



Defense Logistics Agency MANUAL

DLAM 5000.02 - V2
August 28, 2015

Accountable Office: DS-IP

SUBJECT: GENERAL EQUIPMENT (GE) VOL 2: ACCOUNTABILITY, DISPOSITION,
AND EVIDENTIAL MATTER

References: See [Enclosure 1](#)

1. PURPOSE. In accordance with (IAW) the authority in DOD Instruction 5000.64 (Reference (a)), this Manual implements policy, assigns responsibilities, and provides procedures for managing the General Equipment business cycle. This Manual:
 - a. Applies to Defense Logistics Agency (DLA) General Equipment;
 - b. Assists staff and management at DLA Headquarters (HQ) and the Primary Level Field Activities (PLFA) with managing the General Equipment business cycle from asset acquisition to asset management to asset disposal IAW policy outlined in References (a) through (c).
 - c. Assists the property managers, accounting and financial managers, and other officials assigned by the DLA Installation Support (DS) in understanding their roles and responsibilities;
 - d. Establishes procedures and schedule details for the timely execution of General Equipment business cycle activities;
 - e. Provides checklists to assist assigned DLA personnel with procedures and activities;
 - f. Provides comprehensive instructions for implementing DLA policies;
 - g. Provides decision matrices, definition examples, document samples, calculation examples, etc., to demonstrate proper implementation of policies and compliance;

h. Outlines requirements which reflect both the accounting perspective, supporting the documentation of life cycle events and transactions, and the accountability perspective, supporting the life cycle management of assets;

i. Prescribes internal controls to initiate, process, and record DLA general Property, Plant, and Equipment (PP&E) transactions; and

j. Facilitates general PP&E accountability and consistency.

2. APPLICABILITY. This Manual:

a. Applies to all DLA activities.

b. Does not apply to property and material for which accountability and inventory control requirements are prescribed in References (d) and (e), nor does it address intellectual property, or software..

3. DEFINITIONS. See [Glossary](#).

4. RESPONSIBILITIES. See DLAM 5000.02 – V1, Enclosure 2.

5. PROCEDURES. This section establishes procedures to ensure adequate safeguarding of DLA General Equipment to prevent against fraud, waste, and abuse. This section also highlights required internal controls needed to achieve management assertions. This section covers two phases in the lifecycle management of General Equipment; Accountability, Utilization and Controls; and Disposal. See [Enclosure 2](#).

6. INFORMATION REQUIREMENTS. See [Enclosure 3](#).

7. INTERNAL CONTROLS. The following internal controls will be used to monitor DLA's compliance with this Manual. Key and Non-Key Internal Controls 1 through 5 are resident in DLAM 5000.02 – V1.

a. Key Control 6 documents the key internal control activity which ensures capitalizable costs related to cost of improvements are not charged to expense. Per the direction of DLA, capital improvements will be addressed in the future.

b. Key Control 7 documents the key internal control activity which ensures capital leases are properly accounted for.

- c. Key [Internal Control No. 8](#): Completeness, Manual, Monthly Reports, Detection (Reconciliation): Headquarters Only. The Financial Services Analyst (FSA) prepares a quarterly reconciliation to identify discrepancies between General Equipment balances in the Asset Management (AM) module and the General Ledger (GL). The FSA will identify PP&E balances recorded in the AM module using the Asset Reconciliation Report, generated from the Business Warehouse (BW) environment (which is a snapshot of the Enterprise Business System (EBS) production environment); identify the PP&E balances recorded at the transaction detail level in the Core FA (Financial Accounting) module using FBL3N; and identify the PP&E balances recorded at the summary level in the Core FA module using F.08. The FSA reconciles the FBL3N and F.08 balances to identify existing discrepancies that will require further investigation and reconciles the asset balances recorded in the AM module to Core FA PP&E General Ledger Account Code (GLAC) balances to identify existing discrepancies that will require further investigation. Resolution for the discrepancies must be identified and initiated within 2 weeks. The asset balances in the AM module should be reconciled back to the GL accounts listed in Core FA GLACs to be reconciled at the end of every period to confirm that the account balance is accurate. The FSA submits the complete reconciliations to the Director, Agency Accounting Operations for review and approval. The Director, Agency Accounting Operations signs the reconciliation evidencing a management review was performed. (GE PCM Internal Control 2)
- d. Non-Key [Internal Control No. 9](#): Completeness, Manual, Monthly Reports, Detection (Reconciliation): GAP: Process Being Developed. (GE PCM Internal Control 6)
- e. Key [Internal Control No. 10](#): Existence, Manual, Monthly Reports, Detection (Reconciliation of Physical Inventory): The Accountable Property Officer (APO)/Accountable Property Officer Representative (APOR) reviews all discrepancies noted during the physical inventory. The APO/APOR conducts causative research to determine the cause of each difference. As part of the reconciliation, adjustments should be initiated prior to the last day of the month or within (5) days of the inventor. The APM will ensure that the appropriate record updates and/or deactivations are made in EBS and reflected as part of the following month's site certification by the PLFA Commander/Director and J/D Code Director or Designee. (GE PCM Internal Control 9.2)

Note: Type of discrepancy identified will determine the type of Form completed by the APO/APOR, such as the DD Form 200, "Financial Liability Investigation of Property Loss or a Found on Installation" Form for adjustments.

- f. Key [Internal Control No. 11](#): Existence, Manual, Annual Report, Detection (Physical Inventory): The APO/APOR directs a 100% physical inventory annually, at a minimum, following an inventory timeline plan. As part of this inventory the APO/APOR ensures that all accountable assets are recorded accurately in EBS. Inventory status and any physical counts and count adjustments made as part of the inventory timeline are to be verified and certified by the APO/APOR with a signature. The Depot Commander/Site Director will certify the final physical inventory every year with a signed letter. (GE PCM Internal Control 9.1)

Note: Per the Directive Type Memorandum (DTM) 14-022 (Reference (1)), the PLFA Commanders/Director and J/D Code Director or Designee are responsible for providing a monthly written certification to the DS-I that the 10% monthly cyclic inventory has been completed. In support of the monthly inventory, attached are appendices 6 and 7 certified by APO/APOR and Hand Receipt Holder (HRH).

g. Key [Internal Control No. 12](#): Completeness (Physical Inventory): The APO/APOR will appropriately complete DD Form 200 based upon the findings of the lost, damaged, destroyed, or stolen (LDDS) asset. Authorized DD Form 200s are then used to make adjustments to EBS. The DLA APM assigned to support DLA is responsible for removing the accountable property record from EBS once it is determined the asset that the records support is no longer in service. Assets are removed from EBS within 75 days of the initiation date IAW DLA Instruction 4208 (Reference (f)). The APO/APOR maintains the hard copy asset folder for the required retention period. All signature blocks of the DD Form 200 must be completed before the APM can extract a Document Number (DSN) from EBS. (Not identified in GE PCM)

h. Key [Internal Control No.13](#): Valuation, Automated, Recurring, Preventative (System Configuration): EBS is configured so that depreciation is automatically calculated based on the predetermined criteria established in EBS-FI. (GE PCM Internal Control 8.2)

Note: EBS calculates the depreciation using the capitalization date (placed in service date) entered by the APO/APOR, asset value (acquisition cost) entered by the APO/APOR, and useful life. The useful life field is automatically populated based on the asset class input per Table B in EBS. Table B in EBS contains the useful life for each asset class in EBS and reconciles back to Table 6-1 in Volume 4, Chapter 6 of the FMR. The asset class is a required field and EBS will not allow user to move forward until it is populated. An asset class must be selected and a capitalization date (placed in service date) must be entered in order for an asset to begin depreciating.

i. Non-Key [Internal Control No. 14](#): Completeness & Valuation, Manual, Monthly Reports, Detection (Depreciation monitoring): The FSA (EBS User Role JD_274) monitors monthly depreciation expense entries, accumulated depreciation, and unplanned depreciation in EBS using the G/L accounts on the trial balance to ensure system generated calculations and the United States Standard General Ledger (USSGL) accounts are accurately recorded. The FSA automatically receives a test depreciation run effective the 25th of each month to compare the current month's system calculated depreciation to prior month's depreciation to review for reasonableness of the accumulated depreciation. The FSA signs off as the preparer of the review. (GE PCM Internal Control 8.1)

Note: FSAs will receive a monthly email on the 26th of each month containing the depreciation test run report. The FSA will collaborate with EBS users to resolve any errors prior to the last day of the month and prior to the actual depreciation run. The FSA maintains hard copies of the recalculation.

j. Key [Internal Control No. 15](#): Presentation, and Disclosure, Automated Recurring

(System Configuration): EBS is configured so that asset transactions are posted to the appropriate GLAC based on the asset class selected. (GE PCM Internal Control 5)

IAW DOD Financial Management Regulation (FMR) Volume 4 Chapter 6, the APO/APOR creates property records for assets with acquisition costs at or above the DOD capitalization threshold of \$250,000. Additionally, the APO/APOR will create property records for General Equipment above the accountability threshold of \$5,000 but below the capitalization threshold of \$250,000, to support the costs of expenses for the current period. (Note: The DLA APO/APOR may create records for items with an original cost of less than \$5,000 if the property is considered sensitive or pilferable based on the pilferable items list issued by the Director of Installation Support).

k. Key [Internal Control No. 16](#): Completeness, Valuation, Presentation, and Disclosure (Reconciliation): On a monthly basis, the FSA reconciles the asset class by cost center to the trial balance. (Not identified in GE PCM)

l. Non-Key [Internal Control No. 17](#): Completeness, Manual, Recurring, Prevention (Asset Transfer): Only authorized APO/APOR can transfer assets. If the losing/gaining APO determines that an asset can be laterally transferred to/from another DLA or DOD activity, then the APO coordinates the transfer with the losing/gaining HRH to establish a date, time, and location for transfer. The HRH completes the transfer per the APO's instructions. The losing/gaining APMs complete the transfer by executing the EBS transaction code 'ABUMN'.

m. Key [Internal Control No. 18](#): Completeness, Recurring, Automated, Detection (Disposal/Turn-In): To dispose of an asset, if the asset cannot be laterally transferred, the APO/APOR will dispose of the property to DLA Disposition Services utilizing the DD Form 1348-1A. The DD Form 1348-1A is signed by the APO/APOR when they release the property and the DD Form 1348-1A is signed by Disposition Services when they receive the property. A copy of the signed DD Form 1348-1A is retained in the asset file for six years and 3 months after the life of the asset. (GE PCM Internal Control 10.2)

n. Non-Key [Internal Control No. 19](#): Completeness, Manual, Monthly Reports, Detection (Reconciliation): On a monthly basis a Deactivation Reconciliation will be conducted for all assets deactivated during that month. The HQ DLA APM or designee reconciles information recorded in EBS with supporting documentation in the asset files maintained by the custodial Regional APM. When information in EBS does not match with information in the asset file, the HQ APM must work with the Regional APM to fix the discrepancy. The HQ APM must sign and date the reconciliation confirming accuracy. (GE PCM Internal Control 10.3)

o. Key [Internal Control No. 20](#): Completeness, Valuation, Automated, Recurring, Detection (System Configuration): Asset gain and loss calculation configuration is appropriate and results in proper recording in the GL. The account assignment for asset retirement transaction types is appropriately configured. (GE PCM Internal Control 10.4)

p. Non-Key [Internal Control No. 21](#): Rights & Obligations, Valuation, Manual, Recurring, Detection (Records Management): The APO/APOR will ensure, at minimum, that the

documentation maintained electronically in EBS Services for Objects contains enough information to support the valuation of the asset. (GE PCM Internal Control 3)

8. RELEASABILITY. UNLIMITED. This Manual is approved for public release and is available on the Internet from the DLA Issuances Website.

9. EFFECTIVE DATE. This Manual is effective immediately. All other provisions of this Manual are effective upon its publication to the DLA Issuance Website.

MARY D. MILLER
Director
DLA Installation Support

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REFERENCES

- (a) DODI 5000.64, "Accountability and Management of DOD Equipment and Other Accountable Property," May 19, 2011
- (b) DLAI 4202, "Accountability and Management of Defense Logistics Agency (DLA) Equipment and Other Accountability Property," February 6, 2013
- (c) DOD 7000.14-R, "Department of Defense Financial Management Regulations," (DOD FMR), date varies by volume
- (d) DLAI 4208, Financial Liability for Property, Plant and Equipment (PP&E) Lost, Damaged, Destroyed, or Stolen (LDDS), February 6, 2013
- (e) DOD 4100.39-M-V10, "Federal Logistics Information System (FLIS) Procedures Manual, October 2010
- (f) DLA Records Management Procedural Guide, April 2002
- (g) DLA Memorandum for DLA Corporate Board Commanders, DLA Field Activities, Capital Lease Authority, February 12, 2008
- (h) DOD Instruction 8320.04, "Item Unique Identification (IUID) Standards for Tangible General Equipment," June 16, 2008
- (i) DOD 4160.28-M, "Defense Demilitarization: Program Administration," June 2011
- (j) DLAI 4214, Support Equipment Management, September 22, 2009
- (k) Directive-Type Memorandum (DTM) 14-022, General Equipment Inventory Requirements and Procedures, September 30, 2014

ENCLOSURE 2PROCEDURES1. ACCOUNTABILITY, UTILIZATION AND CONTROLS

a. Overview. This is the utilization phase where the procured or transferred asset is received and inspected. If it is the correct asset, performs as advertised and is in the condition required, the receiving activity assigns it to the HRH. The asset's use is controlled by dispatching hand receipt to the user. The asset is also subject to announced and unannounced inspections and scheduled services. This phase ends when the useful life has passed, the mission requirement has changed or no longer exists, or it can be performed more efficiently with a different system.

b. Management and Monitoring of Assets. The management and monitoring (or asset accountability) of assets is primarily focused on controlling and verifying acquisitions (including establishing accurate in-service/available-for use dates); documenting asset costs allocated to programs charged with depreciation expense; and efficiently and effectively managing and safeguarding the asset. Management and monitoring of assets is the responsibility of the DLA Director, which responsibility is delegable to appropriate DLA HQ staff specialists, PLFA Commanders/Director, the DLA APM, the custodial area APO/APOR, and HRHs. As is the case with all costs of providing government services, the level and cost of accountability and the degree of control must be tempered with the risk consequences and program impact if the asset is missing, lost, damaged, or destroyed. The requirements for managing and monitoring assets are highlighted below:

(1) Asset Accountability

(a) To ensure DLA assets to be properly accounted for, General Equipment EBS asset records must:

1. Be established by receipt and acceptance by the DLA Field Activity and APO/APOR, respectively.

2. Be established and maintained using the latest technology. (DLA is developing a plan to use Automatic Identification Technology (AIT) for accountable assets.)

3. Not be compromised by virtue of an asset's status within its lifecycle or by its physical location (e.g., loading platform, in-transit, and with third parties).

(b) Proper accounting of DLA assets provides the following benefits:

1. Increased operational efficiency and mission performance.

2. Sound investment decision making and cost control due to greater financial and physical accountability.

3. Reduced instances of fraud, waste, and abuse.

4. Reduced material internal control weaknesses.

(c) Proper accounting of assets requires that PLFA Commanders/Director, J/D Code Directors, the DLA APM, APOs/APORs, and HRHs work to ensure that 100% of accountable property is inventoried annually as directed by the DLA Director.

(d) Asset accountability requires the use of EBS as the approved asset management system for DLA. The system is used for recording and reporting financial data for assets with acquisition cost equal to or in excess of the current capitalization threshold. Additionally, records are created and maintained in the system for assets with costs equal to or in excess of the accountability threshold of \$5,000. Assets with costs below the accountability threshold are not recorded in EBS. Exceptions include assets considered pilferable, classified, controlled, or sensitive as defined by Reference (a).

(e) Asset accountability requires all capital assets to be recorded in EBS.

(f) Asset accountability requires all DLA owned government property in the hands of third parties (including contractors) to be recorded and maintained in EBS regardless of value. This includes assets provided government furnished equipment and property (GFE/P).

(g) Asset accountability requires assets acquired under capital lease, as defined in paragraph 060207, DOD FMR, Chapter 6; Volume 4 of Reference (c), regardless of cost to be recorded in EBS. Costs for assets acquired under operating leases are expensed when incurred. The following must be provided for assets acquired under capital lease (See Capital Lease Authority Memo (Reference (g)) for additional information):

(1) Information to identify and account for leased assets, regardless of whether the asset was acquired by a capital operating lease or whether the value of the asset exceeds the DOD capitalization thresholds.

(2) Information to identify and account for capitalized improvements to assets.

(h) Asset accountability requires entries made by the APO/APOR to record transactions in EBS be supported by source documents that reflect all transactions affecting DLA investment in the asset.

(i) Asset accountability requires the APO/APOR identify and classify assets that are capitalized, recorded in EBS, and reported in financial statements. DOD asset costs that do not meet the capitalization threshold (acquisition cost of \$250,000 or greater) are expensed when incurred. DOD FMR Volume 4, Chapter 6, pages 5d and 40e (Reference (c)). The APO/APOR is also responsible for accumulating documentation supporting historical cost for accountable assets (acquisition cost of \$5,000 or more).

(j) Asset accountability supporting documents must be based on the same accounting documents to ensure that entries to the accounting and accountability records are the same. This ensures that the asset accountability records are integrated and subsidiary to the accounting system, and that accountability records can be reconciled with the accounting system.

(k) Asset accountability requires all assets possessed by DLA (including assets held by others) and assets of others acquired through seizure, forfeiture, loss, or abandonment be recorded in EBS.

Key Control 6 documents the key internal control activity which ensures capitalizable costs related to cost of improvements are not charged to expense. Per the direction of DLA, capital improvements will be addressed in the future.

Key Control 7 documents the key internal control activity which ensures capital leases are properly accounted for. Capital leases are out of scope for the FY13 assertion.

(2) Reconciling General Equipment Asset Master to the General Ledger

(a) General Equipment asset balances housed in the AM module must be reconciled to the General Ledger (GL) balances housed in the Core Financial Accounting (FA) module within EBS.

(b) The AM module and Core FA module are comprised of a subset of underlying tables. When a financial transaction, such as the settlement process of an asset occurs, the AM module and Core FA module should each record the business and financial impacts of the transaction. The asset balances reflected in the AM module should be reconciled to the GL balances in Core FA to confirm all related transactions have been recorded in each module at the conclusion of each reporting period.

(c) **Table 4** lists the PP&E GLACs balances that should be reviewed and reconciled:

Table 4 Core FA PP&E GLACs to be Reconciled	
GLAC	Account Name
17110100	Land and Land Rights
17120100	Improvements to Land
17190100	Depreciation Improvements to Land
17200100	Construction in Progress
17300100	Improvement and Renovation
17390100	Depreciation Building Improvement
17400100	Other Structure and Facilities
17490100	Depreciation Structure Facility
17500100	Equipment
17590100	AccumulateAd Depreciation Equipment
18100100	Assets Under A Capital Lease
18190100	Depreciation of Capital Leases

18200100	Leasehold Improvements
18290100	Amortization Leasehold Improvements
18300100	Internal Software
18390100	Amortization Internal Software
18320100	Internal Software Development
18900100	Other Property Plant Equipment
18990100	Accumulated Depreciation on Other Assets
19900100	Other Assets

(3) Reconciling General Equipment Asset Master to the General Ledger Procedures. The FSA prepares a quarterly reconciliation to identify the discrepancies between General Equipment balances in the AM module and the G/L. The FSA will complete the following:

(a) Identify the PP&E balances recorded in the AM module using the Asset Reconciliation Report, generated from the EBS Business Warehouse (BW) environment (which is a snapshot of the EBS production environment).

(b) Identify the PP&E balances recorded at the transaction, detail and summary level in the Core FA module using FBL3N.

(c) Identify the PP&E balances recorded at the summary level in the Core FA module using F.08

(d) Reconcile the FBL3N and F.08 balances to identify existing discrepancies that will require further investigation.

(e) Reconcile the asset balances recorded in the AM module to Core FA PP&E GLAC balances to identify existing discrepancies that will require further investigation. Resolution for the discrepancies must be identified and initiated within 2 weeks.

(f) The asset balances in the AM module should be reconciled back to the GL accounts listed in Core FA GLACs to be reconciled at the end of every period to confirm that the account balance is accurate.

(g) Submit the complete reconciliation to the Director, Agency Accounting Operations for review and approval. The Director, Agency Accounting Operations signs the reconciliation evidencing a management review was performed.

Key Control 8 documents the key internal control activity which ensures General Equipment asset balances housed in the AM module are reconciled to the GL balances housed in the FA module within EBS.

(4) Reconcile Supporting Documentation and Update Asset Record Procedures. The APO/APOR performs a reconciliation of supporting documentation to ensure a complete asset file, including the appropriate asset location, sub-location, etc., prior to the asset record being created in Enterprise Business System (EBS).

(a) For newly acquired assets, the APO/APOR will reconcile price, serial number, contract number, and description reported on the signed valid receiving document to price, serial number, contract number and description reported on the contract and certified invoice(s).

(b) If all information agrees between the signed, valid receiving document and the contract and certified invoice(s) then APO/APOR creates an asset record in EBS.

(c) If the documentation does not reconcile, the APO/APOR works with the FSA to resolve the discrepancies.

(d) If not all of the correct documents are in the package, the APO/APOR will work with the FSA to obtain the completed documents that are missing.

Non-Key Control 21 documents the internal control activity which ensures at a minimum the documentation that must be maintained electronically in EBS by the APO/APOR to support the valuation of the asset.

(5) Reconciling the Assets Under Construction (AuC) to the Active Asset Report - Assets under construction (AUC) are a special form of tangible assets. They are usually displayed as a separate balance sheet item and therefore require a separate account determination and their own asset classes. During the construction phase of an asset, all actual postings are assigned to the AUC

(a) AuC to Permanent Asset Settlement. EBS transaction code KO86 automatically settles assets from the AuC account to the permanent asset account based on the period entered. On a quarterly basis, KOB1 (transaction report) is run to ensure all assets have been settled after the determined cutoff.

1. The AuC balances housed in the Core FA module within EBS must be reconciled to the Active Asset Report balances housed in the BW module.

2. The asset balances reflected in the BW module should be reconciled to the AuC GL balances in Core FA to confirm all related transactions have been recorded in each module at the conclusion of each reporting period.

3. **Table 5** lists the AuC GLACs balances that should be reviewed and reconciled:

Table 5 Core FA PP&E GLACs to be Reconciled	
LAC	Account Name
7200100	Construction in Progress

4. The financial transactions within the AuC GL balances in the Core FA module and the Active Asset Report are obtained and extracted into an excel workbook. The reports are then evaluated and reviewed to confirm that they contain all required data attributes. The data populations reflected on the identified reports are then extracted to determine the balances in each module for reconciliation purposes

(b) Reconciling the Asset Under Construction (AuC) Report to Active Asset Report Procedures. The FSA prepares a monthly reconciliation to identify discrepancies between the BW Active Asset Report and the GL.

1. The FSA will obtain the Active Asset Report recorded in the BW environment (which is a snapshot of the EBS production environment).

2. The FSA will obtain the AuC balances recorded at the transaction detail level in the Core FA module using FS10N transaction code.

3. The FSA will reconcile the Active Asset Report from the BW environment to Core FA GL Balance report, and identify existing discrepancies that will require further investigation. All discrepancies should be resolved within 14 days.

4. The FSA verifies capital equipment is properly classified as capital equipment.

5. The FSA is aided in determining the Internal Order Number and the asset class selected by the APO/APOR. The FSA makes final determination depreciating assets based on the following criteria:

a. Assets with an original cost of \$250,000 or more will be expensed via equipment depreciation over the useful life of the asset that was determined during the creation of the Asset Master Record.

b. Assets with an original unit cost of under \$250,000 are expensed in the current period.

6. If the Equipment is depreciable, the FSA creates an Asset under Construction (AuC) to accumulate the costs to be capitalized until the asset is available for service.

7. The FSA will settle to the costs from the AuC Account to the permanent asset record, once all costs have been identified and posted to the AuC Account.

Non-Key Control 9 documents the key internal control activity which ensures that AuC balances reconcile to EBS.

c. Unique Identification (UID). The Item Unique Identification (IUID) Program is designed

to assist DLA in reaching asset management goals and objectives through enhanced asset visibility and improved asset accountability. The procedures for UID are highlighted below:

(1) The DLA is continuing to implement its policy to comply with the Office of the Under Secretary of Defense (OUSD) Acquisition, Technology and Logistics (AT&L) mandates regarding IUID. Once the DLA policy is implemented, use of machine-readable marks required by the IUID Program will significantly improve data quality, enable rapid and accurate automated data capture, and streamline procedures for data accumulation and processing.

(2) The IUID Program will facilitate asset tracking in DLA business systems and provide reliable and accurate data for program management, engineering, and accountability purposes.

(3) The UID of assets is performed by the APO/APOR or the custodial HRH by marking each qualifying asset IAW DOD Instruction 8320.04 (Reference (h)) with a permanent 2-dimensional data matrix.

(a) The data matrix is encoded with the data elements necessary to construct a Unique Item Identifier (UII) that is unique and unambiguous.

(b) The data elements required to form a UII include the manufacturer's identification (i.e., cage code) and the asset's serial number.

(c) The data matrix is machine readable; as a result, UID markings greatly reduce human error and improve the accuracy of physical inventory and acquisition records.

(4) The DLA APO/APORs assigned to support DLA will review the DOD Instruction 8320.04 (Reference (g)). This guidance establishes IUID as a mandatory DOD requirement on all solicitations.

d. Barcoding. Information is needed for this section.

e. Physical Inventory. The primary purpose of a physical inventory is to ensure that all assets recorded in the asset database exist, and that the database is complete. In addition, DLA physical inventories are designed to ensure that assets are appropriately safeguarded and are being used as prescribed in operations. A physical inventory is the process where an agency physically counts all of its assets or equipment. Physical controls and accountability reduce the risk of (1) undetected theft and loss, (2) unexpected shortages of critical items, and (3) unnecessary purchases of items already on hand. These controls improve visibility and accountability over the inventory, which help ensure continuation of operations, increased productivity, and improved storage and control of excess or obsolete stock.

(1) Types of Physical Inventories

(a) There are four types of inventories conducted by APO/APORs for General Equipment: sensitive items inventory, cyclic inventory, annual inventory and a wall-to-wall

inventory.

(b) The sensitive items inventory is a physical inventory of the piece of equipment and what is on the EBS printout. It is conducted monthly to ensure all relevant items are on hand and correctly reflect what's recorded in EBS. The sensitive items inventory is a DOD requirement which must be conducted monthly, no extensions will be given.

(c) Cyclic inventories should be planned and guidance should be given to HRHs, detailing how and when their assets will be inventoried throughout the year. A cyclic inventory can be conducted in a 10%, 25%, 50% or 100% (annual) interval depending on agency guidance.

(d) The cyclic inventory is different from an annual inventory or a wall-to-wall inventory. This type of inventory is performed several times throughout the year to ensure that the agency has enough time to inventory 100% of their assets over a twelve month period.

(e) DLA has provided guidance, Directive Type Memorandum (DTM) 14-022 (Reference (1)), on how and when to conduct the cyclic inventory, see [Appendix 5, Enclosure 1](#) for a sample inventory plan by plant and month.

(f) Annual physical inventory not only helps ensure the accuracy of what is recorded in EBS it also helps with the management of the activity in the area. Annual inventory occurs when an agency elects to conduct a 100% physical inventory of their assets in the manner defined in the DLA Inventory Plan (see [Appendix 5](#)). Due to the amount of assets at each site this type of inventory is not recommended.

(g) The sensitive items and a cyclic are categorized as a Book to Floor. This is usually a very small percentage of your total assets. An annual inventory and a wall-to-wall inventory would consist of 100% of your assets. The annual and wall-to-wall inventory is a combination of a Book to Floor and a Floor to Book. A wall-to-wall inventory is usually command directed.

(h) A Book to Floor inventory consists of a comparison between the asset listing per EBS and actual assets on the floor (warehouse, admin office or bay). The asset listing is printed from EBS and is used as the starting point to conduct the physical inventory.

(i) A Floor to Book inventory consists of a comparison between the actual assets on the floor and the asset listing per EBS. The objective is to ensure that all assets on the floor are properly accounted for in EBS (book).

(j) A sample Physical Inventory Procedure to aid in conducting a physical inventory is provided in [Appendix 5, Enclosure 5](#). The procedures for conducting a physical inventory are highlighted in (2) below:

(2) Physical Inventory Procedures. DOD guidance mandates regularly scheduled physical inventories. The inventory will be conducted and quantities on hand be reconciled to

asset record quantities. When differences are discovered, adjustments will be annotated on a FLIPL (DD Form 200) for losses or adjustments to nomenclature, model, or serial number to ensure that asset records match the assets actually counted. Properly planned and executed physical inventories and location surveys serve to continuously improve accountable asset record accuracy.

(a) Directive-Type Memorandum (DTM) 14-022 (Reference (1)) – General Equipment Inventory Requirements and Procedures require that 100% of General Equipment be inventoried annually and further requires that the DLA Commander or Director of the PLFA or J/D Code Director responsible for each Enterprise Business System (EBS) General Equipment plant code will submit to the Director, Installation Support for approval by October 31, 2014, an inventory schedule for each plant code under their jurisdiction, that:

1. Initially focuses on capital assets
2. Encompasses approximately 10% of all assets each month, so that 100% of assets have been inventoried by August 30, 2015
3. Ensures each Hand Receipt Holder (HRH) conducts inventory procedures at least once a quarter
4. Provides a listing of specific assets for each inventory. An example is provided in [Appendix 5, Enclosure 1](#), but may not comply with requirement (3) above.

(b) DLA PLFA Commanders and Director, J/D Codes Directors, and DS Site Directors will appoint APO/APOR in writing.

(c) APO/APOR in conjunction with the HRHs will assure that:

1. Assets are inventoried, book-to-floor, IAW the schedule.
2. A floor-to-book inventory consisting of half of the number of book-to-floor assets is conducted along with scheduled book-to-floor inventories. (i.e., If there are 10 book-to-floor assets, five floor-to-book assets should be inventoried.)

(d) APO/APOR will maintain documentation of inventories completed, including a record of discrepancies identified and changes made to correct them.

(e) The PLFA Commander or Director or J/D Code Director responsible for each EBS General Equipment plant code will provide monthly certification that the planned inventory was conducted and annually certify that a 100% inventory was completed and discrepancies have been rectified.

(f) The following concepts apply to all DLA physical inventories:

1. Planning and Preparation: The process of preparing records and personnel to perform the physical count. The APO/APOR will pull a detailed listing of all Hand Receipts from EBS. For additional information on how the APO/APOR pulls a listing of Hand Receipts, reference the Standard Operating Procedure (SOP) titled *Windows 7 Inventory of EBS Hand Receipt Assets*. This listing is linked to the asset master record in EBS.

2. Observing/Conducting Physical Count: The process of physically inventorying the item(s) in order to verify the accuracy of the accountable property records.

3. Reconciliation. The process of ensuring that the physical inventory agrees with the accountable property records.

(g) For each APO/APOR custodial area, DLA has established that a minimum 98 percent physical inventory accuracy rate (100 percent for classified or sensitive property) be achieved and maintained.

(h) According to Paragraph 060106 (C) DOD FMR, Chapter 4 (see Reference (c)), personal hand receipt self-validations (including those by HRHs) are not acceptable in meeting the independent verification requirements.

(i) DLA has provided a General Equipment Inventory Plan and Cyclic Breakout by Plant and Month for custodial areas under their control at the beginning of the fiscal year. Plan preparation and scheduling is coordinated with the applicable APM and HRHs. The plan identifies:

1. Count team members assigned responsibility for conducting the physical inventory in each custodial area (dependent upon how geographically dispersed an APO/APOR's custodial area is, the APO/APOR can assign count teams to individual locations, to count assets assigned to a particular HRH, or group of HRHs, etc.). Typically one member will be responsible for counting and one member responsible for recording results (in some instances the count team may include the APO/APOR.

2. Start and completion dates.

3. The requirement to generate a complete listing of accountable asset by custodial area that includes an asset count, DLA description, and location.

4. Clear cutoff guidelines which identify which assets to include or exclude from the inventory.

5. Assets on loan that are in the custodial area during the period scheduled for the count.

6. Training of inventory personnel to ensure personnel are proficient in inventory skills.

7. A set reconciliation date following the physical inventory for all adjustment documents to be prepared, approved, and processed. This will ensure all accountable (greater than \$5,000) GFP and sensitive/pilferable assets have a current HRH and are captured in EBS.

(j) APO/APOR will notify in writing all parties involved in the inventory count to include a detailed listing of the assets to be inventoried. The APO/APORs also notify customers and other agency personnel of the inventory timeline. All transaction activities such as receiving and turn-in of equipment should be suspended during the time the inventory is being conducted.

(k) HRHs are responsible for preparing storage areas for the inventory. Items should be arranged to allow for an efficient and effective inventory count. All hazardous materials and conditions (i.e., boxes, wet floors, etc.) should be removed from the area in which the inventory will be conducted.

(l) HRHs are responsible for performing the physical inventory. The HRH obtains a copy of the EBS HRH inventory and identifies accountable (greater than \$5,000) GFP and sensitive/pilferable assets that support the DLA mission.

(m) APO/APOR develops and communicates to all individuals assisting with the physical inventory instructions. Instructions must include the following:

1. Tag equipment if possible to identify the equipment once it has been inventoried.

2. Switch roles occasionally to keep individuals included in the inventory process sharp.

3. Validate that information per the EBS report coincides with what's on the piece of equipment being inventoried (i.e., book-to-floor).

4. Verify that the item description is accurate and agrees with the data plate.

5. Ensure the barcode is accurate and securely affixed to the asset.

6. Ensure the serial number reflected on the piece of equipment and on the barcode agrees to what's recorded in EBS.

7. Ensure the actual location of the equipment agrees to what's in EBS.

8. Ensure the equipment is hand receipted and is properly recorded in EBS.

9. Ensure the manufacture date, make and model are accurate.

10. Ensure the acquisition and placed-in-service dates are accurate and annotated in EBS.

11. Annotate any discrepancies found between the EBS report and what is actually on the piece of equipment, where the equipment is located, or who it is hand receipted to.

(n) The APO/APOR is responsible for reviewing all Evidential Matter Uploaded in EBS (RM module) to determine the following agrees to what's recorded in EBS:

1. Acquisition cost
2. Acquisition date
3. Item description
4. Serial Number
5. Accepting/receipt date agrees to the placed-in-service date the per EBS
6. Determine if all required Evidential Matter is captured in the RM module

(o) If there are issues (i.e., missing Evidential Matter or variances from the book to floor or floor to book, the APO/APOR must research the documents to ensure the proper Evidential Matter is uploaded into EBS (RM module).

(p) The Site Director along with the APO/APOR is responsible to ensure inventory records are updated to reflect assets on hand, hand receipted, data elements in EBS are properly filled out and that adjustments are completed prior to the last day of the month. This is so any changes appear on the next consolidated active asset report.

(q) DLA measures the results of the physical counts by calculating an inventory accuracy rate by APO/APOR custodial area. Inventory record accuracy rates measure the degree of agreement between information in EBS asset records and the physical count.

(r) A quantity error includes assets that meet the definition of a LDDS asset under guidance set forth in DOD FMR, Chapter 7, Volume 12 of Reference (c).

(s) If the asset is found on site the HRH must:

1. Obtain a copy of the supporting source documents (i.e., DD Form 250, Military Interdepartmental Purchase Request or MIPR, etc.).

2. Identify the asset attributes to create an accountable record. At a minimum, record item description, make, model, manufacture, manufacture date, location, and if the asset has an assigned EJON.

3. Determine the source of acquisition.

(t) If the asset is not found on site the HRH must:

1. Verify physical counts and asset attributes to include condition match in EBS.
2. Send the asset file to the APO/APOR to update the 'last inventory date' on the asset master file.

(u) The custodial area APO/APOR is responsible for verifying that the asset, represented by automated accountable asset records in EBS is:

1. On-hand.
2. In the physical location DLA described on the automated asset record.
3. Assigned a DLA asset identification number.
4. In working condition and used in operations. Designate the asset as 'in need of repair' if it is found not to be in working condition.
5. Identified unrecorded accountable asset so that it can be appropriately included in the asset records or designated for disposition if deemed excess to program needs.
6. Located/identified if missing assets.
7. Supported by Evidential Matter in the RM module.

(v) If the DLA receiving Activity is unable to locate supporting documentation indicating the original acquisition cost and accumulated depreciation for found assets, the cost and acquisition date must be estimated.

(w) DLA has developed methodologies to estimate original acquisition cost and acquisition/placed-in-service date. DLA's Fair Market Value (FMV) and Receipt Date Verification (RDV) methodologies are used by DLA APO/APOR to develop reasonable estimates of acquisition cost and acquisition/placed-in-service date (see DLA RDV/FMV Form, [Appendix 6](#)). The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The RDV is the date the asset is placed into service. See DOD FMR, Volume 4, Chapter 6, page 8B and page 27 #8 (Reference (c)) for consistently applied procedures for estimates.

(x) Documentation used or developed in estimating the acquisition cost and acquisition/placed-in-service date should be maintained by the APO/APOR in the found asset's hard copy asset file.

(y) The APO/APOR is responsible for reconciling differences between the EBS printout and the physical inventory. During the reconciliation, the APO/APOR reviews all discrepancies noted during the Book to Floor count. The APO/APOR also conducts causative

research, which includes reviewing all supporting documentation to validate asset additions and deletions/disposals. Once causative research has been performed and if the asset APO/APOR is still not found, the HRH, the APO/APOR, or the individual with the most knowledge of the incident must initiate a DD Form 200 (Financial Liability Investigation of Property Loss). Where applicable, changes to the item description, barcode, serial number, location, HRH, manufacture date, model, acquisition cost, acquisition date and capitalized date is necessary.

(z) The APO/APOR must annotate any equipment found during the Floor to Book count. Record the item description, make, model, manufacture name, and manufacture date for any equipment not recorded in EBS. The APO/APOR will conduct causative research to determine how the equipment ended up in DLA's possession. Consult with the APM to determine if this equipment actually belongs to the agency.

(aa) Once causative research is complete and it is determined the asset is needed a "Found on Installation" document is processed. A found on installation is a document or process that is initiated when a piece of equipment is found and must be added to DLA records. Once the APO/APOR approves the Found on Installation documentation the piece of equipment is added to EBS. When a piece of equipment is found but not needed, turn-in the asset to DLA Disposition Services.

(bb) As part of the reconciliation process, adjustments should be completed prior to the last day of the month or within (5) days of the inventory to ensure that the appropriate changes will be reflected on the next consolidated active asset report.

(cc) The APO/APOR will develop a report of the results of the yearly Book to Floor and Floor to Book inventory and submit the report with a draft memorandum with the results to the DLA PLFA Commander/Director for certification.

(dd) Once the Commander/Director certifies/signs the memorandum with the results of the inventory, the APO/APOR will forward the annual certification memorandum with results from the inventory to the APM.

(ee) The APM monthly validates additions and deletions have been accomplished in EBS.

(ff) A copy of the inventory memorandum must be on file at the site and a copy will be forwarded to HQ DLA APM. This memorandum will be reviewed by HQ personnel during compliance visits. No additional annotations such as hand written comments will be included on the certification memorandum/letter. Site Directors signature and inventory personnel signatures are the only hand written items authorized on the certification memorandum/letter.

[Key Control 10](#) documents the key internal control activity designed to ensure that differences between EBS printouts and physical inventory counts are reconciled and corrected.

[Key Control 11](#) documents the key internal control activity designed to ensure that assets

recorded in EBS exist and that all assets that should be included in EBS are included.

e. Initiating A FLIPL Investigation. FLIPL investigations (formerly referred to as report of survey) are used to determine if an individual should be financially liable for the loss, destruction, or damage of government property. The first consideration is whether there is evidence of negligence. In order to make such a determination, the HRH, the APO/APOR, or the individual with the most knowledge of the incident must first confirm the facts and circumstances leading to the loss, destruction, or damage of government property.

(1) DD Form 200. A DD Form 200 documents the circumstances concerning the loss or damage of Government property and serves as, or supports a voucher for adjusting the property from accountable records. It also documents a charge of financial liability assessed against an individual or entity, or provides for the relief from financial liability. A DD Form 200 will be processed when:

(a) Negligence or willful misconduct is suspected as the cause, and the individual does not admit liability and refuses to make voluntary reimbursement to the Government for the full value of the loss less depreciation.

(b) The property lost, damaged, or destroyed involves a change of accountable officer's inventory and the outgoing accountable officer made no voluntary reimbursement for the full amount of the loss to the Government.

(c) The value of the admitted loss or damage exceeds the individual's monthly basic pay (military) or 1/12th of the annual salary of a civilian employee.

(d) Serial number changes for sensitive items if changes involve more than two characters.

(e) The loss or destruction involves public funds or other negotiable instruments and the individual does not voluntarily reimburse for the loss.

(f) The loss involves public funds or other negotiable instruments and the value is \$750 or greater.

(g) The loss resulted from a fire, theft, or natural disaster.

(h) The total dollar value of Government owned vehicle damage loss exceeds \$1,000.

(i) The process flow chart can be found in [Appendix 1](#). The procedures for initiating a FLIPL are highlighted below:

(2) Background Information

(a) The OUSD is responsible for financial policies regarding financial liability for

government property LDDS. FLIPL guidance is contained in DOD FMR, Volume 12, Chapter 7 of Reference (c).

(b) DLA personnel are responsible for:

1. Determining and assessing the amount of financial liability of those responsible for such losses.
2. Mitigating, reducing, and/or relieving financial liability in applicable cases.
3. Establishing debts resulting from the assessment of financial liability and referring them for collection action.

(c) DD Form 200 is initiated for all LDDS government-owned equipment with an initial acquisition cost of \$5,000 or greater; all sensitive, classified, or leased (capital lease) property regardless of initial acquisition cost, or monetary assets \$750 or greater. Investigations may also be conducted when circumstances warrant, for example, when the loss, damage, destruction, or theft of small amounts of property occur frequently enough to suggest a pattern of wrongdoing.

(d) The applicable DLA Approving Authority (typically the DLA Director, Fort Belvoir, VA, or Field Office Commander or Director) is responsible for establishing procedures and designating a person to conduct investigations IAW agency procedures. Investigations may be conducted if the approving authority deems a formal investigation is necessary.

(e) A DD Form 200 is not required when:

1. An individual voluntarily makes restitution to the government for the full amount and classified or sensitive property is not involved.
2. The damage involves a government-owned vehicle. In such cases, an accident investigation report may be used to document an inquiry in lieu of a DD Form 200. When the documentation clearly indicates that negligence or abuse was involved, or if a claim against the government is possible, a DD Form 200 must be prepared.

(3) Determination of Loss Process. The investigation of property loss process can be broken down into five steps: Determination of Loss, Recommendation, Investigation, Legal Review, and Financial Liability. The investigation of property loss initiation process starts with the determination of loss. The procedures for the Determination of Loss Process are highlighted below:

(a) Upon discovery of loss, damage, destruction, or theft of government-owned property of any value, the HRH, the APO/APOR, or the individual with the most knowledge of the incident conducts a preliminary inquiry to determine if the situation warrants a more formal investigation. (DD Form 200 is not required for inquiries.)

(b) When inquiring into the loss, damage, destruction, or theft of government property, APO/APOR the first consideration of the HRH, the APO/APOR, or the individual with the most knowledge of the incident is whether there is evidence of negligence. For example: “Would a reasonably prudent individual have acted in this manner?” “Were there procedures governing the use of the property, and were they followed?” “What were the circumstances that existed when the loss actually occurred?” “Was the individual on the job?”

(c) Item discrepancy reports should be reviewed and evaluated to determine if the circumstances of the loss or damage appear to have been caused by negligence or abuse by DOD personnel. If so, a DD Form 200 must be prepared.

(4) Recommendation Process. The second step in the investigation of property loss is the Recommendation Process. The procedures for the Recommendation Process are highlighted below:

- (a) Appoint an investigation officer if deemed necessary.
- (b) Review the property records.
- (c) Release damaged equipment for repair.
- (d) Obtain statements.
- (e) Ascertain the fact.
- (f) Determine the proximate cause.
- (g) Calculate the actual loss.
- (h) Make recommendation.
- (i) If financial liability is recommended, notify individual(s).
- (j) Consider respondent’s rebuttal statement.

(5) Investigation Process. Upon receipt of the recommendation by the approving authority from the initiator, appointing authority, or the investigation officer as appropriate, the third step, Investigation Process will begin. The procedures for the Investigation Process are highlighted below:

(a) At a minimum, investigations will identify: What happened? How it happened? Where it happened? Who was involved? When it happened? Why it happened? And any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of the property.

(b) The DD Form 200 is required documentation for investigations. It is used to document the facts and circumstances of the loss, damage, destruction, or theft and as an

adjustment document to decrease the asset on the APSR. The initiator of a DD Form 200 will normally be the HRH, the APO/APOR, or the individual with the most knowledge of the incident. The initiator of the DD Form 200 is responsible for completing blocks 1 and blocks 3 through 11.

(c) The Financial Liability Officer (FLO) will promptly initiate the investigation by initially interviewing the HRH of the lost property or whoever has the most knowledge about the lost property. The HRH or APO/APOR submits a DD Form 200 to the Appointing Authority within 5 calendar days of the loss being reported.

(d) The Appointing Authority will initiate an investigation within 15 calendar days, using the DD Form 200, of discovering the loss with a goal of completing the investigation within a total of 75 calendar days. The date of loss is shown in block #3 of the DD Form 200.)

(e) When property listed on more than one property account becomes lost, damaged, or destroyed in the same incident, initiate a separate DD Form 200 for each property account affected. Cross-reference the separate DD Form 200 to each other.

(f) When the lost, damaged, or destroyed property is on the property records of the same account and the same document register, prepare only one DD Form 200.

(g) Process a DD Form 200 through the chain of command for the individual responsible for the property at the time of the incident if the individual is subject to this regulation. When formalized support agreements require processing through other than the above, follow the requirements in the support agreement.

(6) Legal Review Process. Upon receipt of the findings of the Investigation Process by the approving official from the initiator, appointing authority, or the investigation officer as appropriate, the forth step, Legal Review Process will begin. The procedures for the Legal Review Process are highlighted below:

(a) Upon completion of the preliminary inquiry and initiation of DD Form 200 by the HRH, the APO/APOR, or the individual with the most knowledge of the incident the DD Form 200 is forwarded to the appointing authority for review. The appointing authority determines if a FLO or financial liability board is needed to conduct an investigation.

(b) If not already done, notify individual(s) of financial liability recommendation.

(7) Financial Liability Process. The fifth and final step is based on the conclusions from the Legal Review Process. The individual being charged will be notified of the financial liability assessed. The procedures for the Financial Liability Process are highlighted below:

(a) Individuals may voluntarily choose to pay the government for lost, damaged, or destroyed government property at any time prior to involuntary collection from their pay.

1. Individuals offering payment do so of their own volition.

2. The government does not seek any advantage nor forego any right by accepting a voluntary payment.

3. An individual cannot be coerced or threatened with adverse action if payment is not voluntarily made.

(b) Individuals must be made aware of the effect of making a voluntary payment (i.e., it may not be later withdrawn, avenues for relief will no longer be available, and voluntary payment does not preclude other administrative or disciplinary action).

(c) Individuals offering to pay in excess of basic pay for one month by military members or one-twelfth of annual pay by civilian employees must be made aware that their liability may be a lesser assessment as a result of an investigation.

(d) Voluntary payments may be made in cash or by payroll deduction.

(e) Should the individual choose to not make a voluntary payment, DLA Finance may fill out the DD Form 2481, Recovery of Debt Due the United States by Salary Offset, submission to include all supporting documentation for validation of debt due.

Key Control 12 documents the internal control activity designed to ensure that FLIPL (DD Form 200) investigations (formerly referred to as report of survey) are used to determine if an individual should be financially liable for the loss, destruction, or damage of government property.

f. **Heritage Assets.** Assets of historical, natural, cultural, educational or artistic significance (e.g., aesthetic); or with significant architectural characteristics are considered Heritage Assets. Heritage Assets are expected to be preserved indefinitely. Heritage Assets consist of items whose physical properties resemble those of General PP&E and are traditionally capitalized in commercial-type financial statements. The nature of these items, however, differ from General PP&E in that their values may be indeterminable or may have little financial meaning (e.g., museum collections, monuments, assets acquired in the formation of the nation), or that allocating the cost of such assets (e.g., military weapons systems) to accounting periods that benefit from the ownership of such assets is not meaningful. The procedures for heritage assets are highlighted below:

(1) DOD Components with Heritage Assets should reference a note on the balance sheet that discloses information about Heritage Assets.

(2) Quarterly, DLA Field Activities (currently only DLA Aviation) will submit a Heritage Asset report to DLA DS. DLA DS verifies the assets and forwards to J85 for reporting in the Working Capital Fund (WCF) Financial Statements (via email) as Required Supplementary Information (RSI).

(3) The process begins when DLA DS receives the field activity's Heritage Asset reports. DLA DS verifies assets data and forwards the report to J85, who reviews the data for

any changes and validates the calculations. Any questions are discussed between J85, DLA Installation Services, and the DLA field activities. J85 then forwards the Heritage Asset report via email to Defense Finance and Accounting Service (DFAS)-CO. DFAS-CO uploads the information into DDRS-AFS as RSI.

(4) J85 performs a review of the DDRS-AFS RSI data to ensure it is consistent with the amount submitted as part of the data call. Any discrepancies are discussed with DFAS-CO for correction.

g. Depreciation. Depreciation is the systematic and rational allocation of the acquisition cost of an asset over its estimated useful life. The procedures for depreciation of General Equipment are highlighted below:

(1) Depreciation Procedures

(a) DLA Uses the “Straight Line” Depreciation Method

(b) The APO/APOR/FSA will perform settlement of the AuC to the Asset Master Record Shell for the new acquisitions.

(c) The Asset Class ([Appendix 2](#)) identifies the asset as depreciable (for capitalized) or non-depreciable (non-capitalized) and identifies the asset in terms of a “descriptive category” and the number of projected “Useful Life” years.

(d) The event that triggers the initiation of depreciation (process) in GL postings is the posting of the “Goods Receipt” (date of receipt shown on the asset receipt document or the date installed and placed in service (regardless of whether the asset is actually in use). Depreciation begins when a dollar value has been assigned to an asset record or asset shell.

(e) Below is information specific to each unique situation:

1. Transfer – EBS will automatically calculate accumulated depreciation (already taken by another entity) based on the information obtained for the other entity and entered into the asset master record. For Inter-DLA transfers, the depreciation schedule will not be interrupted and is transferred via EBS.

2. New Acquisition – depreciation will begin once the asset master is created and the costs are transferred from the AuC/CIP account to the permanent asset record or the asset is received for non-CIP acquisitions.

3. New Acquisition requiring Unplanned Depreciation – when equipment is not entered into EBS in a timely manner, the FSA will have to calculate and expense unplanned depreciation. Unplanned depreciation occurs when an asset is not properly processed into EBS in a timely manner.

(f) Depreciation is the systematic and rational allocation of the acquisition cost of an

asset over its estimated useful life. EBS calculates the depreciation using a “Straight Line” method.

(g) DLA has five forms of depreciation. The following list depicts the five types of depreciation stored in EBS:

1. Accumulated Depreciation – Prior Year Cumulative Depreciation
2. Accumulated Unplanned Depreciation – Catch-up from Prior Year Unplanned Depreciation
3. Value Adjustment – Other Adjustments
4. Ordinary Depreciation – Current Year Depreciation
5. Catch-up Depreciation – Unplanned Depreciation for the Current Year

(h) The monthly depreciation test run is to occur on the 25th of the month (effective 12/25/2013) – this is EBS transaction code AFABN. A Control M job (system triggered) has been established for the test run depreciation. A report will be generated on this test run and will be received by the same persons currently receiving the monthly depreciation run. Upon receiving this report, they will review the report and make any changes necessary prior to the actual depreciation run on the 31st of each month. NOTE: transaction AFABN will be removed from all users in the near future.

(i) The monthly depreciation run will occur the last day of the month (effective 12/31/2013). The ION and Work Breakdown Structure (WBS) settlements (GR -> AuC) will run following the monthly depreciation run.

(j) The first month of depreciation for new capital assets recorded in EBS after 12/10/2013 will be December (12/31 depreciation run) instead of January. It is important to be aware of this change when reconciling depreciation values.

(k) The recording of unplanned depreciation for an asset first requires confirmation of the depreciation key (access Deprec. Areas tab). If the depreciation key is ZLIN, the FSA will perform transaction ABAA to record the unplanned amount as determined by the unplanned depreciation template. Finally, confirm monthly depreciation amount is correct (acquisition value divided by (useful life x 12)). If the depreciation key is Z000 or 0000, the asset should not have depreciation at all.

(l) New ZLIN key will be assigned to NEW capital assets created after 12/10/2013 – this change was made for two reasons:

1. Depreciation will begin recording in the SAME month as when an asset is recorded (currently depreciation begins in the following month); and
2. EBS will properly calculate the monthly depreciation correctly for assets with unplanned depreciation. Currently when unplanned depreciation is calculated, the useful life

and expired useful life must be changed to ensure EBS calculates the correct monthly depreciation value. The auditors had concern over the useful/expired useful life changes, and so the new depreciation key will eliminate the need to change the useful/expired useful life when recording unplanned depreciation.

Key Control 13 documents the internal control activity designed to ensure that system calculated asset depreciation is accurate using the predetermined criteria established in EBS-FI determined IAW DOD FMR guidance.

Key Control 14 documents the internal control activity designed to ensure that system generated depreciation calculation and the USSGL accurately recorded and the monitoring of the system generated monthly depreciation test run, reviewed with any changes necessary are made prior to the last day of the month.

(2) Asset Class Procedures: IAW DOD FMR, Volume 4, Chapter 6, the APO/APOR creates property records for assets with acquisition costs at or above the DOD capitalization threshold of \$250,000. The APO/APOR will also create property records for General Equipment above the accountability threshold of \$5,000, but below the capitalization threshold of \$250,000, to support the costs of expenses for the current period.

Note: The DLA APO/APOR may also create records for items with an original cost of less than \$5,000 if the property is considered sensitive or pilferable based on the pilferable items list issued by the Director of Installation Support.

Key Control 15 documents the internal control activity designed to ensure EBS is configured so that asset transactions are posted to the appropriate GLAC based on asset class selected when created.

Key Control 16 documents the internal control activity designed to ensure that individual asset records reconcile to system aggregated total asset balances by asset classification. (Pending detailed procedures from J85)

h. Inputs/Outputs. **Table 6**, Accountability, Utilization and Controls – Inputs/Outputs, outlines the required tools or materials (inputs) needed to perform this procedure along with what the end-product (outputs) look like once all steps in the procedure are performed.

Table 6, Accountability, Utilization and Controls – Inputs/Outputs

Inputs	Outputs
Inventory plan.	DD Form 200.
EBS HRH inventory list.	DD Form 250.
	MIPR.
	Documentation used or developed in estimating the acquisition cost of an asset (if necessary).

2. FINAL DISPOSITION OF GENERAL EQUIPMENT

a. Overview. This phase begins when the determination is made to dispose of an asset. This phase also includes a detailed inventory of the asset to ensure all components are included for asset turn-in. This phase ends with DLA Disposition Services or the recipient of the transferred asset issuing DD Form 1348-1A Issue Release/Receipt Document. Process flow charts summarizing the process can be found in [Appendix 1](#).

b. Disposal Management. See Equipment Serviceability.

c. Methods of Disposition. Once DLA management has complied with the required disposition requirements and appropriate authorization has been provided to dispose of the assets, a method of disposition should be determined. The method of disposal is determined based on maximizing the social, economic, and environmental return to DLA and takes into consideration factors such as viability, interest expressed, market conditions, and availability of resources. Any transfer or disposal of General Equipment must be performed in the manner outlined below. Unless otherwise directed, the method of disposal will be as follows:

(1) Turn-in of Accountable Property

(a) When accountable asset utilization no longer exists within the DLA Field Activity or DLA as an agency, the asset is reported through electronic message or DLA Form 1131, Equipment Transfer or Return to the APO/APOR/APM.

(b) The APO/APOR creates an electronic turn-in document (ETID) via EBS Portal – Disposition Services by completing all applicable fields and manually creating the disposal turn-in document (DTID). Upon completion of the ETID it is submitted for approval. If the ETID is incorrect or incomplete a display screen error message appears at the top of the page which prevents submission. A successful submission is preceded with a screen display message “DTID # has been successfully submitted for approval.

(c) At this time, do not print or schedule turn-in until approved by Disposition Services”. The Disposition Services approval is generally executed in 24 hours and viewable in ETID. After approval, the APO/APOR posts a “Change Asset Master” (AS02) transaction in EBS-FI and enters the asset number, via the Allocation Tab selected, the “Condition Code” “B” for serviceable equipment or “H” for condemned equipment and saves the changes.

(d) The approved DD Form 1348-1A is retrieved from ETID, printed and signature approved by the APO/APOR. Once the APO/APOR receives a signed DLA Disposition receipt (DD Form 1348-1A) the document is uploaded to EBS as Evidential Matter and a request is sent to the APM for deactivation of the asset. (see PBC-A2R-03 and PBC-A2R-04)

d. Authorization. Prior to initiating the disposal process, DLA must receive the appropriate authorization for disposing of its General Equipment. DLA must comply with regulatory requirements before disposal can take place.

e. Disposal / Turn-in Determination

(1) Disposal / Turn-in Criteria

(a) Disposal / Turn-in of property in an organization is the function of supply management that purges a system of excess, obsolete, condemned, and non-repairable assets by property authority. The assets (excesses) that are marked for disposal during their life-cycle meet the following criteria:

1. Assets that are no longer needed for daily operations at DLA Activity.
2. Assets found to be unserviceable or uneconomically repairable.
3. Assets found on installation.
4. Assets that are obsolete.

(b) Whenever any of the above situations occur at a DLA Activity, the agency must prepare turn-in documents to relieve itself from the responsibility of property accountability of the asset. The most common forms used for disposition of property include DLA Form 1311, DD Form 1348-1A and DD Form 1149. The procedures for disposing of General Equipment are highlighted below:

(2) Disposal / Turn-in Procedures

(a) Based on an initial assessment, the applicable custodial area HRH preliminarily designates the asset as excess, obsolete, or unserviceable and alerts the custodial area APO/APOR via e- mail.

(b) The APO/APOR communicates with local Equipment Managers to determine if the assets can be laterally transferred to DLA.

(c) The Equipment Manager posts the asset to EQUIPMENT MANAGEMENT SYSTEM EMS and waits 30 days for a response.

(d) If the asset can be laterally transferred to a DLA activity, the custodial area HRH completes DLA Form 1311, "Equipment Transfer or Return," and forwards the form to the custodial area APO/APOR. The APO/APOR coordinates the transfer with the gaining HRH.

(e) Once DLA form 1311 is received the APO/APOR will review the data to determine everything is accurate and matches the EBS record. At this point, the APO/APOR generates a DD from 1348-1A via the RBI process; schedules either an on-site turn-in or schedule a turn-in at the nearest Disposition Services Center.

(f) The APO/APOR will print out the DD Form 1348-1 and notify the losing HRH

of the scheduled turn-in. The HRH prepares the equipment for turn in. The HRH also provides any additional personnel necessary to assist with the turn-in.

(g) On the day of the scheduled turn in the HRH will have the equipment ready, the DD form 1348-1 and a detail (if necessary) to pack and load the equipment. The HRH will receive a copy of the DD 1348-1 prior to departure.

(h) If there is no lateral transfer potential and accountable asset utilization no longer exists within the DLA Field Activity or DLA as an agency, the asset is reported (via email or DLA Form 1131, Equipment Transfer or Return) to the APO/APOR/APM.

(i) The APO/APOR creates an electronic turn-in document (ETID) via EBS Portal – Disposition Services by completing all applicable fields and manually creating the disposal turn in document (DTID). Upon Completion of the ETID, it is submitted for approval. If the ETID is incorrect or incomplete a display screen error message appears at the top of the page which prevents submission. A successful submission is preceded with a screen display message “DTID # has been successfully submitted for approval. Do not print or schedule turn-in until approved by Disposition Services”. The Disposition Services approval is generally executed in 24 hours and viewable in ETID. After the approval, the APO/APOR posts a “Change Asset Master” (AS02) transaction in EBS-FI and enters the asset number, via the Allocation Tab selected and saves the changes.

(j) The approved DD Form 1348-1A is retrieved from ETID, printed and signature approved by the APO/APOR. Once the APO/APOR receives a signed DLA Disposition receipt (DD Form 1348-1A) the document is uploaded to EBS as Evidential Matter and a request is sent to the APM for deactivation of the asset. (see PBC-A2R-03 and PBC-A2R-04)

(k) DLA Disposition Services is responsible for the disposition of all DOD-generated excess, surplus, Foreign Excess General Equipment (FEPP), and other General Equipment authorized for turn-in. DLA Disposition Services will physically accept and process assets for which it has accountability.

(l) DLA Disposition Services personnel authorize and coordinate the transfer of the asset from HRH to DLA Disposition Services.

(m) The following types of assets cannot be physically accepted by any DLA Disposition Services:

1. Live animals.
2. Ammunition, explosives, and dangerous articles (including incendiary products).
3. Drugs, biological, and controlled substances.
4. Nitrate based film.

5. Used Psycho diagnostic Test Sets.

(n) DLA Disposition Services cannot accept (either physically or on its account), nor is reutilization possible for, the following categories of assets:

1. Radioactive waste and unusable material of a nonhazardous nature. This category includes, but is not limited to, classified cryptographic equipment, DOD inspection stamps and devices, and consecrated religious assets.

2. Classified material.

3. Classified and unclassified information systems security material.

4. Assets containing information covered by the Privacy Act (see paragraph B52, Chapter 4 of DOD 4160.21-M-1 (Reference (i))).

5. Refuse and trash (i.e., postconsumer waste material such as litter and rubbish). The collection of refuse and trash is the responsibility of the installation engineer.

(o) Usable assets are turned in as individual line asset, with its valid National Stock Number (NSN), except as indicated below (unless authorized for batch lotting).

(p) All turn-ins to DLA Disposition Services must be accomplished IAW DOD 4160.21-M-1 (Reference (i)).

(q) The APO/APOR must properly fill out the turn-in documentation, (DD Form 1348-1A or 1348-2, "Issue Release/Receipt Document with Address"). An automated DD Form 1348-1A is available at <http://www.dtic.mil/whs/directives/infomgt/forms/dd/ddforms1000-1499.htm>.

(r) The document is also referred to as a disposal turn-in document (DTID). The DTID must be legible and the APO/APOR must provide the DLA Disposition Services a set of one original and three copies.

(s) If the asset can be identified by NSN, it will usually be turned-in as a usable asset. This is the case despite the fact that the asset may be fully depreciated in DLA asset records.

(t) The APO/APOR must include certain required information on the DTID. The following information will be supplied on the DTID:

- Unit of Measure
- Quantity
- Fund
- Precious Metals Identification Code
- Unit Acquisition Code
- Total Acquisition Code
- Weight and Cube, if available
- Nomenclature

- IT Identification Code
- Disposal Authority Code
- Demilitarization Code
- Supply Condition Code
- Document Number
- National Stock Number
- Category of Asset

(u) Once DLA Disposition Services receiver has assured the APO/APOR that the asset being turned in is accompanied by the required number of copies of the DTID and that the DTID has been properly prepared, the receiver will ensure that any special handling requirements have been met.

(v) If a discrepancy is detected during receipt and the APO/APOR representative (generator of the DTID) is present, accountability and physical custody of the asset will remain with the generator until reconciled.

(w) If discrepancies noted during DLA Disposition Services receiving process are discovered after provision of the receipt copy, the discrepancy will be processed IAW applicable guidance.

(x) If a representative of the generating activity accompanies the turn-in, to the maximum extent possible, DLA Disposition Services will inspect and process assets at the time they are turned-in. A receipt copy of the DTID is given to the activity's representative at that time. An authorized representative of the DLA Disposition Services must sign and date blocks 22 and 23 of the DTID.

(y) Receipt copies provided upon delivery are provisional acceptance of accountability. Physical receipt of the asset constitutes acceptance of responsibility. If the DLA Disposition Services does not provide the APO/APOR with a supply discretionary report (DLA Disposition Services Form 917, "Property Disposal/Reject/Advice") within seven days of physical receipt of the asset, the receipt copy of the DTID becomes the official receipt copy. At that time, the date and signature in blocks 22 and 23 constitute acceptance of accountability.

(z) For turn-ins made by common carrier, DLA Disposition Services will provide receipt copies no later than five days after delivery to the DLA Disposition Services. Processing of all assets (i.e., receiving, inspecting, verifying, classifying, displaying, and inputting the receipt into the system) should be accomplished by the DLA Disposition Services within five working days after physical receipt of the asset. See [Appendix 1](#), Transfer/Disposal Internal Process Flow and Non-ADP Automation Disposal Process Flow for a summary of the disposal process.

(aa) There are three options available for the physical transfer of the asset between the HRH and DLA Disposition Services:

1. The HRH can arrange to have the asset transported to DLA Disposition Services.
2. The DLA Disposition Services personnel can arrange to pick-up the asset and

transport it to DLA Disposition Services.

3. The asset can be held at the current location and labeled Receipt in Place by DLA Disposition Services personnel.

(bb) Once the transfer is completed, the HRH furnishes the APO/APOR with notification of the asset's status via e-mail.

(cc) For assets that are transferred to DLA Disposition Services, DLA Disposition Services receives the asset and the signed DD Form 1348-1A, and will forward confirmation with a copy of the DD Form 1348-1A to the losing activity APO/APOR.

(dd) When the APO/APOR receives confirmation that DLA Disposition Services has physical possession of the asset or confirmation from the activity (if the activity picked up the asset directly or the asset is labeled Receipt in Place), the APO/APOR removes the asset from EBS. Disposed items must be removed from EBS asset records no later than 30 days after receiving confirmation of the disposal action.

(ee) Upon receipt of the DD Form 1348-1A, the APO/APOR will retain a record copy to be filed in the appropriate hard copy asset file for the required record retention period. For lateral transfers, the APO/APOR will maintain the DLA Form 1311 as evidence of the disposal transaction in hard copy asset file for the required record retention period.

(ff) Original documentation should be furnished by the losing activity APO/APOR to the gaining activity or to DLA Disposition Services whenever a capital asset is transferred or processed for disposal.

(gg) When an automated turn-in is complete, the HRH gives the APO/APOR a copy of the DD Form 1348-1. The APO/APOR waits for the DD Form 1348-1 to be processed by DLA Distribution Service location. When DLA Distribution Service location processes the turn-in asset, the asset will automatically be deactivated in EBS. The APO/APOR must go into the RBI and retrieve a signed copy of the turn-in. A copy of is given to the HRH and a copy is kept by the APO/APOR.

(hh) When a manual turn-in is complete, the HRH gives the APO/APOR a copy of the DD Form 1348-1. The APO/APOR will monitor the RBI system to ensure a signed DD Form 1348-1 is provided. DLA Disposition Services will accept the turn-in and sign the DD Form 1348-1 and upload it into RBI. The APO/APOR then prints a copy of the signed DD Form 1348-1. Once the form is printed, the APO/APOR provides a copy to the APM who then deactivates the asset. After the asset is deactivated, a copy is kept by the APM and a copy is given to the APO/APOR for their files. The APO/APOR also provides a copy to the HRH. The DD Form 1348-1 will not be processed without a valid signature from DLA Disposition Service.

(ii) The actual disposal /turn-in or transfer of General Equipment between hand receipts should not occur with a DLA Form 1311. Assets cannot be disposed of or removed from the accountable record without a signed DD Form 1348-1 by DLA-Disposition Services.

(jj) Capital and non-capital assets listed on an organization's Asset Master Listing that are no longer needed for daily operations, found to be unserviceable or uneconomically repairable, found on installation, or obsolete must be disposed of appropriately to ensure assets disposed of are dropped from accountability from the Master asset listing of the organization initiating the disposal action. Items disposed via normal disposal procedures will be deactivated as soon as feasible in a reasonable amount of time.

(kk) When there is a disposal / turn-in of bulk petroleum products, DLA activities will comply with DLA Energy's protocol and Standing Operating Procedures for disposal of bulk fuels and associated products. DLA Energy determines excesses of DLA-owned bulk fuels primarily based on terminal inventory reports and requirements by location as received from the military services.

(ll) In the continental United States, DLA Aviation manages packaged petroleum products, containers, and related items in serviceable condition. DLA activities will report packaged petroleum products in a serviceable or unserviceable, but economically repairable condition, to DLA Aviation for credit determination and disposition instructions. Packaged petroleum products of less than the stated value; non-cataloged items; locally assigned NSNs and unserviceable, uneconomically, repairable items will not be reported to DLA Aviation. These items will be transferred to the appropriate servicing Disposition Services Center assigned to the organization or activity.

(mm) When a DLA activity determines there is a need to dispose of excess property, the activity APO/APOR contacts the APM who in turn contacts the J7/J8 to determine if there is a need elsewhere in the Agency. This process ensures and prevents material from being transferred to a Disposition Services Center.

(nn) DLA activities that have determined items of property on their Master Asset Listing in need of disposal / turn-in will ensure that they inform their higher HQ for appropriate lateral transfer of the excess equipment to other DLA organizations. When lateral transfer action is necessary, the APM should contact his/her HQ J7 and/or J8 personnel. J7/J8 personnel will determine and search for other DLA activities in need of the excess property. Additionally, if a MIPR between both organizations is needed, the losing activity will initiate the MIPR action and coordinate as required with the gaining activity to complete the transaction.

(oo) When items of property are found on site (FOS) and are determined to be excess to a DLA activity, the activity will turn-in the property to the servicing Disposition Services assigned to the organization. The servicing Disposition Services agency will ensure serviceable and repairable items found on installation are returned to the stock record account activity on the installation. FOS items at Disposition sites that are serviceable are also placed on consignment for government sales periodically by the Disposition Services center.

(pp) DLA Disposition Services locations do not and will not process COMSEC items covered by communication security (COMSEC), including voice, video and data. Each service organization follows its Standing Operating Procedures for management and disposition of its excess COMSEC materiel.

(qq) All DLA activities will determine the condition codes of materiel deemed to be candidate for disposal. Applicable federal equipment serviceability condition codes are:

1. Code A: Serviceable-Issuable without Qualification
2. Code B: Serviceable-Issuable with Qualification
3. Code C: Serviceable-Priority Issue
4. Code E: Unserviceable-Limited Restoration
5. Code F: Unserviceable-Reparable
6. Code G: Unserviceable-Incomplete
7. Code H: Unserviceable-Condemned
8. Code S: Unserviceable-Scrap

(rr) DLA Disposition Services locations will note the condition codes of items of property received from the military services for appropriate disposition based on established local policies.

(ss) Key Controls [17](#) and [18](#) document the internal control activities designed to ensure that assets are disposed of properly.

[Key Control 19](#) documents the internal control activity designed to ensure assets being disposed of are properly authorized, documented, and removed from EBS in a timely manner.

[Key Control 20](#) documents the internal control activity designed to ensure disposals are appropriately reflected in the financial statements.

f. Accounting for Disposal / Turn-in of Assets. When assets are turned in as excess prior to being fully depreciated, the remaining book value (original cost less accumulated depreciation) is expensed at the time the asset is retired from the active records. Upon transfer to DLA Disposition Services, EBS system configuration controls result in the asset's remaining book value being fully depreciated.

g. Removing Asset from Books/System. When equipment is turned in as excess, prior to being fully depreciated, the remaining book value is recorded as a loss at the time the asset is retired from the active property records. The procedures for removing an asset from the books/system are highlighted below:

(1) When the APM receives confirmation that DLA Disposition Services has physical possession of the asset or confirmation from the Disposition Services location (if that location

picked up the asset directly or the asset is labeled Receipt in Place), the APM removes the asset from EBS.

(2) The APM will use the EBS transaction code ‘ABSO’ to complete the removal of the assets from EBS. Evidence of transfer or disposal comes from one of the following documents:

- (a) DD Form 1149
- (b) DD Form 200
- (c) DA Form 3161
- (d) DLA Form 1311
- (e) DD Form 1348-1A
- (f) DD Form 1150

(3) Equipment is removed from the property management system records by the APM no later than 30 days after receiving confirmation of transfer or disposal action. For detailed information on removing Capital and Non-capital assets from EBS, reference the SOPs titled “Delete Non-Capital Asset (ABSO)” and “Delete Capital Asset (ABSO).”

(4) To be considered appropriately authorized, the form presented to the APM must be signed and dated by the APO/APOR and the receiving party.

(5) Capitalized equipment is removed from EBS records by the custodial area APM no later than 30 days after receiving appropriate confirmation of transfer or disposal action.

h. Inputs/Outputs. As shown in Table 7, Final Disposition of General Equipment – Inputs/Outputs, outlines the tools required to perform these procedures along with the end-product. (See [Appendix 4](#) for a summary of all five lifecycles)

Table 7, Final Disposition of General Equipment – Inputs/Outputs

Inputs	Outputs
DD Form 1311.	DD Form 1348-1A.
E-mail identifying assets for disposal.	DD Form 1348-2.
	EBS Disposal Reports.

3. EVIDENTIAL MATTER (EM). Evidential matter is the paper or electronic trail auditors follow to verify DLA’s financial statements. It is a key component of an audit and is used to support management’s assertions about the existence and valuation of assets, including depreciation charges. GE assets in EBS will be supported by EM source documents that reflect all transactions affecting DLA’s investment in the equipment, including acquisitions and disposals/turn-ins.

a. Saving EM Documents in EBS – For assets and improvements to existing assets, the APO/APOR will create an electronic copy of EM documents in EBS via the EBS “Services for Object” function.

b. Required EM Documents - EM documentation will substantiate asset type, costs, placed in service date, and other pertinent information related to the asset’s value and type. EM will include documents that identify an asset’s original acquisition cost and capitalization date. EM will also identify cost of improvements, estimated costs (e.g., if an estimate is prepared because an item was transferred from another federal agency without original cost, accumulated depreciation, other relevant transfer data) and supporting transfer documents (e.g., if the equipment was transferred from another federal agency).

c. Additional information on EM can be found in Enclosure 3 and Appendix 3 of this document

ENCLOSURE 3INFORMATION REQUIREMENTS1. INFORMATION REQUIREMENTS

a. Evidential Requirements. Paragraph 060104(B), DOD FMR, Volume 4, Chapter 6, of Reference (c) indicates that when recording the acquisition cost of an asset in property accountability and/or accounting system, the asset will be assigned a dollar value that must be supported by appropriate documentation.

(1) Appropriate Documentation

(a) If appropriate documentation is not available (either written or electronic), estimates of the cost of the asset must be made and documented. Estimates for any accumulated depreciation/amortization are also required.

(b) Evidential Matter documentation (original or photo copy) is required to support audit readiness. (See [Appendix 3](#)), respectively which constitutes a list of acceptable documents.) A complete Evidential Matter packet consists of one document from Column B and possibly one document from Column C depending on the available document. Acceptable Receiving Documents Include:

1. DD 250 Material Inspection and Receiving Report (signed and dated copy), or
2. Commercial shipping documents (a signed and dated copy), or
3. Vendor packing list (a signed and dated copy)

(c) Accountability and financial records are required to be maintained on all accountable General Equipment under the jurisdiction of a Federal agency until the asset has been transferred, issued, donated, sold, abandoned or destroyed or administratively processed for removal from accountable asset records by means of FLIPL (DD Form 200).

(d) The DLA custodial area APO/APOR maintains an asset file for each accountable asset in a secure location and ensures that it is readily available for examination as required during audits and assessments.

(e) Appropriate supporting documentation is highlighted throughout this SOP in applicable sections that correspond to stages in the asset's lifecycle.

(f) General Property & IUS Evidential Matter User's manual provides information regarding capitalization requirements, responsibilities, and methodologies (i.e., Straight-Line Depreciation).

b. Records Management. DLA General Equipment asset files include the supporting documents referenced throughout this SOP. The documents supporting various stages in the asset lifecycle are maintained IAW DLA Records Schedule (Reference (f)). The time frames mentioned below reflect current retention periods; however, refer to the DLA Records Retention Schedule for any published changes.

(1) Record Retention

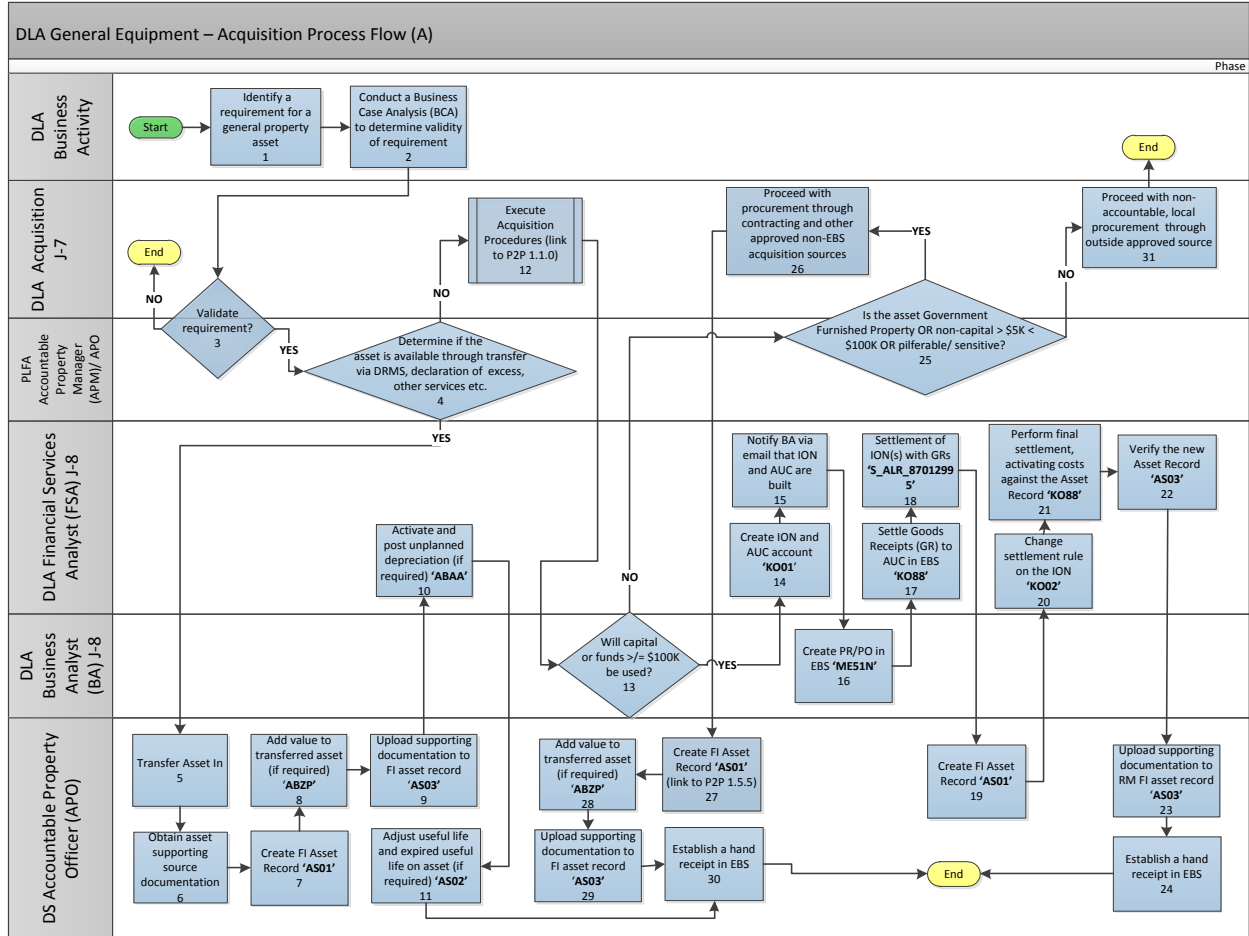
(a) Acquisition of noncapital accountable General Equipment – maintain for six years, three months subsequent to the acquisition date.

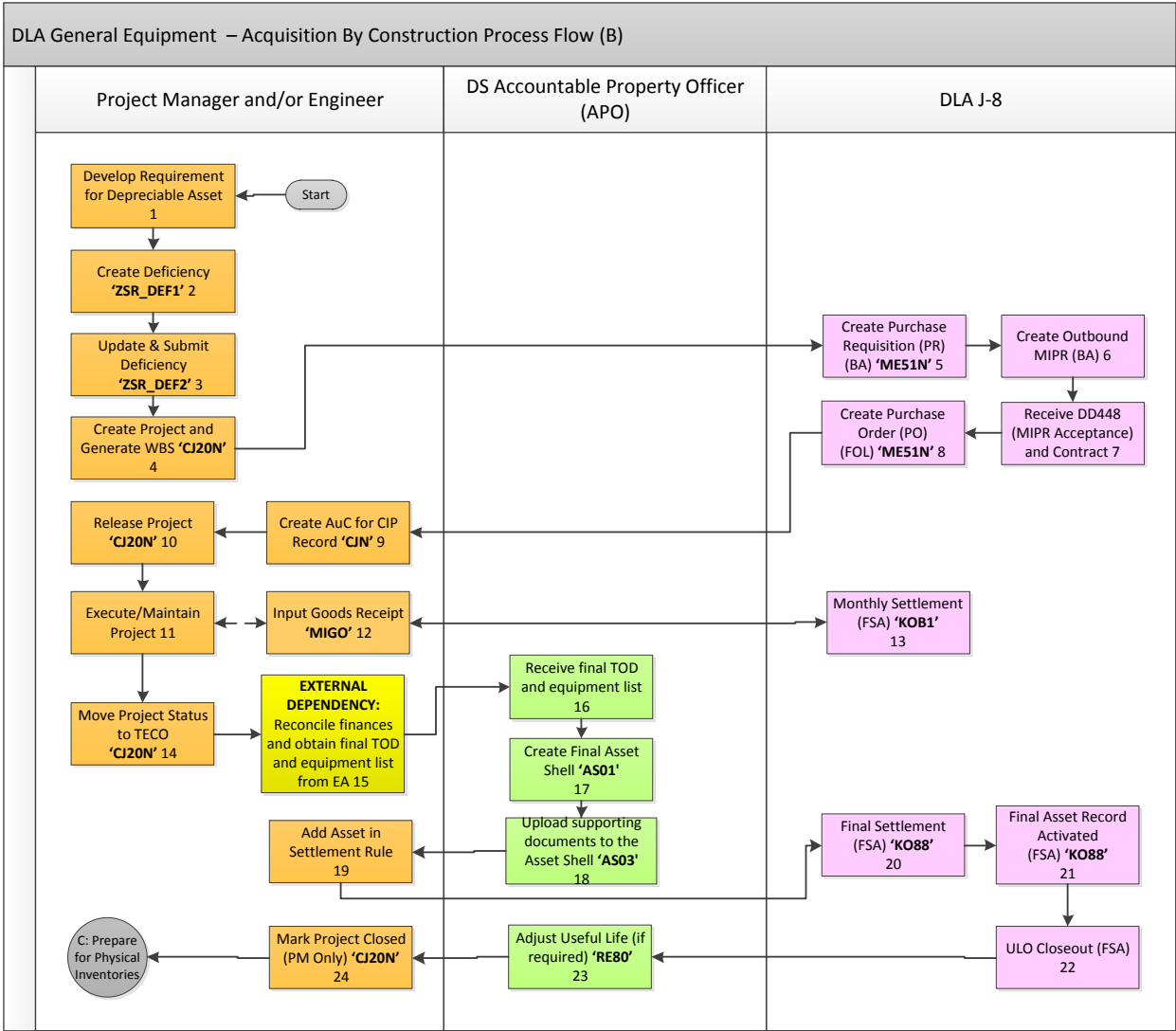
(b) Acquisition of capital General Equipment – maintain for the life of the asset.

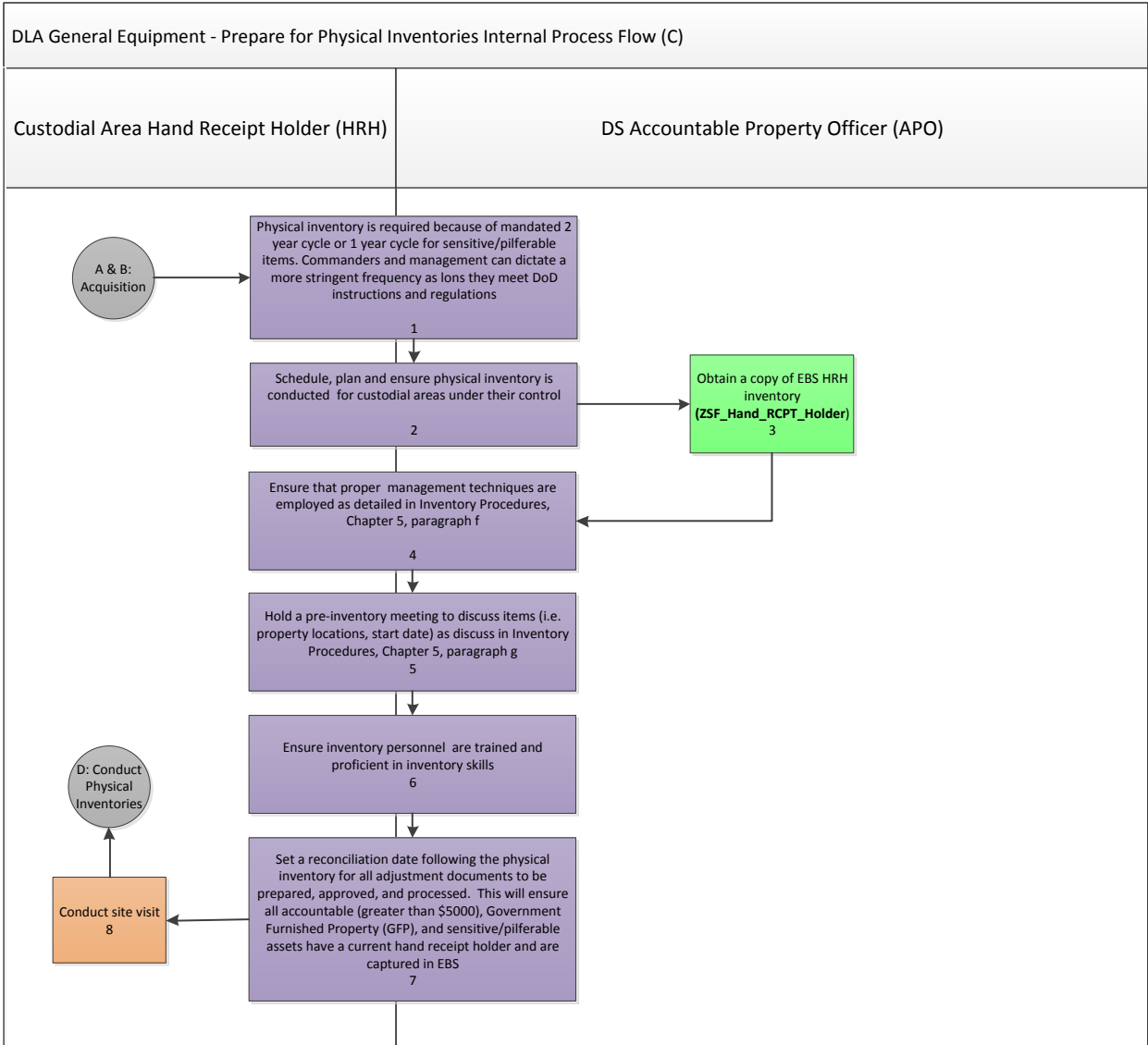
(c) Disposal of General Equipment – maintain for three years subsequent to the asset disposal date.

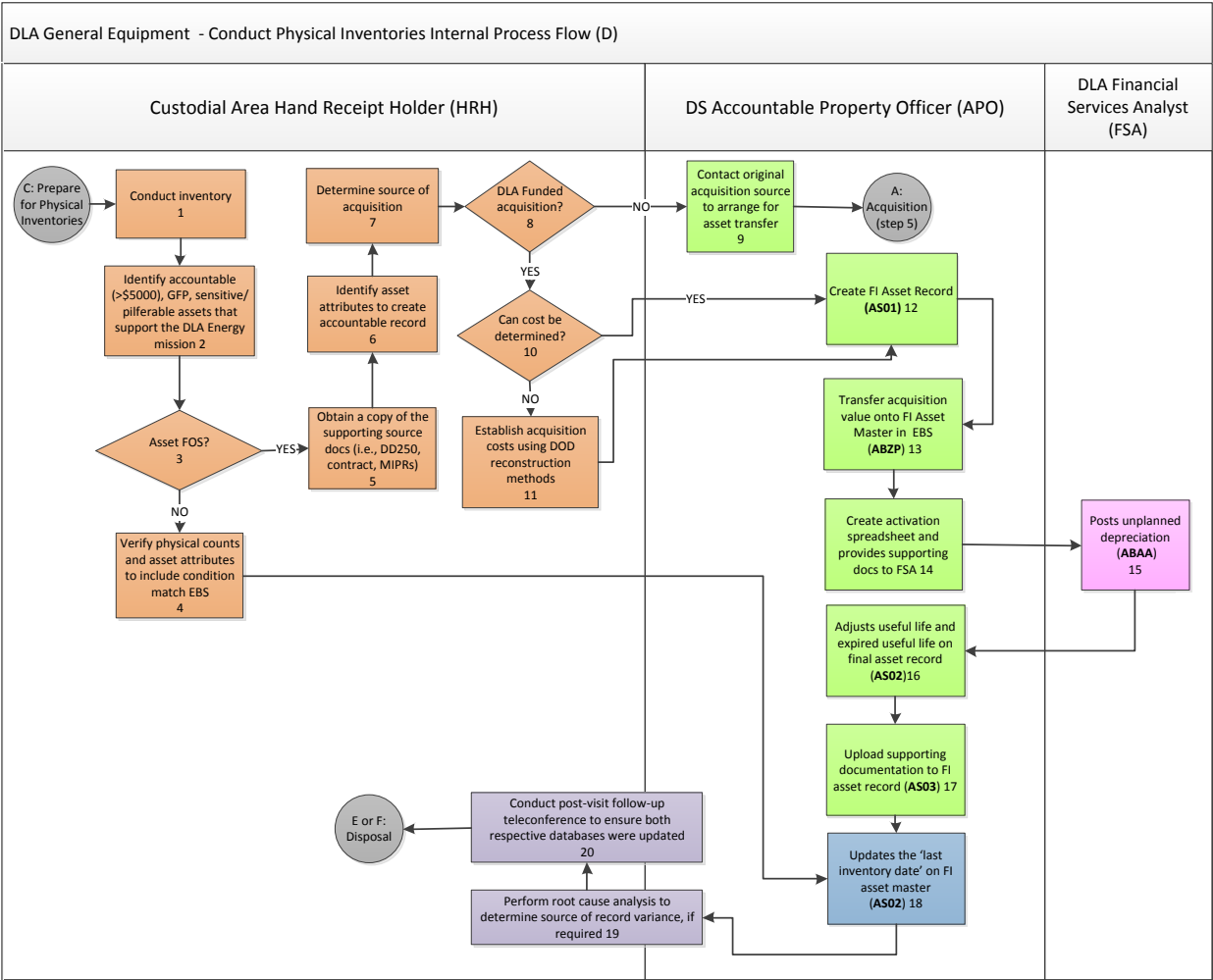
APPENDIX 1

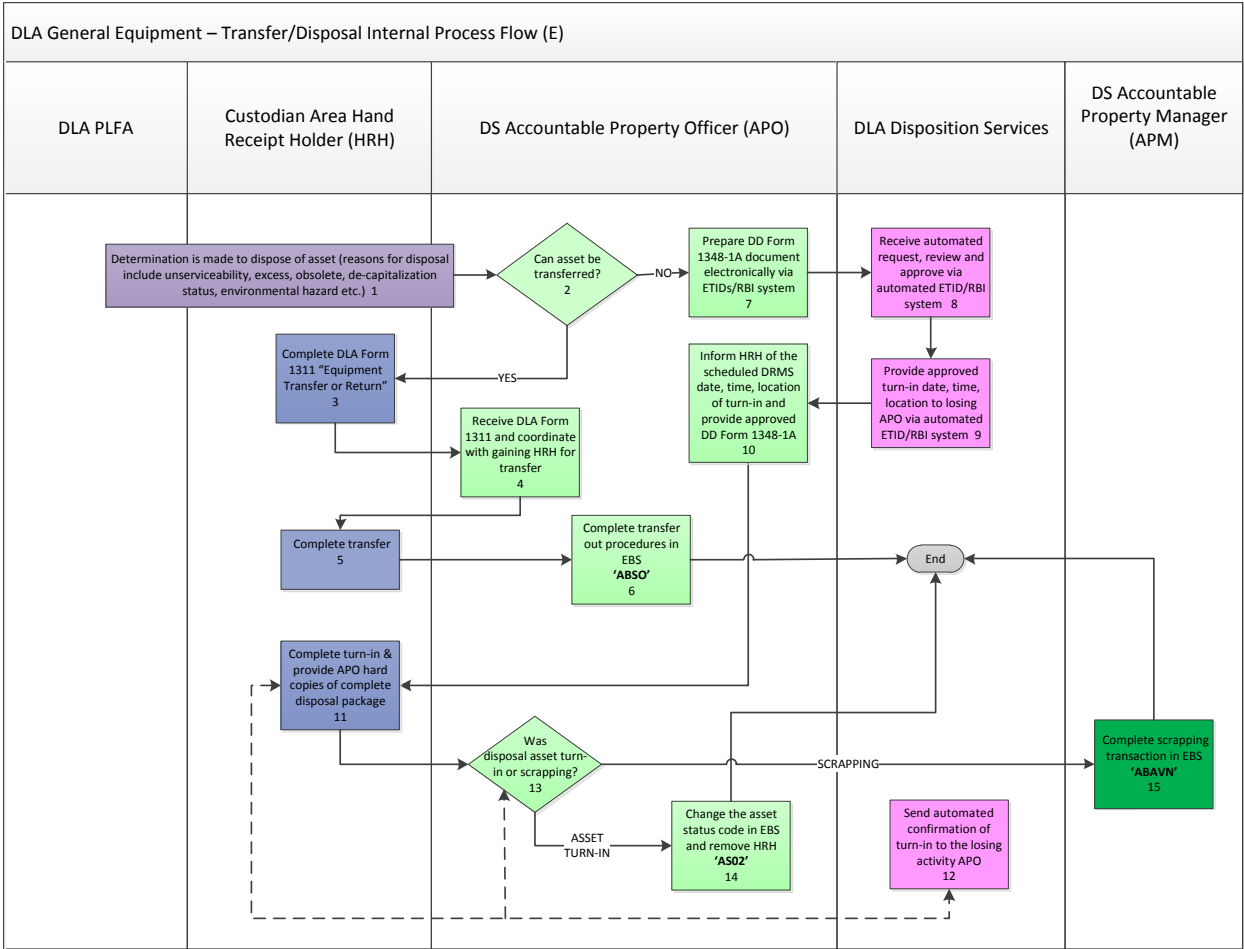
STANDARD OPERATING PROCEDURE FLOWCHART(S)

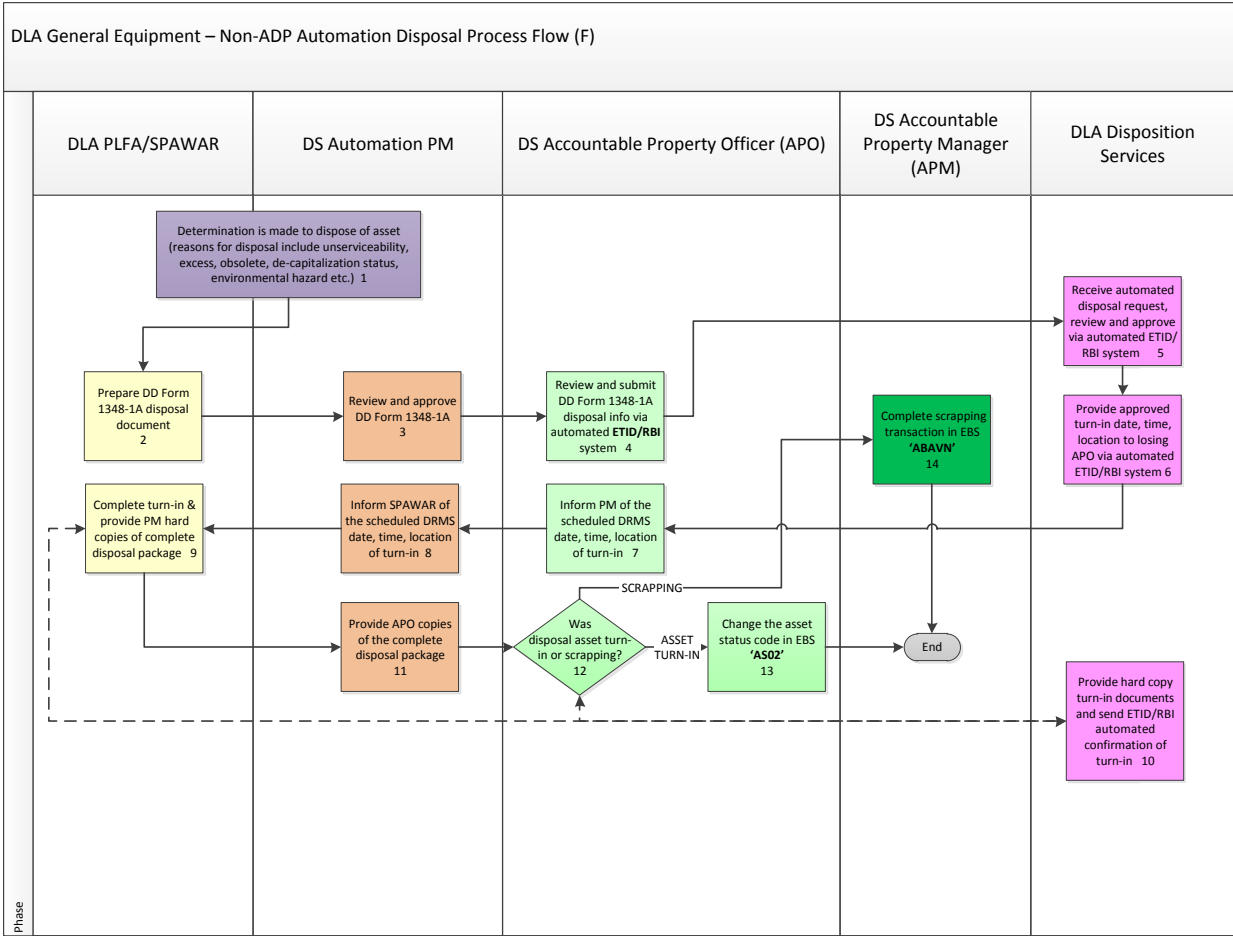












APPENDIX 2GENERAL EQUIPMENT ASSET CLASS ANALYSIS

General Equipment Asset Class		
GE Asset Class	Description	DLA GLAC
100080	Capital - Lease - Indust. Plant Equip. (IPE)	18100100
100090	Capital - Lease - IT Equipment	18100100
100090	Capital - Lease - IT Equipment	18100100
100111	Capital - Lease - Commercial Type Vehicles	18300100
100145	Capital - Lease - Depreciable – EMS	18100100
100150	Capital - Lease - Oth Equip. Not Otherwise Classif	18100100
100180	Capital - Equipment - Indust. Plant Equip. (IPE)	17500100
100190	Capital - Equipment - Indust. Plant Equip. Reserve	17500100
100200	Capital - Equipment - IT Equipment	17500100
100240	Capital - Equipment-RDT&E, High Tech Medical	17500100
100250	Capital - Equipment-Printing, Publishing, Duplicat	17500100
100270	Capital - Equipment - All Other Equip/Machinery	17500100
100280	Capital - Equipment - Steam & Elec Gen Equip, Vessels/Tugs/Barges	17500100
100600	Capital – Containers	17500100
110080	Cap-Lease-IPE -- non-Recov Depr	18100100
110090	Cap-Lease-IT Equip. -- non-Recov Depr	18100100
110111	Cap-Lease-Comm Veh -- non-Recov Depr	18300100
110145	Capital - Lease - Depreciable Non-Recoverable	18100100
110150	Cap-Lease-OtherEquip -- non-Recov Depr	18100100
110180	Cap-Equip-IPE -- non-Recov Depr	17500100
110190	Cap-Equip-IPE Resrve -- non-Recov Depr	17500100
110200	Cap-Equip-IT Equip -- non-Recov Depr	17500100
110240	Capital - Equipment-RDT&E, High Tech Medical	17500100
110270	Cap-Equip-AllOtherEq -- non-Recov Depr	17500100
110280	Cap-Equip-Steam & Elec Gen Equip, Vessels/Tugs/Barges -- non-Recov Depr	17500100
200060	Non Capital - Equipment-Indust. Plant Equip. (IPE)	N/A
200070	Non Capital - Equipment - IPE Reserve	N/A
200080	Non Capital - Equipment - IT Equipment	N/A
200150	Non Capital - Equipment -All Other Equip/Machinery	N/A
200240	Non Capital - Heritage Assets - Other Heritage	N/A
200280	Non Capital-Other Gen.PP&E-Printing Publishng, Dup (EMS)	N/A
200360	Non Capital - Lease - Indust. Plant Equip. (IPE)	N/A
200370	Non Capital - Lease - IT Equipment	N/A
200490	NonCap-Lease -OthGen PP&E- All Oth Equip/Machinery	N/A
200500	Non Capital - CapitalLease - NonDepreciable – EMS	N/A
200510	Non Capital - Operating Lease - Non-Deprec. EMS	N/A
200600	Non-Capital - Energy Containers	N/A

420000	Non Capital - GFPE/T/STE	N/A
430000	Non - Capital - Non-Account GFPE/S/STE	N/A
490000	Service Owned GFPE/S/STE	N/A
900010	CIP/WIP - Industrial Plant Equipment (IPE)	17200100
900020	CIP/WIP - IT Equipment	17200100
900090	CIP/WIP - Other Equipment Not Otherwise Classified	17200100
900100	CIP/WIP - Commercial Type Vehicles	17200100
900900	CIP/WIP - Govt Furnished PE/T/STE	17200100

APPENDIX 3EVIDENTIAL MATTER TABLE

	Process (A)	Evidential Matter with Form Number and/or Name (B)	Other Evidential Matter (C)
1	Asset Acquisition	Original invoice(s)	Signed receiving document (*1)
2		DD 1155 Purchase Order plus all amendments	Signed receiving document only if receiving information not dated and signed on DD 1155 (*1)
3		DD 250 Material Inspection and Receiving Report (dated & signed by both the vendor and a contracting official)	Only if it is functioning as the vendors Invoice per the FMR.
4		SF 44 Purchase Order Invoice Voucher	Signed receiving document only if receiving information not dated and signed on SF 44 (*1)
5		DD 1149 Requisition and Invoice/Shipping Document	Signed receiving document only if receiving information not dated and signed on DD 1149 (*1)
6		DD 448 Military Interdepartmental Purchases, plus all amendments and supporting invoices	Signed receiving document (*1)
7		DD 448-2 Military Interdepartmental Purchase Acceptance Document	Signed receiving document (*1)
8		Eprocurement Form	Signed receiving document (*1)
9		Wide Area Work Flow	Online Order, Receipt/Approval
10		SF 30 Amendment of Solicitation/Modification of Contract	Signed receiving document (*1)
11		DLA 1823 Non Stock Purchase Request	Signed receiving document (*1)
12		GSA 300 Order for Supplies and Services	Signed receiving document (*1)
13		DLA 1817 Universal Service Order	Signed receiving document (*1)
14		DA 3953 Purchase Request(PR) and Commitment	Signed receiving document (*1)
15		SF1449 – Original Contract	Signed and dated by Offering Contractor and Contracting Officer

	Process (A)	Evidential Matter with Form Number and/or Name (B)	Other Evidential Matter (C)
16		DA 3161, Hand Receipt Army supply	Signed receiving document (*1)
17		GSA 1334, Transfer of Property	Signed receiving document (*1)
18		DLA 1311 Transfer of Property	Signed receiving document (*1)
19		Receiving Memo and/or packing slip	Only if its functioning as the vendors invoice per the FMR.
20		Other Receiving Documents (i.e., memo, other receiving forms etc.)	Signed receiving document (*1)
21		DLA 1304 Order Document Non-Stock Items	
22		DLA 1891 Staff Summary Sheet	
23		Asset Master Record Routing Slip	
24		DA 3963 General Equipment Asset Establishment Master Record Routing Slip	
25	Asset Acquisition & Disposal	DD Form 1348-1A Issue, Release/Receipt Document	Signed receiving document only if receiving information not dated and signed on DD Form 1248-1A
26	Disposal	DD 200, Financial Liability Investigation of Property Lost	Signed receiving document only if receiving information not dated and signed on DD 200 (*1)
27		DA 3161 or DD 1149 Request for Issue or Turn-In	
28		DD 1150 Request for Issue/Transfer/Turn-In	
29		DLA 1151, Disposal	Signed receiving document only if receiving information not dated and signed on DD 1151 (*1)
30	Accountability	Detailed G/L Report (General Property)	
31			
32		General Property Listing from the Subsidiary Ledger (GLAC 17500100,17590100)	
33		DLA's Management Capitalization Policy	
34		Depreciation Policy for GE	
35		DLA's Management Process Narratives and Flowcharts	
36		Planned Depreciation Monthly Report from EBS Sub ledger	

	Process (A)	Evidential Matter with Form Number and/or Name (B)	Other Evidential Matter (C)
37		Detailed Depreciation USSGL Report	
38		1017-G Unplanned Depreciation Journal Entry	
39		EBS Reports: Acquisition Cost, Useful life, Accumulated Depreciation, Net Book Value	
40		Physical Inventory Count Documentation	
41		Contract Clauses that Defines Who Owns the Asset	
42		Lease Agreements	
43		Mission-Management/Logistics Data	
44		Asset Logs	
45		Tract Maps, Land Plats, Space Mgmt. Systems, Utilities Maps, Facility Diagrams (Reconciled to APSR/EBS demonstrating the completeness to the APSR/EBS population)	
46		Reconciliation of EBS asset listings to EBS GL	
47		Internal Control Documentation (i.e., policies and procedures, control assessments with test results, documentation demonstrating the operation of internal control activities for the period under audit etc.)	
48		Annual Certification of Physical Results Memo	
49		DD 2875 System Authorization Access Request	
50		EBS-FI to EBS FIAA Reconciliation	

APPENDIX 4PROPERTY LIFE CYCLE TABLE

Lifecycle Phase	SOP Section & Section No.	Definition
Determination of Needs	<u>Justifying Requirements; Section</u>	A standard that represents factors that should be considered before making a decision to acquire new equipment
Acquisition	<u>Procedural Detail</u>	DOD Instruction 5000.64 (Accountability and Management of DOD-Owned Equipment and Other Accountable Property (Reference (a) defines "Acquisition as the following: (1) The act of acquiring. (2) Acquiring hardware, supplies, or services through purchase, lease, or other means, including transfer or fabrication, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.
Receipt	<u>New Procurement Asset Transfer</u> 1. <u>Procedure for Transferring Excess for Reutilization within DLA</u> 2. <u>Procedure for Transferring Excess Outside of DLA</u>	The point at which an organization's accountability process for General Equipment begins.
Accountability, Utilization, and Controls	<u>Establish and Sustain Accountability</u>	The assignment of duties and responsibilities to an individual or organization that mandates jurisdiction, security, and answerability over public property in order to support maintenance of complete audit trails for property transactions from receipt to final disposition.
Disposal	<u>Asset Disposal</u>	When the asset has no utilization potential within the DLA Field Activity (FA) or DLA.

APPENDIX 5

Inventory Plan, Monthly Ten Percent

Inventory Plan – APM/APO/APOR Cyclic Inventory Instructions for All Accountable Assets

PURPOSE: The intent of this packet is to provide guidance to DS Site Directors, PLFA Commanders/Director, Depot Commanders, APMs, APO/APOR, and HRHs on conducting the monthly 10% inventory. This will involve the assistance at all levels to ensure the monthly 10% inventory is conducted and documented. The work will be performed at all DLA sites.

BACKGROUND:

1. DLA is an Agency of the Department of Defense. DLA headquarters is located at 8725 John J. Kingman Road, Fort Belvoir, Virginia. The Agency provides logistics support to the Department of Defense Installations, Activities, and Operations worldwide. Support is provided through various types of facilities utilizing a wide variety of equipment in locations around the world. The focus of this plan is to ensure DLA conducts monthly 10% inventories and documents any discrepancies or issues found.

2. Accountable General Equipment is defined as equipment, tools, and furnishings with a unit acquisition cost of \$5,000 or more; property of any value that is controlled or managed at the item level; leased items (capital leases) of any value, assets that are sensitive or classified (see Table 61, Volume 10 of DOD 4100.39-M, (Reference (e)), and Government Furnished Property (GFP)) regardless of price.

3. Accountable General Equipment is recorded in the DLA standard system for Property, Plant, and Equipment (PP&E) management, Enterprise Business Systems (EBS) FI Module. DLA personal property accountability practices are established and managed under the policies listed below:

- (a) DLAI 4202 Accountability and Management of DLA Equipment and Other Accountable Property (Reference (b))
- (b) DLAI 4208.1A Defense Logistics Agency (DLA) Distribution Financial Liability Investigation of Property Loss (FLIPL) – Property and Equipment (PP&E) Lost, Damaged, Destroyed, Stolen (LDSS) (Reference (d))
- (c) DLAI 4214 Support Equipment Management (Reference (j))

4. Types of Inventories

(a) Book to Floor Inventory – An inventory comparison of what is on the book (EBS record) to what is on the floor in the warehouse.

(b) Floor to Book Inventory – An inventory comparison of what is physically on hand to what is currently on the asset record in EBS.

SCOPE:

The APM/APO/APOR will provide all necessary labor, supervision, equipment, materials, and supplies as required to accomplish the tasks monthly.

The primary objectives are to ensure the APO/APOR will accomplish a monthly 10% inventory of all Accountable General Equipment in EBS and an annual 100% inventory of all Accountable General Equipment within the assigned area of responsibility. The APM/APO/APOR will provide technical advice and logistical assistance in the areas of property accountability, supply chain management and distribution, requisition flow, reutilization, demilitarization, inventory control, inventory adjustment, and property loss/disposal. In addition, the APM/APO/APOR will ensure all inventories are documented (i.e., any adjustments for losses or gains, and administrative matters (location, barcode etc.).

Overall efforts will involve conducting a 10% monthly Book to Floor and a 5% Floor to Book physical inventory for Accountable General Equipment at all DLA activities and documenting inventories. The labor for this task will be provided by the owning activity.

Please address all questions or concerns regarding these instructions to DS-IP.

1. DLA Commanders/Director of PLFA or J/D Code Directors responsible for each EBS General Equipment plant code will:

a. Provide certified monthly inventory completion results for assets within their assigned plant code(s) to the Director, Installation Support by the 15th day of the following month ([Enclosure 2](#)). The PLFA Commanders or Director and J/D Code Directors may delegate the monthly plant code certification authority in writing for each General Equipment plant code to a GS-14/O-5 or higher. Depot Commanders/Directors may receive delegation regardless of their grade. Written delegation by name or position must be provided to the Director, Installation Support ([Enclosure 3](#)).

b. Provide written certification to the Director, Installation Support by October 15th, 2015, that the annual 100% inventory of General Equipment has been completed for assets within their assigned plant code(s) ([Enclosure 4](#).) Annual certification may not be delegated and must be signed by PLFA Commander or Director or J/D Code Director responsible for each EBS General Equipment plant code. Multiple plant codes may be certified in one certification memorandum.

c. Ensure corrective actions have been documented and posted to EBS.

d. Ensure that corrective actions resulting from Internal Management Control Reviews are adopted and closed.

e. Develop SOPs for the process flow of DD Form 200 to account for lost, damaged, destroyed or stolen government property, and Receipt Date Verification (RDV) to account for property found on site.

2. HQ Accountable Property Manager (APM) will:

- a. Develop a SharePoint location for APM and APO/APOR to upload and retain documentation supporting the 10% monthly inventory.
- b. Manage compliance program to validate monthly inventories are being conducted.
- c. Review a random sampling of 10% of all assets already inventoried throughout the year.
- d. Evaluate data and inventory results for developing trends and provide guidance and training to address trends.
- e. Determine if trends are developing in region that need to be addressed.

3. Accountable Property Managers (APMs) will:

- a. Assist APO/APOR with the monthly inventories within their assigned organization(s).
- b. Validate that new additions/deactivations are updated in EBS-FI and EBS-RBI.
- c. Review a random sampling of 10% of all assets already inventoried throughout the month.
- d. Provide oversight of the inventory process.
- e. Post deactivations in EBS within 5 working days after notification and sufficient documentation are provided by APO/APOR.
- f. Perform monthly compliance checks on the General Equipment inventory results and supporting documentation:

(1) Verify the inventory documents identify any discrepancies (e.g., location, description, condition, etc.) and that a DD Form 200 or RDV has been completed, if necessary. An RDV should be used for assets manufactured during 2002 and later.

(2) Verify adjustments (including additions or deactivations) to EBS generated by the physical inventory count are supported by adequate documentation.

(3) Verify the inventory results were properly updated, reviewed, and approved by the APO/APOR by the last working day of the month.

(4) Verify monthly inventories are complete and the monthly inventory certification memorandum is signed by the designated person (Appendix 2).

(5) Ensure all inventory documentation has been uploaded in SharePoint.

(6) Document any discrepancies that are found during the review process. Notify the APO/APOR and supervisor of the personnel responsible and ensure the discrepancy is corrected before the end of the next monthly inventory.

(7) Retain evidence of the review including supporting documentation IAW DLA Records Retention procedures.

g. On an annual basis, perform the following steps to verify the APO/APOR has coordinated a physical inventory and assets are recorded correctly in EBS:

(1) Obtain the General Equipment inventory results and supporting documentation. Verify the inventory status and any physical counts are certified by the APO/APOR and submitted to their chain of command, for final certification of completion.

(2) Document any discrepancies that are found during the annual review process that had not been documented and corrected during a monthly review. Notify the APO/APOR and supervisor of the personnel responsible and ensure the discrepancy is corrected within ten business days of notification.

(3) Retain evidence of the review including supporting documentation IAW DLA Records.

h. Conduct compliance site visits at selected locations to ensure Acquire to Retire (A2R) audit readiness procedures are in place.

4. APO/APOR will establish and maintain their organization's accountable property records. In addition, the APO/APOR will:

a. Execute the activity's property inventory plan IAW the approved schedule.

b. Distribute inventory plan to all HRHs for planning purposes.

c. Provide a copy of the hand receipt and a copy of the physical inventory procedures ([Enclosure 5](#)) to each HRH that identifies assets to be inventoried.

d. Review hand receipt used to conduct the inventory and monthly inventory memorandum ([Enclosure 5](#)) to validate all assets was inventoried.

e. Ensure inventory date is updated in EBS.

f. Validate that Evidential Matter for new non-capital (added in FY15) and all capital assets are uploaded in the Service For Objects Module of EBS for each item inventoried.

g. Review all Evidential Matter in EBS for quantitative/qualitative accuracy, including:

(1) Acquisition cost

(2) Acquisition date

(3) Item description

(4) Serial number

(5) Accepting/receipt date agrees to the placed in service date

h. Assist the HRH in initiating an RDV for any (FOS assets found during the Floor-to-Book. A RDV should be used for assets manufactured during 2002 and later. To establish accountability, the APO/APOR will sign as the acceptor (Destination) and the HRH will sign as the receiver. Conduct research along with the FSA (FSA) to determine if an asset under construction (AuC) or internal order number (ION) has not been settled. If asset is accountable, upload all supporting documentation to establish accountability in EBS. If there is no documentation, a Fair Market Value (FMV) report must be processed to establish acquisition cost in EBS.

i. Assist the HRH in initiating DD Form 200 for any losses.

j. Notify APM of assets requiring deactivation due to losses, transfers, or turn-ins and provide supporting documentation.

k. Coordinate all adjustments having a financial impact with the local FSA prior to making adjustments (e.g., the calculation of unplanned depreciation in support of found on site assets, the determination to deactivate depreciating capital assets, etc.)

l. Process all available adjustments prior to the next inventory certification. Certain adjustments, such as losses, may not be available for processing prior to the next inventory due to the timeline for investigation. Each monthly certification must provide an update on all outstanding adjustments. All adjustments made to the EBS asset record must be provided as support in the monthly certification memorandum. Adjustments include found on site assets and EBS data corrected.

m. Reprint hand receipt for HRH to sign once all corrections or issues have been resolved.

n. File all supporting documentation and Evidential Matter. Upload annotated hard copy worksheets, such as hand receipts and floor-to-book lists, to the central SharePoint site. Upload new Evidential Matter to EBS Service For Objects.

o. Sign the monthly/annual inventory reports and attach to the draft certification memorandum for the PLFA Commander/Director, J/D Code Director, or the authorized signature authority ([Enclosure 7.](#))

p. During the last quarter of the year, the APO/APOR will work with the Real Property personnel to determine the number of facilities utilized by the APO/APOR's activity. APO/APOR will also review which buildings had assets in them during the year to determine if any buildings have been missed. The APO/APOR will ensure a wall to wall inventory is conducted for any building not previously inventoried to complete a floor-to-book inventory. Annotate any assets found and conduct research.

5. Hand Receipt Holder (HRH) Responsibilities

a. Ask the APO/APOR to obtain a copy of the hand receipt to use as an inventory listing to assets identified on the inventory plan provided by the APO/APOR. The HRH will only

inventory those assets identified on the scheduled inventory plan provided by the APO/APOR and an associated number of floor-to-book assets. Inventories will not be conducted in advance of the schedule.

b. Identify specialist to assist with inventory.

c. Conduct the scheduled physical inventory comparing hand receipt provided by the APO/APOR against equipment (i.e., data plate).

(1) Item description

(2) Serial number accuracy

(3) Make, model, and manufacturer accuracy

(4) Barcode label affixed and accurate

(5) Location and sub-location

(6) Serviceability of equipment

(7) Hand Receipt, Work order or any other documentation used for assets not in your possession such as maintenance or on loan to another hand receipt holder

d. Annotate any discrepancies/issues noted during the inventory on the hand receipt or inventory worksheet provided by the APO/APOR.

e. Annotate all discrepancies on the Monthly Cyclic Inventory memorandum provided to the APO/APOR ([Enclosure 5](#)).

f. Conduct a floor-to-book of custodial area consisting of 50% of the number of book-to-floor assets (i.e., if there are 10 book-to-floor assets, five floor-to-book assets should be inventoried).

g. Provide listing of the floor-to-book assets found for APO/APOR to research. If assets are accountable, all supporting documentation must be provided to the APO/APOR to establish accountability in EBS. If there is no documentation, a FMV report must be processed to establish acquisition cost in EBS. At a minimum the follow data elements are essential for to initiate a FMV report:

(1) Capitalization date

(2) Acquisition cost

(3) CAGE code

(4) Manufacturer/Vendor name

(5) Manufacturer part number

(6) Manufacture year

h. Along with the APO/APOR, initiate an RDV for FOS items/assets to establish accountability; the APO/APOR will sign as the acceptor (Destination) and the HRH will sign as the receiver. An RDV should be used for assets manufactured during 2002 and later.

i. Initiate DD Form 200 for any losses.

j. Gather and submit paperwork for those assets requiring turn in or transfer.

k. Provide all supporting documentation to the APO/APOR to update EBS.

l. Sign a new hand receipt after all discrepancies have been resolved.

APPENDIX 5

ENCLOSURE 1: SAMPLE INVENTORY PLAN BY PLANT AND MONTH

DTM 14-022

Plant	Assets for month of Aug 2014	Assets for month of Sep 2014	Assets for month of Oct 2014	Assets for month of Nov 2014	Assets for month of Dec 2014	Assets for month of Jan 2015	Assets for month of Feb 2015	Assets for month of Mar 2015	Assets for month of Apr 2015	Assets for month of May 2015	Assets for month of Jun 2015	Assets for month of Jul 2015. New Asset bought since plan developed
DAPS (27079)	10008923 - 20025123	20025124 -20029929	20029930 - 20033393	20022294 - 20038021	No inventory due this month	20038022 - 20041371	20041372 - 20044779	20044785 - 20049403	20049404 - 20052578	20052579 - 20064811	20056482 - 20123252	Any asset number higher than 10035494, 11001517, 20123270
Energy (1646)	10008182 - 11001271	11001272 - 11001511	11001512 - 20108079	20108080 - 20111968	No inventory due this month	20111969 - 20116191	20116192 - 20116411	20116412 - 20116643	20116544 - 20116808	20116809 - 20116973	20116974 - 20123238	Any asset number higher than 10035494, 11001517, 20123270
DAAS (1392)	10001884 - 10002366	10002372 - 20009553	20089994 - 20105552	20105553 - 20105913	No inventory due this month	20105916 - 20106185	20106186 - 20106410	20106412 - 20107551	20107552 - 20107975	20107977 - 20109582	20109587 - 20114739	Any asset number higher than 10035494, 11001517, 20123270
DLAE (2)	20082731	No Inventory	No Inventory	No Inventory	No inventory due this month	20082732	No Inventory	No Inventory	No Inventory	No Inventory	No Inventory	Any asset number higher than 10035494, 11001517, 20123270
DLIS (1154)	10008261 - 20017672	20017673 - 20017896	20017897 - 20018117	20018118 - 20076785	No inventory due this month	20077116 - 20083929	20083930 - 20086055	20082056 - 20086905	20086906 - 20091111	20091112 - 20105310	20105322 - 20123036	Any asset number higher than 10035494, 11001517, 20123270
DNSC (118)	10009219 - 20022227	20022228 - 20022241	20022243 - 20022264	20022265 - 20022778	No inventory due this month	20022279 - 20022290	20022291 - 20022303	20022306 - 20022318	20022319 - 20022330	20022331 - 20083602	20083603 - 20112772	Any asset number higher than 10035494, 11001517, 20123270
UDUM (2731)	10008383 - 10034470	10034640 - 20018854	20018856 - 20019365	20019366 - 20019840	No inventory due this month	20019841 - 20020285	20020286 - 20092167	20092262 - 20105279	20105282 - 20112371	20112379 - 20119334	20119335 - 20123267	Any asset number higher than 10035494, 11001517, 20123270
DSCC (1365)	10000008 - 10001881	10001882 - 20000383	20000390 - 20000768	20000802 - 20002858	No inventory due this month	20000859 - 20020443	20020444 - 20082511	20082512 - 20114014	20114015 - 20114167	20114168 - 20114439	20114441 - 20122644	Any asset number higher than 10035494, 11001517, 20123270
DSCP (214)	10000436 - 10000592	10000610 - 20002957	20002958 - 20003022	20003025 - 20003185	No inventory due this month	20003186 - 20017507	20017508 - 20076373	20076374 - 20076595	20076596 - 20087064	20087065 - 20110812	20110834 - 20123167	Any asset number higher than 10035494, 11001517, 20123270
DSCR (952)	10000767 - 10000907	10000908 - 10001549	10001550 - 10035437	10035458 - 20003363	No inventory due this month	20003364 - 20003491	20003492 - 20003737	20004585 - 20004749	20004750 - 20078001	20078010 - 20118500	20118501 - 20123205	Any asset number higher than 10035494, 11001517, 20123270
HQFB (558)	10001160 - 10001320	10001321 - 10001382	10001383 - 10001673	10001674 - 10031899	No inventory due this month	10031900 - 10032427	10032428 - 20003780	20005781 - 20003850	20003853 - 20003918	20003919 - 20073486	20078527 - 20122179	20114808 - 20123270, plus any asset number higher than 10035494, 11001517, 20123270
DDC (12556)	Conduct current DDC schedule	Conduct current DDC Schedule	10002459 - 10035430	10035431 - 20007140	20007141 - 20010361	20010367 - 20012965	20012966 - 20016191	20016192 - 20068856	20068862 - 20082787	20082788 - 20098134	20098135 - 20114790	20114808 - 20123270, plus any asset number higher than 10035494, 11001517, 20123270

APPENDIX 5ENCLOSURE 2: SAMPLE MONTHLY INVENTORY CERTIFICATION FOR THE PLFA
COMMANDER/DIRECTOR AND J/D CODE DIRECTOR OR DESIGNEE**DEFENSE LOGISTICS AGENCY**

Office Symbol

Date

MEMORANDUM FOR DIRECTOR, DLA INSTALLATION SUPPORT

SUBJECT: Monthly Cyclic Inventory Certification for the month of _____

1. I certify the following for the scheduled monthly cyclic inventory:

- a. A minimum of 10% physical inventory has been completed.
- b. Discrepancies have been reconciled.
- c. The EBS inventory date and accountable property record is current.
- d. Hand receipt holders have signed/dated their respective hand receipts.
- e. Each hand receipt holder for the scheduled inventories has verified the serial number on the manufacturer's data-plate for every asset inventoried.
- f. A photo of the data plate has been uploaded into each asset in EBS.
- g. All assets contain an accurate and readable barcode label.
- h. The annotated inventory worksheets are uploaded to the centralized SharePoint site.
- i. The site Accountable Property Officer and hand receipt holder have made every effort to find unrecorded accountable property FOS, reconciled these findings, and inducted qualifying property into EBS.

2. The following assets were not found during inventories, and a Financial Liability Investigation of Property Loss (DD Form 200) for each asset has been completed and uploaded into the EBS asset:

NOUN	EBS ASSET	SERIAL NUMBER	COST	RESOLUTION
Forklift	10035678	A177G40612K	\$115,000	Validated Turned-In
Camera	20114052	457981S221	\$255.00	HRH held liable

3. The following assets were found on site and a RDV created and either FMV obtained or appropriate EM uploaded to the asset record:

NOUN	EBS ASSET	SERIAL NUMBER	RDV	FMV/Acq Value
Forklift	10035698	A40612K177	3/5/2014	\$115,000

4. Update for prior monthly cyclic inventory based on APM review:

- a. Correction of two serial numbers for asset #s 100345 and 200567.
- b. Correction of last inventory date for asset # 200789.

5. Please contact (insert APO/APOR name and contact information) for additional information or clarification.

Name
Rank / Title
(PLFA Commander/Director, J/D Code Director
or Site Director)

Attachments:

APO/APOR and HRH Signed/Dated reconciled Hand Receipts

APPENDIX 5

ENCLOSURE 3: SAMPLE DELEGATION MEMORANDUM

DEFENSE LOGISTICS AGENCY

Office Symbol

Date

MEMORANDUM FOR DIRECTOR, DLA INSTALLATION SUPPORT

SUBJECT: Delegation of General Equipment Accountable Property Monthly Certification for (PLFA)

In accordance with the Defense Logistics Agency Directive-Type Memorandum (DTM) 14-022 – General Equipment Inventory Requirements and Procedures, I hereby delegate the authority for the monthly General Equipment Accountable Property certification to each respective DLA Distribution Commander or Director for their assign Plant Codes in the EBS Asset Master. This authority is not further delegable.

Name

Rank / Title

(PLFA Commander/Director, J/D Code Director or Site Director)

APPENDIX 5ENCLOSURE 4: SAMPLE ANNUAL CERTIFICATION MEMORANDUM FOR THE PLFA
COMMANDER/DIRECTOR AND J/D CODE DIRECTOR**DEFENSE LOGISTICS AGENCY**

Office Symbol

Date

MEMORANDUM FOR DIRECTOR, DLA INSTALLATION SUPPORT

SUBJECT: 2014 Annual Accountable Property Inventory Certification

1. I certify that all accountable property inventories are complete and that the EBS asset data is current and accurately reflects all accountable property assigned to (DLA PLFA Location, State).

a. All physical inventories have been completed and hand receipt holders have signed/dated their respective hand receipts

b. Each hand receipt holder has verified

(1) The serial number on the manufacturer's data-plate for every asset on record

(2) Each asset contains a useable and accurate barcode label.

c. The Accountable Property Officer and Hand Receipt Holders have made every effort to find unrecorded accountable property, reconciled findings, and posted qualifying property into EBS.

d. All losses are reported below:

NOUN	EBS ASSET	SERIAL NUMBER	COST	RESOLUTION
Forklift	10035678	A177G40612K	\$115,000	Validated Turned-In
Camera	20114052	457981S221	\$255.00	HRH held liable

2. Please contact Mr. John Doe at 703-XXX-XXXX for additional information or clarification.

Name

Rank / Title

(PLFA Commander/Director, J/D Code Director
or Site Director)

APPENDIX 5ENCLOSURE 5: PHYSICAL INVENTORY PROCEDURES

1. **Pre-Inventory Procedures** (APO/APOR Procedure)
 - a. Coordinates with APM and prepare a schedule of inventory events.
 - b. Notify HRH and local chain of command of the inventory.
 - c. Print EBS Accountable Master Asset Listing/Hand Receipt.
 - d. Reprint Asset Listing by HRH if necessary to ensure proper HRH assignment.
 - e. Certify monthly scheduled inventories are complete to designated signature authority (Enclosure 7).
2. **Inventory Procedures** (HRH Procedure)
 - a. Notify APO/APOR that inventory is beginning as scheduled.
 - b. For a “Wall to Wall” Inventory, inventory 100-percent of assets listed on the Master Asset Listing.
 - c. Document FOS assets encountered during any inventory procedures and provide that information provided to the APO/APOR.
 - d. Provide Evidential Matter, as per the Tier 1, 2 and 3 tables in the General Equipment SOP to the APO/APOR for asset recording and data upload into the EBS Service For Object Module.
 - e. Utilizing the asset list, compare asset numbers and ensure descriptions are accurate. Document any discrepancies for later reporting to the APO/APOR.
 - f. Validate the EBS Asset Listing and annotate any discrepancies found between EBS/HR and the actual asset count during the inventory.
 - g. Using the EBS Physical Inventory List (by HRH) begin validation of each item on hand (book to floor) and mark each asset line item after verification is accomplished.
 - h. Examine the area to determine if assets are not in EBS (floor to book) and require addition to the property book. Document the asset by recording a description (include model number), serial number (data plate info), manufacturer (data plate info), location, and sub-location.
 - i. Verify a barcode with accurate equipment data is affixed to equipment and document any discrepancies. If the barcode is damaged, note that the barcode requires replacement. If a scanner is available, validate that the bar code can be scanned and replace as needed.

- j. Validate the equipment Serial number, location, and sub-location is correct; document any discrepancies found on the listing and on the equipment barcode.
- k. Validate Item description is correct; document any discrepancies found on the listing and on the equipment barcode.
- l. Validate Make/Model/Manufacture is correct; document any discrepancies.
- m. Using the data plate, validate manufacture's date on the equipment matches the date on the asset listing and document any discrepancies.
- n. Throughout the inventory, validate property found as part of the "Floor-to-Book" process. Verify findings using the Asset Listing to ensure property found is true FOS property.
- o. Document the make, model, item description, serial number manufacture date, asset location and Equipment Job Order Number (if available) for FOS items found during the Floor to Book
- p. Provide signed inventory completion memorandum to APO/APOR ([Appendix 5, Enclosure 6](#)).

3. **Reconciliation of Physical Inventory Book to Floor Procedures (APO or HRH)**

- a. Correct all discrepancies between EBS and physical count. Add any new or additional Evidential Matter to EBS utilizing the Service For Object Module. All changes must be done prior to the last work day of the month.
- b. Update "Last Inventory Date" in EBS for each inventoried asset.
- c. Reprint Barcode if missing, damaged, or updated due to inaccurate serial number, description, location, or HRH data.
- d. Ensure the Hand Receipt Holder signs the current/updated hand receipt.
- e. Make determination of the equipment operational readiness and utilization during the inventory period. (Does the HRH / Cost Center need and use the equipment?)
- f. Conduct initial search for missing equipment within 10 work days based on inventory findings. Immediately notify installation security office for any sensitive or pilferable item. If determination is made that equipment is lost, damaged, destroyed or stolen initiate DD Form 200. At this time the asset should be acknowledged as missing and the asset may be removed as an inventory asset by unchecking the "Include Asset in Inventory List" box located under the General>Inventory tab. A note should also be made in the Inventory Note field and the proper input should be made into the Inventory Except Code and Susp. Loss Code fields. The asset should not be deactivated until the DD Form 200 investigation is completed.
- g. If required, forward completed DD Form 200 to APM for deactivation.

4. **Reconciliation of Physical Inventory Floor to Book Procedures (APO or HRH)**

- a. Found equipment documented and recorded accurately in EBS.
- b. If FOS equipment does not have Evidential Matter, conduct research to determine applicable Fair Market Value and/or Receipt Date Verifications (FMV/RDV) of equipment and coordinate with FSA to record unplanned depreciation.
- c. If equipment is determined to be excess, coordinate with the appropriate office(s) for appropriate Disposition instructions to laterally transfer equipment to an organization within DLA.

5. **Evidential Matter Validation (APO)**

Review all Evidential Matter prior to uploading documents into the Service For Object Module of EBS. Determine if documents (EM on hand) are valid and meet the Tier I and/or Tier II criteria outlined in Appendix 8 Evidential Matter, of the GE procedures manual.

APPENDIX 5

ENCLOSURE 6: SAMPLE HRH MEMORANDUM TO THE APO/APOR

DEFENSE LOGISTICS AGENCY

Office Symbol

Date

MEMORANDUM FOR ACCOUNTABLE PROPERTY OFFICER

SUBJECT: First Endorsement for Monthly Cyclic Inventory

- 1. Property indicated on the Cyclic Inventory memorandum has been inventoried. Also all sensitive and pilferable items have been accounted for as required.
- 2. No discrepancies noted/discrepancies have been accounted for in accordance with DLAI 4208.
- 3. Discrepancies noted:

Hand Receipt Holder Printed Name	_____
Hand Receipt Holder Signature	_____
Date:	_____
Team Member Printed Name	_____
Team Member Signature	_____
Date:	_____

APPENDIX 5ENCLOSURE 7: SAMPLE APO/APOR MEMORANDUM TO THE PLFA
COMMANDER/DIRECTOR OR J/D CODE DIRECTOR OR DESIGNEE**DEFENSE LOGISTICS AGENCY**

Office Symbol

Date

MEMORANDUM FOR DIRECTOR, ACQUISITION OPERATIONS, DLA DISTRIBUTION

SUBJECT: Monthly/Annual Inventory Asset Master Certification Fiscal Year 2014

1. I certify that all inventories have been completed and the Asset Master Enterprise Business System (EBS) is current and accurately reflects all inventoried accountable property assigned to DLA Distribution New Cumberland. Accountability of all items has been established with 98% accuracy. Our losses are as follows:

NOUN	EBS ASSET	SERIAL NUMBER	COST	RESOLUTION
Forklift	10035678	A177G40612K	\$115,000	Validated Turned-In
Camera	20114052	457981S221	\$255.00	HRH held liable

2. Actions have been initiated to account for losses or discrepancies. Please see attached inventory reconciliation.

3. If you have any questions or need more information please contact John Doe at 703-XXX-XXX.

Name
Accountable Property Officer

APPENDIX 6

DLA Receipt Date Verification (RDV) / Fair Market Value (FMV) Accountability Report



DEFENSE LOGISTICS AGENCY
RECEIPT DATE VERIFICATION (RDV)/FAIR MARKET VALUE (FMV)
ACCOUNTABILITY REPORT

Table Key_ID 6775

Location, File_Date, Barcode, Serial_Num, Descriptio, EBS_Asset_Num, Manufact_Year, Old_Barcode_JON, Stock_N, Acq_Cost, Lifecycle_Yrs, Activ_Date, Accum_Depr, Book_Value

Select Appropriate Description

- R1 RDV Document Located
R2 Manufacturers date verified using data plate or documentation direct from manufacturer.
R3 Manufacturer contacted to verify date for Receipt Date Verification (RDV) - Manufacturer's name is shown in the Summary Section
R4 For Fully Depreciated Assets only. Date is 6 months within date recorded in DPAS/EBS.
R5 Utilized data from an asset with a similar serial number.
R6 Item found in EMACS.
R7 No valid receipt date could be established.
R8 Item is <\$100K, > 10 years and Fully Depreciated.

Doc Used

Other - Requires Summary

Verified Receipt Date is mm/dd/yyyy:

CMT10 Item requires a detailed description. See Summary section for details.

CMT11 Unable to Verify the Receipt Date for this asset.

CMT12 Updates recommended to APO for RDV data in DPAS/EBS.

APO/Contact Name:

These initials verify that the Inspector has verified that the Depreciation Calculations and Book Value have been reviewed for this asset..

CALCULATED DEPRECIATION DATA
Months in Service Based on Verified Receipt Date and File Date Calculation
Calc_Months_In_Service:
Verified Lifecycle (in years)
Verified Ac_Cost
Calc_Accum_Depr
Calc_Book_Value \$0.00

SELECT Appropriate Description Utilized for FMV determinations.

FMV_Cost This is the FMV validated cost

- F1 FMV is NOT REQUIRED Item is Fully Depreciated (based on RDV) or Full Depreciation Recommended (see Summary)
F2 Qualified Cost Document available.
F3 Obtained qualified cost document from vendor or manufacturer.
F4 Used value of an identical item with the same Acquisition Year
F5 Used value of an IDENTICAL item with different acquisition year.
F6 Used value of a SIMILAR item with SAME acquisition year.
F7 Used value of a SIMILAR item with DIFFERENT acquisition year.

Similar item serial/barcode
Identical item serial/barcode
Similar item serial/barcode
Inflation Calculator used: www.halfhill.com/inflation.html

Source for Value

CMT13 Acquisition Cost Verified Accumulated Depreciation is Correct Inspector's Name to Confirm

Large empty rectangular box for notes or comments.

- Recommend_1 No cost or depreciation updates to DPAS/EBS required. Data is accurate
Recommend_2 No updates recommended. Item is Fully Depreciated
Recommend_3 Updates recommended to DPAS/EBS to correct Activation/Capitalization Date.
Recommend_4 Documentation Not Required - This Asset is Below the Capital Asset Threshold

Digital_Signature

Review_Date

GLOSSARYPART I. ABBREVIATIONS AND ACRONYMS

AIT – Automatic Identification Technology
 AM – Asset Management
 APM – Accountable Property Manager
 AOB – Annual Operating Budget
 APO/APOR – Accountable Property Officer
 APO/APORR – Accountable Property Office Representative
 AT&L – Acquisition, Technology & Logistics
 AuC – Asset under Construction

 BCA – Business Case Analysis
 BPA – Business Process Analyst
 BW – Business Warehouse

 CAP – Contractor Acquired Property
 CFO – Chief Financial Officer
 CFOA – Chief Financial Officers Act
 CIP – Capital Investment Program

 DLA – Defense Logistics Agency
 DLAI – Defense Logistics Agency Instruction
 DOD – Department of Defense
 DS – DLA Installation Support
 DS-I – DLA Installation Support, Installation Management Office
 DTID – Disposal Turn-In Document (DD Form 1348-1A, Issue Release/Receipt Document)
 DWCF – Defense Working Capital Fund

 EA – Economic Analysis
 EBS – Enterprise Business System
 EQUIPMENT MANAGEMENT SYSTEMEMS-Equipment Management System –
 FAR – Federal Acquisition Regulation
 FA – Financial Accounting
 FLIPL – Financial Liability Investigation of Property Loss
 FMR – Financial Management Regulation
 FMV – Fair Market Value
 FOS – Found on Site
 FSA – Financial Services Analyst

 GAAP – Generally Accepted Accounting Principles
 GFE/P – Government Furnished Equipment/Property
 GL – General Ledger
 GLAC – General Ledger Account Code
 GR – Gross Receipt
 GSA – General Services Administration

HQ – Headquarters

HRH – Hand Receipt Holder

ION – Internal Order Number

IPRB – Installation Planning and Review Board

IT – Information Technology

IUID – Item Unique Identification

LDDS – Lost, Damaged, Destroyed, or Stolen

MILCON – Military Construction

MIPR – Military Interdepartmental Purchase Request

NSN – National Stock Number

OUSD – The Office of the Under Secretary of Defense

PA – Property Administrator

PBR – Program Budget Review

PLFA – Primary Level Field Activities

PM – Program Manager

PO – Purchase Order

PP&E – Property, Plant, and Equipment

RBI – Reutilization Business Integration

RDV – Receipt Date Verification

RTD – Reutilization, Transfer, and Donation

SFFAS – Statement of Federal Financial Accounting Standards

SGL – Standard General Ledger

SOP – Standard Operating Procedure

SPO – Sub-Process Owner

UID – Unique Identification

UII – Unique Item Identifier

USSGL – United States Standard General Ledger

WBS - Work Breakdown Structure

PART II. DEFINITIONS

Acceptance – A formal certification that goods or services have been received and that they conform to the terms of the contract.

Accountability – The obligation imposed by law or lawful order or regulation on an officer or other person for keeping accurate record of property, documents, or funds. The person having this obligation may or may not have actual possession of the property, documents, or funds. Accountability is concerned primarily with records, while responsibility is concerned primarily with custody, care, and safekeeping.

Accountable Property – Property with an acquisition cost equal to or in excess of DOD's current accountability threshold (\$5,000), or deemed sensitive and/or classified. Accountable property records must be established for accountable property in EBS.

Accountable Property Officer – An individual who, based on his or her training, knowledge, and experience in property management, accountability, and control procedures, is appointed by proper authority to establish and maintain an organization's accountable property records, systems, and/or financial records, in connection with Government property, irrespective of whether the property is in the individual's possession.

Accountable Property Record – The record contained within the accountable property system of record.

Accountable Property System of Record – The system used to control and manage accountable property records; a subset of existing organizational processes related to the lifecycle management of property; the system that is integrated with the core financial system.

Acquisition – Acquiring property through purchase, lease, or other means, including transfer or fabrication, whether the assets are already in existence or must be created, developed, or constructed.

Acquisition Cost – The amount, net of both trade and cash discounts, paid for the property, plus transportation costs and other ancillary costs.

Administrative Property – A subcategory of General Equipment, used for grouping property that is operationally distinct from military and other equipment. Administrative property is typically less than mission critical. Examples include: desktop computers and peripherals, furniture, and office equipment.

Asset – A generic term meaning any item of equipment or other accountable property.

Automatic Identification Technology – The family of technologies that improves the accuracy, efficiency, and timeliness of material identification and data collection. AIT media and devices include, but are not limited to, linear and two-dimensional bar code symbols and their readers; magnetic stripe cards; integrated cards, i.e., smart cards; optical memory cards; radio frequency identification (active and passive); contact memory-button devices; and magnetic storage media.

Book-to-Floor Inventory – A comparison of asset data recorded in EBS to the physical assets on the floor.

Capitalize – To record and carry forward into one or more future periods any expenditure the benefits from which will then be realized.

Capital Improvement – Any improvement that increases the useful life, efficiency, capacity, size of an existing asset or modifies the functionality or use of the asset, regardless of the source of funding or capitalization threshold.

Capital Improvement Placed In Service Date – The calendar date the improvement is available for use. The date on which a leasehold improvement (capital improvement) is made to a leased facility. On this date, the government assumes liability and the warranties begin for the capital improvement. Also includes date of leasehold improvements.

Capital Lease – Leases that transfer substantially all the benefits and risks of ownership to the lessee. If at its inception, a lease meets one or more of the following criteria, the lease is considered a capital lease:

The lease transfers ownership of the property to the lessee by the end of the lease term.

The lease contains an option to purchase the leased property at a bargain price.

The lease term (the portion not subject to cancellation, plus all periods, if any, representing renewals or extensions that can reasonably be expected to be taken) is equal to or greater than 75 percent of the estimated economic life of the leased property.

The present value of rental and other minimum lease payments, excluding that portion of the payments representing executory cost, equals or exceeds 90 percent of the fair value of the leased property. See Volume 4, Chapter 6 of Reference (b).

Contract – Any enforceable agreement, including rental and lease agreements and purchase orders, between an Agency and a business concern for the acquisition of property or services.

Contractor Acquired Property – Any property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the Government has title. Although the Government may have title, CAP has not yet been delivered. CAP that is subsequently delivered to the Government for use on the same or another contract is considered Government Furnished Property.

Controlled Inventory Items – Property with characteristics that may require them to be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safekeeping and integrity. See Table 61 of Reference (k). Controlled Inventory Items are (in DLA sending order of the degree of control normally exercised):

Classified Items – Property requiring protection in the interest of national security.

Pilferable Items – Property that has a ready resale value or application to personal possession and that is, therefore, especially subject to theft.

Sensitive Items – Property requiring a high degree of protection and control due to statutory requirements or regulations (i.e., narcotics and drugs, precious metals, high value or highly technical assets, hazardous assets, or small arms, ammunition, explosives, and demolition material).

Custodial Area – A segment of the accountable area, i.e., a ward in a hospital, a division in an organization, etc.; there may be as many custodial areas and officers as are required to execute effective property management.

Depreciable Basis – A General Equipment recorded cost reduced by the asset's salvage value, if applicable.

Equipment – General Equipment that is functionally complete for its intended purpose, durable, and nonexpendable. Equipment generally has an expected service life of two years or more; is not intended for sale; does not ordinarily lose its identity or become a component part of another article when put into use; and has been acquired or constructed with the intention of being used.

Financial Statement Assertion (Assertions) – Representations by an entity's management, explicit or otherwise, that are embodied in the financial statements including:

Completeness – All transactions and accounts that should be presented in the financial statements are so included.

Existence or occurrence – An entity's assets or liabilities exist at a given date, and recorded transactions have occurred during a given period.

Presentation and Disclosure – The particular components of the financial statements are properly classified, DLA described, and disclosed.

Rights and Obligations – Assets are the rights of the entity, and liabilities are the obligations of the entity at a given date.

Valuation or Allocation – Asset, liability, revenue, and expense components have been included in the financial statements at appropriate amounts.

Floor-to-Book Inventory – A comparison of data from assets physically on hand to EBS record data.

Full Cost – A baseline value that includes all (material) costs incurred to acquire and bring the property to a form and location suitable for its intended use and, as applicable, depreciated over its useful life.

Government Furnished Property – Any property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor for performance of a contract. Contractor Acquired Property that is subsequently delivered to the Government for use on the same or another contract is considered Government Furnished Property.

General Equipment – Systems/equipment, materials, and supplies, includes military equipment and other accountable property (i.e., administrative property).

Hand-Receipt-Holder – An individual who exercises physical custody, care, and safekeeping over property in their possession. The HRH is a designated individual appointed under the authority of the DLA Director, who accepts custodial responsibility for property by signing a hand receipt document. (Also see property custodian below)

Heritage Assets – Property, plant, and equipment that are unique for one or more of the following reasons: historical or natural significance; cultural, educational, or artistic (i.e., aesthetic) importance; or significant architectural characteristics. Heritage assets consist of collection type heritage assets, such as objects gathered and maintained for exhibition (i.e., museum collections, art collections, and library collections) and non-collection heritage assets (i.e., parks, memorials, monuments, and buildings).

Internal Controls – The plan of an organization and all its methods and measures adopted to safeguard assets, check the accuracy and reliability of data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Inventory Adjustments – Changes made to the accountable property record when the record and a physical count do not agree. All such changes require specific approval and documentation to support the adjustment, normally to include the results of reconciliation efforts to determine and resolve the cause of such disagreement, or a completed evaluation and investigation for lost, damaged, destroyed, or stolen property.

Method of Depreciation – DOD policy only permits use of the straight-line method of depreciation.

National Stock Number – The term used for the 13-digit stock number consisting of the four-digit Federal Supply Class and the nine-digit National Item Identification Number. Each NSN is assigned to identify an item of supply and equipment within the material management functions. Only one NSN is assigned to an item.

Operating Lease – A lease that is not a capital lease. An agreement conveying the right to use property for a limited time in exchange for periodic rental payments.

Physical Inventory – The verification of property existence, location, and quantity. The process may also involve verifying additional information.

Pilferable Property – See Controlled Inventory Items.

Property Custodian – An individual appointed by the Accountable Property Officer, who accepts custodial responsibility for property, typically by signing a hand receipt. The property custodian is directly responsible for the physical custody of accountable property under their control.

Property Management – A monitoring and control function, charged with ensuring that organization processes related to the lifecycle of property support organization objectives,

represent sound business practice, and are compliant with applicable standards, policies, regulations, and contractual requirements.

Receipt – A transmission or other acknowledgment made by a receiving entity to indicate that a message or good/service has been satisfactorily received.

Receiving – The process of accepting and initiating the property accountability process; its primary role is the validation of the item(s) with its accompanying support documentation (i.e., shipment notice, purchase order, documenting count, condition, damage, or other discrepancies).

Recorded Cost – The acquisition cost of an asset plus any ancillary costs required to bring the asset into an operating condition. Examples of costs required to bring an asset into an operating condition include freight fees, handling and storage costs, installation costs, and set-up costs.

Repair – A project to restore property to such a condition that it may effectively be used for its designated functional purpose.

Salvage Value – Salvage value, also known as residual or scrap value, is the amount that would be expected to be obtained from selling the asset at the end of its useful life, but only when such proceeds (from recycle, resale, salvage, etc.) are permitted to be retained and used by the DOD Component. Typically, General Equipment (i.e., vehicles, automated data processing equipment, and other equipment) will not have a salvage value. If the asset is to be traded in on a new asset, the salvage value is the expected trade-in value. DLA does not assign salvage values to General Equipment assets.

Scrap – Property that has no value except for its basic metallic, mineral, or organic content.

Stewardship Responsibility – The requirement placed on an organization or individual who acts as the custodian of another individual's property by controlling, supervising, and managing the property in their care.

Unique Item Identifier - A set of data elements marked on an item that is globally unique and unambiguous. For assets that are serialized within the enterprise identifier, the data set includes the data elements of enterprise identifier and a unique serial number (Construct #1). For assets that are serialized within the part, lot, or batch number within the enterprise identifier, the Unique Item Identifier (UII) data set includes the data elements of enterprise identifier; the original part, lot, or batch number; and the serial number (Construct #2).

A generic term has evolved through usage to mean the concatenated Unique Item Identifier as a common data base key without regard to the data set construct being used. In this context, the term "UII" may be used to designate UII Constructs #1 and #2, or the DOD recognized Item UII equivalents of Global Individual Asset Identifier (GIAI), Global Returnable Asset Identifier (GRAI), Vehicle Identification Number (VIN), or Electronic Serial Number (ESN), for cell phones only.

Useful Life – An asset's depreciation recovery period. For purposes of computing depreciation on DOD General Equipment assets, specific recovery periods are prescribed. FMR, Vol 4, Chapter 6 reflects the recovery periods to be used for DOD General Equipment.

PART III. EBS JOB AIDS

All Enterprise Business System (EBS) Job Aids listed below are available at the On-Line Help website: <https://polh.bsm.dla.mil/>

1. Create Asset Shell (AS01)
2. Add Value to Non-Capital Asset (ABZP)
3. Update an EBS Asset (AS02)
4. Intra-DLA Transfer (ABUMN)
5. Transfer-Out Asset (ABSO)
6. Create and Asset Purchase (non-Construction in Process (CIP))
7. EQUIPMENT MANAGEMENT SYSTEM Update EBS Hand Receipt Number or Hand Receipt Holder Name in EBS
8. Turn-in Assets to Disposition Services
9. Accountable Property Desk Guide
10. Windows 7 Inventory of EBS Hand Receipt Assets
11. Create EBS Capital Asset Job Aid
12. Desk Guide for DLA Distribution APM
13. Inventory of EBS Assets with Barcode Scanner Job Aid
14. Print EBS Barcode Label