



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

June 26, 2015

MEMORANDUM FOR EXECUTIVE BOARD

SUBJECT: Directive-Type Memorandum (DTM) 15-007 – 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 one (1) year after posting to the DLA Issuance website and will be incorporated into a DLA Manual (DLAM) on General Equipment.

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 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 PLFA Commanders/Director or J/D Code Directors responsible for each Enterprise Business System (EBS) general equipment plant code will submit to the Director, Installation Support (DS), for approval by October 31 of each year, an annual inventory schedule for each plant code under their control, that:

- (1) Initially focuses on capital assets.

- (2) Schedules planned monthly inventories. Performs inventory on approximately 10% of the total assets during each of the first 10 months of the year.
 - (3) Ensures each Hand Receipt Holder (HRH) conducts inventory procedures of assets at least once a quarter, provided there are enough assets to accommodate this frequency.
 - (4) Provides an inventory schedule by either listing specific assets for each inventory or providing the estimated number of assets to be inventoried. An example is provided in Appendix 1.
- b. PLFA Commanders and Director, J/D Codes Directors, or DS Site Directors will appoint APOs in writing.
 - c. APOs in conjunction with HRHs will ensure 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). If the number of assets assigned to an HRH is less than 5, the APOs will ensure that due diligence is used to conduct floor-to-book inventories. Note: In certain circumstances, all possible Found on Site (FOS) assets may be identified and evaluated during floor-to-book inventories prior to completing 100% inventory of book-to-floor assets. In such cases a Memorandum for Record should be created to assert that all possible FOS were identified, and a quarterly review of Floor-to-Book will need to be accomplished and recorded for the rest of the year.
 - d. APOs will maintain documentation of inventories completed, including a record of discrepancies identified and changes made to correct them.
 - e. The PLFA Commander/Director or J/D Code Directors 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 APO directs a 100% physical inventory annually, at a minimum, following an inventory timeline plan. As part of this inventory the APO 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.

Releasability. UNLIMITED. This DTM is approved for public release and is available on the DLA Issuances Internet Website. A DLA Manual (DLAM) will supersede this DTM once the DLAM is published.

My POC for this DTM is Mr. Rodney Wyche. You may reach him by phone (703) 767-4117 or by email: Rodney.Wyche@dla.mil.

Acting MARY D. MILLER
Director
DLA Installation Support

Attachments:
As stated

ATTACHMENT 1

RESPONSIBILITIES

1. The PLFA Commanders and Director 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 (Appendix 2). The monthly plant code certification authority may be delegated in writing by the PLFA Commanders or Director or J/D Code Directors for each general equipment plant code to a GS-14/O-5 or higher. Secondary 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 15, 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 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 memo.
 - c. Ensure corrective actions have been documented and posted to EBS.
 - d. Ensure corrective actions resulting from Internal Management Control Reviews are adopted and closed.
 - e. Develop standard operating procedures for the process flow for filing a Financial Liability Investigation of Property Loss on 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 at field activity locations to upload and retain documentation supporting the 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. APMs at field activity locations 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 the following 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 for Capital, and 2012 and later for Non-capital assets.
 - (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 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 accountability property records and execute the activity's property inventory plan in accordance with the approved schedule. In addition, APOs will:
- a. Distribute inventory plan to all HRHs for planning purposes.
 - b. 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.
 - c. Review hand receipt used to conduct the inventory and monthly inventory memorandums (Appendix 6) to validate all assets were inventoried.
 - d. Ensure inventory date is updated in EBS.
 - e. 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.
 - f. Review all Evidential Matter in EBS for quantitative/qualitative accuracy, including:
 - (1) Acquisition cost
 - (2) Original Acquisition Year
 - (3) Item description
 - (4) Serial number
 - (5) Accepting/receipt date agrees with the EBS capitalization date and that the EM acquisition cost documentation is consistent with the EBS acquisition cost.
 - g. 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.

- h. Assist the HRH in initiating DD Form 200 for any losses.
 - i. Notify APM of assets requiring deactivation due to losses, transfers, or turn-ins and upload supporting documentation into the EBS asset record.
 - j. Coordinate all adjustments having a financial impact with the APM and 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.).
 - k. 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.
 - l. Reprint a reconciled hand receipt for HRH to sign once all corrections or issues have been resolved.
 - m. 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.
 - n. Sign the monthly/annual certification memorandum (Appendix 7).
 - o. Prepare the monthly/annual certification memorandum for the PLFA Commander/Director, J/D Code Director, or designee signature.
 - p. During the last quarter of the year, work with the Real Property personnel to determine the number of facilities utilized by the APO's organization. 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. HRH 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 or HRH numbers identified on the scheduled inventory plan provided by the APO and conduct a floor-to-book inventory. Inventories

should not be conducted in advance of the schedule unless there are mission or personnel related rationale.

- 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) or applying due diligence to identify potential accountable assets.
- g. Provide listing (Appendix 8) 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 Capital assets manufactured during 2002 and later and 2012 for Non-Capital assets.
- 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 reconciled 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 |
| DNCS (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. The planned 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.

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) 15-007 – 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.

NAME
Rank
Title

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 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
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 the HRH must inventory 100-percent of assets listed on the Master Asset Listing.
 - b. Document assets 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 HRH 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.

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 or 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.

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

APPENDIX 8

The information on this form is required for conducting a Floor to Book (F2B) Inventory. Ensure all blocks are completed and information is as accurate as possible. Do not leave data columns blank and ensure placement of an X in the appropriate column(s). Taking a digital picture of the item's data plate can be extremely helpful, and utilizing a photo allows HQ and auditors to ensure the data on the form is accurate and verifiable. Therefore, supply digital pictures anywhere possible. If the item has multiple data plates, please supply digital pictures of all data plates on the equipment or sub-components.

**** Any items without an EBS Asset Number are considered as Found on Installation (FOS) assets and require all data fields to be completed ****

Assets details for Floor to Book validation

| Item Description | Serial # | Year Manuf. (from data plate) | Manufacturer Name | Complete Model Designation | Digital Picture(s) Provided (yes/no) | Annotate EBS Asset number For Validation | ** Found on Installation (x=yes) | FMV/RDV Needed (x = yes) |
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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, performing reconciliations, and modifying the accountable property records.