SUBJECT: Accountability and Management of Defense Logistics Agency (DLA) Equipment and Other Accountable Property

References: Refer to Enclosure.

1. PURPOSE. This instruction:

   a. Reissues Reference (a) to update policy and guidance for the accountability and management of DLA general equipment and other accountable property.

   b. Provides standardized processes and procedures for the management of DLA accountable general equipment from the time it is received by the activity until it is transferred out for disposal or re-utilization.

   c. Directs the timely and thorough investigation of all reports of lost property to prevent a recurrence.

   d. Identifies the general equipment accountability responsibilities for the key members of the supply and property accountability team from the hand receipt holder to the activity or installation commander or director.

2. APPLICABILITY. These instructions apply to all DLA activities.

3. DEFINITIONS. See Glossary.
4. **POLICY.**

   a. Persons entrusted with the management and accountability of government property will be trained and proficient in the areas of property accountability and management. In addition, they will be held to the highest ethical standards in the use and sustainment of accountable government property. The establishment and maintenance of these standards is the responsibility of each DLA activity or organizational head on all DLA installations or work sites. These activity leaders are assisted by an Accountable Property Manager (APM), Accountable Property Officer (APO) or the Accountable Property Officer Representative (APOR). Property accountability operations and processes will be conducted in accordance with (IAW) the law and all approved DoD and DLA directives and instructions.

   b. Enterprise Business System (EBS) is the only approved system of record for accountable property issued and assigned to DLA activities and locations. EBS will be used for recording and reporting supply and financial data for all accountable property and select non-accountable property on a case-by-case basis. The activity’s annual physical inventory plan provides the details on how each activity will validate on-hand equipment against its accountable record.

   c. Information Technology (IT) equipment that costs less than $5K may be considered for inclusion in the accountable record (EBS) if nominated for inclusion by the Director of Information Operations (DIO) and approved by the Director, Installation Support (DS-D). Any additional non-IT items below the $5K threshold must be nominated through their respective APM to DS-D for approval to be managed in EBS.

   d. Financial and descriptive supply information on all accountable property plus excepted items (see paragraph 4c) will be maintained in EBS. Each new capital asset must be entered into EBS and recorded as a separate capital investment asset.

5. **RESPONSIBILITIES.**

   a. The Director, DLA Installation Support (DS-D) will:

      (1) Develop and disseminate agency policy and procedural guidance for property accountability.

      (2) Designate in writing the APMs who are responsible for oversight of DLA’s property accountability.

      (3) Establish the Agency’s annual inventory, oversight, regulatory compliance and assistance programs for property accountability.

      (4) Establish standards and metrics for evaluating property accountability programs.
(5) Represent the Agency in responding to questions from other DOD entities, Federal Agencies, and members of Congress, on property accountability issues.

(6) Establish and coordinate training requirements to ensure accountable property functions (inventory, causative research, property adjustment, hand receipt management, etc.) are accomplished in a consistent and uniform manner.

(7) Ensure, when financial liability is recommended, or when recommendations appear to be inconsistent with findings, that the General Counsel’s Office or servicing Office of Counsel has reviewed the findings and provided an opinion on the adequacy of evidence and its relationship to the findings and recommendations. This legal review shall be included as part of the record with the DD Form 200 and completed before final action is taken by the approving authority.

b. Financial Operations (J8) will:

(1) Disseminate written guidance for recording required accountable property financial data in EBS.

(2) Provide financial reporting guidance to the EBS proponent.

(3) Verify funds availability for the purchase of general equipment once the requirement has been approved.

c. The Primary Level Field Activity (PLFA) Director or Installation Commander will:

(1) Ensure all property accountability requirements are assigned in compliance with applicable regulatory directives. Provide written certification to higher HQs (DS-I) that all annual inventory requirements are complete.

(2) Ensure corrective action in the Internal Management Control Reviews are reviewed and adopted as necessary.

(3) Ensure only fully qualified personnel are assigned to all property accountability positions.

a. Appoint the APM in writing.

b. Appoint the APO in writing. The APO’s name, responsibilities, and limits of authority will be identified in the appointment memo with copies furnished to DS-D.

c. Appoint the APOR in writing.
The duties of the APM, APO, and APOR may be merged or combined as staffing and/or management requirements dictate. However, these positions may not be combined with assignment as a hand receipt holder (HRH) as this could result in a conflict of interest. Contractors may be appointed as HRH but cannot be appointed to perform the duties of the APM or APO.

(4) Provide each activity’s monthly inventory completion percentage to HQ, DLA (ATTN: DS-I) by the 15th day of the following month.

d. Agency Accountable Property Manager (APM) will:

(1) Provide oversight, accounting and control of all assigned activity APMs.

(2) Receive input from each DLA activity APM or installation commander and coordinate the development of a recommended Agency response and forward to HQ, DLA (ATTN: DS-I).

(3) Develop metrics and forum for their presentation to assess each agency’s monthly supply accountability performance. Recommend additional or modified metrics as required throughout the calendar year.

(4) Serve as the lead staff element in the development and execution of the agency’s “Site Visitation” program.

e. Activity APM will:

(1) Provide guidance and oversight on the conduct of accountable property management in DLA.

(2) Review acquisition packets from subordinate sites and activities seeking authority and resources to procure new equipment. Equipment procurement packets must include a completed Business Case Analysis (BCA) supporting the procurement. The BCA must also contain at least one course of action using a DLA Disposition Services transfer.

(3) Develop and schedule property accountability and EBS training as required.

(4) Consolidate and submit all proposed EBS system change requests to the Agency APM.

(5) Prepare activity responses to agency taskings.

f. Accountable Property Officer (APO) will:
(1) Establish and maintain their organization’s accountable property records.

(2) Ensure that accountable property records are maintained for the period specified in the DLA Records Disposition Schedule.

(3) Ensure that adequate barcoding and scanning assets are available.

(4) Conduct an annual review of potential pilferable items and assess whether these items should be added to the existing pilferable items list. IT items must first be recommended by the DIO to the Director, Installation Support for inclusion or deletion from the list. The Director, Installation Support, approves the final pilferable items list. If there is an EBS eligibility question for an item, declare it as a pilferable item rather than delete it.

(5) Ensure that a joint “wall to wall” and “wall to book” inventory of each hand receipt is conducted upon change of the HRH. This change of HRH inventory can be substituted for the activity’s scheduled annual inventory.

(6) Prepare the activity’s annual property inventory plan. The annual inventory plan is a composite list of all required inventories to be conducted over the next fiscal year. The plan will include sensitive items that must be counted every year and a portion of the non-sensitive items that need to be inventoried every other year to achieve the 100% requirement.

(7) Ensure that all DLA property in the hands of a third party is on a valid hand receipt and accounted for in EBS.

g. Accountable Property Officer Representative (APOR) will:

(1) Assist the APO in the accomplishment of the Life Cycle Management responsibilities of the activity. Specifically, the APOR assists the APO in establishing and maintaining the accountable property records, insures that the APO, APOR and Hand Receipt Holders (HRH) are assigned to their duties in writing and are provided accurate and timely hand receipts to support the activity’s annual inventory program.

(2) Assists in assessing the level of proficiency in the accountable property program and develops or amends available training as needed.

(3) Assists the gaining and losing activities in documenting the transfer of excess or available property within and across the activity. One major caution is that the APOR duties and responsibilities can be assigned to the APO if there are insufficient authorizations or personnel to support a standalone APOR office.

h. Hand Receipt Holder will:

(1) Complete a joint inventory with the outgoing HRH within 30 days. The new HRH
will sign for all accountable property. The new HRH’s signature confirms the joint inventory is complete and the on-hand property transferred. A DD Form 200, “Financial Liability Investigation of Property Loss (FLIPL)” must be submitted for all assigned property that cannot be located.

(2) Maintain updated hand receipt records and supporting documentation indicating the location and condition of all assigned accountable property.

(3) Notify the APO in writing of any changes in status, location or condition of accountable property.

(4) Conduct physical inventory of all assigned and borrowed accountable property at least once every two years or as requested by the APO. Perform other required inventories (i.e., monthly 10%) as required.

(5) Report all excess property and dispose of and/or transfer excess assets as requested or directed.

(6) Complete blocks 1-9 of the DD Form 200 (initial inquiry) when accountable property is found to be damaged or lost per DLAI 4208, Financial Liability for Property and Equipment (P&E) that is Lost, Damaged, Destroyed, or Stolen (LDDS).

6. INFORMATION REQUIREMENTS. None.

7. INTERNAL CONTROLS. Activity compliance with Agency policy and directives will be assessed and validated through three primary means. All activity inventory verifications will be in writing and submitted to the HQs via the monthly PLFA performance report and the monthly inventory completion memorandum. These verifications are also submitted verbally via the APM during monthly meetings and through the Financial Improvement and Audit Readiness briefings and through scheduled or unscheduled site visits by the HQs.

   a. Monthly Reports – Each PLFA will prepare a written report highlighting their inventory completion and accuracy performance over the previous month. These monthly reports will be used to identify trends, command-wide problems and issues.

   b. Quarterly Briefings – The monthly APM meeting and the DS-D Director’s status briefing will provide the face-to-face forum for discussions regarding specific parameters that are out of tolerance.

   c. Periodic Site Visits – Key members of the General Equipment Team from DS-D will visit PLFAs to assess compliance and performance.
8. **RELEASE.** This instruction is approved for public release and is available on the Internet from the DLA Issuances internet Website at http://www.dla.mil.Issuances/.

9. **EFFECTIVE DATE.** This instruction:

   a. Is effective on February 6, 2013.

   b. Must be reissued, cancelled, or certified current within 5 years of its publication in accordance with DLAI 5025.01, DLA Issuance Program. If not, it will expire effective February 6, 2023 and be removed from the DLA Issuances website.

Enclosure - References
Glossary
ENCLOSURE

REFERENCES

(a) DLA Instruction 4202, Accountability of DLA Property, Plant and Equipment, dated October 12, 2004, Modified December 10, 2009 (superseded).


(c) Federal Accounting Standards Advisory Board (FASAB), Statement of Federal Financial Accounting Standards No. 10, Accounting for Internal Use Software.


(e) DoD 4100.39-M, Volume 10, Table 61, Controlled Inventory Item Code.

(f) DoD Instruction 5000.64, Accountability and Management of DoD Equipment and other Accountable Property, dated May 19, 2011.

(g) OMB Circular A-123, Subject: Management Accountability and Control.


(k) J8 Memorandum for Site Directors, Subject: EBS Generated P&E Reversal Transaction Policy dated September 2011.
accountable property. All capital and select non-capital general equipment meeting the accountability threshold as described herein.

Accountable Property Manager (APM). The official designated by either the Agency or Activity with management and oversight responsibilities for property accountability programs as established by the Agency.

Accountable Property Officer (APO). The individual appointed by the Activity or reporting entity head that is responsible for ensuring personal property PP&E records are maintained. The APO must be a government employee.

Accountable Property Officer Representative (APOR). The APOR assists the APO, APM and HRH in the management, documentation and daily operation of the activity's accountable property life cycle management program. The APOR primarily assists with the physical movement and transfer of accountable property, the conduct and scheduling of the HRHs annual inventory program and the selection, assignment and training of designated HRHs.

acquisition cost. The amount, net of both trade and cash discounts, paid for property plus transportation costs and other ancillary costs.

hand receipt. The primary document for maintaining accountability of personal property. It is generated by EBS and lists all of the activity’s accountable property distributed into its assigned cost center. The signed hand receipt is part of the accountable property record.

Hand Receipt Holder (HRH). A designated individual appointed under the authority of the Activity or organization head, who accepts custodial responsibility for property by signing the hand receipt. The HRH is directly responsible for the physical care and custody of personal property under his/her control. The HRH is the primary individual assigned personal financial liability for loss of accountable property. The DD Form 200 process determines assessment of such liability.

Information Technology (IT) Assets. All Automated Data Processing Equipment (ADPE) and software as defined in DOD FMR, Volume 4, and Chapter 6. IT assets include central processors, telecommunication, and Local Area Network (LAN) equipment, and desktop items including, but not limited to personal computers, monitors, and printers. Software includes Commercial Off-the-Shelf (COTS), internally developed by employees of DOD; legacy systems; and DOD/DLA-funded software developed by contractors.

installation. The site where property is used and sustained. The organizational entity that is the primary user of personal property, with responsibility for maintaining physical accountability,
and ensuring repair, maintenance, upkeep, physical security, and proper use.

**Non-Capital PP&E.** Includes any personal property costing $5,000 to $99,999.99 with a useful life of one year or more; assets that are classified, sensitive, or controlled; and pilferable items designated for inclusion on the property records as accountable PP&E.

**Pilferable property.** Pilferable items have immediate civilian application and therefore are highly desirable and prone for unauthorized use or removal. Therefore, these items must be controlled and managed to protect against unauthorized use or loss. These items are nominated to the Director, Installation Support and if approved they are entered into EBS for future management as an accountable/pilferable item.

**Third party equipment.** Government Furnished Property or Contractor Acquired Property that is in the hands of a third party such as a contractor or private entity. This property must be listed on a separate hand receipt and inventoried every two years.