

DEPARTMENT OF THE ARMY
FORT CAMPBELL INSTALLATION
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Property Accountability

FORT CAMPBELL GOVERNMENT PROPERTY ACCOUNTABILITY PROCEDURES

Contents (listed by paragraph and page number)

- Purpose • 1, *page 1*
- Applicability • 2, *page 1*
- References • 3, *page 1*
- General • 4, *page 1*
- Explanation of Abbreviations and Terms • 5, *page 2*
- Responsibilities • 6, *page 2*
- Accounting and Caring for Government Property • 7, *page 2*
- Accountable Officer • 8, *page 4*
- Receipt, Shipment, and Issue of Property • 9, *page 4*
- Command Supply Discipline Program (CSDP) • 10, *page 5*
- Inventories • 11, *page 6*
- Methods of Obtaining Relief from Responsibility for Property • 12, *page 9*
- Financial Liability Investigations of Property Loss (FLIPL) • 13, *page 10*
- Request for Reconsideration, Hearings, Remission of Indebtedness, Appeals, and Other Actions • 14, *page 20*
- Proponent • 15, *page 21*

Figure List

- Figure 13-1, Financial Liability Processing Flow Chart, *page 11*
- Figure 13-2, Multiple PBO Continuation Sheet, *page 12*

Table List

- Table 13-1, Financial Liability Processing Time Chart, *page 15*
-

1. Purpose

This regulation prescribes responsibilities and procedures for accounting for Government property on Fort Campbell.

2. Applicability

This regulation applies to all units and organizations stationed at or supported by Fort Campbell, Kentucky.

3. References

The objective of this regulation is to provide guidance to units in accounting for and controlling Government property.

- a. AR 735-5, Policies and Procedures for Property Accountability, 28 February 2005.
- b. AR 710-2, Supply Policy Below the National Level, 28 March 2008.
- c. DA Pam 735-5, Financial Liability Officer's Guide, 9 April 2007.
- d. DA Pam 710-2-1, Using Unit Supply System (Manual Procedures), 31 December 1997.
- e. ALARACT 272-2007, HQDA Operation Total Recall Property Accountability Initiative.
- f. ALARACT, Army G4 Property Accountability Guidance, dated June 2006.
- g. Commanding General's Policy Memorandum #12, Fort Campbell Policy on Property Accountability and Supply Discipline, 23 January 2007.

This regulation supersedes CAM Regulation 735-1 dated 5 July 2007.

4. General

a. Each person entrusted with Government property will ensure the proper care and safeguarding of that property. Commanders at all levels will comply with and enforce the property accountability procedures and supply discipline policies outlined in this regulation, AR 710-2, and AR 735-5.

b. Commanders and supervisors at all levels will ensure persons are not assigned to a duty that will prevent them from exercising proper care and custody over the property for which they are responsible.

c. Commanders will not authorize the purchase or expenditure of funds for property that is not specifically authorized by regulations or applicable authorization tables (MTOE, CTA, or letter).

d. Commanders and leaders at all levels will ensure local purchase or other procurement avenues are not used to circumvent the Army's property accountability policies. To ensure property accountability policies are complied with, all local purchases will be processed through the supporting SSA and/or PBO.

e. Government property will not be used for any private purposes.

f. No Government property will be sold, given as a gift, loaned, or exchanged. All Government property will be disposed of through the unit's supporting Supply Support Activity IAW current Army Regulations. Items replaced in-kind and payments made under the provisions of AR 735-5 for lost, damaged, or destroyed Government property do not constitute a sale of Government property. Title to such property remains with the U.S. 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. Commanders will ensure they implement proactive Command Supply Discipline Programs (CSDP). These programs are outlined for each level of command in Appendix B of AR 710-2. An effective Command Supply Discipline Program is the cornerstone of successful supply operations, facilitating the enforcement of supply discipline and property accountability standards.

5. Explanation of abbreviations and terms

Abbreviations and terms used in this regulation are contained in AR 735-5 and AR 710-2.

6. Responsibilities

a. The Army Field Support Battalion-Campbell will develop and publish policies and procedures concerning property accountability and supply procedures at the installation level.

b. The MSE G4 and ACofS G4 101st Airborne Division (Air Assault) will:

(1) Develop and publish policies and procedures concerning property accountability and supply procedures for the Senior Commander (SC).

(2) Advise commanders at all levels on property accountability and supply procedures.

(3) Provide management and oversight of the SC's Command Supply Discipline Program (CSDP).

c. Commanders at all levels will:

(1) Develop and implement aggressive Command Supply Discipline Programs (CSDP) within their commands.

(2) Manage the Financial Liability Investigations of Property Loss initiated within their commands.

(3) Manage and oversee damage statements and other adjustment documents ensuring the Government's interests are protected and sound supply economy principals are followed.

(4) Ensure compliance with all policies and procedures prescribed by this and all other supply regulations.

7. Accounting and caring for Government property

a. 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. All property acquired by the Army from any source, whether bought, scrounged, donated, and so forth, must be accounted for as prescribed by AR 735-5 and other appropriate Army Regulations (ARs). Such accounting will be maintained through formal records. The accounting will be continuous from the time of acquisition until the ultimate consumption or disposal of the property occurs.

b. All property or material, except real and contractor-acquired property, acquired in any manner will be properly accounted for on property books and accountable records at the SSA. Responsibility will be assigned as prescribed by AR 710-2 and AR 735-5.

c. All Army property, except real property, is classified for property accounting purposes as expendable, durable, or nonexpendable. Classification of property for accounting requirements is based

c. All Army property, except real property, is classified for property accounting purposes as expendable, durable, or nonexpendable. Classification of property for accounting requirements is based on an item's Accounting Requirements Code (ARC) as found in the current FedLog or Army Master Data File (AMDF).

(1) Nonexpendable (ARC: N) requires formal property book accounting at the user level. Nonexpendable property requires formal accountability throughout the life of the item. Nonexpendable items will be accounted for at the brigade/battalion level using property book procedures in accordance with AR 710-2. Above the property book level, accountability will be maintained using stock record accounting procedures in accordance with AR 710-2. Other publications that include policy and procedures on accounting for property are AR 710-1, AR 725-50, and DA Pamphlets 710-2-1 and 710-2-2.

(2) Durable items (ARC: D) such as hand tools will be controlled at the user level using hand receipt procedures. The commander will ensure durable items are accounted for using hand receipt procedures outlined in AR 710-2.

(3) Expendable items (ARC: X) require no formal accounting after issue to the user level. These items remain Government property requiring proper use and safeguarding but do not require formal accounting after issue to the user.

d. Accountable officers will establish accountability for any property not accounted for upon discovery using the procedures outlined in DA Pams 710-2-1 and 710-2-2.

e. AR 735-5 defines responsibility as the obligation of an individual to ensure Government property and funds entrusted to his or her possession, command, or supervision are properly used and cared for, and that proper custody, safekeeping, and disposition are provided. The five different types of responsibility are:

(1) Command responsibility. The obligation of a commander to ensure all Government property within his or her 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—

(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 his or her 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—

(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 he or she has 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.

(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—

(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.

f. 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.

g. 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 U.S. Government.

8. Accountable officer

a. Each brigade element will appoint an accountable officer in writing for each Supply Support Activity (SSA) and a Property Book Officer (PBO) for their brigade. The appointing authority will be the brigade commander. The brigade commander may delegate this authority to appoint an accountable officer/PBO providing this delegation is in writing. Separate battalions will appoint Property Book Officers to account for non-expendable property. Property Book Officers appointment orders will list each UIC for which the PBO will be accountable. SSA Accountable Officer orders will identify the account by DODAAC.

b. The accountable officer is a person officially appointed on orders to maintain a formal set of accounting records of property or funds. This person may or may not have physical possession of the property or funds. An accountable officer supervises the preparation, maintenance, and management of the document/voucher registers, regardless of the physical location of the registers. The three types of accountable officer's are—

(1) Transportation officer. The transportation officer is accountable for property entrusted to him or her for shipment.

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

(3) Property book officer. The property book officer 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.)

c. An accountable officer/PBO may be —

(1) Any DOD commissioned officer or warrant officer.

(2) A DOD civilian employee, if determined by the appointing official to be properly qualified.

(3) A DOD enlisted person, in the grade of sergeant or above, when appointment is approved by the FORSCOM commander when personnel cited in (1) or (2) above are not available.

d. Persons will not perform the (dual) functions of stock record accountable officer, PBO, transportation officer (TO), GSA Smart Pay Purchase Card ordering officer, or blanket purchase agreement ordering officer duties simultaneously.

e. Accountable officers/PBOs will not be assigned duties that will remove or separate him or her from his or her property account for an extended period of time. In the event an accountable officer/PBO is assigned duties that separate them from their accountable officer's duties for a period of 30 calendar days or longer, an interim or replacement accountable officer/PBO will be appointed. The procedures for transfer of accounts in AR 735-5 apply.

f. Each 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.

g. When non-expendable property is issued to a PBO, the PBO receiving the property is charged with establishing and maintaining 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.

h. Brigade commanders will implement procedures to ensure documents recording the issue of non-expendable property are passed directly from the SSA accountable officer to the PBO. These procedures

will ensure documentation of non-expendable issues do not pass through third parties and are provided to the PBO the same day the property is issued.

9. Receipt, shipment, and issue of property

a. Each accountable officer will ensure that—

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

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

(3) All property received from the national level or a commercial vendor will be recorded on a stock record account before it is issued to an authorized customer.

b. Individuals receiving Government property 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 immediately.

c. Customer units receiving property from an SSA will inventory the items as follows:

(1) Make sure the items are for your unit. Do this by checking the document number and/or the unit name on the receipt document. Do not sign for property unless it is for your unit.

(2) Check the item to make sure it matches the description on the receipt document. Report problems immediately to the SSA issue clerk for correction.

(3) Count all items. Make sure the quantity received agrees with the quantity recorded on the receipt document. Report any differences to the SSA issue clerk for correction.

(4) Check the serial numbers when items with serial numbers are received. Items such as vehicles, materials handling equipment, office machines, generators, Controlled Cryptographic Items (CCI) and weapons will have serial numbers. Check the items' serial number with the one recorded on the receipt document. If there is no serial number listed on the receipt document, enter it. Report any serial number discrepancies to the SSA issue clerk for correction.

(5) Make a visual check of the condition of the items. If they are damaged, tell the SSA issue clerk. The issue clerk will take action according to DA PAM 710-2-2.

(6) Sign the receipt document after actions in (1) through (5) above have been completed.

(7) Once the property has been issued complete a detailed inventory of any sets, kits, and outfits. Check end items for completeness. Use the proper TM or SC to identify components. Make a list of any component shortages. Use this list and the TM or SC to prepare the hand receipt shortage annex. Report any shortages or overages to the SSA accountable officer within 72 hours.

(8) If serviceability of an item is questionable, notify the SSA accountable officer for resolution.

d. Property will be issued only to authorized customers when a correctly prepared request for issue document is presented.

e. Property received directly from vendors will be accompanied by a receiving report, such as a DD Form 250 (Materiel Inspection and Receiving Report), DD Form 1155 (Order for Supplies or Services), Government credit card purchase receipt, or an 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, AFARS, and AR 30-22 provide specific procedures for the various types of purchases.

f. 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 SSA accountable officer within 72 hours. Receiving reports for non-expendable items will be provided to the PBO within 72 hours of receipt.

10. Command Supply Discipline Program (CSDP)

a. All units will maintain an active Command Supply Discipline Program (CSDP). The CSDP will address supervisory and managerial responsibilities within the supply system from the user to the division levels. AR 710-2, appendix B, outlines the specific requirements for the CSDP. The CSDP is a commander's program. Commanders will implement the CSDP using existing resources such as Command Inspection Programs, Logistics Assistance Team (LAT), Internal Review Office, staff personnel, and other resources.

b. 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) Increase efficiency within all units regarding time spent monitoring subordinates' actions.

c. Each battalion and brigade sized element will appoint a Command Supply Discipline Program Monitor to oversee the CSDP in their command. The G4 will appoint a CSDP monitor to oversee the division's CSDP.

d. CSDP inspections will be conducted using the checklists in appendix B as the minimum criteria. Commanders will ensure CSDP inspections are conducted of their subordinate commands as follows.

(1) Division will inspect each brigade at least semiannually.

(2) Brigades will inspect battalions under their command at least semiannually.

(3) Battalions will inspect companies under their command at least quarterly.

e. Each Garrison unit, directorate, and staff activity will appoint a CSDP POC to oversee the CSDP within their activity. The DOL is delegated to appoint a Garrison CSDP Monitor to oversee the Garrison CSDP.

11. Inventories

a. Accurate and timely inventories are essential to maintaining property accountability. All units will comply with the inventory requirements outlined in chapter 9 of DA Pam 710-2-1.

b. Company commanders will be the primary hand receipt holders for their units. When the company commander is replaced, all property listed on the primary hand receipt will be inventoried by the incoming and outgoing hand receipt holders. The responsibility for conducting a change of hand receipt holder inventory will not be delegated. Thirty days will be allotted to conduct the joint inventory. When the inventory cannot be completed in the allotted time, request an extension in writing to the next higher commander. See chapter 2 of AR 710-2 for specific instructions. The below procedures will be followed when changing primary hand receipt holders or sub-hand receipt holders.

c. Conduct of the inventory as follows:

(1) Check with the next higher commander for any instructions.

(2) Make sure all hand or sub-hand receipts and annexes with change documents are updated.

(3) Review the hand receipt to find the type of items to be inventoried. If needed, select personnel to assist in the inventory and give them instructions.

(4) Notify sub-hand receipt holders of when and how the inventory is to be conducted.

(5) Review DA Pam 25-30 to ensure that the most current supply catalogs, components lists, technical manuals, and other related publications are used during the inventory. In the event the most current publications are not on hand, the outgoing hand receipt holder will place required publications on order during the inventory. The incoming hand receipt holder will inventory by the publication on hand or, if no publication is on hand, by preparing a component list of items on hand pending receipt of the most current publication. The commander/supervisor for whom the property book is kept will be informed of this action.

(6) Immediately upon receipt of the current publication, the hand receipt holder will direct a 100 percent inventory be taken to determine any overages/shortages. Overages will be turned in. Shortages caused by new additions to the publication will be immediately requisitioned. Shortages of items not newly added will be accounted for IAW AR 735-5.

(7) Check all items to make sure the item and their description on the unit property book or hand receipt match. Make a list of any differences.

(8) Make a visual check of the condition of the property. Make a list of any damaged equipment.

(9) Count all items listed on the hand receipt. Make a list of any overages or shortages.

(10) Check end items for completeness. Use the proper TM or SC to identify components. Make sure that component shortages are listed on hand receipt shortage annexes. Check the document register to make sure that component shortages are on request. Make a list of component shortages that are not listed on hand receipt shortage annexes. Make a list of any component overages.

(11) Check the serial number on the item with that recorded on the hand receipt. Make a list of any serial number differences.

(12) If items are in maintenance, make sure the maintenance request is valid. Check all open maintenance requests with the supporting maintenance facility to ensure the equipment is in their possession.

(13) Report damaged equipment to unit maintenance personnel for repair.

(14) Report all differences regarding property discrepancies with the required documentation to the PBO. After all adjustment documents have been posted the incoming commander will sign the hand receipt. The incoming commander's signature indicates his/her direct responsibility for all of the property on the hand receipt and that the change of command inventory was conducted in compliance with this regulation and AR 710-2.

d. The only authorized property book system is Property Book Unit Supply Enhanced (PBUSE). No other accounting system will be used to account for property at the property book level.

e. When the Property Book Officer (PBO) of an organization is being replaced a joint inventory will be conducted between the outgoing and incoming PBO. Property not issued on hand receipt must be inventoried and all hand receipts issued by the PBO must be verified. Take these actions prior to the inventory.

(1) Make sure all completed receipt, turn-in, and adjustment documents have been posted to the property book.

(2) Make the property book and related files available to the incoming PBO for review.

(3) Ensure all hand receipts are current and signed by the Commander.

(4) Both Incoming and outgoing PBOs will review the property records.

(6) Compare the PBO appointment orders with the hand receipts on file ensuring there is an up to date signed hand receipt for each UIC.

(7) Check the property book and document register to find if all authorized items are on hand or on request. If items are not on hand, on request, or being filled by other means, check to see if a report of supply constraint has been submitted. If not, the outgoing PBO will make sure that shortages are placed on request.

(8) Review the property book, document register, and supporting document files to judge the condition of the records in terms of satisfying accounting requirements.

(9) Make sure hand receipt holders are presently assigned to the unit issued the property.

(10) Identify any items not issued on hand receipt.

(11) After completion of the actions in (1) and (2) above, inventory the items not issued on hand receipts. Use the following procedures:

(a) Check all items to make sure the item and their description on the property book match.

Make a list of any differences.

(b) Make a visual check of the condition of the property. Make a list of any damaged property.

Damaged equipment will be accepted as being on hand.

(c) Count all items not issued on hand receipt. Make a list of any shortages or overages.

(d) Check end items for completeness. Use the proper TM or SC to identify components. Make a list of any component shortages or overages. Check the document register to make sure component shortages are on request.

(e) Verify all serial numbers. Check the serial number of the item with the serial number recorded on the property book. Make a list of any serial number differences.

(f) If items are in maintenance, make sure the maintenance request is valid. Check open maintenance requests with the supporting maintenance facility.

(g) Report damaged equipment to unit maintenance personnel for repair.

(h) The outgoing PBO conducts causative research for any differences. Causative research includes but is not limited to, comparing all postings to the applicable property book page against documents that support those postings, verifying all hand receipt change documents, searching storage areas controlled by the PBO, and ensuring that end item identity was not destroyed by consolidation, disassembly or mislabeling. When no conclusive findings are made, take the following actions:

(i) Turn in overages as "found on installation" property.

(j) Account for shortages according to AR 735-5. When preparing the Financial Liability Investigation for Property Loss ensure that the unit price used is current per AR 735-5.

(k) Prepare and process an AAR to correct differences within sizes, makes, or models.

(l) Submit requests for issue to replace shortages.

(m) After the proper actions above have been completed, the incoming PBO will complete the statement of accountability for the property.

(n) When the inventory cannot be completed within the prescribed time (30 days), extensions may be requested from the commander or designated representative making the appointment. If an

extension is not granted, the incoming PBO becomes accountable on the effective date. Extensions must be in writing and will not exceed 30 days. A maximum of two extensions may be requested.

f. COMSEC custodians are appointed to account for all classified COMSEC materiel issued/hand receipted to the unit. AR 380-40(O) and TB 380-41 provide detailed criteria for appointment of COMSEC custodians. COMSEC custodians will not be relieved of their responsibilities and will not depart their organizations until a clearance for the COMSEC account has been received from the Army COMSEC Central Office of Record (ACCOR). Detailed procedures for conducting inventories and reporting results are contained in TB 380-41. COMSEC custodians shall not deviate from these procedures.

g. The annual 100% inventory required by AR 710-2 will be accomplished by inventorying 10% of a PBO's equipment each month. Each PBO will designate in writing the LINs to be inventoried each month at the beginning of each calendar year. This will give commanders the opportunity to prepare for their monthly 10% inventories. The PBO will generate an inventory list for each hand receipt holder NLT 30 days before the inventory results are due back to the PBO. The hand receipt holder will conduct the inventory and sign the inventory listing, noting any discrepancies. These inventories will not be delegated. Conduct the 10% inventory using the same procedures as the change of hand receipt holder inventory. The original copy of the completed inventory will be filed at the PBO.

h. All sensitive items, as defined in AR 735-5, explosives, and firearms will be inventoried monthly. The PBO will provide each hand receipt holder a Sensitive Item Inventory Listing of all items to be inventoried each month. The commander will appoint an officer, warrant officer, or NCO to conduct the inventory. Unit armorers will not conduct these monthly inventories. The same person will not conduct these inventories in consecutive months. The individual conducting the inventory will line out the inappropriate sentence and sign the Sensitive Item Inventory Listing. The company commander will sign the Sensitive Item Inventory Listing under the last sentence verifying the inventory was conducted. Conduct the inventory as follows:

- (1) Compare the serial number on the piece of equipment with the serial number on the inventory sheet. Immediately report any differences to the commander and PBO.
- (2) Make a visual check of the condition of the items. Make a list of any damaged property.
- (3) Check end items for completeness. Use the proper TM or SC to identify components. Make sure that component shortages are listed on hand receipt shortage annexes. Make a list of any component shortages not listed on hand receipt shortage annexes. Make a list of any component overages.
- (4) If equipment is signed out or are in support maintenance, review the documentation to ensure it is valid. Note on the Sensitive Item Inventory Listing any items signed out or in maintenance.
- (5) Inventory ammunition by listing it by purpose (i.e. basic load, operational load, training) DODIC, lot number, quantity on hand and quantity signed out. List quantities on banded or sealed and banded containers. Do not break manufacturer, ASP, or quality assurance specialist ammunition seals for inventory purposes.
- (6) All spare barrels will be inventoried and accounted for during the Sensitive Items Inventory. Hand write in inventory results on the automated Sensitive Items Report.
- (7) Shortages, signs of tampering or unauthorized access to CCI equipment also requires initiation of a COMSEC incident.
- (8) Record the results of the inventory on the Sensitive Item Inventory Listing. The person conducting the inventory will sign the Sensitive Item Inventory Listing along with the company commander as noted below.

ALL SENSITIVE, EXPLOSIVE, AND HAZARDOUS ITEMS HAVE BEEN INVENTORIED
NO DISCREPANCIES WERE DISCOVERED
DISCREPANCIES HAVE BEEN REPORTED AND/OR ACCOUNTED FOR IN ACCORDANCE WITH
APPLICABLE REGULATIONS

Person conducting the inventory lines out inappropriate sentence, signs and dates here.
SIGNATURE WITH INAPPROPRIATE SENTENCE DELETED

Company commander signs and dates here to verify inventory was conducted.

i. The abandoned property of a soldier absent from the unit without authority will be inventoried without delay, IAW AR 700-84 and AR 710-2, table 2-2(m).

(1) The unit commander will designate a commissioned officer, warrant officer, or noncommissioned officer in pay grade E5 through E9 to conduct the inventory. The unit commander will assure the inventory officer that the clothing abandoned actually belongs to the absent enlisted soldier. Another member of the unit or activity will witness this inventory.

(2) The inventory officer will make sure the clothing is not exchanged for clothing of any other enlisted soldier. Prepare a DA Form 3078, in original and three copies. Record on this form the items and quantities of personal military clothing issued. Excesses of personal military clothing above authorized levels will not be recorded on DA Form 3078. These items will be included on the personal effects inventory. See DA Pam 600–8 for instructions on how privately owned military personal property is inventoried.

(3) The person conducting the inventory will enter the words "Inventoried by" and sign in the REMARKS block of the DA Form 3078. The witness and the unit commander or designated representative will verify and initial this form.

(4) Place the original copy of the inventory in the enlisted soldier's duffel bag or other suitable container. Retain the other three copies in the unit suspense file pending further action.

(5) Safekeeping. Inventoried clothing of an absent enlisted soldier discussed in paragraph 2 above is secured in the unit's facilities or in a secured storage area designated by the installation commander.

(6) Return of the absent enlisted soldier. Clothing is returned to the absentee, should he or she return to the unit or organization before being dropped from the rolls. The enlisted soldier will acknowledge receipt of the clothing by signing all copies of DA Form 3078. The enlisted soldier will be given copy three of the inventory. The unit commander determines whether the enlisted soldier has the initial allowances of personal clothing (see para 11–1). Shortages are replaced at the enlisted soldier's expense.

(7) Inventories of OCIE must be conducted immediately for Soldiers placed in an AWOL status, hospitalized, or emergency leave. OCIE inventories will be completed on DA Form 3645. The person conducting the inventory will enter the words "Inventoried by" and sign in the DA Form 3645. The witness and the unit commander or designated representative will enter the words "Witness by" and "Verified by" and sign the form.

12. Methods of obtaining relief from responsibility for property

a. When property becomes lost, damaged, or destroyed, use one of the adjustment methods listed below to obtain relief from responsibility.

(1) Financial Liability Investigation of Property Loss (DD Form 200) as described in chapter 13 of AR 735-5 and this regulation.

(2) Statement of Charges/Cash Collection Voucher (DD Form 362) is used when an individual admits liability and offers to make cash payment to the Government in the form of cash payment or payroll deduction. DD 362 will not be used to account for the loss, damage, or destruction of controlled inventory items as defined in AR 735-5. The amount of loss to be reimbursed cannot exceed one month's base pay of the individual being charged. Prepare the DD 362 IAW the guidance provided in chapter 12 of AR 735-5.

(3) Cash sales may be used to replace lost, damaged, or destroyed OCIE and hand tools. Purchases of OCIE will be made only from clothing sales for like items that meet military specifications for performance and serviceability. Hand tools replaced using cash sales will be replaced with new tools of comparable quality.

(4) 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. When property is determined to be unserviceable through other than fair wear and tear, the commander having responsibility for the property must investigate the circumstances that caused the damage. On completion of the commander's investigation, one of the following actions will be taken.

(a) If the property is not OCIE and negligence or willful misconduct was not involved, a statement signed by the unit commander will be attached to the maintenance request or the turn-in document stating the cause of the damage. The unit commander will state "I have reviewed the circumstances surrounding the damage to the above item(s) and find no evidence of negligence or willful misconduct." The financial liability investigation of property loss approving authority will review all damage

statements. This authority will not be delegated. When the financial liability investigation of property loss approving authority 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 FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS " on the statement , and date and sign their nonconcurrence.

(b) Damage statements totaling more than \$10,000 will be approved by the financial liability investigation of property loss approving authority.

b. The methods discussed above are designed to protect the right of the Government to obtain reimbursement for the loss, damage, or destruction (LDD) of Government property caused by negligence or misconduct. They do not constitute corrective action or punishment and will not preclude the use of adverse administrative or disciplinary measures. Commanders will enforce sound supply discipline by taking the necessary administrative and/or disciplinary actions when losses or damages result from negligence or misconduct.

c. Commanders who determine that the cause of LDD warrants adverse administrative or disciplinary action will take appropriate action. These actions include, but are not limited to—

- (1) An oral or written reprimand.
- (2) Appropriate remarks in an individual's evaluation reports.
- (3) MOS reclassification.
- (4) Bar to reenlistment.
- (5) Action under the UCMJ.
- (6) Adverse actions against civilian personnel as authorized.

d. Regardless of the method of accounting for property lost, damaged, or destroyed, title (ownership) of the property remains with the U.S. Government. Reimbursing the Government for lost property does not convey ownership of the property.

e. Persons responsible for Government property will immediately report all losses or damages to their immediate supervisor or commander. The report will state in writing, the circumstances of the loss or damage, and a detailed listing and description of the property involved. The circumstances will list the date, all names and rank of those involved, where the loss occurred, and how the loss occurred and/or was discovered. Failing to accurately report losses of Government property in a timely manner hampers the Government's ability to recover the lost property and constitutes negligence on the part of those who fail to report losses in a timely manner.

f. When reporting personal arms and equipment (PA&E) according to AR 190-11, or whenever the loss appears to involve unlawful conduct, submit a report to the military law enforcement authorities for investigation. Personal arms and equipment is a soldier's personal weapon and equipment assigned to them for their use. It includes a soldier's organizational clothing and individual equipment issued to them. A preliminary investigation by the military or security police will assist the commander when taking action required by AR 735-5.

g. When Government property is reported missing, the commander, primary hand receipt holder, or the accountable officer will cause a preliminary investigation and search to be conducted to ensure the missing property is actually missing before any adjustment document prescribed by AR 735-5 is initiated. The preliminary search will be aggressively pursued to meet the time limits in AR 735-5.

13. Financial Liability Investigations of Property Loss (FLIPL)

a. A financial liability investigation of property loss documents the circumstances concerning the loss, damage, or destruction (LDD) 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.

b. Initiate and process a financial liability investigation of property loss to account for lost, damaged, or destroyed U.S. Government property in accordance with the requirements in AR 735-5. The initiator of a financial liability investigation of property loss will normally be the primary hand receipt holder or the accountable officer. When the hand receipt holder or the accountable officer is not available, the person with the most knowledge of the incident will initiate the FLIPL.

c. Process financial liability investigations of property loss through the chain of command of the individual responsible for the property at the time of the incident. When real property is damaged or destroyed, an information copy of the financial liability investigation of property loss will be provided to the Director of Public Works. When Government quarters or Government furnishings and equipment

contained therein become lost, damaged, or destroyed, the installation housing manager will initiate the financial liability investigation of property loss. Processing steps are outlined in figure 13-1 below.

Financial Liability Processing Flow Chart

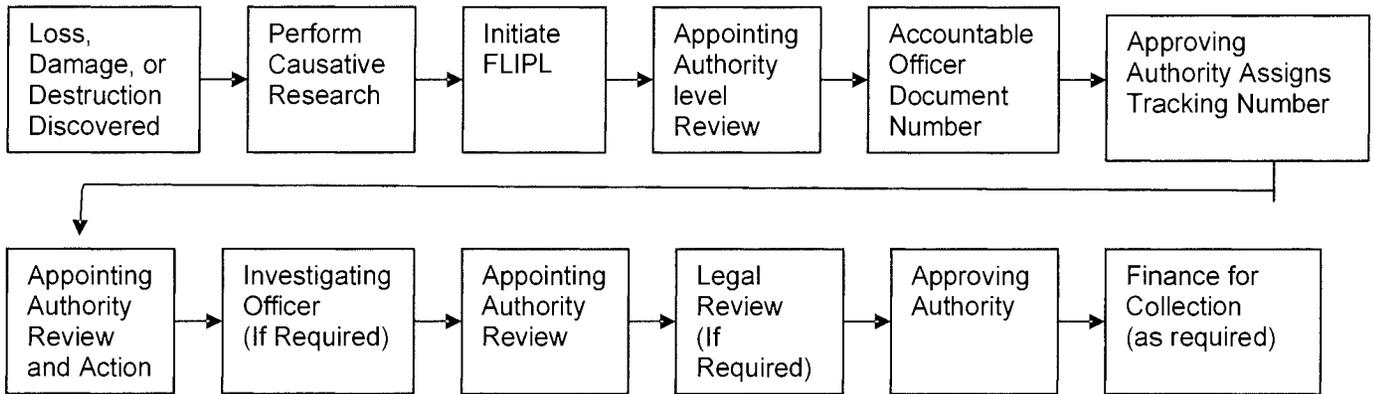


Figure 13-1

d. Initiate and complete FLIPLs within 75 calendar days, following the discovery of the LDD of U.S. Government property. When delayed beyond the time frames in table 13-1 below the person responsible for the delay will prepare a written statement explaining the reason for the delay and attach it to the FLIPL as an exhibit. The approving authority will review all statements of delay and implement procedures within his/her command to eliminate circumstances causing the delays. The time used to notify the individual of their rights (investigating officer and/or appointing authority) and the approving authority's decision to hold the respondent financially liable are not counted in the processing time. Operational tempo or training requirements are not valid reasons for failing to process FLIPLs in accordance with the timelines specified in table 13-1 following page.

Financial Liability Processing Time Chart

Initiation Process	Investigation Process	Adjudication Process
15 Days	40 Days	20 Days
Cumulative 15 Days	Cumulative 55 Days	Cumulative 75 Days
1. Perform causative research	1. Investigating Officer obtains evidence.	1. If required, legal review conducted.
2. Prepare FLIPL	2. Determine proximate cause.	2. Approving authority review
3. Obtain document number from Accountable Officer	3. Make findings and recommendations	3. Approving authority decision
4. Obtain FLIPL number from Approving Authority.	4. Consult with Appointing Authority	4. Notification made of any charges assessed
5. Process FLIPL thru Appointing Authority	5. Notification made of any recommended charges and rights	

Table 13-1

- e. Prepare DD Form 200, financial liability investigation of property loss in original and three copies. Follow the instructions provided in chapter 13 of AR 735-5. A suspense copy of the basic FLIPL and all exhibits will be maintained at the appointing authority level while the FLIPL is being processed.
- f. When property listed on more than one property account becomes lost, damaged, or destroyed in the same incident, initiate a single FLIPL listing the property separately for each property account.
 - (1) Prepare a continuation sheet in the same format as blocks 4 thru 8 of DD Form 200 to document lost, damaged or destroyed equipment for each different type of property. Each continuation sheet will have the applicable PBO information in same format as block 17a thru f, DD Form 200. Figure 13-2 is an example for how to format the continuation sheets.
 - (2) Prepare one additional copy of the financial liability investigation for each property book, property account, or document register.
 - (3) Hand carry the financial liability investigation to each property book officer that has property listed on the investigation.
 - (4) Obtain the signature of each property book officer on the appropriate continuation sheet.
 - (5) Obtain credit for the property investigated.
 - (6) Leave the financial liability investigation of property loss with the last property book officer that has property listed on the investigation.
 - (7) The property book officer will:
 - (a) Assign a document number to the financial liability investigation.
 - (b) Sign and date the appropriate continuation sheets.
 - (c) Give credit for the property.
 - (d) Retain one copy of the financial liability investigation and continuation sheets listing the property that is accounted for on document register.
 - (8) The last property book officer to receive the financial liability investigation of property loss is responsible for transmitting the investigation packet to approving authority for assignment of a financial liability investigation number. The Directorate of Logistics (DOL) will assign investigation numbers for units assigned to Headquarters, Garrison.
 - (9) Financial liability officers, appointing authorities, approving authorities, PBOs, SJA and FAO will process financial liability investigations according to the procedures prescribed in AR 735-5.
 - (10) The DOL will:
 - (a) Process financial liability investigations for garrison units according to present procedures.
 - (b) Send a completed copy of each financial liability investigation with appropriate continuation sheet(s) to CIF, CIPBO, TMP, TSC. Units are responsible for providing their organizational PBO with completed copies of investigations.
 - (11) The DOL point of contact for financial liability investigations of property loss is Regina Lynn Morrison, at 798-2215, DSN 635-2215.

Multiple PBO Continuation Sheet

4. NSN	5. Item Description	6. Quantity	7. Unit Cost	8. Total Cost
XXXXXXXXXXXX	XXXXXXXXXX X	XXXXX	XXXXX	XXXXXX
			Grand total	XXXXXX

- 17a. Doc number
 - b. Address (CIF/CIPBO, TSC, etc)
 - c. Typed Name
 - d. Signature
- Date:

Figure 13-2

NOTE: Enter "see attached" in blocks 5, and 17a, of DD Form 200

g. Whenever a financial liability investigation of property loss is initiated a Checklist and Tracking Document for Financial Liability Investigations of Property Loss (DA Form 7531) will be prepared with elements in part A completed as events occur. The DA 7531 will be attached to the FLIPL and will be used as a checklist and for tracking events as they occur. The checklist is an important document used to assist in preparation and processing a financial liability investigation of property loss is initiated. Prepare financial liability investigations of property loss as prescribed in chapter 13 of AR 735-5. All financial liability investigations of property loss will be reviewed by the appointing authority's S4 for completeness and accuracy prior to further processing. Financial liability investigations of property loss that are not prepared in compliance with AR 735-5 and this regulation will not be processed any further. They will be returned to the initiating unit for correction.

h. Damaged property will not be used, repaired or disposed of until the financial liability officer (when appointed), appointing authority, or the approving authority, decide it is no longer needed for investigative purposes. The investigating officer, appointing authority, or approving authority will release the damaged property in writing. Once the damaged property is released, repair or dispose of the damaged property IAW current guidelines.

i. Accountable officers will not process FLIPLs for property not contained on their accountable records. When the lost or destroyed property is on another accountable officer's records the accountable officer will return the financial liability investigation of property loss without action, and advise the initiator of whom the correct accountable officer is, if known.

j. The appointing authority is an officer or civilian employee designated by the approving authority with responsibility for appointing financial liability officers. The appointing authority will be the first O5 in the chain of command or major filling a lieutenant colonel billet of the unit responsible for processing the financial liability investigation.

k. The approving authority as defined in AR 735-5 ALARACT 272-2007, HQDA Operation Total Recall Property Accountability Initiative is the first Colonel or Supervisory GS-15 in the rating chain and cannot be delegated below this level. The approving authority is authorized to appoint a financial liability officer and to approve financial liability investigations of property loss. Brigade commanders (O6) or Supervisory GS-15 will be the approving authority for financial liability investigations of property loss arising within their command or under their supervision. For units assigned or attached to the 101st Airborne Division (AASLT) without an O6 commander the Chief of Staff, except as noted in (1) below, will be the approving authority for financial liability investigations of property loss arising within their command or under their supervision. The approving authority for financial liability investigations of property loss is also the approving authority for inventory adjustment reports for inventory discrepancies at stock record accounts.

(1) For final loss or damage of \$100,000 or greater or any final loss of a controlled item as defined in ALARACT, Army G4 Property Accountability Guidance, dated June 2006, the approving authority will be the first General Officer or Senior Executive Service Civilian in the rating chain. The financial liability investigation of property loss will not be finalized by the approving authority until all items that were found are reentered onto the accountable records. The loss damage or destruction of a controlled item also requires an AR 15-6 investigation as outlined in chapter 13 of AR 735-5.

(2) Financial Liability Investigations requiring General Officer approval will be processed through the Division G4 for review and recommendations before they are presented to the General Officer for action.

l. Commanders will not delegate the responsibilities of approving or appointing authority.

(1) The approving authority for FLIPLs not mentioned in paragraph 13 k (1) above will be the first O6 in the chain of command.

(2) The appointing authority for all FLIPLs regardless of the amount or type of loss will be the first O5 in the chain of command or major filling a lieutenant colonel billet.

m. 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 financial liability investigation of property loss 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.

n. The approving authority will ensure the financial liability investigation of property loss system works to promptly discover, report, and investigate the LDD 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 figures 13–1.

(3) Financial liability officers are thoroughly briefed on how to conduct a financial liability investigation of property loss 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) All financial liability investigations of property loss are assigned an inquiry/investigation number after going to the accountable officer for a document/voucher number.

(6) Each financial liability investigation of property loss is tracked using the spreadsheet in figure 13-3 throughout its processing and completion. A copy of this spreadsheet will be sent electronically to the G4, Supply and Services, FLIPL Manager on the first day of each month. Brigade and Battalion S4s will maintain the FLIPL register and the files of approved FLIPLs for all FLIPLs initiated within their command.

(7) The financial liability investigation of property loss files of approved financial liability investigations of property loss and tracking log will be maintained at the headquarters of the approving authority. The financial liability investigation of property loss files of approved financial liability investigations of property loss and tracking log for financial liability investigations requiring General Officer approval will be maintained at the headquarters of the Commander that normally acts as the approving authority.

o. On receipt of DD Form 200 from the initiating unit and prior to it being forwarded to the accountable officer, the appointing authority's S4 will review the FLIPL to ensure it complies with AR 735-5 and determine if—

(1) A financial liability investigation of property loss is required based on the criteria set forth in AR 735-5.

(2) Sufficient information exists to provide a clear understanding of the circumstances surrounding the LDD of Government property. This includes a complete statement of who is involved, when the loss occurred, what loss or damages occurred, and any other information relevant to the loss.

(3) Accountable officers will not process financial liability investigations of property loss that have not been reviewed by the appointing authority's S4.

p. When the facts and circumstances permit, the appointing and approving authorities may determine a "short financial liability investigation of property loss" is warranted. This process eliminates the need for an investigating officer when all of the necessary information to determine responsibility and liability is provided in the financial liability investigation of property loss. In order for this process to be used there must be reliable corroborated evidence of the facts surrounding the loss. The facts must clearly show either no negligence by anyone involved or clearly those responsible for the loss acted with misconduct or were negligent. Unless these criteria are clearly met a "short financial liability investigation of property loss" cannot be used and an investigating officer will be appointed. Complete a "short financial liability investigation of property loss" as prescribed in chapter 13 of AR 735-5.

q. Appointing authorities will review financial liability investigations of property loss to determine if a financial liability officer or AR 15–6 investigating officer is necessary. The decision whether a financial liability officer is necessary is indicated by the appointing authority entering his/her initials and date in block 13.c. of the DD Form 200.

(1) If no investigating officer is appointed the financial liability investigation of property loss will be forwarded for legal review or directly to the approving authority as appropriate.

(2) If an AR 15-6 investigation is warranted follow the procedures outlined in chapter 13 of AR 735-5.

(3) If the appointing authority determines an investigating officer should be appointed the appointing authority will appoint an investigating officer in writing and the appointment will be attached to the financial liability investigation of property loss as an exhibit.

Approve Authority	Investigation Number	Document Number	Originator	Type of Loss	Controlled Item (Y N)	Date Loss Discovered	Date Prepared	Date Approved	Investigating Officer Appointed	No. Days Processing Time	Actual Loss	Amount Charged	Loss to Government	Processing Status	Collection or Appeal Status	Date to Legal	Date Returned from Legal	
Approval Authority																		
	Investigation Number	Document Number	Originator	Type of Loss	Controlled Item (Y N)	Date Loss Discovered	Date Prepared	Date Approved	Investigating Officer Appointed	No. Days Processing Time	Actual Loss	Amount Charged	Loss to Government	Processing Status	Collection or Appeal Status	Date to Legal	Date Returned from Legal	
	Enter the command maintaining the FLIPL log (1BCT, 2BCT, 3BCT, 4BCT, 101CAB, 159CAB, 101SB, 101STB)	Enter the investigation number assigned by the approval authority	Enter the document number assigned by the accountable officer.	Enter the originator's name and unit.	Enter the type of loss and property type (loss, damage, MTOE, OCIE, Inst, TASC)	Enter Y or N depending if the item is a controlled item or not	Enter the date the loss was discovered from Block A of the DA Form 7531 or Block 3 of the DD Form 200	Enter the date prepared from Block 1 of the DD Form 200	Enter the date the approving authority approved the FLIPL from Block 14.h. of the DD Form 200	Enter the date on the investigating officer's orders	Enter the number of processing days	Enter the amount of the loss from Block 8 Grand Total of the DD Form 200	Enter the amount charged from Block 15.d. of the DD Form 200	Enter the amount of the loss to the Government by subtracting the amount in Block 15.d from Block 15.b. on the DD Form 200	Enter the status of the FLIPLs processing (Investigating Officer, Appointing Authority, Approving Authority)	Enter the status of any collection or appeal.	Enter the date sent to SJA for legal review	Enter the date returned from legal review

Figure 13-3

r. Financial liability investigating officers will be selected in accordance with the guidance set forth in chapter 13 of AR 735-5. Financial liability investigating officers will be thoroughly briefed on their duties and responsibilities and provided copies of DA Pam 735-5 and this regulation by the battalion S4. Appoint only those individuals as financial liability officer who are senior to individual(s) subject to potential financial liability. Senior by time-in-grade is acceptable. If during the investigation the financial liability officer discovers that completion of the investigation will require him or her 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 him or her, 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 financial liability investigation of property loss. 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 chapter 13 of AR 735-5. Include an explanation stating why the original financial liability officer is unable to complete the financial liability investigation of property loss.

s. The financial liability officer's responsibility is to determine the cause and value of the LDD of Government property listed on the financial liability investigation of property loss, and to determine if assessment of financial liability is warranted. That determination must be made from the facts developed during a thorough and impartial investigation. All financial liability officers will be briefed on their responsibilities by the appointing authority's S4 and provided with a current copy of DA Pam 735-5 "Financial Liability Officer's Guide". The investigation will begin immediately and be conducted in accordance with the procedures outlined in chapter 13 of AR 735-5 and DA Pam 735-5.

t. The financial liability officer's findings and recommendations are entered in block 15a, DD Form 200. A finding is a conclusion reached by the financial liability officer during his or her investigation of the facts and circumstances surrounding the LDD of Government property. Findings must be supported by evidence contained in either block 9, DD Form 200 or in exhibit(s) attached to the financial liability investigation of property loss. 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 his or her own words. Findings will be as complete as possible to enable the reviewers to ascertain relief from, or assessment of, financial liability.

(1) Enter the disposition, or recommended disposition, of damaged property classified as uneconomically repairable in block 15a.

(2) For property other than Government quarters, and/or furnishings and equipment therein, the financial liability officer will state in his or her findings whether the liability resulted from simple negligence or willful misconduct.

(3) 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 LDD 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. 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 respondents' name and social security number. Enter "see block 15a in blocks 15c and 15d."

(d) The methodology used for computation of the charges against a single individual is shown in AR 735-5, chapter 12 table 12-3.. When collective and individual liability are recommended, that is, when 2 or more persons are involved, the charges are computed according to chapter 12 of AR 735-5, table 12-4.

(e) The amount of the individual's monthly base pay at the time of the loss. Enter this amount in block 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 respondents' name and social security number. Enter "see block 15a in blocks 15c and 15d."

(f) The date the individual is expected to terminate his or her service, or employment.

(g) Whether relief from financial liability is appropriate.

(h) Whether the financial liability investigation of property loss lists property for which a claim may be processed under AR 27–20.

(4) The financial liability officer will complete blocks 15b through 15k in addition to block 15a. If financial liability is being recommended, the financial liability officer will cause the individual recommended for a charge of financial liability to complete blocks 16a through 16h. When 2 or more individuals are recommended for charges of financial liability, enter the data normally placed in blocks 15c and 15d, in block 15 for each individual being recommended for charges of financial liability.

(5) The financial liability officer will give any individual, against whom he or she makes a recommendation to assess financial liability, a chance to examine the financial liability investigation of property loss after the findings and recommendations have been recorded on the DD Form 200, and the opportunity to make a rebuttal statement in his or her behalf. The financial liability officer will—

(a) Explain to the individual recommended for a charge of financial liability, the consequences of the recommendation, if approved.

(b) Explain to the individual the significance of any rebuttal statement submitted by him or her regarding the possible assessment of financial liability.

(c) Consider and attach as an exhibit to the financial liability investigation of property loss any statement the individual desires to submit.

(6) The financial liability officer will notify the individual by memorandum that he or she has the right—

(a) To inspect and copy Army records relating to the debt.

(b) To legal advice as authorized by AR 27–3.

(c) To submit a statement and other evidence in rebuttal of the financial liability officer's recommendation.

(7) The financial liability officer forwards the financial liability investigation of property loss with exhibits to the appointing authority for action. The financial liability officer retains 1 copy.

(8) The financial liability officer will ensure the respondent completes blocks 16a through 16h, DD Form 200. A copy of the memorandum explaining the individual's rights will be attached to the financial liability investigation of property loss as an exhibit. If more than one individual is recommended for assessment of financial liability, the financial liability officer will prepare continuation sheet(s) for blocks 16a through 16h as shown in chapter 13 of AR 735-5.

u. 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. Investigating officers will consider rebuttals and revise their findings and recommendations as appropriate prior to forwarding it to the appointing authority. Soldiers and Government civilian employees against whom a charge of financial liability is recommended may obtain legal advice from the servicing legal office.

v. An individual who receives a hand delivered financial liability investigation of property loss 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. Individuals notified by certified mail have 15 days if located in CONUS and 30 days if overseas.

w. The appointing authority will personally review all financial liability investigations of property loss arising within his or her command or authority. The exception involves financial liability investigations of property loss listing property for which the appointing authority has either personal responsibility or accountability. In this instance, the next higher commander will determine the appointing authority. The appointing authority will make an administrative check to determine if all pertinent instructions have been followed IAW chapter 13 of AR 735-5 and this regulation. DA Form 7531 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 and AR 735-5.

(5) Reflects that individuals have 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 a complete and unbiased investigation.

x. The appointing authority will review the action taken by the financial liability officer, making certain all requirements have been met, and make a decision as follows.

(1) Return of 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.

(2) Concur with the findings and recommendations. If the appointing authority concurs with the recommendations of the financial liability officer, he or she will process the DD Form 200 as follows:

- (a) Check "Approve" in Block 13a.
- (b) Complete blocks 13b and 13d through 13h.
- (c) Forward the DD Form 200 with all exhibits to the approving authority, after any legal review required.

(3) Nonconcur with findings and recommendations. If the appointing authority nonconcurs with the financial liability officer's recommendations, he or she will process the DD Form 200 as follows:

- (a) Check "Disapprove" in block 13a.
- (b) Enter a statement in block 13b showing the rationale upon which his or her decision is based.
- (c) If the financial liability officer does not recommend financial liability and the appointing authority recommends financial liability, the appointing authority will ensure the procedures outlined in chapter 13 of AR 735-5 are followed.

(4) Prior to the approving authority holding anyone financially liable the complete financial liability investigation with all exhibits will be forwarded to the SJA for legal review. The approving authority will not act to hold any individual liable until the financial liability investigation has been reviewed by the SJA to determine legal sufficiency. When the SJA returns the financial liability investigation of property loss, the approving authority will make an administrative check to determine if all pertinent instructions have been followed

y. 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. In instances where the approving authority has either personal responsibility or accountability the approving authority will defer to the next individual in his/her rating chain. When reviewing financial liability investigations the approving authority will ensure it:

- (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 AR 735-5 and 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 a complete and unbiased investigation.

z. The approving authority will take one of the following actions upon receiving a financial liability investigation.

(1) When the approving authority determines the financial liability investigation of property loss or AR 15-6 investigation is incomplete, or finds pertinent instructions have not been complied with, he or she will return the financial liability investigation of property loss through the appointing authority to the financial liability officer or AR 15-6 investigating officer for further investigation. The approving authority will insert an "X" in block 14a "Disapprove box", and specify the additional data required using a memorandum. The approving authority will then enter the date and his or her initials in block 14a.

(2) When the approving authority determines the financial liability investigation of property loss is complete, the approving authority will—

(a) 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, and completing blocks 14b through 14h, or;

(b) Make a decision contrary to the recommendations of the financial liability officer or AR 15–6 investigating officer, either to relieve all concerned from financial liability or to assess financial liability against a new individual. Enter the decision of the approval authority in block 14a through 14h, DD Form 200 to relieve all concerned from property responsibility and accountability, or to assess financial liability against one or more respondents.

(3) When the approving authority decides to relieve all concerned from financial liability he or she 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 LDD of the property listed on this financial liability investigation of property loss." The approving authority will then complete blocks 14d through 14h.

(4) When the approving authority makes an assessment of liability the approving authority will notify the respondent by memorandum of his/her decision.

(a) The memorandum with a copy of the financial liability investigation of property loss 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 from the date delivered or mailed. If the respondent exercises his or her rights to request remission of indebtedness or extension of collection period, collection actions will be temporarily halted.

(b) The memorandum will provide a means for the respondent to acknowledge receipt. The memorandum 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 his or her 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 financial liability investigation of property loss.

(5) Once approved the approving authority will ensure the completed financial liability investigation is provided to the FAO for further action.

14. Request for reconsideration, hearings, remission of indebtedness, appeals, and other actions

a. Reopening, correcting, amending, or canceling financial liability investigation of property loss are administrative procedures. They may be activated by either—

(1) A decision at the approval authority level previously acting on the financial liability investigation of property loss that such action is necessary.

(2) At the direction of the appeal authority.

(3) The financial liability investigation of property loss approving authority will reopen a financial liability investigation of property loss when either of the situations shown above occur and result from one of the following actions:

(a) An individual has requested reconsideration of the assessment of financial liability.

(b) 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 individual receiving such correspondence will prepare a memorandum as discussed in chapter 13 of AR 735-5 to the approving authority level that approved financial liability. Such a response, although received late will not be considered a request for reconsideration.

(c) A memorandum from a subordinate headquarter that previously acted on a financial liability investigation supporting reopening based on new evidence.

(d) The property for which an individual was charged has been recovered.

(e) The approving authority becomes aware of an injustice against either the Government of the individual assessed financially liable.

b. The following actions will be taken when a financial liability investigation is reopened for any reason.

(1) Corrections on a financial liability investigation of property loss will not be made on the original of the financial liability investigation of property loss except as specified in chapter 13 of AR 735-5. Should it become necessary to alter a financial liability investigation of property loss in any other way, after receipt by the approving authority, an amendment will be prepared, citing the specific alterations, and attached to the financial liability investigation of property loss as an exhibit. A copy of this amendment will be provided to the DOL for any FLIPL initiated prior to 1 May 07.

(2) An approved financial liability investigation of property loss (one on which the approving authority has taken approval action) will not be cancelled. When property is found after a financial liability investigation of property loss is approved, follow the procedures set forth in chapter 14 of AR 735-5.

(3) Based on new information received by the approving authority it may become necessary to amend one or more blocks of the financial liability investigation of property loss, including the decision of the approving authority. Should it become 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 financial liability investigation of property loss as an exhibit.

c. Requests for reconsideration will be submitted to the approving authority that acted on the financial liability investigation of property loss. The approving authority will, after review and determination that liability should 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. No collection actions will be initiated until 30 days after final action of the approval authority.

d. 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 TDR or supply discrepancy reports (SDR) procedures. (See AR 735-11-2 and chapter 16 of AR 735-5.

e. Unless good cause for a greater delay exists, individuals must file requests for reconsideration within the time limits set forth in chapter 13 of AR 735-5.

f. Prior to reviewing a request for reconsideration the appeal authority will forward the request to the SJA for legal review. 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 SJA 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.

(1) 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.

(2) 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 of property loss 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 of property loss, 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.

(3) After review and decision by the appeal authority, the financial liability investigation of property loss with all exhibits will be returned to the approving authority for action under a formal memorandum. The 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 his or her decision is recorded. The appeal authority's actions will be accomplished within 45 calendar days of receipt of request for reconsideration.

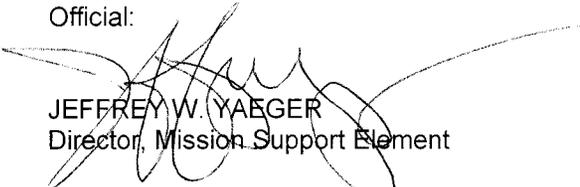
(4) The appeal authority is allowed to reverse financial liability charges. If during the review of the computation of financial liability, error is discovered, the appeal authority should correct the error, if the amount assessed is more than should have been assessed. The appeal authority is not allowed to assess financial liability against a new individual. If the appeal authority concludes from his or her review of the case that new financial liability may be appropriate, the appeal authority may direct the approving authority to reopen the case.

15. Proponent

The proponents and points of contact for this regulation are the 101st Airborne Division (AASLT), ACofS G4 and the MSE G4.

FRANCIS J. WIERCINSKI
MAJOR GENERAL, USA
Commanding

Official:



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Director, Mission Support Element

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