



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221**

September 30, 2014

**MEMORANDUM FOR DLA EXECUTIVE BOARD
COMMANDERS AND DIRECTOR, DLA PRIMARY LEVEL
FIELD ACTIVITIES
DIRECTORS, J/D CODES
SITE DIRECTORS, DLA INSTALLATION SUPPORT (DS)**

SUBJECT: Directive-Type Memorandum (DTM) 14-022 – General Equipment Inventory Requirements and Procedures

References: (a) DoD 7000.14-R, "Financial Management Regulation"
(b) DoD Instruction 5000.64, "Accountability and Management of DoD Equipment and Other Accountable Property," May 19, 2011
(c) DLAI 4202, "Accountability of DLA Property, Plant & Equipment," February 6, 2013
(d) DLAI 4208, "Financial Liability for Property, Plant and Equipment (PP&E) Lost, Damaged, Destroyed, or Stolen (LDDS)," February 6, 2013
(e) DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013

Purpose. This DTM establishes policy and provides procedures on performing inventories of general equipment assets. It also defines the roles and responsibilities for assuring inventory internal controls are satisfied. This DTM is effective upon its publication to the DLA Issuances Website. This DTM will expire effective 180 days after posting to the website and will be incorporated into the DLA General Equipment Manual.

Applicability. This DTM applies to all Commanders and Directors of DLA Primary Level Field Activities (PLFAs) and J/D Code Directors with Accountable Property Officers (APOs) under their chain of command. It is not applicable to Information Technology (IT) Equipment, Internal Use Software or J3 internal mission inventories

Definitions. See Glossary

Policy. This DTM requires that 100% of general equipment be inventoried annually and further requires that:

- a. The DLA Commander or Director of 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 (Attachment 1, Appendix 1), but it may not comply with requirement (3) above.
- b. DLA PLFA Commanders and Directors, J/D Codes Directors, and DS Site Directors will appoint, in writing, APOs.
 - c. APOs in conjunction with HRHs will assure that:
 - (1) Assets are inventoried, book-to-floor, in accordance with 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. APOs will maintain documentation of inventories completed, including a record of discrepancies identified and changes made to correct them.
 - e. The DLA Commander or Director of PLFA 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.

Responsibilities. See Attachment 1

Internal Controls. The DS Director will digitally sign the final version of the DTM prior to its publication.

Releasability. UNLIMITED. This DTM is approved for public release and is available on the DLA Issuances Internet Website.

My POC for this DTM is Mr. Brad Hancock. You may reach him by phone (703) 767-3519 or by email: bradley.hancock@dla.mil.

MARVIN WENBERG
Acting Director
DLA Installation Support

Attachments:
As stated

ATTACHMENT 1RESPONSIBILITIES

1. The DLA Commander or Director of PLFA or J/D Code Director 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 (Appendix 2.) The monthly plant code certification authority may be delegated in writing by the senior leader 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 (Appendix 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) (Appendix 4.) Annual certification may not be delegated and must be signed by DLA Commander or Director of PLFA or J/D Code Director responsible for each EBS general equipment plant code. Multiple plant codes may be certified in one memo.
 - 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 standing procedures for the process flow for filing a Financial Liability Investigation of Property Loss (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 APMs and APOs 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.
3. Accountable Property Managers (APMs) will:

- a. Assist APOs 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.
- f. Perform monthly compliance checks on the General Equipment inventory results and supporting documentation:
 - (1) Verify that 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 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 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 in accordance with DLA Records.
- g. On an annual basis, perform the following steps to verify the APO 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 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 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 in accordance with DLA Records.
- h. Conduct compliance site visits at selected locations to ensure Acquire to Retire

(A2R) audit readiness procedures are in place.

4. APOs will establish and maintain their organization's accountable property records. In addition, the APO will:
 - a. Execute the activity's property inventory plan in accordance with 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 (Appendix 5) to each HRH that identifies assets to be inventoried.
 - d. Review hand receipt used to conduct the inventory and monthly inventory memorandum (Appendix 6) to validate all assets were 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 is 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 Found on Site (FOS) assets found during the Floor-to-Book. A RDV should be used for assets manufactured from 2002 and forward. To establish accountability, the APO will sign as the acceptor (Destination) and the HRH will sign as the receiver. Conduct research along with the Financial Services Analyst (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 certification memorandum to the authorized signature authority (Appendix 7.)
- p. Prepare the monthly/annual certification memorandum for the PLFA Commander/Director, J/D Code Director, or designee signature.
- q. During the last quarter of the year, the APOs will work with their Real Property personnel to determine the number of facilities utilized by the APO's organization. They will also review which buildings had assets in them during the year to determine if any buildings have been missed. The APO will ensure a wall to wall inventory is conducted for any building not previously inventoried to complete a Floor-to-Book. Annotate any assets found and conduct research.

5. Hand Receipt Holder will:

- a. Communicate with the APO to obtain a copy of the hand receipt to use as an inventory listing to inventory assets identified on the inventory plan provided by the APO. The HRH will only inventory those assets identified on the scheduled inventory plan provided by the APO and an associated number of floor-to-book assets. Inventories will not be conducted in advance of the schedule.
- b. Identify team member to assist with inventory.
- c. Conduct the scheduled physical inventory comparing hand receipt provided by the APO 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.
- e. Annotate all discrepancies on the Monthly Cyclic Inventory memorandum provided to the APO (Appendix 6).
- 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 to research. If assets are accountable, all supporting documentation must be provided to the APO 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, initiate an RDV for FOS to establish accountability; the APO 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 to update EBS.
- l. Sign a new hand receipt after all discrepancies have been resolved.

APPENDIX 1: SAMPLE INVENTORY PLAN BY PLANT AND MONTH

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	Any asset number higher than 10035494, 11001517, 20123270
DDC (12556)	Conduct current DDC schedule	Conduct current DDC Schedule	10002459 - 10035430	10035431 - 20007140	2000714 1 - 2001036 1	20010367 - 20012965	20012966 - 20016191	20016192 - 20068856	20068862 - 20082787	20082788 - 20098134	20098135 - 20114790	20114808 - 20123270, plus any asset number higher than 10035494, 11001517, 20123270

APPENDIX 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 Found on Site (FOS), reconciled these findings, and inducted qualifying property into EBS.

2. The following assets were not found during inventories, and a 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 name and contact information) for additional information or clarification.

Delegated Commander/Director
Plant Code Organization

Attachments:
APO and HRH Signed/Dated reconciled Hand Receipts

APPENDIX 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 DLA Distribution

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

RICHARD B. DIX
BG, USA
Commander

APPENDIX 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 Enterprise Business System (EBS) asset data are current and accurately reflect 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
COL, USA
Commander

APPENDIX 5: PHYSICAL INVENTORY PROCEDURES

1. **Pre-Inventory Procedures** (APO Procedure)

- a. Coordinate with APM and prepares a schedule of inventory events.
- b. Notify Hand Receipt Holders (HRH) and local chain of command of the inventory.
- c. Print EBS Accountable Master Asset Listing/Hand Receipt.
- d. Work with HRH who conducts preliminary walk through to validate actual location of assets assigned to the HRH, who notes any anomalies and informs APO if assets require assigning to a different HRH location.
- e. Reprint Asset Listing by HRH if necessary to ensure proper HRH assignment.
- f. Certify monthly scheduled inventories are complete to designated signature authority (Appendix 7).

2. **Inventory Procedures** (HRH Procedure)

- a. Notify APO that inventory is beginning as scheduled. For a “Wall to Wall” Inventory HRH must inventory 100-percent of assets listed on the Master Asset Listing.
- b. Document assets Found on Site (FOS) and not recorded in EBS during any inventory procedures and provide this information to the APO.
- c. Provide any Evidential Matter (EM), as per the Tier 1, 2 and 3 tables in the General Equipment SOP, to the APO for asset recording and data upload into the EBS Service For Object Module.
- d. Utilizing the asset list, compare asset numbers and ensure descriptions are accurate. Document any discrepancies for later reporting to the APO.
- e. Validate the EBS Asset Listing and annotate any discrepancies found between EBS/HR and the actual asset count during the inventory.
- f. Using the EBS Physical Inventory List (by HRH) begin validation of each item on hand. (Book to Floor) HRH will mark each asset line item after verification is accomplished.
- g. Examine the area to determine if any 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.

- h. 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.
- i. Validate the equipment Serial number, location, and sub-location is correct; document any discrepancies found on the listing and on the equipment barcode.
- j. Validate Item description is correct; document any discrepancies found on the listing and on the equipment barcode.
- k. Validate Make/Model/Manufacture is correct; document any discrepancies.
- l. Using the data plate, validate manufacture's date on the equipment matches the date on the asset listing and document any discrepancies.
- m. 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.
- n. 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
- o. Provide signed inventory completion memorandum to APO (Appendix 6).

3. **Reconciliation of Physical Inventory Book to Floor Procedures**

- 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**

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**

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 6: SAMPLE HRH MEMORANDUM TO THE APO

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

APPENDIX 7: SAMPLE APO 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

GLOSSARY

DEFINITIONS

Accountable Property Officer – An individual who, based on his or her training, knowledge, and experience in property management, accountability, and control procedures, is appointed, in writing, 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.

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

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

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

Equipment – General Equipment that is functionally complete for its intended purpose, durable, and nonexpendable. Equipment generally has an expected service life of five 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.

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

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.

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