



Defense Finance and Accounting Service

INSTRUCTION

NUMBER 5335.1-I

November 10, 2020

EXPIRATION November 10, 2030

Resource Management/ZRF

SUBJECT: Property Management

References: See Enclosure 1.

1. PURPOSE. This instruction establishes the policies and procedures used to manage DFAS property.

2. APPLICABILITY. This Instruction is applicable to all DFAS personnel and property except:
 - a. GSA vehicles used by DFAS.
 - b. Real property and fixtures.
 - c. Consumable office supplies.
 - d. Records.

3. POLICY. It is DFAS policy that all personnel entrusted with government property, including federal government communication systems, services, and equipment (including, but not limited to, government owned telephones, facsimile machines, electronic mail, text messaging, internet systems, blackberries, cell phones, hot spots, air cards, and commercial systems when usage is paid for by the federal government) will properly use, exercise care for, and provide physical protection of all government property.
 - a. Employees who use government equipment, systems, and services for other than official or other Agency-authorized purposes may be held financially liable for the total amount of charges incurred as a result of their misuse or theft.

- b. Employees who negligently safeguard government equipment, systems, and services issued to them may be held financially liable for charges incurred as a result of another individual's unauthorized use of the equipment when the employee's negligence was a proximate cause of the unauthorized use.
- c. Financial liability may be imposed after the completion of a formal investigation and determination by the respective site director that the employee should be held liable.
- d. Employees who misuse government equipment, systems, and services, may also be subject to disciplinary or adverse action, up to and including removal from federal service, and other administrative, civil, or criminal procedures and penalties.

4. RESPONSIBILITIES. See Enclosure 2.

5. PROCEDURES. See Enclosures 3 through 8.

6. RELEASABILITY. Restricted. This publication is approved for use within the DFAS Agency and is published through the eLibrary.

7. EFFECTIVE DATE. This Instruction is effective immediately after signing.

On Behalf of Director, DFAS

Rosie W. Tinsley
Chief Financial Officer

Enclosures

- 1. References
- 2. Responsibilities
- 3. Procedures for Books and Hand Receipts
- 4. Procedures for Receiving Accountable Property
- 5. Procedures for Property Disposition
- 6. Procedures for Property Inventory Management
- 7. Procedures for Financial Liability for Government Property Lost, Damaged, or Destroyed

8. Procedures for Financial Liability for the Misuse of Telecommunication Systems,
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ENCLOSURE 1

REFERENCES

Defense Logistics Manual (DLM) 4000.25 Vol 2, Appendix 2.5 “Current Version”
DFAS Instruction 5200.8, “DFAS Physical Security Program,” Current Version
DFAS Instruction 8400.1, “DFAS Wireless Policy,” Current Version
DFAS Instruction 7040.12-I, “Capital Project Management for System Managers and Program Managers (PMs),” Current Version
DFAS Manual 5015.2, “Records Disposition Schedule,” Current Version
DFAS Regulation 5010.40-I, “Managers’ Internal Control Program (MICP) Policy,” Current Version
DoD Instruction 4161.02, “Accountability and Management of Government Contract Property,” Current Version
DoD Instruction 5000.64, “Accountability and Management of (DoD) Equipment and Other Accountable Property,” Current Version
DoD Instruction 5000.76, “Accountability and Management of Internal use Software (IUS), Current Version
DoD Manual (DoDM) 4160.21 Volume 4, “Defense Material Disposition,” Current Version
DoD Regulation 5500.07, “Joint Ethics Regulation,” Current Version
DoD Regulation 7000.14-R, Volume 12, Chapter 7 “Financial Liability for Government Property Lost, Damaged, Destroyed, or Stolen” Current Version
Financial Improvement and Audit Readiness (FIAR) Guidance, Current Version

ENCLOSURE 2

RESPONSIBILITIES

1. DIRECTOR, DFAS. Hereby:
 - a. Appoints the Director, Central Resource Management Information Technology & Investment (CRM IT & Investment) as:
 - (1) The DFAS component property lead (CPL) in accordance with (IAW) DoDI 5000.64.
 - (2) An approving authority IAW DoD FMR Volume 12, Chapter 7.
 - b. Retains approving authority on an as needed basis.
 - c. Appoints the Site Directors as appointing authorities IAW DoD FMR Volume 12, Chapter 7 for all financial liability investigations involving GS-15 employees at their respective sites.
 - d. Appoints the Chiefs of Staff of the Site Directors as appointing authorities IAW DoD FMR Volume 12, Chapter 7 for all financial liability investigations involving employees at their respective sites graded lower than GS-15.
2. CPL. Shall in addition to performing the duties and responsibilities IAW DoDI 5000.64 and DoDI 5000.76:
 - a. Provide all APO appointment letters to the Director, Agency Programs for posting on the eLibrary.
 - b. Make certain no person in the CRM IT & Investment office serves as an Accountable Property Officer (APO) or Property Custodian (PC) due to a conflict of interest.
3. AGENCY PROPERTY PROGRAM MANAGER (APPM). Shall:
 - a. Provide written interpretation and/or guidance, as required, to Accounts Maintenance & Control (AM&C) and the APOs to clarify requirements for recording and/or resolving financial rejects between financial systems and the Accountable Property System of Record (APSR).
 - b. Provide oversight of property accountability functions for the Agency.
 - c. Represent the Agency and respond to other DoD entities and federal agencies on property accountability issues.
 - d. Provide advice and assistance to Site Directors and APOs on property accountability and management.

- e. Maintain this instruction.
- f. Provide the APSR information and reports upon request for the financial statement and Concept of Operations provided by Comptroller Programs and Audit (CP&A).
- g. Collect and review annual inventory certifications from the APOs and provide to CP&A for auditor review.
- h. Serve as the DFAS Program Manager (PM) for the APSR Configuration Control Board.
- i. Review system change requests for the APSR.
- j. Establish, coordinate, and manage all property management training requirements.
- k. Conduct periodic reviews of APO files ensuring the APSR and supporting documentation are reconciled.
- l. Initiate a request through the Director, CRM IT & Investment office to the Chief Financial Officer (CFO) for a special inventory if there is an indication of mismanagement, policy, or procedural change.

4. CHIEF, FACILITIES, LOGISTICS, AND ADMINISTRATOR (FLA). Shall:

- a. Appoint APOs in writing for their site (Indianapolis, Columbus, Cleveland, or Rome). See Figure 1.
- b. Properly secure warehouses to prevent the loss, damage, or theft of accountable property.
- c. Ensure the warehouse cannot share a space or area with any other operation.
- d. Limit access to authorized personnel (warehouse personnel, supply technicians, APOs).
- e. Minimize conflicts of interest by ensuring Supply Technicians who have access to the APSR do not perform the following duties:
 - (1) Supply store operations custodian.
 - (2) Purchase Card Holder.

5. ACCOUNTABLE PROPERTY OFFICERS (APOs). Shall, in addition to the responsibilities identified in DoDI 5000.64 and DoDI 5000.76:

- a. Provide guidance and direction for management of government owned property and equipment.
- b. Not serve as a PC.

- c. Maintain a list of all PCs appointed by supervisors.
- d. Complete training in the APSR.
- e. Establish and maintain accurate property accounts in the APSR, including in the accounts asset records for all accountable property as outlined in the DoDI 5000.64.
- f. Issue bar-code numbers to supply technicians and PCs.
- g. Ensure all property records provide a complete trail of all transactions suitable for audit.
- h. Maintain system access for the APSR (i.e., approving requests for user access and establishing security “roles” within site database).
- i. Correct discrepancies between financial and accountable property information, with the advice of the APPM.
- j. Perform risk assessments and internal control reviews for property accountability IAW DFAS 5010.40-I.
- k. Conduct site visits as required to provide training and spot checks of the inventory.
- l. Provide annual training to PCs and supply technicians for accountable property management.

6. SUPPLY TECHNICIANS. Shall:

- a. Maintain the expenditure, DD Form 200, receipts, and hand receipt files.
- b. Issue non-accountable equipment to employees.
- c. Shall not be Government Purchase Card holders or custodians for other inventories, such as supply store.

7. FIRST LINE SUPERVISORS. Shall:

- a. Appoint a sufficient number of PCs and alternates, if applicable, to manage the property under their supervision. See Figure 3.
- b. Ensure appointed PCs are not in the CRM IT & Investment office due to a conflict of interest.
- c. If the PC departs and a new PC has not been appointed, perform the responsibilities of the PC until a new PC has been appointed.

- d. Notify the APO, in writing, whenever there is a change in PC.
- e. Notify the appropriate APO and PC in the event of suspected stolen, lost, damaged, or destroyed equipment or property.
- f. Require PCs to complete prescribed training prior to appointment. If PCs fail to complete the training requirement, the PC responsibilities revert to the supervisor.
- g. Ensure employees under their supervision comply with all regulations, directives, instructions, and policies relating to property accountability.
- h. Process employee moves and changes utilizing IT MAC/MOVE system.

8. PC. Shall:

- a. Sign the appointment letter from their supervisor acknowledging their appointment as a PC.
- b. Advise their organization on property directives, inventory procedures, and other related property matters.
- c. Complete the following courses available through the Defense Acquisition University prior to appointment:
 - (1) “Foundations of Government Property.”
 - (2) “Conduct of Physical Inventories.”
- d. Update the physical location of accountable equipment assigned to their accounts and maintain copies of hand receipts, transfer documents, and inventory reconciliations IAW DFAS 5015.2-M.
- e. Contact the APO if accountable property is not properly barcoded.
- f. Secure and exercise custody, care, and safekeeping over property entrusted to their possession or under their supervision.
- g. Conduct inventories per the annual inventory schedule or at the discretion of the APPM or APO.
- h. Immediately report any loss, damage, or theft of equipment to the APO.

9. ANY DFAS EMPLOYEE ISSUED ACCOUNTABLE PROPERTY. Shall:

- a. Use property for authorized purposes only.

- b. Report suspected misuse of government property.
- c. Contact the appropriate authority in the event that accountable property is imminently threatened.
- d. Exercise reasonable and prudent care to properly use and safeguard all assigned property in their possession.
- e. Secure laptop computers properly at all times to prevent theft. The laptop must be secured properly by a cable lock securing the laptop to the desk or other permanent workstation.
- f. Notify supervisor, site APO, and PC when they suspect theft, damage, loss, or destruction of assigned property.
- g. Not remove any property from the site without first obtaining a Property Pass (Optional Form OF-7) signed by their supervisor.
- h. Report to their supervisor, APO, and PC any accountable property that comes into their possession without an approved DFAS bar-code label affixed to the asset.
- i. Report any accountable property received to the APO within two business days if the property was issued by someone other than the APO or PC.
- j. Return all equipment and accessories to the APO upon departure from DFAS.

10. GOVERNMENT COMMERCIAL PURCHASE CARD HOLDERS. Shall:

- a. Notify the appropriate PC or APO when accountable property is purchased.
- b. Not be an APO or supply technician due to a conflict of interest; however, PCs may be card holders.

11. CONTRACTING OFFICERS (CO). Shall:

- a. Identify all contracts that have the need for Government Furnished Property (GFP) use and include all appropriate terms, conditions, and mandatory Federal Acquisition Regulation (FAR)/Defense Federal Acquisition Regulations (DFARs) clauses with regard to issuing, tracking, reporting, returning and loss of GFP.
- b. Modify the contract to update the list of GFP in the contract if changes occur during the life of the contract.

FIGURE 1Sample: Appointment as Accountable Property Officer

DFAS-JBD/##

MEMORANDUM FOR
(NAME)SUBJECT: Appointment as Accountable Property Officer (APO) for Defense Finance
and Accounting Services (DFAS) – (Site Name)

Effective immediately you are appointed as the Accountable Property Officer (APO) for the subject property account(s).

Policy and procedures for the performance of APO duties are contained in the Department of Defense Financial Management Regulation (DoDFMR), DoD Instruction 5000.64, and DFAS 5335.1-I. You are to administer and maintain property control for your Site and its satellite activities, including but not limited to, the following duties:

- Provide guidance and direction for property management.
- Ensure property management training is provided as required.
- Manage, record, account and report the disposition of accountable property at your sites.
- Verify and reconcile property accountability by managing the planning, scheduling and implementation of required inventories.
- Approve disposition of excess equipment through the Defense Reutilization and Marketing Services (DRMS).
- Approve in writing, new Property Custodians (PCs), Sub-Custodians, and changes of PCs.
- Provide guidance and recommendation to the Appointing Authority for DD Form 200 property actions.
- Reconcile financial and accountable property information with Program Managers.
- Provide written interpretation and/or guidance for eBiz Transaction Processing Activities to clarify requirements for recording property transactions.
- Manage and promulgate risk assessments and internal controls for property accountability in the Managers Internal Control Program.
- Implement local policies to ensure 100% accountability and control of government owned equipment.

Director, DFAS (Site)

ENCLOSURE 3PROCEDURES FOR ESTABLISHING AND MANAGING PROPERTY BOOKS AND
HAND RECEIPT ACCOUNTS

1. Property Books: Each APO shall maintain a property book for all hand receipts for their DFAS site(s). See figure 2.

Figure 2: Responsible Sites by APO			
APO-IN	APO-CO	APO-CL	APO-RO
Indianapolis	Columbus	Cleveland	Rome
Europe	Limestone	Arlington	
DMPOs		Japan	
Texarkana			

2. Each APO directly or through their appointed PCs shall maintain a hand receipt for all accountable property in their property book.
3. New Hand Receipt Accounts.
- a. New Hand Receipt Account. When a Site Director determines that a new hand receipt account is needed:
- (1) The Site Director shall:
- (a) Request the APO to establish a new hand receipt, providing the organization name, location, and name of the organization director.
- (b) Notify the organization director of the need to establish a new hand receipt.
- (2) The organization director shall:
- (a) Provide the APO with a list of assets that includes the asset tag number, the associated employee name, and the building floor or column location of the asset.
- (b) Nominate to the APO a potential PC for the property.
- (c) Provide any additional information requested by the APO.
- (3) The APO shall:
- (a) Appoint a PC for the property using the template in Figure 3.
- (b) Provide the supply technician the list of assets that includes the asset tag number, the associated employee name, and the building floor or column location of the asset.

FIGURE 3

Sample: Appointment as Property Custodian/Alternate Property Custodian

DFAS-XX/XX

MEMORANDUM FOR (NAME OF INDIVIDUAL APPOINTED)

SUBJECT: Appointment as Property Custodian (PC) or Alternate PC for Defense Finance and Accounting Service (Site name), Office Name (Office of Account)

Effective immediately you are appointed Property Custodian (PC) for the subject property account. Follow the procedures outlined in the DFAS 5335.1-I.

Concur:

(Site APO Signature)

Designated PC's Signature

Supervisor's Signature

(4) The supply technician shall establish a new hand receipt account under the APO's property book.

(5) The PC shall conduct a property inventory using the bar-code scanner or manual inventory and provide the results to the APO.

(6) The APO shall upload the inventory to the APSR, which will generate the reconciliation report that they will provide to the PC.

(7) The PC shall reconcile the report, sign it, and return the original to the APO and supply technician within 10 working days from receipt of report.

(8) The supply technician shall:

(a) Verify with the APO that the report is accurate and complete.

(b) Retain a signed copy of the hand receipt, reconciliation report, and manual inventory sheets in a hand receipt folder.

4. Changes to an existing Hand Receipt Account:

a. PC(s) shall immediately notify their supervisor when they no longer are available to be a hand receipt holder.

b. The PC's supervisor shall nominate a new PC to the APO to replace the departing PC.

c. The APO shall appoint a new PC in writing using the template in Figure 3.

d. The new and departing PCs shall conduct a property inventory using the bar-code scanner, except at Defense Military Pay Offices (DMPOs), where the inventory will be conducted manually and provide the results to the APO.

e. The APO shall upload the inventory to the APSR, which will generate the reconciliation report that they shall provide to the PCs.

f. The new PC shall verify the report, sign it, and return the original to the APO and supply technician within 10 working days from receipt of the report.

g. The supply technician shall:

(1) Verify with the APO that the report is accurate and complete.

(2) Update the hand receipt folder with the current hand receipt, reconciliation report, manual inventory sheets, and the APSR query spreadsheets showing the inventory manual changes within 7 working days.

- (3) Maintain hand receipt folder documentation IAW the DFAS Records Management Instruction 5015.2-M.

ENCLOSURE 4

PROCEDURES FOR RECEIVING ACCOUNTABLE PROPERTY

1. All DFAS employees purchasing or transferring accountable property to DFAS shall:
 - a. Notify the site APO and request warehouse location.
 - b. Instruct the shipper to deliver the property to the designated warehouse.
2. Material handlers at designated warehouses receiving property shall determine whether the property is accountable IAW DoD Instruction 5000.64.
3. Upon determining the property received is accountable, the material handlers shall:
 - a. Verify the quantity of packages and items matches the shipping order/contract.
 - b. Ensure that all items are properly bar-coded.
 - c. Prepare a DD Form 250, Material Inspection and Receiving Report, or annotate, sign, and date other authorized forms, such as the contract, as necessary.
 - d. Provide the shipping order/contract to the appropriate APO.
 - e. Arrange delivery of the property to the end user, or in the case of Enterprise Local Area Network (ELAN) equipment, to the Indianapolis APO.
4. The APO shall, upon receipt of the shipping order/contract and property:
 - a. Verify the property matches the shipping order/contract.
 - b. Verify that all accountable property on their property book has been given a bar-code label.
 - c. Provide a copy of the order/contract to the supply technician for input into the APSR.
 - d. Hold the property until the APSR entry is complete.
5. The supply technician(s) shall:
 - a. For non-capital assets:
 - (1) Input assets into the APSR Operating Unit Identification Code (UIC) within seven working days.
 - (2) Notify the APO that the entries are complete.
 - (3) Print the DD Form 1150 generated by the APSR and provide to the PC.

(4) Notify the responsible PC to retrieve the property from the storage location.

(5) Update hand receipt and provide copy to the PC.

(6) Retain a copy of the DD Form 1150 and hand receipt IAW DFAS 5015.2-M.

b. For capital assets, follow the procedures outlined in DFAS 7040.12-I, Enclosure 5.

6. PC(s) shall:

a. Retrieve the property from the area designated by the APO when notified it is ready for transfer and acceptance to their custody.

b. Sign the DD Form 1150 and provide a copy to the APO and Supply Technician.

c. Provide the new location of equipment to the APO in order to update the APSR.

7. The APO shall update the location of the equipment in the APSR.

ENCLOSURE 5PROCEDURES FOR PROPERTY DISPOSITION

Disposition of accountable property falls under the categories outlined in paragraphs 1–6.

1. PROPERTY TRANSFERS BETWEEN DFAS PCs (WITHIN THE SAME PROPERTY BOOK).

- a. The PC proposing to transfer property to another PC shall:
 - (1) Submit a request to the APO responsible for the asset(s).
 - (2) Not physically transfer the property until the APO has a fully signed DD Form 1150.
- b. The APO shall approve or deny their request:
 - (1) If denied, the APO shall notify the PC as to why the request was denied and retain the property on its current hand receipt.
 - (2) If approved, the APO shall notify the supply technician(s) of the action and instruct them to conduct the transfer within the APSR.
- c. A supply technician, after receiving approval from the APO, shall:
 - (1) Process approved requests in the APSR and generate the DD Form 1150.
 - (2) Obtain signatures of both the transferring and receiving PC on the DD Form 1150.
 - (3) Provide a copy of the fully signed DD Form 1150 to the APO and both PCs.
 - (4) Retain a copy of the fully signed DD Form 1150 in the hand receipt folder IAW with the DFAS Records Disposition Schedule DFAS Manual 5015.2.

2. PROPERTY TRANSFERS BETWEEN APSR ON DFAS PROPERTY BOOKS.

- a. When a transferring APO and receiving APO agree to transfer property, the transferring APO shall notify a supply technician at the transferring site to initiate a transfer, providing them with the following information:
 - (1) A list of items by asset id or serial number.
 - (2) The location to which the items will be transferred.
- b. The supply technician at the transferring site shall:

- (1) Process the transfer in the APSR, which will generate a DD Form 1150.
- (2) Send the signed DD Form 1150 to the receiving APO.
- c. When notified in the APSR, a supply technician at the receiving site shall:
 - (1) Process the transfer receipt in the APSR.
 - (2) Notify the APO at the receiving site that the transaction is complete in the APSR.
- d. The receiving APO shall sign the DD Form 1150 and provide a copy to both sites' supply technicians.
- e. Both sites' supply technicians shall retain a copy of the fully signed DD Form 1150 in the hand receipt folder IAW DFAS Manual 5015.2.

3. PROPERTY TRANSFERS FROM A DFAS PROPERTY BOOK TO A NON-DFAS PROPERTY BOOK.

- a. When a transferring APO from DFAS and a receiving APO from another federal entity agree to transfer property, the DFAS APO shall notify the DFAS supply technician of the transfer action.
- b. The DFAS supply technician shall:
 - (1) Process the transfer in the APSR, which will generate the DD Form 1150.
 - (2) Provide the DD Form 1150 to the DFAS APO. The supply technician at their discretion may use a DD Form 1149 in lieu of the DD Form 1150.
- c. The DFAS APO shall:
 - (1) Sign the DD Form 1150.
 - (2) Request the receiving APO sign the DD Form 1150 and return.
 - (3) Upon receipt of the signed DD Form 1150, transfer the material to the receiving APO with a copy of the completed DD Form 1150.
 - (4) Retain the DD Form 1150 in the expenditure file IAW DFAS Manual 5015.2.

4. DISPOSAL OF PROPERTY

- a. An APO who has identified property for disposal shall:

(1) Verify any assets that have hard drives or electronic storage media are destroyed or sanitized IAW DFAS 5200.1-I.

(2) Provide a list of the property to the supply technician

b. The supply technician shall:

(1) Process the disposal actions within the APSR, which will remove the assets from the property book and generate the DD Form 1348.

(2) Place the assets in a secure storage area in “in-transit” mode awaiting delivery to the appropriate Defense Logistics Agency (DLA) facility. Organizations retain accountability for property they place in an in-transit status, until the consignee formally acknowledges receipt and acceptance.

(3) Provide the DD Form 1348 to site APO for review and signature.

c. The APO shall review, sign, and return to the supply technician.

d. The supply technician shall:

(1) Affix a copy of the signed DD Form 1348 to the pallet containing the identified material and notify DLA for pick-up via the DLA website.

(2) Once the material is accepted and received at the disposal activity, retrieve a copy of the signed DD Form 1348 from the DLA website.

(3) Retain a copy of the signed DD Form 1348 IAW DFAS Manual 5015.2.

5. DISPOSAL OF NON-SOFTWARE INTANGIBLE ASSETS (MAINTENANCE FEES, LABOR, ETC.). When an asset is fully depreciated and no longer in use:

a. The APO shall:

(1) Remove the asset from the property book.

(2) Prepare a DD Form 200 for the assets. Include in Block #9 the statement “Removal of fully depreciated intangible assets.”

(3) Route the DD Form 200 to the responsible Site Director or designated representative for signature.

b. The Site Director or designated representative shall:

(1) Review the DD Form 200.

- (2) Approve by signing the DD Form 200 or deny without signing.
 - (3) Return the DD Form 200 to the APO.
- c. The APO shall file the DD Form 200 IAW DFAS Manual 5015.2-M.
6. DISPOSAL OF SOFTWARE/SYSTEMS. When an APO is notified of software/systems that DFAS is no longer using:
 - a. The APO shall determine whether the software/system(s) are fully depreciated.
 - b. For software/systems that are fully depreciated:
 - (1) The APO shall provide to the Program Manager (PM)/System Manager (SM):
 - (a) A list of fully depreciated software and systems.
 - (b) A DD Form 200 with blocks 1-10 filled out.
 - (2) The PM/SM shall:
 - (a) Review the listing from the APO and annotate the listing accordingly:
 - (1) U = In use
 - (2) N = No longer in use
 - (3) S = Superseded by a newer version
 - (b) Sign the listing and DD Form 200 (Blocks 11 and 12).
 - (c) Return the listing and DD Form 200 to the APO.
 - (3) The APO shall:
 - (a) Review the listing and DD Form 200 from the PM/SM.
 - (b) Route all forms to the responsible Site Director or designated representative for approval.
 - (4) The Site Director or designated representative shall:
 - (a) Approve and sign or not approve the DD Form 200.
 - (b) Return the DD Form 200 to the APO.
 - (5) The APO shall, once they receive the signed DD Form 200:

- (a) Provide a copy along with the listing to the supply technician, CRM IT & Investment Property, Plant, & Equipment (PP&E) APPM, and AM&C Branch Chief-DFAS Accounts.
- (b) File the original documents and retain IAW DFAS Manual 5015.2-M.
- (6) The supply technician shall remove the items in the list from APSR.
- c. For software/systems that are no longer used and not fully depreciated:
 - (1) The APO shall notify the DFAS APPM and provide the following:
 - i. Asset number
 - ii. Document number
 - iii. Amount of remaining depreciation
 - (2) The APPM shall notify the Chief, Budget and Finance (Strategy and Support, Business Management Office) to submit a write-off package.
 - (3) The Chief, Budget and Finance shall submit a capital “write-off” action memorandum to the CFO, for approval, via their respective chain of command, Director of CP&A, and Director of Financial Management (FM) and a copy to the APPM.
 - (4) The CFO shall review the write-off package and approve by signing, or disapprove.
 - (5) Upon approval of the “write-off” by the CFO, the APPM shall forward the signed write-off package to the respective APO for disposition action of the material.

7. EQUIPMENT (ACCOUNTABLE PROPERTY) OF DEPARTING EMPLOYEES.

When an employee is permanently departing DFAS, or temporary duty (e.g. military duty) for over 30 days, or on leave without pay (LWOP) for 30 days or longer:

- a. The supervisor of the employee in possession of accountable property shall, within 30 days of departure from DFAS, complete, approve, and submit for processing the Personnel Departure Workflow Request to the DMI Remedy shared mailbox.
- b. Information Technology (IT) Lan Support Team (LST) shall:
 - (1) Retrieve the asset and sanitize it of all data.
 - (2) Notify the APO when the asset is sanitized and ready for storage.
- c. The APO shall notify the supply technician(s) to process the information change within the APSR.

d. The Supply Technicians shall update the APSR with the assets location.

8. PROPERTY TEMPORARILY REMOVED FROM DFAS SITES.

a. Prior to temporarily removing property from a DFAS site, a DFAS employee shall first obtain approval from their supervisor using OF-7:

(1) Complete OF-7 and ensure it contains a detailed description of the item or the bar-code number, if applicable.

(2) Submit the completed OF-7 to their supervisor for approval.

(3) Retain a copy of the approved OF-7 in their possession.

b. The supervisor shall:

(1) Review and approve/disapprove the OF-7.

(2) Ensure the OF-7 expires in one year or less.

(3) Provide a copy of an approved or disapproved OF-7 to the employee.

(4) Retain a copy of the OF-7 and provide a copy to their APO.

9. TELEWORKER (TELEWORKER "B") ASSETS. The Cleveland APO shall include on their property book all accountable property in possession of teleworker B employees.

ENCLOSURE 6

PROCEDURES FOR PROPERTY INVENTORY

1. INVENTORY OF ACCOUNTABLE PROPERTY. The APO shall ensure all accountable property is physically verified and accounted within the fiscal year.
2. INVENTORIES SCHEDULES.
 - (1) For the required annual inventory, the APO shall:
 - (a) Promulgate an annual inventory schedule for each fiscal year.
 - (b) Publish the schedule by October 15th of the current calendar year.
 - (2) Random inventories. The APO, CRM IT & Investment APPM, or DFAS CFO may elect to schedule a random inventory at their discretion.
3. INVENTORY CERTIFICATION.
 - (1) Each site APO shall:
 - (a) Submit a written and signed certification to their Site Support Director, to certify that their annual inventory is complete and complies with DoD Instruction 5000.64.
 - (b) Provide inventory documentation (hand receipts, APSR discrepancy report, and inventory analysis sheets).
 - (2) The Site Support Director shall:
 - (a) Review and verify the supporting documentation provided by the APO.
 - (b) Sign the certification and send to the Site Director for signature.
 - (3) The Site Director shall:
 - (a) Sign the certification and return the APO.
 - (b) Provide a signed copy to the CFO and DFAS APPM
 - (4) The DFAS APPM shall retain a copy for audit purposes IAW DFAS 5015.2-M.
4. CONDUCTING THE INVENTORY.

- a. The APO shall notify the Supply Technicians of the hand receipts that require inventory based on the annual inventory schedule.
- b. The Supply Technicians shall download the hand receipt to the handheld scanner or provide a copy of the hand receipt for manual inventories to the PCs.
- c. The PC shall:
 - (1) Conduct the inventory using the handheld scanner, if available. Otherwise, they will conduct a manual inventory using their hand receipt.
 - (2) For lost, damaged, or destroyed property:
 - a. Immediately notify the APO about the property via email.
 - b. Complete a DD Form 200 for subject property and provide to the APO.
 - (3) Sign the manual hand receipts if conducting a manual inventory.
 - (4) Upon completion, return the handheld scanner or signed hand receipt to the Supply Technician(s).
 - (5) The Supply Technicians shall load the results into the APSR and provide a copy of the discrepancy report to the APO.
- d. The APO shall:
 - (1) Review the discrepancy report for completeness and accuracy
 - (2) Determine the course of action to correct any discrepancies
 - (3) Provide the solutions to the Supply Technician(s).
- e. The Supply Technician(s) shall:
 - (1) Make the corrections within the APSR per the APO's instructions.
 - (2) Complete an inventory analysis for each inventory noting:
 - (a) Total number of items inventoried.
 - (b) Total number of items identified as shortages.
 - (c) Total number of DD Form 200s required for submission.
 - (d) Total number of items located that are not on the inventory listing (overages).

(e) Detailed list of all discrepancies identified during the inventory.

(3) Provide a copy of the corrected hand receipt to the PC for signature.

f. The PC shall sign the corrected hand receipt and return a copy to the Supply Technician(s) and APO.

g. The Supply Technician shall file the signed hand receipt, inventory analysis, and discrepancy report in the respective hand receipt file.

5. RECORDS RETENTION. The inventories and supporting documentation shall be retained in accordance with DFAS Manual 5015.2-M.

ENCLOSURE 7PROCEDURES FOR FINANCIAL LIABILITY FOR GOVERNMENT PROPERTY LOST, MISUSED, DAMAGED, OR DESTROYED

1. FINANCIAL LIABILITY. Government employees in possession of government property (whether or not issued to them) at the time of lost, theft, misuse, damage, or destruction may be held financially liable for the reimbursement, replacement, or repair of the property. DoDFMR 7000.14-R (m), Volume 12, Chapter 7, governs this process. For government property that has been lost, misused, damaged, or destroyed by contractor employees, see Enclosure 8.
2. REPORTING LOST, DAMAGE, DESTRUCTION OR THEFT OF ACCOUNTABLE PROPERTY. Upon discovery of lost, damage, destruction or theft of accountable property:
 - a. The employee responsible for the equipment shall report the loss to their supervisor within 24 hours.
 - b. The supervisor shall contact the APO within 24 hours of notification from employee.
 - c. The APO shall direct the employee to initiate a DD Form 200 and submit it to the APO for review and processing in accordance with the DoDFMR 7000.14-R (m), Volume 12, Chapter 7.
3. INITIATION OF GENERAL INQUIRIES AND INVESTIGATIONS.
 - a. The APO shall:
 - (1) Conduct a general inquiry and:
 - (a) If the suspected misuse or theft is of government-owned/leased communication systems, services, and equipment, the APO shall initiate an investigation, regardless of dollar value, unless the responsible individual voluntarily agrees to reimburse the government for the charges.
 - (b) For all other equipment related issues, determine whether to initiate an investigation based on the circumstances.
 - (2) Notify the appropriate site Chief of Staff of items requiring an investigation and forward the DD Form 200.
 - (3) If no investigation is warranted:
 - (a) Process the DD Form 200 IAW DoDFMR 7000.14-R(M), Volume 12, Chapter 7

- (b) File the DD Form 200 IAW paragraph (l) of this enclosure.
- (4) Upon receipt of a DD Form 200 requiring an investigation, the Site Chief of Staff shall appoint an investigator in accordance with the template in Figure 4 and provide a copy to the APO.

FIGURE 4

Sample: Appointment as Financial Liability Officer

DFAS-##/##

MEMORANDUM FOR (Name of Investigator)

SUBJECT: Appointment as Financial Liability Officer

I hereby appoint you to assess and investigate financial liability to the U.S. Government, in the amount of \$, for the loss of Government Owned Equipment, (equipment make and model) (Asset # Serial #). The individual being reviewed for liability is (Name of Individual who is being held liable).

You are required to conduct the following, at a minimum:

- a. Review DODFMR 7000.14-R, Volume 12, Chapter 7.
- b. Seek legal guidance and counseling, prior to and during the course of your investigation, from the Office of General Counsel.
- c. Complete the investigation within 30 days of this notification.
- d. Provide findings and recommendations to the Appointing Authority.
- e. Complete block #15 of the Financial Liability Investigation of Property Loss (DD Form 200).
- f. Complete memorandum of Financial Liability.

The Office of General Counsel and the Accountable Property Officer will assist you as needed.

- (5) The APO shall provide the appointed investigator a copy of the DD Form 200 and appointment letter.

(6) The investigator shall:

- (a) Conduct an investigation IAW the appointment letter.
- (b) Gather evidence (including witness statements, bills, and other documentation) necessary to determine the facts and circumstances of the usage of the service and/or device; including who used it, whether the usage was for official or other authorized purposes, whether negligence or intentional misuse was involved (whether by the suspected individual or another individual), whether the usage caused the government to incur a financial obligation, the amount of the financial obligation, and whether the negligence or intentional misuse was a proximate cause of the financial obligation.
- (c) Submit their investigative findings and recommendation to the APO. In most cases, 30 calendar days will be sufficient to conduct the investigation and document the findings and recommendation. If the investigation cannot be completed within the allotted time of 30 days, the designated site support personnel will explain, in writing, the reason for delay to the APO. This explanation becomes part of the formal documentation.

4. The APO shall submit the findings and recommendation to the Office of General Counsel (OGC) for review and opinion.

5. OGC shall review the investigation and provide a legal opinion to the APO within 15 working days.

6. In the event the investigator finds the government employee:

a. Is financially liable, the APO shall:

- (1) Notify the individual(s) of the amount of liability based on the findings.
- (2) Provide the individual(s) with a copy of the DD Form 200 and investigator findings.
- (3) Advise them they have a “right” to obtain representation, make a rebuttal statement, and present any mitigating factors that may have contributed to the negligence or abuse within 30 days.
- (4) Upon receipt of a rebuttal or at the end of the 30 days from the date of employee notification, the APO shall submit the investigation package, including the legal review, to the responsible Site Director for signature.

b. Is not financially liable, the APO shall file the DD Form 200 IAW DFAS 5015.2-M.

7. The Site Director shall:

a. Review the DD Form 200, Investigator’s findings, OGC opinion, and employee statement

- (if available).
- b. Determine if the employee is financially liable and annotate the DD Form 200 with their decision.
 - c. Sign and return the DD Form 200 to the APO.
8. The APO shall notify the employee of the final decision from the Site Director and provide them the DD Form 200.
9. The employee shall fill out block 16 of the DD Form 200 and return a copy to the APO.
10. The APO shall:
- a. Forward the paperwork to CRM IT & Investment APPM.
 - b. Retain all records relating to the DD Form 200 IAW with DFAS 5015.2-M in a detailed register of all DD Forms 200, including the following information from the DD Form 200:
 - c. Inquiry/Investigation Number
 - d. Document Number
 - e. Date Loss Discovered
 - f. Date Prepared
 - g. Date Approved
 - h. Asset Number/Barcode
 - i. Serial Number
 - j. Item Nomenclature
 - k. Item Value
11. CRM IT & Investment APPM shall review the packet to ensure all pertinent information is correct and then forward that paperwork to AM&C Branch Chief-DFAS Accounts for processing of the debt.

ENCLOSURE 8

PROCEDURES FOR GFP

1. ISSUING ASSETS:

a. The Requiring Activity (RA) shall:

(1) As part of acquisition planning process:

(a) Determine the need for contractor personnel to use GFP and provide that documented rationale to the CO for inclusion in the solicitation, contract award, and contract file. For computers:

i. Estimate the number of computers required to perform the contract terms. Differentiate between the computers that will remain in the Government's facility or installation and those computers that will be authorized for removal by contractor personnel for use at an alternate location.

ii. That are to remain in the Government facility or installation, these are considered incidental to the place of performance (similar to the use of a desk, phone, or office space); therefore, these computers are not considered GFP on the contract. These government assets are to remain secured within the Government site or installation for use by the contractor personnel as required.

iii. That will be authorized for use by contractor personnel at an alternate location, these become accountable to the contractor and are considered GFP on a DFAS contract and must be treated as such.

iv. Provide to the CO the quantity and type of both the computers to remain in the Government facility and those that are authorized to be removed.

(b) Submit a DFAS Form 9319 in Remedy requesting the equipment needed designated in the contract that is consistent with the information provided to the CO.

b. The CO shall:

(1) Include the description (e.g. laptop computers) of each asset, although the serial numbers will not yet be available; quantity; and type of GFP identified by the requiring activity within the solicitation and any subsequent contract award using the DoD Item Unique Identification (IUID) Registry and its integral GFP Module as outlined in DoDI 4161.02.

(2) Upon award, provide a copy of the contract to the DFAS APPM.

c. The DFAS APPM shall provide a copy of the contract to the responsible APO.

- d. Upon receipt of a copy of the contract and a properly completed DFAS Form 9319, the APO shall:
 - (1) Review the contract and assign either a desktop, laptop, or other equipment based on the contract agreement. If the DFAS Form 9319 requests equipment different from that described in the contract, return the DFAS Form 9319 to the initiator.
 - (2) Assign a Supply Technician as the hand receipt holder, and if necessary, create a new hand receipt account with that supply technician for each contractor (the business holding the contract, not employee of the business).
 - (3) Generate a DD Form 1150 from the APSR:
 - (a) Transfer the asset from the appropriate warehouse hand receipt account to the hand receipt designated for the contractor.
 - (b) Record the name of the contractor employee who is permitted to receive the equipment in the sub-location field. The contractor employee may be either the individual who will be using the equipment or a contractor employee who is taking responsibility for a group of equipment.
 - (4) Provide to LST Supervisor or designee: the APSR generated DD Form 1150 without asset values, DFAS 9319, and the asset(s) in exchange for their printed name and dated signature on the DD Form 1150. Do not release assets without obtaining signature.
 - e. LST Supervisor or designee shall:
 - (1) Image and deliver the assets IAW the DFAS Form 9319 and DD Form 1150 to the contractor employee in exchange for their printed name and dated signature on DD Form 1150. Do not release assets without obtaining signature.
 - (2) Return the signed DD Form 1150 to the APO.
 - (3) Retain the DFAS 9319 IAW DFAS 5015.2-M, Records Retention.
 - f. APO shall retain the signed DD Form 1150 and provide a copy to the CO and Contracting Officer Representative (COR) including an identification of themselves as the APO.
 - g. The CO shall ensure the GFP Attachment that accompanies the contract is updated with the serial number of each asset and provide a copy of the GFP Attachment to the APO.
 - h. The APO shall maintain a copy of the GFP Attachment with the contract documents.
2. RETURNING GFP. When GFP is returned to an APO. The APO shall:

- a. Sign the DD Form 1150 acknowledging receipt from the contractor employee for the assets returned, and provide a copy to the contractor employee.
- b. Request a site-to-site transfer IAW Enclosure 4 if the APO receiving the equipment is not the responsible APO.
- c. Retain and provide a copy of the signed DD Form 1150 to the CO and COR.

3. EXCHANGING GFP. When a GFP asset is exchanged:

- a. The APO shall:
 - (1) Verify that the new asset type complies with the asset type in the contract.
 - (2) Generate a DD Form 1150 from the APSR for the new asset.
 - (3) Transfer the new asset from the appropriate warehouse hand receipt account to the hand receipt designated for the contractor.
 - (4) Record the name of the contractor employee who is permitted to receive the new asset in the sub-location field. The contractor employee may be either the individual who will be using the equipment or a contractor employee who is taking responsibility for a group of equipment.
 - (5) Provide to LST the APSR generated DD Form 1150 without asset values in exchange for their printed name and dated signature on the DD Form 1150. Do not release assets without obtaining signature.
 - (6) Provide a copy of the DD Form 1150 from the APSR for the old asset that was previously issued to the same contractor employee.
- b. LST shall:
 - (1) Image and deliver the new asset IAW the new DD Form 1150 to the contractor employee in exchange for their printed name and dated signature on DD Form 1150 for the new asset. Do not release assets without obtaining signature.
 - (2) Deliver a copy of the old DD Form 1150 with a signature by LST indicating that LST retrieved the old asset in exchange for the new asset. Do not sign for receipt of the old asset without verifying that it is the proper asset and is in working order. Retain a copy of the old DD Form 1150 with the LST signature.
 - (3) Return both signed DD Form 1150s to the APO.
- c. APO shall retain the signed DD Form 1150s and provide a copy to the CO and COR including an identification of themselves as the APO.

- d. The CO shall revise the GFP Attachment adding and removing the appropriate serial numbers of assets in the contractor's possession, provide a copy of the revised form to the APO, and upload the revised version to EDA.
 - e. The APO shall maintain a copy of the modification.
4. LOST, DAMAGE, MISUSE, DESTRUCTION, AND THEFT. The COR and CO shall remedy assets that are lost, damaged, stolen, or destroyed while issued to a contractor employee.
- a. For lost, destroyed, damaged, or stolen assets, the APO shall:
 - (1) Request contractor employee complete block #9 on DD Form 200 indicating that the asset was lost, damaged, destroyed, or stolen.
 - (2) Complete blocks 1 – 8, and 10. Block #10 shall state “CSD-CO will take corrective/remediation action with contractor as appropriate based on contract terms and conditions”. Block #16 shall be left blank.
 - (3) Provide a copy to CO and COR for potential financial recovery.
 - (4) Route the DD Form 200 through the Responsible Officer (Site Support Director), Appointing Authority, and Approving Official (Site Director).
 - (5) Remove the asset(s) from the property book once signed by the Approving Official.
 - (6) File a copy of the DD Form 200 IAW DFAS Manual 5015.2-M.
 - b. The CO or COR shall timely review all Financial Liability Investigations (DD Form 200) submitted to them by the APOs pertaining to contractor employees and update the contract and/or pursue a remedy on behalf of DFAS as necessary.

GLOSSARYPART I. ABBREVIATIONS AND ACRONYMS

AAR	Administrative Adjustment of Record
AM&C	Accounts Maintenance & Control
APO	Accountable Property Officer
APPM	Agency Property Program Manager
APSR	Accountable Property System of Record
CFO	Chief Financial Officer
CSD-CO	Contract Services Division Contracting Officer
CRM IT & Investment	Central Resource Management Information Technology & Investment
DD	DoD Form
DLA	Defense Logistics Agency
DLA-DS	Defense Logistics Agency – Disposition Services
DO	Dispatch Officer
DoDFMR	Department of Defense Financial Management Regulation
DoDI	Department of Defense Instruction
DMS	Desktop Management Support
DRMS	Defense Reutilization and Marketing Services
FLA	Facilities, Logistics, and Administration
IAW	In Accordance With
I&T	Information and Technology
OF	Optional Form
OGC	Office of General Counsel
PC	Property Custodian
PII	Personally Identifiable Information
PM	Program Manager
PP&E	Plant, Property, & Equipment

PART II. DEFINITIONS

accountability. As defined in DoDI 5000.64

Accountable Property Officer (APO). As defined in DoDI 5000.64

accountable property. As defined in DoDI 5000.64

Accountable Property System of Record (APSR). As defined in DoDI 5000.64

acquisition cost. As defined in DoDI 5000.64

capital assets. As defined in DoDI 5000.64

Concept of Operations (CONOPS). An agreement between a reporting entity and a service provider establishing roles and responsibilities for audit requirements, as more specifically described in the Financial Improvement and Audit Readiness (FIAR) Guidance.

Disposition: As defined in DoDM 4160.21, Volume 1

financial liability. As defined in DoD 7000.14-R, Volume 12, Chapter 7

Government Furnished Property. As defined in DoDI 5000.64

hand receipt. Form used to maintain physical accountability of personal property issued to users.

intangible assets. As defined in DoD 7000.14-R, Volume 1, Definitions.

in-transit. The process and/or status of being transported to include awaiting a courier for pick-up or delivery.

IUID Registry. As defined in DoDI 8320.04

leasehold improvements. Leasehold improvements are improvements to real property that are treated as tangible assets in the APSR.

negligence. As defined in DoD 7000.14-R, Volume 12, Chapter 7

pilferable items. As defined in DoDI 5000.64

property. As defined in DoDI 5000.64. For this issuance, property refers specifically to assets owned by DFAS.

property control. Process of acquiring recording, tracking, and disposition of government property.

Property Custodian. As defined in DoDI 5000.64

sensitive items. As defined in DoD 7000.14-R, Volume 12, Chapter 7

teleworker “B” employees. Permeant full-time teleworkers.