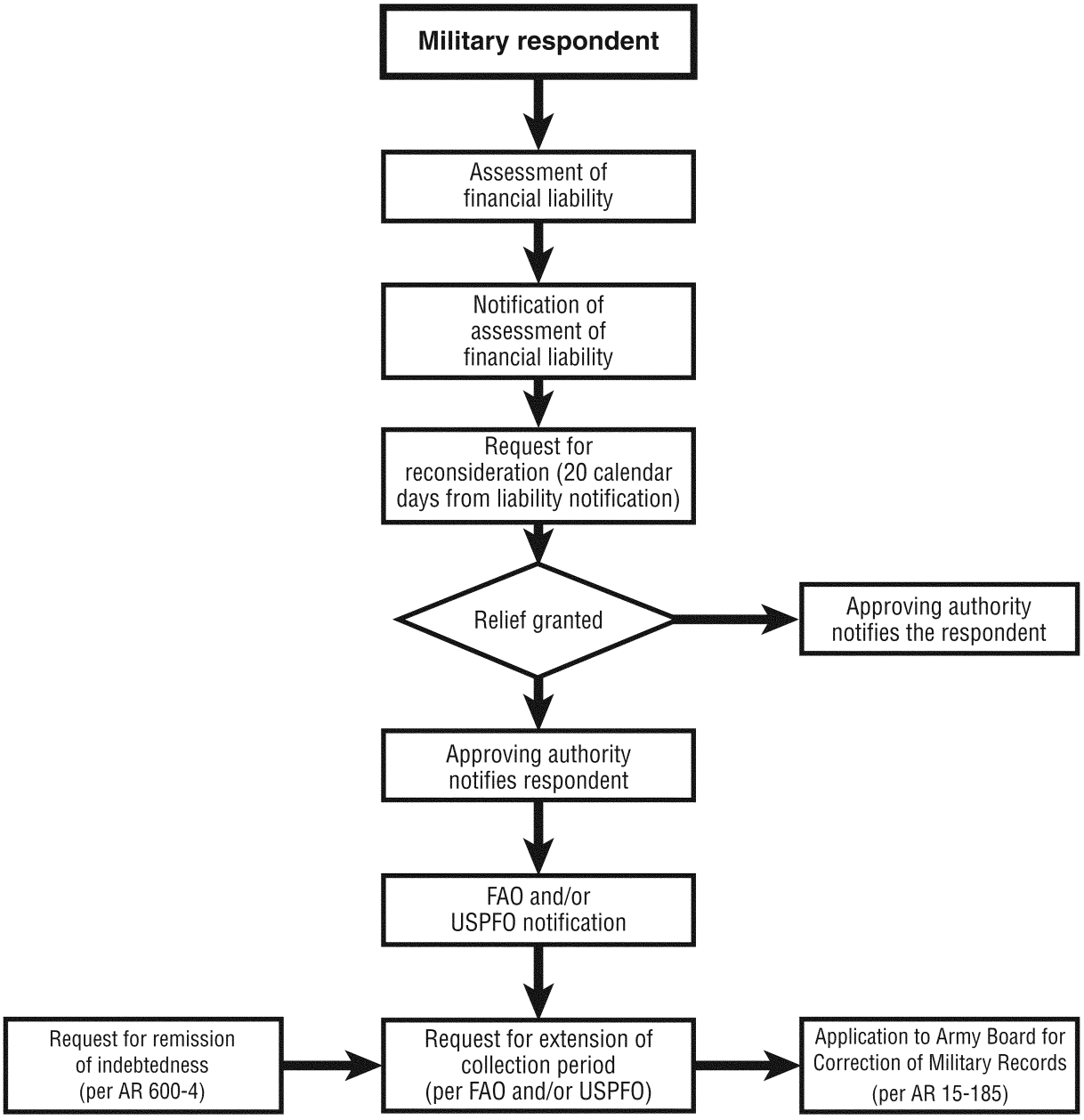


**Figure 13–17. Time constraints for a military respondent**

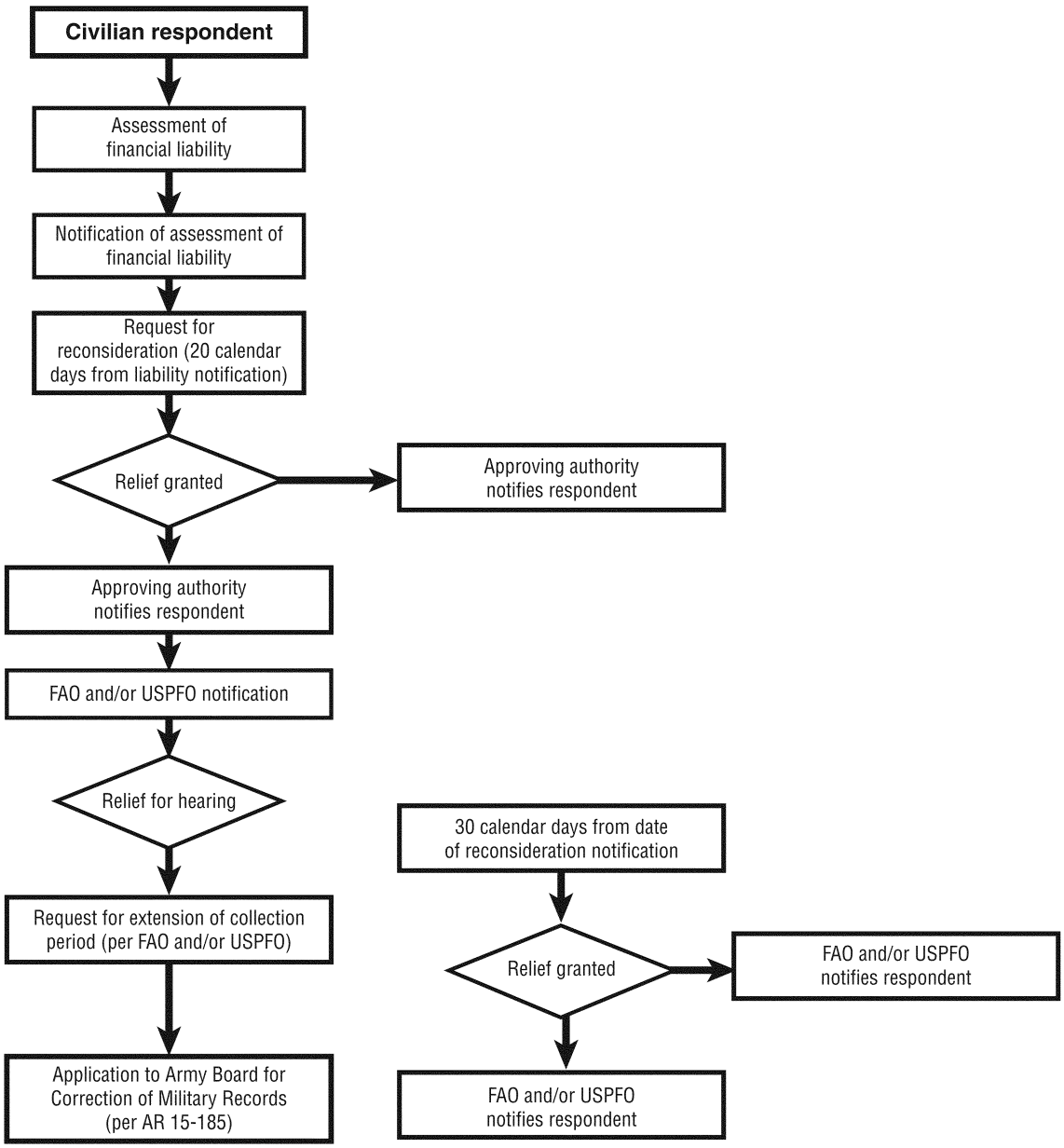


**Figure 13–18. Time constraints for DOD or Army civilian employee respondent**

## 13–43. Respondent's actions

When an individual has been notified that financial liability has been approved, the individual will, with the advice of legal counsel, thoroughly review the financial liability investigation packet provided, and then decide whether or not to take one of the actions listed below.

*a.* Request reconsideration of the approving authority's decision. Submit requests for reconsideration by memorandum through their immediate commander to the approving authority. Submit requests for reconsideration only on the basis of legal error. Figure 13–19 shows a sample request for reconsideration.

(1) When the approving authority does not reverse their original decision to approve financial liability, the request for reconsideration becomes an appeal, which will be forwarded to the appeal authority by the approving authority.

(2) The request for reconsideration will set forth, in detail, any new evidence offered, and provide rationale why financial liability is not appropriate.

(3) A request for reconsideration stops all collection action pending a decision by the approving authority and/or the appeal authority.

*b.* Submit a request for a hearing (civilian employees only). Request a hearing concerning the amount of the debt, or the terms of the proposed repayment schedule. Respondents choosing to submit a request for a hearing must first submit a request for reconsideration through the approving authority to the appeal authority. Requests for a hearing will be submitted by memorandum through the respondent's immediate commander to the servicing FAO or USPFO, where arrangements for a hearing will be made. Figure 13–20 shows a sample request for a hearing.

(1) The request for a hearing will set forth in detail any new evidence offered, and explain why the individual believes the amount of the debt is incorrect, and/or why the individual believes the proposed repayment schedule will be changed.

(2) A request for a hearing stops all collection action pending a decision of the individual conducting the hearing.

*c.* Request remission or cancellation of indebtedness under the provisions of AR 600–4.

*d.* Request extension of the collection period. Figure 13–21 shows a sample request for extension.

*e.* Submit an application, DD Form 149 to the Army Board for Correction of Military Records (ABCMR) under the provision of AR 15–185.

*f.* A request for reconsideration, or hearing, will be processed only if received within the time prescribed by figure 13–17 and figure 13–18 unless the individual can show good cause for failing to take one of the above actions within the time prescribed.

## 13–44. Requests for reconsideration

The approving authority, upon receipt of a request for reconsideration, will review any new evidence offered, and make a decision to either reverse the previous decision assessing financial liability against the individual or recommend the continuation of the assessment of financial liability. A request for reconsideration will be reviewed only on the basis of legal error (that is, the request must establish that the facts of the case do not support an assessment of financial liability).

*a. Relief.* When the approving authority determines from new evidence that the individual will be relieved from financial liability, the approving authority will—

(1) Notify the individual by memorandum that they are relieved from the assessment of financial liability (see fig 13–16 for sample memorandum.) The memorandum will be delivered by hand, or certified mail, return receipt requested.

(2) Retain the new evidence with the DD Form 200 and file.

*b. Continuation of financial liability.* When the approving authority determines that the assessment of financial liability will be continued, the approving authority will—

(1) Prepare and sign a memorandum addressing paragraph 13–44(a) through paragraph 13–44(c) to the appeal authority. The approving authority is not authorized to allow other persons to sign for them (see fig 13–22 for sample memorandum). The approving authority may use an electronic and/or digital signature when the memorandum is electronically produced.

*(a)* The memorandum will give the basis for denying the requested relief.

*(b)* The memorandum will show the dollar amount of financial liability assessed.

*(c)* If estimated costs were initially used, the actual cost will be included in the memorandum, if available.

(2) Enclose the original DD Form 200 and all exhibits to the memorandum. When the original DD Form 200 is not available, the approving authority will include a statement in the memorandum explaining why the file is not available.

*c. Notification to the individual.* On receipt of a response from the appeal authority concerning the relief or continuation of the assessment of financial liability, the approving authority will notify the individual by memorandum. The memorandum will be delivered by hand, or certified mail, return receipt requested. When financial liability is continued the approving authority will notify the individual that they have the right to—

(1) Request a hearing (civilian personnel only).

(2) Request remission or cancellation of indebtedness (enlisted personnel only).

(3) Request an extension of the collection period, or

(4) Submit an application to the ABCMRs.

## 13–45. Requests for a hearing (civilian employees only)

Prior to requesting a hearing, the individual is required to submit a request for reconsideration to the approving authority. Upon receipt of a request for reconsideration the approving authority will follow the instructions in paragraph 13–44. The approving authority will not arrange for, nor conduct a hearing. When a request for reconsideration is denied by the appeal authority, civilian employees may request a hearing through their servicing FAO or USPFO, as appropriate. The FAO or USPFO will forward the petition for the hearing to the Director, Defense Finance and Accounting Service-Indianapolis Center (Department 80), Indianapolis, IN 46249–0001, per DOD 7000.14–R.

## 13–46. Remission or cancellation of indebtedness (enlisted personnel only)

When financial liability assessed through a financial liability investigation causes financial hardship on an enlisted Soldier, they may submit an application for remission or cancellation of the debt, DA Form 3508 (Application for Remission or Cancellation of Indebtedness) through their commander, per AR 600–4. A copy of the approved DD Form 200 assessing financial liability will be submitted with the application.

## 13–47. Requests for extension of the collection period

Requests for extension of the collection period will be forwarded through the approving authority to the servicing FAO or USPFO for action. Civilian employees who have requested a hearing to challenge the proposed repayment schedule are not authorized to request an extension of the collection period. The approving authority will make a recommendation regarding extending the collection period using the following factors as the basis for the recommendation:

*a.* Monthly income.

*b.* Additional income or assets (including spouses).

*c.* Expenses caused by living standards that are too high or by mishandling of personal funds are not a basis for a hardship determination.

## 13–48. Submitting an application DD Form 149 to the Army Board for Correction of Military Records

Individuals assessed financial liability though a financial liability investigation may submit an application, DD Form 149 to the ABCMR if they believe the findings of negligence on their part are unjust. Applications are submitted on DD Form 149, with a complete copy of the DD Form 200 to include all exhibits, attached. Instructions for submitting an application are contained in AR 15–185.

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFICE SYMBOL (Date)

MEMORANDUM THRU (Respondent's commander or supervisor)

FOR (Approving authority, title, and address)

SUBJECT: Request for Reconsideration, Financial Liability, Investigation of Property Loss (number) ($ amount)

I hereby request reconsideration of the assessment of financial liability against me for the (loss, damage, or destruction) of Government property investigated under subject investigation of property loss.

Required – a statement of a reason(s) why you believe the approving authority's assessment of financial liability is erroneous, including a complete description of the facts, evidence, and summary of the testimony of any witnesses that support your change in proximate cause. Attach copies of any pertinent records you wish to have considered if they differ from those records previously provided to you by the approving authority.

Respondent's Signature
Respondent's Name

**Figure 13–19. Sample request for reconsideration**

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFICE SYMBOL (Date)

MEMORANDUM THRU (Respondent's commander or supervisor)

FOR (Servicing FAO's address or USPFO's title address)

SUBJECT: Request for Hearing, Investigation of Property Loss (Number), ($ Amount)

1. I request a hearing for the following reasons(s): Enter one or more of the following reasons for requesting a hearing.

1. To contest the validity of the debt for salary offset purposes.
2. To contest the amount of debt.
3. To context the terms of the offset scheduled proposed.

Encls(s)

Respondent's
Signature Block and Signature

Note: If you are requesting a hearing to contest the validity of the amount of the debt or the terms of the offset schedule, you must enclose the following with this request: your proposed alternative offset schedule, that is, how much you can repay each month; an affidavit of financial status (obtained from servicing FAO); copies of any records you wish to be considered at the hearing, if they differ from the records previously provided.

**Figure 13–20. Sample request for a hearing by DOD civilian employee**

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFICE SYMBOL (Date)

MEMORANDUM THRU (Respondent's commander or supervisor)
(Approving Authority's title and address)

FOR (Servicing FAO's or USPFO's title address)

SUBJECT: Request for Extension of the Collection Period, Investigation of Property Loss (Number), ($ Amount)

(Note: when requesting extension of the collection period, you may be required to submit an affidavit of financial support to your servicing FAO or USAPFO).

Respondent's Signature
Respondents SSN
Respondent's Name and Rank

**Figure 13–21. Sample request for extension of the collection period**

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFICE SYMBOL (Date)

MEMORANDUM FOR: (Appeal Authority's title and address)

SUBJECT: Appeal of Investigation of Property Loss (Number) ($Amount)

1. Request for reconsideration of the charge of financial liability stemming from subject investigation of property loss was submitted to this officer for consideration. I have personally reviewed the new evidence submitted by the respondent in conjunction with the investigation of property loss and have determined that the assessment of financial liability should continue based on the following:

RATIONALE

2. Subject investigation of property loss with all exhibits (Encl 1) and new evidence submitted by the respondent (Encl 2) are forwarded for your review and evaluation as the appeal authority in accordance with AR 735-5, paragraph 13-51b. Please return this package with your decision to this office within 45 calendar days of receipt per AR 735–5, paragraph 13–15b(5).

2 Encls
as

Approving or Appointing Authority's
Signature Block
Signature

**Figure 13–22. Sample memorandum from the approving authority to the appeal authority, forwarding request for reconsideration for review as the appeal authority**

## 13–49. Reopening, correcting, amending, or canceling financial liability investigations of property loss

These are administrative procedures. They may be activated by either—

*a.* A decision at the approval authority level previously acting on the DD Form 200 that such action is necessary.

*b.* At the direction of the appeal authority.

*c.* The financial liability investigation approving authority will reopen a DD Form 200 when either of the situations shown in paragraph 13–49*a* and paragraph 13–49*b* occur and result from one of the following actions:

(1) An individual has requested reconsideration of the assessment of financial liability.

(2) A response to the financial liability officer's original notification from an individual recommended for assessment of financial liability is received after the approving authority has approved financial liability. The financial liability officer who receives such a correspondence, will prepare a memorandum as discussed in paragraph 13–35*b*(7)

to the approving authority level that approved financial liability. Such a response, although received late, will not be considered a request for reconsideration.

(3) A memorandum from a subordinate headquarters that previously acted on a financial liability investigation supporting reopening based on new evidence.

(4) Property is recovered.

(5) The approving authority becomes aware of an injustice against either the Government or the individual assessed financial liability.

### 13–50. Actions resulting from reopening a financial liability investigation of property loss

*a. Corrections on a DD Form 200.* Corrections on a DD Form 200 will not be made on the original of the DD Form 200 except as specified in paragraph 13–10*b*(6). If it becomes necessary to alter a DD Form 200 in any other way, after receipt by the approving authority, an amendment will be prepared, citing the specific alterations, and attached to the DD Form 200 as an exhibit.

*b. Cancellation of a DD Form 200.* An approved DD Form 200 (one on which the approving authority has taken approval action) will not be cancelled. When property is found after a DD Form 200 is approved, follow the procedures set forth in paragraph 14–14.

*c. Amending a DD Form 200.* Based on new information received by the approving authority it may become necessary to amend one or more blocks of the DD Form 200, including the decision of the approving authority. If it becomes necessary to alter a financial liability investigation of property loss in any way, the approving authority will prepare an amendment, citing the specific alterations, and attach it to the DD Form 200 as an exhibit.

*d. Repayment of amounts previously collected.* Property listed on a DD Form 200 may be recovered after assessment of financial liability is approved, or the assessment may have been reversed by the approving or appeal authority. If so, an amendment will be prepared, citing the specific alterations, and attached to the DD Form 200 as an exhibit. A copy of the amendment will be attached to a memorandum directing repayment of the value of the recovered property to the individual, as a "collection erroneously received." The memorandum will be forwarded to FAO or USPFO, as appropriate.

## Section I
## Appeal Authority's Review of Requests for Reconsideration

### 13–51. Information regarding requests for reconsideration

*a.* The term "request for reconsideration" refers to an application to the appeal authority challenging the decision of the approving authority in assessing financial liability. Requests for reconsideration will be submitted to the approving authority that acted on the financial liability investigation. The approving authority will, after review and determination that liability will continue, forward requests for reconsideration to the next commander in the chain of command. This will be accomplished within 15 calendar days of receipt by the approving authority.

*b.* An individual may request reconsideration only one time. The decision of the appeal authority is final unless the individual chooses to make an application to the ABCMR under the provisions of AR 15–185. An application to the ABCMR can be made only when an appeal authority has sustained the decision of the approving authority. These procedures do not apply to financial liability imposed for discrepancies incident to shipment or to procurement reported using DD Form 361 or SF 364 procedures (see chap 16 of this regulation).

*c.* Unless good cause for a greater delay exists, individuals must file requests for reconsideration within the time limits set forth in figure 13–17 and figure 13–18.

(1) Individuals may submit requests for extension of the time allotted for submission of requests for reconsideration in writing to the approving authority.

(2) The decision to grant an extension of the allotted submission time will be made by the approving authority based on the following:

*(a)* Acts of war.

*(b)* Military operations other than war.

*(c)* Extended training maneuvers.

*(d)* Sickness.

*(e)* Unavoidable difficulty in obtaining supporting facts.

*(f)* Other similar difficulties.

### 13–52. Appeal authority

*a. Definition.* An Army officer or DA civilian employee in the grade of GS–15 in a supervisory position designated to take final action on requests for reconsideration when the financial liability investigation approving authority denies relief of financial liability against an individual, and to act on requests for remission or cancellation of indebtedness.

(1) Normally, the appeal authority will be the next higher commander or DA civilian employee in the chain of command or supervision above the approving authority. When the approval authority is the garrison commander, the

IMCOM region director will be the appeal authority. Individuals having approving authority that delegates it to subordinate personnel per paragraph 13–17*a*, cannot be an appeal authority. Appeal authority must be at a command or supervisory level above the approving authority level.

(2) The persons listed below may delegate appeal authority, for financial liability investigations of property loss arising from organizations that fall under their command or supervision. Individuals designated must be in the grade of COL or above, or be an SES employee, and be senior in time-in-grade to the approving authority. This provision does not apply to the ARNG. In the ARNG, the AG is the appeal authority for financial liability investigations of property loss. This authority may be delegated to the Deputy AG only. In cases of State liability the CNGB will act as appeal authority.

*(a)* Heads of HQDA staff agencies.

*(b)* ACOM, ASCC, DRU, and commanders of life cycle management commands.

*(c)* Heads of unified commands.

*(d)* Corps, division, and installation commanders.

(3) For financial liability investigations of property loss containing assessment of financial liability against a general officer or SES employee, the appeal authority will be the next general officer or SES employee senior to the approving authority in the chain of command.

(4) For financial liability investigations containing an assessment of a final loss of $100,000 or greater or a final loss of a controlled item, the appeal authority will be the next general officer or SES employee senior to the approving authority in the rating chain unless designated otherwise by a support agreement.

(5) The appeal authority may not act as both the approving and appeal authority. Also, a person who has had personal responsibility or accountability for the property listed on a DD Form 200, will not act as an appeal authority. In such cases the next higher commander will be the appeal authority.

*b. Appeal authority actions on a request for reconsideration.*

(1) Prior to reviewing a request for reconsideration the appeal authority will forward the request to a legal advisor under the appeal authority's command. The lawyer performing the legal review required by the appeal authority must not have conducted the legal review for the approving authority or provided legal advice to the individual held financially liable. The appeal authority will require the legal advisor to review the approving authority's memorandum and all related documentation and give a written opinion as to its legal sufficiency. If, in the opinion of the legal advisor, the approving authority's action is legally insufficient, the legal advisor will state the reasons why and make appropriate recommendations. The opinion will be attached to the request for reconsideration before the appeal authority's review.

(2) Review requests for reconsideration only on the basis of legal error. That is, the request must establish that the facts of the case do not support an assessment of financial liability.

(3) Review requests for reconsideration to determine if the evidence, to include any new evidence offered by the respondent, provides grounds to relieve them from financial liability. After review, the appeal authority may—

*(a)* Direct the approving authority to reopen the financial liability investigation and conduct further investigation to clarify matters specified by the appeal authority.

*(b)* Grant relief of financial liability in whole or in part based on the facts and evidence contained in the file. Direct the approving authority to reopen the financial liability investigation, to reverse an assessment of financial liability, and to arrange for repayment of collections erroneously received.

*(c)* Deny relief of financial liability to the individual.

(4) After review and decision by the appeal authority, the DD Form 200 with all exhibits will be returned to the approving authority for action under a formal memorandum (see fig 13–22). Memorandum will state action taken, with instructions directing that the individual is to be informed of the action taken. If the appeal authority grants relief from financial liability, the memorandum will direct repayment of any monies erroneously collected. The appeal authority will retain a copy of the memorandum on which their decision is recorded. The appeal authority's actions will be accomplished within 45 calendar days of receipt of request for reconsideration.

(5) The appeal authority is allowed to reverse financial liability charges. If during the review of the computation of financial liability, error is discovered, the appeal authority will correct the error, if the amount assessed is more than should have been assessed. The appeal authority is not allowed to assess financial liability against a new individual. If the appeal authority concludes from their review of the case that new financial liability may be appropriate, the appeal authority may direct the approving authority to reopen the case.

*f. Appeal authority's review of requests for remission or cancellation of indebtedness.* Authority to take final action on requests for remission or cancellation of indebtedness is restricted to the CG, AHRC. When the appeal authority receives such a request, a review will be made under the provisions of AR 600–4 (see para 13–46).

# Chapter 14
# Special Procedures

## Section I
## Exceptions to Policy Contained in Chapter 13

### 14–1. General

This chapter provides policy and procedures that must be followed to account for property losses under special circumstances.

### 14–2. Financial liability investigations of property loss listing property carried on accountable records of an installation other than where located

*a.* When a DD Form 200 is initiated for losses of property located at a satellite installation or maintenance activity that is accounted for by a parent installation or maintenance customer, the initiator will forward the DD Form 200 in original and copies (number as prescribed by the local command) to the approving authority at the satellite installation or maintenance activity. The initiator will retain one copy, and forward another copy to the accountable officer as an advance information copy. The accountable officer will assign a document or voucher number, following assignment of an inquiry/investigation number by the approving authority and post the property records.

*b.* Paragraph 14–2*a*, also applies to the loss or damage of historical properties carried on the stock record account of the Center of Military History and physically in the custody of a borrower not under the command jurisdiction of the Center of Military History. The approving authority will provide completed copies of financial liability investigations of property loss on request from the Center of Military History.

*c.* When ARNG financial liability investigations of property loss lists property located at a satellite installation and held on a property book or stock record account of a parent installation, the initiator will retain one copy and forward the original and copies (number as directed by the USPFO) to the accountable officer of the parent unit. The accountable officer will assign a document or voucher number, post the property records, and forward the original and copies (number as directed by the USPFO) of the financial liability investigation to the approving authority.

### 14–3. Financial liability investigations of property loss pertaining to inactivated installations, activities, or organizations

*a.* Process all financial liability investigations of property loss immediately upon the discovery of the loss or damage of Government property. If possible, complete the financial liability investigation before the inactivation of the activity takes place. There are instances where financial liability investigations of property loss are necessary, but are not initiated or completed before the inactivation is completed. In these cases, the headquarters exercising command jurisdiction over the inactivated installation, activity, or organization will prepare and process the DD Form 200.

*b.* Any unit or agency that still has equipment or supplies on hand after inactivation or discontinuance of a inactivated or deactivated UIC will have 90 days from the date of inactivation or discontinued date to complete turn-in, transfer, or removal of all equipment and supplies from the inactivated unit's property records. After 90 days, with no extension granted, ACOM, ASCC, and/or DRU will initiate a DD Form 200 for the equipment and supplies and send to the appropriate ACOM, ASCC, and/or DRU for further investigation.

## Section II
## Special Rules during Unique Events

### 14–4. Discrepancies involving persons carried on the rolls, but not present

*a. Death, desertion, or insanity requiring property settlement.* When death, desertion, or insanity requires a property settlement (other than personal clothing), prepare a DD Form 200 for the missing or damaged property.

*b. Assessment of financial liability.*

(1) *Death.* When an assessment of financial liability against a deceased military member or DOD civilian employee is appropriate, the approving authority will write or type the word "deceased" on DD Form 200, block 14b. The approved DD Form 200 will not be forwarded to the FAO, USPFO, or the surviving relatives of the deceased. A copy of the approved DD Form 200 assessing financial liability against a deceased individual will be forwarded under a transmittal memorandum to the installation claims office for adjudication under the provisions of AR 27–20. When acknowledgment of receipt is not received by the approving authority within 20 calendar days, the approving authority will initiate a follow-up to the claims office. Follow-ups will continue to be sent every 10th day until receipt by the installation claims office is acknowledged.

(2) *Desertion or insanity.* When an assessment of financial liability against a military member that has been dropped from the roles or a military member or DOD civilian employee that has been declared insane is appropriate, the liability notification procedures in paragraphs 13–34 and paragraph 13–42 are waived. A legal opinion is still required to substantiate the financial liability assessment before final approval.

*c. Active Army.* When financial liability is assessed against a military member or DOD civilian employee who is alive but who is no longer in the military or employed by the Federal Government, a copy of the completed DD Form 200, with all exhibits, will be forwarded, under a memorandum, to the servicing FAO or USPFO for inclusion in the respondent's permanent finance record. The memorandum will request the DD Form 200 be forwarded to the respondent's unit or place of employment in case they return to Government control.

*d. U.S. Army Reserve.* When financial liability is assessed against a military member, a copy of the completed DD Form 200 will be mailed to Army Reserve Personnel Center, 9700 Page Boulevard, St. Louis, MO 63132–5200, for inclusion in the respondent's permanent records.

*e. Distribution.* Place copies of completed DD Form 200 in the member's permanent records.

*f. Property authorized under CTA 50–900.* Property authorized under CTA 50–900 will not be listed on financial liability investigations of property loss for Active Army personnel (see DA Pam 600–8). Reserve components will use DD Form 200 to account for losses of property authorized under CTA 50–900.

## 14–5. Losses incident to taking part in Joint exercises and operations

Property belonging to Army or ARNG units taking part in joint exercises or operations will not lose its Army or ARNG identity. It remains the property of the Army or ARNG unit or organization involved. Account for losses of or damage to such property according to this regulation.

## 14–6. Approval authority for property issued to a unit during major training exercises

*a.* During training exercises, financial liability investigations of property loss will be initiated immediately upon the discovery of Government property being lost, damaged, or destroyed. The financial liability officer must begin the investigation by examining the damaged property and releasing it for turn in or repair and disposition back to the owning unit. Every effort will be made to complete the investigation while the facts are fresh and responsible and knowledgeable persons are still present.

*b.* Regardless of who initiates the DD Form 200, it will be processed through the chain of command of the individual who had personal and/or direct responsibility for the property at the time of the incident.

*c.* The exception to paragraph 14–6*a* is when a support agreement allows a host installation or host ACOM, ASCC, and/or DRU to approve financial liability investigations of property loss through the proper administrative channels.

## 14–7. Property ordered to be abandoned

In the course of combat, contingency operations, military advisory activities, or to meet other military requirements, situations may develop requiring the abandonment or destruction of property.

*a.* When abandonment or destruction of property is necessary because of operational requirements the commander in the grade of colonel or above, or the civilian equivalent, may authorize the abandonment or destruction of the property. Authority to destroy or abandon property may initially be granted verbally or electronically (such as, secure e-mail) in situations where granting written authority is not practical because of the operational situation.

*b.* Before abandoning sensitive or classified components or technology, the authorizing authority must take into consideration the potential compromise of that technology or information. If such equipment is abandoned, notify the local S–2 and supporting counter intelligence element within 24 hours.

*c.* Where destruction or abandonment has been granted the authorizing authority and/or approving authority must document their decision and authorization in a memorandum for record that specifies the circumstances justifying the decision to destroy or abandon the property. The memorandum will contain the NSN or MCN, LIN, or nonstandard line item number, item description, quantity, CIIC, and unit cost of each type of item abandoned (see fig 14–1).

*d.* The authorizing authority specified in paragraph 14–7*a* may ratify a subordinate commander's decision to abandon or destroy property when it is not possible to obtain approval from the approving authority because of the operational situation. The ratifying official must document their decision to ratify the subordinate commander's decision in a memorandum for record that specifies the circumstances leading to the decision to destroy or abandon the property and the reasons the subordinate commander was unable to obtain authorization prior to destruction or abandonment.

*e.* If an approving authority elects not to ratify the decision of a subordinate commander to destroy or abandon property, a DD Form 200 or a 15–6 investigation will be initiated.

*f.* The memorandum documenting the approving authority's approval or ratification of the destruction or abandonment of property will be used as an attachment to a DD Form 200 to adjust the accountable records. No further investigation is required. See example of a DD Form 200 completed to adjust an approved abandonment in figure 14–2.

*g.* Within 72 hours of abandonment or destruction of CCI, a CCI incident report must be routed through command channels and sent to U.S. Army Communications Security Logistics Activity, Fort Huachuca, AZ 85613–7041. Additional guidance is provided in TB 380–41.

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFIC E SYMBOL (Date)

MEMORANDUM FOR RECORD

SUBJECT: Property Abandonment Approval

1. Have approved the abandonment of the equipment listed below belonging to the 612th Quartermaster Co (UIC: WCBPA1). This equipment was abandoned in Afghanistan's rough terrain and were not recovered during the period 12 May 2008 to 30 June 2008.

| LIN | NSN | Item nomenclature | CIIC | Qty | Total cost |
|---|---|---|---|---|---|
| P02310 | 1670-01-283-4531 | Parachute Cargo | U | 14 | $101,206.00 |
| P66486 | 1670-01-065-3755 | Parachute Cargo 64ft | U | 3 | $ 12,075.00 |

2. The point of contact for this action is at the 64th Quartermaster Company is CPT Hugh, DSN: 318-724-0203.

Approving authority or appointing
authority's
signature block and signature

**Figure 14–1. Example of a property abandonment approval memorandum**

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED *(YYYYMMDD)* |
|---|---|---|
| 20150929 | 2AWAB0-15-25 | 20150928 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| Do Not Fill In | See Approved Abandonment Memorandum Attached | 0 | 0.00 | 0.00 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

☐ Lost ☐ Organization ☐ Damaged ☐ Installation ☐ Destroyed ☐ OCIE

See Approved Abandonment Memorandum Attached

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

Do Not Fill In

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | b. TYPED NAME *(Last, First, Middle Initial)* | c. DSN NUMBER |
|---|---|---|
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | d. SIGNATURE | e. DATE SIGNED |
| | DIGITAL SIGNATURE 123456789 | 00000000 |

**12.** *(X one)* ☐ **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** ☐ **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

| a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)* ☐ YES ☐ NO | b. COMMENTS/RECOMMENDATIONS | |
|---|---|---|
| | Do Not Fill In | |
| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | f. SIGNATURE | g. DATE SIGNED |
| | DIGITAL SIGNATURE 123456789 | 00000000 |

**13. APPOINTING AUTHORITY**

| a. RECOMMENDATION *(X one)* ☐ APPROVE ☐ DISAPPROVE | b. COMMENTS/RATIONALE | c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)* ☐ YES ☐ NO |
|---|---|---|
| | Do Not Fill In | |
| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | g. SIGNATURE | h. DATE SIGNED |
| | DIGITAL SIGNATURE 123456789 | 00000000 |

**14. APPROVING AUTHORITY**

| a. RECOMMENDATION *(X one)* ☐ APPROVE ☐ DISAPPROVE | b. COMMENTS/RATIONALE | c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)* ☐ YES ☐ NO ☐ N/A |
|---|---|---|
| | Do Not Fill In | |
| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | g. SIGNATURE | h. DATE SIGNED |
| | DIGITAL SIGNATURE 123456789 | 00000000 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 14–2. Sample DD Form 200 for property abandoned**

**15. FINANCIAL LIABILITY OFFICER**

a. FINDINGS AND RECOMMENDATIONS *(Attach additional pages as necessary)*

Add Page

Do Not Fill In

| b. DOLLAR AMOUNT OF LOSS | c. MONTHLY BASIC PAY | d. RECOMMENDED FINANCIAL LIABILITY |
|---|---|---|
| 0.00 | 0.00 | 0.00 |

| e. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | f. TYPED NAME *(Last, First, Middle Initial)* | g. DSN NUMBER |
|---|---|---|
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | h. DATE SUBMITTED TO APPOINTING AUTHORITY *(YYYYMMDD)* 00000000 | i. DATE APPOINTED *(YYYYMMDD)* 00000000 |
| | j. SIGNATURE **DIGITAL SIGNATURE 123456789** | k. DATE SIGNED 00000000 |

**16. INDIVIDUAL CHARGED**

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND *(X one)*

☐ Submit the attached statement of objection. ☒ Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | f. SIGNATURE **DIGITAL SIGNATURE 123456789** | g. DATE SIGNED 00000000 |

**17. ACCOUNTABLE OFFICER**

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

W6212F 2484-1010

| b. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | c. TYPED NAME *(Last, First, Middle Initial)* | d. DSN NUMBER |
|---|---|---|
| EUSA-BD-PBO<br>2nd BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Reginald A | 315-264-9856 |
| | e. SIGNATURE **DIGITAL SIGNATURE 123456789** | f. DATE SIGNED 20151010 |

**DD FORM 200 (BACK), JUL 2009**

Reset

SAMPLE

**Figure 14–2. Sample DD Form 200 for property abandoned–Continued**

## 14–8. Disassembled or cannibalized major items, kits, or assemblies

When a major item (except aircraft), kit, or assembly is disassembled or cannibalized according to instructions of the appropriate national item manager, an adjustment to the stock record account is required. Adjustments are made using DA Form 444 procedures as prescribed in paragraph 14–35 or turn-in documents as prescribed in AR 710–2. A financial liability investigation of property loss is not normally required for this type of adjustment to the property record. However, DD Form 200 procedures may be used to investigate the circumstances causing the property to be damaged.

## 14–9. Property determined to be unsafe for further use or storage because of age

Supplies such as drugs, biological, ammunition, chemicals, parachutes, or other supplies of a similar nature, determined to be unsafe or unsuitable for further use or storage beyond a specified date by the national item manager, or The Surgeon General will receive disposition instructions as follows:

*a.* On hand quantities of these items may be disposed of at any locality, as specified in instructions published in Army supply bulletins and other approved media.

*b.* List quantities for disposal on the DD Form 1348–1A according to AR 710–2 or AR 40–61 for medical commodities. This form may be used as a voucher to drop the property from the accountable records if the following data is furnished and confirmed by the accountable officer.

(1) A supply bulletin or other competent directive is cited authorizing the disposal of the supplies.

(2) Reference to records or data is cited by which—

*(a)* The supplies may be positively identified as pertaining to a designated lot.

*(b)* The supplies have been procured or issued before a date specified in the supply bulletin, or applicable regulations may not be available.

*c.* If such records or data are not available, a DD Form 200 will be initiated.

## 14–10. Destruction of contaminated clothing and equipment

*a. Individual clothing.* Replace contaminated individual clothing when directed to be destroyed by medical authority using DA Form 3078 (Personal Clothing Request) prepared as a gratuitous issue (see AR 700–84 for detailed instructions).

*b. Organizational clothing.* Contaminated organizational clothing and individual equipment destroyed by direction of medical authority will be adjusted from property records. List this property on a memorandum, bearing a signed statement naming the medical officer who directed the destruction of the articles, and the signature of the unit commander. When received by the person maintaining the accountable record, a document number will be assigned to the memorandum, and the memorandum posted as a loss to the accountable record(s).

## 14–11. Property unlawfully detained by civilians

*a.* The installation, detachment, or other immediate commander will immediately recover Government property in the possession of any party or parties that is likely to be—

(1) Unlawfully removed from their jurisdiction.

(2) Concealed, or otherwise disposed of, before necessary proceedings can be held in the civil courts for its recovery.

*b.* Installation or other immediate commanders will seize Government property, as authorized by Federal or State laws, if such seizure can be achieved without committing a breach of the peace or a trespass on private premises. (In ARNG, only the USPFO or Federal National Guard technician acting for the USPFO may take this action.)

(1) The person from whom property is seized will be presented a receipt or certificate showing such property as belonging to the Government.

(2) The officer seizing the property will hold the property as provided by applicable Federal and/or State law, subject to any legal proceedings.

*c.* Before authorizing a recovery or seizure of Government property, the commander will consult with the servicing Staff Judge Advocate office to determine the legality of such seizure.

## 14–12. Liability of nonappropriated fund activities

AR 215–1 authorizes the loan of specified items of appropriated fund property to nonappropriated fund activities of the Army. In such cases the activity rather than the person who signs for the property assumes personal responsibility. The activity is not regarded as being an insurer of the property, but is financially liable for a loss under paragraph 13–41. An action to hold a nonappropriated fund activity financially liable for the loss of appropriated fund property does not negate the right of the activity to hold, in turn, its officers or employees financially liable.

## 14–13. Accounting for lost, damaged, destroyed, or stolen Government furnished property with contractors

*a.* The purpose of processing a DD Form 200 for items lost by contractors is to provide the PBO with an adjustment document to account for the loss of GFP only. This is not to relieve or hold the contractor liable for lost, damaged, destroyed or the theft of Government equipment.

*b.* When loss of Government furnished equipment on in an Approved Property System of Record involves possible contractor liability under a service contract, the contractor will process and report discrepancies, loss of Government property, physical inventory results, audits and self assessment, corrective action and other property related reports as directed by the contracting officer (KO). The report will be in accordance with FAR.

*c.* The KO and the property administrator will investigate the loss and make an independent finding as to the liability of the contractor. Once this is complete the KO or property administrator will provide a copy of the findings to the PBO or the accountable officer. The KO and property administrator is the final authority in determining relief or liability in regards to contractors.

*d.* The PBO will process a DD Form 200 to adjust the property book. The PBO or accountable officer will only fill out blocks 1, 3, 4–9, and 17a–f. The PBO or accountable officer will use the findings from the investigation as an exhibit and supporting documentation for auditing purposes. The process flow chart can be found at figure 14–3 and a sample of DD Form 200 is available at figure 14–4.

## 14–14. Accounting for recovered property previously listed on a financial liability investigation of property loss

Often property is found after a DD Form 200 has been initiated to account for its loss. When this occurs, follow the procedures listed below:

*a.* When the property is recovered before a document or voucher number is assigned to the DD Form 200, the initiator will—

(1) If some, but not all the property is recovered, line through the recovered property identified in blocks 4 through 8 and initial the entries on all copies. Adjust the grand total in block 8, total cost.

(2) If all the property is recovered, destroy the document.

*b.* When property is recovered after a document or voucher number has been assigned to the DD Form 200, the initiator, the financial liability officer, appointing authority, or the approving authority, as appropriate, will direct the accountable officer in writing to reestablish accountability for the recovered property in figure 14–5.

(1) In the Active Army and USAR, the accountable officer will reverse the transaction using the same document or voucher number assigned to the DD Form 200.

(2) In the ARNG, the accountable officer will prepare a DA Form 3161 (Request for Issue or Turn-In), and annotate the form as found on installation. A new document or voucher number will be assigned and cross-referenced to the DD Form 200. After posting the accountable records, copies of the DA Form 3161 will be distributed as follows:

*(a)* File the original in the accountable officer's document or voucher supporting file.

*(b)* Provide a copy to the USPFO to support adjustment to the equipment status report.

*(c)* Attach one copy to the DD Form 200 as an exhibit.

(3) The accountable officer will respond back by memorandum to the initiator, financial liability officer, or approving authority as appropriate when accountability has been reestablished. The accountable officer's response will be attached to the DD Form 200 as an exhibit.

*c.* When property is recovered after an inquiry and/or investigation number has been assigned by the approving authority, the approving authority will forward a memorandum to the accountable officer instructing the accountable officer to reestablish accountability for the property recovered. The instructions in paragraph *b*, will apply to the accountable officer when reestablishing accountability.

(1) When some items are recovered, but not all, a copy of the memorandum with accountable officer's memorandum will be attached to the DD Form 200 as an exhibit, and the investigation will continue until the DD Form 200 is completed.

(2) When all property is recovered, the memorandum with the accountable officer's memorandum will be attached to the DD Form 200 as an exhibit, and the financial liability investigation of property loss will be cancelled. The financial liability officer will be notified to discontinue the investigation and the original of the DD Form 200 will be marked "Cancelled" and filed by the approving authority to support the cancellation.

*d.* When property is recovered after the approving authority has made a final decision on financial liability, the approving authority will reopen the DD Form 200.

(1) The approving authority will forward a memorandum to the accountable officer instructing the accountable officer to reestablish accountability for the recovered property. The instructions in paragraph *b* will apply to the accountable officer when reestablishing accountability. The accountable officer's response will be attached to the financial liability investigation of property loss as an exhibit.

(2) When an individual(s) has been assessed with financial liability for those items recovered, determine whether the individual was assessed the total amount of the loss or 1 month's base pay as prescribed in paragraph 13–41*b*. If the

individual was assessed the total amount of the loss, the approving authority will forward a memorandum to the finance and accounting office requesting the respondent be refunded the amount collected for the recovered property. When the individual was assessed one month's base pay, refunds of the amount collected for recovered property will not be made unless the items recovered, reduce the total loss to less than one month's base pay. The amount refunded would be the difference between the amount collected and the amount of the adjusted loss (total loss, less the value of the recovered property.

(3) In the event a unit or activity has been inactivated, the approval authority in the chain of command immediately above the inactivated unit or activity, and still active, will take the action specified in paragraph *(2)*. The recovered property will be turned in as found on installation in accordance with AR 710–2.

## Section III
## Accounting for Other Losses or Damage

### 14–15. Aircraft accidents

For property lost, damaged, or destroyed in an aircraft accident, a copy of the collateral investigation (also known as a line-of-duty, AR 15–6, or legal investigation) will be attached to the financial liability investigation of property loss per paragraph 13–25. Collateral investigations may be conducted at the discretion of the commander whose personnel, equipment, or operations were involved in the accident per AR 380–40. Collateral investigations will not be used as a property adjustment document or to assess financial liability. Process a financial liability investigation of property loss to accomplish either of these actions.

### 14–16. Army National Guard loaned property

ARNG equipment lost, damaged, or destroyed while on loan to another State will be processed according to appendix C.

### 14–17. DD Form 1544 and money collected as payment for meals in a dining facility

DD Form 1544 (Cash Meal Payment Book) records losses of cash meal payment sheets and/or money collected as payment for meals in a dining facility require an investigation under AR 15–6 per AR 30–22. A DD Form 200 will be initiated to account for the lost form(s) and/or money, and to assess financial liability if negligence is found.

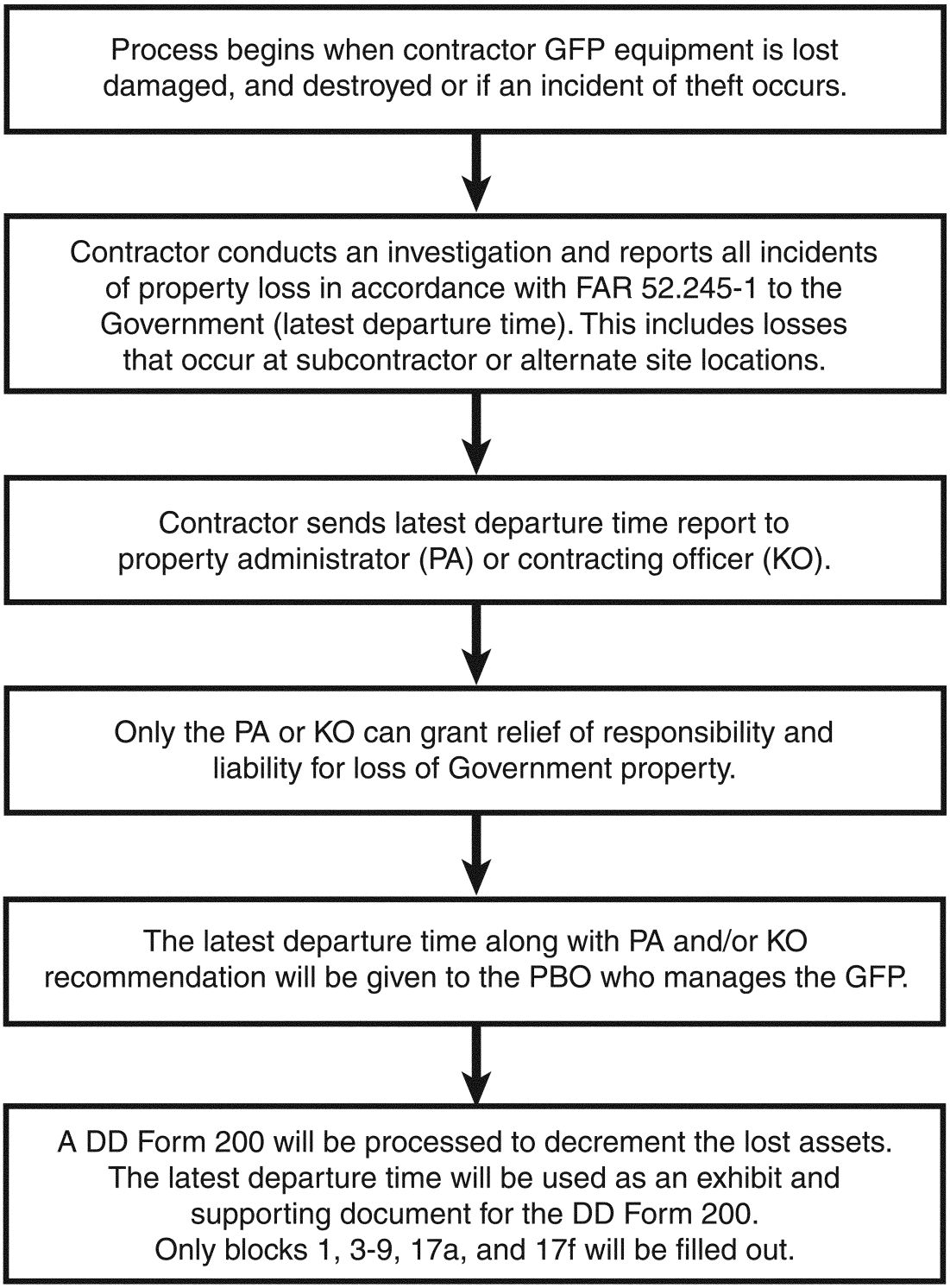


**Figure 14–3. Process flow for financial liability investigation when a contractor is involved**

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED *(YYYYMMDD)* |
|---|---|---|
| 20150929 | 2AWAB0-15-25 | 20150928 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| F64544<br>4940-01-533-1621 | Forward Repair System | 1 | 270,000.00 | 270,000.00 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

[x] Lost [ ] Organization [ ] Damaged [ ] Installation [ ] Destroyed [ ] OCIE

See Attached LDDT provided by the Contracting Officer or Property Administrator.

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

Do Not Fill In

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | b. TYPED NAME *(Last, First, Middle Initial)* | c. DSN NUMBER |
|---|---|---|
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | d. SIGNATURE | e. DATE SIGNED |
| | DIGITAL SIGNATURE 123456789 | 00000000 |

**12.** *(X one)* [x] **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** [ ] **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

| a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)* [ ] YES [x] NO | b. COMMENTS/RECOMMENDATIONS<br>Do Not Fill In | |
|---|---|---|
| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | f. SIGNATURE | g. DATE SIGNED |
| | DIGITAL SIGNATURE 123456789 | 00000000 |

**13. APPOINTING AUTHORITY**

| a. RECOMMENDATION *(X one)* [x] APPROVE [ ] DISAPPROVE | b. COMMENTS/RATIONALE<br>Do Not Fill In | c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)* [ ] YES [x] NO |
|---|---|---|
| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | g. SIGNATURE | h. DATE SIGNED |
| | DIGITAL SIGNATURE 123456789 | 00000000 |

**14. APPROVING AUTHORITY**

| a. RECOMMENDATION *(X one)* [x] APPROVE [ ] DISAPPROVE | b. COMMENTS/RATIONALE<br>Do Not Fill In | c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)* [ ] YES [ ] NO [x] N/A |
|---|---|---|
| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
| Do Not Fill In | Do Not Fill In | Do Not Fill In |
| | g. SIGNATURE | h. DATE SIGNED |
| | DIGITAL SIGNATURE 123456789 | 00000000 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 14–4. Sample DD Form 200 when GFP equipment is lost, damaged, destroyed, or theft is suspected**

**DEPARTMENT OF THE ARMY**
**ORGANIZATION**
**STREET ADDRESS**
**CITY STATE ZIP**

OFFIC E SYMBOL (Date)

MEMORANDUM FOR (Accountable Officer)

SUBJECT: Reestablishment of Property Accountability, Investigation Number WADJAA-08-HHB-01, Document Number 8210-0202

You are directed to reestablish accountability of the found property below in the quantity listed. This property was dropped from accountability using a financial liability investigation WAFJAA-08-HHB-02, document number 9210-0202.

| LIN | NSN | Item description | Qty |
|---|---|---|---|
| N96248 | 5825-01-526-4783 | Navigation Set PSN<br>SNS: 111873, 114576 | 2 |
| M79678 | 5855-10-432-0524 | Night Vision PVS-14<br>SNs: 117823, 117962 | 2 |

Approving authority, appointing authority, financial liability officer, or Initiator (as appropriate) signature block and signature

**Figure 14–5. Sample memorandum to accountable officer to reestablish accountability of items contained on a financial liability investigation and document numbers**

## 14–18. Damaged property

*a.* Qualified technical inspectors, property classification officers, and other designated persons may classify property physically on hand as unserviceable. From its general condition and appearance, the property may be classified as either unserviceable through fair wear and tear, or unserviceable through other than fair wear and tear.

(1) A qualified individual trained on the equipment will determine the ACOD. When an ACOD cannot be determined, qualified personnel will compute the ECOD. The ACOD and/or ECOD will be certified by a technical inspector.

(2) For the ARNG, a commissioned officer of the Active Army, or any commissioned officer of the Army National Guard of the United States per 32 USC 710 may make the final fair wear and tear determination on all unserviceable property prior to disposition, per 32 USC 710.

(3) Technical inspectors, property classification officers, maintenance personnel, and other designated individuals can make assessments regarding negligence or willful misconduct, but the final determination is made by the commander or TDA activity chief.

*b.* When property is determined to be unserviceable through other than fair wear and tear, the commander or TDA

activity chief having responsibility for the property must investigate the circumstances. On completion of the commander's or the TDA activity chief's investigation, one of the following will apply:

(1) *Release of item for repair.* Equipment work ordered to a maintenance facility for a determination of ECOD and/or ACOD, should not be repaired until it is determined that the item is not needed further for investigation consistent with evidentiary requirements of chapter 13.

(2) *Damaged property (excluding organizational clothing and individual equipment).* If negligence or willful misconduct is suspected, the damaged property will be work ordered to the supporting maintenance activity for determination of the ECOD. If negligence or willful misconduct was not involved, a statement signed by the unit commander or the TDA activity chief will be attached to the maintenance request or the turn-in document stating the cause of the damage. The unit commander or the TDA activity chief will state, "I have reviewed the circumstances surrounding the damage to the above item(s) and find no evidence of negligence or willful misconduct."

*(a)* The financial liability investigation approving authority, or their designated representative, must review all damage statements unless approval authority is delegated to subordinate unit commanders and/or TDA activity chiefs per paragraph 14–18*b*(2)*(b)*. When the financial liability investigation approving authority or their designated representative concurs with the damage statement, they will enter "Concur" on the statement and date and sign their concurrence. Nonconcurrence will be shown by entering "Nonconcur" initiate a DD Form 200 or statement of charges" on the statement, and date and sign their nonconcurrence.

*(b)* Division commanders, commanders of separate brigades, and post commanders with subordinate TDA units and/or activities assigned will establish a dollar threshold above which all damage statements must be approved by the financial liability investigation of property loss approving authority. For damaged property costing less to repair than the dollar threshold established, the financial liability investigation of property loss approving authority may delegate authority to subordinate unit commanders and/or TDA activity chiefs to approve damage statements.

*(c)* When authority to approve damage statements is delegated to subordinate unit commanders, and/or TDA activity chiefs, they will forward all copies of any approved damage statements to the financial liability investigation of property loss approving authority on a quarterly basis for review. The financial liability investigation of property loss approving authority, or their designated representative per paragraph 14–18*a*(4), will use the review to determine whether subordinate commanders and/or TDA activity chiefs are abusing the authority delegated to them.

*(d)* The financial liability investigation approving authority may designate a member of their staff in the grade of major or above, or a DA civilian employee in the position of division chief or above, to review approved damage statements. This same individual may also be designated to approve and/or disapprove damage statements when the cost to repair the damaged item exceeds the dollar threshold.

*(e)* Commanders above the financial liability investigation approving authority level will initiate and conduct oversight management of damage statements initiated and approved by subordinate commanders and/or TDA activity chiefs. A random sample of no less than 10 percent of all damage statements approved by subordinate commanders and activity chiefs will be reviewed semiannually. The review will be made to determine if the financial liability investigation of property loss approving authorities, and unit commanders and TDA activity chiefs delegated with approval authority of damage statements, are properly carrying out their responsibilities as approving authorities, that is, are the decisions to approve damage statements—

*(f)* Supported by the commander's or the TDA activity chief's preliminary investigation documented on the damage statement?

*(g)* In the best interest of the Army and Government?

*c.* When the owning unit commander suspects that damage to class 9 components has been caused by negligence or willful misconduct, the component will be work ordered to the supporting maintenance activity for determination of the ECOD. When negligence or willful misconduct is not involved, paragraph 14–18*a* applies.

*d.* Unit commanders or their designated representative are authorized to approve damage statements for damaged OCIE when preliminary investigation by the unit commander or the Soldier's chain of command (such as squad leader, platoon sergeant, and/or leader, or first sergeant) reveals the damage occurred while being used conducting official Government business and neither negligence nor willful misconduct was involved. The commander will state in a memorandum to the CIF, "I, or a member of my command, have reviewed the circumstances surrounding the damage to the below listed item(s), and find the damage occurred while being used for official Government business and no evidence of negligence or willful misconduct." The damaged OCIE will be identified by nomenclature and quantity. The commander or a designated representative will sign the statement. Each statement must have an original signature. Individuals for whom the unit commander has approved a damage statement for OCIE will take the statement and the damaged articles of OCIE to the servicing CIF or OCIE issue point within 30 calendar days of the commander's approval for exchange. If the commander believes that the damage was incurred during other than official business or through negligence or that misconduct were involved, a DD Form 200 will be initiated.

*e.* When liability is admitted and the amount of the damage does not exceed the person's monthly basic pay, prepare a DD Form 362, per paragraph 12–3.

*f.* When liability is admitted and the amount of damage exceeds the person's monthly basic pay, initiate a DD Form 200, paragraph 13–3*a*(3).

*g.* When liability is not admitted, no matter the cost of repairs, a DD Form 200 will be initiated (see para 13–3*a* (3)).

*h.* When negligence or willful misconduct is suspected, and liability is not admitted, initiate a DD Form 200 per paragraph 13–3*a*(1).

*i.* Separate financial liability investigations of property loss will not be prepared for the same incident unless the damaged property is recorded on separate property accounts.

*j.* The ECOD is a process to determine the estimated cost of damage to Government owned equipment prior to repair and/or evacuation. An ACOD can only be determined when the item is actually repaired. Damaged property for which negligence or willful misconduct is suspected will not be repaired, disposed of, or continued in use until the investigating officer releases the item for repair (see para 13–31*c*).

(1) An ECOD will be used to compute the value of a loss only when actual costs cannot be obtained within a reasonable time. An ECOD may be requested by the commander, TDA activity chief, or may be provided by the maintenance or other activity in the absence of a specific request. When an ECOD is used to compute the value of the damaged property, the DD Form 200 must state why, and state the basis on which the estimate was made.

(2) An ECOD may be used for assessment of financial liability until the equipment is actually repaired, and then the ACOD will be used. When an item is not completely repaired until after a financial liability has already been assessed and the ACOD is less than the ECOD, the initiator of the adjustment document will cause it to be reopened and the appropriate FAO and/or USPFO will be requested, on a memorandum, to reimburse the difference to the charged individual.

*k.* When requested by the approval authority, the commander of the maintenance support activity will consolidate the cost data for each supported unit and forward the data to the approving authority.

*l.* When the statement of charges, DD Form 200 is approved or when the property is released by the financial liability officer, attach a copy of the statement of charges, DD Form 200, or financial liability investigating officer's release statement to the maintenance request. If the property is not economically repairable, attach a copy of the approved statement of charges, DD Form 200 or the financial liability officer's release statement to the turn-in document. If there is a maintenance request showing the condition code, attach it to the turn-in document also.

## 14–19. Losses of durable hand tools and components of sets, kits, and outfits at the using unit level when negligence or willful misconduct is not suspected

*a. Modified table of organization and equipment organization.* Using unit commanders are authorized to adjust losses of durable hand tools and components of SKO up to $500 per incident when the losses did not occur from negligence or misconduct. When determining the total cost of these lost durable items, the depreciated price will be used per paragraph b–2*b*(1).

(1) Prepare a memorandum in the following format:

*(a)* Subject block: Memorandum for Record; Adjustment Document.

*(b)* Prepare a narrative of the incident.

*(c)* List the items requiring adjustment by end-item LIN and NSN (if applicable), nomenclature, unit of issue, number of items to be adjusted, unit price, extended price, and total price.

(2) Immediately after the last item adjusted, enter the following statement over the signature of the commander: "I have reviewed the circumstances surrounding the loss of the above items and find no evidence of negligence or willful misconduct."

(3) Prepare the memorandum in original, plus one copy for each hand receipt involved. This memorandum requires no approval above the unit level. File the original in a consolidated file, in hand receipt holder sequence, for review by the financial liability investigation of property loss approving authority per paragraph 14–19*c*. Retain the file for 2 years. The duplicate copy(s) is filed in the appropriate hand receipt file to support the adjustment action. The duplicate copy will be destroyed upon receipt of the replacement for the lost hand tool.

*b. TDA organization.* In TDA organizations, individuals occupying positions equivalent to that of a unit commander, in a MTOE environment are authorized to adjust losses of durable hand tools and components of SKO using the same provisions cited in paragraph 14–19*a*. In TDA organizations, those individuals will normally occupy a directorate or division level TDA position. Use the major TDA paragraphs as a guide. Individuals not filling those major TDA positions do not have the authority to adjust losses of durable hand tools under the provisions of paragraph *a*.

*c. Review criteria.* Memorandums used as adjustment documents for losses of durable hand tools and components of SKO, as prescribed in paragraph 14–19*a* and paragraph 14–19*b*, will be summarized quarterly (adjustment documents will be attached to the summary) and forwarded to the financial liability investigation of property loss approving authority for review. Following the review, the approving authority will sign and return the summary and the attached adjustment documents to the unit commander.

(1) The approving authority's review will validate the absence of abuse to this adjustment method.

(2) When abuse is suspected, the approving authority will direct an AR 15–6 investigation or a DD Form 200 will be initiated. Any suspicion of abuse will result in the automatic suspension of this authorization until the unit commander is cleared of suspicion.

(3) The approving authority will annotate concurrence or nonconcurrence on the quarterly summary. A copy of the quarterly summary will be retained on file by the approving authority for 2 years.

## 14–20. Losses of durable and expendable items other than hand tools, components of sets, kits, and outfits, or organizational clothing and individual equipment

*a. Inquiry and approval.*

(1) Financial liability investigation of property loss appointing authorities may approve the adjustment of durable and expendable supplies following an inquiry when the loss per incident is less than $5,000, except for the following items:

*(a)* Controlled or sensitive items.

*(b)* Drugs.

*(c)* Undenatured alcohol and alcoholic liquors.

*(d)* Bulk fuels.

*(e)* Weapons and organizational equipment, including OCIE.

*(f)* Monetary assets such as cash.

(2) The inquiry will be informal to determine if there is any indication of fraud, waste or abuse and verify if the situation warrants a more formal investigation-for example, when the loss of small amounts of property occurs frequently enough to suggest a pattern. When no appointing authority has been appointed, the approval will be made by the approval authority. An inquiry does not require the initiation of a DD Form 200. If the inquiry finds negligence or willful misconduct, then a DD Form 200 and/or AR 15–6 investigation will be initiated and/or conducted.

*b. Memorandum.* The unit commander, primary hand receipt holder, or agency head will prepare a memorandum addressed to the appointing or approving authority in the following format:

(1) List in the subject block: Subject: Request for Property Adjustment Approval, Loss of Durable/Expendable Items Less than $5,000 per Incident.

(2) Prepare a narrative of the incident. At a minimum, the memorandum will identify what happened, where it happened, when it happened, how it happened and who was involved.

(3) List the items requiring adjustment by NSN, nomenclature, unit of issue, number of items to be adjusted, unit price, extended price, and total price. When determining the total cost of the loss for the incident, the depreciated price should be used per paragraph b–2*b*.

(4) Immediately after the last item, enter the following statement over the signature of the commander: "I have reviewed the circumstances surrounding the loss of the above items and find no evidence of negligence or willful misconduct. Request your approval to adjust these items from accountable records."

*(a)* Send the original to the appointing or approving authority for approval.

*(b)* If approved, file the original in a consolidated file in hand receipt holder sequence and provide copies to all applicable hand receipt holders and the accountable officer. Retain the file for 2 years. File duplicate copy(s) in the appropriate hand receipt file to support the adjustment action.

*(c)* If the appointing or approving authority disapproves the request, initiate a DD Form 200.

*c. Review criteria.* Memorandums used as adjustment documents for losses of durable and expendable items approved by the appointing authority as prescribed in paragraph 14–20*a* will be summarized quarterly (adjustment documents will be attached to the summary) and forwarded to the financial liability investigation of property loss approving authority for review. Following the review, the approving authority will sign and return the summary and the attached adjustment documents to the unit commander, primary hand receipt holder, or agency head. If the approving authority approved any adjustments rather than an appointing authority, no quarterly review is required.

(1) The approving authority's review will validate the absence of abuse to this adjustment method.

(2) When abuse is suspected, the approving authority will cause an AR 15–6 investigation or a DD Form 200 will be initiated. Any suspicion of abuse will result in the automatic suspension of this authorization until the appointing authority is cleared of suspicion.

(3) The approving authority will annotate concurrence or nonconcurrence on the quarterly summary. A copy of the quarterly summary will be retained on file by the approving authority for 2 years.

## 14–21. Government provided property

The contracting officer or property administrator designated to maintain or supervise property records of DA property in the hands of a contractor will provide the investigation documentation for the financial liability investigations of property lost, damaged, destroyed, or stolen, as appropriate.

## 14–22. Government quarters and furnishings

*a.* When Government quarters or the Government furnishings and equipment contained therein become lost, damaged, or destroyed, the installation housing manager will initiate a DD Form 200. The DD Form 200 will be processed through the chain of command of the individual who is signed for the quarters at the time of the incident per paragraph 13–5. Military and civilian sponsors may be charged with financial liability when the loss or damage is the result of

negligence or willful misconduct on the part of the sponsor, whether or not the sponsor has receipted for the quarters, furnishings, or equipment. This also includes cases where the loss or damage results from an act of a household member or guest, or a pet of either the household member or guest. However, it does not include losses resulting from fair wear and tear, or an act of God.

*b.* When liability against a sponsor cannot be shown, the financial liability can be assessed against the individual who actually caused the loss or damage. In this instance, upon assessing financial liability, the DD Form 200 will be forwarded to the servicing claims office for collection.

*c.* When a DD Form 200 is initiated to account for the loss or damage of Government quarters and/or the Government furnishings and equipment contained therein, a determination of gross negligence will result in the full amount of the loss to the Government being assessed against the sponsor.

### 14–23. Keys

*a.* When a person loses a key due to negligence or willful misconduct, they will be assessed financial liability for the lost key.

*b.* When the loss of a key through negligence or willful misconduct is the proximate cause of replacing a locking device or door by rendering the locking device or door unsuitable for its intended purpose, the respondent will be held financially liable for the replacement cost of the locking device and/or the door. Replacement cost includes both the cost of the parts and the cost of the labor to install.

### 14–24. Losses in laundries

*a. Military personal clothing.* Replace military personal clothing that is lost or damaged while in the custody of a laundry and dry cleaning facility under the provisions of AR 210–130 and AR 700–84. The facility manager will attempt to repair or replace damaged or lost military personal clothing items from surplus stocks. Failing that, the facility manager will authorize a gratuitous replacement by preparing and approving DA Form 3078.

*b. Nonmilitary personal clothing and equipment.* When this type of property cannot be satisfactorily replaced from surplus at the laundry and dry-cleaning facility, the facility manager will list the lost or damaged property on a memorandum. The facility manager will sign and give the completed memorandum to the complainant and direct them to the nearest claims office.

*c. Organizational clothing and individual equipment.* Account for organizational clothing and individual equipment lost or damaged while in the custody of a laundry and dry cleaning facility by repairing or replacing the property under the provisions of AR 210–130. When the facility manager cannot repair or replace the property from surplus stocks to the satisfaction of the customer, the facility manager will describe the items lost or damaged, and the extent of the damage, on a memorandum. The facility manager will sign and give the completed memorandum to the complainant. The commander of the complainant will initiate a DD Form 200 to account for the lost or damaged property. When the loss occurs in a contractor operated facility, adhere to the provisions of paragraph 14–13.

*d. Articles and equipment not returned by contract laundries and dry cleaners.* When ARNG clothing articles and other military equipment are not returned by contract laundries and dry cleaners, or are returned in a damaged condition, follow one of the procedures listed below:

(1) Obtain cash payment from the vendor for the monetary value from the FEDLOG of the lost or damaged property. The USPFO will provide assistance in the collection process.

(2) Process a DD Form 362 prescribed in chapter 12. Attach a brief statement of circumstances in addition to the normal entries on the form. Substitute the name of the vendor for the individual's name.

### 14–25. Leased property

An AR 15–6 investigation may be used instead of a DD Form 200 for losses of leased property when negligence or willful misconduct is suspected. However, when the investigation finds negligence or willful misconduct exists, the AR 15–6 investigation will be attached to a DD Form 200 as discussed in paragraph 13–25.

### 14–26. Marine casualties

Property carried on a property account listed in a marine casualty investigating officer's report, as provided by Army Safety Office policy relative to marine casualties, does not require a financial liability officer to be appointed. However, the DD Form 200 will include a copy of the marine casualty investigating officer's report, or an extract of the report, as an exhibit. (Follow the procedures established for using an AR 15–6 investigation with a DD Form 200 as shown in para 13–25.)

### 14–27. Personal clothing and organizational clothing and individual equipment

*a.* The commanders of Active Army, USAR, and ARNG members, and ROTC cadets are responsible for initiating financial liability investigations of property loss when property issued from a CIF becomes lost, damaged, or destroyed, and none of the methods cited in chapter 12 can be used to obtain relief from responsibility. Additionally, the commanders of USAR and ARNG members and ROTC cadets are responsible for initiating financial liability investigations of property loss when property issued from a clothing initial issue point becomes lost, damaged, or destroyed.

*b.* The following applies to the loss of personal clothing and OCIE when a USAR member, ARNG member, or ROTC cadet stops participating in training sessions (unsatisfactory participant whose whereabouts is unknown), and has not returned their personal clothing and/or OCIE. Also, applies to active duty personnel in dropped-from-roles status whose OCIE is not available for turn in.

(1) DD Form 200 will be initiated. The initiator will complete DD Form 200, blocks 1 and 3 through 11. The DD Form 200 will be forwarded to the approving authority for assignment of an inquiry and/or investigation number in block 2 and then forwarded to the accountable officer for assignment of a document number. The accountable officer will assign a document number in block 17a, and complete blocks 17b through 17f, and forward the DD Form 200 to the approving authority.

(2) Before the approving authority makes a decision to hold the individual financially liable, the DD Form 200 must first be reviewed by the servicing office of the Staff Judge Advocate for legal sufficiency. Once the legal advisor provides a legal opinion saying there is legal sufficiency to hold individual financially liable, the approving authority will complete blocks 14a through h, and insert the following statement in block 14b: "Member or cadet (insert name, grade if applicable and SSN) is held financially liable for the amount indicated in block 8, less depreciation allowed in this regulation."

(3) The approving authority will forward one copy of the completed DD Form 200 to the servicing FAO or USPFO for collection. The DD Form 200 will be forwarded under a transmittal memorandum requesting acknowledgment of receipt and verification that the DD Form 200 was processed for collection.

(4) If the FAO or USPFO cannot make collections because no pay is due, the DD Form 200 will be forwarded to the servicing claims office for collection. For USAR Soldiers for whom no pay is due, the DD Form 200 will be returned to the approving authority, who will take the following actions:

*(a)* If the charge is $250 or less, a copy of the DD Form 200 will be filed as an uncollectible debt in the financial liability investigation of property loss files. A copy will be mailed to the U.S. Army Reserve Personnel Center, 9700 Page Boulevard, St. Louis, MO 63132–5200 for inclusion in the respondent's permanent record.

*(b)* If the charge is more than $250, a copy of the DD Form 200 will be forwarded to the Defense Finance and Accounting Service-Indianapolis Center, Department 80, Indianapolis, IN 46249–0001, for collection.

## 14–28. Nonexpendable property consumed in use

Nonexpendable property consumed in use may be posted as a loss on property book records using a memorandum for record, provided—

*a.* The memorandum states the circumstances under which the property was consumed in use, and the date of the occurrence.

*b.* The property is identified by stock number, nomenclature, and quantity. If the property is a serial numbered item, the serial number(s) is entered.

*c.* The memorandum for record is signed by the commander for whom the property book records are being maintained.

*d.* The memorandum for record is reviewed and approved by the DD Form 200 approving authority.

*e.* The accountable officer will attach the approved memorandum to a DA Form 4949 (Administrative Adjustment Report) and assign a document number.

## 14–29. Public funds and other negotiable instruments

A person who receives or handles public funds or other negotiable instruments has personal responsibility for safeguarding of public funds or instruments while under their control. That person is financially liable for the full value of the loss to the Government caused by their negligence or willful misconduct. A DD Form 200 will be processed to account for the loss.

## 14–30. Subsistence accounting variances

*a. Troop issue subsistence activity.*

(1) Adjust unidentifiable operational accounting variances in the TISA account (ration breakdown for ARNG) that do not exceed the authorized tolerances according to AR 30–22. The approving authority for DA Form 4170 will approve the gain and loss variances.

(2) Prepare a DD Form 200 according to chapter 13 when the unidentifiable accounting losses exceed the tolerance authorized by AR 30–22, or if the approving authority for DA Form 4170 does not approve the gains or losses.

*b. Overdrawn or under drawn meal status, Army National Guard.* Bring overdrawn or under drawn meal status in excess of the authorized tolerance factors for annual training or inactive duty training into tolerance per AR 30–22.

## 14–31. Unserviceable supplies in depot storage

Inspectors who find damaged or unserviceable supplies in a depot storage area will report the finding to the responsible officer. When negligence or willful misconduct is suspected, the responsible officer will initiate a DD Form 200.

## 14–32. Vehicular accidents

*a. Accidents involving civilian vehicles.* Accidents often occur involving military and civilian employees of the Government, and civilians who are not employed by the Government. When Government property is damaged (other than a GSA vehicle), and negligence or willful misconduct by civilians who are not Government employees is suspected, but not admitted, or is admitted with a refusal to make restitution, a DD Form 200 must be initiated. When Government property is accountable to a contract, the contracting officer and/or the Government Property Administrator will perform the assessment of liability of the contractor. When assessment of financial liability is made against a civilian not employed by the Government, it is not necessary for the financial liability officer or the approving authority to notify the individual of recommended for assessment of financial liability. The approval authority will forward a copy of the approved DD Form 200 with all exhibits to the servicing claims office. The claims office will initiate action under AR 27–20.

*b. Accidents involving General Services Administration vehicles.* Units and activities assigned GSA vehicles must comply with the policy contained in the Federal Property Management Regulation, when an assigned GSA vehicle is involved in an accident. When a GSA vehicle is involved in an accident, the GSA fleet management center that issued the vehicle will advise the unit or activity of its financial responsibility to GSA based on their review of the accident reports and other evidence they are in receipt of.

(1) Financial liability investigation of property loss or other administrative adjustments in accordance with paragraph 12–1*c* must be initiated when a GSA vehicle is involved in an accident, or has sustained damages through vandalism, theft, or parking lot damage.

(2) The approved DD Form 200 will be forwarded to the installation claims office per AR 27–20, when—

*(a)* The financial liability investigation reveals the damage to the GSA vehicle was not the result of negligence or willful misconduct on the part of the driver of the GSA vehicle or the unit or activity assigned the GSA vehicle, but was the result of negligence on the part of other person(s), and

*(b)* The GSA fleet management center is charging the unit or activity for the damages, or

*(c)* The GSA vehicle is involved in an accident resulting in damage to the property of, or injury to, a third party.

*c. Accidents involving Government-owned and -leased vehicles.* Upon completion of a financial liability investigation that finds a military member or Government employee, through simple negligence, caused an accident involving a Government-owned or -leased vehicle, the approving authority may waive financial liability or may reduce the amount of financial liability assessed against a member or employee. The waiver to waive or reduce the amount of financial liability charged will be based on the approving authority's review of all the pertinent information concerning the accident. The approving authority may base the waiver entirely on a vehicle accident report by a military provost marshal or a duly appointed civilian law official, if available. A financial liability investigation based solely on a vehicle accident report will be annotated on DD Form 200, block 9 (see exhibit A, vehicle accident report), and state in block 14b. I have reviewed the information contained in the attached exhibits." No further investigation is necessary. Include the following additional information on the DD Form 200 for all waivers:

(1) Place an "X" in block 14a, approve.

(2) To grant a waiver relieving all concerned of financial liability, place the following statement in block 14b, "I relieve all concerned of financial liability from the damage to the property listed in blocks 4 through 6."

(3) To reduce the amount of financial liability assessed (an amount less than the cost to repair the damaged vehicle, or one month's base pay) place the following statement in block 14b. "To hold (name and grade of individual being assessed with financial liability) financially liable in the amount of ($ amount). The cost to repair the damaged vehicle is ($ amount of ECOD or ACOD if available). Their base pay for one month is ($ amount)."

## Section IV
## Inventory Adjustment Reports

## 14–33. Inventory discrepancies at a central issue facility

*a.* Inventory discrepancies of OCIE in CIF property book balances discovered during annual or cyclic inventories will be adjusted and reported using an DA Form 444 except when negligence or willful misconduct is known or suspected; use one of the adjustment methods cited in paragraphs 12–1*c*(1)(a) through 12–1*c*(1)(c) of this regulation.

(1) Causative research will be conducted and documented on DA Forms 444 for inventory discrepancies-—

*(a)* Exceeding 1/2 of 1 percent of the combined total of the dollar value of issues and turn-ins (to and from supported personnel) of a single line since the last inventory.

*(b)* Exceeding $500 in extended line item value.

(2) DA Forms 444 will be prepared and forwarded to the approving authority within 30 calendar days after completion of the inventory. The approving authority will take final action on the DA Form 444 within 5 working days of receipt, or will return the DA Form 444 to the PBO for addition research. When an DA Form 444 is returned for further research, 15 days will be allowed for the PBO to do further research. The approving authority may grant extensions of up to a total of 30 additional days. For those entries disapproved by the approving authority, a DD Form 200 or AR 15–6 investigation will be initiated for the shortages, and the overages will be turned in to the SSA.

(3) As long as the total adjustments (both gains and losses) for all DA Form 444s do not exceed 2–1/2 percent of the dollar value of the stockage allowance during the fiscal year, the approval authority for individual DA Forms 444 will be as follows:

*(a) $2,500 or less.* Approval authority is the commander who appointed the accountable officer. In a TDA environment, the commander may delegate approving authority to a division head within the DOL.

*(b) Over $2,500, but less than $10,000.* Approval authority is the commander who appointed the accountable officer if the appointing authority is in the grade of lieutenant colonel or above, or is assigned to a position authorized a lieutenant colonel or above. In a TDA environment, the commander may delegate approving authority to the DOL. Otherwise, the approving authority will be the first commander in the grade of lieutenant colonel or above in the appointing authority's chain of command. General officers may delegate, in writing, a lieutenant colonel or above to act as the approving authority.

*(c) $10,000 and over.* Approval authority is the commander who appointed the accountable officer if the appointing authority is in the grade of colonel or above, or is assigned to a position authorized a colonel or above. In a TDA environment, the commander may delegate approving authority to the DOL. Otherwise, the approving authority will be the first commander in the grade of colonel or above in the appointing authority's chain of command. General officers may delegate, in writing, a colonel to act as the approving authority.

(4) Once the total adjustments (both gains and losses) for the fiscal year exceed 2–1/2 percent of the total dollar value of the stockage allowance, the approval authority for all subsequent DA Forms 444 is the commander who appointed the accountable officer, if the appointing authority is in the grade of colonel or above. In a TDA environment, the commander may delegate approving authority to the DOL. Otherwise, the approving authority will be the first commander in the grade of colonel or above in the appointing authority's chain of command. General officers may delegate, in writing, a colonel to act as the approving authority.

(5) The dollar value of the stockage allowance will be as of the last day of the first month of the fiscal year. This stockage allowance value will be used for all DA Form 444s during the fiscal year.

(6) Administrative adjustment reports (AARs) will not be included in the totals used to determine the 2–1/2 percent cutoff. These include AARs for discrepancies in makes, models, and sizes.

(7) In the ARNG, the State AG is the approving authority for USPFO DA Form 444s. The State AG may delegate approval authority to a federally recognized ARNG general officer.

*b.* ACOM, ASCC, and/or DRU commanders will initiate and conduct oversight management of the inventory adjustment report process within their commands.

(1) A random sample of no less than 25 percent of those inventory adjustments reports that show physical losses and/or gains of property processed and approved by subordinate commands will be reviewed quarterly.

(2) The review will be made to determine if the DA Forms 444 approving authorities are properly carrying out their responsibilities as approving authority, that is, are the decisions made—

*(a)* Supported by evidence documented in the causative research on DA Forms 444?

*(b)* Supported by adequate explanation when the quantity or dollar value adjusted is substantially high?

*(c)* In the best interest of the Army and the Government?

*(d)* Followed up with corrective actions or directives, as appropriate?

## 14–34. Inventory discrepancies at a stock record account

*a.* All discrepancies in stock record balances found during an inventory will be researched and adjusted to meet the adjustment criteria in accordance with DOD 4000.25–2–M. Adjustments will be prepared using an DA Forms 444 with the following exceptions:

(1) When negligence or willful misconduct is known or suspected, one of the other adjustment methods cited in paragraph 12–1*c* will be used.

(2) For other than small arms ammunition, verified losses of controlled inventory items will be adjusted using a DD Form 200 per paragraph 13–3*a*(6).

(3) Discrepancies between ammunition stock record balances and inventory counts that show substantial overages or shortages of ammunition and explosives will be reported under AR 190–11. Substantial overages or shortages are those meeting the AR 15–6 investigation requirements indicated by AR 190–11.

(4) Discrepancies that have an extended line item value of $1,000 or less will not be reported for inventory adjustment with the following exceptions:

*(a)* Controlled inventory items.

*(b)* When negligence or willful misconduct is known or suspected.

(5) For DA Forms 444 adjustments not acceptable to the approving authority, one of the other adjustment methods cited in paragraph 12–1*c* must be used.

*b.* All discrepancies (not covered above) in stock record balances found during an inventory will be adjusted and reported on an DA Forms 444. Manual and automated system procedures publications, provides DA Forms 444 preparation instructions.

*c.* Causative research, which is part of the inventory process, will be conducted and documented on the DA Forms 444 when discrepancies result in adjustments over $1,000 in an extended line-item value.

*d.* DA Forms 444 will be prepared and forwarded to the approval authority within 30 calendar days after completion of the inventory. The approval authority will take final action on the DA Forms 444 within 5 working days of receipt or will return the DA Forms 444 to the SRO for additional research. When an DA Forms 444 is returned for further research, 15 days will be allowed for the SRO to do further research. The approval authority may grant extensions of up to a total of 30 additional days.

*e.* The goal for inventory adjustments (both gains and losses) for all DA Forms 444 is to keep total adjustments below 5 percent of the dollar value of the requisitioning objective (RO) during the fiscal year. The approval authority for DA Forms 444 is the first commander in the grade of lieutenant colonel or a civilian director of logistics or director of public works equivalent unless approval authority is retained at higher level with the chain of command.

*f.* In the ARNG, the State AG is the approval authority for the USPFO DA Forms 444. The State AG may delegate approval authority to a federally recognized ARNG general officer.

*g.* The Army's performance objective and internal management control goal is to keep total inventory adjustments (both gains and losses) below 5 percent of the total annual dollar value of the RO. The dollar value of the RO is computed annually during October using the October FEDLOG.

*h.* Administrative DA Forms 444 will not be included in the totals used to determine the 5 percent cutoff. Administrative DA Forms 444 include the following:

(1) Assembly.

(2) Disassembly.

(3) Stock numbers or unit-of-issue changes.

(4) Transaction reversals.

(5) Condition code changes.

(6) Re-identification.

(7) Pseudoreceipts.

*i.* A copy of the DA Forms 444 or other adjustment documents on which reportable items are listed will be provided to the Logistics Information Warehouse either manually or by automated means.

*j.* ACOM, ASCC, and/or DRU commanders will initiate and conduct oversight management of the inventory adjustment report process within their commands.

(1) A random sample of no less than 25 percent of those inventory adjustment reports that show physical losses or gains of property (other than administrative DA Forms 444 in para 14–33*h*) processed and approved by subordinate commands will be reviewed quarterly.

(2) The quarterly review will be made to determine if the DA Forms 444 approving authorities are properly carrying out their responsibilities as approving authority, that is, are the decisions made—

*(a)* Supported by evidence documented in the causative research on the DA Forms 444.

*(b)* Supported by adequate explanation when the quantity or dollar value adjusted is substantially high.

*(c)* In the best interest of the Army and the Government.

*(d)* Followed-up with corrective actions or directives, as appropriate.

*k.* DA Forms 444 for SSA accounts capitalized under single stock fund (SSF) business processes will be made available for review to AMC installation supply representatives (ISRs) or other designated Deputy Chief of Staff, G–3/5/7 (DCS, G–3/5/7) representatives during site visits and copies provided as requested.

(1) If the approving official directs another adjustment method in lieu of the DA Forms 444, a completed and/or approved copy of that documentation will be made available for review to the ISR or other designated DCS, G–3/5/7 representative during site visits.

(2) Stock record accountable officers will provide copies of DA Forms 444 as an exception upon specific request of the ISR or other designated DCS, G–3/5/7 representative outside of normal site visits.

## Section V
## Joint Service Environment

### 14–35. Accounting for lost, damaged, or destroyed property in a Joint Service environment

This paragraph prescribes actions to be taken when Government property is lost, damaged, or destroyed at jointly operated military installations, activities and operations. These installations and activities include those involving DLA, military assistance advisory groups, and similar installations, activities and operations.

*a. Preparation of financial liability investigations of property loss.* Responsibility at Joint Service installations, activities, and operations for the preparation of financial liability investigations of property loss listing property in the custody of personnel follows:

(1) Accountable or responsible Army personnel will prepare financial liability investigations of property loss for

Army property in the custody of Army personnel or in the custody of other than Army personnel as prescribed in chapter 13.

(2) Accountable or responsible Army personnel will prepare financial liability investigations of property loss, using DD Form 200, for losses of DLA property (including inventories stored at Army installations) in the custody of Army personnel according to DOD 7000.14–R.

(3) Personnel of the issuing U.S. agency, department, or foreign Government will prepare financial liability investigations of property loss or other administrative property accounting actions for all other non-Army property in the custody of Army personnel according to the procedures of the agency or foreign Government.

(4) When Army property is loaned to other DOD Services, a loan agreement between the loaning and the borrowing activity will be established prior to the loan taking place in accordance with AR 700–131, paragraph 2–6. The loan agreement will state the borrowing Service's responsibility for the return of the borrowed item(s), and in the event of loss or damage, the borrowing Service's responsibility for the payment of replacement or repair costs.

*b. Designation of approval authority.*

(1) Army property in custody of Army personnel or other personnel.

*(a)* Approval authority will be as prescribed in chapter 13.

*(b)* Within a Joint Service organization or contingency operation, the following criteria will be used to determine who the approving authority will be for financial liability investigations of property loss when Army property is lost, damaged, or destroyed. Individual must be a DOD military officer in a command position, in the pay grade of O6 or above. May be a DOD civilian employee in a supervisory position in the grade of GS–15.

(2) DLA property (including stored at Army installations) in the custody of Army personnel.

*(a)* Submit financial liability investigations of property loss covering losses of DLA property in the custody of Army personnel to the Army approval authority specified in chapter 13. The financial liability investigation of property loss is prepared on DD Form 200 using the instructions contained in DOD 7000.14–R.

*(b)* Forward the original and duplicate of the DD Form 200 to the DLA reviewing authority specified in DLA instructions, after action by the approval authority.

*(c)* Return a duplicate of the DD Form 200 with the confirmed action of the reviewing authority to the approval authority who took initial action on the financial liability investigation of property loss.

(3) Navy and other Government agency and department property in the custody of Army personnel. Accept as final recommendations for placing financial liability on Army personnel by Navy financial liability investigations of property loss or comparable documents of other Government agencies and departments—

*(a)* If approved by the official designated in regulations of the agency concerned to confirm such approvals.

*(b)* Provided the recommendations are based on findings meeting the criteria stated in chapter 13 of this regulation.

(4) Host foreign Government property in the custody of Army personnel. Property of a host foreign Government may be lost, damaged, or destroyed while in the custody of Army personnel. The host foreign Government may submit documents with a request for collection to the commander of the Army element of which the Army personnel are assigned. If so, the Army claims judge advocate will evaluate the request to determine the amount of financial liability to be assessed against the person concerned.

*c. Collection of financial charges.*

(1) Persons authorized to take final action on financial liability investigations of property loss involving financial liability will initiate and follow-up on the collection actions. The final action on such financial liability investigations of property loss establishes the indebtedness of persons by administrative procedure. For collection from other than Army DOD military members and civilian employees—

*(a)* Notify the respondent in the same manner as used for Army members and civilian employees per paragraph 13–42*a* of this regulation. Request payment in full for the amount due.

*(b)* If after 60 days from initial notification, the respondent fails to pay, either the full amount due or installments, and there is no indication that requests for reconsideration was filed, send the DD Form 200 to FAO for referral to DFAS for collection assistance.

*(c)* The extent of liability of the Army for non-Army property is discussed in paragraph 14–35*d*.

(2) Collection of financial charges imposed on Army personnel by financial liability investigations of property loss covering Army property is prescribed in chapter 13 of this regulation. Civilian employees against whom the charges are imposed may be indigenous personnel in overseas commands. Agreements may exist with the foreign Governments concerned. If so, overseas commanders will consider these agreements when collection action is required. The decision will be based on the advice of the claims attorney or the staff judge advocate.

(3) On receipt of a copy of a DD Form 200 authenticated to approve a finance charge from the DLA reviewing authority, the approval authority will refer the case to the Army installation claims judge advocate for collection action.

(4) When a commander of an Army activity receives a request for collection against Army personnel charged with loss or damage of property of another Service, Government department, agency, or foreign Government, the commander will refer the case to the Army installation claims judge advocate for evaluation and collection, as appropriate.

*d. Liability of the Army for non-Army property.* The Army assumes some degree of responsibility in taking control

over and entering in its records, as "Army property," property loaned by other services, agencies or departments of the Government or of host foreign Government. This is true unless a covering loan agreement or contract provides to the contrary. This responsibility may take the form of reimbursement to the lending activity, repair of damaged items at Army expense, or replacement in-kind of lost or irreparably damaged items.

*e. Requesting reconsideration.* Action to hold a respondent financially liable for the loss or damage of property is subject to the procedures for requesting reconsideration as set forth in paragraph 13–42 and paragraph 13–43 of this regulation.

### 14–36. Reciprocal agreement between the Army and Air Force for financial liability investigations of property loss

*a.* In processing DD Form 200 , a situation occasionally develops where personnel of the Air Force are determined to be financially liable for the loss or damage of Army property, and vice versa. The Army and Air Force have agreed that the action on, and the routing of the DD Form 200 will be governed by the regulations of the property's owning Service without regard to the Service assignment (parent Service) of the respondent.

*b.* When a financial liability investigation results in a finding that a member whose parent Service is other than the property's owning Service will be held financially liable for the loss or damage of the property involved, forward the DD Form 200 to the parent Service's financial liability investigation of property loss approval authority with jurisdiction to act on financial liability investigations of property loss concerning the member involved.

(1) The owning Service's financial liability investigation will contain all the evidence gathered as a result of the financial liability investigation, the findings and recommendations of the financial liability officer, and the recommendations of the owning Service's appropriate financial liability investigation of property loss approving authority.

(2) The parent Service approval authority will take action on the findings and recommendations according to the parent Service's financial liability investigation regulations. Collection action will be pursued under the parent Service's regulation.

(3) The parent Service approval authority will take action to notify the owning Service approval authority of the action taken on a DD Form 200 or to reconcile any differences in the anticipated action and recommendations of the owning Service.

## Chapter 15
## Accounting for Losses of National Stock (Army Materiel Command Installations Only)

### 15–1. General information

This chapter prescribes procedures for accounting for losses at accountable supply distribution activities (ASDAs) and depots. The procedures are used in processing the DA Form 444 and DD Form 200 for inventory losses of national stocks. Losses are those for which causative research has resulted in no conclusive findings. Adjustments not subject to ASDA causative research will be completed according to AR 725–50. Address all questions concerning this chapter to the CG, AMC (AMCOPS–SLA), 4400 Martin Road, Redstone Arsenal, AL 35989.

### 15–2. Policy

Except as indicated below, the following policy applies to ASDAs and to U.S. Joint Munition Command site, arsenals, supply depots, maintenance depots, and other storage activities (such as, prepositioned afloat ships). The depot will prepare an DA Form 444 for all losses not resolved by causative research at the ASDA. Table 15–1 gives the criteria for causative research.

*a.* Exceptions to this criteria are as follows:

(1) Losses of controlled items that require an AR 15–6 investigation.

(2) Losses for which negligence or willful misconduct is known or suspected. A DD Form 200 is required in these cases.

*(a)* For weapons and ammunition (see AR 190–11).

*(b)* For COMSEC material (see AR 380–40).

(3) Losses for which the accountable property officer (ACTPO) believes the DA Form 444 prepared by the depot does not adequately explain the loss. In these cases the ACTPO may require a DD Form 200 instead of an DA Form 444.

*(a)* DA Forms 444 must be prepared by depots for all losses identified by error cause codes 8Y and 8Z, when causative research at the ASDAs result in no conclusive findings.

*(b)* When losses are equal to, or less than the dollar values specified in table 15–1, the ACTPO may request an DA Form 444 from the depot as an exception, if enough justification exists. The ACTPO always has the option of requesting a financial liability investigation of property loss if the DA Form 444 does not explain the loss adequately.

*b.* The ASDA will prepare an DA Form 444 for all other adjustments that—

(1) Do not require causative research.

(2) Result in a conclusive finding from causative research.

(3) Result in no conclusive finding from causative research, but are below the dollar value thresholds in table 15–1.

*c.* The approving authority will appoint financial liability officers for financial liability investigations of property loss. Within the AMC national supply system the approving authority may require the respective depot commander to appoint a financial liability officer from depot personnel resources. The depot commander may delegate administrative requirements; however, the depot commander must sign the proper blocks reserved for the appointing authority. The appointing authority actions on DD Form 200, blocks 13a through 13h, will be taken at the depot.

*d.* The commander of the ASDA may designate the Director of Materiel Management, or equivalent as the financial liability investigation of property loss approving authority, provided the individual filling the position is an Army officer in the grade of colonel or above, or a DA civilian employee in a supervisory position, in the grade of GS–15 or above. If the Director of Materiel Management does not meet the criteria discussed above, the first individual in the chain of command who qualifies will be the approving authority.

*e.* A military officer in the grade of brigadier general or above at the ASDA will act as the appeal authority for financial liability investigations of property loss.

*f.* To ensure the proper working of the financial liability investigation of property loss system, the depot commander will take action including, but not limited to the following:

(1) Appoint one of the persons cited in paragraph 13–27 as the financial liability officer.

(2) The ASDA and depot commanders will ensure complete and accurate entries in the following blocks of DD Form 200:

*(a) Block 9.* (Circumstances under which property was (X one)).

*(b) Block 15a.* (Findings and Recommendation).

*g.* Depot commanders will assign a reviewing authority for national assets stored at their depot.

*h.* The Director or Deputy Director of Materiel Management at ASDAs will be designated as the DA Form 444 approving authority.

*i.* In all instances when the loss of COMSEC and/or CCI material is discovered, the reporting requirements in AR 380–40 and TB 380–41 (as applicable) will not be subjected to delays pending the outcome of internal investigations or causative research as prescribed by this regulation. Such incident or insecurity reporting will be accomplished immediately upon discovery of the loss.

*j.* Accountability and the ACTPO for assets held at national storage activities will reside at the storage activity; the former custodial record at the storage activity will be the accountable record. This accountable record will be maintained solely by the storage activity. Within AMC, the term "storage activity" refers to Operations Support Command storage activities, both CONUS and outside continental United States, to include both Government-owned and/or Government-operated and Government-owned contractor-operated site and arsenals. It also refers to prepositioned afloat ships, each of which is a separate storage activity; to the U.S. Army Communications-Electronics Command Communications Security Logistics Activity storage activity at Tobyhanna Army Depot; and to national maintenance activities, which are performing maintenance functions on ASDA-owned or customer-owned assets.

*k.* DLA, other Service, and Army storage activities will conduct causative research based on the criteria in table 15–1 and investigate all adjustments for which causative research results in no conclusive findings. DLA, other Service storage activities, and Army activities storing DLA stocks will use DD Form 200 to document the results of the causative research and the DD Form 200. The DLA and other Service storage activities will provide copies of each completed DD Form 200 to each of the ASDAs affected by the loss or gain. Preparation of DD Form 200 is explained in DOD 7000.14–R.

*l.* Accountability and the ACTPO for national assets not held at a national storage activity will reside with the ASDA. Assets at a contractor for repair, assets on loan, and assets in transit between storage activities (other than on post) are examples of this category of assets. The asset record maintain by the ASDA will remain the accountable record for these assets. This accountable record will be maintained solely by the ASDA. For these assets, the ASDA will conduct causative research as outlined above using DA Form 444 and DD Form 200.

**Table 15–1**
**Criteria for causative research**

| Adjustment | Causative research required |
|---|---|
| Of $5,000, or less. | No, unless required below. |
| Greater than $5,000, but less than or equal to $16,000, and a unit variance of 25 percent, or less. | Sample, see AR 740–26. |
| Greater than $5,000 and a unit variance greater than 25 percent (losses only). | Yes. |
| Of classified and sensitive items with a CIIC of 6, 8, 9, A-H, K, L, or O-T regardless of dollar value of item or extended dollar value of adjustment. | Yes. |
| Of $2,500 or less for items coded pilferable (that is, a CIIC of 7, I, J, M, N, V, W, X, Y, or Z). | Sample, see AR 740–26. |
| Greater than $16,000. | Yes. |
| Where fraud, waste, or abuse is known or suspected. (A DD Form 200 is mandatory). | Yes. |
| Results of an annual statistical sample physical inventory variance are greater than $100. | Yes. |

Notes:
[1] Sample causative research instead of complete causative research for pilferable item discrepancies with a value from $ .01 to $2,500 may be accomplished to serve as a deterrent to fraud, waste, or abuse and to identify systemic inventory and security problems.

## 15–3. Procedures

*a. Accountable supply distribution activities.*

(1) ASDAs in accordance with SOP will submit, in writing and within 5 working days after causative research is completed, requests for depots to initiate a DA Form 444, DD Form 200, or AR 15–6 investigations. The ASDA will submit, with the request, an ASDA transaction history for 2 years along with an ASDA and/or depot transaction history reconciliation listing or an unresolved discrepancy research list, whichever is applicable. The ACTPO will also include the following data with the request:

*(a)* NSN.
*(b)* Description of NSN.
*(c)* Unit price.
*(d)* Total cost.
*(e)* Inventory category code.
*(f)* Controlled inventory item code.
*(g)* Condition code of loss quantity.
*(h)* Adjustment document number.
*(i)* Name and grade of the ACTPO.
*(j)* ASDA stock record account number.
*(k)* Loss quantity.
*(l)* Ownership code (ammunition only).

(2) ASDAs will request depots to reply within 90 days with either a DA Form 444 or a DD Form 200.

(3) ASDAs will evaluate depot requests for extensions received by telephone within 5 days of the suspense date and grant proper extensions.

(4) If a depot does not meet the suspense date, the ASDA will send a follow-up to the depot commander. Send a copy to Operations Support Command within 5 days after the suspense date.

(5) If the depot does not reply to the first follow-up, the ASDA will send a second follow-up 20 days after the first to Operations Support Command. Send copies to the depot commander and to AMC (AMSDS–SM–SA) for ammo, and Defense Logistics Agency (DLA–OW) for general supplies.

(6) A depot submits an DA Form 444 or DD Form 200 to an ASDA. The original 90-day suspense period for that action ends on its submission of the DA Form 444 or DD Form 200 to the ASDA. In all cases when other actions are requested by ASDAs, a new suspense period of 60 days for financial liability investigations of property loss and 30 days for DA Form 444 will apply, for example, when returning an DA Form 444 or DD Form 200 to the submitter for more action.

(7) ASDAs will receive DA Form 444 in original and 2 copies from depots and review them for completeness and accuracy (see fig 15–1). An ASDA has 30 days to approve an DA Form 444 or return it to the depot for more action.

If the DA Form 444 is satisfactorily completed, the ACTPO will forward it through the Chief of Distribution and Transportation to the Director of Materiel Management for approval. Retain the original of the approved DA Form 444 in the approving authority file. Return two copies of the approved DA Form 444 to the ACTPO. Forward one copy to the depot. Place the other copy in the ASDA completed files. If the ASDA takes exception to any part of the DA Form 444, return the DA Form 444 to the depot by cover memorandum for corrective action. Set suspense of 30 days from the date of memorandum. If the DA Form 444 remains unacceptable after the second submission, the ASDA may request a DD Form 200.

(8) ASDAs will receive financial liability investigations of property loss from depots in an original and three copies. ASDAs review the DD Form 200 for completeness and accuracy (see fig 15–2). An ASDA has 60 days to approve a DD Form 200 or return it to the depot for more action. If acceptable, forward the DD Form 200 to the ASDA approving authority for approval. Retain the original of the approved DD Form 200 in the approving authority file. Return three approved copies to the ACTPO. Forward two copies to the depots for their files. Place one copy in ASDA completed files. If exception is taken to any part of the DD Form 200, return it to the depot by cover memorandum for corrective action with a suspense date of 60 days from the date of the memorandum.

(9) When the DA Form 444 or DD Form 200 indicates one of the following, the ASDA will inquire the accountable records to determine if the accountable records have been updated correctly.

*(a)* The loss quantity is accounted for. (Erroneous receipt is posted; receipt reversal was not posted at ASDA; erroneous denial material was shipped; and the lost material was located in storage.)

*(b)* The partial loss quantity has been recovered or accounted for that would reduce dollar value below mandatory requirement to initiate an DA Form 444. When records are updated correctly, close case and file it in the completed file.

(10) When an DA Form 444 is prepared by a depot or when a DD Form 200 results in no conclusive finding because of inadequate accountable records at the ASDA, the commander of the ASDA will certify this in writing. This certification may be delegated to the Director of Materiel Management. Records are considered inadequate when it can be shown during research that transactions for the item under investigation are missing or unreadable, thereby precluding a conclusive investigation. File the certification with the research investigation documents to which it applies (that is, DA Form 444 and DD Form 200).

(11) The ASDA approving authority will review all approved copies of DD Form 200 received from the DLA or other Service storage activity approving authority. The ASDA approving authority will ensure that the level and depth of the investigation were commensurate with the nature and size of the adjustment. If the ASDA approving authority, as owner of the material in question, does not agree with the level of investigation or draws a different conclusion, they will return the DD Form 200 to the storage activity with a memorandum outlining their concern(s). Further action will be handled on a case-by-case basis between the approving authorities. If the ASDA approving authority believes a reinvestigation is necessary, the storage activity approving authority may request that the ASDA pay for the reinvestigation. Patterns of seeming superficiality in a storage activity's investigation will be addressed through command channels.

(12) For assets held at DLA and other Service storage activities, the ASDA will monitor adjustment documents received from these activities to determine when the criteria outlined in table 15–1 are exceeded and causative research resulted in no conclusive findings. For these instances, a DD Form 200 will be forwarded to the ASDA within 45 days of posting of the adjustment. The ASDA will follow-up with the storage activity on any DD Forms 200 not received.

(13) Instructions for filling out DA Form 444 are as follows:

*(a) Supply support activity.* Enter name of depot preparing the DA Form 444.

*(b) Materiel category.* Leave blank.

*(c) Voucher number.* Enter the ASDA document number as it appears on the ASDA memorandum requesting the DA Form 444 or as shown on DA Form 444, Part III (4B).

*(d) Total number of items.* Leave blank.

*(e) Inventory adjustment report reason.* Leave blank.

*(f) Station.* Enter ASDA where the accountable records is maintained.

*(g) Count card location.* Optional for single manager for conventional ammunition of identify the owner of the lost material. Otherwise, leave blank.

*(h) Item.* Leave blank.

*(i) Stock number.* Self-explanatory.

*(j) Item noun.* Self-explanatory.

*(k) Condition.* Enter the condition code as stated in the ASDA memorandum requesting the DA Form 444 or as shown on DA Form 444, Part III (4B). Enter the unit of issue.

*(l) SEC.* Enter the CIIC as stated on the ASDA memorandum requesting the IAR or as shown on DA Form 444, Part III (4B).

*(m) Reportable item control code.* Leave blank.

*(n) Recorded balance.* Leave blank.

*(o) Quantity inventoried.* Leave blank.

*(p) Gain.* Leave blank.

*(q) Loss.* Enter the quantity as stated in ASDA memorandum requesting the IAR or as shown on DA Form 444, Part III (4B).

*(r) Unit price.* Enter the unit price as stated in ASDA memorandum requesting the IAR or as shown on DA Form 444, Part III (4B).

*(s) Extended price-again.* Enter the unit price as stated in ASDA.

*(t) Extended price-loss.* Enter the dollar value of loss.

*(u) Explanation of loss and/or depreciation of research.* Describe across the face of the DA Form 444 the research action taken by the depot to explain the loss. Attach copies of the depot transaction history and any other documents used to support the explanation of the loss. Statements such as "previous erroneous count," "previous offsetting adjustment," and the like, are not acceptable explanations unless fully supported by documentation. In such cases where previous offsetting adjustments and erroneous counts are cited, they must equal the quantitative loss under investigation. In all cases, research will cover all area stated in paragraph 15–3b.

*(v) Findings.* Enter across the face of the DA Form 444 conclusions made based on the research conducted. If reasons for the loss are not known or cannot be determined, it will be so stated.

*(w) Depot authentication.* Above the stock record officer block, type the statement recommending approval and the depot commander's or deputy commander's signature block as shown in figure 15–1. The depot commander or deputy will sign and date here before the DA Form 444 is forwarded to the accountable property officer.

*(x) Stock record officer.* The ASDA ACTPO will sign and date this block when the DA Form 444 is received from the depot and accepted by the ACTPO.

*(y) Supply support activity commander.* The ASDA will strike out "SSA commander" and enter "C, Distribution and Transportation Division." The division chief will sign and date this block.

*(z) Accountable supply distribution activity authentication.* The ASDA will type the statement of approval and the director's or deputy director's signature block as shown in figure 15–1. The director's or deputy director's will sign and date this block.

*(aa) Asset report copy sent.* Leave blank.

*(bb) Inventory adjustment report reviewed.* Leave blank.

*(cc) Total dollars-gain.* Leave blank.

*(dd) Net dollars.* Leave blank.

*b. Depots.*

(1) Property loss, establish controls to assure the interim and final replies are forwarded to ASDAs by suspense dates. If the depot cannot meet the suspense date, the depot will request an extension by telephone from the ASDA, 5 days before the suspense date (see paras 15–3*a* (2), 15–3*a*(6), 15–3*a*(7), and 15–3*a*(8) for suspense dates).

(2) Forward the original and two copies of the DA Form 444 or DD Form 200 to the ASDA.

(3) To complete research relating to the DA Form 444 or DD Form 200, the depot will obtain transaction history to include all current and deleted locations; review the history to decide whether there are erroneous, duplicate, missing transactions, or depot local adjustments; and review relevant hard copy documents. This will be done as follows:

*(a)* For depot local adjustments (Z9L), check inventory files to assure that the correct quantity and condition code were posted.

*(b)* For denials, check material release order history files to assure material was not shipped.

*(c)* Locations check all current and deleted locations.

*(d)* Receipts-review hard-copy receipt documents for duplicates; quantity and condition code as posted are correct; and weight and cube agree with the weight and cube entries recorded in the depot master data record.

*(e)* For adjustments, review hard-copy and document control register on condition code reclassification (DACs) and re-identifications (D8J and D9J) to verify correct postings.

*(f)* For shipments, review material release order history file to verify correct posting of material release orders; for those items shipped on a Government bill of lading (GBL) or other traceable means, verify correctness of weight and cube for shipment. Review the GBL to assure shipment of the material.

*(g)* For other owners, assets may be on record for other owners. If so, verify that these recorded assets are correct with no adjustments that would have a bearing on the loss.

*(h)* For outstanding SF 364s, review SFs 364 to decide whether an outstanding SF 364 has a bearing on the loss.

*(i)* For depot maintenance, check the depot maintenance activity to assure missing material is not located there, and any transaction to or from the maintenance activity is correctly reflected on the depot's transaction history.

*(j)* For disposal activity, check the disposal activity for missing material.

(4) An DA Form 444 prepared by a depot may result in no conclusive finding because of inadequate custodial records at the depot. If so, the commander of the depot or their deputy will certify this in writing. Records are

considered inadequate when research shows that transactions for the item under investigation are missing or unreadable, thereby preventing a conclusive investigation. File the certification with the research or investigative documents to which it applies (that is, DA Form 444 or DD Form 200).

(5) Investigation may recover missing material or may account for it. If so, make corrections to the depot custodial records as required. Forward a reply by first memorandum to the ASDA to include a copy of the depot transaction history showing the corrections have been made. Include an explanation for the discovery. This history will include recovery or accounting for partial quantities that would reduce the dollar value below the mandatory requirement for an DA Form 444 as stated in table 15–1. In those cases where recovery or accounting for quantities (partial or total) reduce the dollar value below the mandatory requirements for an DA Form 444, depot replies by first memorandum will constitute closing of the DA Form 444 unless otherwise notified by the ASDA. A partial quantity may be recovered or accounted for and may not reduce the dollar value below the mandatory requirement. If so, continue processing the DA Form 444 for the actual loss quantity.

(6) Investigation may fail to account for the loss. If so, take the following actions:

*(a)* Prepare an DA Form 444, DD Form 200, or AR 15–6 investigation on request from the ASDA. If the ASDA requests an DA Form 444, not knowing that negligence or willful misconduct is suspected, the depot commander will initiate a DD Form 200 instead of an DA Form 444.

*(b)* The depot commander will sign both DA Form 444 and DD Form 200 in the proper blocks before submission to ASDAs. Note that when blocks 13a through 13h are completed, the words "appointing authority" will be lined out and replaced with the words "depot commander."

*(c)* When initiating a DD Form 200, forward copy number five to the proper ASDA showing that a DD Form 200 has been initiated. Forward the original and three copies of the financial liability investigation of property loss to the depot commander for assigning an inquiry or investigation number from the DD Form 200 register, and appointing a financial liability officer (when required by the approving authority).

(7) Appointed financial liability officers will conduct an investigation and document losses as stated in chapter 13. They will compile the evidence that substantiates or refutes the statements on DD Form 200, block 9, and attached exhibits. Financial liability officers will record only facts about the loss. Statements attached as exhibits will be in the form of certificates for military and civilian personnel. The financial liability officer will—

*(a)* Obtain statements in the form of certificates or direct quotes of persons mentioned on DD Form 200, block 9, if not already attached as exhibits, and any other persons interviewed during the investigation.

*(b)* Review evidence presented to assure all transaction postings are correct. Transactions include receipts, issues, and adjustments.

*(c)* Confirm that receipt postings are correct as to quantity and condition code. Weight and cube recorded on hard-copy receipt documents are equal to weight and cube recorded in the depot master data record.

*(d)* Assure that all shipment postings have been verified against the material release order history file; the bills of lading (BLs) are verified to assure the correct quantity was shipped; and the weight and cube agree with the quantity shipped.

*(e)* Verify that NSNs with a CIIC of 2, 3, and 8 were properly reported to security. (Those controlled items that require an AR 15–6 investigation are exceptions.) When a weapon is lost, include the serial number in the DD Form 200 or AR 15–6 investigation. Verify that a copy of the security investigation is attached to the DD Form 200 as an exhibit.

*(f)* Investigate the receiving, storage, inventory, and shipping practices; obtain statements in the form of certificates or direct quotes that verify practices met regulatory requirements; and cite the regulations. Include whether or not the security measures are, or were in effect to prevent theft.

*(g)* As applicable, check the maintenance, disposal, and quality assurance activities.

*(h)* Check other owner transactions, if any, to ensure postings are correct, with no adjustments that would account for the loss.

*(i)* Decide whether or not the missing item has any commercial application.

*(j)* Decide whether or not a person is to be held financially liable.

*(k)* Determine who is responsible; normally this is the depot-appointed responsible officer.

*(l)* From the above, decide whether negligence or willful misconduct is evident.

*(m)* State how the loss occurred. If this cannot be determined, state why.

*(n)* If the missing material is found or accounted for, discontinue the investigation. Report the findings through the depot commander to the inventory office. The inventory officer will have the depot custodial records corrected as required. The office will also advise the applicable ASDA of these findings. Include a copy of the depot transaction history showing that corrective action has been taken.

*(o)* Make a recommendation based on recorded facts stated in the findings. The recommendation will cover accountability, responsibility, and financial liability, as applicable. Do not recommend adjusting records as the records have already been adjusted.

*(p)* Obtain the signature of the depot commander. Forward the completed financial liability investigations of property loss to the applicable ASDA.

(8) Conduct an AR 15–6 investigation on controlled items according to AR 15–6 (see AR 190–11). An AR 15–6 investigation may be used instead of a financial liability investigation. In these cases the depot will complete DD Form 200, enclose a copy of the AR 15–6 investigation to it, and submit it to the ACTPO at the applicable ASDA. The DD Form 200 will be completed according to figure 15–2 except that—

*(a)* Blocks 9 and 15a will not include details on the circumstances and findings. Instead, include a statement in these blocks referring to the attached AR 15–6 investigation.

*(b)* If no one is recommended for assessment of financially liable, include a statement in block 15a. The statement will recommend that the accountable officer be relieved of accountability and not held financially liable.

*(c)* The name of the presiding member of the AR 15–6 board of investigation will be recorded on the memorandum used to appoint members of the AR 15–6 board, which will be attached to the DD Form 200 as an exhibit.

**INVENTORY ADJUSTMENT REPORT (IAR)**
FOR THE USE OF THIS FORM, SEE DA PAM 710-2-2; THE PROPONENT AGENCY IS DCS, G-4.

| SSA | MATCAT | VOUCHER NUMBER DODAAC | DATE | SERIAL |
|---|---|---|---|---|
| Sierra Army Depot, Herlong CA 96113-5230 | J2200 | W3768K | 4008 | 0011 |

| TOTAL NUMBER OF ITEMS | IAR REASON | STATION | COUNT CARD LOCATION |
|---|---|---|---|
| 4 | Missing Items | Army Missile Command, Redstone Arsenal, AL | Section J5 RL |

| ITEM | STOCK NUMBER | ITEM NOUN | COND | SEC | RICC | RECORDED BALANCE | QUANTITY INVENTORIED | POST GAIN | POST LOSS | UI | UNIT PRICE | EXTENDED PRICE GAIN | EXTENDED PRICE LOSS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | 4935-00-001-0001 | Amplifier | A | U | 2 | 210 | 206 | 0 | 4 | EA | 2,500.00 | 0.00 | 10,000.00 |
| | Explanation of Loss/Description of Research: | The following research has been accomplished in an attempt to determine reasons for the above shortage reported on 8 Jan 2014 as a result of a physical inventory. | | | | | | | | | | | |
| | | a. All transaction for al owners have been examined for the past 2 2 years. | | | | | | | | | | | |
| | | b. A physical search of recorded locations, both active and inactive inactive was made. | | | | | | | | | | | |
| | Findings: | There is a loss, as described above which cannot be accounted for. accounted for. There is evidence of theft or negligence. | | | | | | | | | | | |
| | Depot Authentication: I have reviewed this voucher and recommend approval. John A Doe COL, QM, Deputy Cdr | ASDA Authentification: I have reviewed this voucher and ap and approve all actions being taken. Howard M. Doe Deputy Commander DOL | | | | | | | | | | | |

CUT — CUT

| STOCK RECORD OFFICER | | SSA COMMANDER | | ASSET REPORT COPY SENT | | GAIN | TOTAL DOLLARS | LOSS |
|---|---|---|---|---|---|---|---|---|
| THESE ADJUSTMENTS WERE MADE FOR THE REASON SHOWN. IF THE REASON IS "INVENTORY" THEY HAVE BEEN MADE PENDING THE SSA COMMANDER'S APPROVAL. | | I APPROVE THE ADJUSTMENT OF ALL ITEMS NOT CIRCLED. THE CIRCLED ITEMS WILL BE SUPPORTED BY ACTION UNDER: [CIRCLE ONE] AR 15-6 AR 735-11 | | DATE 9 Jan 2015 | INITIALS DSD | | 0.00 | 10,000.00 |
| DATE 9 Jan 2015 | SIGNATURE DIGITAL SIGNATURE 123456789 | DATE 9 Jan 2015 | SIGNATURE DIGITAL SIGNATURE 123456789 | IAR REVIEWED | | GAIN | NET DOLLARS | LOSS |
| | | | | DATE 10 Jan 2015 | INITIALS BCD | | 0.00 | 10,000.00 |

DA FORM 444, JAN 1982 — EDITION OF JUN 78 IS OBSOLETE. — APD PE v1.01ES

SAMPLE

**Figure 15–1. Sample DA Form 444**

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS**

| 1. DATE INITIATED *(YYYYMMDD)* | 2. INQUIRY/INVESTIGATION NUMBER | 3. DATE LOSS DISCOVERED *(YYYYMMDD)* |
|---|---|---|
| 20151001 | 2AWAB0-15-01 | 20150930 |

| 4. NATIONAL STOCK NO. | 5. ITEM DESCRIPTION (Add More Items) | 6. QUANTITY | 7. UNIT COST | 8. TOTAL COST |
|---|---|---|---|---|
| C10345<br>8415-01-519-8599 | Coat Army Combat Uniform Large Regular | 1 | 36.00 | 36.00 |

**9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS** *(X one)* (Add Page)
*(Attach additional pages as necessary)*

[x] Lost [ ] Damaged [ ] Destroyed
[ ] Organization [ ] Installation [ ] OCIE

SGT John A. Doe was missing one each ACU coat at the shift change inventory. No coats were issued during the shift on 29-30 September 2014, therefore the missing coat is lost. SGT Doe stated that someone must have stolen it during the night.

Exhibit A through F

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES** *(Attach additional pages as necessary)* (Add Page)

Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times.

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

| a. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | b. TYPED NAME *(Last, First, Middle Initial)* | c. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 34th Engineer Battalion<br>Fort Knox, KY 401 | Doe, Merlin X., SSG, Squad Leader | 315-123-4569 |
| | d. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | e. DATE SIGNED<br>20151001 |

**12.** *(X one)* [x] **RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS** [ ] **REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

| a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED *(X one)* | b. COMMENTS/RECOMMENDATIONS |
|---|---|
| [ ] YES [x] NO | Request investigation to ensure all policy and procedures were followed. |

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A., CPT, Commanding | 315-456-8132 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151115 |

**13. APPOINTING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. FINANCIAL LIABILITY OFFICER APPOINTED *(X one)* |
|---|---|---|
| [x] APPROVE<br>[ ] DISAPPROVE | Recommend approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government equipment. | [x] YES [ ] NO |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe, Shanna Y., LTC Commanding | 315-456-8132 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20141115 |

**14. APPROVING AUTHORITY**

| a. RECOMMENDATION *(X one)* | b. COMMENTS/RATIONALE | c. LEGAL REVIEW COMPLETED IF REQUIRED *(X one)* |
|---|---|---|
| [x] APPROVE<br>[ ] DISAPPROVE | Approved to hold SGT John A. Doe, financially liable in the amount entered in block 15d. SGT Doe's basic pay at the time of loss was $2,146.00 | [x] YES [ ] NO [ ] N/A |

| d. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | e. TYPED NAME *(Last, First, Middle Initial)* | f. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Dean S. III, COL, Commanding | 315-159-000 |
| | g. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | h. DATE SIGNED<br>20151205 |

**DD FORM 200, JUL 2009** PREVIOUS EDITION IS OBSOLETE. Adobe Designer 8.0

SAMPLE

**Figure 15–2. Sample DD Form 200**

**15. FINANCIAL LIABILITY OFFICER**

a. FINDINGS AND RECOMMENDATIONS *(Attach additional pages as necessary)*

Add Page

I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU coat was lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.
SSG Zoe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately ten airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.

On the night of 29 September 2014, SGT Doe released everyone to go to chow at 2200hrs. He was the only one from the detail left on the airfield. After all had left for chow, SGT Doe went to the. back room to use the computer to read and send some e-mails. He did not leave anyone to watch the supplies out on the floor. He did not have eyes on the supplies while in the back room. SGT Doe admits to staying in the room until everyone returned from chow.

At the morning shift detail inventory, it was discovered that a large regular ACU coat was missing. None of the detail admitted to taking the ACU coat. All airfield personnel were interviewed but none admitted to knowing or seeing the thief. It was likely stolen during the time the items were unguarded, between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.
SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.
The ACU coat was not depreciated as it was new when it was determined missing.

Recommended that SGT John A. Doe be held liable in the amount of $36.00 and all others be relieved of responsibility for the lost item. SGT Doe's base pay at the time of loss was $2,146.00.

Exhibit A through M attached.

| b. DOLLAR AMOUNT OF LOSS | c. MONTHLY BASIC PAY | d. RECOMMENDED FINANCIAL LIABILITY |
|---|---|---|
| 36.00 | 0.00 | 36.00 |

| e. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | f. TYPED NAME *(Last, First, Middle Initial)* | g. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 234th Engineer Battalion<br>Fort Knox, KY 40121 | Doe Joel B. 1L T | 315-723-6745 |
| | h. DATE SUBMITTED TO APPOINTING AUTHORITY *(YYYYMMDD)* 20151030 | i. DATE APPOINTED *(YYYYMMDD)* 20151010 |
| | j. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | k. DATE SIGNED<br>20151029 |

**16. INDIVIDUAL CHARGED**

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND *(X one)*

[ ] Submit the attached statement of objection. [X] Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

| c. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | d. TYPED NAME *(Last, First, Middle Initial)* | e. DSN NUMBER |
|---|---|---|
| EUSA-BD-A<br>A Company, 2nd Engineer Battalion<br>Fort Knox, KY 40121 | Doe, John A. | 315-985-4568 |
| | f. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | g. DATE SIGNED<br>20151116 |

**17. ACCOUNTABLE OFFICER**

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

W6212F 5284-1010

| b. ORGANIZATIONAL ADDRESS *(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)* | c. TYPED NAME *(Last, First, Middle Initial)* | d. DSN NUMBER |
|---|---|---|
| EUSA-BD-PBO<br>1st BCT, 2nd Infantry Division<br>Fort Knox, KY 40121 | Doe, Reginald A. | 315-549-7135 |
| | e. SIGNATURE<br>**DIGITAL SIGNATURE 123456789** | f. DATE SIGNED<br>20141010 |

**DD FORM 200 (BACK), JUL 2009**

Reset

SAMPLE

**Figure 15–2. Sample DD Form 200–Continued**

# Chapter 16
# Discrepancies Incident to Shipment of Property by Common or Contractor Carrier

## Section I
## Introduction

### 16–1. General

*a.* This chapter specifies actions to be taken by TOs, property officers, and other officials. Take actions when supply and transportation type discrepancies in shipments of Army property are disclosed. The property may include foreign military sales (FMS) and Grant Aid. These actions include reporting and adjusting discrepancies revealed. They also provide the basis for asserting claims against common carriers and vendors.

*b.* The chapter prescribes the use of—

(1) DD Form 361 will be referred to throughout this chapter as DD Form 361.

(2) SF 364.

*c.* Address all questions on SF 364s through channels to Executive Director, AMC, Logistics Support Activity, Red Stone Arsenal, AL 35898–7466. All questions on DD Form 361s will be addressed to the CG, AMC (AMCOPS–SD), Red Stone Arsenal, AL (for Army policy) and/or the Surface Deployment and Distribution Command (DD Form 361 proponent), (MT–ITD), Washington DC 20315–5050.

*d.* For additional guidance on reporting and investigating discrepancies incident to the transportation and shipment of COMSEC, CHVP, and CCI materiel, refer to AR 380–40 and TB 380–41, as applicable.

*e.* Acknowledge and receipt of return of a discrepancy in shipment sample memo shown below:

(1) Date.

(2) The existence of the shipment discrepancy as described above is acknowledged. The above damaged property has been returned to the common carrier for mitigation of damages. It will be accounted for in the amount the carrier receives from its sale. The carrier will hold the proceeds in escrow until the final responsibility and financial liability are determined.

(3) Agent for Freight Claim Agent Signature.

### 16–2. Authority

This chapter specifies documents to submit in support of requests for adjusting of reimbursement billing, collection, and accounting procedures (see DODI 7420.12).

### 16–3. Scope

*a. Types of transportation services.* Shipments moving on—

(1) GBL.

(2) Commercial bill of lading when converted to a GBL at destination.

(3) Commercial bill of lading, free on board (FOB) origin terms, when freight charges are paid by the vendor as a convenience to the Government (see para 16–4).

(4) An Army-administered contract for transportation services.

(5) Military MTOE transportation units providing transportation support services.

*b. Types of consignees.* This section covers shipments received at all types of Army installations and activities. Specialized procedures are required at storage depots for which property accountability is maintained at a central point. Separate depot procedures are identified below (see AR 725–50).

*c. Types of property.* The term "property" as defined in the glossary includes, but is not limited to that which—

(1) Is part of the body of, or represents a purchase by, an element of the Army from the AWCF.

(2) Represents a purchase by an element of the Army from the DLA stock fund or from supply sources controlled by GSA.

(3) Includes FMS and Grant Aid.

*d. Types of discrepancies.* These instructions concern the reporting and adjusting of property accounting records resulting from shipping discrepancies, and decisions as to the assessment of financial liability for the loss or damage. Also, they include references to Army or other regulations specifying use of standard DD Form 361 used in traffic management or quality control of depot operations.

### 16–4. Property accountability for discrepancies

*a. Free onboard origin shipments.* Normally, to account for FOB origin shipments, a title to items shipped passes to the consignee upon acceptance by the common carrier (constructive delivery or receipt). This policy of "FOB origin"

applies to shipments from the Army and DLA stock funds and to GSA shipments as well as to those from vendors, except against Army local purchase on an FOB destination basis. Accountability for discrepancies in FOB origin shipments is assigned below. Accountability for items disclosed as—

(1) "Short" reverts to the consignor when reported by the consignee on DD Form 361 or SF 364. Property responsibility for such items terminates because the consignee posts only the quantity actually received to the consignee stock record account.

(2) "Over" (including items apparently shipped in error) reverts to the consignor as in paragraph 16–4*a*(1). Property responsibility remains as a suspense item with the consignee until taking final action for disposing of such items to comply with the instructions of the consignor.

(3) "Damaged" reverts to the consignor, as in paragraph 16–4*a*(1), along with property responsibility for the items in the condition shown on the shipping document. The consignee assumes and retains property responsibility for damaged items described in the condition of actual receipt until taking final disposition action to comply with the instructions of the consignor. Thus, the consignor on FOB origin shipments must resume accountability for, and take proper actions to adjust shortages and overages and damages attributed to them by DD Form 200 action as in paragraph 16–4*a*(1). Army consignors must also properly adjust their consignor stock record accounts and stock fund records to provide for shipments made to replace items reported short or damaged.

*b. Local purchase.* On FOB destination shipments from vendors of "local purchases" by the consignee, accept property accountability and make payment only for those quantities received in a serviceable condition. Disposition of unacceptable items is the responsibility of the vendor.

## 16–5. Actions to be taken upon discovery of discrepancies in shipment

Actions to be taken will be decided on discovery of a discrepancy upon receipt of shipment. The actions to be taken depend on the type of consignee involved. Listed below are the successive steps for reporting and adjusting discrepancies. Section II of this chapter specifies the actions required in steps 3 through 7 for the use of the DD Form 361. Section III of this chapter specifies those actions required for the use of SF 364. For those steps in which requirements for action differ with the type of consignor or consignee, the procedure that applies to each type or combination of types is identified in table 16–1.

**Table 16–1**
**Actions for discrepancies in shipment**

| Step | Action |
|---|---|
| 1 | Discovery of the discrepancy by—<br>(a) The TO or other receiving point personnel during "checking-in" operation, or<br>(b) The receiving property officer during "storage" operation. |
| 2 | Classification of discrepancy (see glossary to determine the proper form (DD Form 361 or SF 364)) required. |
| 3 | Initiation of forms in step 2. |
| 4 | Investigation and documentation of loss with concurrent actions to complete the forms in step 2 above. |
| 5 | Approval of the forms in step 2 above for consignee installation commanders. |
| 6 | Distribution of the forms in step 2. |
| 7 | Action by the consignor (shipping officer) or other addressee upon receipt of the completed forms in step 2. |

## 16–6. Step 1–Discovery of discrepancies

*a.* Persons working in the receiving transportation office or the property office normally discover the discrepancies. Discovery of discrepancies occurs—

(1) During the checking-in operation.

(2) After receiving the shipment from the receiving TO.

(3) During inspection.

(4) During breaking down the pallets and emptying the containers.

(5) When moving the property into storage for later issue.

*b.* Undue delay of notice will be annotated on DD Form 361.

## 16–7. Step 2–Classification of discrepancies

The receiving TO or receiving property officer, or both, will categorize discrepancies as to their physical characteristics and capability. Categorization, once decided, will not change except upon agreement between the receiving TO and receiving property officer. If the officers fail to agree, the approving authority will categorize the discrepancies.

*a. Inconsequential discrepancies.* Discrepancies that are categorized as inconsequential do not require financial liability investigation of proper loss action. Adjust these discrepancies by entering the following note "Inconsequential" on a copy of the shipping document or other instrument used as a debit voucher.

*b. Transportation discrepancies.* The strict adherence to the definition of transportation discrepancies will assist in protecting the Government's interest. Categorize all discrepancies where carrier liability cannot be ruled out as transportation discrepancies. Further decision will be made according to the glossary as to whether the transportation discrepancy will be an overage, shortage, or damage, thereby requiring initiation of a DD Form 361 in enough copies for financial liability investigation purposes.

(1) For other transportation discrepancies, do not use a DD Form 200. In cases of damages discovered by the receiving property officer when opening packages at storage locations (concealed damage), they will consult the receiving TO for the category of the discrepancy.

(2) Section II of this chapter contains specifications for initiating and processing DD Form 361s.

*c. Supply discrepancies.* After a deficiency is categorized as a supply discrepancy, further review will be made to see if it meets the report preparation time limits and qualifies under the minimum dollar value criteria (see definition for "discrepancy" in the glossary). Refer supply discrepancies discovered by the receiving TO to the receiving property officer for action. Section III contains detailed specifications for initiating and processing the SF 364.

### 16–8. Discrepancy tolerance in receiving shipments of coal and petroleum products

*a.* So that Army procedures for receiving and checking in shipments of special types of property will conform to those used in the commercial field, DA will, from time to time, authorize certain shipment discrepancy tolerances to be applied at Army installations. Shipments of solid fuels and petroleum products, and other items subject to shrinkage, and evaporation, are shipments to which such tolerances may apply.

*b.* When tolerances have been authorized under paragraph *a*, initiation of a DD Form 361 or SF 364 is not required except when—

(1) The discrepancy exceeds the authorized tolerance.

(2) Prescribed by the directive setting the tolerance.

*c.* For shipments of bulk petroleum, see DOD 4140.25–M, for DD Form 361 requirements.

## Section II
## Reporting and Adjusting Transportation Discrepancies

### 16–9. Step 3–DD Form 361 shipments on prepaid commercial bill of ladings

*a. "Acceptance at destination" shipments.* The Army accepts and pays for only those articles received in a serviceable condition; therefore, transportation discrepancies in "FOB destination" shipments made on prepaid commercial bills of lading from vendors do not require DD Form 361s to be prepared for DD Form 200 purposes. Furnish a DD Form 361 to the shipper who will settle the transportation discrepancies with the carrier since title does not pass to the Government until acceptance at destination.

*b. "Acceptance at origin" shipments.* Procurement contracts or purchase orders are carried out according to the FAR, on an "acceptance at origin" basis for shipment "FOB destination" to an Army installation on prepaid commercial bills of lading. When this occurs, the Army accepts title to the property at the shipping contractor's establishment. Freight charges are paid by the contractor only as a convenience to the Government. When reporting transportation discrepancies of this type, prepare a DD Form 361 under the same procedures applicable to shipments moving on FOB origin on GBL or related transportation document.

### 16–10. Step 3–Free-on-board origin shipments from vendors on a Government bill of lading

*a.* Initiate a DD Form 361 when discovering a transportation-type discrepancy in an FOB origin shipment on GBL from a—

(1) Vendor.

(2) Fixed-price contractor.

(3) Commercial warehouse.

*b.* The DD Form 361 determines the placing of responsibility despite whether—

(1) The vendor or contractor receives payment for all or part of the article.

(2) Acceptance by the Army took place.

*c.* As a result of financial liability investigation action, a decision may be made that the shipper is entitled to payment for articles listed on the investigation and payment has not been authorized previously. If so, the contracting officer will start such actions needed to make payment. Do not use DD Form 200 as documents to support payment vouchers.

*d.* Property accountability for materiel in excess of serviceable articles actually received. When it is determined that loss or damage articles are obviously the shipper's responsibility, procedures in paragraph 16–4, will be used.

### 16–11. Step 3–Free-on-board origin for conversion to a Government bill of lading

Treat a transportation-type discrepancy in shipment on commercial bill of lading converted to a DA BL at destination as a DA BL.

### 16–12. Step 3–Shipments from the Army Stock Fund

*a.* When property involved in a transportation discrepancy is part of the body of, or represents a purchase from, the AWCF by an element of the Army, DD Form 361 action will be started. This is true even though the money value of the discrepancy is less than $100 per line item and request for adjustment in reimbursement billing is not required according to DFAS–IN Regulation 37–1.

*b.* Accounting principles governing the AWCF provide that title to shipments will pass to the consignee upon acceptance by the common carrier (see constructive delivery or receipt, para 16–4).

*c.* Adjusting overages, shortages, and damage must be based accordingly on the premise that the funds of the consignee are charged by the stock fund upon release of the shipment to the carrier at origin. Special requirements for AWCF in processing DD Form 361 at steps 4, 6, and 7 are identified below.

### 16–13. Step 3–Shipments from the Defense Logistics Agency

Requirements for initiation of DD Form 361 to report and adjust transportation discrepancies in shipments from DLA Fund are the same as for shipments from AWCF. However, requirements for steps 4 and 6 differ.

### 16–14. Step 3–Shipments from the General Services Administration

Requirements for initiation of DD Form 361 to report and adjust transportation discrepancies in shipments from GSA-controlled sources (not Federal supply schedule) are the same as for DLA and AWCF. However, requirements for steps 4 and 6 differ.

### 16–15. Step 3–Responsibility at Army depots

At Army depots (storage activities), the receiving or intended receiving to will initiate DD Form 361 when prescribed below. The receiving property officer will furnish the to all-essential data. Include prices and results of inspection and checking in at the storage location in the data. AR 725–50 and chapter 6 of this regulation prescribe processing of DD Form 1348–1A, DD Form 1155, SF 44, DD Form 250, or a credit card purchase receipt, as receipts at the storage activity (responsible officer) and the accountable supply distribution activity.

### 16–16. Step 3–Responsibility at installations, depots, and terminals

At installations other than depots and terminals, the receiving TO will initiate and distribute the DD Form 361. At installations where an officer does not regularly serve as a TO, the commander will assign a qualified officer or civilian to take all actions prescribed in this regulation. In case of elements of field forces without an assigned TO, the officer in charge will assign an officer or other qualified subordinate to do the DD Form 361.

### 16–17. Step 3–Responsibility at ocean terminals for overseas shipments

This is reporting of discrepancies in shipment attributed to movement in transit by ocean carrier.

### 16–18. Step 3–Responsibility at aerial ports or air freight terminals

The receiving officer will prepare a DD Form 361 for reporting and DD Form 200 purposes.

### 16–19. Step 3–Responsibility for shipments to commercial warehouses

Commercial warehouses are employed either to store certain property en route to water terminals or awaiting other overseas shipment or to provide more storage capacity for depots. In the former case, when a DD Form 200 is needed for a transportation discrepancy in a shipment received by a commercial warehouse, the terminal agency that maintains the files on shipping documents covering property stored at a certain warehouse is responsible for its preparation. In the latter case, the officer accountable for the property (the depot accountable officer of the accountable supply distribution activity) will prepare such a DD Form 200 covering the transportation discrepancies in shipments received at a warehouse. The officer or activity depends on the warehouse for pertinent data required for its preparation.

### 16–20. Step 3–Shipments between Army and other Government agencies

On discovery of a transportation discrepancy (except inconsequential) in a shipment received from another Government agency, the TO initiates a DD Form 361 for financial liability investigation purposes. The initiation of the DD Form 361 at the Army installation receiving the shipment occurs regardless of whether or not the shipment moved on a DA BL or on one from another Government agency.

### 16–21. Step 3–Shipments to nonmilitary activities

*a. Continental United States destinations.* When making shipments of Army property to activities listed below, the shipping accountable officer will adjust the discrepancies. If a financial liability investigation is needed, a DD Form

200 will be attached to the DD Form 361. In shipments from a contractor, the officer responsible for preparing the shipping document will prepare the DD Form 361. The shipping TO will instruct the consignee on proper reporting of discrepancies in the quantities received. The following types of consignees fall within the scope of this paragraph:

(1) Government departments or agencies other than DOD and GSA.

(2) Persons, corporations, or non-Government activities not under Army contract.

(3) Foreign governments or instrumentalities of such Governments.

(4) NAF activities of the Army.

*b. Shipments to Department of the Army contractors.* For shipments of Government property made to a DA contractor, the designated receiving accountable property officer or property administrator will initiate and follow to conclusion necessary action on discrepancies in shipment. This includes preparation of DD Form 200.

*c. Overseas destinations.* In the cases of transportation-type discrepancies in shipments made on Army BLs to military activities (water or aerial port) for overseas shipments to agencies or activities outside Army, the receiving TO will initiate the DD Form 361 for financial liability investigation purposes. (Grant Aid and FMS shipments are included.) The receiving TO will forward the completed claim file to Defense Finance and Accounting Service, (FINCH–BA), Indianapolis, IN 46249–5301.

## 16–22. Step 3–Shipments to the American Red Cross

*a.* Discrepancies in shipments consigned on DA BLs to officers of the American Red Cross in CONUS fall in the same category as those mentioned in paragraph 16–21*a*.

*b.* Discrepancies in shipments consigned on DA BLs to the American Red Cross at U.S. ports of exports for export to foreign Governments or other destinations fall in the same category as those mentioned in paragraph 16–21*c*.

## 16–23. Step 3–Army property damaged or destroyed before reaching intended destination in continental United States

When unable to deliver Army supplies and equipment at an intended destination because of the severity of damage suffered while in the possession of the common carrier, take the actions shown below.

*a. Action by shipping officer.*

(1) Upon receipt of data from a carrier that severity of damage prevents delivery of a shipment, the shipment officer will—

*(a)* Make arrangements with the carrier, vendor, or originating Army installation for the repair or replacement.

*(b)* Notify the Army installation designated to receive the property of the circumstances involved, action taken, and the new anticipated arrival date; and furnish a copy of covering BL with such data annotated on the BL.

(2) When the shipping officer decides to turn over damaged supplies and equipment to a Government repair activity for repair or other disposition before delivery, they will-—

*(a)* Ascertain the suitable Army installation; promptly furnish disposition instructions to the carrier by the most expeditious means of communication.

*(b)* Notify the Army installation designated to receive the damaged items for repair; forward a copy of the GBL issued for such items along with DD Form 361 to use with DD Form 200 action.

*b. Action by activity designated to receive the damaged items for repair.*

(1) Furnish the intended designated receiving officer detailed data as to the cost of repair and other data needed to initiate a DD Form 200. Use a copy of the GBL provided by the shipping officer.

(2) Pick up on the stock records according to chapter 6. Report as excess the economically repairable materiel to the proper inventory manager. When accepting a damaged vehicle delivered to an installation having a vehicle storage mission, in accordance with warehouse SOP requirements according to instructions to the Commander, AMC.

*c. Responsibility of the intended receiving officer when the ultimate consignee is in continental United States.* The intended receiving officer will complete and distribute DD Form 361s prepared by military activities.

## 16–24. Step 3–Inactivated installations

Normally, financial liability investigations of property loss involving discrepancies in shipments process before inactivation of an installation and its records are retired to a records holding area. However, notice arrives sometimes after the inactivation. This happens most often for shipments to agencies outside the Army (see paras 16–10, 16–21, and 16–22). In such instances, the headquarters that exercised command jurisdiction over the installation before its inactivation will prepare and process the necessary financial liability investigations of property loss from data obtained from the proper records holding area.

## 16–25. Step 3–Time limitation

The receiving TO will prepare DD Form 361 for traffic management and financial liability investigation purposes promptly upon discovery and classification as a transportation discrepancy. Articles listed on one BL that are determined short, over, damaged or otherwise making up a discrepancy, will be included on a single DD Form 361.

### 16–26. Step 3–Number of copies required

When preparing a DD Form 361 for financial liability investigation purposes, identify the DD Form 361 file by checking the "yes" block on the DD Form 361. The basis for a firm decision may not be evident to the receiving TO under this chapter. If so, consult with the receiving property officer. If a decision is not reached with the receiving property officers, the TO will consult the appointing and approving authority (see para 16–33).

### 16–27. Step 4–Transmittal for financial liability investigation of property loss purposes by receiving transportation officer

When processing a DD Form 361 for financial liability investigation purposes, and all actions specified above satisfy the receiving TO, the TO will sign the original and all copies. The signed original and four copies will be forwarded to the appointing and approving authority for action prescribed below.

### 16–28. Step 4–Shipments from the Army Stock Fund

DD Form 361s initiated for shipments from the AWCF according to paragraph 16–12 (covering step 3) will be processed in step 4 in the same way as the other Army DD Form 361 except change of the accounting classification shown for deposit of proceeds to that of the AWCF consignor prescribed in DFAS–IN Regulation 37–1. This requirement applies to all AWCF transportation discrepancies including those amounting to less than $100 per line.

### 16–29. Step 4–Shipments from the Defense Logistics Agency

DD Form 361s initiated for shipments from DLA stock fund according to paragraph 16–13 (step 3) will be processed in step 4 in the same way as the other Army DD Form 361 except for accounting classification shown on the DD Form 361. Change the citation shown in DD Form 361 to that of the Defense stock fund (according to DFAS–IN Regulation 37–1) 97X4961.5XX, replacing the XX with the proper activity code of the Defense Logistics Center that initiated the shipment. This requirement applies to all DLA transportation discrepancies including those amounting to less than $100 per line item.

### 16–30. Step 4–Shipments from the General Services Administration

Initiate a DD Form 361 for GSA shipments according to paragraph 16–14 (step 3) and process step 4 in the same way as other Army DD Form 361s. For accounting classification, show the words "General Services Administration."

### 16–31. Step 4–Designation of appointing and approving authority

At each Army installation or major activity, the installation commander will designate an officer to supervise and approve actions on DD Form 361s used for financial liability investigation of purposes. To properly adjust property accounts, the officer designated will at least serve at the command level above both the receiving TO and receiving property officer; for example; normally the G4, S4, DOL, or equal level. This named designee will act as the appointing and approving authority for any DD Form 361 used for financial liability investigation purposes and will enter final approval for the installation commander.

### 16–32. Step 4–Investigation of discrepancy general instructions

The instructions contained in chapter 13 for review of financial liability investigations of property loss by appointing and approving authority and investigation by financial liability officers do not fully apply to processing the DD Form 361 for financial liability investigation purposes. This is true because based on the DD Form 361; the functions of both the appointing authority and installation commander are discharged by the appointing and approving authority. Also, investigations are made as an adjunct of the appointing and approving authority action rather than by formally designating a financial liability officer.

### 16–33. Step 4–Examination by appointing and approving authority

*a.* Upon receipt of DD Form 361 with a DD Form 200 attached, the appointing and approving authority will review the investigation to assure accuracy and completeness of the entries on the DD Form 361 and in the supporting evidence. The approving authority will also decide whether the entries provide an adequate basis for a decision on financial liability or relief from financial liability. If complete and accurate, the appointing and approving authority will show approval as provided in chapter 13. Distribution of the form will follow the requirements of chapter 13.

*b.* In the review, if the appointing and approving authorities conclude more data are necessary to base a final decision on financial liability, they will refer the file to one or more financial liability officers and enter the note, "Referred to purchasing and contracting officer for addition of findings and recommendations as exhibit."

### 16–34. Step 4–Action by financial liability officer

The financial liability officer will develop data essential to present the complete facts on the discrepancy and to comply with the specific instructions of the appointing and approving authority. Officers regularly designated to investigate discrepancies covered by DD Form 361 will acquaint themselves thoroughly with the receiving and shipping procedures. In this way, they may more easily determine the pertinent facts of the case. No hard and fast rules apply in

performing an investigation. The judgment of the investigator, the situation, and the importance of the case will determine their actions. Officers will consider carefully the extent of their investigations and will refrain from compiling lengthy reports, affidavits, and certificates that do not have a direct bearing on placing responsibility for the loss or damage. The action of the financial liability officer includes entering their findings on DD Form 361 or on added blank sheets properly identified. Include references to added exhibits and the total amount of the loss. Opposite the caption, "Recommendations," which follows the findings without loss of space, enter proper recommendations. Make the summation of the investigation brief and clear. It should leave no doubt in the minds of the appointing and approving authority and other reviewing and approving authorities as to the facts set forth and the intent of the recommendations.

## 16–35. Step 4–Disposition of damaged property

*a.* The damaged property may consist of articles falling within the classes below. If so, dispose of it as shown for each class. When proper, furnish data as to the salvage or scrap value of the articles received in damaged condition with the original DD Form 200 for credit to the common carrier.

(1) Special or technical articles for which specific disposition instructions have been published by DA or by the commodity command concerned will be disposed of according to such instructions immediately upon a decision that the physical presence of the damaged article is no longer required as evidence. This class of property includes motor vehicles.

(2) Do not dispose of classified articles referred to in AR 380–5 in a way that may disclose classified information to unauthorized parties. They will be disposed of under paragraph (1), when applicable. Otherwise, specific instructions will be obtained from an authorized representative of the commodity command concerned.

(3) Do not release articles not covered by paragraph 16–35*a*(1) and (2), containing valuable parts or subassemblies to the carrier for salvage. Turn this type item over to a repair shop.

*b.* When a common carrier, through its authorized claims representative, accepts full responsibility for the actual value, permit the carrier to retain the damaged property. This applies except for damaged property in the above categories. Obtain a receipt to include a description of the damaged property from the local agent of the carrier. Enter a statement such as the one shown at table 16–1 on the receipt. Get the statement signed by an agent of the carrier. Make sure each item disposed of in this way clearly reflects the DD Form 361. A depreciation factor may apply to property accepted by the carrier. Use this factor when determining the actual full value. When holding a common carrier responsible for the full value of the property damaged beyond economical repair or serviceability, and the property has salvage value, the carrier will receive credit for the salvage value.

**Table 16–1**
**Acknowledgement and receipt of return of a discrepancy in shipment**

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The existence of the shipment discrepancy as described above is acknowledged. The above damaged property has been returned to the common carrier for mitigation of damages. It will be accounted for in the amount the carrier receives from its sale. The carrier will hold the proceeds in escrow until the final responsibility and financial liability are determined.

Agent
For freight claim agent

## 16–36. Step 5–Review and approval by appointing and approving authority

*a.* A financial liability officer will complete the action and return the report to the appointing and approving authority. The approving authority will review the findings and recommendations of the financial liability officer and carefully consider the type and quantity of the evidence required to set forth the facts and to effect a settlement in the case. If the case involves a vendor or contractor, the appointing and approving authority must determine if enough data is included to enable the contracting officer to decide on any vendor or contractor liability.

*b.* The appointing and approving authority will approve or disapprove the recommendations of the financial liability officer (see para 16–34*b*) or add a new recommendation. If so, add the new recommendation in any available space on the DD Form 200 and enter signature and designation immediately below the entry. Record the action taken on all copies of the DD Form 200.

## 16–37. Step 5–Review and approval for installation commander

*a.* The appointing and approving authority has direct responsibility for initiating, processing, and approving DD Form 361s to report and adjust discrepancies in shipment. However, the installation commander must ensure reviews of selected cases to assure adequate protection of the interests of the Government. The review will be made in the office of the installation comptroller. Checks of selected individual case files will include a review for completeness and

accuracy and the decision as to whether a question of liability exists for the carrier, the shipping and receiving officer, the vendor, or contractor, freight handler, or commercial warehouse. The check will also ensure that financial liability is properly handled.

*b.* The installation commander will ensure DD Form 200 (discrepancies incident to shipment) are entered on the DA Form 1659. Enter the number assigned to the investigation in block 2 on the face of the form.

## 16–38. Step 6–General distribution

*a.* After approval, the appointing and approving authority will distribute the original and copies of the DD Form 361 along with DD Form 200. The distribution specified in paragraphs 16–38*b* and 16–38*c* applies to all shipments other than from the AWCF, DLA, GSA, and other than to and from overseas.

*b.* An examination of the DD Form 361 may show that a question exists concerning the liability of a vendor, contractor, freight handler, or commercial warehouse under contract to the Army, and that liability of the carrier has not been ruled out. If so, distribute the DD Form 200 as follows:

(1) The original, with exhibits attached, is forwarded to the officer who administers the contract involved for shipments made to fill military standard requisitioning and issue procedures requisitions (see AR 725–50). Route to the contracting officer through the supply sources to which requisitions was originally submitted.

(2) The second copy is forwarded to the receiving accountable property officer.

(3) The third copy is forwarded to the installation FAO. The FAO may use it as a supporting document in setting up an accounts receivable (Account 1100), when required.

(4) The fourth copy is forwarded to the officer who administers the contract. The original of the DD Form 200 (see para 16–38*b*(1)) will be included. No letter of transmittal is required with the distribution of any copy.

(5) Provide a copy to the cognizant Surface Deployment and Distribution Command area commands.

*c.* If there is no question as to the liability of a vendor, fixed-priced contractor, freight handler, or commercial warehouse under contract to the Army, distribute the DD Form 200 as follows:

(1) The original, with exhibits, forward directly to the Defense Finance and Accounting Service-Indianapolis Center (DFAS–IN–FTF), Indianapolis, IN 46249–5301 (CONUS carrier liability only).

(2) Second copy is forwarded to the cognizant Military Traffic Management Command (MTMC) area command.

(3) The third copy is forwarded to the receiving accountable officer.

(4) The fourth copy is forwarded to the installation FAO. The FAO may use it as a supporting document in setting up an accounts receivable (Account 1100), when required.

(5) The fifth copy is forwarded to DFAS level with the original of the report.

(6) The sixth copy may be returned to the officer who prepared the report. No letter of transmittal is required for the distribution of any copy.

*d.* After DFAS takes the final action, DFAS will specially arrange return of the fourth copy to the originating installation and for file in the headquarters file.

*e.* At transshipping activities, when the transportation of the military services or military agencies (including Federal agencies) property is handled as a reciprocal service for the other, the initiating and processing of DD Form 361s for reporting purposes and financial liability investigations of property loss will be regarded as a part of such services. Transshipping activities include water terminals, aerial ports, break-bulk activities, and container consolidation points.

## 16–39. Step 6–Distribution of the Army Stock Fund

*a. General.* As provided in paragraphs 16–12 and 16–30 for steps 3 and 4, shipments from the AWCF involve reimbursement billing. With stated exceptions, these shipments require billing adjustments according to DFAS–IN Regulation 37–1 to cover the discrepancies. To accommodate these requirements, use distribution of DD Form 361 for financial liability investigation purposes specified in this paragraph. In cases of discrepancies amounting to less than $100 per line item not requiring request for billing adjustment under DFAS–IN Regulation 37–1, use only the distribution in paragraph 16–39*c*.

*b. Vendor liability indicated.* Examination of the DD Form 361 may show that there is a question as to the liability of a vendor, contractor, freight handler, or commercial warehouse under contract to the Army and financial liability against the carrier has not been ruled out. If so, distribute the DD Form 200 as follows:

(1) The original with exhibits is forwarded to the officer who administers the contract involved. Route through the supply source to which the original military standard requisitioning and issue procedures requisition and the request for billing adjustments will be submitted (see DFAS–IN Regulation 37–1).

(2) Remaining copies as specified in paragraph 16–38*b*(2) through paragraph 16–38*b*(5).

*c. Vendor liability not shown.* Distribute the original, second, third, fourth, and fifth copies as specified in paragraph 16–38*c*(1) through (5). Forward the sixth copy to support request for billing adjustment according to DFAS–IN Regulation 37–1 (see 16–39*b*(1)). This copy must be legible; otherwise substitute a copy of the original. Request for billing adjustment may not be required because the discrepancy amounts to less than $100 per line item. If so, return the fifth copy for filing to the officer who originated the report.

## 16–40. Step 6–Distribution of shipments from the Defense Logistics Agency

*a. General.* As provided in paragraphs 16–13 and 16–29 for steps 3 and 4, shipments from DLA involve reimbursement billing. With stated exceptions, these shipments require billings adjustment according to DFAS–IN Regulation 37–1 to cover discrepancies. To accommodate these requirements, use distribution of DD Form 361 for financial liability investigation specified in this paragraph for discrepancies of less than $100 per line item. These shipments do not require request for billing adjustment according to DFAS–IN Regulation 37–1. Use only the distribution in paragraph 16–40c.

*b. Vendor liability indicated.* Examination of the DD Form 361 may show that question exists as to liability of a vendor, contractor, freight handler, or commercial warehouse under contract to DLA and financial liability of the carrier has not been ruled out. If so, distribute the financial liability investigations of property loss as follows:

(1) The original with exhibits attached, forward to the Defense Supply Center having jurisdiction over the items involved as provided in DFAS–IN Regulation 37–1. It will be handled by the contracting officer and with the office responsible for paying the GBL.

(2) Second, third, fourth, and fifth copy according to paragraph 16–38*b*(2) through paragraph 16–38*b*(5).

*c. Vendor liability not indicated.* Distribute the original, with exhibits attached, and the fourth copy to the officer responsible for paying the GBL. Distribute the second and third copies per paragraph 16–38*c*(2) and (3). Forward the fifth copy to support request for billing adjustment according to DFAS–IN Regulation 37–1 (see para 16–39*b*(1) and 16–39*c*). Request for billing adjustment may not be required because the discrepancy amounts to less than $100 per line item. If so, return the fifth copy to the officer who prepared the report.

## 16–41. Step 6–Distribution of shipments from the General Services Administration

As provided in paragraphs 16–4 and 16–30 for steps 3 and 4, shipments from GSA require billing adjustment to cover discrepancies. To accommodate these requirements distribute an original DD Form 361, with exhibits, and fifth copy to the GSA regional Discrepancy Report Center (6FR7), 1500 E. Banister Road, Kansas City, MO 64131 for distribution of DD Form 361 unless shipments apply to shortages, damage, theft or pilferage of commercial vehicles. In this case, the address is GSA, Automotive Commodity Center (FAP), Washington, DC 20406–1500. Distribute the remaining copies as specified in paragraphs 16–38*c*(2), 16–38*c*(3), 16–38*c*(4), and 16–38*c*(6).

## 16–42. Step 7–Action of shipping officer

As shown in paragraph 16–33*a*, the receiving TO, receiving property officer, appointing, and approving authority may decide to withhold approval on the DD Form 361 pending action to obtain needed data from the consignor (shipping officer). Upon receipt of request for information, the shipping officer will make such investigation and furnish prompt reply. Do not confuse these actions with those required of the shipping officer and contracting officer on transportation discrepancies with indication of contractor liability covered in paragraphs 16–38 and 16–39.

## 16–43. Discrepancies involving contract freight handlers

Loss or damage to Government property in transit and in freight-handling operations by contractors for longshoremen, stevedoring services, and so forth at MTMC water terminals, out ports, transportation terminal unit, and Army container consolidation points requires classification as transportation-type discrepancy and reporting. Use the DD Form 361 for financial liability investigation; however, follow the instructions in this section with any necessary modification to meet the requirements for deciding liability for this certain type of discrepancy. Loss or damage may stem from contractor or shipper responsibility. The contracting officer at the terminal will take proper action to determine liability for the discrepancy.

## 16–44. Discrepancies in shipments by parcel post and Government delivery vehicles

*a.* When supplies are moved by parcel post or a Government delivery vehicle furnished by the shipping or the receiving activity, inter- and/or intra- installation DD Form 361s do not apply.

*b.* When a Government delivery vehicle is involved, the shipping or the receiving officer will prepare the report; in other words, whoever is responsible for the vehicle while the supplies are en route.

## 16–45. Shipments by ocean commercial carriers

The Military Sealift Commander (MSC) has responsibility for transoceanic and intercoastal water transportation

*a.* On charter shipments, the use of a GBL does not apply. Except for losses of bulk liquids, use financial liability investigations of property loss to adjust property accounts for the shipment only. Adjust discrepancies in shipments of bulk liquids by means of DD Form 361 and DD Form 200 processed as prescribed below and according to DOD 4140. 25–M.

*b.* On berth-term shipments on GBL on transportation, adjust discrepancies by preparing and processing DD Form 200 according to this section.

## 16–46. Discrepancies in shipments received by overseas ports of debarkation

*a.* When shipments that move by commercial transportation on GBLs are received at water terminals, they will be

checked carefully with the BL. Make a record of missing or damaged packages by shipment digit marking or other identifying marks. Packages received in damaged condition will be opened and contents verified if reason exists to believe that part of the contents is missing or damaged. Overages, shortages, and damage will be reconciled to the greatest extent possible through the action of the cargo outturn reconciliation message and its reply. Document discrepancies not reconciled on the cargo outturn reconciliation message and its reply on the DD Form 361 will be annotated and reported.

*b.* When acting as the transshipment point, the port of debarkation (POD) authority will report on the DD Form 361 the description and weight of missing or damaged cargo along with any incidental costs-that is, direct, indirect, and overhead, temporary duty, to the ultimate consignee. The ultimate consignee will add any additional information required for completion of the DD Form 361 and report any additional discrepancies found on inspection of the shipment. The consignee will send the DD Form 361 to the POD for processing to the Cargo Outturn Reporting System. The POD will consolidate all DD Form 361s received on a single voyage into a Cargo Outturn Reporting System package and forward it to the port of embarkation for ultimate submission to the MSC for adjudication. The POD will keep a file of DD Form 361 actions for use in responding to the MSC if subsequent questions arise or additional information is required.

*c.* When the financial charge is raised or approved by the final action of the commander of an MTMC area command on a DD Form 200, the officer will send the case to the MSC for collection. However, the officer has limited responsibility to—

(1) Request collection from the proper local officer of the MSC.

(2) Collect in full or, when more facts support such action, amend the DD Form 200 accordingly, and make available financial liability investigations of property loss and supporting files (or extracts thereof) to assist the proper MSC officer to process the claims. When necessary, the commander of the MTMC area command may return the original of the DD Form 200 to a terminal commander for use by an MSC office. Retain the fifth copy in the file. The file at the command will be so annotated.

## 16–47. Discrepancies in domestic intercoastal shipments

Domestic intercoastal shipments ordinarily move from point of origin to final destination through two or more intermediate transfer points. Transfer points for military cargo exist at MTMC terminals or offices at coastal cities under the jurisdiction of the cognizant MTMC terminal or out port. Separate BLs issued at point of origin and at each transfer point covered by each element of a given routing. MSC routes the ocean part of the movement.

*a.* Upon receipt of shipment at a transfer point, make a package check with the BL. Make a record of missing or damaged packages by serial numbers or other identifying marks. Open packages received in damaged condition and verify the contents if reason exists to believe that a part of the contents is missing or damaged.

(1) Immediate consignees will report description and weight of missing or damaged packages and cost data for any repackaging by DD Form 361 to the final destination consignee. DD Form 361 will reference the serial numbers of both inbound and outbound BL numbers.

(2) In each case, the intermediate consignee will cross-reference BL numbers on the inbound and outbound BL. Further, show discrepancies noted on the inbound movement on the face of the outbound BL.

*b.* On the basis of a final check of the inbound shipment and the information furnished according to paragraph 16–48*a*, the consignee receiving TO at the final destination will complete a DD Form 361 that covers all consequential and unadjusted transportation discrepancies that have been reported for which carrier liability cannot be ruled out (see para 16–7).

(1) The receiving TO or the appointing and approving authority will not need to decide which carrier of a number of connecting carriers to hold financially liable for a discrepancy noted on a BL covering a segment of the complete movement. Determine carrier liability on a basis of each separate BL.

(2) Include concealed damage impossible to allocate to the movement covered by any one of the several BLs in DD Form 200; however, regard such damage as an item jointly chargeable to the several BLs subject to such allocation as decided upon by the officer taking action on the financial liability investigation of property loss.

*c.* Discrepancies due to movement in the ocean part of a domestic intercoastal shipment results in the preparation of a claim file by the MSC. The ultimate consignee will send within 15 days after receipt of shipment, but not later than 60 days after cargo discharge a DD Form 361 to the military ocean terminal having jurisdiction over military cargo at the POD for processing and submission to MSC for adjudication.

## 16–48. Shipment of authorized baggage and household goods

The loss of or damage to authorized personal baggage or household effects shipped at Government expense involve adjustment between the owner and the carrier or a contractor. The claims officer will supervise the adjustment under the carrier's claims procedures or according to the applicable packing or storage contract. When containers such as boxes and crates receive damage and must be repaired at Government expense prior to forwarding to the owner or for storage by the Government, initiate a DD Form 200 on the DD Form 361. The DD Form 200 will cover the cost of labor and material used to make the repairs to containers. Instructions for step 3 govern the responsibility for preparing

such DD Form 200s. Follow detailed procedures for household goods or other personal property in Joint Federal Travel Regulation (JFTR).

### 16–50. Receipt of property previously reported lost or short

Property may be delivered after being reported lost or short while in the hands of the common carrier and a DD Form 361 may have been issued for financial liability investigation purposes. If so, prepare and distribute cancelled DD Form 361.

### 16–51. Discrepancies in container shipments

The ultimate consignee of container shipments (shipping containers), military-owned demountable containers, roll-on/roll-off trailers, or container expresses will report discrepancies in shipments.

## Section III
## Reporting and Adjusting Supply Discrepancies

### 16–52. Step 4–Initiating an SF 364

*a. General.* As stated in paragraph 16–2*d*, this section addresses property accountability aspects. It gives procedures for use by Army receiving installations and activities to report and adjust item (supply) discrepancies as defined in paragraph 16–7*c*. This section also outlines the relationship between SF 364 and DD Form 200 actions.

(1) When submitted, a SF 364 serves to suspense received overages, shortages and damaged Government property until disposed of or taking authorized adjustment action. The SF 364s clearly identify discrepancies and deficiencies involving the shipper of materiel (depot or contractor) or initiator of the shipments. Even though SF 364s do not always result in financial liability investigations of property loss, SF 364 investigations can lead to that requirement as shown below and at table 16–1.

(2) Discovery of a discrepancy involving the shipper usually occurs when matching the supply documents or making an item count after opening shipping cartons in the activity's receiving area.

*(a) Situation.* Shipment received.

*(b) Type of shipment.* Parcel post, commercial carrier and military transportation.

*(c) Discrepancy.* Comparison of document and tally shows not all items received from shipping activity (that is, depot, contractors, manufacturers and vendors). Nonreceipt of parcel post shipments, shipments from vendors, packaging and item discrepancies.

*(d) Action by receiving personnel.* The receiving personnel will—

*1.* Check criteria for preparation of SF 364.

*2.* Prepare SF 364 and forward to proper officer (that is, inventory control point (ICP) or inventory manager).

(3) AMC has delegated responsibility to AMC Packaging, Storage and Containerization Center as the final arbitrator for unresolved and contested SF 364s appealed by the requestor.

*(a)* Lateral redistributions of major items for intra-ACOM, ASCC, and/or DRU lateral redistributions of major items, policies on discrepancy reporting and issue of credit will be established by the applicable ACOM, ASCC, and/or DRU.

*(b)* For inter- ACOM, ASCC, and/or DRU lateral redistributions of major items, the losing activity has the responsibility for ensuring the items meet TM 10 series and/or TM 20 series standards prior to shipment, per AR 750–1. Gaining activities will report discrepancies to the losing activity citing estimated or actual repair costs and request reimbursement.

(4) SF 364 policy for lateral transfers of equipment and/or major items between ACOMs. The losing activities must meet TM 10 series and/or TM 20 series standards on all equipment transfers between ACOMs, ASCCs, and/or DRUs, as stated in AR 750–1. Discrepancies are to be reported by the gaining activity directly to the losing activity for resolution SF 364 procedures. An information copy of the SF 364 will be provided to the national level ICP.

*(a) Charges and reimbursement.* AR 750–1 lists parts, labor (which includes both civilian and military), material, and direct and indirect costs (to include temporary duty costs for technical inspections). These charges are also appropriate for reimbursement on SF 364s against equipment transfers between ACOMs, ASCCs, and/or DRUs when the equipment does not meet maintenance and equipment standards found in TM 10 series and/or TM 20 series which is available at the Logistics Information Warehouse (https://www.logsa.army.mil/etms). Reimbursements on such SF 364s, as with packaging SF 364s, will be made for actual costs incurred. When operations, maintenance, and Army funds are involved, assure that reimbursements are made the same fiscal year the work is performed.

*(b) Parts and labor.* To minimize the costs on SF 364s, repair will be done on site whenever possible, using the lowest level maintenance activity that has capability and authority to perform the work. Components will be repaired when cost effective.

*(c) Exceptions.* Exceptions to this policy may be made by agreement between the gaining ACOM, ASCC, and/or DRU, and the losing ACOM, ASCC, and/or DRU.

*b. Scope.* Report shipping-type (item) discrepancies, packaging discrepancies and discrepancies in parcel post shipments.

*c. Reporting discrepancies.* If the reporting criteria shown below apply, report a shipping-type item discrepancy by submitting a SF 364 (see fig 16–2 for preparation instructions).

(1) *Shipping-type (item) discrepancies.* This involves supply discrepancies in shipments from DOD activities (including materiel returns from DOD and FMS customers), GSA supply distribution facilities, and from contractors, manufacturers, or vendors. Reporting criteria applies to the types of discrepancies and dollar values to report. (Report discrepancies in shipments from contractors, manufacturers, or vendors regardless of dollar value.)

(2) *Discrepant shipments to the Defense Logistics Agency Disposition Service Office.* When DIC AFX and/or AFZ is received, the shipper retains responsibility for—

*(a)* Investigating the discrepancy.

*(b)* Notifying the local provost marshal and/or security officer for investigation under the provisions of AR 190–30 (regardless of ownership).

*(c)* Preparing and submitting a SF 364 for Army-owned materiel for receiving activities. This exception provides the use of the SF 364 as the basis for any inventory adjustments and if necessary, a DD Form 200.

(3) *Packaging discrepancies.* The following clarifies damage: Report concealed damage as a shipping-type SF 364 and indicate on SF 364, block 12 concealed damage; for visible, carrier-caused damage, submit a DD Form 361. When carrier liability does not apply on the DD Form 361, submit a shipping-type SF 364 with the DD Form 361 attached as evidence. Questionable situations may require simultaneous submission of both a DD Form 361 and a packaging SF 364. Check top block on SF 364 to identify packaging discrepancies.

(4) *Time standards for submitting SF 364.* Submit SF 364s within the timeframes stated in your SOP.

*(a) Nonreceipt of parcel post shipment.* As added clarification, report non-receipt of parcel post shipments from contractors, manufacturers or vendors on a shipping type (item) SF 364 within time frames specified in your SOP. For shipments from contractors, manufacturers or vendors where shipment status has not been received, report nonreceipt on shipping-type (item) SF 364 within the specified timeframe.

*(b) Shipments to Defense Logistics Agency Disposition Service Office.* Shipments to Defense Logistics Agency Disposition Service Office. Submit SF 364s on shipments of Army owned materiel to DLA Disposition Service Offices.

## 16–53. Step 4–Conducting investigations and preparing SF 364

Since SF 364 does not constitute a DD Form 200, conduct investigations according to chapter 13 of this regulation. Follow the instructions for preparing the SF 364. Exceptions or additions to these instructions are contained in figure 16–1.

## 16–54. Step 5–Approval of SF 364 of consignee installation commanders

The receiving property officer or their designated representative will approve by signing SF 364, block 14b.

## 16–55. Step 6–Distribution of forms

*a.* Distribution of SF 364 for both shipping-type or item (supply) and packaging is in AR 735–11–2.

*b.* Exceptions to these distributions are as follows:

(1) *SF 364s related to fielding of force modernization equipment.* Mail a copy of all SF 364s related to FME fielding to the AMC Packaging, Storage, and Containerization Center (PSCC) (SDSTO–TO Central Repository for SF 364s Data), Tobyhanna, PA 18466–5097 for entry into the central repository for SF 364s data. Provide series FME project code to the AMC PSCC for entry into the SF 364.

(2) *Defense European and Pacific redistribution activity directed shipments.*

*(a)* Original and two copies to the ICP and/or item manager indicated in cc: 67–69 of the DD Form 1348–1A (Issue Release/Receipt Document).

*(b)* Two copies to the receiving and/or reporting activity's accountable officer.

*(c)* Two copies to the shipping activity indicated in DD Form 1348–1A (cc: 4–6).

(3) *Enclosures.* Except in instances of missing documentation, the SF 364 must contain a copy of the applicable DD Form 1348–1A/DD Form 250/DD Form 1155. Also, submit copies showing the resolution of any related and previously submitted DD Form 361s, SF 364, and SF 368 (Product Quality Deficiency Report (PQDR)).

## 16–56. Action activity requests

Accountable officers at the ICP are responsible for ensuring the Government obtains restitution from contractors, manufacturers, vendors, and carriers when they are responsible for discrepancies. In carrying out this responsibility, accountable officers at ICPs may in questionable situations, request the submission of a DD Form 361 or SF 368 in the response to the SF 364. On receipt of such requests, the reporting activity will submit the requested DD Form 361 and include a copy of the SF 364 with the request. If the response to the DD Form 361 absolves the contractor, manufacturer, vendor, or carrier of responsibility for the discrepancy, the reporting activity will resubmit the SF 364 and include a copy of all previous reports submitted and responses received.

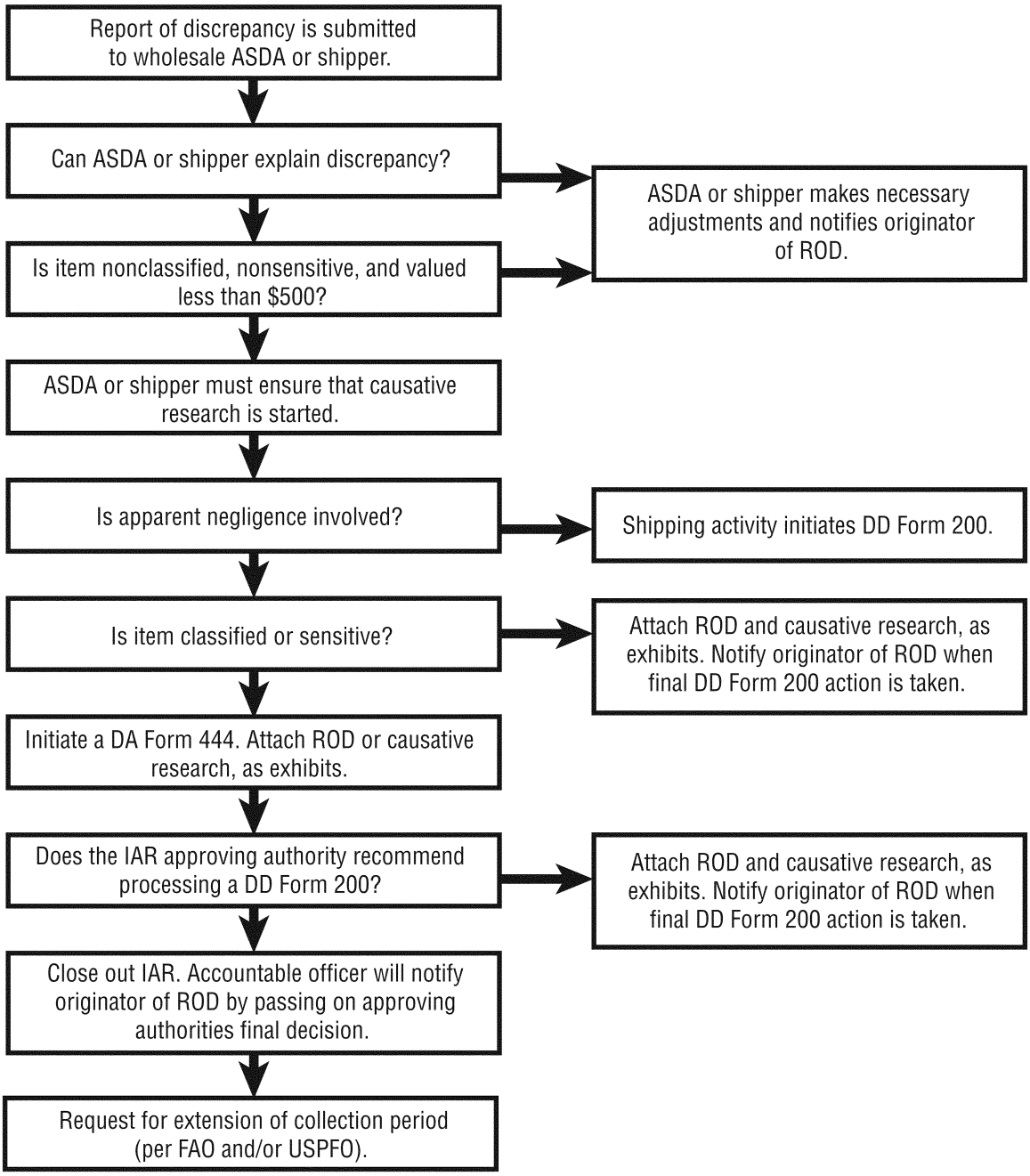


**Figure 16–1. SF 364 and related actions**

**REPORT OF DISCREPANCY (ROD)**

☐ SHIPPING ☒ PACKAGING

1. DATE OF PREPARATION: 01/08/2015

2. REPORT NUMBER: 15-153

3. TO *(Name and address, include ZIP Code)*
183FW/LGSD1
Capital Airport, BLDG P-15 Springfield, IL 62707-5003

4. FROM *(Name and address, include ZIP Code)*
Department of the Army
US Army Tank-Automotive and Armaments Command
Warren, MI 48397-6000

5a. SHIPPER'S NAME
183FW/LGSD1
Capital Airport, BLDG P-15

5b. NUMBER AND DATE OF INVOICE
123456, 12/16/2014

6. TRANSPORTATION DOCUMENT NUMBER *(GBL, Waybill; TCN, etc.)*
W81R54-2151

7a. SHIPPER'S NUMBER *(Purchase order/Shipment, Contract, etc.)*
719-654-6498

7b. OFFICE ADMINISTRATION CONTRACT
Mr. Stanley Doe

8. REQUISITIONER'S NUMBER *(Requisition, Purchase Request, etc)*
P-1246633256498

| 9. SHIPMENT, BILLING, AND RECEIPT DATA | | | | 10. DISCREPANCY DATA | | | | 11. |
|---|---|---|---|---|---|---|---|---|
| NSN/PART NUMBER AND NOMENCLATURE (a) | UNIT OF ISSUE (b) | QUANTITY SHIPPED/ BILLED (c) | QUANTITY RECEIVED (d) | QUAN-TITY (a) | UNIT PRICE (b) | TOTAL COST (c) | CODE[1] (d) | AC-[2] TION CODE |
| 2610-01-050-9840 | EA | 6 | 4 | 2 | 3,560 | $7,120.00 | DI | 1F |
| 2610-01-050-9840 | EA | 6 | 4 | 2 | 3,560 | $7,120.00 | DI | 1F |
| 2610-01-050-9840 | EA | 6 | 4 | 2 | 3,560 | $7,120.00 | DI | 1F |
| 2610-01-050-9840 | EA | 6 | 4 | 2 | 3,560 | $7,120.00 | DI | 1F |
| 2610-01-050-9840 | EA | 6 | 4 | 2 | 3,560 | $7,120.00 | DI | 1F |
| 2610-01-050-9840 | EA | 6 | 4 | 2 | 3,560 | $7,120.00 | DI | 1F |
| 2610-01-050-9840 | EA | 6 | 4 | 2 | 3,560 | $7,120.00 | DI | 1F |

12. REMARKS *(Continue on separate sheet of paper if necessary)*
Request replacement, ship 2ea 2610-01-050-9840

[1]DISCREPANCY CODES

CONDITION OF MATERIAL
C1 — In condition other than that indicated on release/ receipt document
C2 — Expired shelf life
C3 — Damaged parcel post shipment
SUPPLY DOCUMENTATION
D1 — Not received
D2 — Illegible or mutilated
D3 — Incomplete improper or without authority *(Only when receipt cannot be properly process)*
MISDIRECTED MATERIAL
M1 — Addressed to wrong activity
OVERAGE/ DUPLICATE SHIPMENTS
O1 — Quantity in excess of that on receipt document
O2 — Quantity in excess of that requested *(Other than unit of issue pack)*
O3— Quantity duplicates shipment
PACKING DISCREPANCY
P1 — Improper preservation
P2 — Improper packing
P3 — Improper marking
P4 — Improper unitization
PRODUCT QUALITY DEFICIENCIES
Q1 — Deficient material (Applicable to Grant Aid and FMS shipments only)
SHORTAGE OF MATERIAL
S1 — Quantity less than that on receipt document
S2 — Quantity less than that requested *(Other than unit of issue pack)*
S3 — Non-receipt of parcel post shipments
ITEMS TECHNICAL DATA MARKINGS *(i.e, Name Plates, Log Books, Opening Handbooks, Special Instructions, etc.)*
T1 — Missing
T2 — Illegible or mutilated
T3 — Precautionary operational markings missing
T4 — Inspection data missing or incomplete
T5 — Serviceability operating data missing or incomplete
T6 — Warranty data missing
WRONG ITEM *(Identify requested item as a separate copy in item 9 above)*
W1 — Incorrect item received
W2 — Unacceptable substitute
OTHER DISCREPANCIES
Z1 — See remarks

[2] ACTION CODES

1A— Disposition instructions requested *(Reply on reverse)*
1B— Material being retained *(See remarks)*
1C— Supporting supply documentation requested
1D— Material still required expedite shipment *(Not applicable to FMS)*
1E— Local purchase material to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 days *(Reply on reverse) (Not applicable to FMS)*
1F— Replacement shipment requested *(Not applicable to FMS)*
1G— Reshipment not required. Item to be re-requisitioned.
1H— No action required. Information only
1Z— Other action requested *(See remarks)*

13. FUNDING AND ACCOUNTING DATA
1234464524.11234676.234346

14a. TYPED OR PRINTED NAME, TITLE, AND PHONE NUMBER OF PREPARING OFFICAL
William M. Doe

14b. SIGNATURE
**DIGITAL SIGNATURE 123456789**

15. DISTRIBUTION ADDRESSEES FOR COPIES
Department of the Army
US Army Tank-Automotive and Armaments Command

**STANDARD FORM 364 (REV. 2-80)**

SAMPLE

**Figure 16–2. Sample of SF 364 by block or column**

| 16. FROM: | 17. DISTRIBUTION ADDRESSEES FOR COPIES |
|---|---|
| Department of the Army<br>US Army Tank-Automotive and Armaments<br>Command Warren, MI 48397-6000 | Department of the Army<br>US Army Tank-Automotive and Armaments Command<br>Warren, MI 48397-6000 |

| 18. TO: | |
|---|---|
| 183FW/LGSD1<br>Capital Airport, BLDG P-15<br>Springfield, IL 62707-5003 | Use window envelope to mail this document. Insert name, and address, including ZIP Code, starting one typing space below the left dot. Each address line must NOT extent beyond right dot. Address must not exceed four singles space typing lines. |

19. IN ACCORDANCE WITH NOTICE OF DISCREPANCY ON FACE OF THIS FORM:

| | | | |
|---|---|---|---|
| a. MATERIAL ☐ HAS BEEN ☒ WILL BE SHIPPED | DOCUMENT NUMBER W8177B 41010001 | b. ☒ NO RECORD OF SHIPMENT. RESUBMIT REPORT TO PROPER OFFICE UNDER APPROPRIATE REGULATION. | |
| c. ☒ AN ADJUSTMENT IN BILLING HAS BEEN / WILL BE PROCESSED AS A: ☒ CREDIT ☐ DEBIT | | d. ☒ INVOICE/BILL ATTACHED | e. ☒ PROOF OF DELIVERY (Parcel Post Shipments) OR EVIDENCE OF SHIPMENTS ENCLOSED. |

f. ☒ AN ADJUSTMENT IN BILLING FOR THE REPORTED DISCREPANCY WILL NOT BE PROCESSED FOR THE FOLLOWING REASON WHICH IS CITED IN THE INDICATED REGULATION.

| (1) REASON FOR NOT PROCESSING | | (2) PRESCRIBING REGULATION | |
|---|---|---|---|
| X | (a) DISCREPANCY WAS NOT REPORTED WITHIN THE TIME FRAMES ALLOWED AND/OR | | (a) CHAPTER 5 OF THE GSA HANDBOOK. DISCREPANCIES OR DEFICIENCIES IN GSA OR DOD SHIPMENTS, MATERIAL, OR BILLINGS (FPMR 101-26.8) |
| | (b) DOLLAR VALUE DOES NOT MEET THE CRITERIA PRESCRIBED IN THE REGULATION OR AGREEMENT INDICATED IN 19f(2) | X | (b) CHAP.2 AND/OR 7 OF DOD 4000.25-7-M, MILITARY STANDARD BILLING SYSTEM (MILSBILLS) AND/OR DD 1513, U.S. DOD OFFER AND ACCEPTANCE, AS APPLICABLE. |

20. THE FOLLOWING DISPOSITION IS TO BE MADE OF THE REFERENCED MATERIAL:

| | | |
|---|---|---|
| a. ☐ PROCESS FOR DISPOSAL IN ACCORDANCE WITH SERVICE/AGENCY DIRECTIVES. | b. ☐ REPRESENTATIVE WILL CALL FOR DISCUSSION CONCERNING DISPOSITION IN: | DAYS 30 days |
| c. ☐ RETAIN MATERIAL AT NO CHARGE. | d. ☐ MATERIAL WILL BE PICKED UP IN: | DAYS 30 days |

e. ☒ SHIP MATERIAL *(Specify location)*:

(1) ☒ GBL APPROPRIATIONS CHARGEABLE:

(2) ☐ CHARGES COLLECT-VIA: ☐ FREIGHT ☐ EXPRESS ☒ PARCEL POST *($ 0.00 postage advanced herewith. NOTE: Please enclose postage. Material cannot to returned Parcel Post collect.)*

(3) ☐ PARCEL POST LABEL ATTACHED (4) ☒ FREIGHT PREPAID

f. ☒ OTHER *(Specify)* Nothing

| | | |
|---|---|---|
| 21. ☒ IF MATERIAL IS STILL REQUIRED, SUBMIT NEW REQUISITION | 22. ☒ REPLACEMENT WITH SATISFACTORY MATERIAL WILL BE MADE ON OR BEFORE: | DATE 02/04/2013 |

23. REMARKS *(Continue on separate sheet of paper if necessary)*

Request replacement, ship 2ea 2610-01-050-9840

| 24a. TYPED OR PRINTED NAME AND PHONE NUMBER OF PREPARING OFFICAL | 24b. SIGNATURE | 24c. DATE |
|---|---|---|
| William Doe 7036591279 | **DIGITAL SIGNATURE 123456789** | 01/15/2015 |

**STANDARD FORM 364 BACK (REV. 2-80)**

SAMPLE

**Figure 16–2. Sample of SF 364 by block or column–Continued**

## PRODUCT QUALITY DEFICIENCY REPORT (PQDR)

| | | |
|---|---|---|
| CATEGORY ☐ I ☒ II | REPORT CONTROL NUMBER (RCN) 12345-2214-015 | DATE 01/15/2015 |

| | |
|---|---|
| 1a. FROM *(Original Office Mailing Address - include DoDAAC)*<br>Department of the Army<br>US Army Tank-Automotive and Armament Command<br>ATTN: AMSTA-IM-FLIA, Warren Michigan 48397 W124HJ | 1b. ORIGINATOR NAME, PHONE NUMBER & E-MAIL ADDRESS<br>John C. Doe<br>719-659-4569<br>john.c.doe@us.army.mil |
| 2a. TO *(PQDR Screening Point)*<br>183FW/LGSDI<br>Capital Airport BLDG P-15<br>Springfield, IL 62707-5003 | 2b. SCREENING POINT NAME, TELEPHONE NUMBER & E-MAIL ADDRESS<br>Susan A. Doe<br>719-4569-4546 |

| | |
|---|---|
| 3. DESCRIPTION OF DEFICIENCY (*Describe in detail what is wrong, circumstances prior to the difficulty, probable cause, any action taken, and recommendations. Attach copy of supporting documents. Continue on separate sheet if necessary. Ensure that the description answers the questions listed in the instructions on the back of this form.*)<br>Package broken open, equipment malfunctioning. Product was discovered after the product was installed. Pictures attached of box and product prior to coming out of bos. | 4. DATE DEFICIENCY WAS DISCOVERED<br>01/15/2015 |

| | | |
|---|---|---|
| 5. DEFICIENT ITEM NATIONAL STOCK NUMBER (NSN)<br>000509840 | 6. DEFICIENT ITEM NOMENCLATURE<br>Engine | 7. OPERATING TIME AT FAILURE ☒ Initial<br>Hours: Days: Rounds:<br>Cycles: Miles: Other: |

| | | |
|---|---|---|
| 8. DEFICIENT ITEM PART NUMBER<br>9552-14 | 9a. MANUFACTURER'S CAGE CODE<br>5KWH7 | 9b. MANUFACTURER / CITY / STATE<br>Oshkosh/Warren/MI |

| | | | | |
|---|---|---|---|---|
| 10. QUANTITY<br>a. RECEIVED: 1<br>b. INSPECTED: 1<br>c. DEFICIENT: 1<br>d. IN STOCK: 0 | 11. SERIAL, LOT, OR BATCH NUMBER<br>SERIAL #: 1549423 Unknown ☐<br>LOT #: NA<br>BATCH #: NA N/A ☐ | 12a. ITEM<br>☒ New<br>☐ Repaired<br>☐ Overhauled<br>☐ Unknown | 12b. DATE MANUFACTURED, REPAIRED, OR OVERHAULED<br>Manufactured: NA<br>Repaired: NA<br>Overhauled: | 12c. LAST REPAIR FACILITY<br>CAGE: NA<br>DODAAC: NA<br>REPAIR DEPOT / CITY / STATE<br>NA |

| | | | |
|---|---|---|---|
| 13a. CONTRACT NUMBER<br>W71859-847-4958093458 | 13b. REQUISITION / DOCUMENT NUMBER<br>W6212F 4265-0002 | | 13c. PURCHASE ORDER NUMBER<br>123464 |
| 14. GOVERNMENT FURNISHED MATERIAL<br>☐ YES ☒ NO ☐ UNKNOWN | 15a. ITEM UNDER WARRANTY<br>☐ YES ☐ NO ☒ UNKNOWN | 15b. WARRANTY EXPIRATION DATE<br>NA | 16. END ITEM EIC/WUC/TAMCN<br>NA |

17. NEXT HIGHER ASSEMBLY

| a. NSN | b. NOMENCLATURE | c. PART NUMBER | d. SERIAL NUMBER |
|---|---|---|---|
| NA | Truck | NA | NA |

18. END ITEM

| a. NSN | b. NOMENCLATURE | c. TYPE/MODEL | d. SERIAL NUMBER |
|---|---|---|---|
| NA | M998 | M998 | NA |

19. CURRENT DISPOSITION OF DEFICIENT ITEM (the Exhibit) *(Select only one value)*

☒ HOLDING EXHIBIT ☐ DISPOSED OF / DESTROYED ☐ REPAIRED ☐ OTHER *(Explain in Block 3)*

20. LOCATION OF DEFICIENT MATERIAL (e.g. Base, Camp, Station)

Warren, Michigan

21. ACTION REQUESTED *(Select only one value)* ☒ REPLACEMENT ☐ REPAIR ☐ CREDIT ☐ OTHER *(Explain in Block 3)*

368-102

**STANDARD FORM 368 (REV. 5/2011)**
GENERAL SERVICES ADMINISTRATION
(FPMR 101 - 26.8)

SAMPLE

**Figure 16–3. Sample of SF 368**

# Appendix A
# References

## Section I
## Required Publications
This section contains no entries.

## Section II
## Related Publications
A related publication is a source of additional information. The user does not have to read it to understand this publication. DOD publications are available at http://www.dtic.mil/whs/directives. USCs is available at http://www.gpoaccess.gov/uscode.

**AFARS subpart 5145.5**
Reports of Government property (Available at https://www.alt.army.mil/portal/page/portal/oasaalt/documents/AFARS.pdf.)

**AR 11–1**
Command Logistics Review Program

**AR 15–6**
Procedures for Investigating Officers and Boards of Officers

**AR 15–185**
Army Board for Correction of Military Records

**AR 25–1**
Army Knowledge Management and Information Technology

**AR 25–30**
The Army Publishing Program

**AR 25–400–2**
Army Records Information Management System (ARIMS)

**AR 27–1**
Legal Services Judge Advocate Legal Services

**AR 27–3**
The Army Legal Assistance Program

**AR 27–20**
Claims

**AR 30–22**
The Army Food Program

**AR 40–3**
Medical, Dental, and Veterinary Care

**AR 40–61**
Medical Logistics Policies

**AR 71–32**
Force Development and Documentation-Consolidated Policies

**AR 145–2**
Organization, Administration, Operation, and Support

**AR 190–11**
Physical Security of Arms, Ammunition, and Explosives

**AR 190–30**
Military Police Investigations

**AR 190–47**
The Army Corrections System

**AR 195–5**
Evidence Procedures

**AR 210–130**
Laundry and Dry Cleaning Operations

**AR 215–1**
Military Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities

**AR 335–15**
Management Information Control System

**AR 380–5**
Department of the Army Information Security Program

**AR 380–40**
Safeguarding and Controlling Communications Security Material

**AR 385–10**
The Army Safety Program

**AR 405–15**
Real Estate Claims Founded Upon Contract

**AR 405–45**
Real Property Inventory Management

**AR 405–70**
Utilization of Real Property

**AR 415–28**
Real Property Category Codes

**AR 600–4**
Remission or Cancellation of Indebtedness

**AR 700–84**
Issue and Sale of Personal Clothing

**AR 700–131**
Loan, Lease, and Donation of Army Materiel

**AR 700–138**
Army Logistics Readiness and Sustainability

**AR 710–1**
Centralized Inventory Management of the Army Supply System

**AR 710–2**
Supply Policy Below the National Level

**AR 710–3**
Asset and Transaction Reporting System

**AR 725–1**
Inventory Management Special Authorization and Procedures for Issues, Sales, and Loans

**AR 725–50**
Requisition, Receipt, and Issue System

**AR 735–17**
Accounting for Library Materials

**AR 740–26**
Physical Inventory Control

**AR 750–1**
Army Materiel Maintenance Policy

**AR 870–20**
Museums and Historical Artifacts

**CTA 50–900**
Clothing and Individual Equipment

**CTA 50–970**
Expendable/Durable Items (Except: Medical, Class V, Repair Parts and Heraldic Items)

**DA Pam 405–45**
Real Property Inventory Management

**DA Pam 415–28**
Guide to Army Real Property Category Codes

**DA Pam 600–8**
Management and Administrative Procedures

**DA Pam 708–2**
Cataloging and Supply Management Data Procedures for the Army Central Logistics Data Bank

**DA Pam 710–2–1**
Using Unit Supply System (Manual Procedures)

**DA Pam 710–2–2**
Supply Support Activity Supply System: Manual Procedures

**DA Pam 735–5**
Financial Liability Officer's Guide

**DA Pam 750–8**
The Army Maintenance Management System (TAMMS) Users Manual

**DFARS**
Defense Federal Acquisition Regulation Supplement (Available at http://farsite.hill.af.mil/VFDFARA.HTM./)

**DFAS–IN Regulation 37–1**
Finance and Accounting Policy Implementation (Available at https://dfas4dod.dfas.mil/centers/dfasin/library/ar37–1/

**DOD 4000.25–2–M**
Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP)

**DOD 4140.1–R**
DOD Supply Chain Materiel Management Regulation

**DOD 4140.25–M**
DOD Management of Bulk Petroleum Products, Natural Gas and Coal

**DOD 4145.19–R–1**
Storage and Materials Handling

**DOD 4500.9–R**
Military Standard Transportation and Movement Procedures

**DOD 4500.32–R**
Military Standard Transportation and Procedures

**DOD 7000.14–R**
Department of Defense Financial Management Regulations (FMRS)

**DODI 4140.57**
DoD Replenishment Parts Purchase or Borrow (DoD RPPOB) Program

**DODI 7420.12**
Billing, Collection and Accounting for Sale of Materiel from Supply System Stock

**FAR**
Federal Acquisition Regulation (FAR) (Available at http://www.deskbook.osd.mil/.)

**PL 101–576**
The Chief Financial Officers Act (Available at http://www.gao.gov/special.pubs/af12194.pdf.)

**TB 380–41**
Procedures For Safeguarding, Accounting and Supply Control of COMSEC Material

**TM 10 series**
Operator Level Manuals (Available at https://www.logsa.army.mil/etms.)

**TM 20 series**
Maintenance Level Manuals (Available at https://www.logsa.army.mil/etms.)

**UMCJ, Art. 31b**
Compulsory Self-Incrimination Prohibited (Available at http://www.au.af.mil/au/awc/awcgate/ucmj.htm.)

**5 USC 5511**
Withholding pay; employees removed for cause

**5 USC 5512**
Withholding pay; individuals in arrears

**5 USC 5514**
Installment deduction for indebtedness to the United States

**10 USC 908**
Article 108, Military property of United States – Loss, damage, destruction, or wrongful disposition

**10 USC 1552**
Correction of military records: claims incident thereto

**10 USC 2636**
Deductions form carriers because of loss or damage to material in transit

**10 USC 2775**
Liability of member for damages to family housing, equipment, and furnishings

**10 USC 2851**
Supervision of military construction projects

**10 USC 4831**
Custody of departmental records and property

**10 USC 4832**
Property accountability: regulations

**10 USC 4835**
Reports of Survey

**10 USC 4836**
Individual equipment: unauthorized disposition

**10 USC 4837**
Settlement of accounts: remission of cancellation of indebtedness of enlisted members

**10 USC 4839**
Settlement of accounts: oaths

**10 USC 4840**
Final settlement of officer's accounts

**31 USC 3531**
Property returns

**32 USC 709**
Technicians: employment, use, status

**32 USC 710**
Accountability for property issued to the National Guard

**37 USC 1007**
Deductions from pay

## Section III
## Prescribed Forms

Unless otherwise indicated, DA Forms are available on the APD Web site (http://www.apd.army.mil) and DD Forms are available on the Office of the Secretary of Defense Web site (http://www.dtic.mil/whs/directives/infomgt/forms/).

**DA Form 1622–R**
Bond for Safekeeping of Government Property Issued to Educational Institutions (Prescribed in para 10–3*h*.)

**DA Form 1622–1–R**
Affidavits of Individual Sureties (Prescribed in para 10–3*h*.)

**DA Form 1659**
Financial Liability Investigation of Property Loss Register (Prescribed in paras 13–20, 16–37.)

**DA Form 7531**
Checklist and Tracking Document for Financial Liability Investigations of Property Loss (Prescribed in para 13–9.)

**DD Form 200**
Financial Liability Investigation of Property Loss (Cited throughout the publication.)

**DD Form 362**
Statement of Charges/Cash Collection Voucher (Prescribed in paras 12–1, 12–2, and 14–24.)

## Section IV
## Referenced Forms

Unless otherwise indicated, DA Forms are available on the APD Web site (http://www.apd.army.mil). DD Forms are available on the Office of the Secretary of Defense Web site (http://www.dtic.mil/whs/directives/infomgt/forms/). SFs are available on the GSA Web site (http://www.gsa.gov/portal/forms/type/SF).

**DA Form 11–2**
Internal Control Evaluation Certification

**DA Form 137–1**
Unit Clearance Record

**DA Form 137–2**
Installation Clearance Record

**DA Form 337**
Request for Approval of Disposal of Buildings and Improvements

**DA Form 444**
Inventory Adjustment Report (IAR)

**DA Form 2028**
Recommended Changes to Publications and Blank Forms

**DA Form 2823**
Sworn Statement

**DA Form 3078**
Personal Clothing Request

**DA Form 3126**
Application and Contract for Establishment of a Junior Reserve Officers' Training Corps Unit

**DA Form 3161**
Request for Issue or Turn-in

**DA Form 3508**
Application for Remission or Cancellation of Indebtedness

**DA Form 4137**
Evidence/Property Custody Document

**DA Form 4170**
Statement of Gains and Losses

**DA Form 4949**
Administrative Adjustment Report

**DD Form 149**
Application for Correction of Military Record Under the Provisions of Title 10, U.S. Code, Section 1552

**DD Form 250**
Material Inspection and Receiving Report

**DD Form 361**
Transportation Discrepancy Report (TDR)

**DD Form 1149**
Requisition and Invoice/Shipping Document

**DD Form 1155**
Order for Supplies and Services

**DD Form 1348–1A**
Issue Release/Receipt Document

**DD Form 1354**
Transfer and Acceptance of DOD Real Property

**DD Form 1544**
Cash Meal Payment Book (Available through normal forms supply channels.)

**DD Form 2481**
Request for Recovery of Debt Due the United States by Salary Offset

**SF 44**
Purchase Order Invoice-Voucher (Available through normal forms supply channels using NSN 7540–01–152–8068.)

**SF 364**
Report of Discrepancy (ROD)

**SF 368**
Product Quality Deficiency Report (PQDR)

## Appendix B
## Computing the Actual Loss to the Government when property is Lost, Damaged, or Destroyed

### B–1. Value of repairable property

The value of repairable property loss will be the repair cost required to return the damaged property to the condition it was in at the time of damage or the value of the item at the time of the damage, whichever is less. The value of repairable property is the lesser of the following computations:

*a. Repair cost.* The cost of repairs consists of the sum of the costs of material; labor, overhead, and transportation, minus any salvage or scrap value of replaced component parts. If repair makes the item more valuable than it was at the time of the loss, reduce the cost of repairs by the amount of the increase in value. Technical personnel will compute the actual repair cost per DA Pam 750–8. When actual repair cost cannot be determined, they will prepare an itemized list of the ECOD. An ECOD will be used to compute the value of a loss only when actual costs cannot be obtained within a reasonable time. When an ECOD is used to compute the value of the damaged property, the DD Form 200 must state why, and state the basis on which the estimate was made.

*b. Adjustment document.* When an ECOD is used, in the interest of expediency, to process an adjustment document, the repair of damaged property will be followed through the repair process to determine the actual cost of repairs. When the ACOD is less than the ECOD, the initiator of the adjustment document will cause it to be reopened and the appropriate FAO and/or USPFO will be requested, on a memorandum, to reimburse the difference to the charged individual.

*c. Value at the time of the loss or damage.* See paragraph B–2.

### B–2. Value of lost, destroyed, or irreparably damaged property

The value of lost, destroyed, or irreparably damaged property will be the actual value of the property at the time of the loss, minus any salvage or scrap value. Actual value at the time of the loss or damage may be computed in one of three ways.

*a. Fair market value.* The preferred method of determining the value of property at the time of loss or damage is by a qualified technician's two-step appraisal of its fair market value. First, a technician determines the condition of the item at the time of the loss or damage through personal knowledge, review of maintenance records, conversations with using personnel, and any other means available. Second, the commercial market will be reviewed to determine the price that similar items in similar condition have sold for in commercial transactions within the last 6 months.

Appraisal guides accepted in the commercial market, such as the National Auto Dealers Association Official Used Car Guide, may be used for this purpose.

*b. Depreciated value.* When determination of fair market value is not possible or equitable, the value at the time of the loss or destruction may be computed by subtracting depreciation from the current FEDLOG or other standard price of a new item. Depreciation is not deducted on loss or damage to new property. Compute depreciated value for all property not listed below at 5 percent per year of service, up to 75 percent. If the time in service cannot be determined, depreciate a standard 25 percent.

(1) For OCIE items and nonpower hand tools, depreciate by 10 percent for each such item.

(2) For items made of relatively perishable material such as leather, canvas, plastic, or rubber (except for OCIE), depreciate by 25 percent for each such item.

(3) For electronic equipment and office furniture, depreciate 5 percent per year of service, up to 50 percent.

(4) For tactical and general purpose vehicles, depreciate 5 percent per year of service, up to 90 percent. Total depreciation will not exceed 90 percent.

(5) For family quarters, furnishings will be depreciated 5 percent per year of service, up to 50 percent.

*c.* The rates of depreciation above are based on normal use, and may be increased or decreased based on facts showing more or less than average use. AR 27–20 may be used as a guide to determine a fair rate of depreciation.

*d.* Small arms are not depreciated.

*e.* When determination of fair market or depreciated value is not possible or equitable, the value of the loss or damage may be computed by subtracting the standard rebuild cost plus any salvage value from the current FEDLOG price for the item. This method may only be used when—

(1) A standard rebuild cost has been published.

(2) The item was not new or recently overhauled.

(3) The item was in service long enough to warrant overhaul.

(4) There is residue that can be salvaged.

## B–3. Salvage credit

The value of salvage credit for items that must be scrapped will be computed by adding the value of the scrap recovered, plus the depreciated value of serviceable repair parts, components, assemblies, or end items salvaged or cannibalized (see AR 750–1). A technician will compute the salvage credit, if any.

## B–4. Fair wear and tear

The value of loss to Government quarters or related furnishings or equipment due to fair wear and tear is exempt from financial charge. Fair wear and tear will be determined by a qualified technical inspector.

## B–5. Determine the actual loss or damage to the Government

The basic premise on which financial charges are computed is that the charge will represent the actual loss to the Government. The actual loss to the Government is the difference between the value of the property immediately before its loss or damage and its value immediately after. This regulation establishes four means of arriving at the actual costs of loss or damage to the Government, and the amount to be charged. They must be considered in sequence.

*a.* If the item is repairable, the charge will be based on the actual cost of repairs.

*b.* If the item cannot be repaired because it is too badly damaged, have a technical inspector determine the market value of the item after the damage. Include salvage credit when it is appropriate.

*c.* If the item is not repairable and the technical inspection is impossible (when an item is lost or completely destroyed as in a fire), apply the appropriate depreciation formula to determine the property value.

*d.* Deduct the standard rebuild cost from the cost of the item.

## B–6. Actual cost of repairs

If an item can be repaired, the charges must be based on the cost of repairs minus certain allowances. Although this regulation requires the use of the actual cost of repairs to compute the charges of financial liability, processing a DD Form 200 document will not be delayed pending the completion of repairs. When the actual cost of repairs cannot be obtained in time to complete processing a financial liability investigation of property loss within the time limits established in chapter 13 of this regulation, technical personnel will make an itemized list of the estimated cost of repair. The DD Form 200 will then be completed with the understanding that if the ACOD is less than the ECOD, the DD Form 200 will be reopened, the charge amended, and the difference reimbursed to the respondent.

*a.* When computing the actual cost of repairs, charge for the following expenses:

(1) *Direct materials.* For instance, if a fender was damaged and is not repairable, charge for the cost of the new fender.

(2) *Direct labor*. Charge for the actual rate paid for civilian labor. If Soldier labor is used, charge for that cost by using the installation procedures setup according to DFAS–IN Regulation 37–1.

(3) *Overhead costs.* Use the amount as computed by using the authorized local cost accounting systems at a Government repair activity. Do not include statistical costs, unless the installation is financed by the Army Industrial Fund.

(4) *Transportation costs.* Charge for the cost of shipping an item to the repair installation and returning it.

*b.* When computing the actual costs, allow for things that affect the actual loss to the Government.

(1) *Allowance for increase in value.* If extensive repairs enhance the value so that the item is worth more than it was before the repair, make an allowance for the increase in value.

(2) *Credit for scrap value.* Give credit for the scrap value of the parts that cannot be reused. Do not allow the full list price of the part. Allow salvage credit for the usable or salable value of metal as waste or scrap.

*c.* Credit for repairs made, but not needed to return the damaged property to the condition it was in immediately before the incident causing the damage.

(1) Sometimes it is determined to be more economical to refurbish the damaged item rather than repair just the damaged portion. As an example—

*(a)* Resurface the entire floor in a room, rather than repair the damaged portion.

*(b)* Paint the entire vehicle, rather than paint just the damaged portion.

(2) In determining the amount of financial liability, the respondent will be assessed only that amount needed to return the damage property to the condition it was in immediately before the incident causing the damage, not the cost to refurbish the entire item.

## B–7. Technical inspection

When computing the charges of financial liability on an item that cannot be repaired, start the computations on the basis of the value just before the item was damaged. Technical inspection will be documented prior to the repair or turn-in of the damaged equipment.

*a. Definition of technical inspection.* A technical inspection determines the extent of damage and establishes whether the item is repairable. It also involves an appraisal to determine the value of the item just before it was damaged or destroyed.

*b. Need for a technical expert.* A technical inspector must have a thorough knowledge of the item and its uses, mechanisms, and functions and must have broad experience in dealing with the type of item. In most cases this person will be a representative of the maintenance support for the installation or activity. The technical inspector will have to determine the prices of the same or similar items sold in the commercial markets at or about the time of the loss.

*c. Decision on fair value of item.* If the fair market value appears to be unfair to the Government or the respondent, that value will not be used. For instance, if the cost of a pair of binoculars was $97, and they are now being sold on the open market for $175, the respondent cannot be charged $175. In some cases, a determination of fair market value is impossible. For example, there is no commercial market for missiles whatsoever.

*d. Explanation by technical inspector.* If the fair market value is to be used, the technical inspector must furnish an explanation. For example, the inspector must state there is no existing market for missiles or that binoculars are being sold in the local market at prices higher than the acquisition cost of the item to the Army.

## B–8. Computing value based on depreciation

Depreciation is the least preferable method of computing the value of lost or destroyed Government property, and will be used only when using the fair market value or standard rebuild value is not appropriate, and when the item is in less than new condition. Apply a depreciation formula to get the value of the lost or destroyed item on the basis of life expectancy. For instance, a lost piece of office furniture that had been in use for 2 years would be depreciated 5 percent per year for a total of 10 percent. If the value of the office furniture listed on FEDLOG in effect at the time of the loss was $500, the amount charged the individual would be $450 ($500 minus 10 percent is $450).

## B–9. Scrap value

How to determine scrap value? If an item was damaged to the point that it must be scrapped, a determination of how much credit to allow must be made. The individual to decide whether the item can be repaired is the technical inspector at the maintenance activity.

*a. Repairable items.* When items are repaired, allow for the scrap value of the repair parts, components, or assemblies recovered from the item. However, these reclaimable parts must be depreciated by the same factor that is used to depreciate the whole item. For example, a vehicle cost $2,000, and a 50 percent credit (or $1,000) was allowed for depreciation. If a mechanic removed $500 worth of reclaimable parts from the vehicle, only a 50 percent credit (or $250) would be allowed for depreciation on the reclaimable parts for the vehicle.

*b. Items beyond repair.* If an item has been damaged to the point it has to be scrapped, allow credit for the salvage

or scrap value of the item or parts. When the entire item is turned in, obtain the information on the credit from the DLA Disposition Service Office, which determines the amount of credit.

## Appendix C
## Loaned Army National Guard Property

### C–1. General

This appendix prescribes the property adjustment procedures for ARNG equipment loaned to other military organizations while training at mobilization and training equipment sites, unit training equipment sites, or ARNG training sites, and equipment borrowed from other military organizations.

### C–2. Policy

Military property on authorized loan remains on the property records of the unit or activity concerned. It must be properly hand-receipted to the user.

### C–3. Adjustment procedures

*a.* In the case of loss or damage of military property through other than fair wear and tear, the hand-receipt holder will initiate and process one of the following adjustment documents:

(1) *DD Form 200.* The commander or supervisor of the training site account or owning organization will ensure the DD Form 200 is correct and complete, and expeditiously forward the investigation to the owning organization PBO for property book adjustment.

(2) *Other authorized adjustment documents.* Other authorized adjustment documents may be prepared when agreed upon by the commander or supervisor of the training site or the owning organization.

*b.* The owning organization PBO will retain one copy of the applicable property adjustment document and return the remaining copies to the hand-receipt holder for processing and approval.

*c.* The hand-receipt holder will process the applicable property adjustment document through normal channels for final action by the officer designated to approve adjustment documents initiated by the hand-receipt holder.

*d.* When the hand-receipt holder is a member of a Service other than the Army, USAR, or ARNG, the property adjustment document will be processed through the normal channels of the owning organization.

### C–4. Approving authority

*a.* The approving authority for applicable property adjustment documents initiated according to paragraph C–3*c* will be the proper approving authority of the borrowing organization.

*b.* The approving authority of applicable property adjustment documents initiated according to paragraph C–3*d* will be the proper approving authority of the owning organization.

*c.* The approving authority will forward the proper copy of the applicable property adjustment document to the owning organization PBO when final action has been completed.

### C–5. Financial responsibility

The hand-receipt holder that initiates procedures will ensure that monetary restitution for lost, damaged, or destroyed property is made to the USPFO of the owning State or the loaning military organization by either—

*a.* Transfer of funds.

*b.* Replacement in kind.

*c.* Lateral transfer of property for which property adjustment is being made.

### C–6. Borrower and/or hand-receipt holder responsibilities

When equipment is lost, damaged, or destroyed by the borrower or hand-receipt holder, the borrower or hand-receipt holder will replace the property according to paragraph C–5. Replacement of property by the borrower is a separate action for property adjustment and is not involved in deciding financial liability.

## Appendix D
## Internal Control Evaluation

### D–1. Function

This evaluation is a tool in determining compliance with this regulation.

## D–2. Purpose

The purpose of this evaluation is to assist commands in evaluating the key internal controls listed. It is intended as a guide and does not cover all controls.

## D–3. Instructions

Answers must be based on the actual testing of key internal controls (for example, document analysis, direct observation, sampling, simulation, other). Answers that indicate deficiencies must be explained and the corrective action identified in supporting documentation. These internal controls must be evaluated at least once every five years. Certification that the evaluation has been conducted must be accomplished on DA form 11–2 (Internal Control Evaluation Certification).

## D–4. Test questions

*a. User level.*

(1) (1) Are discrepancies when receiving supplies reported to the SSA within 3 days of receipt (30 days for USAR)?

(2) Has the commander provided security for all property, whether in use or in storage?

(3) Have supervisors established a climate that ensures the proper care and use of Government property?

(4) Has the command conducted and documented a management review of all durable items issued or turned-in stating the results and actions taken, if any?

(5) Has the commander or authorized representative provided written authorization for individuals to replace hand tools or OCIE with cash purchase?

(6) Has the commander approved and documented adjustments for losses of durable hand tools up to $100 per incident when losses are not the result of negligence or misconduct?

(7) Has the command submitted quarterly summarized adjustments for losses of hand tools to the approving authority for financial liability investigations for property loss?

(8) Are statement of charges and cash collection vouchers prepared within 5 days for Active Army (45 days for ARNG and 60 days for USAR)?

(9) Are financial liability investigations for property loss initiated within 15 days for Active Army (45 days for ARNG and 75 days for USAR)?

(10) Has the commander approved damage statements for OCIE damaged during training exercises when no negligence or misconduct was involved?

*b. Parent organization level.*

(1) Has a PBO been appointed in writing for each property book within the command?

(2) Has the approving authority established a financial liability investigations for property loss register and filing system?

(3) Are losses covered by financial liability investigations for property loss investigated promptly and adequately?

*(a)* Active Army - total processing time of 75 days.

*1.* Initiation - 15 days.

*2.* Investigation - 40 days.

*3.* Approving authority approval - 20 days.

*(b)* Army Reserve - total processing time of 240 days.

*1.* Initiation - 75 days

*2.* Investigation - 85 days.

*3.* Approving authority approval - 80 days.

*(c)* Army National Guard - total processing time of 150 days.

*1.* Initiation - 45 days 2. 3.

*2.* Investigation - 75 days.

*3.* Approving authority approval - 30 days.

## D–5. Supersession

Not applicable.

## D–6. Comments

Help make this a better tool for evaluating internal controls. Submit comments to the Deputy Chief of Staff, G–4 (DALO–SUS), 500 Army Pentagon, Washington, DC 20310–0500.

## Glossary

### Section I
### Abbreviations

**AAR**
administrative adjustment report

**ABCMR**
Army Board for Correction of Military Records

**ABL**
ammunition basic load

**ACOD**
actual cost of damage

**ACSIM**
Assistant Chief of Staff for Installation Management

**ACTPO**
Accountable property officer

**AFARS**
Army Federal Acquisition Regulation Supplement

**AG**
adjutant general

**AHRC**
Army Human Resources Command

**AIT**
automatic identification technology

**AMC**
U.S. Army Materiel Command

**AMDF**
Army Master Data File

**ARC**
accounting requirements code

**ARNG**
Army National Guard

**ASDA**
accountable supply distribution activity

**AWCF**
Army working capital fund

**BL**
bill of lading

**CAP**
contractor acquired property

**CCI**
controlled cryptographic item

**CERROD**
central repository for report of discrepancies data

**CIF**
central issue facility

**CIIC**
controlled inventory item code

**CNGB**
Chief, National Guard Bureau

**COL**
colonel

**COMSEC**
communications security

**CONUS**
continental United States

**CPT**
captain

**CSC**
civilian support center

**CSDP**
command supply discipline program

**CTA**
common table of allowance

**D**
durable

**DA**
Department of the Army

**DARNG**
Director, Army National Guard

**DCS, G–3/5/7**
Deputy Chief of Staff, G–3/5/7

**DCS, G–4**
Deputy Chief of Staff, G–4

**DFARS**
Defense Federal Acquisition Regulation Supplement

**DFAS**
Defense Financial Accounting Service

**DLA**
Defense Logistics Agency

**DLA–DS**
Defense Logistics Agency Disposition Services

**DOD**
Department of Defense

**DODAAC**
Department of Defense activity address code

**DOL**
Director of Logistics

**ECOD**
estimated cost of damage

**FAO**
finance and accounting office/officer

**FAR**
Federal Acquisition Regulation

**FEDLOG**
Federal Logistics Record

**FMS**
foreign military sales

**FOB**
free on board

**FSC**
Federal supply classification

**GBL**
Government bill of lading

**GFP**
Government-furnished property

**GS**
general schedule

**GSA**
General Services Administration

**HQDA**
Headquarters, Department of the Army

**IAR**
inventory adjustment report

**ICP**
inventory control point

**IMCOM**
U.S. Army Installation Management Command

**JROTC**
Junior Reserve Officer Training Corps

**JMC**
U.S. Army Joint Munitions Command

**KO**
contracting officer

**LDDT**
loss, damage, destroyed, or theft

**LTC**
lieutenant colonel

**MAJ**
major

**MSC**
Military Sealift Commander

**MSG**
master sergeant

**MTMC**
Military Traffic Management Command

**MTOE**
modification table of organization and equipment

**N**
nonexpendable

**NAF**
nonappropriated fund

**NDCC**
National Defense Cadet Corps

**NSN**
national stock number

**OCIE**
organizational clothing and individual equipment

**OEP**
other equipment or property

**PA&E**
personal arms and equipment

**PBO**
property book officer

**POD**
port of debarkation

**RO**
requisitioning objective

**ROTC**
Reserve Officers' Training Corps

**SES**
senior executive service

**SFC**
sergeant first class

**SKO**
sets, kits, and outfits

**SOP**
standard operating procedure

**SRA**
stock record account

**SRO**
stock record officer

**SSA**
supply support activity

**SSSC**
self-service supply center

**TDA**
table of distribution and allowances

**TDR**
transportation discrepancy report

**TIG**
time in grade

**TISA**
troop issue subsistence activity

**TO**
transportation officer

**TSG**
The Surgeon General

**UCMJ**
Uniform Code of Military Justice

**UIC**
unit identification code

**UIT**
unique item tracing

**USAR**
U.S. Army Reserve

**USC**
United States Code

**USMEPCOM**
U.S. Military Entrance Command

**USPFO**
U.S. property and fiscal office/officers

**WG**
wage grade

**WL**
wage leader

**WS**
wage supervisor

**X**
expendable

## Section II
## Terms

**Acceptance at destination**
Assumption of title to property by DA at the specified delivery point. This term corresponds, generally, to the commercial term FOB destination.

**Acceptance at origin**
Assumption of title to property by DA at the point of shipment. This term corresponds, generally, to the commercial term FOB origin. It does not imply that payment was made at the time title passed to the Army nor does it necessarily mean that the Government, by assumption of title, forfeited the right to reject any article not conforming to contract specifications.

**Accountability**
The obligation imposed by law, lawful order, or regulation on an officer or other person for keeping an accurate record of property, documents, or funds. Includes identification data, gains, losses, dues-in, dues-out and balances on hand or in use. The person having this obligation may or may not have actual possession of the property, documents, or funds.

**Accountable officer**
Person officially appointed in writing, by proper authority, to maintain item and/or financial records of Government property, irrespective of whether the property is in their possession for use or storage, or is in the possession of others to whom it has been officially entrusted for use or for care and safekeeping. There are three types of supply accountable officers—

*a.* Transportation officer, accountable for property entrusted them for shipment.

*b.* Stock record officer, accountable for supplies being held for issue from time of receipt until issued, shipped or dropped from accountability.

*c.* Property book officer, accountable for property upon receipt and until subsequently turned in, used (consumed) for authorized purposes, or dropped from accountability. (Hand receipt holders are not considered accountable officers.)

**Appeal authority**
An Army officer designated to take final action on requests for reconsideration when the financial liability investigation of property loss approving authority denies relief of financial responsibility to a respondent, and to act on requests for remission of cancellation of indebtedness. Appeal authority action is by authority of the Secretary of the Army. Normally, the appeal authority will be the next higher commander above the approving authority, in the chain of command.

**Appointing authority**
An officer or civilian employee designated in writing by the approving authority with responsibility for appointing financial liability officers; reviewing the financial liability officer's findings and recommendations; and providing their concurrence or nonconcurrence to the approving authority of the financial liability officer's findings and recommendations. The appointing authority is normally under the command of, or on the staff of the approving authority. An appointing authority must be in the grade of lieutenant colonel or above, or be a GS–13 or above (for exceptions, see this regulation).

**Approving authority**
An Army officer or Department of the Army civilian employee authorized to appoint financial liability officers and to approve financial liability investigations of property loss. An approving authority must be in the grade of lieutenant

colonel or above, or be a GS–14 or above, in a supervisory position. The approving authority is normally senior to the appointing authority.

**Army property**
All property under DA control, except property accounted for as owned by an NAF activity. "Government property" and "Army property" are used synonymously with "property."

**Asset listing**
It is an asset visibility listing of GFP used by contractors but managed by an accountable officer. This listing will provide all the pertinent information needed to track the authorized GFP equipment minus an on hand quantity.

**Audit trail**
Documentation supporting debit and credit entries on accounting records from the time property is brought into the Army inventory with a source document, until the property is dropped from accountability.

**Bill of lading**
Includes Government bills of lading issued by the Army and commercial bills of lading for transportation services administered by the Army. (For exception of FOB origin shipment, see this regulation.)

**Capital equipment**
Personal property of a capital nature classified nonexpendable in an Army supply manual, or that would be so classified if included in an Army supply manual or catalog.

**Capital nature**
Property that has all or most of the following characteristics:

*a.* Does not lose its identity when used for its intended purpose.

*b.* Has an acquisition of cost of $15,000 or more.

*c.* Has a useful life of more than 2 years when used for its intended purpose.

*d.* Normally is an investment-type item capitalized in the accounting records.

**Causative research**
An investigation of discrepancies (that is, gains and losses) consisting of a complete review of all transactions, as a minimum. Transactions will include the following supporting documentation occurring since the last completed inventory; the last location reconciliation that included quantity; or back one year, whichever is the most recent. These include catalog change actions, shipment discrepancies or not posted or rejected documentation.

*a.* The purpose of causative research is to identify, analyze, and evaluate the cause(s) of inventory discrepancies to eliminate repetitive errors. Causative research ends either when the cause is found or after review of transactions back to the last inventory, last audit match, inventory, or immediately preceding the last audit match, when there have been no conclusive findings.

*b.* The accountable officer will normally determine if a DD Form 200 is required.

**Checking-in (tally-in) operation**
An operation performed by a receiving clerk, normally under the supervision of the transportation officer or the receiving property officer. Includes removing items from a carrier's vehicle and conducting a visual inspection to decide the condition of the packages and loose pieces in a shipment. Checking-in may be performed under other supervision, or at a later time, because of emergency conditions; however, it will not be confused with the 'storage' operation. Storage operation involves the opening of undamaged packages after delivery to a customer, user, or warehouse.

**Collective liability**
Where more than one individual is held financially liable for a loss, both collectively and individually.

**Command responsibility**
The obligation of a commander to ensure all Government property within their command is properly used and cared for, and that proper custody and safekeeping of Government property are provided. Command responsibility is inherent in command and cannot be delegated. It is evidenced by assignment to a command position at any level and includes—

*a.* Ensuring the security of all property of the command, whether in used or in storage.

*b.* Observing subordinates to ensure their activities contribute to the proper custody, care, use, and safekeeping of all property within the command.

*c.* Enforcing all security, safety, and accounting requirements.

*d.* When necessary, taking administrative or disciplinary measures.

**Concealed shortage or damage**
Shortage in, or damage to the contents of an original container or package detected after delivery. This damage or shortage is contrasted with visible damages or shortages in the number of packages involved, readily noticeable at the time of delivery.

**Consumable supplies**
Supplies consumed in use, such as ammunition, fuel, cleaning and preserving materials, surgical dressings, and drugs, or supplies that lose their separate identity in use, such as repair parts and building materials.

**Contractor**
A Government contractor is a private company that produces goods or services under contract for the Government.

**Contractor acquired property**
Any property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the Government has title. CAP that is subsequently delivered and accepted by the Government for use on the same or another contract is considered GFP.

**Contracting officer**
A person who is currently a contracting officer with authority to enter into and administer contracts. The person may be a contracting officer either by virtue of position or by appointment under procedures prescribed by the Defense Federal Acquisition Regulation Supplement. This person may make determinations and findings for contracts or for any part of such authority. In the ARNG, a contracting officer is the USPFO, or an ARNG technician who has been appointed as contracting officer by the CNGB with authority to enter into and administer contracts.

**Controlled inventory items**
Those items designated as having characteristics requiring they be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safekeeping and integrity. Controlled inventory items in descending order of the degree of control normally exercised are:

*a. Classified item.* Materiel requiring protection in the interest of national security.

*b. Sensitive item.* (See CIIC 1–6, 8, 9 $, N, P, Q, R, and Y for night vision devices in the Army portion of FEDLOG as explained by DA Pam 708–2.)

(1) Materiel requiring a high degree of protection and control because of statutory requirements or regulations.

(2) High-value, highly technical, or hazardous items.

(3) Small arms, ammunition, explosives, and demolition materiel.

*c. Pilferable item.* Materiel having ready resale value or civilian application to personal possession and, therefore, especially subject to theft. An item with a CIIC of :7," "M," and "W" does not require an AR 15–6 investigation if an item is lost or damaged unless directed by the command. Examples are binoculars, projectors, cigarettes, pagers, handheld two-way radios, cameras, tapes, laptop computers, cell phones, palm devices, or recorders. (See CIICs in the Army portion of FEDLOG as explained by DA Pam 708–2.)

**Culpability**
A determination of fault. Before a person can be held financially liable, the findings must show that they, through negligence or willful misconduct, violated a particular duty involving the care for the property. Whether the person's actions or omissions constitute negligence depends on the circumstances of each case. Negligence under some circumstances may not reflect negligence under other circumstances. Therefore, all facts must be fully considered when determining the reasonableness of a person's conduct.

**Custodial responsibility**
The obligation of an individual for property in storage awaiting issue or turn-in to exercise reasonable and prudent actions to properly care for, and ensure proper custody and safekeeping of the property are provided. Custodial responsibility results from assignment as a supply sergeant, supply custodian, supply clerk, or warehouse person who is rated by and answerable directly to the accountable officer or the individual having direct responsibility for the property. Responsibilities include the following:

*a.* Ensuring the security of all property stored within the supply room and storage annexes belonging to the supply room or SSA is adequate.

*b.* Observing subordinates to ensure their activities contribute to the proper custody, care, and safekeeping of all property within the supply room and storage annexes belonging to the supply room or SSA.

*c.* Enforcing all security, safety, and accounting requirements.

*d.* When unable to enforce any of these, reporting the problem(s) to their immediate supervisor.

**Damage**
A condition that impairs either the value or use of an article; may occur in varying degrees. Property may be damaged in appearance or in expected useful life without rendering it unserviceable or less useful. Damage also shows partial unserviceability. Usually implies that damage is the result of some act or omission.

**Deliberate unauthorized use**
Willful or intentional use without right, permit, or authority.

**Destroyed**
Equipment damaged to the point of complete loss of identity or beyond the prospect of future restoration. Major weapon systems, systems with classified components and sensitive items will not be considered destroyed without a technical inspection of the residue.

**Detail accounting**
Method of accounting that requires each transaction to be separately recorded and uniquely identified by a voucher or document number in the records, including adjustment of balances each time. Opposite of summary accounting, whereby several transactions may be shown as one without any unique identification.

**Digital signature**
The product of an asymmetric cryptographic system that is created when the owner of the private signing key uses that key to create a unique mark (the signature) on an electronic document or file. Like a written signature, the purpose of a digital signature is to guarantee that the individual sending the message really is who they claim to be.

**Direct responsibility**
Obligation of a person to ensure all Government property for which they have receipted, is properly used and cared for, and that proper custody and safekeeping are provided. Direct responsibility results from assignment as an accountable officer, receipt of formal written delegation, or acceptance of the property on hand receipt from an accountable officer. Commanders and/or supervisors will determine and assign, in writing, the individuals who will have direct responsibility for property.

**Discrepancies**
Disagreement between quantities or condition of property on hand and that required to be on hand, as shown by the accountable record of the property. It is usually a disagreement between quantities or condition of property actually received in a shipment and that recorded on the shipping document. This type of discrepancy generally is referred to as a "discrepancy incident to shipment." Another form of discrepancy occurs when a disagreement exists between a stock record balance and the result of a physical count or inventory.

*a. Shipping-type (item) discrepancy.* A variation in quantity or condition of goods received from that shown on the authorized (supply) shipping document; for example, GSA or DD Form 1348–1A. A shipping-type (item) shortage or overage is not evident on delivery; it is discovered when the article of freight as described on the transportation document is opened and the contents do not agree with the supply shipping documents.

*b. Inconsequential transportation discrepancies.* Loss and damage claims of $50 or less. Formal documents are not required, nor are claims filed against carriers in amounts of $50 or less. Exceptions are narcotics, drugs, and sensitive and classified materiel.

*c. Financial liability investigation of property loss discrepancies in shipment.* Procedure and proper forms required to adjust property accountability and determine liability for discrepancies in shipment as defined above.

(1) *DD Form 361.* A multiple-use form to report, investigate, and process discrepancies in shipments involving loss or damage, and to report other transportation-type discrepancies. DD Form 361 is authorized for use as a DD Form 200 to support claims against carriers and contractors or vendors, including adjustment of inventory and financial accounting records, as proper, when dollar value involved is $50 or more.

(2) *SF 364* When negligence is suspected, the report of discrepancy is used as an exhibit to a DD Form 200 to report and adjust supply discrepancies. (See this regulation for an example of how a report of discrepancy condition could develop into a DD Form 200 condition.)

*d. Transportation-type discrepancy in shipment.* A carrier (common or contract) may fail to deliver to a consignee, in the condition originally billed, all of the packages or loose pieces of property listed on the GBL or other transportation documents (for example, commercial bill of lading, manifest, load list, freight warrant). The shortage, overage, or damage is termed a transportation-type discrepancy. Transportation-type discrepancies reportable on DD Form 361 may be the fault of the carrier, shipper, vendor or contractor, container consolidation point, or transshipping activities. Overages and shortages within commercial or Government-owned (or -leased) shipping containers, military-

owned demountable containers, major support command containers, roll-on/roll-off trailers, or container expresses with seals intact, missing, or broken are included in this term.

**Durable item**
An item of Army property coded with an ARC of "D" in the Army Master Data File (AMDF) contained on FEDLOG. Durable items do not require property book accountability after issue from the stock record account, but do require hand receipt control for hand tools. Other items coded durable will be monitored by the commander or the head of the activity.

**Electronic signature**
A generic term encompassing both noncryptographic and cryptographic methods of authenticating identity. Noncryptographic methods include personal identification number (PIN) or password, smart card, digitized signature, and biometrics. Cryptographic methods include shared symmetric key cryptography and public or private key (asymmetric) cryptography—digital signatures.

**Equipment**
Articles needed to outfit an individual or organization. Clothing, tools, utensils, vehicles, weapons, and similar items are articles of equipment. It is synonymous with "supplies" and "materiel."

**Expendable items**
An item of Army property coded with an ARC of "X" in the AMDF contained on FEDLOG. Expendable items require no formal accountability after issue from a stock record account. Commercial and fabricated items similar to items coded "X" in the AMDF contained on FEDLOG are considered expendable items.

**Fair wear and tear**
Loss or impairment of appearance, effectiveness, worth, or utility of an item that has occurred solely because of normal and customary use of the item for its intended purpose.

**Federal Acquisition Regulation**
This system consists of sets of regulations issued by agencies of the Federal Government of the United States to govern what is called the "acquisition process;" this is the process through which the Government purchases ("acquires") goods and services. That process consists of three phases:

*a.* Need recognition and acquisition planning
*b.* Contract formation.
*c.* Contract administration.

The FAR System regulates the activities of Government personnel in carrying out that process. It does not regulate the purchasing activities of private sector firms, except to the extent those parts of it are incorporated into Government solicitations and contracts by reference.

**FEDLOG**
Provides user-friendly interfaces to quickly and easily retrieve information on over 7.6M NSNs and over 13.7M part numbers. FEDLOG information is available at http://www.dlis.dla.mil/Fedlog/About.

**Fiduciary record**
This record is a listing of GFP equipment being accounted for and used by contractors to perform their designated work or mission.

**Final action**
Action taken at the financial liability investigation of property loss approval/appeal authority level. For an appeal in the ARNG, final action is delegated to the CNGB for State, and the AG or delegated deputy for ARNG members.

**Financial accounting**
Maintaining accounting records in terms of dollars, without regard for the quantity of items.

**Financial inventory accounting**
Act of establishing and maintaining accounts in both monetary and quantitative terms for material, supplies, and equipment held as stock on records of property accountability in the Army supply system worldwide.

**Financial liability**
The statutory obligation of an individual to reimburse the Government for lost, damaged, or destroyed Government property as a result of negligence or abuse.

**Financial liability investigation of property loss**
An instrument for recording circumstances concerning LDD of Army property. It serves as, or supports, a voucher for dropping articles from property records on which they are listed. It also serves to determine any question of responsibility (financial or otherwise) for absence or condition of the articles.

**Formal accountability**
Obligation to maintain property book or stock record property accounts, commissary accounts, or TISA sales accounts. All property is subject to formal accountability unless specifically exempted by regulation or specific instructions of HQDA.

**Government-furnished property**
Government-owned property furnished to a contractor for the performance of a contract. Property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor (includes subcontractors and alternate locations) for performance of a contract. Also known as Government-furnished material and Government-furnished equipment per FAR 45.1, it is defined as—

*a.* Equipment.
*b.* Materiel.
*c.* Special tooling.
*d.* Special test equipment.
*e.* Real property.

**Grade (applicable to ARNG only)**
Grade referred to in this regulation is the grade that has been granted Federal recognition. As an exception, is the grade of the AG in each State. The grade of the State adjutant general may be greater than their Federally recognized grade.

**Gross negligence**
An extreme departure from the course of action to be expected of a reasonably prudent person, all circumstances being considered. The act is characterized by a reckless, deliberate, or wanton disregard of the foreseeable consequences.

**Hand receipt**
A signed document acknowledging acceptance of and responsibility for the items of property listed thereon that are issued for use and are to be returned.

**Hand tools**
Any handheld devices that are either manually operated or power driven that are portable, lightweight and small enough to be used by a craftsman in accomplishing their trade. They include such items are wrenches, screwdrivers, hammers, chisels, pliers, saws, impact wrenches, and other small devices that are normally held in a tool box.

**Individual equipment**
Personal clothing and equipment issued for exclusive personal use of an individual.

**Installation commander**
The term “installation commander,” when used in general terms, does not apply to the ARNG. However, when specific reference is made to accountability for, processing of, or collection of debts for Government property that is lost, damaged, or destroyed, or otherwise rendered unserviceable from stock record accounts, the term ’installation commander’ means the USPFO.

**Installation property**
Nondeployable property issued to a unit under authority of a CTA or other HQDA-approved or NGB authorization documents, except expendable items and personal clothing.

**Installation property book**
Record of property issued under an authorization document other an MTOE, deployable TDA, and deployable CTA items.

**Installed building equipment**
Items of equipment that are affixed and built into the facility as an integral part of the facility. Equipment that is an

integral part of the facility is equipment that is necessary to make the facility complete, and if removed would destroy or reduce the usefulness of the facility. Use of the equipment determines if it is an integral part of the facility.

**Inventory accounting**
Establishment and maintenance of accounts for material in storage, in manufacturing process, on hand, in transit, or on consignment in terms of cost or quantity. The accounting process includes maintenance of supporting records and rendition of reports when required. Specific types of inventory accounting are detail, summary, financial, and item accounting.

**Investigation**
Means of determining the facts related to the LDD of Government property; determining the present condition of such property; receiving recommendations as to disposition, retention, and further accountability for such property; or determining the responsibility for LDD of Government property.

**Item**
A generic term meaning any article of material which is produced, stocked, issued, or used.

**Item accounting**
Method of accounting that expresses credit and debit (loss or gain) entries in terms of quantity of items transacted without regard for dollar value of the materiel. May be performed in either a detailed or summary manner.

**Latent defects**
Weaknesses or flaws normally not detected by examination or routine tests, but present at time of manufacture and may be aggravated or discovered by use.

**Liability**
The state of being responsible or answerable for the LDD of Government property.

**Loss**
Loss of, damage to, or destruction of property of the Government under control of the Army. Includes loss from Government accountability. Property is considered lost when it cannot be accounted for by the person responsible for it.

**Materiel**
Property necessary to equip, maintain, operate, and support military activities. May be used either for administrative or combat purposes.

**Negligence**
The failure to act as a reasonably prudent person would have acted under similar circumstances. An act or omission that a reasonably prudent person would not have committed, or omitted, under similar circumstances and which is the proximate cause of the loss of, damage to, or destruction of Government property. Failure to comply with existing laws, regulations, and/or procedures may be considered as evidence of negligence.

**Nonconsumable supplies**
Supplies not consumed in use and retaining their original identity during the period of use, such as weapons, machines, tools, furniture, and fixtures.

**Nonexpendable items**
An item of Army property coded with an ARC of “N” in the AMDF contained on FEDLOG. Nonexpendable items require property book accountability after issue from the stock record account. Commercial and fabricated items, similar to items coded “N” in the AMDF contained on FEDLOG are considered nonexpendable items.

**Nonplant equipment**
Capital equipment that does not meet the criteria for plant equipment.

**Organizational property**
Property authorized to a unit or organization under an MTOE or deployable TDA authorization document and all CTA property, which deploys with the unit.

**Organizational property book**
Record of property issued under an MTOE or deployable TDA authorization document. CTA items of equipment that

are mission-related to all table of organization and equipment units Armywide are considered organizational property. Examples of this type of equipment can be found in AR 71–32.

**Original package**
A sealed or otherwise securely closed container packed by vendor, supply depot, or arsenal. Container conforms to the following:

*a.* Contains only one kind of article. This distinguishes the container from one in which miscellaneous articles are packed for convenience in shipment. Component articles comprising a standard assembled unit of equipment, when shipped as a complete unit, may be considered as one article.

*b.* Contents are standard as to quantity, or the outside of the package shows by stenciling or other permanently affixed markings a list of quantities and description of the contents.

*c.* Designation of vendor, depot, or arsenal that packaged the contents is shown on the outside of the package.

*d.* Package was received by consignee with unbroken seals or protective fastening applied by the vendor, depot, or arsenal, and with no evidence of tampering or visible damage to contents.

**Proximate cause**
The cause, which in a natural and continuous sequence of events unbroken by a new cause produced the loss or damage. Without this cause, the loss or damage would not have occurred. It is further defined as the primary moving cause, or the predominate cause, from which the loss or damage followed as a natural, direct, and immediate consequence.

**Record**
All forms of information (such as, narrative, graphic data, and computer memory) registered in either temporary or permanent form so that it can be retrieved, reproduced, or preserved.

**Real property**
Land and interests in lands. This includes buildings, piers, docks, warehouses, rights-of way, and basements, utility systems, and all other improvements permanently attached and ordinarily regarded as real estate. This does not include machinery, equipment, or fixed signal communication systems that may be removed without harming the usefulness of the structure.

**Receiving officer**
An officer charged with custody or storage of property received by means of shipment. The office is distinguished from the consignee on the bill of lading because that consignee usually is the transportation officer. Usually, the receiving officer is an accountable officer at the station of destination.

**Respondent**
Any individual, State, or entity against whom financial liability is recommended or assessed.

**Responsibility**
The obligation of an individual to ensure Government property and funds entrusted to their possession, command, or supervision are properly used and cared for and that proper custody and safekeeping are provided. There are five types of responsibility—

*a.* Command responsibility.
*b.* Supervisory responsibility.
*c.* Direct responsibility.
*d.* Custodial responsibility.
*e.* Personal responsibility.

**Responsible officer**
An individual assigned direct responsibility for the property listed on DD Form 200. By virtue of assignment, the responsible officer is usually a PBO or other accountable officer, a unit commander, or head of an activity and has been formally assigned to their position in writing.

**Sales account**
Formal records of accountability maintained in monetary terms by TISAs, commissaries, and other sales activities. Line item stock record balances are not normally maintained by sales accounts.

**Scrap**
Property that has no value except for its basic material content.

**Shipping officer**
An officer who ships property for which they are responsible or accountable, as distinguished from the officer who prepares the bill of lading. Normally, a shipping officer is an accountable property officer who ships property to an officer who has requisitioned the articles (receiving officer).

**Simple negligence**
The failure to act as a reasonably prudent person would have acted under similar circumstances.

**Standard rebuild cost**
Average cost to repair an article to return it to its regular operating condition. The cost may be set forth in publications such as supply bulletins and manuals, or may be obtained from the installation maintenance activity.

**State**
Includes the 50 States, Commonwealth of Puerto Rico, territory of the U.S. Virgin Islands, territory of Guam, and the District of Columbia.

**Stock record**
A perpetual inventory form of record, which shows by nomenclature, the quantities received, issued, and the balance on hand. The stock record will show by item the receipt, issue, and transfer of accountability of property; the balances on hand; and such other identifying or stock control data as required.

**Stock record account**
Formal basic record showing, by item, receipt and disposal of property being held for issue, balance on hand, and other identifying or stock control data. The account is prepared on prescribed forms.

**Sub-hand receipt**
A hand receipt for property from a primary hand receipt holder or a subhand receipt holder to a person subsequently given the property for care, use, safekeeping or further issue. It does not transfer direct responsibility for the property to the subhand receipt holder, but does transfer personal responsibility.

**Summary accounting**
Grouping transactions together for a specific time or activity, and then posting only net results or summary of transactions to the accounting records.

**Supervisory responsibility**
Obligation of a supervisor to ensure all Government property issued to, or used by, their subordinates is properly used and cared for, and that proper custody and safekeeping of the property are provided. It is inherent in all supervisory positions and is not contingent upon signed receipts or responsibility statements. It arises because of assignment to a specific position and includes—

*a.* Providing proper guidance and direction.
*b.* Enforcing all security, safety, and accounting requirements.
*c.* Maintaining a supervisory climate that will facilitate and ensure the proper care and use of Government property.

**Supplies**
Items needed to equip, maintain, operate, and support military activities. Supplies may be used for administrative, combat, or general plant purposes. Supplies include food, clothing, equipment, arms, ammunition, fuel materials, and machinery of all kinds. For planning and administrative purposes, supplies are divided into 10 classes. Supplies are synonymous with ‘equipment’ and ‘materiel.’

**Training equipment**
Items developed, authorized, issued, or procured primarily for training and learning.

**Transportation officer**
The officer responsible for the shipment of property. This officer initiates and accomplishes BLs. When no person is specifically provided to perform these functions, the officer who accomplishes BLs is responsible for duties assigned to the transportation officer.

**U.S. property and fiscal officer**
A commissioned officer of the Army or National Guard of the United States on extended Federal active duty and who is accountable and responsible for the proper obligation and expenditure of all Federal funds and for the receipt and accounting of all Federal property in the possession of the National Guard of the State; maintains an SRA comparable

to the level of a CONUS installation; and must ensure that accountability for Federal property is maintained after property is issued to the property book level.

**Unserviceability**
More inclusive term than damage or destruction. It indicates, in military usage, that the article to which the term is applied is no longer useful for its intended purpose. Damage or destruction may not be involved. The term also indicates property that has deteriorated through use; however, it may include property no longer usable for its original purpose, despite the reason for its condition.

**Voucher**
Document attesting to, or serving as evidence of a specific property transaction. Credit vouchers, such as signed receipts, support a reduction of on-hand balance shown on the property record. Debit vouchers, such as receiving reports, support an increase in the recorded on-hand balance.

**Willful misconduct**
Any intentional wrongful or unlawful act or omission relating to Government property, to include misappropriation of Government property.

## Section III
## Special Abbreviations and Terms

**CHVP**
cryptographic high value property