Property Accountability

Property Accountability Procedures and Financial Liability Officer’s Guide

Headquarters
Department of the Army
Washington, DC
23 March 2016

UNCLASSIFIED
SUMMARY of CHANGE

DA PAM 735-5
Property Accountability Procedures and Financial Liability Officer’s Guide

This major revision, dated 23 March 2016--

- Adds sample of DD Form 362 (Statement of Charges/Cash Collection Voucher) and completion instructions, and the accounting process for DD Form 362 (figs 4-4 and 4-6, respectively).
- Adds sample DD Form 2481 (Request for Recovery of Debt Due the United States by Salary Offset) (fig 4-7).
- Adds distribution of DD Form 200 (Financial Liability Investigation of Property Loss) by the accountable officer (para 5-9).
- Adds examples of computing financial charges against single and multiple respondents (tables 10-1 and 10-3).
- Adds sample of financial liability officer’s notification of intention to recommend a charge of financial liability (fig 12-1).
- Adds sample memorandum to request reconsideration for review as the appeal authority (fig 12-10).
- Adds criteria for causative research (table 14-1).
- Adds steps to follow when unable to deliver damaged or destroyed property (para 15-19).
- Adds shipment of authorized baggage and household goods (para 15-44).
- Adds computing the actual loss to the Government when property is lost, damaged, or destroyed (app B).
- Adds procedures for Army National Guard property loaned to other military organizations (app C).
**Property Accountability**

**Property Accountability Procedures and Financial Liability Officer’s Guide**

By Order of the Secretary of the Army:

MARK A. MILLEY
General, United States Army
Chief of Staff

Official:

GERALD B. O’KEEFE
Administrative Assistant to the Secretary of the Army

**History.** This publication is a major revision.

**Summary.** This pamphlet is a guide for property accountability procedures and financial liability officers. It is designed to help the financial liability investigating officer conduct a competent and efficient DD Form 200 (Financial Liability Investigation of Property Loss) investigation.

**Applicability.** This pamphlet applies to the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve, unless otherwise stated. During mobilization, the proponent may modify chapters and policies contained in this pamphlet.

**Proponent and exception authority.** The proponent of this pamphlet is the Deputy Chief of Staff, G–4. The proponent has the authority to approve exceptions to this pamphlet that are consistent with controlling law and regulation. The proponent may delegate this approval authority in writing, to a division chief within the proponent agency who holds the grade of colonel or the civilian equivalent. Activities may request a waiver to this pamphlet by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity’s senior legal officer. All waiver requests are endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25–30 for specific guidance.

**Suggested improvements.** Users are invited to submit comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the Deputy Chief of Staff, G–4 (DALO–SUP), 500 Army Pentagon, Washington, DC 20310–0500.

**Distribution.** This publication is available in electronic media only and is intended for command levels A, B, C, D and E for the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve.

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Glossary
Chapter 1
General

1–1. Purpose
The purpose of DA Pam 735–5 is to provide procedures for processing administrative documents for Army property
loss (damaged or destroyed) and processes and procedures for reestablishing accountability for recovered property.

1–2. References
See appendix A.

1–3. Explanation of abbreviations and terms
See the glossary.

1–4. Requesting clarification and deviation of authority
a. Use the chain of command to request clarification of this pamphlet as follows:
   (1) Use a memorandum when making a written request for clarification. Include in the letter the following:
      (a) Page and paragraph number in question.
      (b) Name and Defense Switched Network (DSN) phone number and email address of the requestor.
   (2) Each element in the chain of command receiving a clarification request will try to answer it. If it cannot be
       answered, send the request to the next higher element. This will ensure that available talent is used and that the
       quickest possible answers are given.
      (3) When Department of the Army (DA) clarification is necessary; Army commands (ACOMs), Army service
          component commands (ASCCs), direct report units (DRUs), Army National Guard (ARNG) and U.S. Army Reserve
          Component (USARC) will send clarification requests to Office of the Deputy Chief of Staff, G–4, (DALO–SUP)
          Washington, DC 20310–0500.
   b. Deviation from the procedures in this pamphlet will only be made with prior approval of the Deputy Chief of
      Staff, G–4. Use the guidance in AR 735–5 to prepare and process requests for deviation from accounting procedures.
      Request for deviation should explain the need for deviation, how long it will last, how the waiver will help accomplish
      the mission, and how the end result is measured. The request should include an opinion by the ACOM, ASCC, DRU,
      ARNG, and USARC legal officer. Send all requests for deviation through command channels to Office of the Deputy

1–5. General instructions for using this pamphlet
Specific details on how to use, complete and distribute forms in this pamphlet are found in the text that accompanies
the forms. A set of general rules is provided below. Follow these instructions unless another action is specified.
   a. Spaces that do not require entries are left blank, normally negative numbers, zero, and “N/A” entries are not
      required.
   b. All entries on forms in this pamphlet are clearly printed or typed except personal signatures and initials. Any
      reference to signatures include digital signature. Blue or black ink is used unless a pencil entry is specified. Repetitive
      information may be entered by use of a rubber stamp.
   c. Only those abbreviations authorized by DA Pam 25–40 may be used. The terms noun and noun nomenclature are
      used interchangeably.

Chapter 2
Stock Record Officers

2–1. Change of stock record officers
    a. A statement of transfer of accountability is required when a transfer of property occurs and no shipment is
       involved. The individual being relieved of accountability will prepare a statement similar to figure 2–1. The individual
       assuming the accountability will prepare a statement similar to figure 2–2. Three copies of each statement are required.
       (1) The last voucher number used for each of the sections of the account prior to the transfer.
       (2) The date (as of close of business) of transfer of accountability for each section of the account.
       c. Disposition of the transfer statements is as follows:
          (1) One copy retained by the officer being relieved of accountability.
          (2) One copy filed with the property records.
(3) One copy, together with a copy of the document directing the transfer, forwarded immediately to the activity or installation commander, or the State Adjutant General, as appropriate.

(4) For transfers between United States property and fiscal officers (USPFOs), one additional copy is prepared and sent to the Army National Guard (ARNG–ILS–E), 111 South George Mason Drive, Arlington, VA 22204–1382.

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**DEPARTMENT OF THE ARMY**
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-4
500 ARMY PENTAGON
WASHINGTON, DC 20310-0500

ABDC-SUP

MEMORANDUM FOR COMMANDER 3rd BCT, FORT STEWART, GA 31324–0000

SUBJECT: Transfer of Property Accountability Statement by the Losing Stock Record Officer

1. I attest that the balances shown on the stock record account (designations of the account) at the time of transfer, last voucher number (Department of Defense activity address code (DODAAC), Julian date, and four position serial number), date (day, month, and year) (or as of close of business (day, month, and year)) are true and correct to the best of my knowledge and belief. The property has this date been transferred to (name of receiving officer) pursuant to (order directing the transfer).

2. Point of contact is the undersigned at (912) 123-4567, DSN 220-4567, or email: Brandon.d.doe.mil@mail.mil.

BRANDON D. DOE
CW3, LG
Accountable Officer

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**Figure 2–1. Format for the transfer of property accountability statement by the losing stock record officer**
MEMORANDUM FOR COMMANDER 3RD BCT, FORT STEWART, GA 31324–0000

SUBJECT: Transfer of Property Accountability Statement by the Gaining Stock Record Officer

1. I attest that I have this date received from CW3 Doe my predecessor, all property related to stock record account (designation of account) for which my predecessor was accountable, plus all property changes against and less all authorized credits to the account at the time of transfer, last voucher number (Department of Defense activity address code (DODAAC), Julian date, and four position serial number) on (date, month, year) (or as of close of business (day, month, and year)). I have this date assumed accountability for the property pertaining to this document.

2. Point of contact is the undersigned at (912) 123-4567, DSN 220-4567 or email: David.d.doe.mil@mail.mil.

Approved:

MICHAEL D. DOE
COL, IN
Commander

DAVID D. DOE
CW3, LG
Accountable Officer
2–2. Inactivating a stock record account

a. When a stock record account (SRA) is inactivated, all property still recorded on the account is transferred to another property account. To establish closing balances, and ensure accounting continuity, the following is done:

b. Establish the transfer date.

(1) Terminate all actions that result in inbound materiel.
(2) Conduct a reconciliation to clear all materiel receipts due in.
(3) Conduct a physical inventory of the account and reconcile with the stock records. (Appropriate adjustments must be provided to the finance and accounting office (FAO) for general ledger update.)
(4) Number (serially beginning with 1) all stock record cards or automated system equivalent in the account being closed.
(5) Post all transactions dated on, or before, the transfer date to the stock record cards or automated system equivalent.
(6) Rule off all cards below the last entry.
(7) Prepare a transfer of accountability statement similar to the statement in figure 2–3 in two copies. Show the account being closed as consignor and the gaining account as consignee. When stock record cards or the automated equivalent is retained with property held in place as mobilization reserve, a notation to that effect is included on the transfer statement.
(8) Process the transfer statement as follows:
(a) The consignee and the gaining commander sign both copies.
(b) One copy is filed as the final voucher to the closed account.
(c) One copy is filed as a debit voucher to consignee account.
MEMORANDUM FOR COMMANDER 3RD BCT, FORT STEWART, GA 31324–0000

SUBJECT: Gaining Accountable Officer’s Transfer of Property Accountability Statement for Inactivating a Stock Record Account

1. To transfer accountability for balances on the attached stock records, numbered 1 through 25 to account number (new account number) for the purpose of closing account number (old account number). Stock record cards will be retired with the records of account number (old number).

2. Point of contact is the undersigned at (912) 123-4567, DSN 220-4567, or email: David.d.doe.mil@mail.mil.

Approved:

MICHAEL D. DOE
COL., IN
Commander

DAVID D. DOE
CW3, LG
Accountable Officer

Figure 2–3. Format for the gaining accountable officer’s transfer of property accountability statement for inactivating a stock record account
Chapter 3
Announcement of Rewards
Notices of rewards will read as shown in figure 3–1 and are used in the daily bulletin, post bulletin board, or hand flyers. Any information that might lead to the recovery of lost property is included in the notice. The notice of rewards may list one or more items. The distribution of announcements offering a reward is sufficiently broad to ensure reaching all persons and organizations reasonably expected to help recover the property.

Figure 3–1. Format for the announcement of rewards

Chapter 4
Methods of Obtaining Relief from Responsibility for Property

4–1. General actions to protect Government property
   a. All Soldiers, Civilians, leaders, and commanders have an obligation to be good stewards of Government resources.
   b. Assign a document/voucher number to property adjustment documents per the following instructions:
      (1) Nonexpendable property (property book level). Assign a document number from the nonexpendable document register to any adjustment document listed in AR 735–5 which lists nonexpendable property or any property, which requires property book accountability.
      (2) Expendable or durable property (unit level). Assign a document number from the expendable/durable document...
register to those adjustment documents listing only expendable or durable items that do not require property book accountability.

3) **Nonexpendable, expendable, or durable items (stock record activity level)**. Assign a voucher number from a stock record activity voucher register to any document described in AR 735–5 that lists supply system stocks.

4) **Damaged property**. Do not assign a document number to DD Form 200 (Financial Liability Investigation of Property Loss) or DD Form 362 (Statement of Charges/Cash Collection Voucher) when processing DD Form 200 or DD Form 362 for damaged property.

5) **Relief from property responsibilities**. Decision tables developed to help individuals determine which document to use to obtain relief from property responsibility are at tables 4–1 and 4–2. Figures 4–1 through 4–3 show the process for determining which document to use for the transaction.

### Table 4–1
**Property record adjustments for damaged property**

<table>
<thead>
<tr>
<th>Damaged property</th>
<th>Adjustments</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational clothing and individual equipment (OCIE), no negligence.</td>
<td>Memorandum to the Central Issue Facility (CIF)</td>
<td>See paragraph 13–9</td>
</tr>
<tr>
<td>Damaged property, no negligence involved.</td>
<td>Damage statement prepared as a memorandum</td>
<td>See paragraph 13–5</td>
</tr>
<tr>
<td>Any item, person admits liability, and amount is less than 1 month base pay.</td>
<td>DD Form 362</td>
<td>See AR 735–5</td>
</tr>
<tr>
<td>Any item, person admits liability, and amount is more than 1 month’s base pay.</td>
<td>DD Form 200</td>
<td>See AR 735–5</td>
</tr>
<tr>
<td>Any item, person does not admit negligence or liability.</td>
<td>DD Form 200</td>
<td>See AR 735–5</td>
</tr>
</tbody>
</table>

### Table 4–2
**Property record adjustments for lost property**

<table>
<thead>
<tr>
<th>Lost property</th>
<th>Adjustments</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any item other than controlled items. Person admits liability and the amount of the loss is less than 1 month’s base pay.</td>
<td>Prepare DD Form 362</td>
<td>DD Form 362 can be used for any amount for a contractor who admits liability and offers cash or check payment.</td>
</tr>
<tr>
<td>Loss of durable hand tools or components of a set, kits, and outfits (SKO) with no negligence or willful misconduct suspected, incident less than $500.</td>
<td>List the items on a memorandum per paragraph 13–7</td>
<td>Unit commander must sign the memorandum and provide quarterly summary to approving authority.</td>
</tr>
<tr>
<td>Loss of durable or expendable items with no negligence or willful misconduct suspected, total incident less than $5,000.</td>
<td>List the items on a memorandum per paragraph 13–8</td>
<td>Appointing authority must approve the memorandum and provide quarterly summary to approving authority.</td>
</tr>
</tbody>
</table>

**Requires the initiation of a DD Form 200 and AR 15–6 investigation**


2. When directed by higher authority or DA directive. Prepare DD Form 200 per AR 735–5 (mandatory initiation of a financial liability investigation of property loss).

3. Loss discovered during inventory on change of as, and individual does not make voluntary reimbursement to the Government. Prepare DD Form 200 per AR 735–5 (mandatory initiation of a financial liability investigation of property loss).

4. Loss of household furnishings and the amount of loss is more than 1 month’s base pay. Prepare DD Form 200 per AR 735–5 (mandatory initiation of a financial liability investigation of property loss). Includes damage to Government/Army owned and leased Family housing (Government furnishings and equipment there-in).

5. Person admits liability for the loss or damage, but amount of the loss is more than 1 month’s base pay. Prepare DD Form 200 per AR 735–5 (mandatory initiation of a financial liability investigation of property loss).
Table 4–2
Property record adjustments for lost property—Continued

<table>
<thead>
<tr>
<th>Lost property</th>
<th>Adjustments</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Bulk petroleum handling loss in gallons is over the allowable loss and over $1,000 in value</td>
<td>Prepare DD Form 200 per AR 735–5 (mandatory initiation of a financial liability investigation of property loss).</td>
<td>AR 710–2 (inventory and adjustment) addresses allowable losses and gains.</td>
</tr>
<tr>
<td>8. Items lost as a result of fire, theft or natural disaster.</td>
<td>Prepare DD Form 200 per AR 735–5 (mandatory initiation of a financial liability investigation of property loss).</td>
<td></td>
</tr>
</tbody>
</table>

Special instructions

- **Bulk petroleum handling loss is over the allowable loss, and is less than $500.** Perform causative research per AR 710–2.
- **Loss of hand tools authorized to a unit, and liability is admitted.** Respondent purchase from Self Service Supply Center (SSSC) if available per AR 735–5. Otherwise, prepare DD Form 362 per this pamphlet. Cash sales only. Purchaser must have authority to buy, signed by their unit commander or designated representative.
- **Items lost in the laundry.** The facility manager will attempt to repair or replace damaged or lost items from surplus stocks. Failing this the facility manager authorizes a gratuitous replacement for military personal clothing. For OCIE, the facility manager prepares a memorandum for the complainant who will present it to their commander for preparation of a DD Form 200. CIF/OCIE issue point will issue replacement of OCIE items. The unit commander must sign the memorandum.
- **Items destroyed because of infection.** List the items on a memorandum naming the medical officer who directed the destruction, per AR 735–5.
- **Destruction of property determined to be unsafe because of age. Includes drugs, ammunition, chemicals, and other supplies of a similar nature.** Prepare turn-in documents DD Form 1348–1A (Issue Release/Receipt Document) according to AR 710–2 or AR 40–61 for medical commodities (see AR 735–5). Information on age is published in Army supply bulletins. If such information is not available, initiate a DD Form 200.
- **Abandoned items. Combat, contingency, or large scale field maneuvers.** Written orders to abandon property (fig 13–3), signed by an O–6 (colonel) commander or above (see AR 735–5). Approved memorandum is attached to a DD Form 200 and the DD Form 200 serves as the property voucher. No further investigation is required. If command declines to approve order, initiate a DD Form 200.
Figure 4–1. Processing determination for damaged property

1. **Damaged property**
   - **START**
   - Mandatory DD Form 200 or AR 15-6 investigation?
     - **YES**
     - Is negligence suspected?
       - **YES**
       - Is liability admitted?
         - **YES**
         - Does liability exceed 1 month pay or 1/12th annual salary?
           - **YES**
           - Prepare a DD Form 200 or conduct an AR 15-6 investigation
           - **NO**
           - Prepare DD Form 362 as a payroll deduction per paragraph 4-2
         - **NO**
         - Cash payment?
           - **YES**
           - Prepare DD Form 362 as a cash collection per paragraph 4-2
           - **NO**
           - Prepare DD Form 362 as a cash collection per paragraph 4-2
     - **NO**
     - Complete damage statement per paragraph 14-18
Figure 4–2. Process determination for loss or destroyed property (other than fair, wear and tear) at the property book level
4–2. Actions to take when individuals admit negligence

   a. Voluntary payment limitations. The following persons may pay the actual loss to the Government in cash, check, money order, or payroll deduction, except when a DD Form 200 or an AR 15–6 investigation is mandatory:

      (1) All Servicemembers and Civilian employees of the Active Army or U.S. Army Reserve (USAR), or members and employees of the ARNG may admit financial liability and offer cash, check, or payroll deduction payment in an amount not to exceed the person’s monthly basic pay. This also applies to the payment of an individual’s share of collective liability when more than one person is assessed with financial liability. Table 4–3 shows how to compute financial liability against one person and Table 4–4 shows how to compute financial liability against multiple personnel. Table 10–3 illustrates how to compute collective and individual liability against two or more persons being charged on DD Form 362 and a completed DD Form 362 is illustrated at figure 4–4. A Department of Defense (DOD) Civilian will see their human resource service representative for DD Form 2481 (Request for Recovery of Debt Due the United States by Salary Offset) for payroll deduction submission.

      (2) A contractor admitting financial liability, for any amount, may pay by cash or check. Use of a DD Form 362 for payroll deduction is not an option for a contractor admitting liability.
Replacement by cash purchase. A person who admits liability may voluntarily purchase replacements for lost or damaged hand tools or OCIE from the SSSC or CIF.

1. Allow depreciation per appendix B.
2. Accept payment made by cash or check.
3. When lack of item availability prevents immediate purchase, account for the lost or damaged hand tools or OCIE items by using DD Form 362. The procedures for initiation and processing a DD Form 362 are contained in paragraph 4–3.
4. For ARNG, the USPFO may authorize replacement in kind when lack of item availability prevents cash sale of hand tools at the SSSC. This rule does not apply to Active Army and USAR members. USPFO sale of hand tools to ARNG members and ARNG technicians is optional.
5. No cash sales are made without a DD Form 362 or a written authorization signed by the person’s commander or designated representative. The authorization statement follows: “I authorize (Name and Grade) to purchase the following hand tools (or OCIE). Purchased items will remain the property of the U.S. Government.” Allowable depreciation is chargeable to the accounting classification for the mission or base operation element funding the operations in which the tools or OCIE were used.
6. Prepare the statement in original and make two copies. The unit retains copy two of DD Form 362 until copy one is returned to the unit by the individual making the purchase. After verification that the purchase was actually made from the authorized source, and accountability has been restored, copy two may be destroyed. The individual making the purchase retains copy one. The original is retained by the SSSC or CIF.
7. Figure 4–5 shows the flow of the cash purchase from the SSSC or the CIF and figure 4–6 depicts the flow and distribution of the DD Form 362 from the time of initiation, to the final actions by the FAO, and subsequent return to the initiator.

### Table 4–3
Method of computing financial liable charges against a single respondent (dollar amounts shown in this table are for example purposes only)

<table>
<thead>
<tr>
<th>Types of losses</th>
<th>Actual loss</th>
<th>Amount charged&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Loss to the Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Losses of personal arms and equipment (PA&amp;E)</td>
<td>$150</td>
<td>$150</td>
<td>None</td>
</tr>
<tr>
<td>military members, officer, and enlisted</td>
<td>$1,800</td>
<td>$1,800</td>
<td>None</td>
</tr>
<tr>
<td>II. Losses of other equipment or property (OEP) and PA&amp;E losses by civilian personnel&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$200</td>
<td>$200</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>$15,000</td>
<td>$1700&lt;sup&gt;3&lt;/sup&gt;</td>
<td>$13,300&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Notes:

<sup>1</sup> Officer and enlisted members are subject to financial liability for the entire amount of the PA&E loss.

<sup>2</sup> Total liability of OEP will not exceed 1 month’s base pay.

<sup>3</sup> See paragraph 10–4 for exceptions.

### Table 4–4
Combined losses

<table>
<thead>
<tr>
<th>Combined PA&amp;E and OEP losses by military members, officer, and enlisted</th>
<th>Base pay</th>
<th>Actual PA&amp;E loss</th>
<th>Actual charge</th>
<th>Loss to the Government</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,500</td>
<td>$500</td>
<td>$700</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>$1,500</td>
<td>$900</td>
<td>$700</td>
<td>$1,600</td>
</tr>
<tr>
<td></td>
<td>$1,500</td>
<td>$5,000</td>
<td>$200</td>
<td>$1,700</td>
</tr>
<tr>
<td></td>
<td>$3,500</td>
<td></td>
<td>$3,500</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>$5,000</td>
<td></td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>

Note: Accountable officers are liable for the full amount of the loss to the Government, less depreciation.
**STATEMENT OF CHARGES/CASH COLLECTION VOUCHER**

<table>
<thead>
<tr>
<th>STOCK NUMBER</th>
<th>ITEM DESCRIPTION</th>
<th>QTY</th>
<th>UNIT PRICE</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>8465-01-115-0026</td>
<td>Canteen I Quart (C69536) ($3.25)</td>
<td>1</td>
<td>2.92</td>
<td>2.92</td>
</tr>
<tr>
<td>8365-01-753-6490</td>
<td>Cover Canteen Cold Weather (F29960) ($3.25)</td>
<td>1</td>
<td>2.95</td>
<td>2.95</td>
</tr>
<tr>
<td>8415-01-923-1674</td>
<td>Clove Barb Wire Handler (DA1587) ($14.10)</td>
<td>2</td>
<td>12.69</td>
<td>25.38</td>
</tr>
<tr>
<td>8465-01-033-8057</td>
<td>Sleeping Bag Universal Type 2 (T71706) ($115.95)</td>
<td>1</td>
<td>104.35</td>
<td>104.35</td>
</tr>
<tr>
<td>0000-00-000-0000</td>
<td>NOTHING FOLLOWS</td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0000-00-000-0000</td>
<td></td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0000-00-000-0000</td>
<td></td>
<td>0</td>
<td>0.00</td>
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<tr>
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<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>0000-00-000-0000</td>
<td></td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**B. TYPE OF ACTION (Select one)**
- PAYROLL DEDUCTION
- CASH COLLECTION

**X**  CASH COLLECTION

**C. GRAND TOTAL**

135.60

**9. CERTIFICATION OF RESPONSIBLE INDIVIDUAL**
I certify that my signature hereon constitutes
a. An authorization to recover the amount of the indebtedness through payroll deduction, if payroll deduction is checked. If cash collection is checked, I am remitting debt in cash.

b. An affirmation that the articles are not now in my possession.

c. An agreement to turn-in to the appropriate supply officer all articles later recovered, it being understood that the U.S. Government retains title to the articles listed hereon.

<table>
<thead>
<tr>
<th>RANK/ GRADE</th>
<th>a. NAME (LAST/ First, Middle Initial)</th>
<th>b. SOCIAL-SECURITY NUMBER</th>
<th>c. DATE</th>
<th>d. SIGNATURE BLOCK/SIGNATURE</th>
<th>e. AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPC</td>
<td>Doc, John A.</td>
<td>123-45-6789</td>
<td>9 Jan 2014</td>
<td>John B. Doc, CPT, CAV, Commanding</td>
<td>135.60</td>
</tr>
</tbody>
</table>

**DA PAM 735–5 • 23 March 2016**

**10. ORGANIZATION COMMANDER**

The statements hereon are complete and correct. All damaged property has been disposed of in accordance with current directives and the charges have been computed in accordance with the provisions of AR 735–5, Appendix B.

**11. DISBURSING OFFICER OR PAYROLL CERTIFYING OFFICER**
The amount entered in grand total has been (FAQ) check the appropriate action below.

a. Entered on the appropriate pay record or payroll, or DD Form 139 has been prepared and forwarded for collection.

b. Remitted through cash collection.
Processing steps

A. Prepare purchase authorization document in 3 copies per paragraphs 4-2b(5) and (6). Assign a document number.
B. Unit retains copy 2.
C. Forward the original and copy 1 to the CIF or SSSC for processing.
D. CIF or SSSC retains the original. CIF annotates copy 1 that purchase has been made.
E. Copy 1 is returned to the customer.
F. Unit verifies purchase by review of copy 1.
G. Accountability complete. Copy 1 is returned to the customer. Unit returns or destroys copy 2 as desired.

Figure 4–5. Process flow chart for cash payment/purchase from Central Issue Facility/Self Service Supply Center
Processing steps

A. Prepare DD Form 362. The commander will present the DD Form 362 to the individual for signature and his or her selection of type of payment (payroll deduction or cash collection). Unit makes a suspense copy.

B. Unit retains suspense copy.

C. The person maintaining the document or voucher register will assign a document or voucher number and make a suspense copy for his or her file. No document number is assigned for damaged property.

D. Original is hand carried by the individual charged, or forwarded by the individual’s commander to FAO under a transmittal memorandum with receipt acknowledgement requested.

E. FAO retains the original and makes a copy to send back to the unit.

F. Unit sends a copy of the completed DD Form 362 to the person that assigned the document or voucher number who then destroys his or her suspense copy.

G. Accountability is complete. Unit destroys the suspense copy.

Figure 4–6. Accounting process for DD Form 362
4–3. DD Form 362
   a. This form is used when—
      (1) Military and civilian employees admit liability and offer cash payment or agree to payroll deduction to settle the charge of financial liability.
      (2) Contractor admits liability and offers cash payment.
      (3) If a military member, the charge does not exceed monthly basic pay, or if a DA Civilian, does not exceed 1/12th of annual salary. Contractors admitting liability will pay for the entire loss or damage, no matter the amount.
      (4) There is not a mandatory requirement for either a DD Form 200 or an AR 15–6 investigation per AR 735–5.
      (5) Civilians will see their human resource service representative for DD Form 2481, for payroll deduction submission (fig 4–7). The property book office will process the DD Form 362 upon receipt of the processed DD Form 2481.
   b. The unit commander, the primary hand receipt holder, or the accountable officer will prepare DD Form 362. See figure 4–4 for a sample completed DD Form 362.
      (1) The unit commander or activity head presents the DD Form 362 to the individual being charged.
      (2) If the individual accepts the charge, he or she is given the option of either making a cash payment, or if a military member or civilian employee, by settling the charge through payroll deduction.
      (3) If the individual desires to make cash payment, the commander will place an "X" in the space titled "Cash Collection."
      (4) If the military member or civilian employee desires to settle the charge through payroll deduction, the commander or activity head will place an "X" in the space titled "Payroll Deduction."
      (5) Individuals will show their acceptance by verifying and signing the blocks following immediately below the "Certificate of Responsible Individual" and entering in their own handwriting the amount of the charge.
      (6) The unit commander or activity head will complete and sign the blocks immediately below the statement by the "Organization Commander."
REQUEST FOR RECOVERY OF DEBT DUE THE UNITED STATES BY SALARY OFFSET

PRIVACY ACT NOTICE
The data on this form is covered by the Privacy Act of 1974, as amended, 5 U.S.C. Section 552a.

1. PAYING OFFICE IDENTIFICATION
   a. NAME
      Doe, John C
   b. ADDRESS (Street, City, State and Zip Code)
      1234 Bright Street
      Fort Belvoir, VA 22060
   c. CONTACT NAME (Last, First, Middle Initial)
      Doe, Susan B
   d. E-MAIL ADDRESS
      susan.b.doe.civ@mail.mil

2. EMPLOYEE IDENTIFICATION
   a. NAME (Last, First, Middle Initial)
      Doe, Rochelle A
   b. ADDRESS (Street, City, State and Zip Code)
      1234 Bright Street
      Fort Belvoir, VA 22060
   c. CONTACT NAME (Last, First, Middle Initial)
      Doe, Susan B
   d. DATE OF BIRTH (YYYYMMDD)
      19681115
   e. SOCIAL SECURITY NUMBER
      123-45-6789
   f. TELEPHONE NO. (DOD and Commercial)
      703-123-4568

To liquidate a debt to the United States, the named Creditor Component asks that the debt be collected as shown from the current pay of the employee identified above. Notices and inquiries concerning the debt should be sent to the address shown below.

3. DEBT INFORMATION
   a. REASON FOR DEBT
      Loss of Government Property
   b. DATE RIGHT TO COLLECT ACDUED (YYYYMMDD)
      20140808
   c. DEBT IDENTIFICATION NUMBER, IF ANY
      02
   d. ORIGINAL DEBT AMOUNT
      $ 120.00
   e. NUMBER OF INSTALLMENTS
      120.00
   f. INTEREST DUE (If none, show N/A)
      $ 0.00
   g. PENALTY DUE (If none, show N/A)
      $ 0.00
   h. ADMINISTRATIVE COST (If none, show N/A)
      $ 0.00
   i. TOTAL COLLECTION TO BE MADE
      $ 120.00
   j. COMMENCE DEDUCTIONS ON (YYYYMMDD)
      20140809

4. DUE PROCESS (X applicable items and either enter date action taken in Column (1) or X Column (2) or (3) and attach acknowledgment or consent.)
   a. CREDITOR COMPONENT 30 DAY SALARY OFFSET NOTICE
      20140808
   b. EMPLOYEE DID NOT RESPOND (Consign assumed)
      20140809
   c. DECISION FOR CREDITOR COMPONENT
      20140908
   d. OTHER (Specify)
      20140820

   I certify the following:
   (1) The debt identified above is properly due the United States from the named employee in the amount shown;
   (2) This Agency’s regulations implementing 5 U.S.C. 5514 have been approved by the Office of Personnel Management; and
   (3) The information concerning this Component’s and the employee’s actions is correct as stated.

5. CREDITOR COMPONENT INFORMATION
   a. NAME
      PM Night Vision
   b. ADDRESS (Street, City, State and Zip Code)
      1234 Bright Street
      Fort Belvoir, VA 22060
   c. CONTACT NAME (Last, First, Middle Initial)
      Doe, Susan B
   d. E-MAIL ADDRESS
      susan.b.doe.civ@mail.mil
   e. TELEPHONE NO. (DOD and Commercial)
      703-123-4568
   f. ACCOUNTING CLASSIFICATION (Line of Accounting)
      09882.012971427.0134714646
   g. DOCUMENT NUMBER
      W6212F-4225-0001
   h. CERTIFYING OFFICIAL
      (1) Signature
      Susan Doe
      (2) Date Signed
      20140815
      (3) Title
      Commander
      (4) Telephone No. (DOD and Commercial)
      703-123-5689

6. DFAS ACCOUNTING OFFICE
   a. OFFICE, SYMBOL, AND PROCESSOR’S NAME
      FINA-MON, Doe, Terry K
   b. E-MAIL ADDRESS
      terry.k.doe.civ@mail.mil
   c. TELEPHONE NO. (DOD and Commercial)
      703-123-3456
   d. DATE (YYYYMMDD)
      20140820

DD FORM 2481, APR 2006

PREVIOUS EDITION IS OBSOLETE.

Adobe Professional 7.0

Figure 4–7. Sample DD Form 2481
4–4. Basic instructions for DD Form 362

a. Prepare DD Form 362 in original and as many copies as the local command prescribes. Prepare an additional copy when any of the individuals mentioned in DD Form 362, block 9e, are within 6 months of termination of their service or employment. This copy will be provided to the installation FAO.

(1) Block 1: Date. Enter the date the document is prepared.
(2) Block 2: Document voucher number. The property book officer (PBO) or stock record officer enters a document or voucher number for lost or destroyed items. Documents or voucher numbers are not assigned or damaged items. Document is posted to the accountable records when document or voucher number is assigned.
(3) Block 3: Organization. Enter the organization and unit identification code to which the individual being charged is assigned, or the name of the employing agency in the case of a civilian employee.
(4) Block 4: Station. Enter the name of the installation where the organization is located. The ARNG and USAR will enter the city and state of where they are located.
(5) Block 5: Disbursing office collection voucher number. Leave blank (completed by the FAO).
(6) Block 6: Disbursing station symbol number. Leave blank (completed by the FAO).
(7) Block 7: Accounting classification. Leave blank (completed by the FAO).
(8) Column a: Stock number. Enter the stock number(s) and line item number(s) for the item(s) lost, damaged or destroyed. If the item(s) is nonstandard, enter the management control number or nonstandard line item number.
(9) Column b: Item description. Enter the complete description, and unit cost of the items lost, damaged, or destroyed. Obtain the unit cost from the current federal logistics (FEDLOG) or Army Enterprise Systems Integration Program at the time of the loss. In cases of damaged property, add, “Damage to.” When item(s) reportable item control codes 2, A, B, C, or Z listed on the document are totally destroyed (no residue to turn in), enter the words “No residue.” After the last item, when depreciation is allowed, enter “Unit price in column d is the unit cost, less (percentage of depreciation) allowed per appendix B.
(10) Column c: Quantity. Enter the total number of each item lost, damaged, or destroyed.
(11) Column d: Unit price. Enter the unit cost, less depreciation when authorized by AR 735–5 for items lost or destroyed. For items damaged, enter the cost of repair. Depreciation is not allowed for damaged items.
(12) Column e: Total cost. Enter the value of the unit price multiplied by the quantity for each item on the document.
(13) Block 8: Type of action. The commander will place an “X” in either—
(14) Block 8a: Payroll deduction.
(15) Block 8b. Cash collection. Based on the desire of the individual being charged.
(16) Block 8c: Grand total. Enter the total from column title “Total Cost.” Include any costs from additional pages, if applicable.
(17) Block 9: Certification of Responsible Individual. Complete blocks d through i as follows:
(18) Block 9d: Rank or Grade. Enter the grade of the individual being charged.
(19) Block 9e: Name. Enter the full name of the individual being charged.
(20) Block 9f: Social security number. Enter social security number.
(21) Block 9g: Cause of Charge. Enter lost, damaged, or destroyed through negligence, as applicable.
(22) Block 9h: Signature. Individual being charged, signs the document. A DD Form 362 cannot be processed through finance if the form is not signed by the individual being charged.
(23) Block 9i: Amount. Individuals being charged enter the amount being charged (amount from block titled grand total) in their own handwriting.
(24) Block 10: Organization commander.
(25) Block 10a: Date. The commander enters the date block b is signed.
(26) Block 10b: Signature block and signature. The commander signs above his or her signature block.
(27) Block 11: Disbursing officer or payroll certifying. Leave blank (completed by the FAO).

b. The accountable officer assigns a document/voucher number to the DD Form 362. Post the document to the property accounting records as appropriate after verification of payment to FAO. Replenishment requisition is submitted as required.

c. Make five copies of the completed form. The unit, the person maintaining the document register or voucher register, and the individual charged retain a copy; two copies and the original are provided to the FAO.

(1) If payroll deduction option was checked, DD Form 362 is forwarded to FAO under a transmittal memorandum with receipt acknowledgement requested. When commanders do not receive an acknowledgement of receipt from the FAO within 20 calendar days, they make an initial follow-up to the FAO and continue to follow up every 10th working day thereafter, until FAO acknowledges receipt of the DD Form 362.
(2) When individuals elect to make cash payment, the commander may direct the individual to make payment directly to the FAO, or may collect monies from the individual and make payment to the FAO. When an individual makes payment to the FAO, they must return the DD Form 362 annotated as a receipt of cash by the FAO within 2 workdays after the commander approved the transaction. If the individual cannot show proof of payment, the commander will inquire to the FAO to verify receipt of the payment. If the FAO has no record of payment, a new DD Form 362 is initiated and processed as a payroll deduction, or a DD Form 200 is initiated and the old document cancelled. In the ARNG, monies shown on DD Form 362 is received by the unit commander and forwarded with the DD Form 362 to the USPFO when processed as a cash collection.

(3) A copy of DD Form 362 is provided to the accountable officer or the individual maintaining the document register.

d. Initiate and process a DD Form 362 within the time limits established below.

(1) Active Army/United States Army Reserve. Active Army units will initiate and furnish a DD Form 362 to FAO within 5 workdays after the date of discovering the discrepancy. The USAR will accomplish this action within 60 days. For personnel departing the installation on an expiration term of service/permanent change of station move and hand carrying a DD Form 362 to the FAO, commanders, and PBOs, will not affix clearing signatures or stamps on any document in accordance with installation procedures to clear the individual until after the individual returns to them a copy of the DD Form 362 annotated by FAO indicating receipt by the FAO.

(2) Army National Guard. ARNG units will initiate and forward a DD Form 362 to the USPFO within 45 workdays after the date of discovering the discrepancy. For personnel departing the installation on an expiration term of service/permanent change of station move and hand carrying a DD Form 362 to the FAO, commanders, and PBOs will not affix clearing signatures or stamps on their clearance forms (DA Form 137–1 (Unit Clearance Record)) until after the individual returns to them a copy of the DD Form 362 annotated by the USPFO indicating receipt by the USPFO.

e. DD Form 362 may be electronically generated. This form can be found on the DOD Forms Management Program Web site (http://www.dtic.mil/whs/directives/forms/index.htm).

f. Replacement by cash purchase or accounting for a loss with a DD Form 362 does not constitute a sale of Government property. The U.S. Government retains title to all property listed on DD Form 362 and all property purchased as replacements for lost or damaged property.

g. Property listed on DD Form 362 may be recovered before a document or voucher number is assigned. When a portion of the items listed is recovered, the commander will line through those items recovered and initial adjacent to the line through. If all the items listed on the DD Form 362 are recovered before a document or voucher is assigned, destroy the DD Form 362. When property listed on a DD Form 362 is recovered after the collection of the indebtedness, in full or in part, or the charges are reduced due to improper computation, a memorandum of amendment is prepared. The memorandum citing the specific alteration is attached to the statement of charges as an exhibit. A copy of the amendment is provided to the accountable officer with instructions to reestablish accountability for the recovered property and then forwarded to the FAO/USPFO under a memorandum signed by the commander, directing repayment of the value of the recovered property to the individual, as a “collection erroneously received.”

h. Maintain a copy of the completed document in accordance with document retention instructions in AR 25–400–2.

Chapter 5
Financial Liability Investigations of Property Loss

Section I
General

This pamphlet provides guidance to individuals who must process a DD Form 200 and for those individuals who are appointed as a financial liability officer. This is how you conduct and document DD Form 200.

5–1. Time constraints for processing DD Form 200

Initiate and process DD Form 200 within a specific number of days, following the discovery of the loss or damage of U.S. Government property, as prescribed in AR 735–5. When delayed beyond the below listed processing times, the person responsible for the delay will prepare a written statement explaining the reason for the delay and attach it to the DD Form 200 as an exhibit. Total processing time equals the difference in days between the date of discovering the discrepancy (DD Form 200, block 3) and the date the DD Form 200 is approved. The time used to notify the individual of the financial liability officer’s recommendation and the approving authority’s decision to hold the respondent financially liable per AR 735–5 are not included. Subtract one date from the other, less the time used to notify the individual, to determine the total processing time.

a. Active Army. Under normal circumstances, do not exceed 75 calendar days total processing time. Figures 5–1 and 5–2 depict these time segments. Commanders may adjust the time segments downward at their discretion.
b. **U.S. Army Reserve/Army National Guard.** Under normal circumstances, do not exceed 240 calendar days total processing time. Figures 5–1 and 5–2 depict the USAR/ARNG processing time segments. Commanders may adjust the time segments downward at their discretion.
Investigation of Property Loss
Time Segments With an Appointing Authority

- **Step 1**
  - Investigation of property loss
  - Initiation process
    - a. Starts with the discovery of the loss
    - b. Preliminary search for the missing items
    - c. Identification of the missing, damaged, or destroyed items using Army portion of PEDLOG
    - d. Gather dates and circumstances
    - e. Initiation of the DD Form 200
    - f. Complete the narrative portion

- **Step 2**
  - Investigation of property loss
  - Investigation and recommendation process
    - a. Starts after the document/voucher number is assigned by the accountable officer and the investigation of property loss is provided to the appointing authority
    - b. Appoint an investigating officer, if deemed necessary
    - c. Review the property records
    - d. Obtain statements and release damaged equipment for repair
    - e. Ascertain the facts
    - f. Determine the proximate cause
    - g. Calculate actual loss
    - h. Make recommendation
    - i. If financial liability is recommended, notify the individuals
    - j. Consider respondent’s rebuttal statement
    - k. Review by the appointing authority

- **Step 3**
  - Investigation of property loss
  - Adjudication process
    - a. Starts upon receipt by the approving authority from the initiator, appointing authority, or the investigation officer, as appropriate
    - b. Judge Advocate General review (when assessment of financial liability is sought)
    - c. Review by the approving authority
    - d. Decision by the approving authority

- **Step 4**
  - Notify individual being charged
    - 30 days Active Army
    - 60 days ARNG/USAR

- **Step 5**
  - Provide to FAO and USPFO for collection
    - 1 day Active Army
    - 1 day ARNG/USAR

End of the adjudication process
- 20 days Active Army
- 80 days ARNG/USAR
Cumulative days when investigating officer is assigned
- 75 days Active Army
- 240 days ARNG/USAR

End of investigation and recommendation process
- 40 days Active Army
- 85 days ARNG/USAR
Cumulative days when investigating officer is assigned
- 55 days Active Army
- 160 days ARNG/USAR

Note 1: Time used to notify the respondent of the investigation officer’s recommendation to assess financial liability is not counted against the time constraints for step 3.

Note 2: Time used to notify the respondent of the approving authority’s recommendation to assess financial liability is not counted against the time constraints in step 3.

Note 3: Should the Judge Advocate General review take longer than 14 days, remainder of the time is not counted against the time constraints in step 3.

Note 4: ARNG and USAR units that have been mobilized will use the active duty time constraints.

---

Figure 5–1. DD Form 200 processing time segments with appointing authority
Investigation of Property Loss

Time Segments Without an Appointing Authority

Step 1
Investigation of property loss
Initiation process
a. Starts with the discovery of the loss, damage or destruction
b. Preliminary search for the missing items
c. Identification of the missing, damaged, or destroyed items using Army portion of FEDLOG
d. Gather dates and circumstances
e. Initiation of the DD Form 200
f. Complete the narrative portion
g. Get document, voucher and inquiry/investigation number assigned
h. Provide the DD Form 200 to the approving authority

End the initiation process
15 days Active Army
75 days ARNG/USAR

Step 2
Investigation of property loss
Investigation and recommendation process
a. Starts after the document/voucher number is assigned by the accountable officer and the DD Form 200 is provided to the approving authority
b. Appoint an investigating officer, if deemed necessary
c. Review the property records
d. Obtain statements
e. Release damaged equipment for repair
f. Ascertain the facts
g. Determine the proximate cause
h. Calculate actual loss
i. Make recommendation
j. If financial liability is recommended, notify the individual

Step 3
Investigation of property loss
Adjudication process
a. Start upon receipt by the approving authority from the investigator, appointing authority, or the investigation officer, as appropriate
b. Judge Advocate General review (when assessment of financial liability is sought)
c. Review by the approving authority
d. Decision by the approving authority
e. Notify individuals of financial liability recommendation

End of the adjudication process
20 days Active Army
85 days ARNG/USAR

Cumulative days
75 days Active Army
240 days ARNG/USAR

Step 4
Notify individual being charged
30 days Active Army
60 days ARNG/USAR

Step 5
Provide to FAO and USPFO for collection
1 day Active Army
1 day ARNG/USAR

Note 1: Time used to notify the respondent of the investigation officer’s recommendation to assess financial liability is not counted against the time constraints for step 2.

Note 2: Time used to notify the respondent of the approving authority’s decision to assess financial liability is not counted against the time constraints in step 3.

Note 3: Should the Judge Advocate General review take longer than 14 days, remainder of the time is not counted against the time constraints in Step 3.

Note 4: ARNG and USAR units that have been mobilized will use the active duty time constraints.

Figure 5–2. DD Form 200 processing time segments without appointing authority
5–2. Time constraints for initiation DD Form 200
Initiate DD Form 200 within the following time limits:

a. Active Army units will initiate and present DD Form 200 to the appointing authority or approving authority as appropriate no later than 15 calendar days after the date of discovering the discrepancy. As an exception, DD Form 200 initiated to account for missing organizational clothing and individual equipment issued to Soldiers in an absent without leave status is initiated and presented to the appointing authority or approving authority as appropriate on the day the Soldier is dropped from the rolls.

b. USAR units will initiate and present DD Form 200 to the appointing authority or approving authority as appropriate not later than 75 calendar days after the date of discovering the discrepancy.

c. ARNG units will initiate and present DD Form 200 to the appointing authority or approving authority as appropriate not later than 75 calendar days after the date of discovering the discrepancy. All ARNG investigations will then be forwarded to the State USPFO who will serve as the final review authority.

5–3. Basic requirements for DD Form 200

a. Prepare DD Form 200 (fig 5–3) in original and as many copies as the local command prescribes. Prepare an additional copy when any of the individuals mentioned in DD Form 200, block 9, are within 6 months of termination of their service or employment and provide this copy to the installation FAO.

b. When it becomes known that there is a requirement to prepare a DD Form 200 to investigate the loss of Government property, a DA Form 7531 (Checklist and Tracking Document for Financial Liability Investigations of Property Loss) is prepared with elements in part A completed as events occur. When DD Form 200 is prepared, it is attached to DA Form 7531, which is used as a checklist and for tracking events as they occur (see fig 5–4 for a sample of DA Form 7531).
<table>
<thead>
<tr>
<th>1. DATE INITIATED (YYYYMMDD)</th>
<th>2. INQUIRY/INVESTIGATION NUMBER</th>
<th>3. DATE LOSS DISCOVERED (YYYYMMDD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20141001</td>
<td>2AWAB014-01</td>
<td>20140930</td>
</tr>
<tr>
<td>4. NATIONAL STOCK NO.</td>
<td>5. ITEM DESCRIPTION</td>
<td>6. QUANTITY</td>
</tr>
<tr>
<td>C10345</td>
<td>Cost Army Combat Uniform Large Regular</td>
<td>1</td>
</tr>
<tr>
<td>5415-01-519-8599</td>
<td></td>
<td>(Attach additional pages as necessary)</td>
</tr>
</tbody>
</table>

SGT John A. Doe was missing 16 each ACU coats and a sleeping bag at the shift change inventory. No costs or sleeping bags were issued during the shift on 20 - 30 September 2014, the missing cost and sleeping bag are lost. SGT Doe stated that someone must have stolen them during the night.

**Exhibit A through F**

**10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES (Attach additional pages as necessary)**

Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times.

**11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10**

<table>
<thead>
<tr>
<th>a. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)</th>
<th>b. TYPED NAME (Last, First, Middle Initial)</th>
<th>c. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Merlin X., SSG, Squad Leader</td>
<td>315-123-4569</td>
</tr>
<tr>
<td>A Company, 234th Engineer Battalion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)</td>
<td>e. TYPED NAME (Last, First, Middle Initial)</td>
<td>f. SIGNATURE</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Mark W., CPT, Commander</td>
<td></td>
</tr>
<tr>
<td>A Company, 234th Engineer Battalion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)</td>
<td>f. TYPED NAME (Last, First, Middle Initial)</td>
<td>g. SIGNATURE</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Shanna Y., LTC, Commanding</td>
<td></td>
</tr>
<tr>
<td>234th Engineer Battalion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)</td>
<td>h. TYPED NAME (Last, First, Middle Initial)</td>
<td>i. SIGNATURE</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Dean B., COL., Commanding</td>
<td></td>
</tr>
<tr>
<td>1st BCT, 2nd Infantry Division</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
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</tbody>
</table>

**12. (X one) RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS) REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)**

<table>
<thead>
<tr>
<th>a. NEGLIGENCE OR ABUSE EVIDENT; SUSPECTED (X one)</th>
<th>b. COMMENTS/RECOMMENDATIONS Request investigation due to possible theft.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ YES</td>
<td>□ NO</td>
</tr>
</tbody>
</table>

**13. APPOINTING AUTHORITY**

<table>
<thead>
<tr>
<th>a. RECOMMENDATION (X one)</th>
<th>b. COMMENTS/RATIONALE Recommended approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government property.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ APPROVE</td>
<td>□ DISAPPROVE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)</th>
<th>e. TYPED NAME (Last, First, Middle Initial)</th>
<th>f. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Shanna Y., LTC, Commanding</td>
<td>315-456-8132</td>
</tr>
<tr>
<td>234th Engineer Battalion</td>
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<td>Fort Knox, KY 40121-0000</td>
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<tr>
<td>g. SIGNATURE</td>
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</table>

**14. APPROVING AUTHORITY**

<table>
<thead>
<tr>
<th>a. RECOMMENDATION (X one)</th>
<th>b. COMMENTS/RATIONALE Approved to hold SGT John A. Doe, financially liable in the amount entered in block 15A. SGT Doe's basic pay at the time of loss was $2,146.00.</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ APPROVE</td>
<td>□ DISAPPROVE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)</th>
<th>e. TYPED NAME (Last, First, Middle Initial)</th>
<th>f. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Dean B., COL., Commanding</td>
<td>315-159-0000</td>
</tr>
<tr>
<td>1st BCT, 2nd Infantry Division</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
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<tr>
<td>g. SIGNATURE</td>
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</table>

**DD FORM 200, JUL 2009**

PREVIOUS EDITION IS OBSOLETE.

Adobe Designer 8.0

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Figure 5–3. Sample DD Form 200 only one item—Continued
15. FINANCIAL LIABILITY OFFICER

a. FINDINGS AND RECOMMENDATIONS (Attach additional pages as necessary)

I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU coat was lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.

SGT Doe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately 10 airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.

After all had left for the chow, SGT Doe went to the back room to use the computer to read and send some e-mails. He did not leave anyone to watch the supplies out on the floor. He did not have eyes on the supplies while in the back room. SGT Doe admits to staying in the room until everyone returned from chow.

At the morning shift detail inventory, it was discovered that a large regular ACU coat was missing. None of the detail admitted to taking the ACU coat. All airfield personnel were interviewed but none admitted to knowing or seeing the thief. It was likely stolen during the time the items were unattended between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.

SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.

The ACU coat was not depreciated as it was new when it was determined missing.

Recommended that SGT John A. Doe be held liable in the amount of $36.00 and all others be relieved of responsibility for the lost items. SGT Doe’s base pay at the time of loss was $2,146.00.

Exhibit A through M attached.

b. DOLLAR AMOUNT OF LOSS

36.00

c. MONTHLY BASIC PAY

2,146.00

d. RECOMMENDED FINANCIAL LIABILITY

36.00

e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)

EUSA-BD-A
A Company, 234th Engineer Battalion
Fort Knox, KY 40121-0000

f. TYPED NAME (Last, First, Middle Initial)

Doc. Joel B. HLT

Dn. John A.

h. DATE SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD)

00000000

i. SIGNATURE

DIGITAL SIGNATURE: 123456789

k. DATE SIGNED

00000000

16. INDIVIDUAL CHARGED

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (X one)

[ ] I do not intend to make such a statement.
[ ] I have examined the findings and recommendations of the financial liability officer.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

[ ] I have been informed of my right to legal advice. My signature is not an admission of liability.

17. ACCOUNTABLE OFFICER

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

W212F 4282-1010

b. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)

EUSA-BD-A
1st BCT, 2nd Infantry Division
Fort Knox, KY 40121-0000

c. TYPED NAME (Last, First, Middle Initial)

Doc. Reginald A.

Dn. John A.

d. DSN NUMBER

315-723-6745

315-123-9756

e. SIGNATURE

DIGITAL SIGNATURE: 123456789

DIGITAL SIGNATURE: 123456789

f. DATE SIGNED

00000000

00000000

DD FORM 200 (BACK), JUL 2009

Figure 5–3. Sample DD Form 200 only one item
CHECKLIST AND TRACKING DOCUMENT FOR FINANCIAL LIABILITY INVESTIGATIONS OF PROPERTY LOSS

For use of this form, see AR 735-5; the proponent agency is DCS, G-4.

To: Accountable Officer
1. Doc, Reginald A., CW2

To: Approving Authority
2. Doc, Dean S. III, COL

To: Financial Liability Officer
3. Doc, Joel B., ILT

To: Approving Authority
4. Doc, Dean S. III, COL

To: Staff Judge Advocate
5. Doc, Robert Z., COL

To: Approving Authority
6. Doc, Dean S. III, COL

(A) Complete When a Loss is Discovered

Date loss was discovered 20141001 Originating Unit A Company 234th Engineer Battalion
Preliminary search for item began 20141001 Preliminary search for item ended 20141011
Date assigned document number 20141001 Date assigned inquiry investigation number 20141011

(B) Initiator (Blocks 1 and 3 through 11 are completed by the individual initiating the investigation of property loss. Normally this will be the hand receipt holder or the accountable officer. When the hand receipt holder or accountable officer is not available, the person with the most knowledge of the incident causing the loss will initiate the financial liability investigating of property loss.)

Block 1. Has the date the investigation of property loss initiated been entered? Yes ☒ No ☐
Block 3. Has the date the loss was discovered been entered? Yes ☒ No ☐
Block 4. Has the correct stock number(s) been entered? If more than one, use a continuation sheet per figure 13-5. For items with a line item number (LIN), enter the LIN and for those items with a reportable item control code (RICC) of S, A, B, C, or D, enter the RICC. Yes ☒ No ☐
Block 5. Has the correct nomenclature(s) been entered, to include serial numbers if items have serial numbers? For damaged property, enter the cost of repair or the estimated cost of repair if actual cost is not available. Use continuation sheet when the loss to be investigated involves more than one item. Yes ☒ No ☐
Block 6. Has the quantity of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary. Yes ☒ No ☐
Block 7. Has the unit cost of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary. Yes ☒ No ☐
Block 8. Has the total cost of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary. Yes ☒ No ☐
Block 9. Has an accurate and concise statement of facts surrounding the loss been entered? Statement should identify as much as possible what happened, how it happened, where it happened, who was involved, what happened and any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of the property. Yes ☒ No ☐
Block 10. Has a recommendation been entered by the initiators? Recommendations may be entered by the commander, accountable officer, and when appropriate by the financial liability investigating officer. Yes ☒ No ☐
Block 11. Has the individual who completed blocks 1 and 3 through 10, completed blocks 11a through 11e? Yes ☒ No ☐
Block 12. Has the responsible officer or the reviewing authority completed blocks 12 through 12g? Yes ☒ No ☐

Attach the financial liability investigation of property loss to this checklist and tracking document, and forward to the accountable officer or person maintaining the expendable/durable document register for assignment of a document/voucher number.

(C) Accountable Officer (Block 17 is completed by the accountable officer or person maintaining the expendable or durable document register prior to forwarding the investigation to the approving authority or approving authority as appropriate.)

DA FORM 7531, AUG 2004

Figure 5–4. Sample DA Form 7531
<table>
<thead>
<tr>
<th>Block 17.</th>
<th>Has the accountable officer completed blocks 17a through 17f showing the assignment of a document number or voucher number to the financial liability investigation of property loss for lost and destroyed property? For damaged property, a document number is not assigned.</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
</table>

**D** Appointing Authority or Approving Authority as Appropriate *(Leave blocks 13a and 13d through 13f blank at this time. These blocks are completed after the investigation is completed to show whether the appointing authority approves of the financial liability officer’s findings and recommendations. When an appointing authority has not been designated, these blocks will be left blank.)*

<table>
<thead>
<tr>
<th>Block 13c.</th>
<th>Has the appointing authority or the approving authority as the appropriate completed block 13c indicating whether an financial liability officer is appointed? When a financial liability officer is appointed, use a memorandum as described in figure 13-12, when an AR 15-6 financial liability officer is appointed use, an appointment memorandum in accordance with AR 15-6, paragraph 2-1b.</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

**E** Financial Liability Officer *(Block 15 is completed by the financial liability officer prior to returning the investigation to the appointing authority or approving authority as appropriate.)*

<table>
<thead>
<tr>
<th>Block 15a.</th>
<th>The financial liability officer's findings and recommendations are recorded here. In conducting the financial liability investigation of property loss has the financial liability officer:</th>
<th>---</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 Scrutinized all available evidence.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Interviewed witnesses and secured statements from individuals concerning:</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>0 The cause of the loss or damage.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 The responsibility for the loss or damage.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Compiled evidence substantiating or refuting any statement in block 9, DD Form 200.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Physically examined the damaged property, when available, and released it for repair or disposal. This should be done on the first day of the financial liability officer's appointment.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Consulted with the appointing/approving authority as appropriate for guidance, when needed.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Determined the amount of damage, if property was damaged. This value may be the actual cost of repair or an estimated cost of the repairs obtained from technical manuals or other reliable sources. Determine the value of the property immediately before it was damaged if the property is not economically repairable. The accountable officer may be asked to assist if he or she has not been directly involved.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Has action been taken to exercise control over the property recovered during the investigation?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Has the total loss to the government been computed correctly?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Has the financial liability officer coordinated this investigation with the claims investigating officer when the investigation covers the loss, damage or destruction of Government property that is being, has been, or shall be investigated because of attendant events by a claims financial liability officer. This includes cases where military personnel or civilian employees, while driving a privately owned vehicle, damage Government property and have insurance to pay for part of the loss.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Ensured that individuals being recommended for a possible charge of financial liability are aware of their rights.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>0 Request individual(s) to acknowledge their understanding of their rights by completing block 16, DD Form 2001</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

*Figure 5-4, DA Form 7531—Continued*
Figure 5-4. DA Form 7531—Continued

- If appropriate, prepare a statement that individual recommended for a charge of financial liability refused to sign block 18g, DD Form 200, after being given the opportunity.
- A full explanation of the person’s rights shall be included and a reply shall be requested.
- If the reply is not received within 30 days after the date of mailing, the financial liability officer shall record this fact and take action to complete the DD Form 200. This record of fact shall be included in, or appended to, the DD Form 200.
- Any reply received after the expiration of 30 days shall be forwarded through the same channels as the DD Form 200, form attachment to the original DD Form 200.
- Was consideration given to any new evidence received after a recommendation was made? If the financial liability recommendation remains unchanged, the financial liability officer shall note that the added evidence was considered and provide the rationale for not changing the decision. The notation shall be on all copies of the report immediately following the original recommendation. If the financial liability officer makes a change in the original recommendations because of the new evidence, the financial liability officer shall record such change as “Amended Recommendations.” These recommendations should be recorded immediately after the original recommendations.

| Block 15b | Has the dollar amount of the loss been entered by the financial liability officer? | Yes | No | N/A |
| Block 15c | When a charge of financial liability is being recommended, has the monthly basic pay of the respondent been entered? | Yes | No | N/A |
| Block 15d | When a charge of financial liability is being recommended, has the recommended amount of financial liability been entered? | Yes | No | N/A |
| Blocks 15e-15k | Self explanatory. | Yes | No | N/A |

On completion of the investigation, the financial liability officer forwards the completed DD Form 200 with all exhibits to the approving authority. When the approving authority has designated an appointing authority, the financial liability officer forwards the completed investigation to the appointing authority.

(F) Appointing Authority (Block 13 is completed by the appointing authority when one has been designated by the approving authority. When an appointing authority has not been designated, block 13a through b and d through f are left blank.)

| Block 13a | On completion of the appointing authority’s review of the financial liability investigation of property loss, a recommendation is made to either approve or disapprove the financial liability officer’s findings and recommendations. | Yes | No | N/A |
| Block 13b | The appointing authority’s rationale for the decision reached in block 13a is entered in block 13b. | Yes | No | N/A |
| Block 13c | The block was previously completed, as indicated in (G) above. | Yes | No | N/A |
| Blocks 13c-13h | Self explanatory. | Yes | No | N/A |

On completion of block 13, the financial liability investigation of property loss is either—
- Returned to the financial liability officer for additional investigation or documentation of findings and recommendation, or
- Forwarded to the approving authority.

(G) Approving Authority (This set of blocks is completed by the approving authority to show the approving authority’s preliminary decision after the approving authority’s initial review of the financial liability officer’s findings and recommendations.)
| Block 14a. | On completion of the approving authority’s initial review of the financial liability of the financial liability officer’s findings and recommendations, has the approving authority indicated his approval or disapproval of the financial liability officer’s findings and recommendations?  
| |  
| | o If the financial liability officer has recommended that all persons be relieved of responsibility and accountability for the loss and the approving authority agrees with the financial liability officer, the approving authority may approve the financial liability investigation of property loss and close the investigation, per AR 735-5, paragraph 13-39q(3).  
| | o If the financial liability officer has recommended that person(s) be charged with financial liability for the loss, and the approving authority agrees with the financial liability officer, the approving authority must forward the financial liability investigation of property loss to the supporting Office of the Staff Judge Advocate for legal review prior to making a final decision, per AR 735-5, paragraph 13-40d.  
| | o When the approving authority makes a decision contrary to the recommendations of the investigating officer or AR 15-6 financial liability officer, either to relieve all concerned from financial liability or assess financial liability against a new individual, this decision is entered in block 14a(1) with appropriate comments in block 14b, per AR 735-5, paragraph 13-40d(2).  
| Yes | No | N/A |
| Block 14b. | Has the approving authority entered his or her rationale for the initial decision shown in block 14a? When a decision to charge an individual(s) with financial liability, comments should be entered stating who the respondent is and the amount of financial liability to be assessed.  
| Yes | No | N/A |
| Block 14c. | Has the approving authority indicated whether a legal review is necessary? A legal review is required when:  
| | o A charge of financial liability is recommended.  
| | o The recommendations appear to be inconsistent with the findings.  
| Yes | No | N/A |
| Blocks 14d-14h. | Self explanatory  
| Yes | No | N/A |

On completion of block 14, when the approving authority decides to approve a charge of financial liability, he or she must forward the financial liability investigation of property loss to the supporting Office of the Staff Judge Advocate for legal review prior to making the final decision to assess financial liability.

(H) Staff Judge Advocate
When financial liability is recommended, or when recommendations appear to be inconsistent with the financial liability officer’s findings, a judge advocate or civilian attorney must review the findings and recommendations and provide an opinion on the adequacy of the evidence and its relationship to the findings and recommendations. This legal review will be attached to the financial liability investigation of property loss as an exhibit. On completion of the legal review, the financial liability investigation of property loss will be returned to the approving authority.

(I) Approving Authority
On receipt of the financial liability investigation of property loss containing a legal review from Staff Judge Advocate, the approving authority will conduct a final review of the financial liability officer’s findings and recommendation together with the Staff Judge Advocate’s legal review and make a final decision concerning the charge of financial liability.

| o When a decision is reached to charge an individual with financial liability, the approving authority notifies the respondent by memorandum per AR 735-5, paragraph 13-42a. See AR 735-5, paragraph 13-43 addressing actions required when a respondent submits a request for reconsideration.  
| o When a decision is reached to relieve all concerned of accountability and responsibility for the loss, investigation will be closed out per AR 735-5, paragraph 13-40e.  

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Figure 5–4. DA Form 7531—Continued
5–4. Preparation requirements for DD Form 200

a. Signatures and dates are entered in pen when DD Form 200 is manually prepared. When DD Form 200 and DA Form 2823 (Sworn Statement) are electronically produced, electronic/digital signatures may be used. Final file copies must be maintained in hard copy.

b. The initiator prepares block 1 and blocks 3 through 11 of DD Form 200 per figures 5–3 and 5–5 through 5–7, except when an AR 15–6 investigation is conducted.

(1) When more than one item is lost, damaged, or destroyed, the national stock number (NSN) (block 4), the quantity (block 6), and unit cost (block 7) will remain blank. Enter “See continuation sheet” (see fig 5–8) in the item description (block 5). The total cost (block 8) is computed by summing together the quantity of each item multiplied by the unit price. If the loss or damage involves more than one item, leave this blank; the grand total is placed on the continuation sheet blocks 4–8 in the grand total block (see figs 5–4 and 5–8).

(2) If the loss or damage involves a component, list the component item in block 5 (Item description) and identify the end item in which it is a component (for instructions see fig 5–6).

(3) Unit price (block 7) is the price contained in FEDLOG in effect at the time of the loss. When a price is not available in FEDLOG, use the current fair market price of a similar item and attach the basis for the fair market price to the DD Form 200 as an exhibit. Do not compute the depreciation at this time; the financial liability officer will compute it in accordance with chapter 12.

(a) For subsistence sales accounts, obtain unit prices from the troop issue subsistence activity or the commissary price list in effect at the time of the loss.

(b) Do not use reduced prices available to some members of private organizations.

(c) For leased property that is damaged, enter the word "LEASED;" it is not necessary to enter the unit price for damaged leased property.

(4) Total cost (block 8) equals the quantity, multiplied by the unit price or the grand summed total of the quantity times the unit price from the continuation sheet when there are multiple items. For damaged property, enter the estimated cost to repair the damaged property in parenthesis in block 5, following the description of the damaged property.

(5) Block 9 (circumstances) will contain a description of the events leading to the loss or damage of Government property, with an explanation of how it happened, when it happened, and who was involved, omitting personal opinions and conjecture. The description will provide enough detail to determine the proximate cause of the loss or damage if possible. Show all persons directly concerned by name and grade. The description of the facts must be detailed enough to enable the appointing authority or the approving authority to make a determination of whether relief from, or assessment of financial liability is sought without appointment of a financial liability officer, or that an investigation by a financial liability officer is required. The initiator of a DD Form 200 must prepare a thorough document in recognition that an investigation by a financial liability officer represents a significant expenditure of time and effort. It may be necessary for the initiator to obtain statements from individuals who were witnesses or who have knowledge of the incident resulting in the loss. If so, the initiator will ensure—

(a) The statements are recorded on DA Form 2823. If the initiator believes a person providing a statement must be informed of any rights under the Uniformed Code of Military Justice (UCMJ), Article 31b, prior to questioning, the initiator will consult with the servicing Office of the Staff Judge Advocate for advice on how and when the rights are rendered.

(b) The statements are typed or printed legibly by the individual making the statement in black or blue ink. When DA Form 2823 is not available, plain bond paper or ruled paper with the word "CERTIFICATE" printed or typed across the top may be used in lieu of the DA Form 2823 to record the statement.

(c) The person making the statement dates and signs the statement/certificate. Electronic/digital signature may be used if DA Form 2823 is electronically produced.

(6) The statements are lettered alphabetically at the bottom of the statement/certificate, followed with the date, amount, and organization as shown on the face of the form. Example: "Exhibit A, DD Form 200, 18 May 2002, $375. 00, Co Z, 906th Signal Battalion." Other exhibits such as an estimated cost of damage (ECOD) on a DA Form 2404 (Equipment Inspection and Maintenance Worksheet), DA Form 3975 (Military Police Report), DA Form 2062 (Hand Receipt/Annex Number) or DA Form 3161 (Request for Issue or Turn-in) and DA Form 2823, will also be identified as exhibits, as shown above.

(7) The statements are prepared in original and as many copies as prescribed by the local command. The original statement/certificate is attached to the original of the DD Form 200. When copies of the DD Form 200 are required, copies of the statements are attached to the copies of the DD Form 200. Retain copies according to document retention instructions in accordance with AR 25–400–2.

(8) Except as authorized in paragraph 13–1, the initiator will not alter any part of DD Form 200, blocks 4 through ...
10, or any exhibit. The person preparing a statement may make minor corrections providing he or she initials the change(s).

(9) Chapter 13 provides a sample DD Form 200 used to account for abandoned property.

(10) This chapter provides sample continuation sheets for blocks 4 through 8 and block 9, respectively.

(11) Have the person providing the statements in blocks 9 and 10 complete and sign block 11. If blocks 9 and 10 were completed by the responsible officer or reviewing authority, leave block 11 blank. Electronic/digital signature may be used if DD Form 200 is electronically produced.

(12) Leave blocks 13 through 16 blank.

c. When the loss of Government property is discovered during the conduct of an AR 15–6 investigation, a DD Form 200 must be initiated to adjust the property records and to assess financial liability, when appropriate. The initiator will do the following:

(1) Blocks 1 through 8. Prepare the DD Form 200 in accordance with figures 5–3 and 5–5 through 5–7. If the investigation involves more than one item, prepare blocks 1–8 in accordance with paragraph 5–5b(1).

(2) Block 9. Insert the words, "See AR 15–6 investigation." Identify the location of the AR 15–6 investigation if not attached as an exhibit due to security classification.
### CONTINUATION OF BLOCKS 4 - 8

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>NATIONAL STOCK NO.</th>
<th>LINE ITEM NO.</th>
<th>ITEM DESCRIPTION</th>
<th>QUANTITY</th>
<th>UNIT COST</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>T71706</td>
<td>8465-01-033-8057</td>
<td>Sleeping Bag Universal Type 2</td>
<td>1</td>
<td>151.95</td>
<td>151.95</td>
</tr>
<tr>
<td>3</td>
<td>C10345</td>
<td>8415-01-519-8599</td>
<td>Coat Army Combat Uniform</td>
<td>1</td>
<td>36.00</td>
<td>36.00</td>
</tr>
<tr>
<td>4</td>
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<td>8415-01-519-8601</td>
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<td>1</td>
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<td>36.00</td>
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<tr>
<td>5</td>
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<td>Coat Army Combat Uniform</td>
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<td>36.00</td>
<td>36.00</td>
</tr>
<tr>
<td>6</td>
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<td>8415-01-519-8603</td>
<td>Coat Army Combat Uniform</td>
<td>1</td>
<td>36.00</td>
<td>36.00</td>
</tr>
<tr>
<td>7</td>
<td>C10345</td>
<td>8415-01-519-8604</td>
<td>Coat Army Combat Uniform</td>
<td>1</td>
<td>36.00</td>
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<tr>
<td>9</td>
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<td>Coat Army Combat Uniform</td>
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</tr>
<tr>
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<td>8415-01-519-8607</td>
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<tr>
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<td>8415-01-519-8608</td>
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<td>Coat Army Combat Uniform</td>
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</tr>
<tr>
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<td>Coat Army Combat Uniform</td>
<td>1</td>
<td>36.00</td>
<td>36.00</td>
</tr>
</tbody>
</table>

**FOR INTERMITTENT PAGES, ENTER SUBTOTAL:** 691.95

**IF LAST PAGE, ENTER GRAND TOTAL:** 727.95

---

Figure 5–5. DD Form 200 when continuation sheet is used for blocks 4 through 8
Block 1. DATE INITIATED (YYYYMMDD). Enter the date the investigation of property loss is prepared. The date of 1 Oct 17 is recorded as 20171001.

Block 2. INQUIRY/INVESTIGATION NUMBER. Enter the approving authority’s unit identification code (UIC), followed by a dash and two digit year of initiation, followed by another dash and the approving authority’s consecutive numbering system. For example, WA100A-17-01, this UIC does not change if the approving authority is changed to account for final losses of $100,000 or greater or final losses of controlled items.

Block 3. DATE LOSS DISCOVERED (YYYYMMDD). Enter the date the loss or damage was discovered. The date 1 Oct 17 is recorded as 20171001.

Block 4. NATIONAL STOCK NUMBER. Enter the NSN or management control number (MCN) or other identification numbers of the item described in block 5. For end items assigned a line item number (LIN) or nonstandard line item number (NSLIN), enter the LIN/NSLIN above, adjacent, or below the NSN/MCN. When items listed on the financial liability investigation of property loss is totally destroyed, meaning that there is no residue to turn-in, enter the words “No Residue.” Note. If there is more than one item to list on the financial liability investigation of property loss, you can put one item on the front page but ensure you type “See continuation sheet, attached.” The grand total for a DD Form 200 with more than one item is totaled on the continuation sheet.

Block 5. ITEM DESCRIPTION. Enter the nomenclature of the item lost, damaged, or destroyed. If the items are nonstandard, give a description accurate enough for their identification. When the item involved has been assigned a serial number, include the number in this block. For damaged property, enter the ECOD in parenthesis in this block following the description of the damaged property if the ACOD is not available. Also describe lost or damaged component parts as components, and list the end item they belong (see fig 5-7). If there is more than one item, type “TOTAL FROM CONTINUATION SHEET (S) ATTACHED” and list all of the items on continuation sheet along with serial number(s), if applicable (see fig 5-5).

Block 6. QUANTITY. Enter the number of item(s) lost, damaged or destroyed. Note. If there is more than one item to list on the financial liability investigation of property loss, blocks 4, 6 and 7 remain blank. Type in “See continuation sheet, attached.” The grand total for a DD Form 200 with more than one item is totaled on the continuation sheet.

Block 7. UNIT COST. Enter the price as shown in FEDLOG in effect at the time of loss or destruction. When a price is not available in FEDLOG, use the current market price of a similar item. For damaged items, do not record the repair cost in this column and instead leave this block blank. Note. If there is more than one item to list on the financial liability investigation of property loss, you can put one item on the front page but ensure you type “See continuation sheet, attached.” The grand total for a DD Form 200 with more than one item is totaled on the continuation sheet.

Block 8. TOTAL COST. Enter the total cost of all property identified as lost or destroyed in blocks 4 and 5 or continuation sheets. Total cost is computed by multiplying the unit price (block 7) of each item listed by the quantity (column 6). For damaged property, record the ACOD, if not available, no total cost is recorded and this block is left blank. The ECOD is recorded in block 5 following the description of the item. Note. If there is more than one item to list on the financial liability investigation of property loss, you can put one item on the front page but ensure you type “See continuation sheet, attached.” The grand total for a DD Form 200 with more than one item is totaled on the continuation sheet.

Block 9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS (X one). Place an X in the appropriate box identifying whether the property was lost, damaged, or destroyed. Enter a complete and accurate statement of facts in the case, including the date of discovery and the date and place of actual loss or damage; differences must be explained. Show all persons directly concerned by name and grade. Refer to exhibits by the capital letter designation assigned according to paragraph 5-4b(6). Show all exhibits initially attached, for example “Exhibit A through D attached.” If space on the form is insufficient, continuation sheets may be used. If continuation sheets are used, list their use by entering “See continuation sheet(s), attached” in the block (fig 5-8).
BLOCK 10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES. Initiators (hand receipt holders or as), and when appropriate the investigating officer, enter what actions have been initiated or what action they recommend be taken to preclude further losses or damage of the equipment type identified in this investigation. If space on the form is insufficient, continuation sheets may be used. If continuation sheets are used, list their use by entering “See continuation sheet(s), attached” in this block.

Block 11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10. If the responsible officer completed blocks 1 through 10, leave blank. Otherwise complete as follows:

a. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code). Enter the office symbol and organizational address of the individual who completed blocks 1 and 3 through 10.

b. TYPED NAME (Last, First, Middle Initial). Enter the full name, rank, and position of the individual that completed blocks 1 and 3 through 10.

c. DSN NUMBER. Enter the telephone number of the individual identified in block 11b.

d. SIGNATURE. The individual identified in block 11b enters his or her signature. Electronic/digital signature may be used if DD Form 200 is electronically produced.

e. DATE SIGNED. Enter the date the individual identified in block 11b signed block 11d. The date for 1 Oct 17 is entered as 20171001.

Block 12 (X one).

RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS). For losses, damage, or destruction of property at the using unit level, check responsible officer (individual assigned direct responsibility). By virtue of assignment, the responsible officer is usually a property book officer or other, a unit commander, or head of an activity formally assigned to his or her position in writing.

REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS). For losses, damage, or destruction of property at the supply support activity, checks reviewing authority.

a. NEGLIGENCE OR ABUSE EVIDENT/SUSPECTED (X one). The responsible officer or the reviewing authority as appropriate, checks the “YES” or “NO” block indicating whether negligence or willful misconduct is suspected. In the event negligence or willful misconduct is suspected, the commander’s rationale for determining why further investigation is warranted is documented in writing in block 12b.

b. COMMENTS/RECOMMENDATIONS. Enter the rationale for the determination made in block 12a and recommendations. Show all exhibits initially attached, for example “Exhibits A through D attached.” If space on the form is insufficient, continuation sheets may be used. If continuation sheets are used, list their use by entering “See continuation sheet(s), attached” in this block (see fig 5-8).

c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code). Enter the office symbol, and organizational address of the responsible officer or the reviewing authority, as appropriate.

d. TYPED NAME (Last, First, Middle Initial). Enter the full name, rank and position of the responsible officer or the reviewing authority as appropriate.

e. DSN NUMBER. Enter the telephone number of the individual identified in block 12d.

f. SIGNATURE. The responsible officer or reviewing authority, as appropriate, enters their signature. Electronic/digital signature may be used if DD Form 200 is electronically produced.

g. DATE SIGNED. Enter the date the individual identified in block 12b signed in block 12f. The date for 1 Oct 17 is entered as 20171001.
Block 13. APPOINTING AUTHORITY. An appointing authority, when designated, initially makes a decision based on the available evidence whether to appoint a financial liability investigating officer by choosing the correct block in 13c. If an investigating officer is required, the appointing authority completes a memorandum appointing the financial liability investigating officer or AR 15-6 investigating officer (see fig 5-20). Following the investigation or if no further investigation is required, the appointing authority completes blocks 13a and b and 13d through g.

a. RECOMMENDATION (X one). The appointing authority, when used, makes a recommendation to approve or disapprove the findings in blocks 9 and 10; or following an investigation, whether to approve or disapprove the financial liability investigating officer’s findings. If an appointing authority is not used, no block is checked.

b. COMMENT/RATIONALE. The appointing authority determines, upon receipt or following completion of an investigation, if financial liability should be assessed. When there is no evidence of negligence or willful misconduct, the appointing authority can recommend that all persons be relieved of financial liability. In cases were a financial liability officer is not appointing authority must perform specific actions that the financial liability investigating officer would have done (see para 5-16). Following an investigation, the appointing authority enters his or her rationale, to justify the checked approved or disapproved in block 13a. If space on the forms is insufficient, continuation sheets may be used. If continuation sheets are used, list their use by entering “See continuation sheet(s), attached” in this block. If no appointing authority is used, this block will remain blank (see fig 5–3 and 5–4).

c. FINANCIAL LIABILITY OFFICER APPOINTED (X one). The appointing authority (or the approving authority, if used), determines whether to appoint a financial liability investigating officer by checking the "YES" or "NO" appropriate box. If an AR 15–6 financial liability investigating officer is to be appointed, the "YES" block is checked and AR 15–6 is hand written in on the form.

d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code). Enter the office symbol, UIC and organizational address of the appointing authority, if used. In no appointing authority is used, this block will remain blank.

e. TYPED NAME (Last, First, Middle Initial). Enter the full name, rank and position of the appointing authority if used. If no appointing authority is used, this block will remain blank.

f. DSN NUMBER. Enter the telephone number of the appointing authority if used. If no appointing authority is used this block will remain blank.

g. SIGNATURE. The responsible officer or reviewing authority as appropriate enters their signature.
Electronic/digital signature may be used if DD Form 200 is electronically produced.

e. DATE SIGNED. Enter the date the individual identified in block 13g. The date for 1 Oct 17 is entered as 20171001.

Block 14. APPROVING AUTHORITY. An approving authority, when no appointing authority has been designated, initially makes a decision based on the available evidence whether to appoint a financial liability investigating officer by choosing the correct block in 13c. If an investigating officer is required, the approving authority completes a memorandum appointing the financial liability investigating officer or AR 15–6 investigating officer (see sample memorandum fig 5–20). Following the completion of the investigation or if no further investigation is required, the approving authority completes blocks 14a through h.

a. RECOMMENDATION (X one). The approving authority makes a recommendation to approve or disapprove the findings in blocks 9 and 10 or following an investigation, whether to approve or disapprove the financial liability investigating officer’s or appointing authority’s findings. When there is insufficient space in block 14, use a continuation sheet (see fig 5-12).
b. COMMENTS/RATIONALE.

(1) When the approving authority receives the financial liability investigation of property loss from the responsible officer (or reviewing authority when no appointing authority has been designated), and initially determines there is no evidence of negligence, he or she may provide relief from responsibility by placing the statement “No further investigation is required. I do not suspect negligence or willful misconduct. I relieve all concerned from financial liability for the property listed in blocks 4 through 6.” If the approving authority makes a determination that the investigation is incomplete or finds pertinent instructions have not been completed, the approving authority will return the financial liability investigation of property loss to the investigating officer through the appointing authority.

(2) When the approving authority determines the financial liability investigation is complete, the approving authority will either approve or disapprove the recommendations of the financial liability investigating officer or appointing authority. If the approving authority checks the “APPROVE” box in block 14a then blocks 14b through 14h must be completed. The approving authority may make a decision contrary to the financial liability investigating officer or appointing authority’s findings by checking the DISAPPROVE box in 14a and either relieving all concerned from financial liability or assessing financial liability against a new individual.

(3) Following the investigation, when the approving authority decides to relieve all concerned from financial liability, they will enter the following statements “All concerned are relieved from financial liability of the property listed on this financial liability investigation of property loss.” The approving authority will clearly state the mitigating circumstances that justify waiving any or all financial liability in the comments/rationale (block 14b) or on a separate memorandum for record. If a separate memorandum is used, add the statement, “See separate memorandum for rationale of financial liability waiver” in block 14b.

(4) If the approving authority believes that financial liability is appropriate, he or she will obtain a legal opinion as to its legal sufficiency prior to determining whether to assess financial liability.

(5) When the approving authority decides to approve charges of financial liability against an individual, the approving authority will enter “Approved to hold (insert name, rank and SSN) financially liable in the amount entered in block 15d.” Also enter the respondent’s basic pay at the time of loss or damage.

(6) If the approving authority determines that it appears appropriate to approve financial liability against an individual not previously recommended for assessment of financial liability, the approving authority will ensure that all actions required by paragraphs 5–3 and 5–4 are completed prior to assessing financial liability and enter the reason for approving financial liability.

(7) When the approving authority decides to approve collective and individual liability against two or more individuals, he or she prepares a continuation sheet containing the following for each individual assessed “Approved to hold (individual’s rank, name, and SSN) financially liable in the amount (enter the amount of the individual’s financial liability) with the respondent’s rank, last name and basic pay at the time of loss or damage and enter “See continuation sheet, attached” in block 14b.

(8) When the approving authority decides to relieve all concerned persons from financial liability, the approving authority will retain the original DD Form 200 with all attachments and exhibits and destroy the remaining copies. When the approving authority determines to assess financial liability, the approving authority will retain the original and provide a copy to each respondent. When the approving authority waives any or all financial liability, the approving authority will retain the original DD Form 200 and copies are provided to each individual whose financial liability has been completely or partially waived.

(9) If the final loss of equipment totals $100,000, or more, or a final loss of any controlled item, the approving authority is the first GO or SES in the rating chain.
c. LEGAL REVIEW COMPLETED IF REQUIRED (X one). The approving authority will check the "YES" box if there is an assessment of financial liability and a legal opinion determining legal sufficiency was completed or the "NO" box if a legal opinion was not completed. When there is no assessment of financial liability, or if financial liability has been completely waived, the approving authority will check the "N/A" box.

d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code). Enter the office symbol, UIC and organizational address of the approving authority.

e. TYPED NAME (Last, First, Middle Initial). Enter the full name, rank and position of the approving authority.

f. DSN NUMBER. Enter the telephone number of the appointing authority.

g. SIGNATURE. The approving authority enters his or her signature. Electronic/digital signature may be used if DD Form 200 is electronically produced.

f. DATE SIGNED. Enter the date the approving authority signed in block 14g. The date for 1 Oct 17 is entered as 20171001.

Block 15. FINANCIAL LIABILITY OFFICER.
a. FINDINGS AND RECOMMENDATIONS (Attach additional pages as necessary). Enter the findings of the investigating officer along with a recommendation regarding financial liability of the involved parties. Proper conclusions shall be drawn from the available facts, not on opinion or suspicions. The investigating officer must sustain or refute the statements made in Block 9 and any other statements that are part of the investigation. The investigating officer will state in his or her own words how the loss or damage occurred based upon the evidence obtained through the investigation. Recommendations should state the investigating officer’s recommendation, such as financial liability to be assessed or relief from responsibility and accountability. Also state the disposition instructions for any unserviceable equipment. Show all exhibits initially attached; for example “Exhibits A through D attached.” When block 15a is insufficient and continuation sheets are used, list their use by entering “See continuation sheet(s), attached” in this block (see figs 5–13).

b. DOLLAR AMOUNT OF LOSS. Enter the actual cost of the loss.

1. For damaged property, enter the ACOD. If the ACOD is not available, use the ECOD and explain in block 15a why ACOD could not be used to determine the actual cost to repair.

2. For lost or destroyed property use the fair market value or depreciated value determined from appendix B. Explain in block 15a the method used to determine actual loss.

c. MONTHLY BASIC PAY. When recommending a charge of financial liability, enter the monthly basic pay of the military respondent. If the respondent is a DOD Civilian, enter 1/12th of their annual salary in this block. When more than one individual is being recommended for charges of financial liability, use a continuation sheet and leave this block blank.

d. RECOMMENDATION FINANCIAL LIABILITY. Enter the amount of financial liability when a recommendation of financial liability is being made. When financial liability is not being recommended, enter 0. Financial liability is normally limited to one month’s basic pay at the time of loss or the actual loss to the Government whichever is less. For exceptions to this rule, see AR 735–5. When more than one individual is being recommended for charges of financial liability, use a continuation sheet and leave this block blank (see figs 5–8 and 5–13).

e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code). Enter the office symbol and organizational address of the investigating officer.

f. TYPED NAME (Last, First, Middle Initial). Enter the name and rank of the investigating officer.

g. DSN NUMBER. Enter the investigating officer’s telephone number.
h. DATE REPORT SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD). Enter the date the investigation is submitted to the appointing or approving authority as appropriate. The date 1 Oct 17 is entered as 20171001.

i. DATE APPOINTED (YYYYMMDD). Enter the date the investigating officer is appointed. The date 1 Oct 17 is entered as 20171001.

j. SIGNATURE. The investigating officer enters his or her signature. Electronic/digital signature may be used if DD Form 200 is electronically produced.

k. DATE SIGNED. Enter the date the investigating officer signed the investigation. The date 1 Oct 17 is entered as 20171001.

Block 16. INDIVIDUAL CHARGED.
a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (X one) “Submit the attached statement of objections” or “Do not intend to make such a statement”. The individual being recommended for a charge of financial liability places an “X” in the appropriate box to indicate his or her intentions to submit a statement of objections to the investigating officer’s findings and recommendations. Should respondent wish to make a statement, he or she will provide a memorandum, addressed to the investigating officer. He or she should include all evidence previously overlooked or incorrect that could change the investigating officer’s recommendation. Statements of inability to pay recommended debt should not be included. If more than one person is being recommended for financial liability, leave this block blank and include this information on a continuation sheet (see fig 5–14).

b. I HAVE BEEN INFORMED OF MY RIGHTS TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY. No entry required.

c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code). Enter the office symbol and organizational address of the respondent. If more than one person is being recommended for financial liability, leave this block blank and include this information on a continuation sheet.

d. TYPED NAME (Last, First, Middle Initial). Enter the name and rank of respondent. If more than one person is being recommended for financial liability, leave this block blank and include this information on a continuation sheet.

e. DSN NUMBER. Enter the respondent’s telephone number. If more than one person is being recommended for financial liability, leave this block blank and include this information on a continuation sheet.

f. SIGNATURE. The respondent enters his or her signature. An electronic/digital signature may be used if the DD Form 200 is electronically produced. In the event the respondent refuses to sign, the investigating officer will enter “Respondent refused to sign.” If more than one person is being recommended for financial liability, include this information on a continuation sheet and enter “See continuation sheet(s), attached” in this block.

g. DATE SIGNED. Enter the date respondent signed the investigation of property loss. The date 1 Oct 17 is entered as 20171001. If respondent had refused to sign in block 16g, enter the date he or she refused to sign. If more than one person is being recommended for financial liability, leave this block blank and include this information on a continuation sheet.

Block 17. ACCOUNTABLE OFFICER. This block will only be completed after block 2 has been completed.
a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD. The accountable officer (or the individual maintaining the expendable/durable register as appropriate), enters the document or voucher number for lost or destroyed equipment. Do not complete this block for damaged equipment. Blocks 17b through 17f are filled out even if equipment is damaged.
b. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code). Enter the office symbol and organizational address of the accountable officer or the individual maintaining the expendable/durable register as appropriate.

c. TYPED NAME (Last, First, Middle Initial). Enter the name and rank of the accountable officer or the individual maintaining the expendable/durable register as appropriate.

d. DSN NUMBER. Enter the accountable officer’s telephone number or the individual maintaining the expendable/durable register.

e. SIGNATURE. The accountable officer (or the individual maintaining the expendable/durable register as appropriate), enters his or her signature. An electronic/digital signature may be used if the DD Form 200 is electronically produced.

f. DATE SIGNED. Enter the date the accountable or the individual maintaining the expendable/durable register, as appropriate, signed the investigation of property loss. The date 1 Oct 17 is entered as 20171001.
### FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS

<table>
<thead>
<tr>
<th>1. DATE INITIATED (YYYYMMDD)</th>
<th>2. INQUIRY/INVESTIGATION NUMBER</th>
<th>3. DATE LOSS DISCOVERED (YYYYMMDD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20140001</td>
<td>2AWAB014-09</td>
<td>20140930</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. NATIONAL STOCK NO.</th>
<th>5. ITEM DESCRIPTION</th>
<th>6. QUANTITY</th>
<th>7. UNIT COST</th>
<th>8. TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>G32915</td>
<td>Component of Diving Set</td>
<td>1</td>
<td>1,763.47</td>
<td>1,763.47</td>
</tr>
<tr>
<td>4260-01-349-2413</td>
<td>Suit Dry w/Inflation Hose</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS (X one)

- [ ] Lost
- [ ] Damaged
- [ ] Destroyed
- [ ] Organized
- [ ] Installed
- [ ] Other

SGT John A. Doe left his dry diving suit in the front of his car the night of 20 September 2014, which is against Brigade policy. In the morning SGT Doe noticed the rear driver’s window had been broken into and the diving suit was gone. A police report was obtained, see exhibit A.

10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES (Attach additional pages as necessary)

Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times in accordance with policy.

11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10

<table>
<thead>
<tr>
<th>a. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
<th>b. TYPED NAME (Last, First, Middle Initial)</th>
<th>c. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Merlin X., SSG, Squad Leader</td>
<td>315-123-4569</td>
</tr>
<tr>
<td>A Company, 34th Engineer Battalion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
<th>e. TYPED NAME (Last, First, Middle Initial)</th>
<th>f. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Mark W., Jr, CPT, Commander</td>
<td>315-123-9756</td>
</tr>
<tr>
<td>A Company, 234th Engineer Battalion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>g. SIGNATURE</th>
<th>d. DSN NUMBER</th>
<th>g. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIGITAL SIGNATURE 123456789</td>
<td>315-123-9756</td>
<td>00000000</td>
</tr>
</tbody>
</table>

12. (X one) [ ] RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS) [ ] REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)

<table>
<thead>
<tr>
<th>a. NEGLIGENCE OR ABUSE EVIDENT; SUSPECTED (X one)</th>
<th>b. COMMENTS/RECOMMENDATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] Yes</td>
<td>Request investigation to ensure all policy and procedures were followed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
<th>d. TYPED NAME (Last, First, Middle Initial)</th>
<th>e. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Shen, Y., LTC, Commanding</td>
<td>315-456-8132</td>
</tr>
<tr>
<td>A Company, 234th Engineer Battalion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>f. SIGNATURE</th>
<th>g. DSN NUMBER</th>
<th>h. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIGITAL SIGNATURE 123456789</td>
<td>315-456-8132</td>
<td>00000000</td>
</tr>
</tbody>
</table>

13. APPOINTING AUTHORITY

<table>
<thead>
<tr>
<th>a. RECOMMENDATION (X one)</th>
<th>b. COMMENTS/RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] APPROVE</td>
<td>Reimbursement approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government property.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c. FINANCIAL LIABILITY OFFICER APPOINTED (X one)</th>
<th>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
<th>e. TYPED NAME (Last, First, Middle Initial)</th>
<th>f. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] YES</td>
<td>EUSA-BD-A</td>
<td>Doe, John A., 1st Infantry Division</td>
<td>315-159-0000</td>
</tr>
<tr>
<td></td>
<td>A Company, 1st Infantry Division</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
<td></td>
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</tbody>
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<thead>
<tr>
<th>g. SIGNATURE</th>
<th>h. DSN NUMBER</th>
<th>i. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIGITAL SIGNATURE 123456789</td>
<td>315-159-0000</td>
<td>00000000</td>
</tr>
</tbody>
</table>

14. APPROVING AUTHORITY

<table>
<thead>
<tr>
<th>a. RECOMMENDATION (X one)</th>
<th>b. COMMENTS/RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] APPROVE</td>
<td>Approved to hold SGT John A. Doe financially liable in the amount entered in block 1d. SGT Doe's basic pay at the time of loss was $2,146.00.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c. LEGAL REVIEW COMPLETED IF REQUIRED (X one)</th>
<th>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
<th>e. TYPED NAME (Last, First, Middle Initial)</th>
<th>f. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] YES</td>
<td>EUSA-BD-A</td>
<td>Doe, Dean H., COL, Commanding</td>
<td>315-159-0000</td>
</tr>
<tr>
<td></td>
<td>A Company, 1st Infantry Division</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fort Knox, KY 40121-0000</td>
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<th>i. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIGITAL SIGNATURE 123456789</td>
<td>315-159-0000</td>
<td>00000000</td>
</tr>
</tbody>
</table>

DD FORM 200, JUL 2009

PREVIOUS EDITION IS OBSOLETE.

Adobe Designer 8.0

Figure 5–7. Sample DD Form 200 when components items are loss, damaged, destroyed, or stolen
<table>
<thead>
<tr>
<th>1. DATE INITIATED (YYYYMMDD)</th>
<th>2. INQUIRY/INVESTIGATION NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>20140101</td>
<td>2AWAB0-14-01</td>
</tr>
</tbody>
</table>

Use this area to continue each item as necessary. Specify item number.
When using this area specify which block 9, 10, or 15a you are continuing on this page. All three blocks can be used on this sheet.

Figure 5–8. Sample DD Form 200 when continuation sheets are used for blocks 9, 10, and 15a
5–5. Responsible officer/reviewing authority
   a. The responsible officer/reviewing authority is usually a PBO or other accountable officers, a unit commander, or head of an activity formally assigned to his or her position in writing.
   b. The responsible officer or reviewing authority will complete the DD Form 200, block 12 per the instructions detailed in figure 5–9. If blocks 9 and 10 were completed by the responsible officer or reviewing authority, leave block 11 blank.

DD Form 200, Block 12b continued, investigation of property loss WAH8AA-17-FA-055, 1 October 2017
$63,377.50.

Recommend approval to relive SSG Doe from financial liability. As the MP report shows, unknown individuals stole these items using forced entry into a connex. I feel the MP’s did a thorough investigation of the incident and further investigation is not required.

Exhibit A attached.

5–6. Time constraints for actions by the responsible officer/reviewing authority
   a. Active Army. The responsible officer/reviewing authority forwards DD Form 200 to the appointing authority (or the approving authority as appropriate), within 15 calendar days following the date of the discovery of the loss per paragraph 5–3. The responsible officer/reviewing authority will explain any delay in writing and attach the explanation to the DD Form 200 as an exhibit.
   b. U.S. Army Reserve/Army National Guard. The responsible officer/reviewing authority forwards DD Form 200 to the appointing authority (or the approving authority as appropriate), within 75 calendar days from the date of discovery of the loss, as shown in figures 5–1 and 5–2. The responsible officer/reviewing authority will explain any delay in writing and attach the explanation to the DD Form 200 as an exhibit.

5–7. Distribution
The responsible officer/reviewing authority will forward DD Form 200 with exhibits, to the appointing or approving authority for assignment of an inquiry investigation number (block 2) and then to the accountable officer for assignment of a document/voucher number.

Section II
Accountable Officer

5–8. Accountable officer’s action on a DD Form 200
The accountable officer—
   a. Completes blocks 17a through 17f as shown in figures 5–3 and 5–5 through 5–7 following the completion of blocks 1 through 12.
   b. Assigns a document or voucher number, when required. Any initiated DD Form 200 thereby dropping accountability requires a document or voucher number, except:
      (1) For damaged property, blocks 17b through 17f must be completed.
      (2) For equipment damaged and classified as unserviceable as a result of combat action or a combat related accident. Combat losses are only removed from property records through the turn-in of the equipment residue in accordance with AR 710–2.
      (3) When the lost or destroyed property is on another accountable officer’s records. The accountable officer returns the DD Form 200 without action, and advises the initiator who the correct accountable officer is, if known.
      (4) For dining facility accounts adjusted using the Army Food Management Information System.
5–9. Distribution of DD Form 200 by the accountable officer immediately after the document number or voucher number is assigned
The accountable officer—
   a. Retains one copy and posts it to the appropriate accountable record(s). This copy is filed with the supporting
document files in accordance with AR 25–400–2.
   b. Returns a copy to the initiator.
   c. Forwards the original and all remaining copies (number as prescribed by the local command) of DD Form 200,
      with all exhibits, to the appointing authority or approving authority, as appropriate.
   d. Initiates replenishment ordering for all items listed on the DD Form 200, as necessary.

Section III
Approving Authority/Appointing Authority

5–10. Conflict of interest
No person may act as an appointing authority or the approving authority that has had personal responsibility or
accountability for the property listed on the DD Form 200 at the time the property became lost, damaged, or destroyed.
In such cases, the next higher commander or DA Civilian employee in the chain of command or supervision will act as
the appointing authority or the approving authority, as appropriate.

5–11. Processing steps for appointing authority/approving authority
Figure 5–10 depicts the DD Form 200 processing steps from receipt by the appointing authority, to assessment of
financial liability, or relief from responsibility. Figure 5–11 depicts the DD Form 200 processing steps from receipt by
the approving authority to assessment of financial liability, or relief from responsibility.
Financial liability investigation from responsible officer after inquiry/investigation number and document number assigned (if applicable)

1. Respondent notified of rights?
   - YES
   - NO
   - Notify respondent of rights

   1. Additional investigation required?
      - YES
      - Appoint AR 15-6 investigating officer
      - Appoint investigating officer
      - Conduct investigation
      - Notify respondent of rights
      - Notify respondent of financial liability
      - Financial liability assessed?
      - YES
      - Notify respondent of relief from responsibility
      - NO
      - Legal review

   - NO
   - Forward to approving authority

   - NO
   - Financial liability determined?
     - YES
     - Notify respondent of rights
     - Notify respondent of relief from responsibility
     - NO
     - Additional investigation required?

   - NO
   - AR 15-6 investigation required?
     - YES
     - Appoint AR 15-6 investigating officer
     - Conduct investigation
     - Notify respondent of rights
     - Notify respondent of financial liability
     - Financial liability assessed?
      - YES
      - Notify respondent of relief from responsibility
      - NO
      - Legal review

   - NO
   - Appoint investigating officer

   - NO
   - Complete investigation

   - NO
   - Appoint investigating officer

   - NO
   - Financial liability determined?
     - YES
     - Notify respondent of rights
     - Notify respondent of relief from responsibility
     - NO
     - Additional investigation required?
Figure 5–11. DD Form 200 processing steps without an appointing authority

Start

Financial liability investigation from responsible officer after inquiry/investigation number and document number assigned (if applicable)

Approval authority

1

Additional investigation required?

NO

Financial liability determined?

NO

Notify respondent of relief from responsibility

End

YES

YES

Notify respondent of rights

Legal review

Approving authority

NO

Financial liability assessed?

NO

GO TO 1

Liability recommended?

NO

GO TO 1

YES

GO TO 2

NO

YES

Notify respondent of financial liability

End

NO

AR 15-6 investigation required?

YES

Appoint AR 15-6 investigating officer

Appoint investigating officer

Conduct investigation
5–12. **Supervising the DD Form 200**

a. The inquiry/investigation number is assigned prior to going to the accountable officer for a document/voucher number. The inquiry/investigation number is entered in block 2 of DD Form 200. The inquiry/investigation number is needed prior to the document/voucher number to ensure the approving authority is aware and tracking the financial liability investigation prior to the accountable officer decreasing the property from accountable records.

b. The inquiry/investigation number is formed using the approving authority’s unit identification code, the 2-digit year the inquiry/investigation number is assigned, and a serial numbering system determined by the approving authority. The inquiry/investigation number can be up to 44 characters, such as: WAJBAA–14–HQ–0002.

c. The DD Form 200 register along with the DA Form 1659 (Financial Liability Investigation of Property Loss Register) (see fig 5–12) are maintained according to AR 25–400–2. Normally the DD Form 200 register and the files of approved DD Forms 200 are maintained at the headquarters of the approving authority. This includes the battalion/brigade logistics officer (S4), division/corps/theater support command G4, (LRC), or other subordinate staff elements as designated by the approving authority. Exceptions to this policy are allowed when—

(1) The logistics staff offices are consolidated at a command level above the approving authority, such as, brigade S4s consolidated at the division G4. Under this scenario, the register and associated files may be maintained at the division G4.

(2) The DD Form 200 register may be maintained at a centralized office on the installation, providing inquiry/investigation numbers are assigned to all DD Forms 200 initiated for those organizations supported. When this option is used, the approving authority still has the responsibility for the appointment of the financial liability officer per paragraph 5–17. Both the office maintaining the DD Form 200 register and the approving authority’s headquarters will maintain file copies of the approved DD Forms 200.

d. Brigade and higher level commanders with subordinate approving authorities for DD Forms 200 will initiate and conduct oversight management of the DD Form 200 process at subordinate commands.

e. Each quarter, commanders will review a random sample (of no less than 10 percent) of the DD Forms 200 approved by subordinate commands during the previous quarter.
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</table>
5–13. Initial review by the appointing authority or the approving authority

On receipt of DD Form 200 from the accountable officer, the appointing authority when designated, or the approving authority will review the information in blocks 9, 10, and 12 along with any exhibits provided by the initiator and determine if—

a. A DD Form 200 has been directed by higher authority, by other DA regulations or requested by an accountable officer.

b. Sufficient information exists to provide a clear understanding of the circumstances surrounding the loss or damage of Government property and to determine the proximate cause.

c. Approving authorities in the rank of colonel (O–6) or general schedule (GS)–15 or above may delegate, in writing, approving authority to an Army officer in the rank of lieutenant colonel (O–5) for financial liability investigations assessing a final loss of $5,000.00 or less that does not include equipment classified as communications security, sensitive items, or equipment that contains personally identifiable information per the Records Management and Declassification Agency Web site at https://www.rmda.army.mil/.

d. The expense of performing an investigation by a financial liability officer is worth the significant expenditure of time and effort.

Section IV

Processing DD Form 200 by the Approving Authority or Appointing Authority without Appointing a Financial Liability Officer

5–14. Decision by the approving authority without further investigation

a. Relief from responsibility. When the approving authority determines (from the information contained in DD Form 200, blocks 9 and 10, and attached exhibits), there is no evidence of negligence, he or she may provide relief from responsibility by—

(1) Entering “X” in the box adjacent to approve in block 14a.

(2) Completing blocks 14b through 14h, placing a statement in block 14b (see fig 5–13) to relieve all concerned of property accountability and responsibility: “I have reviewed the information contained in blocks 9 and 10. No further investigation is required. I do not suspect negligence, or willful misconduct. I relieve all concerned from financial liability for the property listed in blocks 4 through 6.”

b. Assessment of financial liability. When the approving authority can establish from the information contained on DD Form 200, blocks 9, 10, and 12 and attached exhibits that negligence or willful misconduct was the proximate cause of the loss or damage, financial liability may be assessed by—

(1) Ensuring that all actions normally performed by the financial liability investigation officer are performed, such as determination of fair market value or depreciation (see chap 12).

(2) Preparing a memorandum to the respondent stating intent to assess financial liability without further investigation. The memorandum will include the facts, on which the proposed charge of financial liability is based, computation of the actual loss, and the amount of financial liability to be charged. The memorandum will include an explanation of the respondent’s rights as described in chapter 12. A complete copy of the DD Form 200 with copies of all the exhibits is attached to the memorandum as an enclosure. Instruct the respondent to complete blocks 16a through 16g before returning the DD Form 200 to the approving authority.

(3) On receipt of a rebuttal statement, if one is received, considering the DD Form 200 together with any new evidence provided, or allegations of error presented by the respondent. The approval authority will make appropriate comments and attach the rebuttal statement and remarks to the DD Form 200 as exhibits.

(4) On receipt and review of the rebuttal statement, or upon expiration of the time allowed the respondent to submit a rebuttal statement, forwarding to the installation legal advisor for a legal opinion per AR 735–5, the DD Form 200 with all exhibits and a copy of the memorandum to the respondent containing the facts on which proposed assessment of financial liability is based.

(5) On receipt of the legal opinion, completing blocks 14a through 14h and inserting a statement in block 14b to assess financial liability against an individual, which gives final approval to hold respondent financially liable. Use a statement similar to the following: “Approved to hold (insert name, grade, and social security number) financially liable in the amount of (enter amount). (Insert name and grade), monthly basic pay at the time of the loss was (enter amount).” Respondents must be notified of the approved charges of financial liability and be provided the opportunity to exercise their rights as listed in paragraph 12–9.
5–15. Recommendation by the appointing authority without further investigation

This action provides the appointing authority, when designated, the option to recommend shortening the DD Form 200 process when the facts and circumstances permit. The short financial liability investigation does not relieve the appointing or approving authority from performing those actions normally conducted by the investigation officer if liability is assessed, such as determination of fair market value or depreciation (see app B).

a. Relief from responsibility. When the appointing authority determines (from the information on DD Form 200, blocks 9, 10, and 12, and attached exhibits) that no evidence of negligence or willful misconduct exists, he or she may recommend to the approving authority relief from responsibility by completing block 13 per figure 5–14.

b. Assessment of financial liability. When the appointing authority can establish (from the information contained on DD Form 200, blocks 9, 10, and 12, and the attached exhibits) that negligence or willful misconduct was the proximate cause of the loss and damage of Government property, the appointing authority—

(1) Prepares a memorandum to the respondent stating his or her intent to recommend charges of financial liability without further investigation. The memorandum will include the facts on which the recommended charges of financial liability are based, computation of the actual loss, and the amount of financial liability being recommended. The memorandum will include an explanation of the respondent’s rights as described in paragraph 12–9 and figure 5–15. A complete copy of the DD Form 200, to include copies of all the exhibits, is attached to the memorandum as an enclosure. Instruct the respondent to complete blocks 16a through 16g before returning the DD Form 200 to the appointing authority.

(2) Evaluates the merit of any rebuttal statement, if received. Consideration must be given to the DD Form 200, together with any new evidence provided, or allegations of error presented by the respondent. The appointing authority makes appropriate comments and attaches the rebuttal statement and remarks to the DD Form 200, as exhibits.

(3) When a rebuttal statement is received after the time allotted for a rebuttal has expired, they will consider any new evidence presented by the respondent. If appropriate, amend their recommendations and forward the amended recommendation by memorandum through the same channels the financial liability investigation was processed.

(4) Enters a statement in block 13b stating further investigation is not required. Enter the words “See block 15a for appointing authority’s recommendation.”

(5) Completes blocks 13c through 13h.

(6) Enters—

(a) A recommendation in block 15a regarding the charge of financial liability, and the amount of financial liability being recommended.

(b) A statement explaining the facts on which the appointing authority’s recommendation is based.

(c) The name, grade, and social security number of those individual(s) being recommended for charges of financial liability.

(7) Completes block 15 (see sample figs 5–16 through 5–18).

(8) Ensures the respondent completes blocks 16a through 16g (see fig 5–19).
DD Form 200, Block 13b continued, investigation of property loss WAH8AA-17-FA-055, 1 October 2017, $63,377.50.

Recommend financial liability against CPT Doe for failure to properly provide records in which to ensure proper custody was maintained. The circumstances in block 9 show that CPT Doe failed to keep any records of equipment as it was issued or hand receipted to the users or supervisors. In fact, there is not a single valid sub hand receipt for any property. He failed to ensure that these records were maintained by anyone. Although CPT Doe had a great amount of supply personnel turbulence during his command, the onus of the failure to keep any hand receipts lies with him alone. He never asked nor did he seek to see the company commanders or supervisors’ of the hand receipt holders. If he knew the fact that no hand receipts were kept, he did nothing to rectify the issue. He had many chances to fix this problem during cyclic inventories and command inspections. The loss of this equipment was caused by this lack of records.

Recommend CPT Doe be held liable for the loss of the equipment, which totaled $34,834.23 after depreciation. CPT Doe’s monthly base pay is $4,149.30.
Figure 5–15. Sample financial liability officer’s notification to the respondent informing respondent of his or her intention to recommend a charge of financial liability along with respondent’s acknowledgement.
Figure 5–15. Sample financial liability officer’s notification to the respondent informing respondent of his or her intention to recommend a charge of financial liability along with respondent’s acknowledgement—Continued
15. FINANCIAL LIABILITY OFFICER
a. FINDINGS AND RECOMMENDATIONS (Attach additional pages as necessary)
AR 15-6 Investigation, Exhibit A.

b. DOLLAR AMOUNT OF LOSS
3,697.00

c. MONTHLY BASIC PAY
2,146.00

d. RECOMMENDED FINANCIAL LIABILITY
2,146.00

e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)
EUSA-BD-A
A Company, 134th Engineer Battalion
Fort Knox, KY 40121-0000

f. TYPED NAME (Last, First, Middle Initial)
Doc. Joel B. Latter

h. DATE SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD)
20141030

i. SIGNATURE
DIGITAL SIGNATURE 123456789

j. DATE APPOINTED (YYYYMMDD)
20141010

k. DATE SIGNED
20141029

16. INDIVIDUAL CHARGED
a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (X one)

  x) I do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)
EUSA-BD-A
A Company, 2nd Engineer Battalion
Fort Knox, KY 40121-0000

d. TYPED NAME (Last, First, Middle Initial)
Doc. John A.

e. DSN NUMBER
315-123-9756

f. SIGNATURE
DIGITAL SIGNATURE 123456789

g. DATE SIGNED
20141116

17. ACCOUNTABLE OFFICER
a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD
W2103F 4282-1010

b. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)
EUSA-BD-PBO
1st BCT, 2nd Infantry Division
Fort Knox, KY 40121-0000

c. TYPED NAME (Last, First, Middle Initial)
Doc. Rexford A.

e. SIGNATURE
DIGITAL SIGNATURE 123456789

d. DSN NUMBER
315-549-7135

f. DATE SIGNED
20141010

DD FORM 200 (BACK), JUL 2009

Figure 5–16. Sample DD Form 200 for block 15
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Use this area to continue each item as necessary. Specify item number.
When using this area specify which block 9, 10, or 15a you are continuing on this page. All three blocks can be used on this sheet.

Figure 5–17. Sample DD Form 200 when continuation sheets are used for block 15
DD Form 200, Blocks 15c and d continued, investigation of property loss
WAH8AA-17-FA-055, 1 October 2017, $1,000.00.

c. Each person’s monthly basic pay divided by the total combined basic pay for all of the individuals involved, times the actual loss = Person’s financial charge
Combined monthly basic pay of all persons

Example: (actual loss = $1,000)

Monthly Basic Pay
Person number 1 monthly basic pay (PFC Doe) = $1,200
Person number 2 monthly basic pay (SSG Doe) = $2,400
Person number 3 monthly basic pay (Mr. Doe) = $3,600
Total monthly basic pay of all of the above = $7,200

Recommendation:

$1,200 (Person Number 1) (PFC Doe) = $1,200 divided into $7,200 = .16667 x $1,000 = $166.67
$7,200 (Total Basic Pay)
$2,400 (Person Number 2) (SSG Doe) = $2,400 divided into $7,200 = .33333 x $1,000 = $333.33
$7,200 (Total Basic Pay)
$3,600 (Person Number 3) (Mr. Doe) = $3,600 divided into $7,200 = .50000 x $1,000 = $500.00
$7,200 (Total Basic Pay)

Total financial charge = $1,000.00

Figure 5–18. Sample DD Form 200, blocks 15c and d calculating liability for more than one individual
Person’s monthly basic pay (divided) by the total monthly base pay of all persons, (times) the actual loss, (equals) person’s financial charge.

Actual Loss = $2,600.00

Person number 1 monthly base pay = $1,200.00
Person number 2 monthly base pay = $1,600.00
Person number 3 monthly base pay = $2,000.00

Total monthly base pay of all three = $4,800.00

$1,200.00 (Person number 1) = .25 X $2,600.00 = $650.00
$1,600.00 (Person number 2) = .33 X $2,600.00 = $858.00
$2,000.00 (Person number 3) = .42 X $2,600.00 = $1,092.00

Total financial charge = $2,600.00

DD Form 200, Block 16 continued, investigation of property loss WAH8AA-17-FA-055, 1 October 2017, $63,377.50.

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (check one).
(1) Submit the attached statement or objection, or
(2) Do not intend to make such a statement

b. I HAVE BEEN INFORMED OF MY RIGHTS TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY

c. ORGANIZATION ADDRESS: 319th Military Intelligence Battalion
d. NAME: Doe, William A.
e. SOCIAL SECURITY NUMBER: 123-45-6789
f. DSN: 543-9876
g. SIGNATURE: William A. Doe
h. DATE SIGNED: 11 Jun 17
Section V
Appointment of the Financial Liability Officer or AR 15–6 Investigating Officer

5–16. Review of the DD Form 200 to determine if a financial liability officer or AR 15–6 investigating officer is necessary

a. The appointing authority (or the approving authority as appropriate) reviews the DD Form 200 to decide whether a financial liability officer is necessary. If needed, the appointing authority or the approving authority (as appropriate), completes block 13 and signs a memorandum appointing a financial liability officer (see fig 5–20).

b. The financial liability officer is thoroughly briefed on how to conduct the investigation and advised of time restraints.

c. The appointing authority or the approving authority may direct an investigation according to AR 15–6 by lining through the words “financial liability” in block 13c and inserting "AR 15–6 investigation" in the row immediately above (see figs 5–21 and 5–22). An AR 15–6 investigating officer is appointed using a memorandum of appointment in accordance with AR 15–6. The appointing authority/approving authority will present the investigation of property loss with all exhibits to the investigating officer.

5–17. Time constraints for conducting the investigation by the financial liability officer

a. Unless the approving authority specifies a shorter time, a financial liability officer has up to 30 calendar days (85 calendar days for USAR and ARNG) from the date of receipt to complete the DD Form 200. Appointment as a financial liability officer becomes that person’s primary duty until the approving authority accepts the investigation as completed, or until otherwise relieved from that duty. Any delay must be explained in writing by the financial liability officer and attached to the DD Form 200 as an exhibit.

b. In the event the financial liability officer is unable to complete the investigation and a new financial liability officer is necessary, appointment is made using an informal memorandum (see fig 5–20). Include an explanation stating why the original financial liability officer is unable to complete the DD Form 200.
MEMORANDUM FOR 1LT JOHN D. DOE, 3RD BCT, FORT STEWART, GA 31324–0000

SUBJECT: Appointment of Investigating Officer

1. You are hereby appointed an investigating officer pursuant to AR 735-5, paragraph 13-24, to conduct an investigation of property loss. Your task in conducting an investigation of property loss is to determine whether someone’s negligence or willful misconduct was the proximate cause of the (loss, damage, or destruction). If an individual was negligent, and that negligence was the cause of the (loss, damage, or destruction), it is appropriate to recommend assessment of financial liability against that individual.

2. Whenever it is necessary to advise a witness or respondent of their rights under the Uniform Code of Military Justice, Article 31b, you should consult with the servicing Office of the Judge Advocate prior to questioning that individual.

3. Submit your findings and recommendations on DD Form 200, block 15 to this office by (enter date). In the event you are unable to meet the above suspense date, prepare a written statement explaining the reason for the delay and attach it to the investigation of property loss as an exhibit.

DAVID D. DOE
COL, IN
Appointing/Approving Authority

Figure 5–20. Sample memorandum for appointment of a financial liability officer
Figure 5–21. Sample DD Form 200 initiated as a result of an AR 15–6 investigation with no financial liability recommended.
Figure 5–21. Sample DD Form 200 initiated as a result of an AR 15–6 investigation with no financial liability recommended—Continued
# FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS

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<th>3. DATE LOSS DISCOVERED (YYYY/MM/DD)</th>
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See AR 15-6 Investigation, Exhibit A.

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<td>See AR 15-6 Investigation, Exhibit A.</td>
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<td>A Company, 234th Engineer Battalion</td>
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<td>Fort Knox, KY 40121-0000</td>
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<td>b. TYPED NAME (Last, First, Middle Initial)</td>
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<td>Doe, Merlin X., SSG, Squad Leader</td>
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<td>c. DSN NUMBER</td>
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<td>d. SIGNATURE</td>
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<th>REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)</th>
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<tr>
<td>NO</td>
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<table>
<thead>
<tr>
<th>13. APPOINTING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. RECOMMENDATION (X one)</td>
</tr>
<tr>
<td>DISAPPROVE</td>
</tr>
<tr>
<td>b. COMMENTS/RATIONALE</td>
</tr>
<tr>
<td>Recommended approval of the financial liability investigating officer's findings to hold SG T Doe financially liable for failing to properly secure Government property.</td>
</tr>
<tr>
<td>c. FINANCIAL LIABILITY OFFICER APPOINTED (X one)</td>
</tr>
<tr>
<td>YES</td>
</tr>
<tr>
<td>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/County, ZIP Code)</td>
</tr>
<tr>
<td>USA-BD-A</td>
</tr>
<tr>
<td>234th Engineer Battalion</td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
</tr>
<tr>
<td>e. TYPED NAME (Last, First, Middle Initial)</td>
</tr>
<tr>
<td>Doe, L. J. L., CSM, Commanding</td>
</tr>
<tr>
<td>f. DSN NUMBER</td>
</tr>
<tr>
<td>315-456-8132</td>
</tr>
<tr>
<td>g. SIGNATURE</td>
</tr>
<tr>
<td>DIGITAL SIGNATURE 12345678</td>
</tr>
<tr>
<td>h. DATE SIGNED</td>
</tr>
<tr>
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<thead>
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<th>14. APPROVING AUTHORITY</th>
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<tbody>
<tr>
<td>a. RECOMMENDATION (X one)</td>
</tr>
<tr>
<td>APPROVE</td>
</tr>
<tr>
<td>DISAPPROVE</td>
</tr>
<tr>
<td>b. COMMENTS/RATIONALE</td>
</tr>
<tr>
<td>Approved to hold SG T Doe, financially liable in the amount entered in block 01d. SG T Doe's basic pay at the time of loss was $2,156.00.</td>
</tr>
<tr>
<td>c. LEGAL REVIEW COMPLETED IF REQUIRED (X one)</td>
</tr>
<tr>
<td>YES</td>
</tr>
<tr>
<td>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/County, ZIP Code)</td>
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<tr>
<td>USA-BD-A</td>
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<tr>
<td>1st BCT, 2nd Infantry Division</td>
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<tr>
<td>Fort Knox, KY 40121-0000</td>
</tr>
<tr>
<td>e. TYPED NAME (Last, First, Middle Initial)</td>
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<tr>
<td>Doe, Dean S. III, COL, Commanding</td>
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<tr>
<td>f. DSN NUMBER</td>
</tr>
<tr>
<td>315-159-0000</td>
</tr>
<tr>
<td>g. SIGNATURE</td>
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<tr>
<td>DIGITAL SIGNATURE 12345678</td>
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<tr>
<td>h. DATE SIGNED</td>
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DD FORM 200, JUL 2009

PREVIOUS EDITION IS OBSOLETE.

Adobe Designer 8.0

Figure 5–22. Sample DD Form 200 initiated as a result of an AR 15–6 investigation with financial liability recommended
15. FINANCIAL LIABILITY OFFICER
   a. FINDINGS AND RECOMMENDATIONS (Attach additional pages as necessary)

AR 15-6 Investigation, Exhibit A.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>b. DOLLAR AMOUNT OF LOSS</td>
<td>3,607.00</td>
<td></td>
</tr>
<tr>
<td>c. MONTHLY BASIC PAY</td>
<td>2,146.00</td>
<td></td>
</tr>
<tr>
<td>d. RECOMMENDED FINANCIAL LIABILITY</td>
<td>2,146.00</td>
<td></td>
</tr>
<tr>
<td>e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</td>
<td>EUSA-AD-A</td>
<td>A Company, 234th Engineer Battalion</td>
</tr>
<tr>
<td></td>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
</tr>
<tr>
<td>f. TYPED NAME (Last, First, Middle Initial)</td>
<td>Doc, Joel B., H.T.</td>
<td></td>
</tr>
<tr>
<td>g. DSN NUMBER</td>
<td>315-723-6745</td>
<td></td>
</tr>
<tr>
<td>h. DATE SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD)</td>
<td>00000000</td>
<td></td>
</tr>
<tr>
<td>i. DATE APPOINTED (YYYYMMDD)</td>
<td>00000000</td>
<td></td>
</tr>
<tr>
<td>j. SIGNATURE</td>
<td>DIGITAL SIGNATURE 123456789</td>
<td></td>
</tr>
<tr>
<td>k. DATE SIGNED</td>
<td>00000000</td>
<td></td>
</tr>
</tbody>
</table>

16. INDIVIDUAL CHARGED
   a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (X one)
      Submit the attached statement of objection. [X] Do not intend to make such a statement.
   b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

17. ACCOUNTABLE OFFICER
   a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD
      W6212F-4282-1010
   b. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)
      EUSA-AD-PHO
      1st BCT, 2nd Infantry Division
      Fort Knox, KY 40121-0000
   c. TYPED NAME (Last, First, Middle Initial)
      Doc, John A.
   d. DSN NUMBER
      315-123-9756
   e. SIGNATURE
   f. DATE SIGNED
      DIGITAL SIGNATURE 123456789
      00000000

DD FORM 200 (BACK), JUL 2009

Figure 5–22. Sample DD Form 200 initiated as a result of an AR 15–6 investigation with financial liability recommended—Continued
Chapter 6
Preliminary Actions

6–1. DD Form 200 procedures and terms
A newly appointed financial liability officer is expected to become familiar with the DD Form 200, particular attention should be given to blocks 4 through 9, circumstances under which specific property was lost, damaged, or destroyed and the contents of any exhibits. Financial liability officer investigation procedures are detailed further in this pamphlet and AR 735–5, chapter 13. Several key terms for a financial liability officer are listed and defined below:

a. Loss. Loss is the dispossession of, damage to, or destruction of U.S. Government property under the control of the Army. Loss is also a shortfall in accountability. Property is considered lost when it cannot be found, or accounted for, by the last responsible person in the audit trail.

b. Responsibility. The type of responsibility a person has for property specifies his or her obligations for that property. The different types of property responsibility are defined in AR 735–5. They are repeated here because the type of responsibility a person has for the lost, damaged, or destroyed property is a very important element in the conduct of the DD Form 200.

(1) Command responsibility. Command responsibility is the obligation of a commander to ensure all Government property within his or her command is properly used. This includes providing for the proper custody, safekeeping, and disposition of the property. Command responsibility is inherent in all positions of command and cannot be delegated. It is evidenced by assignment to a command position at any level. Command responsibility includes—

(a) Ensuring that security is provided for all property within the command, whether the property is in use or storage.

(b) Observing subordinates to ensure their activities contribute to the proper use, care, custody, safekeeping, and disposition of all property within the command.

(c) Enforcement of all security, safety, and accounting requirements.

(d) Taking administrative or disciplinary actions, when necessary.

(2) Supervisory responsibility. Supervisory responsibility is the obligation of a supervisor to ensure all Government property issued to, or used by, his or her subordinates, is properly used and cared for. It includes providing proper custody, safekeeping, and disposition of the property. Supervisory responsibility is inherent in all supervisory positions. It is not contingent upon signed hand receipts or responsibility statements. Supervisory responsibility arises by assignment to a supervisory position. It includes—

(a) Providing proper guidance and direction to subordinate personnel.

(b) Enforcement of all security, safety, and accounting requirements.

(c) Maintaining a supervisory climate that facilitates and ensures the proper use and care of Government property.

(3) Direct responsibility. Direct responsibility is the obligation of a person to ensure all Government property, for which he or she has received, is properly used and cared for. It includes providing proper custody, safekeeping, and disposition of the property. Direct responsibility results from assignment as an accountable officer, the receipt of formal written delegation, or the acceptance of the property on a hand receipt from an accountable officer.

(4) Custodial responsibility. The obligation of an individual to exercise reasonable and prudent actions to properly care for, and ensure proper custody, safekeeping, and disposition of property in storage, awaiting issue, or turn in, are provided custodial responsibility results from assignment as a supply sergeant, supply custodian, supply clerk, or warehouse person, and are rated by and answerable directly to the accountable officer or the individual having direct responsibility for the property. It includes—

(a) Ensuring the security of all property stored within the supply room and storage annexes belonging to the supply room or supply support activity is adequate.

(b) Observing subordinates to ensure their activities contribute to the proper custody, care, and safekeeping of all property within the supply room and storage annexes belonging to the supply room or supply support activity.

(c) Enforcing all security, safety, and accountability requirements.

(d) When unable to enforce any of these, reporting the problem(s) to his or her immediate supervisor.

(5) Personal responsibility. Personal responsibility is the obligation of a person to exercise reasonable and prudent actions to properly use, care for, and safeguard all Government property in his or her physical possession. It applies to all Government property issued for, acquired, or converted to a person’s exclusive use, with or without receipt.

(c) Culpability. Before a person can be held financially liable, the findings must show that he or she, through negligence or willful misconduct, violated a particular duty involving the care for the property. Whether the person’s actions or omissions constitute negligence depends on the circumstances of each case. Negligence under some circumstances may not reflect negligence under other circumstances. Therefore, consider fully the following factors when determining the reasonableness of a person’s conduct:

(1) The person’s age, experience, physical condition, and special qualifications.
(2) The type of responsibility the person(s) had toward the property.
(3) The type and nature of the property.
(4) The nature, complexity, level of danger, or urgency of the ongoing activity at the time of the loss.
(5) The adequacy of supervisory measures or guidance for property control.
(6) The feasibility of maintaining close supervision over the property given the complexity of the organization or activity supervised.
(7) The extent supervision could have influenced the situation considering pressing duties or the lack of qualified assistants.

d. Proximate cause. Proximate cause is the cause, which, in a natural and continuous sequence, unbroken by a new cause, produces loss, damage, or destruction, and without which, the loss, damage, or destruction would not have occurred (see AR 735–5).

e. Simple negligence. Simple negligence is the failure to act as a reasonably prudent person would have acted under similar circumstances (see AR 735–5).

f. Gross negligence. Gross negligence is the extreme departure from the course of action expected of a reasonably prudent person, accompanied by a reckless, deliberate, or wanton disregard for the foreseeable consequences of the act (see AR 735–5).

g. Willful misconduct. Willful misconduct is any intentionally wrongful or unlawful act or omission relating to Government property, to include misappropriation of Government property.

6–2. Purpose of DD Form 200
The task of a financial liability officer, in conducting a DD Form 200, is to determine whether someone’s negligence or willful misconduct was the proximate cause of the loss. If an individual was negligent, and that negligence was the cause of the loss, it is appropriate to recommend assessment of financial liability against that individual. An act of simple negligence on the part of the responsible individual is sufficient grounds for the approval authority to approve charges of financial liability.

6–3. Losses involving Government/Army owned and leased Family housing and furnishings
When the loss, damage, or destruction involves Government Army owned and leased Family housing (and Government furnishings and equipment therein), it is necessary for the financial liability officer to determine if the loss resulted from gross or simple negligence, or whether willful misconduct was involved. When negligence (gross or simple) or willful misconduct was the cause of the loss (on the part of the individual, family member, guest, or pet occupying the Army owned and leased Family housing unit), the findings should specifically state the cause of the loss, as appropriate.

6–4. Staying free of bias and prejudice
A financial liability officer must conduct investigations free from bias and prejudice. Investigators should not start with preconceived ideas as to cause or blame for any loss.

Chapter 7
Appointment of Financial Liability Officer

7–1. Introduction
A financial liability officer is appointed to investigate the loss, damage, or destruction of Government property and the circumstances involved. The approving authority (the individual who will take final action on the DD Form 200) makes a final decision based on the investigation findings and recommendations. The decision might relieve all concerned of responsibility and accountability for the loss or assess financial liability against an individual or individuals. A great deal of responsibility is placed on the financial liability officer to conduct a fair, impartial, and thorough investigation. The Army has billions of dollars invested in supplies and equipment. When any of these supplies and/or equipment is lost, damaged, or destroyed, it is essential to determine the cause of the loss, so corrective action can preclude further losses. When losses are the result of negligence or willful misconduct by an individual or individuals, it is proper to assess financial liability for the cost of the loss.

7–2. Policy
The policy for conducting financial liability investigations of property loss is contained in AR 735–5. The procedures contained in this pamphlet are derived from the policy contained in AR 735–5 and Department of Defense Financial Management Regulation (FMR) 7000.14–R, Volume 12, Chapter 7.

7–3. Appointment
a. A financial liability officer is appointed by either the approving authority or appointing authority using a
memorandum (see fig 5–20). The decision of whether a financial liability officer is necessary is indicated by the approving authority (or appointing authority as appropriate), completing block 13c of DD Form 200 and entering their signature and the date. The following individuals may be appointed as financial liability officers:

1. Army commissioned or warrant officers.
2. Army noncommissioned officers in the military grade of sergeant first class (SFC) or above.
3. Civilian employees in the grade of GS–7 or above; or wage leader and wage supervisory employees.
4. In joint service activities, any assigned DOD commissioned or warrant officer, or noncommissioned officer in the pay grade of E–7, or above.
5. Foreign national employees, GS–7 equivalent or above, for DD Forms 200 originating within civilian support centers.

b. The DD Form 200 is enclosed under a checklist and tracking document, which is presented to the financial liability investigating officer by the approving authority, or appointing authority. Block 15 of DA Form 7531 is completed by the financial liability officer prior to returning the investigation to the appointing authority or approving authority.

7–4. Seniority of financial liability officers
Generally, a financial liability officer is senior to any individual subject to the potential assessment of financial liability. The financial liability officer will report to the approving authority, any instances in the course of an investigation that would require the examination of the conduct or performance of duty of senior personnel. The approving authority will exercise the option of replacing the junior financial liability officer with an individual of a senior grade, or directing the junior financial liability officer to continue the investigation. If the investigation continues with the junior officer, the approving authority documents the military exigency (urgency) that prevented the appointment of another financial liability officer and ensures its attachment to the DD Form 200 as an exhibit. Mark the exhibit as shown in paragraph 5–4b(6).

7–5. Time constraints
It is important for a financial liability officer to start the investigation of property loss immediately, while the facts and circumstances are still fresh in everyone’s mind. In most cases, 30 calendar days are allotted to conduct an investigation and document the findings and recommendations. For an USAR/ARNG financial liability officer, 85 calendar days are generally allowed for an investigation. If unable to complete the investigation in the time allotted, the financial liability officer will explain, in writing, the reason for the delay and will attach the explanation to the DD Form 200, as an exhibit. The exhibit is marked as shown in paragraph 5–4b(6).

7–6. Number of copies
The DD Form 200 provided by the approving authority or the appointing authority will look similar to the sample in figures 5–15 and 5–16. The DD Form 200 packet and attached exhibits will include the original with copies (number of copies as prescribed by the local command). Figure 5–8 shows an example of a DD Form 200 continuation sheet, block 9.

7–7. Relief of financial liability officer
To relieve a financial liability officer, the approving authority checks “Disapprove box” (block 14a on DD Form 200), enters the date, and initials block 14a. The approving authority documents the rationale for relieving the financial liability officer on a memorandum for record, and attaches it to the DD Form 200 as an exhibit. Appointment of a subsequent financial liability officer is made using a memorandum (see fig 5–20), a copy of which is attached to the DD Form 200 as an exhibit.

Chapter 8
Investigation
8–1. Conduct of the DD Form 200
The purpose of the DD Form 200 is to determine responsibility by discovering the relevant facts contributing to the loss through investigation. The financial liability officer performs the investigation as thoroughly as needed to ensure the facts are fully developed, the interests of the Government are fully served, and the rights of the involved individual(s) are fully protected. Chapter 8 provides examples of the different types of losses and the specific factors a financial liability officer should consider when developing findings and recommendations.

a. A financial liability officer will use the statement in block 9 of DD Form 200 and the attached exhibits to begin the investigation.

b. If the loss is damaged property, a financial liability officer will first physically examine the property. After physically examining the damaged property, and determining that it is no longer needed for the investigation, the
financial liability officer will prepare a release statement to release the property for repair or turn-in as appropriate. If an expert opinion is needed to determine the cause of the damage or the cost to repair it, the financial liability officer will submit the damaged property to the supporting maintenance activity for a technical inspection. Requests for technical inspection and ECOD are submitted on a manual DA Form 2407 (Maintenance Request) or an automated DA Form 5990–E (Maintenance Request), in accordance with DA Pam 750–8. If photographs are determined to be helpful later in the investigation, the financial liability officer will obtain the photographs before releasing the property for repair or turn-in.

c. The financial liability officer determines who to interview and obtains their statements. It is important to obtain statements from all individuals whose testimony may assist in determining the cause of the loss or those individuals who had responsibility for the loss. Before contacting the individuals, the financial liability officer determines what information should be obtained from the individuals. During the interviews, other questions may arise that will require additional interviews with persons already interviewed, or with other persons not originally considered. If this is the case, the financial liability officer will follow-up on these interviews, as needed. The financial liability officer should consider interviewing:

(1) The accountable officer.
(2) The primary hand receipt holder and sub-hand receipt holder.
(3) The user(s) of the property and their commanders and supervisors.
(4) Any witnesses.
(5) Any others identified through the investigation.

d. The financial liability officer documents individual’s interviews, by using DA Form 2823. Individual’s interview statements must be typed or legibly printed in ink, and signed and dated by the individual making the statement. In the event a DA Form 2823 is not available, plain bond paper or ruled paper may be used. The word “CERTIFICATE” should be typed or printed legibly across the top, followed by the individual’s statement and his or her signature and the date entered at the end of the statement.

(1) When obtaining statements from persons who have some form of responsibility for the property listed on the DD Form 200, the financial liability officer should consider whether the individual’s statement is self-serving. Individuals who had responsibility for the property being accounted for on a DD Form 200 probably will not incriminate themselves. The financial liability officer must confirm whether such statements are factual through the use of other independent statements and evidence.

(2) There may also be conflict in the statements provided by different persons. The financial liability officer will resolve the conflicts and determine the true facts by comparing the conflicting versions with other known facts and circumstances.

e. Interviews may uncover other evidence that will assist in developing findings and recommendations. Other evidence deemed necessary in the conduct of the investigation may include copies of hand receipts, standard operating procedures, police reports, accident reports, copies of orders, other investigations, estimated cost of damages, photographs, and more. The evidence is marked, as shown in paragraph 5–4, and attached to the DD Form 200, as exhibits. When evidence such as, an AR 15–6 investigation is classified or sensitive, the financial liability officer will make reference to the investigation in DA Form 7531, block 15, by indicating its location and the identification of the report.

f. The evidence discussed above is attached to the DD Form 200 as exhibits. Exhibits are identified alphabetically at the bottom of each exhibit per paragraph 5–4. Following the alpha designation, the financial liability officer will enter the date of the DD Form 200, the dollar amount of the loss, and the organization or property account to which the property belonged. The following is an example: Exhibit S, 1 Oct 2016, $736.43, A Co, 4/35th Infantry Battalion.

g. If during the conduct of the investigation, the property is recovered, the financial liability officer will ensure accountability is reestablished using the guidance in AR 735–5.

8–2. Personal rights
The financial liability officer must consult with the servicing Office of the Staff Judge Advocate prior to questioning any individual (witness or respondent) believed to have rights under the UCMJ, Article 31b.

Chapter 9
Financial Liability

9–1. Financial liability
What standards does the financial liability officer use to determine whether negligence or misconduct was involved? To recommend financial liability, the financial liability officer will believe that the evidence supports the decision. The financial liability officer can recommend the assessment of financial liability against a person for the loss of, or damage to, Government property only if their negligence or willful misconduct was the proximate cause of the loss or
damage. To make such a determination, the financial liability officer will understand what is meant by the terms “negligence” and “willful misconduct.”

a. Negligence. The failure to act as a reasonable and prudent person would have acted under similar circumstances. An act or omission that a reasonable and prudent person would not have committed or omitted under similar circumstances and which is the proximate cause of the loss of, damage to, or destruction of Government property. Failure to comply with existing laws, regulations, or procedures may be considered as evidence of negligence. When the person did not exercise the care required by the circumstances, he or she was negligent. In each of the following cases, a reasonable and prudent person with a normal intelligence quotient could foresee that a problem could result from his or her action.

1. The Soldier drove the vehicle at a speed excessive for road and weather conditions. When he or she attempted to stop the vehicle, the vehicle slid off the road into a ditch, causing damage to the right front axle.
2. A Soldier leaned his or her weapon against the open ramp of an armored personnel carrier. Someone closed the ramp, and the weapon was damaged.
3. A driver who was carrying a large air compressor in the back of the truck failed to check the lashings securing the compressor before leaving. As the vehicle rounded a curve, the compressor slid off the truck and was damaged.
4. A driver backed a vehicle without a ground guide, and struck a post, causing damage to the left rear bumper of the vehicle.
5. The incoming commander did not have time to conduct a joint inventory with the outgoing commander before accepting command, and did not ensure that unit property was sub-hand receipted during his or her tenure as commander. Upon his or her departure from command, the joint inventory with the incoming commander revealed several shortages of unit property.

b. Willful misconduct. Willful misconduct is an intentionally wrongful or unlawful act or omission. It is either a willful act contrary to, or a willful failure to do something required by law or regulation. Misappropriation and theft are examples of willful misconduct.

1. The misappropriation that concerns you is the use of Government property for unauthorized personal use. An example is the use of a military vehicle by a Soldier or civilian employee to transport him or her to and from their home for lunch. Another example is a Soldier’s use of organizational clothing and individual equipment for weekend camping with resulting loss or damage.
2. The theft that concerns you is the taking of Government property without permission, and for a person to use or dispose of it as though it were his or her own.

b. Examples of negligence. What is the difference between negligence and willful misconduct? To find negligence you do not have to find evidence of intent. However, for willful misconduct, the financial liability officer will find evidence of intent—that is, it must be a deliberate act.

9–2. Proximate cause

a. Proximate cause. Proximate cause is defined as the cause that, in a natural and continuous sequence, unbroken by a new cause, produces the loss or damage, and without which the loss or damage would not have occurred. Simply stated, proximate cause is the immediate or direct cause of the loss.

b. The effect of proximate cause on individual liability. A determination that a person is negligent or has committed an act of willful misconduct is not alone sufficient cause to hold him or her financially liable. The evidence must also indicate the willful misconduct or negligent act was the proximate cause of the loss, damage, or destruction of the Government property.

c. Examples of proximate cause. Perhaps it would be better to explain the term by giving a few examples.

1. The driver of a military vehicle was driving at a speed of 65 miles per hour (mph), 20 mph above the posted speed limit. When reaching the top of the hill, the driver became aware of another vehicle to his or her immediate front. The driver was unable to slow down in time to prevent hitting the other vehicle. In this case, the proximate cause for the accident was clearly the driver’s excessive speed. The accident would not have happened if he or she had not been driving too fast. Suppose the other vehicle was coming the wrong way on a one-way road. Both drivers could be charged with financial liability, as they both contributed to the accident. A financial liability officer could reason that there was concurrent negligence. Concurrent negligence arises when an accident is caused by the concurrent wrongful acts of two or more persons acting independently.

2. In another case, the driver of vehicle “A” drove at the posted speed limit. The driver of vehicle “B” came out of a side street from which he or she did not have the right of way, and hit vehicle “A.” In this case the proximate cause was the negligent act of the driver of vehicle “B.”

d. Judgment as a factor. Common sense and good judgment should always be used in determining the proximate cause. Although the speed limit in a particular place may be 30 mph, a person cannot always drive at that speed. At times the street may be so crowded, or so icy that even 20 mph is a reckless and excessive rate of speed.

e. Recognition of proximate cause. Sometimes, the financial liability officer has to look long and hard at the facts. At times, what appears to be the proximate cause may not be the case.

1. For example, SGT John Doe was on permanent duty as sergeant of the guard. Due to the shortage of
experienced drivers, the guard vehicle was assigned directly to SGT John Doe, with instructions that only he would drive the vehicle. However, SGT John Doe took it upon himself to allow SPC Tom Doe to drive the Soldiers to and from their guard posts. SPC Tom Doe was involved in an accident. The investigation revealed that SPC Tom Doe operated the vehicle in a safe and careful manner. However, icy road conditions and snow-filled ruts caused the vehicle to turn over. The survey officer recommended that SGT John Doe be held financially liable because of SGT John Doe’s decision to allow SPC Tom Doe to drive the vehicle, even though he had been instructed to drive the vehicle himself. The survey officer stated in his findings that there was no negligence on the part of the driver, SPC Tom Doe, and since he was an experienced, licensed driver, it must be assumed that, under the same given set of circumstances, the accident would have occurred no matter who was driving. Therefore, the proximate cause for the accident was not SGT John Doe’s negligence in permitting an unauthorized driver to drive the vehicle, but the existing road conditions. SGT John Doe’s wrongful action in permitting SPC Tom Doe to drive the Soldiers to and from their guard posts might have left him open to adverse administrative action. However, the DD Form 200 is not the proper instrument to use in this case. SGT John Doe’s commander could give him an oral reprimand, a formal letter of reprimand, or a notation on his noncommissioned officer evaluation report. He could also discipline him through an Art 15 or a court-martial under the UCMJ.

(2) In another case, Private First Class (PFC) John Doe, the driver of a military sedan, drove at a speed higher than the posted speed limit. He hit the vehicle in front of him, causing damage to the front of his vehicle. Private (PVT) Susie Doe, the driver of the tow truck was called to haul the damaged military sedan from the scene of the accident. PVT Susie Doe improperly hooked the towing equipment to the military sedan causing damage to the rear bumper. In this case, PFC John Doe was held financially liable for the damage to the front of the military sedan. However, he was not held financially liable for the damage to the rear bumper because his negligence (speeding) was not the proximate cause for the damage to the rear. PVT Susie Doe’s negligent action (the improper hook up of towing equipment) was an “intervening cause.” An intervening cause is a new and independent force that breaks the causal connection between the original wrongdoing and the injury. It becomes the direct and immediate cause itself. PVT Susie Doe’s act of improperly hooking the towing equipment broke into the ordinary course of events. PVT Susie Doe’s negligence was sufficient itself to cause the damage to the rear of the military sedan. The original speeding had nothing directly to do with that damage. As a general rule, if the result of the negligence was not one, which might have been reasonably foreseen, then the negligence was not the proximate cause for the loss. In the above example, it was reasonably foreseeable that speeding could cause an accident. It was not reasonably foreseeable that a tow truck would further damage the vehicle if an accident did occur. In this case, you should recommend holding PFC John Doe financially liable for the damage to the front of the military sedan, and PVT Susie Doe financially liable for the damage to the rear bumper. Each driver could have reasonably foreseen the possible damage to the vehicle as the result of their actions.

9–3. Recommendation for assessment of financial liability
When does the financial liability officer recommend a person for assessment of financial liability? Financial liability is the indebtedness of an individual to the U.S. Government for property that was lost, damaged, or destroyed as a result of his or her negligence or willful misconduct. The liability results when the individual’s negligence or willful misconduct (including willful misappropriation) is the proximate cause of the loss, damage, or destruction of Government property.

a. The financial liability officer can recommend an individual be held financially liable for the loss, damage, or destruction of Government property if they had personal or non-personal responsibility for the property, and their negligence or willful misconduct caused the loss, damage, or destruction of the property.

b. The financial liability officer can recommend an individual be held financially liable for a loss, even though the property was not in his or her personal possession or under their supervisory control. As an example, a Soldier carelessly backing a forklift within a warehouse hits a pallet of fragile supplies, such as cases of fluorescent light bulbs, breaking them all. The Soldier had neither possession nor supervisory responsibility for the light bulbs. However, the proximate cause of the breakage was the Soldier’s negligence.

Chapter 10 Cost of the loss
10–1. Value of the lost, damaged or destroyed property
As a part of the DD Form 200, it is necessary for the financial liability officer to determine the cost of the loss to the Government. When recommending assessment of financial liability, the financial liability officer will determine the amount that should be charged. The basic premise is that the charge should represent the actual cost of the loss to the Government. Actual loss to the Government is the difference between the value of the property immediately before its loss, damaged, or destruction, and its value immediately after. There are four methods available for determining the actual cost of the loss to the Government. They should be considered in the following sequence.

a. When property is damaged and is repairable, use the cost to return the property to the condition it was in...
immediately before the incident causing the damage. Based on the actual cost of the repairs, the charge may
be obtained by submitting a request for technical inspection to the supporting maintenance activity, as discussed in
appendix B of this pamphlet. If the actual cost is not initially available, use the estimated cost of repairs. When the
actual cost of repairs becomes available, attach it to the DD Form 200 as an exhibit and amend blocks 15b through 15d
of DD Form 200 to reflect the actual cost of repairs. If the actual cost of repairs is received after the investigation is
completed, and the DD Form 200 has been returned to the approval authority or the appointing authority as
appropriate, the financial liability officer will forward the actual repair costs to the approval authority. For additional
information, see AR 735–5.

b. If the item cannot be repaired because it is too badly damaged or was lost, the financial liability officer
should have a technical inspector determine the fair market value of the item. A qualified technician determines the condition
of the item at the time of the loss or damage, and the fair market value. The financial liability officer then reviews the
commercial market to determine the price for similar items, in similar condition, sold during the previous 6 months.
For damaged property, include the salvage credit (app B) in the computation. The fair market value is the preferred
method of fixing the value of property at the time of the loss, but is not always practical because much of the Army’s
inventory is not available in the commercial market.

c. When the item is not repairable and a technical inspection is impossible—or the item is lost—the financial liability
officer will subtract the appropriate depreciation allowance from the current price as listed in the Army Master Data
File (AMDF) (contained in FEDLOG), or the current acquisition price. As an example, a lost piece of electronic
equipment that was in use for 4 years is depreciated 5 percent per year for 4 years, for a total of 20 percent. If the
value of the electronic equipment listed on the AMDF in effect at the time of the loss was $1000, the amount of the
loss would be $800 ($1000 less 20 percent is $800).

d. The following depreciation allowances are used when determining the value of lost and destroyed property:

(1) OCIE items and non-powered hand-tools, depreciate by 10 percent for each such item, or 10 percent of the grand
    total, if all items are OCIE or non-powered hand-tools.

(2) Items made of a relatively perishable material such as leather, canvas, plastic, or rubber (excluding OCIE);
    depreciate by 25 percent for each such item, or by 25 percent of the grand total, if all items are made of a relatively
    perishable material.

(3) Electronic equipment and office furniture use 5 percent depreciation per year of service, up to 50 percent.

(4) Tactical and general purpose vehicles use 5 percent depreciation per year of service, up to 90 percent. Total
depreciation will not exceed 90 percent.

(5) Army owned and leased Family housing furnishings are depreciated according to AR 420–1. Unaccompanied
    personnel housing furnishings are depreciated according to appendix B.

(6) For property not listed above, use 5 percent depreciation per year of service, up to 75 percent. If the years of
    service cannot be determined, use a standard 25 percent depreciation.

(7) The depreciation rates stated above are based on normal use. When the findings reveal the item was subjected to
    more or less than normal use, it is permissible to increase or decrease the rate of depreciation allowances accordingly.
    A guide to determine a fair rate of depreciation is included in AR 27–20.

e. When it is not possible or equitable to use the fair market value or depreciation allowance to determine the cost of
    the loss, the value of the loss or damage may be computed by subtracting the standard rebuild cost plus any salvage
    value from the current price of the item as listed in the AMDF. This method may be used only when—

(1) A standard rebuild cost has been published.

(2) The item was not new or recently overhauled.

(3) The item was in service long enough to warrant overhaul.

10–2. Salvage credit

The value of salvage credit for items that must be scrapped is computed by adding the value of the scrap recovered,
plus the depreciated value of serviceable repair parts, components, assemblies, or end items salvaged or cannibalized. A
maintenance technician will compute the salvage credit, if any. See AR 750–1 for additional information.

10–3. Fair wear and tear

The value of loss to Government property because of fair wear and tear is exempt from charges of financial liability.
Qualified technical inspectors determine fair wear and tear.

10–4. Limits on the amount of financial liability that can be charged

a. When recommending an individual or individuals to be held financially liable for the loss of Government
    property, the financial liability officer will determine the amount of financial liability the individual or individuals
    should be charged. For DD Forms 200 recommending one individual to be charged with financial liability, use tables
    10–1 and 10–2 to determine the amount. When recommending two or more individuals with collective financial
    liability, the financial liability officer will use table 10–3 to determine the amount of financial liability for each
    individual.
b. Normally, the amount of assessed financial liability is limited to the amount of the loss, or 1 month’s base pay, whichever is less. The following exceptions to this policy are assessed at the full amount of the loss for—

1. Losses of property by the accountable officer.
2. Losses of personal arms and equipment by military personnel.
3. Losses by states and territories of the United States.
4. Losses by contractors and contractor’s employees.
5. Losses by nonappropriated fund activities.
6. Persons losing public funds.
7. Persons who lose, damage, or destroy Government quarters, or furnishings and equipment provided by the Government for use in quarters, when gross negligence or willful misconduct is determined to have caused the loss. When simple negligence is determined, assessment of financial liability is limited to the amount of the loss, or 1 month’s base pay, whichever is less.

c. A Soldier’s base pay is the amount of money collected each month by a Soldier, less all allowances. For individuals in the USAR and ARNG, 1 month’s base pay is the amount a Soldier would receive each month, less all allowances, if he or she were on active duty. For DA Civilian employees, 1 month’s base pay is equivalent to one-twelfth of their annual pay.

10–5. Documenting the value of losses and amount of financial liability

The dollar value of losses and the amounts of recommended charges of financial liability are entered by the financial liability officer, on DD Form 200, in blocks 15b, c, and d, as shown in figure 11–1.

a. Block 15b, dollar amount of loss. The financial liability officer will enter the fair market value, the depreciated value, or the standard rebuild cost as discussed in appendix B. When property is damaged, it is the cost to return the damaged property to its’ original condition at the time of the incident causing the damage.

b. Block 15c, monthly basic pay. When recommending charges of financial liability, the financial liability officer will enter the monthly basic pay of the individual(s) being recommended for assessment of financial liability. If no one is being recommended for assessment of financial liability, enter $0.00.

c. Block 15d, recommended financial liability. The financial liability officer will enter the amount of financial liability being recommended for assessment against an individual or individuals.

### Table 10–1
Method of computing financial charges against a single respondent (dollar amounts shown in this table are for example purposes only)

<table>
<thead>
<tr>
<th>Types of losses</th>
<th>Base pay</th>
<th>Actual loss</th>
<th>Amount charged</th>
<th>Loss to the Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Losses of PA&amp;E: military members, officer and enlisted</td>
<td>$1,400</td>
<td>$150</td>
<td>$150</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>$1,400</td>
<td>$1,600</td>
<td>$1,600</td>
<td>None</td>
</tr>
<tr>
<td>II. Losses of OEP and PA&amp;E losses by civilian personnel.</td>
<td>$1,700</td>
<td>$200</td>
<td>$200</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>$1,700</td>
<td>$15,000</td>
<td>$1,700&lt;sup&gt;3&lt;/sup&gt;</td>
<td>$13,300</td>
</tr>
</tbody>
</table>

Notes:
1. Officer and enlisted members are subject to financial liability for entire amount of PA&E loss.
2. Total liability of OEP will not exceed 1 month’s base pay.
3. See paragraph 10–4 for exceptions.

### Table 10–2
Combined losses

<table>
<thead>
<tr>
<th>Types of PA&amp;E of losses</th>
<th>Base pay</th>
<th>Actual OEP loss</th>
<th>Actual PA&amp;E loss</th>
<th>Actual charge&lt;sup&gt;1,2&lt;/sup&gt;</th>
<th>Loss to the Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Combined PA&amp;E and OEP losses by military members, officer, and enlisted</td>
<td>$1,500</td>
<td>$500</td>
<td>$200</td>
<td>$700</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>$1,500</td>
<td>$900</td>
<td>$700</td>
<td>$1,600</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>$1,500</td>
<td>$5,000</td>
<td>$200</td>
<td>$1,700</td>
<td>$3,500</td>
</tr>
</tbody>
</table>

Notes:
1. See paragraph 10–4 for exceptions.
2. Total liability for OEP is the cost of OEP or 1 month’s base pay, whichever less is, plus the total cost of PA&E.
Table 10–3
Method of computing collective and individual financial liability when more than one person is charged

To determine each person’s liability amount percentage: Add all personnel base pay together for all individuals being charged. Divide individual base pay by the total amount of base for all individuals. Multiply each person’s monthly basic pay percentage times the actual loss=individual financial charge amount

<table>
<thead>
<tr>
<th>Combined monthly basic pay of all persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example: (actual loss=$1,000)</td>
</tr>
</tbody>
</table>

| Person number 1 monthly basic pay=$1,200 |
| Person number 2 monthly basic pay=$2,400 |
| Person number 3 monthly basic pay=$3,600 |

| Total monthly basic pay of all of the above=$7,200 |
| $1,200 (Person Number 1)=.16667 x $1,000=$166.67 |
| $7,200 (Total Basic Pay) |
| $2,400 (Person Number 2)=.33333 x $1,000=$333.33 |
| $7,200 (Total Basic Pay) |
| $3,600 (Person Number 3)=.50000 x $1,000=$500.00 |
| $7,200 (Total Basic Pay) |

| Total financial charge=$1,000.00 |

Chapter 11
Findings and Recommendations

11–1. Developing findings
Findings are the conclusions reached during an investigation of loss, based on the surrounding facts and circumstances. Findings are supported by evidence contained in either block 9 of DD Form 200, or by exhibits attached to the DD Form 200. Findings are not based on personal speculation, suspicion, or opinions not supported by evidence. Findings are the basis for forming a recommendation. It is very important that the financial liability officer express the findings as accurately and completely as possible.

11–2. Entering findings
   a. Findings are entered in block 15 of DD Form 200, as shown in figure 11–1. When entering the findings, describe how the loss occurred, on the basis of the evidence found during the investigation. A financial liability officer will make the findings complete enough to withstand the scrutiny of later reviews by the approval authority, legal advisors, and the appeal authority.
   b. Include the total cost of the loss in block 15b.
      (1) For damaged property, enter the cost to repair the damaged property.
      (2) For lost or destroyed property, use the fair market value or the depreciated value.
   c. When charges of financial liability are recommended, enter the monthly basic pay of the individual being recommended for assessment of financial liability in block 15c. If recommendation is being made to relieve all of accountability and responsibility for the loss, enter $0.00.
      d. Enter the amount of financial liability being recommended in block 15d. If assessment of financial liability is not recommended, enter $0.00. Compute the costs in accordance with chapter 5.
### 15. FINANCIAL LIABILITY OFFICER

<table>
<thead>
<tr>
<th>a. FINDINGS AND RECOMMENDATIONS (Attach additional pages as necessary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU coats and sleeping bags were lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.</td>
</tr>
</tbody>
</table>

SGT Doe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately 10 airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.

On the night of 29 September 2014, SGT Doe released everyone to go to chow at 2200 hours. He was the only one from the detail left on the airfield. After all had left for the chow, SGT Doe went to the back room to use the computer to read and send some e-mails. He did not leave anyone to watch the supplies out on the floor. He did not have eyes on the supplies while in the back room. SGT Doe admits to staying in the room until everyone returned from chow.

At the morning shift detail inventory, it was discovered that 16 ACU coats and one sleeping bag was missing. None of the detail admitted to taking the ACU coats or the sleeping bag. All airfield personnel were interviewed but none admitted to knowing or seeing the theft. It was likely stolen during the time the items were unguarded, between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.

SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.

The ACU coats and sleeping bag were not depreciated as those were new when they went missing.

Recommended that SGT John A. Doe be held liable in the amount of $727.95 and all others be relieved of responsibility for the lost items. SGT Doe's base pay at the time of loss was $2,146.00.

Exhibit A through M attached.

(See continuation sheets attached if you need more space.)

<table>
<thead>
<tr>
<th>b. DOLLAR AMOUNT OF LOSS</th>
<th>727.95</th>
</tr>
</thead>
<tbody>
<tr>
<td>c. MONTHLY BASIC PAY</td>
<td>2,146.00</td>
</tr>
<tr>
<td>d. RECOMMENDED FINANCIAL LIABILITY</td>
<td>727.95</td>
</tr>
<tr>
<td>e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</td>
<td>EUSA-BD-A, A Company, 234th Engineer Battalion, Fort Knox, KY 40121-0000</td>
</tr>
<tr>
<td>f. TYPED NAME (Last, First, Middle Initial)</td>
<td>Doe, Joel B. Lt.</td>
</tr>
<tr>
<td>g. DSN NUMBER</td>
<td>315-723-6745</td>
</tr>
<tr>
<td>h. DATE SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD)</td>
<td>20141030</td>
</tr>
<tr>
<td>i. DATE APPOINTED (YYYYMMDD)</td>
<td>20141001</td>
</tr>
<tr>
<td>j. SIGNATURE</td>
<td>DIGITAL SIGNATURE 123456789</td>
</tr>
<tr>
<td>k. DATE SIGNED</td>
<td>00000000</td>
</tr>
</tbody>
</table>

### 16. INDIVIDUAL CHARGED

<table>
<thead>
<tr>
<th>a. HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (X one)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submit the attached statement of objection.</td>
</tr>
<tr>
<td>Do not intend to make such a statement.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b. HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.</th>
</tr>
</thead>
<tbody>
<tr>
<td>e. TYPED NAME (Last, First, Middle Initial)</td>
</tr>
<tr>
<td>f. SIGNATURE</td>
</tr>
<tr>
<td>g. DATE SIGNED</td>
</tr>
</tbody>
</table>

### 17. ACCOUNTABLE OFFICER

<table>
<thead>
<tr>
<th>a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD</th>
<th>W0212F-4282-1010</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</td>
<td>EUSA-BD-BPH, 1st BCT, 2nd Infantry Division, Fort Knox, KY 40121-0000</td>
</tr>
<tr>
<td>c. TYPED NAME (Last, First, Middle Initial)</td>
<td>Doe, Reginald A.</td>
</tr>
<tr>
<td>d. DSN NUMBER</td>
<td>315-264-9856</td>
</tr>
<tr>
<td>e. SIGNATURE</td>
<td>DIGITAL SIGNATURE 123456789</td>
</tr>
<tr>
<td>f. DATE SIGNED</td>
<td>00000000</td>
</tr>
</tbody>
</table>

DD FORM 200 (BACK), JUL 2009

---

Figure 11–1. Sample DD Form 200 for block 15
11–3. Reference the exhibits supporting the findings
A financial liability officer will show that the findings are supported by evidence, by referring to the exhibits in sequence. The following are examples:

   a. “SFC John Doe had personal responsibility for the missing property based on the hand receipt at exhibit A.”
   b. “Specialist (SPC) Tom Doe was driving the vehicle above the posted speed limit based on the military police report at exhibit B.”
   c. “The supply room was left unattended and unsecured on the evening of 1 Oct 14, based on the charge of quarter’s log at exhibit C.”

11–4. Self-serving statements
When the findings rely on a self-serving statement in block 9 of DD Form 200, or in one of the exhibits, the financial liability officer will explain how that person’s statement is confirmed by other evidence in the DD Form 200.

11–5. Conflicting statements or evidence
When the findings rely on evidence which conflicts with other evidence, the financial liability officer will explain how the conflict was resolved.

11–6. Recommendations
After recording the findings, the financial liability officer develops logical recommendations and based on the findings as well as the guidance in this pamphlet and AR 735–5. See chapter 8 for examples of the various types of losses and the considerations that should be made in determining whether assessment of financial liability is appropriate. Recommendations are entered in block 15 after the findings.

   a. When findings reveal no negligence or willful misconduct on the part of anyone, the financial liability officer will make a recommendation to relieve all persons concerned of responsibility. As an example, the recommendation may read: “Recommend all persons be relieved of responsibility and accountability for the lost property.”

   b. When the findings reveal there was negligence or willful misconduct on the part of one or more individuals, the financial liability officer will determine if the negligence was the proximate cause for the loss. In other words, without the negligent act or acts, would the loss have occurred?

      (1) When the negligent act or willful misconduct is not the proximate cause of the loss, involved individuals should be relieved of responsibility for the loss. An example of a recommendation that may be used is: “Recommend all persons be relieved of responsibility and accountability for the lost property.” This does not preclude the commander from taking other administrative or disciplinary actions against the Individual(s) committing the negligent act(s) or willful misconduct.

      (2) When the negligent act(s) or willful misconduct is the proximate cause of the loss, the person responsible for the negligent act(s) or of willful misconduct should be recommended for assessment of financial liability for the cost of the loss. An example of the recommendation may read: “Recommend (individual’s name, grade, and social security number) be held financially liable in the amount of (dollar-amount)).” Compute the amount of financial liability as shown in chapter 5. When recommending charges of financial liability against an individual, the financial liability officer will include the individual’s monthly base pay at the time of the loss in block 15c. The financial liability officer will also include the expected date of the person responsible for the negligent act(s) termination of service or employment in block 15.

      (3) When more than one person’s negligent act or willful misconduct is the proximate cause for the loss, those persons should be recommended for assessment of collective financial liability. The term “collective financial liability” is used when more than one individual is found financially liable for a loss. An example of the recommendation may read: “Recommend (individual’s name, grade and social security number) and (identify others being recommended as shown in the previous parenthesis) be held collectively financially liable in the amount of (dollar amount) respectively.” Compute the amounts of collective financial liability as shown in chapter 5. The financial liability officer will include the individuals’ monthly base pay at the time of the loss and the expected dates of the person responsible for the negligent act(s) termination of service or employment.

   c. The financial liability officer’s recommendations should also include a recommended disposition of the accounting requirements for the lost property. A recommendation to relieve all concerned of accountability for the lost item(s), or a recommendation that accountability continue and damaged property be repaired and returned to service is appropriate, depending on the circumstances.

11–7. Findings and recommendations
The financial liability officer’s findings and recommendations are administrative and not judicial; therefore, findings
and recommendations are purely advisory and do not constitute a final determination or legal judgment. The recommendations are not binding upon the appointing authority or the approving authority. However, if the financial liability officer has conducted the investigation without prejudice or bias, has documented findings clearly and identified the supporting documentation, and has made recommendations that are reasonable and just, based upon the findings, those recommendations are more likely to be accepted by the appointing authority and approving authority.

Chapter 12
Actions After Making Recommendations

Section I
Sections need to start here

12–1. Signing the findings and recommendations
Once the findings and recommendations have been entered in block 15a of DD Form 200, the financial liability officer will attach all exhibits, and complete blocks 15e through 15k. The financial liability officer will ensure blocks 15b, c, and d are completed as stated in paragraph 5–5.

12–2. Actions when financial liability is not recommended
If assessment of financial liability is not recommended, the financial liability officer will forward the original and copies (number prescribed by the local command), of the completed DD Form 200, with all exhibits, to the approving authority or the appointing authority, as appropriate. The financial liability officer will retain a copy with all exhibits for reference purposes.

12–3. Actions when financial liability is recommended
a. When making a recommendation to hold an individual or individuals financially liable, the financial liability officer will make the individual(s) being recommended for the assessment of financial liability aware of the recommendations, and inform them of their rights. Individuals recommended for charges of financial liability (respondents) have the right to—
   (1) Inspect and copy Army records relating to the debt.
   (2) Legal advice as authorized by AR 27–3.
   (3) Respondent will submit a statement and other evidence in rebuttal of the findings and recommendations.

b. The financial liability officer will inform the respondent of the recommendations and of their rights using a notification memorandum prepared in accordance with the example shown in figure 12–1. The endorsement should be included, for the respondent to use for acknowledging receipt of notification and returning DD Form 200 with blocks 16a through 16g completed (see fig 12–2). A complete copy of the DD Form 200, showing findings and recommendations, should be attached to the memorandum as an enclosure. Copies of all the exhibits should be attached to the DD Form 200. When presenting the memorandum to the respondent, the financial liability officer should—
   (1) Explain the consequences of the recommendation, if the recommendation is approved by the approval authority.
   (2) Explain the significance of any statement made by the respondent regarding possible financial liability.
   (3) Consider, and attach as an exhibit to the DD Form 200, any statement the respondent desires to submit.
   (4) When the DD Form 200 involves Government quarters, and Government furnishings and equipment therein, explain to the respondent whether gross negligence was established. If gross negligence was established, explain the consequence of the gross negligence, that is, the full amount of the loss is assessed against the individual.
   (5) Ensure the respondent completes blocks 16a through 16g of DD Form 200 acknowledging their understanding of their rights, as shown in figure 5–19. A copy may be made of the DD Form 200 (reverse side) by the financial liability officer or the respondent for this purpose.
MEMORANDUM THRU (Respondent’s Commander or Supervisor)

MEMORANDUM FOR (Respondent’s Name, Rank, and Address)

SUBJECT: Financial Liability Investigation of Property Loss (Number) ($Amount)

1. You are hereby notified that you are being recommended for charges of financial liability to the United States Government, in the amount of ($amount) for the (loss, damage, or destruction) of Government property investigated under subject investigation of property loss (Encl). If the approval authority approves my recommendation, you may be held financially liable.

2. Your attention is invited to AR 735-5, paragraph 13-34b, which lists your rights relative to this matter. You have the right to:
   a. Inspect and copy Army records relating to the debt.
   b. Legal advice.
   c. Submit a statement and other evidence to the approving authority in rebuttal of my recommendation. The approval authority will consider any rebuttal statement you submit in making their determination of financial liability.

3. Time constraints for submission of a rebuttal are contained in AR 735-5, paragraph 13-35b.

4. You are requested to complete blocks 16a through 16h of the enclosed DD Form 200 and to sign the endorsement below. Request these be returned to me no later than (enter the date). In the event I am not in receipt of these documents on (enter date), I will forward the financial liability investigation of property loss to the approving authority as is.

   JOHN D DOE
   CPT, FA
   Approving Authority

Figure 12–1. Sample financial liability officer’s notification to the respondent informing respondent of his or her intention to recommend a charge of financial liability along with respondent’s acknowledgment
ABDC-AUT

SUBJECT: Financial Liability Investigation of Property Loss (Number), ($Amount)

THRU Commander, HHC 3rd BCT, Fort Stewart, GA 31324-0000

FOR John D. Doe, CPT, HHC 3rd BCT, Fort Stewart, GA 31324-0000

I hereby acknowledge receipt of notice recommending me for charge of financial liability contained in the basic correspondence above. The DD Form 200 with blocks 16a through 16h completed is returned, as requested.

Encl

THOMAS D. DOE
SFC, FA

Figure 12-1. Sample financial liability officer’s notification to the respondent informing respondent of his or her intention to recommend a charge of financial liability along with respondent’s acknowledgment—Continued
### 15. FINANCIAL LIABILITY OFFICER

**a. FINDINGS AND RECOMMENDATIONS (Attach additional pages as necessary)**

I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU costs and sleeping bag were lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.

SGT Doe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately 10 airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.

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At the morning shift detail inventory, it was discovered that 16 ACU coats and one sleeping bag was missing. None of the detail admitted to taking the ACU coats or the sleeping bag. All airfield personnel were interviewed but none admitted to knowing or seeing the theft. It was likely stolen during the time the items were unguarded, between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.

SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.

The ACU coats and sleeping bag were not depreciated as those were new when they went missing.

Recommended that SGT John A. Doe be held liable in the amount of $727.95 and all others be relieved of responsibility for the lost items. SGT Doe's base pay at the time of loss was $2,146.00.

Exhibit A through M attached.

(See continuation sheets attached if you need more space.)

<table>
<thead>
<tr>
<th>b. DOLLAR AMOUNT OF LOSS</th>
<th>c. MONTHLY BASIC PAY</th>
<th>d. RECOMMENDED FINANCIAL LIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>727.95</td>
<td>2,146.00</td>
<td>727.95</td>
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</table>

<table>
<thead>
<tr>
<th>e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
<th>f. TYPED NAME (Last, First, Middle Initial)</th>
<th>g. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A</td>
<td>Doe, Joel B.</td>
<td>315-723-6745</td>
</tr>
<tr>
<td>A Company, 2nd Engineer Battalion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>h. DATE SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD)</th>
<th>i. DATE APPOINTED (YYYYMMDD)</th>
<th>j. SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>20141030</td>
<td>20141010</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>k. DATE SIGNED</th>
<th>l. DIGITAL SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>00000000</td>
<td>123456789</td>
</tr>
</tbody>
</table>

### 16. INDIVIDUAL CHARGED

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (X one)

| b. HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY. |
|--------------------------------------------------------------------------------------------------|---|
| Do not intend to make such a statement.                                                          | ✓ |

### 17. ACCOUNTABLE OFFICER

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

<table>
<thead>
<tr>
<th>b. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
<th>c. TYPED NAME (Last, First, Middle Initial)</th>
<th>d. DSN NUMBER</th>
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</thead>
<tbody>
<tr>
<td>EUSA-BD-PBO</td>
<td>Doe, Reximil A.</td>
<td>315-264-9856</td>
</tr>
<tr>
<td>1st BCT, 2nd Infantry Division</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Knox, KY 40121-0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>e. SIGNATURE</th>
<th>f. DIGITAL SIGNATURE</th>
<th>g. DATE SIGNED</th>
</tr>
</thead>
</table>
|              | 123456789             | 00000000      

### DD FORM 200 (BACK), JUL 2009

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c. In the notification memorandum, the financial liability officer will inform the individual when their rebuttal statement or other evidence must be received in order for it to be considered in the determination of whether or not financial liability is assessed. A copy of the memorandum explaining the individual’s rights is attached to the DD Form 200 as an exhibit. If more than one individual is recommended for assessment of financial liability, the financial liability officer will annotate each individual on the DD Form 200 for individual being recommended containing the data normally placed in blocks 16a through g, and attaches them to the DD Form 200.

(1) Normally, when individuals being recommended for assessment of financial liability are at the same installation as the financial liability officer, the notification memorandum with enclosed DD Form 200 is hand delivered to the individual. Seven calendar days from the date of receipt are allowed for the individual to submit a rebuttal statement or other evidence.

(2) Individuals unavailable, but within the same country as the financial liability officer, are normally allowed 15 calendar days from the date the notification memorandum was mailed to submit their rebuttal statement or other evidence.

(3) For those individuals unavailable and in a different country than the financial liability officer, 30 calendar days from the date the notification memorandum was mailed are normally allowed for individuals to submit their rebuttal statement or other evidence.

d. Notification of unavailable individuals is made using certified mail, return receipt requested. Copies of the notification memorandum, together with the evidence of the mailing and return receipt, is attached to the DD Form 200 as exhibits. The financial liability officer will mark the exhibits as shown in paragraph 5–4.

e. Upon receipt of a rebuttal statement or other evidence within the allowed time, the financial liability officer will consider the DD Form 200 with any new evidence or allegations of error presented by the respondent. The financial liability officer will make a recommendation in DD Form 200, block 15a, and attach the rebuttal statement to the DD Form 200 as an exhibit. See paragraph 5–4 for marking exhibits. The financial liability officer will forward the completed DD Form 200 to the approval authority or appointing authority, as appropriate.

f. If there is no rebuttal statement or other evidence from the individual within the allowed time, the financial liability officer will forward the completed DD Form 200 to the approving authority or appointing authority, as appropriate.

g. In the event of receipt of a rebuttal statement or other evidence after the allowed time, the financial liability officer will consider any new evidence presented by the individual. If appropriate, the financial liability officer will amend the recommendations to the approval authority, and forward the amended recommendation through the same channels by which the DD Form 200 was processed.

h. Anytime an individual elects to sign a statement of charges after a DD Form 200 has been initiated, the DD Form 200 may be cancelled and the statement of charges processed.

12–4. Forwarding the completed DD Form 200 for approval
Upon completion of the DD Form 200, the financial liability officer will forward the original with copies (number prescribed by local command) and copies of all attached exhibits to the approving authority or the appointing authority (the person who appointed you as the financial liability officer). The financial liability officer will retain a copy with all exhibits for reference purposes (see fig 12–3 for processing steps from assessment).
Figure 12–3. DD Form 200 processing steps from assessment of financial liability to receipt at finance and accounting office/United States property and fiscal office
Section II
Review of Financial Liability Officer’s Findings and Recommendations by a Designated Appointing Authority

12–5. Appointing authority’s review of DD Form 200
   a. When an appointing authority is designated, brigade and battalion commanders and other appointing officials will personally review all DD Forms 200 arising within their command or authority. The exception involves DD Forms 200 listing properties for which the appointing authority has either personal responsibility (see para 5–13) or accountability. In this instance, the appointing authority will forward the DD Form 200 with all exhibits to the approving authority without action.

   b. The appointing authority will make an administrative check to determine if all pertinent instructions have been followed. The appointing authority, using and completing section F of DA Form 7531 (see fig 5–4 for a sample of DA Form 7531) will further check to ensure the investigation—

   (1) Resolves contradictory statements.
   (2) Confirms or refutes self-serving statements.
   (3) Reflects clearly stated findings from documented evidence.
   (4) Presents sound and logical conclusions and recommendations based on the findings and the policy contained in this regulation.
   (5) Reflects that individuals have received counseling, advisement of their rights, and an opportunity to rebut on their behalf.
   (6) Reflects correct computation of financial charges.
   (7) If late, contains statements of delay attached as exhibits.
   (8) Reflects initials on all changes and minor corrections that support authenticity and clear doubt.
   (9) Reflects an unbiased investigation.

12–6. Appointing authority’s decision
The appointing authority will review the action taken by the financial liability officer, making certain all requirements have been met, and then will—

   a. Return the investigation to the financial liability officer for additional investigation. If further investigation is required or pertinent instructions have not been complied with, the appointing authority will return the investigation to the financial liability officer as an enclosure to a memorandum specifying what additional data and corrections are required.

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

   (1) Check “Approve” in Block 13a.
   (2) Complete blocks 13b and 13d through 13h.
   (3) Forward the DD Form 200 with all exhibits to the approving authority. Approving authorities may require the appointing authority to obtain a legal opinion review from the legal office before forwarding the DD Form 200.

   c. Nonconcur with findings and recommendations. If the appointing authority nonconcurs with the financial liability officer’s recommendations, he or she will process the DD Form 200 by—

   (1) Check “Disapprove” in block 13a.
   (2) Enter a statement in block 13b showing the rationale upon which his or her decision is based.
   (3) Ensure the procedures outlined in paragraph 12–6c(1) are accomplished, if the financial liability officer does not recommend financial liability and the appointing authority recommends financial liability.
   (4) Complete blocks 13d through 13h.
   (5) Forward the DD Form 200 with exhibits to the approving authority.

Section III
Review by Approval Authority

12–7. Approving authority’s action after review of DD Form 200
   a. Adopt the recommendations of the financial liability officer or AR 15–6 investigating officer, and approve them by checking block 14a “Approved” box, DD Form 200, inserting a statement in block 14b to assess financial liability against an individual (fig 5–13). Use a statement similar to the following: “Approved to hold (insert rank, and name) financially liable in the amount entered in block 15d.” Also enter the respondent’s rank, last name, and basic pay at the time of loss or damage and completing blocks 14b through 14h.
b. When the approving authority decides to approve collective and individual liability against two or more individuals, the following additional actions in addition to those actions outlined paragraph a will be followed. Since the data in blocks 16a through 16g allows only one individual to sign, it is necessary to prepare a continuation sheet. Using the continuation sheet, enter a statement similar to the statement described in paragraph a identifying each individual being held financially liable and the amount of financial liability being charged.

c. When the approving authority decides to approve to relieve all concerned from financial liability he or she will enter an "X" in block 14a “Approved” box and make the following statement in block 14b: "All concerned are relieved from financial liability for the loss or damage of the property listed on this DD Form 200." The approving authority will then complete blocks 14d through 14h.

(1) The approving authority can overrule, when appropriate, the recommendations of the appointing authority and the financial liability officer. When this action results in the assessment of financial liability, the individuals not previously recommended for liability should be advised in writing of their rights and afforded an opportunity to exercise their rights.

(2) To grant a waiver relieving all concerned of financial liability, place the following statement in block 14b, "I relieve all concerned of financial liability from the (damage, loss, or destruction) to the property listed in blocks 4 through 6". To hold (name and grade of individual being assessed with financial liability) financially liable in the amount of ($ amount). Also enter the respondent’s rank, last name, and basic pay at the time of loss or damage.

(3) The approving authority will clearly state the mitigating circumstances that justify waiving any or all financial liability in the comments/rationale (block 14b) or on a separate memorandum for record. If a separate memorandum is used, add the statement “See separate Memorandum for rationale of financial liability waiver” in the comments/rationale (block 14b).

(4) When the approving authority decides to relieve all concerned persons from financial liability, the approving authority will retain the original of DD Form 200 on file according to document retention instructions in accordance with AR 25–400–2, and destroy the remaining copies. When the approving authority determines to assess financial liability, the approving authority will retain the original, send a copy to the FAO or USPFO, and provide each respondent with a copy.

(5) For ARNG, all investigations will then be forwarded to the State USPFO who will serve as the final reviewing authority. The final reviewing authority cannot be delegated to other than the USPFO. In cases of personal conflict, general officer, or State liability, the final reviewing authority is the ARNG designated representative, who also acts as the appointing and approving authority.

12–8. Liability limits

a. In all other cases, the amount equal to 1 month’s basic pay at the time of the loss, or the actual amount of the loss to the Government, whichever is less, may be assessed. The approval authority may reduce in whole or in part the amount of the individual’s financial liability when the approval authority determines that the evidence documented in the investigating officer’s findings indicates that the amount is reduced because of the nature and circumstances surrounding the damage or loss. An exception is for military members who lose both PA&E and OEP. In this case, the amount of liability is 1 month’s base pay at the time of loss or the actual OEP amount of loss to the Government, whichever is less, plus the actual amount of the PA&E (see tables 10–1 and 10–2).

(1) For ARNG and USAR personnel, 1 month’s basic pay refers to the amount that would be received by the Soldier if on active duty.

(2) For DOD Civilian employees, financial liability for losses of Government property (including personal arms and equipment) is limited to 1/12th of their annual pay.

(3) When two or more DD Forms 200 are processed that involve the same incident, financial liability is limited to 1 month’s basic pay. (Compute the charge per tables 10–1, 10–2, and 10–3).

b. When two or more entities are held collectively and individually liable for a single loss, their individual financial charge is computed per table 10–3.

c. When a Soldier or DOD Civilian employee is held collectively and individually liable with an individual or entity identified in paragraph 12–7, table 10–3 is not used to compute the amounts of financial liability. The total dollar amount of the loss is divided by the number of respondents. The amount derived from this equation is the maximum amount each respondent is assessed. For Soldiers and DOD Civilian employees, the amount of financial liability assessed is the amount derived from the above equation or 1 month’s base pay or 1/12th the annual salary, whichever is less.

Section IV
Notice to Respondents on Assessment of Financial Liability

12–9. Respondent’s rights

a. Members of the U.S. Army, employees, and members of other Services having a reciprocal agreement with the
U.S. Army may have approved charges of financial liability involuntarily withheld from their Federal pay. For military members and DOD Civilian employees of other Military Services see chapter 14, section V. This also applies to former members of the U.S. Army and Civilian employees who have retired prior to a decision being made on the assessment of financial liability. Payment is taken from the retiree’s retirement pay unless the retiree makes other arrangements for payment that are acceptable to the Army. Withholdings is by salary or administrative offset according to Title 5 United States Code, Section 5514 (5 USC 5514) for civilian employees and 37 USC 1007(e) for military members. Before individuals are held financially liable, they must receive notice and the opportunity to exercise their rights, as listed below. Notification of the respondent is accomplished by the approving authority using a memorandum (see sample at fig 12–4). The memorandum with a copy of the DD Form 200 with all exhibits is hand delivered to the person found financially liable. If the individual is not available locally, the memorandum is forwarded by certified mail, return receipt requested. The memorandum will inform the individual that collection efforts will begin 30 calendar days (ARNG 60 calendar days) from the date delivered or mailed. If respondent exercises his or her rights described below in subparagraphs (3) or (4), collection actions are temporarily halted. The memorandum will provide a means for the respondent to acknowledge receipt. The memorandum (see fig 12–4) will state what rights the respondent has and the time limits for exercising these rights. When a memorandum is returned indicating that the memorandum is not deliverable, the approving authority need not make further attempts to notify the individual of his or her rights. The time utilized in notifying respondents of approved charges of financial liability, and of their rights is not counted towards the 75 days allowed for processing the DD Form 200. Individual rights are to—

(1) Inspect and copy Army records relating to the debt.

(2) Obtain free legal advice from the servicing legal assistance office relating to the assessment of financial liability, as authorized by AR 27–3. Normally this free legal advice is available only to military personnel and DOD Civilian employees.

(3) Request reconsideration of the assessment of financial liability based on legal error. Requests for reconsideration denied by the approval authority are forwarded to the appeal authority by the approval authority per paragraphs 12–10 and 12–11.

(4) Request a hearing concerning the amount of the debt or the terms of any proposed repayment schedule (civilian employees only). A request for a hearing will not be submitted until a request for reconsideration concerning the existence of the debt has been acted on by the appeal authority. A request for a hearing conducted by the FAO/USPFO is submitted to the servicing FAO/USPFO. A respondent who chooses to challenge the existence of the debt will do so by submitting a request for reconsideration to the approving authority.

(5) Request remission or cancellation of the indebtedness under the provisions of AR 600–4.

(6) Request extension of the collection period.

(7) Submit an application, DD Form 149 (Application for Correction of Military Record Under the Provisions of Title 10, U.S. Code, Section 1552), to the Army Board for Correction of Military Records (ABCMR) under the provisions of AR 15–185. Submission of a request for reconsideration, a hearing, or remission or cancellation of indebtedness, stops all collection action, pending a decision on the request made by the appropriate official.

b. The time constraints shown in AR 735–5 apply for the submission of requests for reconsideration and hearings. The time constraints in AR 600–4 apply to remission or cancellation of indebtedness. The time constraints in AR 15–185 apply to the correction of military records.

c. When time limits in paragraph 12–9b expire without action by the respondent, the approving authority will forward the DD Form 200 to the FAO/USPFO for collection under cover of a transmittal document requesting acknowledgement of receipt. The approving authority will make initial follow-up to the FAO/USPFO within 20 calendar days when the FAO/USPFO has not acknowledged receipt. Thereafter the approving authority will continue to follow-up every 10th day until the FAO/USPFO acknowledges receipt of the DD Form 200.

d. DA Civilians will see their human resource service representative for DD Form 2481 for payroll deduction submission. They will attach the DD Form 2481 upon receipt of the processed DD Form 2481.

e. The approving authority will attach a copy of the notification memorandum and FAO/USPFO receipt to the DD Form 200.
MEMORANDUM THRU (Respondent's Commander or Supervisor)

MEMORANDUM FOR (Respondent's Name, Rank, and Address)

SUBJECT: Financial Liability Investigation of Property Loss (Number) ($Amount)

1. You are hereby notified that the approved charge of financial liability has been assessed against you by the United States Government, in the amount of ($amount) for (loss, damage, or destruction) of Government property investigated under subject investigation of property loss.

2. Your attention is invited to AR 735–5, paragraph 13–42 which lists your rights relative to this matter. You have the right to:
   a. Inspect and copy Army records relating to the debt.
   b. Obtain legal advice relating to the assessment of financial liability per AR 27–3.
   c. Request reconsideration of the assessment of financial liability. A request for reconsideration can be submitted only on the basis of legal error.
   d. (Civilian employees only). Request a hearing concerning the amount of the debt or the terms of any proposed repayment schedule. A request for hearing will not be considered until after a request for reconsideration concerning the existence of the debt has been submitted and denied by the appellate authority. A respondent who wishes to challenge the existence of the debt must do so by submitting a request for reconsideration to approving authority.
   e. (Enlisted personnel only). Request remission or cancellation of the indebtedness under the provision of AR 600–4. A request for remission or cancellation of the indebtedness will not be considered until respondent has submitted a request for reconsideration and it has been denied by the approval authority and the appellate authority.
   f. Request extension of the collection period.
   g. Submit an application to the Army Board for Correction of Military Records (ABCMR) under provision of AR 15–185. Submitting such an application is not proper until other avenues of redress have been exhausted.
   h. Enter into a written agreement with FAO or USPFO to repay the debt installments.

3. Submission of a request for reconsideration, a hearing, or remission or cancellation of indebtedness, stops all collection action, pending a decision on the request by the appropriate official. These rights are listed in the order in which they should be exercised:
   a. You have 30 calendar days from the date of this memorandum to
SUBJECT: Financial Liability Investigation of Property Loss (Number), ($Amount)

submit a request for reconsideration. Submit request for reconsideration to (insert organization title and address).

b. (Civilian personnel only). Should your request for reconsideration be denied, you have an additional 30 calendar days from the date of the reconsideration denial to submit a request for hearing. Submit request for hearing to (insert the organization title and address) the servicing FAO.

c. (Enlisted personnel only) have 30 calendar days from the date of the notification of adverse action resulting from a request for reconsideration to submit a request for remission or cancellation of the indebtedness. Submit request for remission or cancellation of indebtedness to (insert organization, title, and address).

d. When the rights in paragraph a through c above have been exercised and you have been notified you are still financially liable and must make reimbursement to the Government, you should immediately contact your should immediately contact your servicing FAO or USPFO to determine how to avoid possible interest and/or penalty charges if payment is not immediately made.

e. Should all these rights be denied, or you fail to exercised one of the rights within the appropriate time frame, your last avenue of redress is to make application to the ABCMR. Application to the ABCMR does not stop collection actions.

4. Should you have any questions concerning the above rights, you may contact my designated representative (insert name, grade, organization, title, and address) or the servicing Staff Judge Advocate office. You are requested to complete blocks 16a through 16h of the enclosed DD Form 200, and to sign the endorsement below. Request these be returned to me no later than (enter the date). In the event I am not in receipt of these documents on (enter date), I will forward the financial liability investigation of properly loss to the approving authority as is.

ENCL
Subject Financial Liability Investigating of Property Loss
JOHN D DOE COL, FA Approving Authority

Figure 12–4. Sample approving authority’s notification to the respondent that financial liability is being assessed—Continued
ABDC-AUT

SUBJECT: Financial Liability Investigation of Property Loss (Number), ($Amount)

THRU Commander, HHC 3rd BCT, Fort Stewart, GA 31324–0000

FOR John D. Doe, COL, HHC 3rd BCT, Fort Stewart, GA 31324–0000

I hereby acknowledge receipt of assessment of financial liability contained in the basic correspondence. I am aware of my rights as listed in the basic correspondence.

Encl

THOMAS D. DOE
SFC, FA

Figure 12–4. Sample approving authority’s notification to the respondent that financial liability is being assessed—Continued
12–10. Respondent’s actions

When an individual has been notified that financial liability has been approved, the individual will, with the advice of legal counsel, thoroughly review the DD Form 200 packet provided, and then decide whether or not to take one of the actions listed below.

a. Request reconsideration of the approving authority’s decision. Submit requests for reconsideration by memorandum through his or her immediate commander to the approving authority. Submit requests for reconsideration only on the basis of legal error. Figure 12–6 shows a sample request for reconsideration.

(1) When the approving authority does not reverse his or her original decision to approve financial liability, the request for reconsideration becomes an appeal, which is forwarded to the appeal authority by the approving authority.

(2) The request for reconsideration will set forth, in detail, any new evidence offered, and provides rationale why financial liability is not appropriate.

(3) A request for reconsideration stops all collection action pending a decision by the approving authority or the appeal authority.

b. Submit a request (see fig 12–7) for a hearing (civilian employees only). Request a hearing concerning the amount of the debt, or the terms of the proposed repayment schedule. Respondents choosing to submit a request for a hearing must first submit a request for reconsideration through the approving authority to the appeal authority. A request for hearing is submitted by memorandum through the respondent’s immediate commander to the servicing FAO or USPFO, where arrangements for a hearing are made. Figure 12–7 shows a sample request for a hearing.

(1) The request for a hearing will set forth in detail any new evidence offered, and explain why the individual believes the amount of the debt is incorrect, or why the individual believes the proposed repayment schedule is changed.
(2) A request for a hearing stops all collection action pending a decision of the individual conducting the hearing.

c. Request remission or cancellation of indebtedness under the provisions of AR 600–4.

(1) Request extension of the collection period. Figure 12–8 shows a sample request for extension.

(2) Submit an application, DD Form 149 to the ABCMR under the provision of AR 15–185.

(3) A request for reconsideration or hearing is processed only if received within the time prescribed by AR 735–5 unless the individual can show good cause for failing to take one of the above actions within the time prescribed.

---

Figure 12–6. Sample request for reconsideration

DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-4
500 ARMY PENTAGON
WASHINGTON, DC 20310-0500

ABDC-SUP Date

MEMORANDUM THRU (Respondent’s Commander or Supervisor)

FOR (Approving Authority, Title, and Address)

SUBJECT: Request for Reconsideration, Financial Liability Investigation of Property Loss (Number), ($Amount)

I hereby request reconsideration of the assessment of financial liability against me for the (loss, damage, or destruction) of Government property investigated under subject investigation of property loss.

Required – a statement of the reason(s) why you believe the approving authority’s assessment of financial liability is erroneous, including a complete description of the facts, evidence, and summary of the testimony of any witness that support your change in proximate cause. Attach copies of any pertinent records you wish to have considered if they differ from those records previously provided to you by the approving authority.

THOMAS D DOE
SFC, FA
MEMORANDUM THRU (Respondent’s Commander or Supervisor)

FOR (Servicing Finance and Accounting Office’s Address or U.S. Property and Fiscal Office’s Title, Address)

SUBJECT: Request for Hearing, Investigation of Property Loss (Number), ($Amount)

I request a hearing for the following reason(s): (Enter one or more of the following reasons for requesting a hearing).

a. To contest the validity of the debt for salary offset purposes.
b. To contest the amount of debt.
c. To contest the terms of the offset schedule proposed.

Encl(s) THOMAS D DOE

Note: If you are requesting a hearing to contest the validity of the amount of debt or the terms of the offset schedule, you must enclose the following with this request: your proposed alternative offset schedule, that is, how much you can repay each month; an affidavit of financial status (obtained from servicing FAO); copies of any records you wish to be considered at the hearing, if they differ from the records previously provided.
12–11. Requests for reconsideration

The approving authority, upon receipt of a request for reconsideration, will review any new evidence offered, and make a decision to either reverse the previous decision assessing financial liability against the individual or recommend the continuation of the assessment of financial liability. A request for reconsideration is reviewed only on the basis of legal error (that is, the request must establish that the facts of the case do not support an assessment of financial liability).

a. Relief. When the approving authority determines, from new evidence, that the individual is relieved from financial liability, the approving authority will—

(1) Notify the individual by memorandum that he or she is relieved from the assessment of financial liability (see fig 12–9 for sample memorandum.) The memorandum is delivered by hand or certified mail with return receipt requested.

(2) Retain the new evidence with the DD Form 200 and file.

b. Continuation of financial liability. When the approving authority determines that the assessment of financial liability is continued, the approving authority will—

(1) Prepare and sign a memorandum addressing paragraphs 12–11b(1)(a) through 12–11b(1)(c) to the appeal authority. The approving authority is not authorized to allow other persons to sign for him or her (see fig 12–10 for sample memorandum). The approving authority may use an electronic/digital signature when the memorandum is electronically produced.

(a) The memorandum will give the basis for denying the requested relief.
(b) The memorandum will show the dollar amount of financial liability assessed.

(c) If estimated costs were initially used, the actual cost is included in the memorandum, if available.

(2) Enclose the original DD Form 200 and all exhibits to the memorandum. When the original of the DD Form 200 is not available, the approving authority will include a statement in the memorandum explaining why the file is not available.

c. Notification to the individual. On receipt of a response from the appeal authority concerning the relief or continuation of the assessment of financial liability, the approving authority will notify the individual by memorandum. The memorandum is delivered by hand or certified mail with return receipt requested. When financial liability is continued the approving authority will notify the individual that he or she has the right to—

(1) Request a hearing (civilian personnel only).
(2) Request remission or cancellation of indebtedness.
(3) Request an extension of the collection period, or
(4) Submit a DD Form 149 application to the ABCMRs.
Figure 12–10. Sample memorandum from the approving authority to the appeal authority, forwarding request for reconsideration for review as the appeal authority.
12–12. Requests for a hearing (civilian employees only)
Prior to requesting a hearing (see fig 12–7), the individual is required to submit a request for reconsideration to the approving authority. Upon receipt of a request for reconsideration, the approving authority will follow the instructions in paragraph 12–9. The approving authority will not arrange for, nor conduct a hearing. When the appeal authority denies a request for reconsideration, DA Civilian employees may request a hearing through their servicing FAO or USPFO, as appropriate. The FAO or USPFO will forward the petition for the hearing to the Director, Defense Finance and Accounting Service-Indianapolis Center, Department 80, Indianapolis, IN 46249–0001, per DOD 7000.14–R, Volume 5, Chapter 28 and Volume 8, Chapter 8.

12–13. Remission or cancellation of indebtedness
When financial liability assessed through a DD Form 200 causes financial hardship on an enlisted Soldier, he or she may submit an application DA Form 3508 (Application for Remission or Cancellation of Indebtedness) for remission or cancellation of the debt through his or her commander, per AR 600–4. A copy of the approved DD Form 200 assessing financial liability is submitted with the application.

12–14. Requests for extension of the collection period
Requests for extension of the collection period are forwarded through the approving authority to the servicing FAO or USPFO for action. Civilian employees who have requested a hearing to challenge the proposed repayment schedule are not authorized to request an extension of the collection period. The approving authority will make a recommendation regarding extending the collection period using the following factors as the basis for the recommendation:
   a. Monthly income.
   b. Additional income or assets (including spouse’s).
   c. Expenses caused by living standards that are too high or by mishandling of personal funds are not a basis for a hardship determination.

12–15. Submitting an application to the Army Board for Correction of Military Records
Individuals assessed financial liability though a DD Form 200 may submit an application DD Form 149 to the ABCMR if they believe the findings of negligence, on their part, are unjust. Applications are submitted on DD Form 149, with a complete copy of the DD Form 200 to include all exhibits, attached. Instructions for submitting an application are contained in AR 15–185.

12–16. Reopening, correcting, amending, or canceling DD Form 200
These are administrative procedures. They may be activated by either—
   a. A decision at the approval authority level previously acting on the DD Form 200 that such action is necessary.
   b. At the direction of the appeal authority.
   c. The DD Form 200 approving authority will reopen a DD Form 200 when either of the situations shown in paragraphs 12–16a and 12–16b occur and result from one of the following actions:
      (1) An individual has requested reconsideration of the assessment of financial liability when new evidence is presented as part of the appeal process.
      (2) A memorandum from a subordinate headquarters that previously acted on a DD Form 200 supporting reopening based on new evidence.
      (3) Property is recovered.
      (4) The approving authority becomes aware of an injustice against either the Government or the individual assessed financial liability.

12–17. Actions resulting from reopening a DD Form 200
   a. Corrections on a DD Form 200. Corrections on a DD Form 200 will not be made on the original of the DD Form 200 except as specified in paragraph 5–17c. If it becomes necessary to alter a DD Form 200 in any other way, after receipt by the approving authority, an amendment is prepared, citing the specific alterations, and attached to the DD Form 200 as an exhibit.
   b. Cancellation of a DD Form 200. An approved DD Form 200 (one on which the approving authority has taken approval action) will not be cancelled. When property is found after a DD Form 200 is approved, follow the procedures set forth in paragraph 13–1.
   c. Amending a DD Form 200. Based on new information received by the approving authority it may become necessary to amend one or more blocks of the DD Form 200, including the decision of the approving authority. If it
becomes necessary to alter a DD Form 200 in any way, the approving authority will prepare an amendment, citing the specific alterations, and attach it to the DD Form 200 as an exhibit.

d. Repayment of amounts previously collected. Property listed on a DD Form 200 may be recovered after assessment of financial liability is approved, or the assessment may have been reversed by the approving or appeal authority. If so, an amendment is prepared, citing the specific alterations, and attached to the DD Form 200 as an exhibit. A copy of the amendment is attached to a memorandum directing repayment of the value of the recovered property to the individual, as a "collection erroneously received." The memorandum is forwarded to FAO or USPFO as appropriate.

Section V
Appeal Authority’s Review of Requests for Reconsideration

12–18. Information regarding requests for reconsideration

a. The term "request for reconsideration" refers to an application to the appeal authority challenging the decision of the approving authority in assessing financial liability. Requests for reconsideration (see fig 12–6) are submitted to the approving authority that acted on the DD Form 200 or the commander currently holding this position. The approving authority will, after review and determination that liability will continue, forward requests for reconsideration to the next commander in the chain of command. This is accomplished within 15 calendar days of receipt by the approving authority.

b. An individual may request reconsideration only one time. The decision of the appeal authority is final unless the individual chooses to make an application to the ABCMR under the provisions of AR 15–185. An application to the ABCMR can be made only when an appeal authority has sustained the decision of the approving authority. These procedures do not apply to financial liability imposed for discrepancies incident to shipment or to procurement reported using DD Form 361 (Transportation Discrepancy Report (TDR)) or SF 364 (Report of Discrepancy (ROD)) procedures (see Sub Part 101–26.8, Title 41, Code of Federal Regulations (41 CFR 101–26.8)) and chapter 15, of this pamphlet).

c. Unless good cause for a greater delay exists, individuals must file requests for reconsideration (see fig 12–6) within the time limits set forth in AR 735–5.

   (1) Individuals may submit requests for extension of the time allotted for submission of requests for reconsideration in writing to the approving authority.

   (2) The decision to grant an extension of the allotted submission time is made by the approving authority based on the following:

      (a) Acts of war.
      (b) Military operations other than war.
      (c) Extended training maneuvers.
      (d) Sickness.
      (e) Unavoidable difficulty in obtaining supporting facts.
      (f) Other similar difficulties.

Chapter 13
Special Procedures

13–1. Accounting for recovered property previously listed on a DD Form 200

Often property is found after a DD Form 200 has been initiated to account for its loss. When this occurs, follow the procedures listed below:

a. When the property is recovered before a document or voucher number is assigned to the DD Form 200, the initiator should—

   (1) If some, but not all the property is recovered, line through the recovered property identified in blocks 4 through 8 of the DD Form 200 and initial the entries on all copies. Adjust the grand total in block 8, total cost.

   (2) If all the property is recovered, destroy the document.

b. When property is recovered after a document or voucher number has been assigned to the DD Form 200, the initiator, the financial liability officer, appointing authority, or the approving authority, as appropriate, will direct the accountable officer, in writing, to reestablish accountability for the recovered property (fig 13–1).

   (1) In the Active Army and USAR, the accountable officer will reverse the transaction using the same document or voucher number assigned to the DD Form 200.

   (2) In the ARNG, the accountable officer will prepare a DA Form 3161 and annotate the form as found on installation. A new document or voucher number is assigned and cross-referenced to the DD Form 200. After posting to the accountable records, copies of the DA Form 3161 are distributed as follows:

      (a) File the original in the accountable officer’s document or voucher supporting file.
(b) Provide a copy to the USPFO to support adjustment to the equipment status report, printout from the Accountable Property System of Record showing equipment was placed back on the property book.

(c) Attach one copy to the DD Form 200 as an exhibit.

3. The accountable officer will respond back by memorandum to the initiator, financial liability officer, or approving authority as appropriate when accountability has been reestablished. The accountable officer’s response is attached to the DD Form 200 as an exhibit.

c. When property is recovered after the approving authority has assigned an inquiry/investigation number, the approving authority will forward a memorandum to the accountable officer instructing the accountable officer to reestablish accountability for the property recovered. The instructions in paragraph 13–1b, will apply to the accountable officer when reestablishing accountability.

1. When some items are recovered, but not all, a copy of the memorandum with accountable officer’s memorandum is attached to the DD Form 200 as an exhibit and the investigation will continue until the DD Form 200 is completed.

2. When all property is recovered, the memorandum with the accountable officer’s memorandum is attached to the DD Form 200 as an exhibit, and the DD Form 200 is cancelled. The financial liability officer is notified to discontinue the investigation and the original of the DD Form 200 is marked “CANCELLED” and filed by the approving authority to support the cancellation.

d. When property is recovered after the approving authority has made a final decision on financial liability, the approving authority will reopen the DD Form 200.

1. The approving authority will forward a memorandum to the accountable officer instructing the accountable officer to reestablish accountability for the recovered property. The instructions in paragraph 13–1b will apply to the accountable when reestablishing accountability. The accountable officer’s response is attached to the DD Form 200 as an exhibit.

2. When an individual(s) has been assessed with financial liability for those items recovered, determine whether the individual was assessed the total amount of the loss or 1 month’s base pay as prescribed in paragraph 12–8. If the individual was assessed the total amount of the loss, the approving authority will forward a memorandum to the finance and accounting office requesting the respondent be refunded the amount collected for the recovered property. When the individual was assessed 1 month’s base pay, refunds of the amount collected for recovered property will not be made unless the items recovered, reduce the total loss to less than 1 month’s base pay. The amount refunded would be the difference between the amount collected and the amount of the adjusted loss (total loss, less the value of the recovered property.

3. In the event a unit or activity has been inactivated, the approval authority in the chain of command immediately above the inactivated unit or activity, and still active, will take the action specified in paragraph 13–1d(2). The recovered property is turned in as found on installation in accordance with AR 710–2.
13–2. Aircraft accidents
For property lost, damaged or destroyed in an aircraft accident, a copy of the collateral investigation (also known as a line-of-duty, AR 15–6, or legal investigation) is attached to the DD Form 200 per AR 735–5. Collateral investigations may be conducted at the discretion of the commander whose personnel, equipment, or operations were involved in the accident per AR 380–40. Collateral investigations will not be used as a property adjustment document or to assess financial liability. Process a DD Form 200 to accomplish either of these actions.

13–3. Army National Guard loaned property
ARNG equipment lost; damaged, or destroyed while on loan to another State is processed according to appendix C.

13–4. DD Form 1544 and money collected as payment for meals in a dining facility
Loss of cash meal payment sheets (DD Form 1544 (Cash Meal Payment Book)) or money collected require an investigation under AR 15–6 per AR 30–22. A DD Form 200 is initiated to account for the lost form(s) or money and to assess financial liability, if negligence is found.
13–5. Damaged property

a. Qualified technical inspectors, property classification officers, and other designated persons may classify property physically on hand as unserviceable. From its general condition and appearance, the property may be classified as either unserviceable through fair wear and tear or unserviceable through other than fair wear and tear.

1. A qualified individual trained on the equipment will determine the actual cost of damage (ACOD). When an ACOD cannot be determined, qualified personnel will compute the ECOD. A technical inspector certifies the maintenance request (ACOD/ECOD).

2. For the ARNG, a commissioned officer of the Regular Army, or any commissioned officer of the Army National Guard of the United States per 32 USC 710(f) may make the final fair wear and tear determination on all unserviceable property prior to disposition, per 32 USC 710 (f)(1) and (2).

3. Technical Inspectors, property classification officers, maintenance personnel, and other designated individuals can make assessments regarding negligence or willful misconduct, but the final determination is made by the commander or table of distribution and allowances (TDA) activity chief.

b. When property is determined to be unserviceable through other than fair wear and tear, the commander or TDA activity chief having responsibility for the property must investigate the circumstances. On completion of the commander’s or the TDA activity chief’s investigation, one of the following will apply:

1. Release of item for repair. Equipment work ordered to a maintenance facility for a determination of ECOD/ACOD, should not be repaired until it is determined that the item is not needed further for investigation consistent with evidentiary requirements in accordance with AR 735–5.

2. Damaged property (excluding organizational clothing and individual equipment). If negligence or willful misconduct is suspected, the damaged property is work ordered to the supporting maintenance activity for determination of the ECOD. If negligence or willful misconduct was not involved, a statement signed by the unit commander or the TDA activity chief is attached to the maintenance request or the turn-in document stating the cause of the damage. The unit commander or the TDA activity chief will state, “I have reviewed the circumstances surrounding the damage to the above item(s) and find no evidence of negligence or willful misconduct.”

   a. The DD Form 200 approving authority, or their designated representative, must review all damage statements unless approval authority is delegated to subordinate unit commanders or TDA activity chiefs per 13–5b(1)(b). When the DD Form 200 approving authority or his or her designated representative concurs with the damage statement, they will enter “CONCUR” on the statement and date and sign their concurrence. Nonconcurrence is shown by entering “NONCONCUR–INITIATE A DD FORM 200 OR DD Form 362” on the statement, and date and sign their nonconcurrence.

b. Division commanders, commanders of separate brigades, and post commanders with subordinate TDA units and activities assigned will establish a dollar threshold above which all damage statements must be approved by the DD Form 200 approving authority. For damaged property costing less to repair than the dollar threshold established, the DD Form 200 approving authority may delegate authority to subordinate unit commanders and TDA activity chiefs to approve damage statements.

c. When authority to approve damage statements is delegated to subordinate unit commanders, and TDA activity chiefs, they will forward all copies of any approved damage statements to the DD Form 200 approving authority on a quarterly basis for review. The DD Form 200 approving authority, or their designated representative per paragraph 12–5, will use the review to determine whether subordinate commanders and TDA activity chiefs are abusing the authority delegated to them.

d. The DD Form 200 approving authority may designate a member of his or her staff in the grade of major or above, or a DA civilian employee in the position of division chief or above to review approved damage statements. This same individual may also be designated to approve/disapprove damage statements when the cost to repair the damaged item exceeds the dollar threshold established per paragraph 13–5b(2).

e. Commanders above the DD Form 200 approving authority level will initiate and conduct oversight management of damage statements initiated and approved by subordinate commanders or TDA activity chiefs. A random sample of no less than 10 percent of all damage statements approved by subordinate commanders and activity chiefs is reviewed semiannually. The review is made to determine if the DD Form 200 approving authorities, and unit commanders and TDA activity chiefs delegated with approval authority of damage statements, are properly carrying out their responsibilities as approving authorities, that is, are the decisions to approve damage statements—

1. Supported by the commander’s or the TDA activity chief’s preliminary investigation documented on the damage statement?

2. In the best interest of the Army and U.S. Government?

   c. When the owning unit commander suspects that damage to class 9 components has been caused by negligence or willful misconduct, the component is work ordered to the supporting maintenance activity for determination of the ECOD. When negligence or willful misconduct is not involved, paragraph 13–5a applies.

d. Unit commanders or their designated representative are authorized to approve damage statements for damaged OCIE when preliminary investigation by the unit commander or the Soldier’s chain of command (such as squad leader,
platoon sergeant/leader, or first sergeant) reveals the damage occurred while being used conducting official Government business and neither negligence nor willful misconduct was involved. The commander will state in a memorandum to the CIF, "I or a member of my command have reviewed the circumstances surrounding the damage to the below listed item(s), and find the damage occurred while being used for official Government business and no evidence of negligence or willful misconduct." The damaged OCIE is identified by nomenclature and quantity. The commander or a designated representative will sign the statement. Each statement must have an original signature. Individuals for whom the unit commander has approved a damage statement for OCIE will take the statement and the damaged articles of OCIE to the servicing CIF or OCIE issue point within 30 calendar days of the commander’s approval for exchange. If the commander believes that the damage was incurred during other than official business or through negligence or that misconduct was involved, a DD Form 200 is initiated.

e. When liability is admitted and the amount of the damage does not exceed the person’s monthly basic pay, prepare a DD Form 362, per paragraph 4–3.

f. When liability is admitted and the amount of damage exceeds the person’s monthly basic pay, initiate a DD Form 200 (see AR 735–5).

g. When liability is not admitted, no matter the cost of repairs, a DD Form 200 is initiated (see AR 735–5).

h. When negligence or willful misconduct is suspected, and liability is not admitted, initiate a DD Form 200 (see AR 735–5).

i. Separate DD Forms 200 will not be prepared for the same incident unless the damaged property is recorded on separate property accounts.

j. The ECOD is a process to determine the estimated cost of damage to Government owned equipment prior to repair or evacuation. An ACOD can only be determined when the item is actually repaired. Damaged property for which negligence or willful misconduct is suspected will not be repaired, disposed of, or continued in use until the investigating officer releases the item for repair.

(1) An ECOD is used to compute the value of a loss only when actual costs cannot be obtained within a reasonable time. An ECOD may be requested by the commander, TDA activity chief, or may be provided by the maintenance or other activity in the absence of a specific request. When an ECOD is used to compute the value of the damaged property, the DD Form 200 must state why, and state the basis on which the estimate was made.

(2) An ECOD may be used for assessment of financial liability until the equipment is actually repaired, and then the ACOD is used. When an item is not completely repaired until after a financial liability has already been assessed and the ACOD is less than the ECOD, the initiator of the adjustment document will cause it to be reopened and the appropriate FAO/USPFO is requested, on a memorandum, to reimburse the difference to the charged individual.

k. When requested by the approval authority, the commander of the maintenance support activity will consolidate the cost data for each supported unit and forward the data to the approving authority.

l. When the statement of charges, DD Form 200 is approved or when the property is released by the financial liability officer, attach a copy of the statement of charges, DD Form 200, or financial liability investigating officer’s release statement to DA Form 5990–E. If the property is not economically repairable, attach a copy of the approved statement of charges, DD Form 200, or the financial liability officer’s release statement to the turn-in document. If there is a condition code, attach it to the turn-in document as well.

13–6. Army property in possession of contractors

a. Upon termination or completion of the contract, a joint physical inventory by the contractor and the property administrator is accomplished. A transfer document transferring accountability back to the contracting officer or property administrator using DD Form 1149 (Requisition and Invoice/Shipping Document), DD Form 250 (Material Inspection and Receiving Report), or DD Form 1348–1A. The contracting officer will reconcile the transfer document for shortages and will approve the transfer prior to the property book officer (PBO) acknowledging receipt and accepting accountability for the returned Government furnished property (GFP). Upon completion of transfer document, the GFP asset listing for that contract is discontinued.

b. When Government property in the hands of a contractor is lost the FAR 52.245–1 Government property clause is followed. The contractor will write up a loss of Government property report in accordance with the FAR 52 and submit to the contracting officer. Once completed a copy will be submitted to the PBO as supporting documentation to be attached to the DD Form 200.

(1) For assessing liability for contractors refer to AR 710–2 and this pamphlet.

(2) The purpose of processing a DD Form 200 (see fig 13–2) for items lost by contractors is to provide the PBO with an adjustment document to account for the loss of GFP only. This is not to relieve or hold the contractor liable for the loss of GFP.

c. The contractor will have a process to enable the prompt recognition, investigation, disclosure, and reporting of loss of Government property, including losses that occur at subcontractor or alternate site locations. This process will include the corrective actions necessary to prevent recurrence. Unless otherwise directed by the property administrator, the contractor will investigate and report to the Government all incidents of property loss as soon as the facts become known. Such reports will, at a minimum, contain the following information:
(1) Date of incident (if known).
(2) The data elements required under FAR 52.245–1.
(3) Quantity.
(4) Accountable contract number.
(5) A statement indicating current or future need.
(6) Unit acquisition cost, or if applicable, estimated sales proceeds, estimated repair or replacement costs.
(7) All known interests in losses of commingled material that include Government material or equipment.
(8) Cause and corrective action taken or to be taken to prevent recurrence.
(9) A statement that the Government will receive compensation covering the loss of Government property, in the event the Contractor was or is reimbursed or compensated.
(10) Copies of all supporting documentation.
(11) Last known location.
(12) A statement that the property did or did not contain sensitive, export controlled, hazardous, or toxic material, and that the appropriate agencies and authorities were notified.

d. The contracting officer or property administrator will investigate the loss to determine liability.

e. The PBO will process a DD Form 200 to adjust the accountable record in the Army Property System of Record. The PBO or accountable officer will only fill out blocks 1 through 9 and 17a through f. The PBO will use the findings from the loss of the Government property report as an exhibit and supporting document for auditability purposes.

f. The contracting officer or property administrator designated with property administration responsibility for GFP in the possession of a contractor, will provide loss of Government property documentation to the PBO as supporting documentation for the DD Form 200.

![Sample DD Form 200 for Government Furnished Property losses](image1)

![Sample DD Form 200 for Government Furnished Property—Continued](image2)
13–7. Losses of durable hand tools and components of sets, kits, and outfits at the using unit level when negligence or willful misconduct is not suspected

a. Modification table of organization and equipment organization. Using unit commanders are authorized to adjust losses of durable hand tools and components of SKO up to $500 per incident when the losses did not occur from negligence or misconduct. When determining the total cost of these lost durable items, the depreciated price is used per paragraph B–2b(1).

(1) Prepare a memorandum in the following format:
   (a) Subject block: Memorandum for Record; Adjustment Document.
   (b) Prepare a narrative of the incident.
   (c) List the items requiring adjustment by end-item line item number and NSN (if applicable), nomenclature, unit of issue, number of items to be adjusted, unit price, extended price, and total price.

(2) Immediately after the last item adjusted, enter the following statement before the signature of the commander: "I have reviewed the circumstances surrounding the loss of the above items and find no evidence of negligence or willful misconduct."

(3) Prepare the memorandum in original, plus one copy for each hand receipt involved. This memorandum requires no approval above the unit level. File the original in a consolidated file, in hand receipt holder sequence, for review by the DD Form 200 approving authority per paragraph 13–7c. Retain the file for 2 years. The duplicate copy(s) is filed in the appropriate hand receipt file to support the adjustment action. The duplicate copy is destroyed upon receipt of the replacement for the lost hand tool.

b. Table of distribution and allowances organization. In TDA organizations, individuals occupying positions equivalent to that of a unit commander in a modification table of organization and equipment (MTOE) environment are authorized to adjust losses of durable hand tools and components of SKO using the same provisions cited in paragraph 13–7a. In TDA organizations, those individuals will normally occupy a directorate or division level TDA position. Use the major TDA paragraphs as a guide. Individuals not filling those major TDA positions do not have the authority to adjust losses of durable hand tools under the provisions of paragraph 13–7a.

c. Review criteria. Memorandums used as adjustment documents for losses of durable hand tools and components of SKO, as prescribed in this paragraph, is summarized quarterly (adjustment documents are attached to the summary) and forwarded to the DD Form 200 approving authority for review. Following the review, the approving authority will sign and return the summary and the attached adjustment documents to the unit commander.

(1) The approving authority’s review will validate the absence of abuse to this adjustment method.

(2) When abuse is suspected, the approving authority will direct an AR 15–6 investigation or a DD Form 200 to be initiated. Any suspicion of abuse will result in the automatic suspension of this authorization until the unit commander is cleared of suspicion.

(3) The approving authority will annotate concurrence or nonconcurrence on the quarterly summary. A copy of the quarterly summary is retained on file by the approving authority for 2 years.

13–8. Losses of durable and expendable items other than hand tools, components of sets, kits, and outfits, or organizational clothing and individual equipment

a. Inquiry and approval.

(1) DD Form 200 appointing authorities may approve the adjustment of durable and expendable supplies following an inquiry when the loss per incident is less than $5,000 except for the following items:
   (a) Controlled or sensitive items.
   (b) Drugs.
   (c) Undenatured alcohol and alcoholic liquors.
   (d) Bulk fuels.
   (e) Weapons and organizational equipment, including OCIE.
   (f) Monetary assets such as cash.

(2) The inquiry is informal to determine if there is any indication of fraud, waste or abuse and verify if the situation warrants a more formal investigation—for example, when the loss of small amounts of property occurs frequently enough to suggest a pattern. When no appointing authority has been appointed, the approval is made by the approval authority. An inquiry does not require the initiation of a DD Form 200. If the inquiry finds negligence or willful misconduct, then a DD Form 200 or AR 15–6 investigation is initiated/conducted.

b. Memorandum. The unit commander, primary hand receipt holder, or agency head will prepare a memorandum addressed to the appointing or approving authority in the following format:
(1) List in the Subject block: Subject; Request for Property Adjustment Approval, Loss of Durable/Expendable Items Less Than $5,000 per Incident.

(2) Prepare a narrative of the incident. At a minimum, the memorandum will identify what happened, where it happened, when it happened, how it happened, and who was involved.

(3) List the items requiring adjustment by NSN, nomenclature, and unit of issue, number of items to be adjusted, unit price, extended price, and total price. When determining the total cost of the loss for the incident, the depreciated price should be used per paragraph B–2b(1).

(4) Immediately after the last item, enter the following statement before the signature of the commander: "I have reviewed the circumstances surrounding the loss of the above items and find no evidence of negligence or willful misconduct. Request your approval to adjust these items from accountable records."

(5) Send the original to the appointing or approving authority for approval.

(6) If approved, file the original in a consolidated file in hand receipt holder sequence and provide copies to all applicable hand receipt holders and the accountable officer, retain the file for 2 years. File duplicate copy(s) in the appropriate hand receipt file to support the adjustment action.

(7) If the appointing or approving authority disapproves the request, initiate a DD Form 200.

c. Review criteria. Memorandums used as adjustment documents for losses of durable and expendable items approved by the appointing authority as prescribed in this pamphlet is summarized quarterly (adjustment documents are attached to the summary) and forwarded to the DD Form 200 approving authority for review. Following the review, the approving authority will sign and return the summary and the attached adjustment documents to the unit commander, primary hand receipt holder, or agency head. If the approving authority approved any adjustments rather than an appointing authority, no quarterly review is required.

1 The approving authority’s review will validate the absence of abuse to this adjustment method.

(2) When abuse is suspected, the approving authority will cause an AR 15–6 investigation or a DD Form 200 to be initiated. Any suspicion of abuse will result in the automatic suspension of this authorization until the appointing authority is cleared of suspicion.

(3) The approving authority will annotate concurrence or nonconcurrence on the quarterly summary. A copy of the quarterly summary is retained on file by the approving authority for 2 years.

13–9. Personal clothing and organizational clothing and individual equipment

a. The commanders of Active Army, USAR and ARNG members, and Reserve Officers’ Training Corps (ROTC) cadets are responsible for initiating DD Form 200 when property issued from a CIF becomes lost, damaged, or destroyed, and none of the methods cited in chapter 12 can be used to obtain relief from responsibility. Additionally, the commanders of USAR and ARNG members and ROTC cadets are responsible for initiating DD Form 200 when property issued from a controlled initial issue point becomes lost, damaged, or destroyed.

b. The following applies to the loss of personal clothing and OCIE when a USAR member, ARNG member, or ROTC cadet stops participating in training sessions (unsatisfactory participant whose whereabouts is unknown), and has not returned his or her personal clothing and OCIE. Also applies to active duty personnel in dropped-from-roles status whose OCIE is not available for turn in.

1 A DD Form 200 is initiated. The initiator will complete blocks 1, and 3 through 11 of DD Form 200. The DD Form 200 is forwarded to the approving authority for assignment of an inquiry/investigation number in block 2 and then forwarded to the accountable officer for assignment of a document number. The accountable officer will assign a document number in block 17a, and complete blocks 17b through 17f and forward the DD Form 200 to the approving authority.

2 Before the approving authority makes a decision to hold the individual financially liable, the servicing Office of the Staff Judge Advocate for legal sufficiency must first review the DD Form 200. Once the legal advisor provides a legal opinion saying there is legal sufficiency to hold the individual financially liable, the approving authority will complete blocks 14a through h, and insert the following statement in block 14b: “Member, or cadet (insert name, grade if applicable) is held financially liable for the amount indicated in block 8, less depreciation allowed in AR 735–5, paragraph B–2b(1).”

3 The approving authority will forward one copy of the completed DD Form 200 to the servicing FAO or USPFO for collection. The DD Form 200 is forwarded under a transmittal memorandum requesting acknowledgement of receipt and verification that the DD Form 200 was processed for collection.

4 If the FAO or USPFO cannot make collections because no pay is due in a nonpay status, the DD Form 200 is forwarded to the servicing claims office for collection. For USAR Soldiers for whom no pay is due, the DD Form 200 is returned to the approving authority, who will take the following actions:

(a) If the charge is $250 or less, a copy of the DD Form 200 is filed as an un-collectible debt in the DD Form 200 files. A copy is mailed to Commander, U.S. Army Human Resources Command, 1600 Spearhead Division Avenue, Fort Knox, KY 40122–5001 for inclusion in the respondent’s permanent record.

(b) If the charge is more than $250, a copy of the DD Form 200 is forwarded to the Defense Finance and
13–10. Nonexpendable property consumed in use
Nonexpendable property consumed in use may be posted as a loss on property book records using a memorandum for record, provided—

a. The memorandum states the circumstances under which the property was consumed in use, and the date of the occurrence.

b. Stock number, nomenclature, and quantity identify the property. If the property is a serial numbered item, the serial number(s) is entered.

c. The commander for whom the property book records are being maintained signs the memorandum for record.

d. The memorandum for record is reviewed and approved by the DD Form 200 approving authority. The accountable officer will attach the approved memorandum to a DA Form 4949 (Administrative Adjustment Report (AAR)) and assign a document number.

13–11. Vehicular accidents
Accidents involving Government-owned and -leased vehicles. Upon completion of a DD Form 200 that finds a military member or Government employee, through simple negligence, caused an accident involving a Government-owned or -leased vehicle, the approving authority may waive financial liability or may reduce the amount of financial liability assessed against a member or employee. The waiver to waive or reduce the amount of financial liability charged is based on the approving authority’s review of all the pertinent information concerning the accident. The approving authority may base the waiver entirely on a vehicle accident report by a military provost marshal or a duly appointed civilian law official, if available. A DD Form 200 based solely on DA Form 3946 (Military Police Traffic Accident Report) is annotated on DD Form 200, block 9 (see exhibit A, vehicle accident report), and state in block 14b “I have reviewed the information contained in the attached exhibits. No further investigation is necessary.” Include the following additional information on the DD Form 200 for all waivers:

a. Place an "X" in block 14a, Approve.

b. To grant a waiver relieving all concerned of financial liability, place the following statement in block 14b: "I relieve all concerned of financial liability from the damage to the property listed in blocks 4 through 6".

c. To reduce the amount of financial liability assessed (an amount less than the cost to repair the damaged vehicle, or 1 month’s base pay) place the following statement in block 14b: "To hold (name and grade of individual being assessed with financial liability) financially liable in the amount of ($ amount). The cost to repair the damaged vehicle is ($ amount of ECOD or ACOD if available). Their base pay for 1 month is ($ amount)."

d. What evidence does the financial liability officer look at when investigating a vehicle accident? When the DD Form 200 involves a vehicle accident; several categories of evidence is considered:

(1) Type of road. If possible, the financial liability officer will examine the site of the accident. The financial liability officer will look at the type of road on which the accident took place. Is it macadam, asphalt, cobblestones, or dirt?

(2) Weather and visibility. At the time of the accident, was it sunny and bright, or was it foggy, snowing, or raining? Did it happen at night? How good was the visibility at the time of the accident?

(3) Speed. How fast was the person driving at the time of the accident? Before the accident? Did the person suddenly speed up? Did the person obey the posted traffic signals and traffic laws?

(4) Statements. The financial liability officer will obtain statements from the driver of the vehicle being investigated, and the driver of the other vehicle involved. The financial liability officer will obtain statements from witnesses.

(5) Accident report. Has DA Form 3946 been included as an exhibit? Has an accident report from a civilian policeman been included?

(6) Driver’s qualifications. Has DA Form 348 (Equipment Operator’s Qualification Record (Except Aircraft)) been included in the file?

(7) Pictures. Have pictures been used to show damage? If so, has the damage been explained? The financial liability officer may have to take the pictures or have them taken. Personally inspect the vehicle. The financial liability officer will look at the vehicle before releasing it for repair or turn-in.

(8) Cost of damages. Has the ACOD been included? If not, the financial liability officer will submit a request for technical inspection (DA Form 5990–E) and cost of repairs to the supporting maintenance activity. DA Pam 750–8 provides instructions for submitting a request for technical inspection.

13–12. Sensitive items
What evidence does the financial liability officer consider when investigating the loss of sensitive items? Sensitive items must be stored in a special storage facility. Only the minimum number of personnel should have access to sensitive items. When conducting a DD Form 200 on the loss of a sensitive item, the following questions may be asked:
a. What security measures were taken?

b. Were key control procedures adequate?

c. Who had responsibility for the lost sensitive items?

d. Who had access to the sensitive items?

e. When were the sensitive items last inventoried, and by whom?

f. When were the sensitive items last seen and by whom?

g. What action was taken to recover the items?

h. Were appropriate notices placed in the daily bulletin?

i. Was the loss properly reported to the Criminal Investigation Division?

13–13. Loss of communication wire

What evidence does the financial liability officer look at in an investigation of the loss of communication wire? In an investigation involving the loss of communication wire, the financial liability officer will look at the unit’s modified table of organization and equipment allowance, to determine the length of wire authorized, and the length of wire laid. The second piece of information is important because the financial liability officer will consider the relative percentage of loss. If 100 miles of wire were laid and just 300 ft lost, no negligence may be involved. However, if 20 miles were extended and 18 miles lost, then it would seem obvious that negligence or even theft was involved unless further evidence shows fully why the loss occurred. The financial liability officer will also check to find out whether precautionary measures were set up to safeguard the wire.

13–14. Considerations

What does the financial liability officer consider when investigating the loss of Government property? The financial liability officer will try to decide whether a person’s actions were the proximate cause for the loss of, damage to, or destruction of Government property. The financial liability officer should consider the following before making a recommendation:

a. Degree of care and resourcefulness. The financial liability officer will weigh the actions of the person involved against those of a reasonable and prudent person. A prudent person is one who uses good judgment and common sense in handling practical matters; is careful about his or her conduct; and not wasteful or extravagant in the use of resources. The financial liability officer will also, consider their age, experience, and any special qualifications needed to do the job. The following scenarios help to illustrate these points:

(1) Private E–2 (PV2) Doug Doe, a non-driver, was attending a driver’s training course. His instructor told him to back the vehicle into a parking place. In attempting to place the vehicle in reverse, he inadvertently shifted into third gear. The vehicle leaped forward and struck a tree. In this case, the financial liability officer will consider PV2 Doug Doe’s lack of experience.

(2) Eighteen-year old PVT Tom Doe, a new member in the unit, while participating in his first field training exercise was assigned to the aggressor forces. While trying to avoid being captured by the enemy forces, he found a high mobility multipurpose wheeled vehicle (HMMWV), got in and drove off. The HMMWV was assigned to 1LT David Doe, who when he noticed the HMMWV being driven off by an unknown individual, shouted to PVT Tom Doe to come back with his vehicle. PVT Tom Doe continuing to flee the enemy, drove off at a high speed. He did not stop until he discovered he was entangled in barbed wire, causing damage to the HMMWV. PVT Tom Doe’s commanding officer and his platoon leader both stated he was caught up in his aggressor role and that he was totally intent on accomplishing his mission of avoiding capture by the enemy forces. In this case, the financial liability officer will consider PVT Tom Doe’s age, his lack of experience, and his limited intellectual capability. The financial liability officer could recommend he be relieved of responsibility for the damage to the HMMWV, if these elements are believed to be warranted.

b. Responsibility of the person for the property (personal or non-personal). When a person holds property like organizational clothing and individual equipment, personal arms, binoculars, or hand-tools that have been issued to them for their personal use, they have personal responsibility. When a person converts property to his or her own use without permission or authority, as when they steal a vehicle, that person has personal responsibility. When a person commands or supervises others who use property or have custody of property, they have non-personal (either command or supervisory) responsibility. If there was non-personal responsibility, the following elements can effect a decision:

(1) The nature of the property.

(2) The nature, extent, and complexity of the organization or activity they commanded or supervised. How feasible was it to keep close supervision over the property? The financial liability officer will check the factors that contributed to the loss or damage.

(3) The adequacy of the measures set up for the supervision of subordinates to ensure property was properly used and cared for, and that proper custody and safekeeping were provided.

(4) The extent to which supervision by a commander may have been hampered by other pressing duties or by a lack of qualified assistants.

c. Possibility of fraud, collusion, or willful misconduct. If there is any suspicion of fraud, collusion, or other willful
misconduct incident to a property loss on the part of a military or civilian employee of the Army, the financial liability officer must be especially careful to make a thorough investigation of the facts. Fraud is the misrepresentation of truth to induce another to part with something of value or to surrender a legal right. It is also a deceitful act with the intent to deprive another of his or her rights or to cause him or her injury. Collusion is a secret agreement and cooperation for a fraudulent or deceitful purpose. The financial liability officer must not recommend relief from property responsibility or financial liability until all persons are completely cleared of suspicion of these crimes.

13–15. Special considerations for a convoy incident
What points may be important in a DD Form 200 involving a convoy? If investigating the damage to a vehicle that was part of a convoy, the financial liability officer will consider certain points of information. What interval did the convoy commander prescribe before departure? What was the interval kept by the driver just before, or at the time of the accident? Did the convoy commander furnish special instructions before crossing the startpoint?

a. In one case a van, part of a convoy, incurred damage to its roof while passing under a low archway. A question arose as to whether the driver was negligent because he or she did not check the height of the archway before driving through. Evidence showed that the convoy commander had prescribed a convoy interval of 100 yards for all vehicles. The same convoy interval was to be maintained at all halts.

b. The convoy commander stopped his or her lead vehicle to check whether the larger vehicles could pass under the archway. At the halt, a 2 1/2-ton truck just ahead of the respondent’s truck in the convoy stopped 20 yards on the other side of the archway. Should the survey officer recommend holding the driver of the van liable for the damage to the roof of his truck? Yes. When the 21/2-ton truck stopped, the driver of the van truck should not have attempted to pass through the archway. He should have stopped about 80 yards back of the archway because the prescribed convoy interval was 100 yards, even at halts. The driver of the van was negligent in that he or she did not follow the instructions of the convoy commander to maintain a 100-yard interval at all times, to include halts. The driver was also negligent in that he or she failed to ensure the vehicle could safely clear the archway before proceeding through.

13–16. Inventory losses
On an inventory, what should be considered in investigating loss or damage during inventories? The financial liability officer will consider the circumstances and facts that are special in each investigation. When investigating the loss of items that have shown up as short or damaged on an inventory, the financial liability officer will ask questions that involve accounting procedures and also the procedures used in the inventory.

a. Was the property account maintained according to the policy contained in AR 710–2?

b. Were proper hand receipt procedures used? Were individuals required to receipt for property issued to them?

c. Did the user have a secured storage area in which to store property issued to him or her?

d. Was adequate supervision maintained over the unit supply room, or the hand receipt holder, as appropriate?

e. If proper procedures were not followed, did the commander or the supply officer take measures to correct the situation? What steps did he or she take?

13–17. Property ordered to be abandoned
In the course of combat, contingency operations, military advisory activities, or to meet other military requirements, situations may develop requiring the abandonment or destruction of property. In the course of combat, contingency operations, military advisory activities, or to meet other military requirements, situations may develop requiring the abandonment or destruction of property.

a. If an approving authority elects not to ratify the decision of a subordinate commander to destroy or abandon property, a DD Form 200 or a AR 15–6 investigation is initiated.

b. The memorandum documenting the approving authority’s approval or ratification of the destruction or abandonment of property is used as an attachment to a DD Form 200 to adjust the accountable records. No further investigation is required. See example of a DD Form 200 completed to adjust an approved abandonment in figure 13–3.

c. If the final loss or damage of equipment totals $100,000 or more or if there is a final loss of any controlled item, the approving authority is the first general officer or senior executive service in the chain of command.

d. All documents will be maintained according to document retention instructions in accordance with AR 25–400–2.
Figure 13–3. Sample DD Form 200 for property abandoned

<table>
<thead>
<tr>
<th>1. DATE INITIATED (YYYYMMDD)</th>
<th>2. INQUIRY/INVESTIGATION NUMBER</th>
<th>3. DATE LOSS DISCOVERED (YYYYMMDD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20150929</td>
<td>2AWABO-15-25</td>
<td>20150928</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. NATIONAL STOCK NO.</th>
<th>5. ITEM DESCRIPTION</th>
<th>6. QUANTITY</th>
<th>7. UNIT COST</th>
<th>8. TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do Not Fill In</td>
<td>See Approved Abandonment Memorandum Attached</td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS (Attach additional pages as necessary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X Lost</td>
</tr>
<tr>
<td>Organization</td>
</tr>
<tr>
<td>Installation</td>
</tr>
<tr>
<td>Destroyed OCIE</td>
</tr>
<tr>
<td>See Approved Abandonment Memorandum Attached</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES (Attach additional pages as necessary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do Not Fill In</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/County, ZIP Code)</td>
</tr>
<tr>
<td>Do Not Fill In</td>
</tr>
<tr>
<td>d. SIGNATURE</td>
</tr>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12. (X one)</th>
<th>RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS)</th>
<th>REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>b. COMMENTS/RECOMMENDATIONS</td>
<td>c. DSN NUMBER</td>
</tr>
<tr>
<td>YES</td>
<td>Do Not Fill In</td>
<td>Do Not Fill In</td>
</tr>
<tr>
<td>NO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. TYPED NAME (Last, First, Middle Initial)</td>
<td>f. DATE SIGNED</td>
<td>0000000000</td>
</tr>
<tr>
<td>Do Not Fill In</td>
<td>g. DATE SIGNED</td>
<td></td>
</tr>
<tr>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>13. APPOINTING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. RECOMMENDATION (X one)</td>
</tr>
<tr>
<td>X APPROVE</td>
</tr>
<tr>
<td>b. COMMENTS/RATIONALE</td>
</tr>
<tr>
<td>Do Not Fill In</td>
</tr>
<tr>
<td>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/County, ZIP Code)</td>
</tr>
<tr>
<td>Do Not Fill In</td>
</tr>
<tr>
<td>g. SIGNATURE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>14. APPROVING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. RECOMMENDATION (X one)</td>
</tr>
<tr>
<td>X APPROVE</td>
</tr>
<tr>
<td>b. COMMENTS/RATIONALE</td>
</tr>
<tr>
<td>Do Not Fill In</td>
</tr>
<tr>
<td>d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/County, ZIP Code)</td>
</tr>
<tr>
<td>Do Not Fill In</td>
</tr>
<tr>
<td>g. SIGNATURE</td>
</tr>
</tbody>
</table>
**15. FINANCIAL LIABILITY OFFICER**

<table>
<thead>
<tr>
<th>b. DOLLAR AMOUNT OF LOSS</th>
<th>c. MONTHLY BASIC PAY</th>
<th>d. RECOMMENDED FINANCIAL LIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)**

Do Not Fill In

**f. TYPED NAME (Last, First, Middle Initial)**

Do Not Fill In

**g. DSN NUMBER**

Do Not Fill In

**h. DATE SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD)**

00000000

**i. SIGNATURE**

N/A

**j. SIGNATURE**

N/A

**k. DATE SIGNED**

00000000

**16. INDIVIDUAL CHARGED**

<table>
<thead>
<tr>
<th>a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (X one)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] Submit the attached statement of objection. [X] Do not intend to make such a statement.</td>
</tr>
</tbody>
</table>

| b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY. |

<table>
<thead>
<tr>
<th>c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do Not Fill In</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d. TYPED NAME (Last, First, Middle Initial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do Not Fill In</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>e. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do Not Fill In</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>f. SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>g. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>00000000</td>
</tr>
</tbody>
</table>

**17. ACCOUNTABLE OFFICER**

<table>
<thead>
<tr>
<th>a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD</th>
</tr>
</thead>
<tbody>
<tr>
<td>W2611F 2484-1010</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-PD-PBO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c. TYPED NAME (Last, First, Middle Initial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doe, Raymond A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>315.264.9856</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>e. SIGNATURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIGITAL SIGNATURE 123456789</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>f. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>00000000</td>
</tr>
</tbody>
</table>

**DD FORM 200 (BACK), JUL 2009**

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**Figure 13–3. Sample DD Form 200 for property abandoned—Continued**

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**DA PAM 735–5 • 23 March 2016**

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Chapter 14
Accounting for Losses of National Stock (Army Materiel Command Installations Only)

14–1. Policy
To ensure the proper working of the DD Form 200 system, the depot commander will take action including, but not limited to the following:

a. Appoint accountable property officer (APO) to review, concur and implement a DA Form 444 (Inventory Adjustment Report (IAR)) (see fig 14–1) and DD Form 200.

b. Appoint one of the persons cited in paragraph 7–3 as the financial liability officer.

c. The accountable supply distribution activity (ASDA) and depot commanders will ensure complete and accurate entries in the following blocks of DD Form 200:
   (1) Block 9. (Circumstances under which property was (X one)).
   (2) Block 15a. (Findings and Recommendation).

Figure 14–1. Sample DA Form 444 and instructions
SSA. Enter name of depot preparing the IAR.

MATCAT. Leave blank.

Voucher number. Enter the ASDA document number as it appears on the ASDA memorandum requesting the IAR or as shown on Part III(4B) IAR.

Total number of items. Leave blank.

IAR reason. Leave blank.

Station. Enter ASDA where the accountable record is maintained.

Count card location. Optional for single manager for conventional ammunition to identify the owner of the lost materiel. Otherwise, leave blank.

Item. Leave blank.

Stock number. Self-explanatory.

Item noun. Self-explanatory.

Condition. Enter the condition code as stated in the ASDA memorandum requesting the IAR or as shown on Part III(4B) IAR.

SEC. Enter the controlled inventory item code (CIIC) as stated on the ASDA memorandum requesting the IAR or as shown on Part III(4B) IAR.

RICC. Leave blank.

Recorded balance. Leave blank.

Quantity inventoried. Leave blank.

Gain. Leave blank.

Loss. Enter the quantity as stated in ASDA memorandum requesting the IAR or as shown on Part III(4B) IAR.

UI. Enter the Unit of Issue (UI)

Unit price. Enter the unit price as stated in ASDA memorandum requesting the IAR or as shown on Para III(4B) IAR.

Extended price gain. Leave blank.

Extended price loss. Enter the dollar value of loss.

Explanation of loss/description of research. Describe across the face of the IAR the research action taken by the depot to explain the loss. Attach copies of the depot transaction history and any other documents used to support the explanation of the loss. Statements such as “previous erroneous count,”

Figure 14–1. Sample DA Form 444—Continued
14–2. Procedures

a. Accountable supply distribution activities.

(1) ASDAs will submit, in writing and within 5 working days after causative research is completed, requests for depots to initiate DA Form 444, DD Form 200, or AR 15–6 investigations. The ASDA will submit, with the request, an ASDA transaction history for 2 years along with an ASDA/depot transaction history reconciliation listing or an unresolved discrepancy research list, whichever is applicable. The APO will also include the following data with the request:

(a) NSN.
(b) Description of NSN.
(c) Unit price.
(d) Total cost.
(e) Inventory category code.
(f) Controlled inventory item code.
(g) Condition code of loss quantity.
(h) Adjustment document number.
(i) Name and grade of the APO.
(j) ASDA SRA number.
(k) Loss quantity.
(l) Ownership code (ammunition only).
(m) Reportable item control code.

(2) ASDAs will initiate the DA Form 444 or a DD Form 200 and the depot will provide the approving authority.

(3) ASDAs will evaluate depot requests for extensions received by telephone within 5 days of the suspense date and grant proper extensions.
(4) If a depot does not meet the suspense date, the ASDA will send a follow-up to the depot commander. Send a copy to Army Sustainment Command (ASC) within 5 days after the suspense date.

(5) If the depot does not reply to the first follow-up, the ASDA will send a second follow-up 20 days after the first to ASC. Send copies to the depot commander and to the U.S. Army Materiel Command (AMC), (AMSDS–SM–SA) for ammo and to the Defense Logistics Agency (DLA–OW) for general supplies.

(6) A depot submits a DA Form 444 or DD Form 200 to an ASDA. The original 90–day suspense period for that action ends on its submission of the DA Form 444 or DD Form 200 to the ASDA. In all cases when other actions are requested by ASDAs, a new suspense period of 60 days for DD Form 200 and 30 days for DA Form 444 will apply—for example, when returning a DA Form 444 or DD Form 200 to the submitter for more action.

(7) ASDAs will receive DA Form 444 in original and 2 copies from depots and review them for completeness and accuracy (see fig 14–1). An ASDA has 30 days to approve a DA Form 444 or return it to the depot for more action. If the DA Form 444 is satisfactorily completed, the APO will forward it through the Chief of Distribution and Transportation to the Director of Materiel Management for approval. Retain the original of the approved DA Form 444 in the approving authority file. Return two copies of the approved DA Form 444 to the APO. Forward one copy to the depot. Place the other copy in the ASDA completed files. If the ASDA takes exception to any part of the DA Form 444, return the DA Form 444 to the depot by cover memorandum for corrective action. Set suspense of 30 days from the date of memorandum. If the DA Form 444 remains unacceptable after the second submission, the ASDA may request a DD Form 200.

(8) ASDAs will receive DD Form 200 from depots in an original and three copies. ASDAs review the DD Form 200 for completeness and accuracy (see fig 14–2). An ASDA has 60 days to approve a DD Form 200 or return it to the depot for more action. If acceptable, forward the DD Form 200 to the APO for approval. Return the original of the approved DD Form 200 in the approving authority file. Return three approved copies to the APO. Forward two copies to the depots for their files. Place one copy in ASDA completed files. If exception is taken to any part of the DD Form 200, return it to the depot by cover memorandum for corrective action with a suspense date of 60 days from the date of the memorandum.

(9) When the DA Form 444 or DD Form 200 indicates one of the following, the ASDA will inquire the accountable records to determine if the accountable records have been updated correctly.

(a) Examples for when the loss quantity is accounted for include: Erroneous receipt is posted; receipt reversal was not posted at ASDA; erroneous denial material was shipped; the lost material was located in storage, and so forth.

(b) The partial loss quantity has been recovered or accounted for that would reduce dollar value below mandatory requirement to initiate a DA Form 444. When records are updated correctly, close case and file it in the completed file.

(10) When a depot or when a DD Form 200 results in no conclusive finding because of inadequate accountable records at the ASDA, the commander of the ASDA will certify this in writing prepares a DA Form 444. Records are considered inadequate when it can be shown during research that transactions for the item under investigation are missing or unreadable, thereby precluding a conclusive investigation. File the certification with the research investigation documents to which it applies (that is, DA Forms 444 and DD Form 200).

(11) The ASDA approving authority will review all approved copies of DD Form 200 received from the DLA or other Service storage activity approving authority. The ASDA approving authority will ensure that the level and depth of the investigation were commensurate with the nature and size of the adjustment. If the ASDA approving authority, as owner of the material in question, does not agree with the level of investigation or draws a different conclusion, he or she will return the DD Form 200 to the storage activity with a memorandum outlining his or her concern(s). Further action is handled on a case-by-case basis between the approving authorities. If the ASDA approving authority believes a reinvestigation is necessary, the storage activity approving authority may request that the ASDA pay for the reinvestigation. Patterns of seeming superficiality in a storage activity’s investigation are addressed through command channels.

(12) For assets held at DLA and other Service storage activities, the ASDA will monitor adjustment documents received from these activities to determine when the criteria outlined in table 14–1 are exceeded and causative research resulted in no conclusive findings. For these instances, a DD Form 200 is forwarded to the ASDA within 45 days of posting of the adjustment. The ASDA will follow-up with the storage activity on any DD Forms 200 not received.
<table>
<thead>
<tr>
<th>Adjustment</th>
<th>Causative research required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of $5,000, or less.</td>
<td>No, unless required below.</td>
</tr>
<tr>
<td>Greater than $5,000, but less than or equal to $16,000, and a unit variance of 25 percent, or less.</td>
<td>Sample, see AR 740–26.</td>
</tr>
<tr>
<td>Greater than $5,000 and a unit variance greater than 25 percent (losses only).</td>
<td>Yes.</td>
</tr>
<tr>
<td>Of classified and sensitive items with a controlled inventory item code (CIIC) of 6, 8, 9, A–H, K, L, or O–T regardless of dollar value of item or extended dollar value of adjustment.</td>
<td>Yes.</td>
</tr>
<tr>
<td>Of $2,500 or less for items coded pilferable (that is, a CIIC of 7, I, J, M, N, V, W, X, Y, or Z).</td>
<td>Sample, see AR 740–26.</td>
</tr>
<tr>
<td>Greater than $16,000.</td>
<td>Yes.</td>
</tr>
<tr>
<td>Where fraud, waste, or abuse is known or suspected.¹ (A DD Form 200 is mandatory).</td>
<td>Yes.</td>
</tr>
<tr>
<td>Results of an annual statistical sample physical inventory variance are greater than $100.</td>
<td>Yes.</td>
</tr>
</tbody>
</table>

Note.

1. Sample causative research instead of complete causative research for pilferable item discrepancies with a value from $.01 to $2,500 may be accomplished to serve as a deterrent to fraud, waste, or abuse and to identify systemic inventory and security problems.
### FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS

<table>
<thead>
<tr>
<th>1. DATE INITIATED (YYYYMMDD)</th>
<th>2. INQUIRY/INVESTIGATION NUMBER</th>
<th>3. DATE LOSS DISCOVERED (YYYYMMDD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014001</td>
<td>2AWAB014-01</td>
<td>20140930</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. NATIONAL STOCK NO.</th>
<th>5. ITEM DESCRIPTION</th>
<th>6. QUANTITY</th>
<th>7. UNIT COST</th>
<th>8. TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1034</td>
<td>Coat Army Combat Uniform Large Regular</td>
<td>1</td>
<td>36.00</td>
<td>36.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS (X one)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost Organization Damaged Installation OCIE</td>
</tr>
</tbody>
</table>

- SGT John A. Doe was missing one each ACU coat at the shift change inventory. No coats were issued during the shift on 29 - 30 September 2014, the missing coat is lost. SGT Doe stated that someone must have stolen them during the night.

Exhibit A through F

### 10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES (Attach additional pages as necessary)

- Continue to reiterate and enforce the necessity for individuals to guard or secure equipment at all times.

### 11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10

- a. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)
  - EUSA-BD-A
  - A Company, 234th Engineer Battalion
  - Fort Knox, KY 40121-0000

- b. TYPED NAME (Last, First, Middle Initial)
  - Doe, Merlin X., SSG, Squad Leader

- c. DSN NUMBER
  - 315-123-4569

- d. SIGNATURE
  - DIGITAL SIGNATURE 123456789

- e. DATE SIGNED
  - 00000000

- f. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)
  - EUSA-BD-A
  - UIC WAAWA0
  - A Company, 234th Engineer Battalion
  - Fort Knox, KY 40121-0000

- g. TYPED NAME (Last, First, Middle Initial)
  - Doe, Mark W., Capt, Commander

- h. DSN NUMBER
  - 315-123-9756

- i. SIGNATURE
  - DIGITAL SIGNATURE 123456789

- j. DATE SIGNED
  - 00000000

### 12. (X one) RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS)

- a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED (X one)
  - YES

- b. COMMENTS/RECOMMENDATIONS
  - Request investigation due to possible theft.

### 13. APPOINTING AUTHORITY

- a. RECOMMENDATION (X one)
  - APPROVE

- b. COMMENTS/RATIONALE
  - Recommend approval of the financial liability investigating officer's findings to hold SGT Doe financially liable for failing to properly secure Government property.

- c. FINANCIAL LIABILITY OFFICER APPOINTED (X one)
  - YES

- d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)
  - EUSA-BD-A
  - 234th Engineer Battalion
  - Fort Knox, KY 40121-0000

- e. TYPED NAME (Last, First, Middle Initial)
  - Doe, Shanna Y., JTC, Commanding

- f. DSN NUMBER
  - 315-456-8132

- g. SIGNATURE
  - DIGITAL SIGNATURE 123456789

- h. DATE SIGNED
  - 00000000

### 14. APPROVING AUTHORITY

- a. RECOMMENDATION (X one)
  - APPROVE

- b. COMMENTS/RATIONALE
  - Approved to hold SGT John A. Doe, financially liable in the amount entered in block 1d. SGT Doe's basic pay at the time of loss was $2,146.00.

- c. LEGAL REVIEW COMPLETED IF REQUIRED (X one)
  - YES

- d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)
  - EUSA-BD-A
  - 1st BCT, 2nd Infantry Division
  - Fort Knox, KY 40121-0000

- e. TYPED NAME (Last, First, Middle Initial)
  - Doe, Dean S., 1C0, Commanding

- f. DSN NUMBER
  - 315-559-0000

- g. SIGNATURE
  - DIGITAL SIGNATURE 123456789

- h. DATE SIGNED
  - 00000000

DD FORM 200, JUL 2009
PREVIOUS EDITION IS OBSOLETE.

111
DA PAM 735–5 • 23 March 2016

Figure 14–2. Sample DD Form 200 when using DA Form 444
15. FINANCIAL LIABILITY OFFICER

a. FINDINGS AND RECOMMENDATIONS (Attach additional pages as necessary)

I have examined all the available evidence shown in Block 9 and exhibits A through F. I also conducted numerous additional interviews and obtained other evidence and have attached them to this investigation, exhibits G through M. The ACU coat was lost due to failure to properly secure Government property. The loss was a result of simple negligence on the part of SGT John A. Doe.

SGT Doe was assigned the task of outfitting the deploying forces of the 234th Infantry Battalion. His operation was set-up on the airfield. He ran a 24 hour operation with eight Soldiers, 12 hour shifts. There was an NCO assigned to each shift. SGT Doe had the night shift. There were approximately 10 airfield personnel on duty at night. These airfield personnel move around freely throughout the facility.

On the night of 29 September 2014, SGT Doe released everyone to go to chow at 2200 hours. He was the only one from the detail left on the airfield. After all had left for the chow, SGT Doe went to the back room to use the computer to read and send some e-mails. He did not leave anyone to watch the supplies out on the floor. He did not have eyes on the supplies while in the back room. SGT Doe admits to staying in the room until everyone returned from chow.

At the morning shift detailed inventory, it was discovered that a large regular ACU coat was missing. None of the detail admitted to taking the ACU coat. All airfield personnel were interviewed but none admitted to knowing or seeing the thief. It was likely stolen during the time the items were unguarded, between 2200 and midnight, when SGT Doe was in the back room. The identity of the thief is still unknown.

SGT Doe had supervisory responsibility for the unissued items. A Statement of Charges was offered to SGT Doe to pay for the loss but he refused to sign it.

The ACU coat was not depreciated as it was new when it was determined missing.

Recommended that SGT John A. Doe be held liable in the amount of $36.00 and all others be relieved of responsibility for the lost items. SGT Doe's base pay at the time of loss was $2,146.00.

Exhibit A through M attached.

<table>
<thead>
<tr>
<th>b. DOLLAR AMOUNT OF LOSS</th>
<th>c. MONTHLY BASIC PAY</th>
<th>d. RECOMMENDED FINANCIAL LIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36.00</td>
<td>2,146.00</td>
<td>36.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>e. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A 234th Engineer Battalion Fort Knox, KY 40121-0000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>f. TYPED NAME (Last, First, Middle Initial)</th>
<th>g. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doe, Joel B., LT</td>
<td>315-723-6745</td>
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</table>

<table>
<thead>
<tr>
<th>h. DATE SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD)</th>
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</thead>
<tbody>
<tr>
<td>0900000000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>i. DATE APPOINTED (YYYYMMDD)</th>
</tr>
</thead>
<tbody>
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<td>0900000000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>j. SIGNATURE</th>
</tr>
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<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>k. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>0900000000</td>
</tr>
</tbody>
</table>

16. INDIVIDUAL CHARGED

a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND HAVE EXPRESSED ABOVE (X one)

Submit the attached statement of objection.  ❌ Do not intend to make such a statement.

b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.

<table>
<thead>
<tr>
<th>c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A 2nd Engineer Battalion Fort Knox, KY 40121-0000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d. TYPED NAME (Last, First, Middle Initial)</th>
<th>e. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doe, John A.</td>
<td>315-123-9756</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>f. SIGNATURE</th>
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<table>
<thead>
<tr>
<th>g. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>0900000000</td>
</tr>
</tbody>
</table>

17. ACCOUNTABLE OFFICER

a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD

| W012F 4282-1010 |

<table>
<thead>
<tr>
<th>b. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUSA-BD-A 1st BCT, 2nd Infantry Division Fort Knox, KY 40121-0000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c. TYPED NAME (Last, First, Middle Initial)</th>
<th>d. DSN NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doe, Reginald A.</td>
<td>315-264-9856</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>f. DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>0900000000</td>
</tr>
</tbody>
</table>

DD FORM 200 (BACK), JUL 2009

Figure 14–2. Sample DD Form 200 when using DA Form 444—Continued
b. Depots.

(1) The inventory activity will, upon receipt of a request for a DA Form 444 or DD Form 200, establish controls to assure the interim and final replies are forwarded to ASDAs by suspense dates. If the depot cannot meet the suspense date, the depot will request an extension by telephone from the ASDA, 5 days before the suspense date (see AR 735–5 for suspense dates).

(2) Forward the original and two copies of the DA Form 444 or DD Form 200 to the ASDA.

(3) To complete research relating to the DA Form 444 or DD Form 200, the depot will obtain transaction history to include all current and deleted locations; review the history to decide whether there are erroneous, duplicate, missing transactions, or depot local adjustments; and review relevant hard copy documents. This is done as follows:
   (a) For depot local adjustments, check inventory files to assure that the correct quantity and condition code were posted.
   (b) For denials, check material release order history files to assure material was not shipped.
   (c) Locations-check all current and deleted locations.
   (d) Receipts-review hard-copy receipt documents for duplicates; quantity and condition code as posted are correct; and weight and cube agree with the weight and cube entries recorded in the depot master data record.
   (e) For adjustments, review hard copy and document control register on condition code reclassification (DACs) and re-identifications (D8J and D9J) to verify correct postings.
   (f) For shipments, review material release order (MRO) history file to verify correct posting of MROs or stock transfer orders; for those items shipped on a Government bill of lading (GBL) or other traceable means, verify correctness of weight and cube for shipment. Review the GBL to assure shipment of the material.
   (g) For other owners, assets may be on record for other owners. If so, verify that these recorded assets are correct with no adjustments that would have a bearing on the loss.
   (h) For outstanding SFs 364, review SFs 364 to decide whether an outstanding SF 364 has a bearing on the loss.
   (i) For depot maintenance, check the depot maintenance activity to assure missing material is not located there, and any transaction to or from the maintenance activity is correctly reflected on the depot’s transaction history.
   (j) For disposal activity, check the disposal activity for missing material.

(4) A DA Form 444 prepared by a depot may result in no conclusive finding because of inadequate custodial records at the depot. If so, the commander of the depot or his or her deputy will certify this in writing. Records are considered inadequate when research shows that transactions for the item under investigation are missing or unreadable, thereby preventing a conclusive investigation. File the certification with the research or investigative documents to which it applies (that is, DA Form 444 or DD Form 200).

(5) Investigation may recover missing material or may account for it. If so, make corrections to the depot custodial records as required. Forward a reply by first memorandum to the ASDA to include a copy of the depot transaction history showing the corrections have been made. Include an explanation for the discovery. This history will include recovery or accounting for partial quantities that would reduce the dollar value below the mandatory requirement for a DA Form 444 as stated in table 15–1. In those cases where recovery or accounting for quantities (partial or total) reduce the dollar value below the mandatory requirements for a DA Form 444, depot replies by first memorandum will constitute closing of the DA Form 444 unless otherwise notified by the ASDA. A partial quantity may be recovered or accounted for and may not reduce the dollar value below the mandatory requirement. If so, continue processing the DA Form 444 for the actual loss quantity.

(6) Investigation may fail to account for the loss. If so, take the following actions:
   (a) Prepare a DA Form 444, DD Form 200, or AR 15–6 investigation on request from the ASDA. If the ASDA requests a DA Form 444, not knowing that negligence or willful misconduct is suspected, the depot commander will initiate a DD Form 200 instead of a DA Form 444.
   (b) The depot commander will sign both DA Form 444 and DD Form 200 in the proper blocks before submission to ASDAs. Note that when blocks 13a through 13h are completed, the words “appointing authority” is lined out and replaced with the words “depot commander.”
   (c) When initiating a DD Form 200, forward copy number five to the proper ASDA showing that a DD Form 200 has been initiated. Forward the original and three copies of the DD Form 200 to the depot commander for assigning an inquiry/investigation number from the DD Form 200 register, and appointing a financial liability officer (when required by the approving authority).

(7) Appointed financial liability officers will conduct an investigation and document losses as stated in chapter 13. They will compile the evidence that substantiates or refutes the statements on DD Form 200, block 9, and attached exhibits. Financial liability officers will record only facts about the loss. Statements attached as exhibits are in the form of certificates for military and civilian personnel. The financial liability officer will—
(a) Obtain statements in the form of certificates or direct quotes of persons mentioned on DD Form 200, block 9, if not already attached as exhibits, and any other persons interviewed during the investigation.

(b) Review evidence presented to assure all transaction postings are correct. Transactions include receipts, issues, and adjustments.

(c) Confirm that receipt postings are correct as to quantity and condition code. Weight and cube recorded on hard-copy receipt documents are equal to weight and cube recorded in the depot master data record.

(d) Assure that all shipment postings have been verified against the MRO history file; the bills of lading (BLs) are verified to assure the correct quantity was shipped; and the weight and cube agree with the quantity shipped.

(e) Verify that NSNs with a CIIC of 2, 3, and 8 were properly reported to security (controlled items that require an AR 15–6 investigation are exceptions). When a weapon is lost, include the serial number in the DD Form 200 or AR 15–6 investigation. Verify that a copy of the security investigation is attached to the DD Form 200 as an exhibit.

(f) Investigate the receiving, storage, inventory, and shipping practices; obtain statements in the form of certificates or direct quotes that verify practices met regulatory requirements; and cite the regulations. Include whether or not the security measures are, or were in effect to prevent theft.

Note. When citing local regulations, attach applicable parts as exhibits.

(g) As applicable, check the maintenance, disposal, and quality assurance activities.

(h) Check other owner transactions, if any, to ensure postings are correct, with no adjustments that would account for the loss.

(i) Decide whether or not the missing item has any commercial application.

(j) Decide whether or not a person is to be held financially liable.

(k) Determine who is responsible; normally this is the depot-appointed responsible officer.

(l) From the above, decide whether negligence or willful misconduct is evident.

(m) State how the loss occurred. If this cannot be determined, state why.

(n) If the missing material is found or accounted for, discontinue the investigation. Report the findings through the depot commander to the inventory office. The inventory officer will have the depot custodial records corrected as required. The office will also advise the applicable ASDA of these findings. Include a copy of the depot transaction history showing that corrective action has been taken.

(o) Make a recommendation based on recorded facts stated in the findings. The recommendation will cover accountability, responsibility, and financial liability, as applicable. Do not recommend adjusting records as the records have already been adjusted.

(p) Obtain the signature of the depot commander. Forward the completed DD Form 200 to the applicable ASDA.

(q) Conduct AR 15–6 investigations on controlled items according to AR 15–6 (see AR 190–11). An AR 15–6 investigation may be used instead of a DD Form 200. In these cases the depot will complete DD Form 200, enclose a copy of the AR 15–6 investigation to it, and submit it to the APO at the applicable ASDA. The DD Form 200 is completed according to figure 15–2 except that—

(a) Blocks 9 and 15a will not include details on the circumstances and findings. Instead, include a statement in these blocks referring to the attached AR 15–6 investigation.

(b) If no one is recommended for assessment of financially liable, include a statement in block 15a. The statement will recommend that the accountable officer be relieved of accountability and not held financially liable.

(c) The name of the presiding member of the AR 15–6 board of investigation is recorded on the memorandum used to appoint members of the AR 15–6 board, which is attached to the DD Form 200 as an exhibit.

Chapter 15
Discrepancies Incident to Shipment of Property by Common or Contractor Carrier

Section I
Introduction

15–1. Actions to be taken upon discovery of discrepancies in shipment
Actions to be taken are decided on discovery of a discrepancy upon receipt of shipment. The actions to be taken depend on the type of consignee involved. Listed below are the successive steps for reporting and adjusting discrepancies. Section II of this chapter specifies the actions required in steps 3 through 7 for the use of the DD Form 361. Section III of this chapter specifies those actions required for the use of SF 364 and DD Form 361. For those steps in which requirements for action differ with the type of consignor or consignee, the procedure that applies to each type or combination of types is identified in table 15–1.
Table 15–1
Actions for discrepancies in shipment

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
</table>
| 1    | Discovery of the discrepancy by—  
The transportation officer (TO) or other receiving point personnel during “checking-in” operation, or the receiving property officer during “storage” operation. |
| 2    | Classification of discrepancy (see glossary to determine the proper form (SF 364 or DD Form 361) required. |
| 3    | Initiation of forms in step 2 above. |
| 4    | Investigation and documentation of loss with concurrent actions to complete the forms in step 2 above. |
| 5    | Approval of the forms in step 2 above for consignee installation commanders. |
| 6    | Distribution of the forms in step 2 above. |
| 7    | Action by the consignor (shipping officer) or other addressee upon receipt of the completed forms in step 2 above. |

15–2. Step 1—Discovery of discrepancies

a. Persons working in the receiving transportation office or the property office normally discover the discrepancies. Discovery of discrepancies occurs—  
(1) During the checking-in operation.  
(2) After receiving the shipment from the receiving TO.  
(3) During inspection.  
(4) During breaking down the pallets and emptying the containers.  
(5) When moving the property into storage for later issue.

b. Undue delay of notice will dictate which discrepancy form is used SF 364 (not applicable to DD Form 361).

15–3. Step 2—Classification of discrepancies

The receiving TO or receiving property officer, or both, will categorize discrepancies as to their physical characteristics and capability. Categorization, once decided, will not change except upon agreement between the receiving TO and receiving property officer. If the officers fail to agree, the approving authority will categorize the discrepancies.

a. Inconsequential discrepancies. Discrepancies that are categorized as inconsequential do not require financial liability investigation of proper loss action. Adjust these discrepancies by entering the following note "Inconsequential" on a copy of the shipping document or other instrument used as a debit voucher.

b. Transportation discrepancies. The strict adherence to the definition of transportation discrepancies will assist in protecting the Government’s interest. Categorize all discrepancies where carrier liability cannot be ruled out as transportation discrepancies. Further decision is made according to the glossary as to whether the transportation discrepancy is an overage, shortage, or damage, thereby requiring initiation of a DD Form 361 in enough copies for DD Form 200 purposes.

(1) For other transportation discrepancies, do not use a DD Form 200. In cases of damages discovered by the receiving property officer when opening packages at storage locations (concealed damage), he or she will consult the receiving TO for the category of the discrepancy.

(2) Section II of this chapter contains specifications for initiating and processing DD Forms 361.

c. Supply discrepancies. After a deficiency is categorized as a supply discrepancy, further review is made to see if it meets the report preparation time limits (see 41 CFR 101–26.8) and qualifies under the minimum dollar value criteria (see definition for “discrepancy” in the glossary). Refer supply discrepancies discovered by the receiving TO to the receiving property officer for action. Section III of this chapter contains detailed specifications for initiating and processing the SF 364.

15–4. Discrepancy tolerance in receiving shipments of coal, petroleum products, and so forth

a. So that Army procedures for receiving and checking in shipments of special types of property will conform to those used in the commercial field, DA will, if required authorize certain shipment discrepancy tolerances to be applied at Army installations. Shipments of solid fuels and petroleum products, and other items subject to shrinkage, evaporation, and so forth, are shipments to which such tolerances may apply.

b. When tolerances have been authorized under paragraph 15–4a, initiation of a DD Form 361 or SF 364 is not required except when—

(1) The discrepancy exceeds the authorized tolerance.  
(2) Prescribed by the directive setting the tolerance.  
(3) For shipments of bulk petroleum, see DOD 4140.25–M for DD Form 361 requirements.
Section II
Reporting and Adjusting Transportation Discrepancies

15–5. Step 3–DD Form 361 shipments on prepaid commercial bill of lading
   a. “Acceptance at destination” shipments. The Army accepts and pays for only those articles received in a
      serviceable condition; therefore, transportation discrepancies in free on board (FOB) destination” shipments made on
      prepaid commercial bill of lading (CBLs) from vendors do not require DD Forms 361 to be prepared for DD Form
      200 purposes. Furnish a DD Form 361 to the shipper who will settle the transportation discrepancies with the carrier
      since title does not pass to the Government until acceptance at destination.
   b. “Acceptance at origin” shipments. Procurement contracts or purchase orders are carried out according to the
      Federal Acquisition Regulation, on an "acceptance at origin" basis for shipment FOB destination to an Army installa-
      tion on prepaid CBLs. When this occurs, the Army accepts title to the property at the shipping contractor’s establish-
      ment. The contractor only as a convenience pays freight charges to the U.S. Government. When reporting
      transportation discrepancies of this type, prepare a DD Form 361 under the same procedures applicable to shipments
      moving on FOB origin on GBL or related transportation document.

15–6. Step 3–Free-on-board origin shipments from vendors on a Government bill of lading
   a. Initiate a DD Form 361 when discovering a transportation-type discrepancy in an FOB origin shipment on GBL
      from a—
      (1) Vendor.
      (2) Fixed-price contractor.
      (3) Commercial warehouse.
   b. The DD Form 361 determines the placing of responsibility despite whether—
      (1) The vendor or contractor receives payment for all or part of the article.
      (2) Acceptance by the Army took place.
   c. As a result of DD Form 200 action, a decision may be made that the shipper is entitled to payment for articles
      listed on the investigation and payment has not been authorized previously. If so, the contracting officer will start such
      actions needed to make payment. Do not use DD Form 200 as documents to support payment vouchers.
   d. Property accountability for materiel in excess of serviceable articles actually received. When it is determined that
      loss or damage articles are obviously the shipper’s responsibility, procedures in paragraph 15–4 are used.

15–7. Step 3–Free-on-board origin for conversion to a Government bill of lading
   Treat a transportation-type discrepancy in shipment on CBL converted to a DA BL at destination as a DA BL.

15–8. Step 3–Shipments from the Army Stock Fund
   a. When property involved in a transportation discrepancy is part of the body of, or represents a purchase from, the
      Army working capital fund (AWCF) by an element of the Army, DD Form 361 action is started. This is true even
      though the money value of the discrepancy is less than $100 per line item and request for adjustment in reimbursement
      billing is not required according to DFAS–IN Regulation 37–1.
   b. Accounting principles governing the AWCF provide that title to shipments will pass to the consignee upon
      acceptance by the common carrier (see constructive delivery or receipt in AR 735–5).
   c. Adjusting overages, shortages, and damage must be based accordingly on the premise that the funds of the
      consignee are charged by the stock fund upon release of the shipment to the carrier at origin. Special requirements for
      AWCF in processing DD Form 361 at steps 4, 6, and 7 are identified below.

15–9. Step 3–Shipments from the Defense Logistics Agency
   Requirements for initiation of DD Form 361 to report and adjust transportation discrepancies in shipments from DLA
   Fund are the same as for shipments from AWCF. However, requirements for steps 4 and 6 differ.

15–10. Step 3–Shipments from the General Services Administration
   Requirements for initiation of DD Form 361 to report and adjust transportation discrepancies in shipments from
   General Service Administration (GSA)-controlled sources (not Federal supply schedule) are the same as for DLA and
   AWCF. However, requirements for steps 4 and 6 differ.

15–11. Step 3–Responsibility at Army depots
   At Army depots (storage activities), the receiving or intended receiving TO will initiate DD Form 361 when prescribed
   below. The receiving property officer will furnish the TO all-essential data. Include prices and results of inspection and
   checking in at the storage location in the data. AR 725–50 and chapter 6 of this regulation prescribe processing DD

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Form 1348–1A, DD Form 1149, and DD Form 250 as receipts at the storage activity (responsible officer) and the ASDA.

15–12. Step 3–Responsibility at installations, depots, and terminals
At installations other than depots and terminals, the receiving TO will initiate and distribute the DD Form 361. At installations where an officer does not regularly serve as a TO, the commander will assign a qualified officer or civilian to take all actions prescribed in this regulation. In case of elements of field forces without an assigned TO, the officer in charge will assign an officer or other qualified subordinate to do the DD Form 361.

15–13. Step 3–Responsibility at ocean terminals for overseas shipments
This is reporting of discrepancies in shipment attributed to movement in transit by ocean carrier.

15–14. Step 3–Responsibility at aerial ports or air freight terminals
The receiving officer will prepare a DD Form 361 for reporting and DD Form 200 purposes.

15–15. Step 3–Responsibility for shipments to commercial warehouses
Commercial warehouses are employed either to store certain property en route to water terminals or awaiting other overseas shipment, or to provide more storage capacity for depots. In the former case, when a DD Form 200 is needed for a transportation discrepancy in a shipment received by a commercial warehouse, the terminal agency that maintains the files on shipping documents covering property stored at a certain warehouse is responsible for its preparation. In the latter case, the officer accountable for the property (the depot of the ASDA) will prepare such a DD Form 200 covering the transportation discrepancies in shipments received at a warehouse. The officer or activity depends on the warehouse for pertinent data required for its preparation.

15–16. Step 3–Shipments between Army and other Government agencies
On discovery of a transportation discrepancy (except inconsequential) in a shipment received from another Government agency, the TO initiates a DD Form 361 for DD Form 200 purposes. The initiation of the DD Form 361 at the Army installation receiving the shipment occurs regardless of whether or not the shipment moved on a DA BL or on one from another Government agency.

15–17. Step 3–Shipments to nonmilitary activities
   a. Continental United States destinations. When making shipments of Army property to activities listed below, the shipping accountable officer will adjust the discrepancies. Processing needed DD Form 200 in DD Form 361 is included. In shipments from a contractor, the officer responsible for preparing the shipping document will prepare the DD Form 361. The shipping TO will instruct the consignee on proper reporting of discrepancies in the quantities received. The following types of consignees fall within the scope of this paragraph:
   (1) U.S. Government departments or agencies other than DOD and GSA.
   (2) Persons, corporations, or non-Government activities not under Army contract.
   (3) Foreign governments or instrumentalities of such Governments.
   (4) Nonappropriated fund activities of the Army.
   b. Shipments to Department of the Army contractors. For shipments of Government property made to a DA contractor, the designated receiving APO or property administrator will initiate and follow to conclusion necessary action on discrepancies in shipment. This includes preparation of DD Form 200.
   c. Overseas destinations. In the cases of transportation-type discrepancies in shipments made on Army BLs to military activities (water or aerial port) for overseas shipments to agencies or activities outside Army, the receiving TO will initiate the DD Form 361 for DD Form 200 purposes (grant aid and foreign military sales (FMS) shipments are included). The receiving TO will forward the completed claim file to Defense Finance and Accounting Service (FINCH–BA), Indianapolis, IN 46249–5301.

15–18. Step 3–Shipments to the American Red Cross
   a. Discrepancies in shipments consigned on DA BLs to officers of the American Red Cross in the continental United States (CONUS) fall in the same category as those mentioned in paragraph 15–17a.
   b. Discrepancies in shipments consigned on DA BL’s to the American Red Cross at U.S. ports of exports for export to foreign governments or other destinations fall in the same category as those mentioned in paragraph 15–17a.

15–19. Step 3–Army property damaged or destroyed before reaching intended destination in the continental United States
When unable to deliver Army supplies and equipment at an intended destination because of the severity of damage suffered while in the possession of the common carrier, take the actions shown below.
   a. Action by shipping officer.
(1) Upon receipt of data from a carrier that severity of damage prevents delivery of a shipment, the shipment officer—

(a) Makes arrangements with the carrier, vendor, or originating Army installation for the repair or replacement.

(b) Notifies the Army installation designated to receive the property of the circumstances involved, action taken, and the new anticipated arrival date; and furnish a copy of covering BL with such data annotated on the BL.

(2) When the shipping officer decides to turn over damaged supplies and equipment to a Government repair activity for repair or other disposition before delivery, they—

(a) Ascertain the suitable Army installation.

(b) Promptly furnish disposition instructions to the carrier by the most expeditious means of communication.

(c) Notify the Army installation designated to receive the damaged items for repair.

(d) Forward a copy of the GBL issued for such items for use for DD Form 361 or DD Form 200 action.

b. Action by activity designated to receive the damaged items for repair.

(1) Furnish the intended designated receiving officer detailed data as to the cost of repair and other data needed to initiate a DD Form 200. Use a copy of the GBL provided by the shipping officer.

(2) Pick up on the stock records according to chapter 6. Report as excess the economically repairable materiel to the proper inventory manager. When accepting a damaged vehicle delivered to an installation having a vehicle storage mission.

c. Responsibility of the intended receiving officer when the ultimate consignee is in the continental United States. The intended receiving officer will complete and distribute DD Forms 361 prepared by military activities.

15–20. Step 3–Inactivated installations

Normally, financial liability investigations of property loss involving discrepancies in shipments process before inactivation of an installation and its records are retired to a records holding area. However, notice arrives sometimes after the inactivation. This happens most often for shipments to agencies outside the Army (see paras 15–6, 15–17, and 15–18). In such instances, the headquarters that exercised command jurisdiction over the installation before its inactivation will prepare and process the necessary DD Form 200 from data obtained from the proper records holding area.

15–21. Step 3–Time limitation

The receiving TO will prepare DD Form 361 for traffic management and DD Form 200 purposes promptly upon discovery and classification as a transportation discrepancy. Articles listed on one BL that are determined short, over, damaged or otherwise making up a discrepancy, are included on a single DD Form 361.

15–22. Step 3–Number of copies required

When preparing a DD Form 361 for DD Form 200 purposes, identify the DD Form 361 file by checking the "yes" block on the DD Form 361. The basis for a firm decision may not be evident to the receiving TO under this chapter. If so, consult with the receiving property officer. If a decision is not reached with the receiving property officers, the TO will consult the appointing and approving authority (see para 15–29).

15–23. Step 4–Transmittal for DD Form 200 purposes by receiving transportation officer

When processing a DD Form 361 for DD Form 200 purposes, and all actions specified above satisfy the receiving TO, the TO will sign the original and all copies. The signed original and four copies are forwarded to the appointing and approving authority for action prescribed below.

15–24. Step 4–Shipments from the Army Stock Fund

DD Forms 361 initiated for shipments from the AWCF according to paragraph 15–12 (covering step 3) is processed in step 4 in the same way as the other Army DD Form 361 except change of the accounting classification shown for deposit of proceeds to that of the AWCF consignor prescribed in DFAS–IN Regulation 37–1. This requirement applies to all AWCF transportation discrepancies including those amounting to less than $100 per line.

15–25. Step 4–Shipments from the Defense Logistics Agency

DD Forms 361 initiated for shipments from DLA stock fund according to paragraph 15–13 (step 3) is processed in step 4 in the same way as the other Army DD Form 361 except for accounting classification shown on the DD Form 361. Change the citation shown in DD Form 361 to that of the Defense stock fund (according to DFAS–IN Regulation 37–1) 97X4961.5XX, replacing the XX with the proper activity code of the Defense logistics center that initiated the shipment. This requirement applies to all DLA transportation discrepancies including those amounting to less than $100 per line item.
15–26. Step 4–Shipments from the General Services Administration
Initiate a DD Form 361 for GSA shipments according to paragraph 15–14 (step 3) and process step 4 in the same way as other Army DD Forms 361. For accounting classification, show the words "General Services Administration."

15–27. Step 4–Designation of appointing and approving authority
At each Army installation or major activity, the installation commander will designate an officer to supervise and approve actions on DD Forms 361 used for DD Form 200 purposes. To properly adjust property accounts, the officer designated will at least serve at the command level above both the receiving TO and receiving property officer; for example; normally the G4, S4, LRC, or equal level. This named designee will act as the appointing and approving authority for any DD Form 361 used for DD Form 200 purposes and will enter final approval for the installation commander.

15–28. Step 4–Investigation of discrepancy general instructions
The instructions contained in chapter 5 for review of DD Form 200 by appointing and approving authority and investigation by financial liability officers do not fully apply to processing the DD Form 361 for DD Form 200 purposes. This is true because based on the DD Form 361; the appointing and approving authority discharges the functions of both the appointing authority and installation commander. In addition, investigations are made as an adjunct of the appointing and approving authority action rather than by formally designating a financial liability officer.

15–29. Step 4–Examination by appointing and approving authority
a. Upon receipt of a DD Form 200 on DD Form 361, the appointing and approving authority will review the investigation to assure accuracy and completeness of the entries on the DD Form 361 and in the supporting evidence. The approving authority will also decide whether the entries provide an adequate basis for a decision on financial liability or relief from financial liability. If complete and accurate, the appointing and approving authority will show approval as provided in chapter 5, Distribution of the form will follow the requirements of chapter 5.
b. In the review, if the appointing and approving authorities conclude more data are necessary to base a final decision on financial liability, he or she will refer the file to one or more financial liability officers and enter the note, "Referred to purchasing and contracting officer for addition of findings and recommendations as exhibit."

15–30. Step 4–Action by financial liability officer
a. The financial liability officer will develop data essential to present the complete facts on the discrepancy and to comply with the specific instructions of the appointing and approving authority. Officers regularly designated to investigate discrepancies covered by DD Form 361 will acquaint themselves thoroughly with the receiving and shipping procedures. In this way, they may more easily determine the pertinent facts of the case. No hard and fast rules apply in performing an investigation. The judgment of the investigator, the situation, and the importance of the case will determine his or her actions. Officers will consider carefully the extent of their investigations and will refrain from compiling lengthy reports, affidavits, and certificates that do not have a direct bearing on placing responsibility for the loss or damage.
b. The action of the financial liability officer includes entering his or her findings on DD Form 361. Include references to added exhibits and the total amount of the loss. Opposite the caption, "Recommendations," which follows the findings without loss of space, enter proper recommendations. Make the summation of the investigation brief and clear. It should leave no doubt in the minds of the appointing and approving authority and other reviewing and approving authorities as to the facts set forth and the intent of the recommendations.

15–31. Step 4–Disposition of damaged property
a. The damaged property may consist of articles falling within the classes below. If so, dispose of it as shown for each class. When proper, furnish data as to the salvage or scrap value of the articles received in damaged condition with the original DD Form 200 for credit to the common carrier.
   (1) Special or technical articles for which specific disposition instructions have been published by DA or by the commodity command concerned is disposed of according to such instructions immediately upon a decision that the physical presence of the damaged article is no longer required as evidence. This class of property includes motor vehicles.
   (2) Do not dispose of classified articles referred to in AR 380–5 in a way that may disclose classified information to unauthorized parties. They are disposed of under paragraph 15–31a(1), when applicable. Otherwise, specific instructions are obtained from an authorized representative of the commodity concern.
   (3) Do not release articles not covered by paragraph 15–31a(1) and (2) above, containing valuable parts or subassemblies to the carrier for salvage. Turn this type item over to a repair shop.
   b. When a common carrier, through its authorized claims representative, accepts full responsibility for the actual value, permit the carrier to retain the damaged property. This applies except for damaged property in the above categories. Obtain a receipt to include a description of the damaged property from the local agent of the carrier. Enter a statement such as the one shown at figure 15–1 on the receipt. Get the statement signed by an agent of the carrier.
Make sure each item disposed of in this way clearly reflects the DD Form 361. A depreciation factor may apply to property accepted by the carrier. Use this factor when determining the actual full value. When holding a common carrier responsible for the full value of the property damaged beyond economical repair or serviceability, and the property has salvage value, the carrier will receive credit for the salvage value.

15–32. Step 5—Review and approval by appointing and approving authority
   a. A financial liability officer will complete the action and return the report to the appointing and approving authority. The approving authority will review the findings and recommendations of the financial liability officer and carefully consider the type and quantity of the evidence required to set forth the facts and to effect a settlement in the case. If the case involves a vendor or contractor, the appointing and approving authority must determine if enough data is included to enable the contracting officer to decide on any vendor or contractor liability.

   b. The appointing and approving authority will approve or disapprove the recommendations of the financial liability officer (see para 15–30) or add a new recommendation. If so, add the new recommendation in any available space on the DD Form 361 and enter signature and designation immediately below the entry. Record the action taken on all copies of the form.

15–33. Step 5—Review and approval review for installation commander
   a. The appointing and approving authority has direct responsibility for initiating, processing, and approving DD Forms 361 to report and adjust discrepancies in shipment. However, the installation commander must ensure reviews of selected cases to assure adequate protection of the interests of the Government. The review is made in the office of the installation comptroller. Checks of selected individual case files will include a review for completeness and accuracy.
and the decision as to whether a question of liability exists for the carrier, the shipping and receiving officer, the vendor (or contractor, freight handler, or commercial warehouse. The check will also ensure that financial liability is properly handled.

b. The installation commander will ensure DD Forms 200 (discrepancies incident to shipment) are entered on the DA Form 1659. Enter the number assigned to the investigation in block 2 on the face of the form.

15–34. Step 6–General distribution

a. After approval, the appointing and approving authority will distribute the original and copies of the DD Form 361 and DD Form 200. The distribution specified in paragraphs 15–34b and 15–34c applies to all shipments other than from the AWCF, DL, GSA, and other than to and from overseas.

b. An examination of the DD Form 361 may show that a question exists concerning the liability of a vendor, contractor, freight handler, or commercial warehouse under contract to the Army, and that liability of the carrier has not been ruled out. If so, distribute the DD Form 200 as follows:

(1) The original, with exhibits attached, is forwarded to the officer who administers the contract involved for shipments made to fulfill military standard requisitioning and issue procedures (MILSTRIP) requisitions (see AR 725–50). Route to the contracting officer through the supply sources to which requisitions was originally submitted.

(2) The second copy is forwarded to the receiving APO.

(3) The third copy is forwarded to the installation FAO. The FAO may use it as a supporting document in setting up an accounts receivable (Account 1100), when required.

(4) The fourth copy is forwarded to the officer who administers the contract. The original of the DD Form 200 (see para 15–34a(1)) is included. No letter of transmittal is required with the distribution of any copy.

(5) Provide a copy to the cognizant Surface Deployment and Distribution Command (SDDC) area commands.

c. If there is no question as to the liability of a vendor, fixed-priced contractor, freight handler, or commercial warehouse under contract to the Army, distribute the DD Form 200 as follows:

(1) The original, with exhibits, forward directly to the Defense Finance and Accounting Service-Indianapolis Center (DFAS–IN–FTF), Indianapolis, IN 46249–5301. (CONUS carrier liability only.)

(2) The second copy is forwarded to the cognizant SDDC area command.

(3) The third copy is forwarded to the receiving accountable officer.

(4) The fourth copy is forwarded to the installation FAO. The FAO may use it as a supporting document in setting up an accounts receivable (Account 1100), when required.

(5) The fifth copy is forwarded to DFAS level with the original of the report.

(6) The sixth copy may be returned to the officer who prepared the report. No letter of transmittal is required for the distribution of any copy.

d. After DFAS takes the final action, DFAS will specially arrange return of the fourth copy to the originating installation and for file in the headquarters file.

e. At transshipping activities, when the transportation of the Military Services or military agencies (including Federal agencies) property is handled as a reciprocal service for the other, the initiating and processing of DD Form 361 for reporting purposes and DD Form 200 is regarded as a part of such services. Transshipping activities include water terminals, aerial ports, break-bulk activities, and container consolidation points.

15–35. Step 6–Distribution of the Army Stock Fund

a. General. As provided in paragraphs 15–8 and 15–26 for steps 3 and 4, shipments from the AWCF involve reimbursement billing. With stated exceptions, these shipments require billing adjustments according to DFAS–IN Regulation 37–1 to cover the discrepancies. To accommodate these requirements, use distribution of DD Form 361 for DD Form 200 purposes specified in this paragraph. In cases of discrepancies amounting to less than $100 per line item not requiring request for billing adjustment under DFAS–IN Regulation 37–1, use only the distribution in paragraph 15–35.

b. Vendor liability indicated. Examination of the DD Form 361 may show that there is a question as to the liability of a vendor, contractor, freight handler, or commercial warehouse under contract to the Army and financial liability against the carrier has not been ruled out. If so, distribute the DD Form 200 as follows:

(1) The original with exhibits is forwarded to the officer who administers the contract involved. Route through the supply source to which the original MILSTRIP requisition and the request for billing adjustments is submitted (see DFAS–IN Regulation 37–1).

(2) Remaining copies as specified in paragraph 15–34b(2) through (5).

c. Vendor liability not shown. Distribute the original, second, third, fourth, and fifth copies as specified in paragraph 15–34b(1) through (5). Forward the sixth copy to support request for billing adjustment according to DFAS–IN Regulation 37–1. This copy must be legible; otherwise substitute a copy of the original. Request for billing adjustment may not be required because the discrepancy amounts to less than $100 per line item. If so, return the fifth copy for filing to the officer who originated the report.
15–36. Step 6–Distribution of shipments from the Defense Logistics Agency

a. General. As provided in paragraphs 15–9 and 15–25 for steps 3 and 4, shipments from DLA involve reimbursement billing. With stated exceptions, these shipments require billing adjustment according to DFAS–IN Regulation 37–1 to cover discrepancies. To accommodate these requirements, use distribution of DD Form 361 for DD Form 200 specified in this paragraph for discrepancies of less than $100 per line item. These shipments do not require request for billing adjustment according to DFAS–IN Regulation 37–1. Use only the distribution in paragraph 15–36.

b. Vendor liability indicated. Examination of the DD Form 361 may show that question exists as to liability of a vendor, contractor, freight handler, or commercial warehouse under contract to DLA and financial liability of the carrier has not been ruled out. If so, distribute the DD Form 200 as follows:

1. The original with exhibits attached, forward to the Defense supply center having jurisdiction over the items involved as provided in DFAS–IN Regulation 37–1. It is handled by the contracting officer and with the office responsible for paying the GBL.

2. Second, third, fourth, and fifth copy according to paragraph 15–34a(2) through (5).

3. Vendor liability not indicated. Distribute the original, with exhibits attached, and the fourth copy to the officer responsible for paying the GBL. Distribute the second and third copies per paragraph 15–34b(2) and (3). Forward the fifth copy to support request for billing adjustment according to DFAS–IN Regulation 37–1 (see para 15–35c(1)). Request for billing adjustment may not be required because the discrepancy amounts to less than $100 per line item. If so, return the fifth copy to the officer who prepared the report.

15–37. Step 6–Distribution of shipments from the General Services Administration

As provided in paragraphs 15–4 and 15–26 for steps 3 and 4, shipments from GSA require billing adjustment to cover discrepancies. To accommodate these requirements distribute an original DD Form 361, with exhibits, and fifth copy to the General Services Administration, National Customer Service Center, 2300 Main Street, Kansas City, MO 64108–0000 (email at NCSCCustomer.service@gsa.gov) for distribution of DD Form 361 unless shipments apply to shortages, damage, theft or pilferage of commercial vehicles. Distribute the remaining copies as specified in paragraphs 15–34c(2), (3), (4), and (6).

15–38. Step 7–Action of shipping officer

As shown in paragraph 15–29, the receiving TO, receiving property officer, appointing, and approving authority may decide to withhold approval on the DD Form 361 pending action to obtain needed data from the consignor (shipping officer). Upon receipt of request for information, the shipping officer will make such investigation and furnish prompt reply. Do not confuse these actions with those required of the shipping officer and contracting officer on transportation discrepancies with indication of contractor liability covered in paragraphs 1–34 and 15–35.

15–39. Discrepancies involving contract freight handlers

Loss or damage to Government property in transit and in freight-handling operations by contractors for longshoremen, stevedoring services, and so forth at SDDC water terminals, out ports, transportation terminal unit, and Army container consolidation points requires classification as transportation-type discrepancy and reporting. Use the DD Form 361 for DD Form 200; however, follow the instructions in this section with any necessary modification to meet the requirements for deciding liability for this certain type of discrepancy. Loss or damage may stem from contractor or shipper responsibility. The contracting officer at the terminal will take proper action to determine liability for the discrepancy.

a. When parcel post or a Government delivery vehicle furnished by the shipping or the receiving activity, inter/intra installation DD Forms 361 do not apply, moves supplies.

b. When a Government delivery vehicle is involved, the shipping or the receiving officer will prepare the report; in other words, whoever is responsible for the vehicle while the supplies are en route.

15–40. Shipments by ocean commercial carriers

The Military Sealift Commander (MSC) has responsibility for transoceanic and intercoastal water transportation.

a. On charter shipments, the use of a GBL does not apply. Except for losses of bulk liquids, use DD Form 200 to adjust property accounts for the shipment only. Adjust discrepancies in shipments of bulk liquids by means of DD Form 361 and DD Form 200 processed as prescribed below and according to DOD 4140.25–M.

b. On berth-term shipments on GBL on transportation, adjust discrepancies by DD Form and 361 DD Form 200 prepared and processed according to this section.

15–41. Discrepancies in shipments received by overseas ports of debarkation

a. When shipments that move by commercial transportation on GBLs are received at water terminals, they are checked carefully with the BL. Make a record of missing or damaged packages by shipment digit marking or other identifying marks. Packages received in damaged condition are opened and contents verified if reason exists to believe that part of the contents is missing or damaged. Overages, shortages, and damage are reconciled to the greatest extent
possible through the action of the cargo outturn reconciliation message (CORM) and its reply. Document all discrepancies not reconciled on the CORM and its reply on the DD Form 361.

b. When acting as the transshipment point, the port of debarkation (POD) authority will report on the DD Form 361 the description and weight of missing or damaged cargo along with any incidental costs—that is, direct, indirect, overhead, temporary duty (TDY), and so forth—to the ultimate consignee. The ultimate consignee will add any additional information required for completion of the DD Form 361 and report any additional discrepancies found on inspection of the shipment. The consignee will send the DD Form 361 to the POD for processing to the Cargo Outturn Reporting System. The POD will consolidate all DD Forms 361 received on a single voyage into a Cargo Outturn Reporting System package and forward it to the port of embarkation for ultimate submission to the MSC for adjudication. The POD will keep a file of DD Form 361 actions for use in responding to the MSC if subsequent questions arise or additional information is required.

c. When the financial charge is raised or approved by the final action of the commander of an SDDC area command on a DD Form 200, the officer will send the case to the MSC for collection. However, the officer has limited responsibility to—

(1) Request collection from the proper local officer of the MSC.
(2) Collect in full or, when more facts support such action, amend the DD Form 200 accordingly, and make available DD Form 200 and supporting files (or extracts thereof) to assist the proper MSC officer to process the claims.

When necessary, the commander of the SDDC area command may return the original of the DD Form 200 to a terminal commander for use by an MSC office. Retain the fifth copy in the file. The file at the command is so annotated.

15–42. Discrepancies in tanker shipments of petroleum and other bulk liquids received at overseas discharge points

a. AR 710–2 specifies the transportation loss allowance for petroleum products. When a discrepancy in tanker shipments of petroleum exceeds this allowance or a discrepancy in other bulk liquids is disclosed on DD Form 250–1 (Tanker/Barge Material Inspection and Receiving Report), initiate DD Form 361, according to paragraph 15–17 and process according to paragraph 15–42. Exception: Upon completion of action of the terminal commander as installation commander, make the following distribution of copies:

(1) Original with exhibits attached forward to the Director, Defense Fuels Supply Center, Fort Belvoir, VA 22060–5447.
(2) Second copy forward to the cognizant SDDC area command.
(3) Third copy forward to the FAO servicing the receiving property officer for support in settling a claim receivable (account-100).
(4) Fourth copy forward to the receiving property officer.
(5) Fifth copy with the original.
(6) Sixth copy forward to the TO at the terminal.

b. The Commander, Defense Fuel Supply Center, will take action on the financial liability investigation of property. When requiring more loading data or technical data about the shipment at origin, make a request through the Commander, Defense Logistics Agency-Energy (DLA–E), and dispatch the case to the Commander, MSC for collection. Responsibility is the same as that prescribed for commanders of transportation terminal commanders in paragraph 15–42.

15–43. Discrepancies in domestic intercoastal shipments

Domestic intercoastal shipments ordinarily move from point of origin to final destination through two or more intermediate transfer points. Transfer points for military cargo exist at SDDC terminals or offices at coastal cities under the jurisdiction of the cognizant SDDC terminal or out port. Separate BLs issued at point of origin and at each transfer point covered by each element of a given routing. MSC routes the ocean part of the movement.

a. Upon receipt of shipment at a transfer point, make a package check with the BL. Make a record of missing or damaged packages by serial numbers or other identifying marks. Open packages received in damaged condition and verify the contents if reason exists to believe that a part of the contents is missing or damaged.

(1) Immediate consignees will report description and weight of missing or damaged packages and cost data for any regrouping by DD Form 361 to the final destination consignee. DD Form 361 will reference the serial numbers of both inbound and outbound BL numbers.
(2) In each case, the intermediate consignee will cross-reference BL numbers on the inbound and outbound BL. Further, show discrepancies noted on the inbound movement on the face of the outbound BL.

b. On the basis of a final check of the inbound shipment and the information furnished according to 15–43a, the consignee receiving TO at the final destination will complete a DD Form 361 that covers all consequential and unadjusted transportation discrepancies that have been reported for which carrier liability cannot be ruled out (see para 15–3).

(1) The receiving TO or the appointing and approving authority will not need to decide which carrier of a number of
connecting carriers to hold financially liable for a discrepancy noted on a BL covering a segment of the complete movement. Determine carrier liability on a basis of each separate BL.

(2) Include concealed damage impossible to allocate to the movement covered by any one of the several BLs in DD Form 200; however, regard such damage as an item jointly chargeable to the several BLs subject to such allocation as decided upon by the officer taking action on the DD Form 200.

c. Discrepancies due to movement in the ocean part of a domestic intercoastal shipment results in the preparation of a claim file by the MSC. The ultimate consignee will send within 15 days after receipt of shipment, but not later than 60 days after cargo discharge a DD Form 361 to the military ocean terminal having jurisdiction over military cargo at the POD for processing and submission to MSC for adjudication.

15–44. Shipment of authorized baggage and household goods
The loss of or damage to authorized personal baggage or household effects shipped at Government expense involve adjustment between the owner and the carrier or a contractor. The claims officer will supervise the adjustment under the carrier’s claims procedures or according to the applicable packing or storage contract. When containers such as boxes and crates receive damage and must be repaired at Government expense prior to reforwarding to the owner or for storage by the Government, initiate a DD Form 200 on the DD Form 361. The DD Form 200 will cover the cost of labor and material used to make the repairs to containers. Instructions for step 3 govern the responsibility for preparing DD Form 200. Follow detailed procedures for household goods or other personal property in the Joint Travel Regulation (JTR).

15–45. Receipt of property previously reported lost or short
Property may be delivered after being reported lost or short while in the hands of the common carrier and a DD Form 361 may have been issued for DD Form 200 purposes. If so, prepare and distribute cancelled DD Form 361.

15–46. Discrepancies in container shipments
The ultimate consignee of shipping containers, military-owned demountable containers, roll-on/roll-off trailers, or container expresses will report discrepancies in shipments.

Section III
Reporting and Adjusting Supply Discrepancies

15–47. Step 4—Initiating an SF 364

a. General. As stated in AR 735–5, this section addresses property accountability aspects of the 41 CFR 101–26. It gives procedures for use by Army receiving installations and activities to report and adjust item (supply) discrepancies as defined in paragraph 15–3c. This section also outlines the relationship between SF 364 and DD Form 200 actions (see fig 15–2).

(1) When submitted, a SF 364 serves to suspense received overages, shortages and damaged Government property until disposed of or taking authorized adjustment action. The SF 364 clearly identify discrepancies and deficiencies involving the shipper of materiel (depot or contractor) or initiator of the shipments. Even though SF 364 do not always result in financial liability investigations of property loss, SF 364 investigations can lead to that requirement as shown below and at figure 15–2.

(2) Discovery of a discrepancy involving the shipper usually occurs when matching the supply documents or making an item count after opening shipping cartons in the activity’s receiving area.

(3) Because 41 CFR 101–26 is a Joint Service regulation, this section also identifies/clarifies SF 364 policies and procedures unique to the Army and differs from that contained in 41 CFR 101–26. Headquarters, AMC (AMCOPS–MT) has Army responsibility within the DOD SF 364 Program and will prescribe basic policies and procedures for processing, controlling, and providing credits for SF 364.

(a) Situation. Shipment received.

(b) Type of shipment. Parcel post, commercial carrier, and military transportation.

(c) Discrepancy. Comparison of document and tally shows not all items received from shipping activity (that is, depot, contractors, manufacturers, and vendors). Non-receipt of parcel post shipments, shipments from vendors, packaging, and item discrepancies.

(d) Action by receiving personnel. The receiving personnel should—


(f) Preparation. Prepare SF 364 and forward to proper officer (that is, inventory control point (ICP) or inventory manager (IM)) listed in 41 CFR 101–26.

Note. ICP or IM must decide if SF 364 can be resolved immediately without further investigation or if causative research is needed. Generally, if the value of the shipment shortage warrants causative research, that shows an unexplained loss or negligence. The shipper will initiate a DD Form 200. The SF 364 is attached as an exhibit.
(4) AMC has delegated responsibility to the AMC Packaging, Storage and Containerization Center as the final arbitrator for unresolved and contested SFs 364 appealed by the requestor under provisions of 41 CFR 101–26.

(a) Lateral redistributions of major items for intra-Army command (ACOM), Army service component command (ASCC), or direct reporting unit (DRU) lateral redistributions of major items, policies on discrepancy reporting and issue of credit is established by the applicable ACOM/ASCC/DRU.

(b) For inter-ACOM/ASCC/DRU lateral redistributions of major items, the losing activity has the responsibility for ensuring the items meet technical manual (TM) -10/-20 series standards prior to shipment, per AR 750–1. Gaining activities will report discrepancies to the losing activity per 41 CFR 101–26, citing estimated or actual repair costs and request reimbursement. Discrepancies are to be reported by the gaining activity directly to the losing activity for resolution using 41 CFR 101–26, SF 364 procedures. An information copy of the SF 364 is provided to the national level ICP.

(c) AR 750–1 lists parts, labor (which includes both civilian and military), material, and direct and indirect costs (to include TDY costs for technical inspections). These charges are also appropriate for reimbursement on SFs 364 against equipment transfers between ACOMs/ASCCs/DRUs when the equipment does not meet TM -10/-20 series standards. Reimbursements on such SFs 364, as with packaging SFs 364, are made for actual costs incurred. When operations, maintenance, and Army funds are involved, assure that reimbursements are made the same fiscal year the work is performed.

(d) To minimize the costs on SFs 364, repair is done on site whenever possible, using the lowest level maintenance activity that has capability and authority to perform the work. Components are repaired when cost effective.

(e) Exceptions to this policy may be made by agreement between the gaining ACOM/ASCC/DRU, and the losing ACOM/ASCC/DRU.
SF 364 is submitted to wholesale ASDA or shipper

Can ASDA or shipper explain discrepancy?

Is item nonclassified, nonsensitive, and valued less than $500?

ASDA or shipper must ensure that causative research is started.

Is apparent negligence involved?

Is item classified or sensitive?

Initiate a DA Form 444. Attach SF 364 or causative research as exhibits.

Does the DA Form 444 approving authority recommend processing a DD Form 200?

Close out DA Form 444. Accountable officer will notify originator of SF 364 by passing on approving authorities final decision.

ASDA or shipper makes necessary adjustments and notifies originator of SF 364.

Shipping activity initiates DD Form 200.

Attach SF 364 and causative research as exhibits. Notify originator of SF 364 when final DD Form 200 action is taken.

Shipping activity adds DA Form 444 as an exhibit.

Request for extension of collection period (per FAO and/or USPFO).

Figure 15–2. Process steps for SF 364 and related actions

c. Reporting discrepancies. If the reporting criteria shown below apply, report a shipping-type item discrepancy by submitting a SF 364 (see fig 15–3 for preparation instructions).

(1) Shipping-type (item) discrepancies. This involves supply discrepancies in shipments from DOD activities (including materiel returns from DOD and FMS customers), GSA supply distribution facilities, and from contractors, manufacturers, or vendors. Reporting criteria in 41 CFR 101–26 applies to the types of discrepancies and dollar values to report. (Report discrepancies in shipments from contractors, manufacturers, or vendors regardless of dollar value.)

(2) Discrepant shipments to the DLA Disposition Service Office. The following exception to 41 CFR 101–26 applies to DLA Disposition Service Office shipments. When document identification code AFX/AFZ is received, the shipper retains responsibility for—

(a) Investigating the discrepancy.
(b) Notifying the local provost marshal/security officer for investigation under the provisions of AR 190–30 (regardless of ownership).
(c) Preparing and submitting a SF 364 for Army-owned materiel according to the procedures described in 41 CFR 101–26 for receiving activities. This exception provides the use of the SF 364 as the basis for any inventory adjustments and if necessary, a DD Form 200.

(3) Packaging discrepancies. Types of packaging discrepancies and dollar value reporting criteria appear in 41 CFR 101–26. The following clarifies damage: Report concealed damage as a shipping-type SF 364 and indicate in block 12 of the SF 364 concealed damage; for visible, carrier-caused damage, submit a DD Form 361. When carrier liability does not apply on the DD Form 361, submit a shipping-type SF 364 with the DD Form 361 attached as evidence. Questionable situations may require simultaneous submission of both a DD Form 361 and a packaging SF 364. Check top block on SF 364 to identify packaging discrepancies.


(a) Non-receipt of parcel post shipment. As added clarification, report non-receipt of parcel post shipments from contractors, manufacturers or vendors on a shipping type (item) SF 364 within time frames specified in 41 CFR 101–26. For shipments from contractors, manufacturers or vendors where shipment status has not been received, report non-receipt on shipping-type (item) SF 364 within time frame specified in 41 CFR 101–26.

(b) Shipments to DLA Disposition Service Office. Submit SFs 364 on shipments of Army-owned materiel to DLA Disposition Service Offices (see para 15–47c(2)), within the time frame specified.

15–48. Step 4—Conducting investigations and preparing SF 364
Since SF 364 does not constitute a DD Form 200, conduct investigations according to chapter 13. Follow the instructions for preparing the SF 364 in 41 CFR 101–26. Exceptions or additions to these instructions are contained in figure 15–3.
**REPORT OF DISCREPANCY (ROD)**

<table>
<thead>
<tr>
<th>NSN/PART NUMBER AND NOMENCLATURE</th>
<th>UNIT OF ISSUE (b)</th>
<th>QUANTITY SHIPPED/BILLED (c)</th>
<th>QUANTITY RECEIVED (d)</th>
<th>QUANTITY SHORTAGE (e)</th>
<th>UNIT PRICE (f)</th>
<th>TOTAL COST (g)</th>
<th>CODE (h)</th>
<th>AC2 TION CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2610-01-050-9840</td>
<td>EA</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>$3,560</td>
<td>$7,120.00</td>
<td>DI</td>
<td>1F</td>
</tr>
</tbody>
</table>

12. REMARKS (Continue on separate sheet of paper if necessary):
Request replacement, ship 2 ea 2610-01-050-9840

**DISCREPANCY CODES**

- **CONDITION OF MATERIAL**
  - C1 — Damaged or missing
  - C2 — Expired shelf life
  - C3 — Damaged parcel post shipment

- **SHIPPED IN CONJUNCTION WITH**
  - D1 — Not received
  - D2 — Uncontracted or unshipped
  - D3 — Incomplete improper or without authority

- **MISSING MATERIAL**
  - M1 — Addressed to wrong address

- **OVERAGED/OUTDATED MATERIAL**
  - O1 — Quantity in excess of that on receipt document
  - O2 — Quantity in excess of that received (other than that on unit of issue pack)

- **PACKING DISCREPANCY**
  - P1 — Improper preservation
  - P2 — Improper packing
  - P3 — Improper marking
  - P4 — Improper unitization

- **PRODUCT QUALITY DEFICIENCIES**
  - G1 — Defective material (Applicable to Grant AID and FMS shipments only)

- **SHORTEST OF MATERIAL**
  - S1 — Quantity less than that on receipt document
  - S2 — Quantity less than that requested (other than unit of issue pack)

- **MISSING ITEMS**
  - T1 — Missing
  - T2 — Incorrect or mutilated
  - T3 — Precautionary operational markings missing
  - T4 — Inspection data missing or incomplete
  - T5 — Incompleteness of operating data missing or incomplete
  - T6 — Warranty data missing

- **WRONG ITEM**
  - W1 — Incorrect item received
  - W2 — Unacceptable substitute
  - W3 — Other discrepancies
  - W4 — See remarks

- **ACTION CODES**
  - 1A — Disposition instructions required (Reply on reverse)
  - 3B — Material being returned (See remarks)
  - 1C — Supporting supply documentation required
  - 2D — Material still required, shipment not applicable to FMS
  - 2E — Local purchase material to be returned at supplier’s expense
  - 2F — Replacement shipment requested (Not applicable to FMS)
  - 1G — Replacement not required, item to be re-ordered
  - 1H — No action required.
  - 12 — Other action requested (See remarks)

13. FUNDING AND ACCOUNTING DATA
12313467321.23153458

William M. Doe

14b. SIGNATURE
DIGITAL SIGNATURE 123456789

15. DISTRIBUTION ADDRESSES FOR COPIES
Department of the Army
US Army Tank-Automotive and Armaments Command

STANDARD FORM 364 (REV. 2-00)

Figure 15–3. Sample for SF 364 and instructions
16. FROM:  
Department of the Army  
US Army Tank-Automotive and Armaments Command  
Warren, MI 48397-6000

17. DISTRIBUTION ADDRESSEES FOR COPIES  
Department of the Army  
US Army Tank-Automotive and Armaments Command  
Warren, MI 48397-6000

18. TO:  
183FW/LGSD  
Capital Airport, BDG P-15  
Springfield, IL 62707-5003

19. IN ACCORDANCE WITH NOTICE OF DISCREPANCY ON FACE OF THIS FORM:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>MATERIAL HAS BEEN ❑ WILL BE SHIPPED</td>
<td>DOCUMENT NUMBER</td>
<td>W81177B4101-0001</td>
</tr>
<tr>
<td>b.</td>
<td>NO RECORD OF SHIPMENT, RESUBMIT REPORT TO</td>
<td>PROPER OFFICE UNDER APPROPRIATE REGULATION</td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>AN ADJUSTMENT IN BILLING HAS BEEN/WILL BE PROCESSED AS:</td>
<td>CREDIT</td>
<td>DEBIT</td>
</tr>
<tr>
<td>d.</td>
<td>INVOICE/BILL ATTACHED</td>
<td>Proof of delivery (parcel post shipments) or evidence of shipments enclosed</td>
<td></td>
</tr>
<tr>
<td>f.</td>
<td>AN ADJUSTMENT IN BILLING FOR THE REPORTED DISCREPANCY WILL NOT BE PROCESSED FOR THE FOLLOWING REASON</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) REASON FOR NOT PROCESSING, (2) PRESCRIBING REGULATION

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) DISCREPANCY WAS NOT REPORTED WITHIN THE TIME FRAMES ALLOWED OR/AND</td>
<td>(a) CHAPTER 5 OF THE GSA HANDBOOK: DISCREPANCIES OR DEFICIENCIES IN GSA OR DOD SHIPMENTS, MATERIAL, OR BILLINGS (IPMR 101-26.5)</td>
</tr>
<tr>
<td>(b) DOLLAR VALUE DOES NOT MEET THE CRITERIA PRESCRIBED IN THE REGULATION OR AGREEMENT INDICATED IN 19(2)</td>
<td>X</td>
</tr>
</tbody>
</table>

20. THE FOLLOWING DISPOSITION IS TO BE MADE OF THE REFERENCED MATERIAL:

| a. | PROCESS FOR DISPOSAL IN ACCORDANCE WITH SERVICE/AGENCY DIRECTIVES |
| b. | REPRESENTATIVE WILL CALL FOR DISCUSSION CONCERNING DISPOSITION IN |
| c. | RETAIN MATERIAL AT NO CHARGE |
| d. | MATERIAL WILL BE PICKED UP IN |
| e. | SHIP MATERIAL (Specify location): |
| (1) | GIB APPROPRIATIONS CHARGEABLE |
| (2) | CHARGES COLLECT-VIA | FREIGHT | EXPRESS | PARCEL POST |
| (3) | PARCEL POST LABEL ATTACHED |
| (4) | FREIGHT PREPAID |
| f. | OTHER (Specify) |

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>21.</td>
<td>MARK MATERIAL IS STILL REQUIRED, SUBMIT NEW REQUISITION</td>
<td>DATE</td>
</tr>
<tr>
<td>22.</td>
<td>REPLACEMENT WITH SATISFACTORY MATERIAL WILL BE Made ON OR BEFORE:</td>
<td>DATE</td>
</tr>
</tbody>
</table>

23. REMARKS (Continue on separate sheet of paper if necessary)

Request replacement, ship 2 ea 2610-01-050-9640

24a. TYPED OR PRINTED NAME AND PHONE NUMBER OF PREPARING OFFICIAL |
William M. Doe 703-659-1279

24b. SIGNATURE | DIGITAL SIGNATURE |
William M. Doe 123456789

24c. DATE 01/15/2014

STANDARD FORM 354-BACK (REV. 2-89)
(1) **Date of preparation.** Report is prepared in sequence of year, month, and day; use this sequence in all date entries; for example, item 24c. (For example, 23 March 2015 is written 15 March 23, and 1 June 2015 is written 15 June 1).

(2) **Report number.** The country and record control number must be shown for Grand Aid as a part of the report number.

(3) **To.** Name, address, zip code, activity address code or routing identifier code, and attention symbol or code of action activity. When both shipping type (item) discrepancies and packaging deficiencies are reported for the same item, enter “see item 15” enter address and codes of both action activities in item 15.

(4) **From.** Name, address, zip code of the reporting activity (consignee). Enter the “in-the-clear” address.

(5a) **Shipper’s name.** Enter name and address of shipper (consignor) when different from item 3.

(5b) **Number and date of invoice.** Enter number and date of vendor’s invoice or shipper’s bill number. Attach copy of the invoice to the SF 364.

(6) **Transportation document (not applicable to packaging discrepancies).** Enter the type of transportation document. Government bill of lading, commercial bill of lading, manifest, waybill, insured or certified parcel post number, or transportation control number (TCN) and the identifying number assigned to such document. This is a mandatory entry when shipment received was made by traceable means (for example, GBL, CBL, and so forth). Further, for shipment type (item) discrepancies include following statement in item 12 “shortage has been verified as not being transportation related.” (For Grant Aid, include a copy of the CBL or GBL, if available.)

(7a) **Shipper’s number.** Enter shipment number (when more than one shipment is made under a contract or requisition) and contract or document number (for example, contract and purchase order).

(7b) **Officer administering contract.** Name, address and zip code of contract administration officer. (Contract Administration Service (CAS) activity that directed or arranged shipment.)

(8) **Requisitioners number.** Enter the requisitioning activity’s number (for example, requisition, purchase request, and so forth). For MAPI/Grant Aid, enter the applicable requisition document number in all instances even though a contract or purchase order is involved. Enter a requisition or document number for all customers requesting credit.

(9a) **NSN/part number and nomenclature.** If item received is different than item shown on shipping document, or different from item ordered, show each item on a separate line.

(9b) **Unit of issue.** Enter unit of issued as billed or shown on shipping document for each item listed in item 9a. (Not applicable to packaging discrepancies.)

(9c) **Quantity shipped or billed.** Enter the quantity of item shipped or billed. When code C1 applies, enter the quantity and the materiel condition code. (See DOD 4140.17-M MILSTRIP) of
the item when shipped, for example, 980A as shown on shipping document. (Not applicable to packaging discrepancies.)

(10a) Discrepancy/deficiency quantity. Enter the discrepant quantity. If code C1 applies, enter the quantity and the materiel condition code (see MILSTRIP) of the item received. If total quantity received is classified under more than one condition code, enter separately each partial quantity so classified followed by the applicable condition code (for example, 960A and 20F).

Note: Quantity deficiencies in Grand Aid shipments may be involved or overage materiel (expired shelf-life) may be received, and code Q1 or C2 is applicable. If so enter the data below under item 12k, remarks.

a. Manufacturer's name.
b. Contract/purchase order number if not shown in item 7a.
c. Date of manufacture, pack, or expiration.
d. Log/batch number.
e. Location of materiel.
f. Name, address, and telephone number of contractor.
g. Nature of complaint, stating in detail why materiel is unsatisfactory.

(10b) Discrepancy/deficiency unit price. Enter the unit prices as billed or shown on shipping document (does not apply to packaging discrepancies).

(10b) Discrepancy/deficiency total cost. For shipping-type (items discrepancies, enter the total value of materiel (10a x 10b). For packaging discrepancies, enter the cost of corrective action.

(10d) Discrepancy/deficiency code. Nature of the discrepancy using the discrepancy or deficiency codes listed on the face of the form. If a condition exists that is not listed, use code Z1 and describe discrepancy or deficiency in item 12, remarks.

(11) Action code. Enter requested action codes listed on the face of the form. If action is other than that covered by listed actions codes, use code 1Z. Explain action requested in item 12, remarks. Do not use action codes 1D or 1F on reports prepared to cover shipments of DOD stock funded items and from GSA. Materiel still required must be requisitioned. Action code 1E applies only to local purchase items.

(12) Remarks. Use supplemental date when the combination of discrepancy or deficiency codes and action codes need clarifying shipping-type (item) discrepancies and packaging deficiencies need explanation, and a breakout of cost to reports in terms of time and materiel is required. Specific data include such items as appearance, lot or batch number, manufacture or packaging date, inspector number and inspection date, probable cause of improper packaging and suggested corrective action. Include telephone number (DSN and commercial) of the person to be contacted for more data if different than that entered in item 14a. If medical materiel requiring refrigeration or frozen storage is involved, provide the date requested on the special instruction sheet that is included with shipments of such materiel. Provide photos when it would assist the shipping activity in deciding the cause of the discrepancy or deficiency. For ROO's related to the fielding of FME, show the I series FME project code.

Figure 15–3. Sample by block or column for SF 364—Continued
(13) **Funding and accounting data.** For packaging deficiencies, enter the accounting of appropriation data needed by the action activity to credit the account of the reporting activity for costs involved in correcting the reported deficiency. This item does not apply to shipping-type (item) discrepancies.

(14a) **Typed or printed name, title, and phone number of preparing official.** Self-explanatory. When non-DOD action activities are involved, include both commercial and DSN numbers.

(14b) **Signature.** Self-explanatory.

(15) **Distribution addresses for copies.** Enter other addresses receiving copies of the report.

(16) **From.** Enter the address of the activity preparing the reply.

(17) **Distribution addressees for copies.** Enter addresses receiving copies of the reply in addition to addressee listed in item 18.

(18) **To.** Enter address of the activity shown in item 4 on the face of the form.

(19) **In accordance with notice of discrepancy on face of this form.** Enter advice of action taken by responsible action officer by placing an X in proper box (es).

(20) **The following disposition is to be made of the referenced materiel.** Enter disposition instructions by placing an X in the proper box (es).

(21) **Enter** an X to show the reporting activity that a new requisition is required if the materiel is still needed.

(22) **Enter** an X to show a replacement shipment is made and the approximate date of the shipment.

(23) **Remarks.** Enter any Clarification or data necessary for a complete reply. Enter corrective action taken to prevent future packaging deficiencies. When reporting MAP/grant aid quality or package deficiency, cite the specific violation of specification regulation, packaging instruction, or contract.

(24a) **Type or printed name and phone number of preparing official.** Self-explanatory. When item 18 is a non-DOD activity, include both commercial and DSN numbers.

(24b) **Signature.** Self-explanatory.

(24c) **Date.** Self-explanatory.
15–49. Step 5–Approval of SF 364 of consignee installation commanders
The receiving property officer or his or her designated representative will approve by signing in block 14b of the SF 364.

15–50. Step 6–Distribution of forms
   a. Distribution of forms for both shipping-type/item (supply) and packaging SFs 364 is in 41 CFR 101–26.
   b. Exceptions to these distributions are as follows:
      (1) **SFs 364 related to fielding of Force modernization equipment.** In addition to 41 CFR 101–26 distributions, mail a copy of all SFs 364 related to FME fielding to the Commander, U.S. Army Materiel Command, (SDSTP–TO), (Central Repository for Report of Discrepancies data) Tobyhanna, PA 18466–5097 for entry into the central repository for SFs 364 data. Provide series FME project code to the AMC Packaging, Storing, and Containerization Center for entry into the Central Repository for Report of Discrepancies.
      (2) **Defense European and Pacific redistribution activity directed shipments.**
         (a) Original and two copies to the ICP/IM indicated in cc 67 through 69 of the DD Form 1348–1A.
         (b) Two copies to the receiving/reporting activity’s.
         (c) Two copies to the shipping activity indicated in cc 4–6 of the DD Form 1348–1A.
      (3) **Enclosures.** Except in instances of missing documentation, the SF 364 must contain a copy of the applicable DD Form 1348–1A, DD Form 250, or DD Form 1155 (Order for Supplies or Services). In addition, submit copies showing the resolution of any related and previously submitted DD Forms 361 and SF 368 (Product Quality Deficiency Report (PQDR)) (see fig 15–4) which can be found on the GSA Web site at http://www.gsa.gov/portal/forms/type/SF.
**PRODUCT QUALITY DEFICIENCY REPORT (PQDR)**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>I</th>
<th>II</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a. FROM (Original Office Issuing Address—Include DODAAC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commander, US Army Tank-Automotive Command</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATTN: ERSTA-ORT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warren, MI 48096</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DODAAC: W56KZY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1b. ORIGINATOR NAME, PHONE NUMBER &amp; E-MAIL ADDRESS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John B. Doe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>703-221-000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:john.b.doe.mil@mail.mil">john.b.doe.mil@mail.mil</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a. TO (PQDR Screening Point)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>160FWLQ5OD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Airport/BLDG P-15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Springfield, IL 62707-5003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2b. SCREENING POINT NAME, TELEPHONE NUMBER &amp; E-MAIL ADDRESS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jane A. Doe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>421-352-7465</td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:jane.a.doe.civ@mail.mil">jane.a.doe.civ@mail.mil</a></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. DESCRIPTION OF DEFICIENCY (Describe in detail what is wrong, circumstances prior to the difficulty, probable cause, any action taken, and recommendations. Attach copy of supporting documents. Continue on separate sheet if necessary. Ensure that the description answers the questions listed in the instructions on the back of this form.)

Package broken open, equipment malfunctioning. Product was discovered after the product was installed. Pictures attached by box and product prior to coming out of box.

4. DATE DEFICIENCY WAS DISCOVERED

| 02/01/2016 |

| 5. DEFICIENT ITEM NATIONAL STOCK NUMBER (NSN) | 000509640 |
| 6. DEFICIENT ITEM NOMENCLATURE | Engine |

| 7. OPERATING TIME AT FAILURE | Hours: 0000 Days: 0000 Rounds: 0000 |

| 8. DEFICIENT ITEM PART NUMBER | 5552-14 |
| 9a. MANUFACTURER'S CAGE CODE | 5KV7 |
| 9b. MANUFACTURER / CITY / STATE | Oakton/Warren/MI |

| 10. QUANTITY |  |
| a. RECEIVED: | 1 |
| b. INSPECTED: | 1 |
| c. DEFICIENT: | 1 |

| 11. SERIAL, LOT, OR BATCH NUMBER | |
| a. SERIAL #: | 1545423 |
| b. LOT #: | N/A |
| c. BATCH #: | N/A |

| 12a. ITEM | |
| New | |
| Repaired | |
| Overhauled | |

| 12b. DATE MANUFACTURED, REPAIRED, OR OVERHAULED | |
| Manufactured: N/A | |
| Repaired: N/A | |
| Overhauled: N/A | |

| 12c. LAST REPAIR FACILITY | |
| CAGE: N/A | |
| DODAAC: N/A | |
| REPAIR DEPOT / CITY / STATE | N/A |

| 13a. CONTRACT NUMBER | |
| W15597-847-402593408 | |
| 13b. REQUISITION / DOCUMENT NUMBER | |
| WSQ2124285-002 | |
| 13c. PURCHASE ORDER NUMBER | 123456 |

| 14. GOVERNMENT PURCHASED MATERIAL | |
| YES | |
| NO | |
| UNKNOWN | |

| 15a. ITEM UNDER WARRANTY | |
| YES | |
| NO | |
| UNKNOWN | |

| 15b. WARRANTY EXPIRATION DATE | |
| N/A | |
| 16. END ITEM ECW/WUTAMCN | N/A |

| 17. NEXT HIGHER ASSEMBLY | |
| a. NSN | N/A |
| b. NOMENCLATURE | Truck |
| c. PART NUMBER | N/A |
| d. SERIAL NUMBER | N/A |

| 18. END ITEM | |
| a. NSN | N/A |
| b. NOMENCLATURE | M986 |
| c. TYPE/MODEL | M988 |
| d. SERIAL NUMBER | N/A |

| 19. CURRENT DISPOSITION OF DEFICIENT ITEM (the Exhmn) | |
| (Select only one value) | |
| HOLDING EXHIBIT | |
| DISPOSED OF / DESTROYED | |
| REPAIRED | |
| OTHER (Explain in Block 3) | |

| 20. LOCATION OF DEFICIENT MATERIAL (e.g. Base, Camp, Station) | |
| Warren, Michigan | |

| 21. ACTION REQUESTED (Select only one value) | |
| REPLACEMENT | X |
| REPAIR | |
| CREDIT | |
| OTHER (Explain in Block 3) | |

---

**Figure 15–4. SF 368 sample product quality deficiency report**

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DA PAM 735–5 • 23 March 2016
15–51. Step 7–Replies and follow-ups to SF 364
Follow the instructions contained in 41 CFR 101–26 to make replies and follow-ups to SF 364.

15–52. Action activity requests
Inventory control points are responsible for ensuring the U.S. Government obtains restitution from contractors, manufacturers, vendors, and carriers when they are responsible for discrepancies. In carrying out this responsibility, ICPs will request the submission of a DD Form 361 or SF 368 in the response to the SF 364. On receipt of such requests, the reporting activity will submit the requested DD Form 361/SF 368 and include a copy of the SF 364 with the request. If the response to the DD Form 361/SF 368 absolves the contractor, manufacturer, vendor, or carrier of responsibility for the discrepancy, the reporting activity will resubmit the SF 364 and include a copy of all previous reports submitted and responses received.
Appendix A

References

Section I
Required Publications

AR 735–5
Property Accountability Policies (Cited in para 1–4b.)

Section II
Related Publications
A related publication is a source of additional information. The user does not have to read a related reference to understand this publication.

AR 11–1
Command Logistics Review Program (CLRP)

AR 15–6
Procedures for Investigating Officers and Boards of Officers

AR 15–185
Army Board for Correction of Military Records

AR 25–1
Army Information Technology

AR 25–30
The Army Publishing Program

AR 25–400–2
Army Records Information Management System (ARIMS)

AR 27–1
Legal Services, Judge Advocate Legal Services

AR 27–3
The Army Legal Assistance Program

AR 27–20
Claims

AR 30–22
The Army Food Program

AR 40–3
Medical, Dental, and Veterinary Care

AR 40–61
Medical Logistics Policies

AR 71–32
Force Development and Documentation

AR 145–2
Organization, Administration, Operation, and Support

AR 190–11
Physical Security of Arms, Ammunition and Explosives. (Available on Army Knowledge Online only.)
AR 190–30  
Military Police Investigations

AR 190–47  
The Army Corrections System

AR 195–5  
Evidence Procedures

AR 210–130  
Laundry and Dry Cleaning Operations

AR 215–1  
Military Morale, Welfare, and Recreation Programs and Non-appropriated Fund Instrumentalities

AR 335–15  
Management Information Control System

AR 380–5  
Department of the Army Information Security Program

AR 380–40  
Safeguarding and Controlling Communications Security (COMSEC) Material (U). (Available on AKO only.)

AR 385–10  
The Army Safety Program

AR 405–15  
Real Estate Claims Founded Upon Contract

AR 405–45  
Real Property Inventory Management

AR 420–1  
Army Facilities Management

AR 600–4  
Remission or Cancellation of Indebtedness

AR 700–84  
Issue and Sale of Personal Clothing

AR 700–131  
Loan, Lease, and Donation of Army Materiel

AR 710–1  
Centralized Inventory Management of the Army Supply System

AR 710–2  
Supply Policy below the National Level

AR 710–3  
Inventory Management Asset and Transaction Reporting System

AR 725–1  
Special Authorization and Procedures for Issues, Sales, and Loans

AR 725–50  
Requisition, Receipt, and Issue System
AR 735–17
Accounting for Library Materials

AR 740–26
Physical Inventory Control

AR 750–1
Army Materiel Maintenance Policy

AR 870–20
Army Museums, Historical Artifacts and Art

CTA 50–900
Clothing and Individual Equipment

CTA 50–970
Expendable/Durable Items (Except: Medical, Class V, Repair Parts and Heraldic Items)

DA Pam 25–40
Army Publishing Program Procedures

DA Pam 405–45
Real Property Inventory Management

DA Pam 415–28
Guide to Army Real Property Category Codes

DA Pam 600–8
Military Human resources Management Administrative Procedures

DA Pam 708–2
Cataloging and Supply Management Data Procedures for the Army Central Logistics Data Bank

DA Pam 710–2–1
Using Unit Supply System (Manual Procedures)

DA Pam 710–2–2

DA Pam 750–8
The Army Maintenance Management System (TAMMS) Users Manual

TB 380–41
Security Procedures for Safeguarding, Accounting and Supply

AFARS Subpart 5145.505.14
Reports of Government property (Available at http://farsite.hill.af.mil/VFAFAR1.HTM.)

DFARS

DFAS–IN Regulation 37–1
Finance and Accounting Policy Implementation. (Available at https://dfas4dod.dfas.mil.)

DOD 4000.25–2
Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP)

DOD 4140.1–R
DOD Supply Chain Materiel Management Regulation
DOD 4140.25-M
DOD Management of Bulk Petroleum Products, Natural Gas and Coal

DOD 4500.32-R
Military Standard Transportation and Movement Procedures

DOD 7000.14-R

DODI 7420.12
Billing, Collection and Accounting for Sale of Materiel from Supply System Stock

JTR
Uniformed Service Members and DOD Civilian Employees

FAR 52.245–1
Government Property (Available at www.arnet.gov/far.)

UCMJ Art. 31b and Miranda/Tempia Rights
(Available at http://www.army.mil/references/UCMJ.)

41 CFR Chapter 102

41 CFR Part 101–26, Sub Part 101–26.8
Discrepancies or Deficiencies in GSA or DoD shipments materials or billings.

5 USC 5511
Withholding pay; employees removed for cause

5 USC 5512
Withholding pay; individuals in arrears

5 USC 5514
Installment deduction for indebtedness to the United States

10 USC 908
Article 108, Military property of United States - Loss, damage, destruction, or wrongful disposition

10 USC 2636
Deductions form carriers because of loss or damage to material in transit

10 USC 2775
Liability of member for damages to Army owned and leased Family Housing, equipment, and furnishings

10 USC 4831
Custody of departmental records and property

10 USC 4832
Property accountability: regulations

10 USC 4835
Reports of Survey

10 USC 4836
Individual equipment: unauthorized disposition
10 USC 4837
Settlement of accounts: remission of cancellation of indebtedness of members

10 USC 4839
Settlement of accounts: oaths

10 USC 4840
Final settlement of officer’s accounts

31 USC 3531
Property returns

32 USC 709
Technicians: employment, use, status

32 USC 710
Accountability for property issued to the National Guard

37 USC 1007
Deductions from pay

Section III
Prescribed Forms
This section contains no entries

Section IV
Referenced Forms
Unless otherwise indicated, DA forms are available on the Army Publishing Directorate Web site (http://www.apd.army.mil); DD forms are available on the Office of the Secretary of Defense Web site (http://www.dtic.mil/whs/directives/forms/index.htm) and SFs are available on the GSA Web site (http://www.gsa.gov/portal/forms/type/SF).

DA Form 137–1
Unit Clearance Record

DA Form 348
Equipment Operator’s Qualification Record (Except Aircraft)

DA Form 444
Inventory Adjustment Report (IAR)

DA Form 1659
Financial Liability Investigation of Property Loss Register

DA Form 2028
Recommended Changes to Publications and Blank Forms

DA Form 2062
Hand Receipt/Annex Number

DA Form 2404
Equipment Inspection and Maintenance Worksheet

DA Form 2407
Maintenance Request (Available through normal supply channels.)

DA Form 2823
Sworn Statement

DA Form 3161
Request for Issue or Turn-In
DA Form 3508
Application for Remission or Cancellation of Indebtedness

DA Form 3946
Military Police Traffic Accident Report

DA Form 3975
Military Police Report

DA Form 4949
Administrative Adjustment Report (AAR)

DA Form 5990–E
Maintenance Request (Generated electronically in SAMS–I/IE)

DA Form 7531
Checklist and Tracking Document for Financial Liability Investigations of Property Loss

DD Form 149
Application for Correction of Military Record Under the Provisions of Title 10, U.S. Code, Section 1552

DD Form 200
Financial Liability Investigation of Property Loss

DD Form 250
Material Inspection and Receiving Report

DD Form 250–1
Tanker/Barge Material Inspection and Receiving Report

DD Form 361
Transportation Discrepancy Report (TDR)

DD Form 362
Statement of Charges/Cash Collection Voucher

DD Form 1149
Requisition and Invoice/Shipping Document

DD Form 1155
Order for Supplies or Services

DD Form 1348–1A
Issue Release/Receipt Document

DD Form 1544
Cash Meal Payment Book (Available through normal forms supply channels.)

DD Form 2481
Request for Recovery of Debt Due the United States by Salary Offset

SF 364
Report of Discrepancy (ROD)

SF 368
Product Quality Deficiency Report (PQDR)
Appendix B
Computing the Actual Loss to the Government when property is Lost, Damaged, or Destroyed

B–1. Value of repairable property
The value of repairable property loss is the repair cost required to return the damaged property to the condition it was in at the time of damage or the value of the item at the time of the damage, whichever is less. The value of repairable property is the lesser of the following computations:

a. Repair cost. The cost of repairs consists of the sum of the costs of material; labor, overhead, and transportation, minus any salvage or scrap value of replaced component parts. If repair makes the item more valuable than it was at the time of the loss, reduce the cost of repairs by the amount of the increase in value. Technical personnel will compute the actual repair cost per DA Pam 750–8. When actual repair cost cannot be determined, they will prepare an itemized list of the ECOD. An ECOD is used to compute the value of a loss only when actual costs cannot be obtained within a reasonable time. When an ECOD is used to compute the value of the damaged property, the DD Form 200 must state why, and state the basis on which the estimate was made.

b. Adjustment document. When an ECOD is used, in the interest of expediency, to process an adjustment document, the repair of damaged property is followed through the repair process to determine the actual cost of repairs. When the ACOD is less than the ECOD, the initiator of the adjustment document will cause it to be reopened and the appropriate FAO/USPFO is requested, on a memorandum, to reimburse the difference to the charged individual.

c. Value at the time of the loss or damage. See paragraph B–2.

B–2. Value of lost, destroyed, or irreparably damaged property
The value of lost, destroyed, or irreparably damaged property is the actual values of the property at the time of the loss, minus any salvage or scrap value. Actual value at the time of the loss or damage may be computed in one of three ways.

a. Fair market value. The preferred method of determining the value of property at the time of loss or damage is by a qualified technician’s two-step appraisal of its fair market value. First, a technician determines the condition of the item at the time of the loss or damage through personal knowledge, review of maintenance records, conversations with using personnel, and any other means available. Second, the commercial market is reviewed to determine the price that similar items in similar condition have sold for in commercial transactions within the last 6 months. Appraisal guides accepted in the commercial market, such as the National Auto Dealers Association Official Used Car Guide, may be used for this purpose.

b. Depreciated value. When determination of fair market value is not possible or equitable, the value at the time of the loss or destruction may be computed by subtracting depreciation from the current FEDLOG or other standard price of a new item. Depreciation is not deducted on loss or damage to new property. Compute depreciated value for all property not listed below at 5 percent per year of service, up to 75 percent. If the time in service cannot be determined, depreciate a standard 25 percent.

1. For OCIE items and nonpower hand tools, depreciate by 10 percent for each such item.
2. For items made of relatively perishable material such as leather, canvas, plastic, or rubber (except for OCIE), depreciate by 25 percent for each such item.
3. For electronic equipment and office furniture, depreciate 5 percent per year of service, up to 50 percent.
4. For tactical and general purpose vehicles, depreciate 5 percent per year of service, up to 90 percent. Total depreciation will not exceed 90 percent.
5. For family quarters, furnishings are depreciated 5 percent per year of service, up to 50 percent.

c. The rates of depreciation above are based on normal use, and may be increased or decreased based on facts showing more or less than average use. AR 27–20 may be used as a guide to determine a fair rate of depreciation.

d. Small arms are not depreciated.

e. When determination of fair market or depreciated value is not possible or equitable, the value of the loss or damage may be computed by subtracting the standard rebuild cost plus any salvage value from the current FEDLOG price for the item. This method may only be used when—

1. A standard rebuild cost has been published.
2. The item was not new or recently overhauled.
3. The item was in service long enough to warrant overhaul.
4. There is residue that can be salvaged.

B–3. Salvage credit
The value of salvage credit for items that must be scrapped is computed by adding the value of the scrap recovered, plus the depreciated value of serviceable repair parts, components, assemblies, or end items salvaged or cannibalized (see AR 750–1). A technician will compute the salvage credit, if any.
B–4. Fair wear and tear
The value of loss to Government quarters or related furnishings or equipment due to fair wear and tear is exempt from financial charge. A qualified technical inspector determines fair wear and tear.

B–5. Determine the actual loss or damage to the Government
The basic premise on which financial charges are computed is that the charge will represent the actual loss to the Government. The actual loss to the Government is the difference between the value of the property immediately before its loss or damage and its value immediately after. This regulation establishes four means of arriving at the actual costs of loss or damage to the Government, and the amount to be charged. They must be considered in sequence.

a. If the item is repairable, the charge is based on the actual cost of repairs.

b. If the item cannot be repaired because it is too badly damaged, have a technical inspector determine the market value of the item after the damage. Include salvage credit when it is appropriate.

c. If the item is not repairable and the technical inspection is impossible (when an item is lost or completely destroyed as in a fire), apply the appropriate depreciation formula to determine the property value.

d. Deduct the standard rebuild cost from the cost of the item.

B–6. Actual cost of repairs
If an item can be repaired, the charges must be based on the cost of repairs minus certain allowances. Although this regulation requires the use of the actual cost of repairs to compute the charges of financial liability, processing a DD Form 200 document will not be delayed pending the completion of repairs. When the actual cost of repairs cannot be obtained in time to complete processing a DD Form 200 within the time limits established in chapter 13, technical personnel will make an itemized list of the estimated cost of repair. The DD Form 200 will then be completed with the understanding that if a DA Form 2404 or DA Form 2407 ACOD is less than the ECOD, the DD Form 200 is reopened, the charge amended, and the difference reimbursed to the respondent.

a. When computing the actual cost of repairs, charge for the following expenses:
   (1) Direct materials. For instance, if a fender was damaged and is not repairable, charge for the cost of the new fender.
   (2) Direct labor. Charge for the actual rate paid for civilian labor. If Soldier labor is used, charge for that cost by using the installation procedures set up according to DFAS–IN Regulation 37–1.
   (3) Overhead costs. Use the amount as computed by using the authorized local cost accounting systems at a Government repair activity. Don’t include statistical costs, unless the installation is financed by the Army Industrial Fund.
   (4) Transportation costs. Charge for the cost of shipping an item to the repair installation and returning it.

b. When computing the actual costs, allow for things that affect the actual loss to the Government.
   (1) Allowance for increase in value. If extensive repairs enhance the value so that the item is worth more than it was before the repair, make an allowance for the increase in value.
   (2) Credit for scrap value. Give credit for the scrap value of the parts that cannot be reused. Do not allow the full list price of the part. Allow salvage credit for the usable or salable value of metal as waste or scrap.

b. Credit for repairs made, but not needed to return the damaged property to the condition it was in immediately before the incident causing the damage.
   (1) Sometimes it is determined to be more economical to refurbish the damaged item rather than repair just the damaged portion. As an example—
      (a) Resurface the entire floor in a room, rather than repair the portion that was damaged.
      (b) Paint the entire vehicle, rather than paint just the damaged portion.
   (2) In determining the amount of financial liability, the respondent is assessed only that amount needed to return the damage property to the condition it was in immediately before the incident causing the damage, not the cost to refurbish the entire item.

B–7. Technical inspection
When computing the charges of financial liability on an item that cannot be repaired, start the computations on the basis of the value just before the item was damaged. Technical inspection is documented prior to the repair or turn-in of the damaged equipment.

a. Definition of technical inspection. A technical inspection determines the extent of damage and establishes whether the item is repairable. It also involves an appraisal to determine the value of the item just before it was damaged or destroyed.

b. Need for a technical expert. A technical inspector must have a thorough knowledge of the item and its uses, mechanisms, and functions and must have broad experience in dealing with the type of item. In most cases this person is a representative of the maintenance support for the installation or activity. The technical inspector will have to determine the prices of the same or similar items sold in the commercial markets at or about the time of the loss.
c. **Decision on fair value of item.** If the fair market value appears to be unfair to the Government or the respondent, that value will not be used. For instance, if the cost of a pair of binoculars was $97, and they are now being sold on the open market for $175, the respondent cannot be charged $175. In some cases, a determination of fair market value is impossible. For example, there is no commercial market for missiles whatsoever.

d. **Explanation by technical inspector.** If the fair market value is to be used, the technical inspector must furnish an explanation. For example, the inspector must state there is no existing market for missiles or that binoculars are being sold in the local market at prices higher than the acquisition cost of the item to the Army.

**B–8. Computing value based on depreciation**
Depreciation is the least preferable method of computing the value of lost or destroyed Government property, and is used only when using the fair market value or standard rebuild value is not appropriate, and when the item is in less than new condition. Apply a depreciation formula to get the value of the lost or destroyed item on the basis of life expectancy. For instance, a lost piece of office furniture that had been in use for 2 years would be depreciated 5 percent per year for a total of 10 percent. If the value of the office furniture listed on FEDLOG in effect at the time of the loss were $500, the amount charged the individual would be $450 ($500 minus 10 percent is $450).

**B–9. Scrap value**
How to determine scrap value? If an item was damaged to the point that it must be scrapped, a determination of how much credit to allow must be made. The individual to decide whether the item can be repaired is the technical inspector at the maintenance activity.

a. **Repairable items.** When items are repaired, allow for the scrap value of the repair parts, components, or assemblies recovered from the item. However, these reclaimable parts must be depreciated by the same factor that is used to depreciate the whole item. For example, a vehicle cost $2,000, and a 50 percent credit (or $1,000) was allowed for depreciation. If a mechanic removed $500 worth of reclaimable parts from the vehicle, only a 50 percent credit (or $250) would be allowed for depreciation on the reclaimable parts for the vehicle.

b. **Items beyond repair.** If an item has been damaged to the point it has to be scrapped, allow credit for the salvage or scrap value of the item or parts. When the entire item is turned in, obtain the information on the credit from the DLA Disposition Service Office, which determines the amount of credit.

**Appendix C**

**Loaned Army National Guard Property**

**C–1. General**
This appendix prescribes the property adjustment procedures for ARNG equipment loaned to other military organizations while training at mobilization and training equipment sites, unit training equipment sites, or ARNG training sites and equipment borrowed from other military organizations.

**C–2. Policy**
Military property on authorized loan remains on the property records of the unit or activity concerned. It must be properly hand-receipted to the user.

**C–3. Adjustment procedures**

a. In the case of loss or damage of military property through other than fair wear and tear, the hand-receipt holder will initiate and process one of the following adjustment documents:

   (1) **DD Form 200.** The commander or supervisor of the training site account or owning organization will ensure the DD Form 200 is correct and complete, and expeditiously forward the investigation to the owning organization PBO for property book adjustment.

   (2) **Other authorized adjustment documents.** Other authorized adjustment documents may be prepared when agreed upon by the commander or supervisor of the training site or the owning organization.

b. The owning organization PBO will retain one copy of the applicable property adjustment document and return the remaining copies to the hand-receipt holder for processing and approval.

c. The hand-receipt holder will process the applicable property adjustment document through normal channels for final action by the officer designated to approve adjustment documents initiated by the hand-receipt holder.

d. When the hand-receipt holder is a member of a Service other than the U.S. Army, USAR, or ARNG, the property adjustment document is processed through the normal channels of the owning organization.

**C–4. Approving authority**

a. The approving authority for applicable property adjustment documents initiated according to paragraph C–3c is the proper approving authority of the borrowing organization.
b. The approving authority of applicable property adjustment documents initiated according to paragraph C–3d is the proper approving authority of the owning organization.

c. The approving authority will forward the proper copy of the applicable property adjustment document to the owning organization PBO when final action has been completed.

C–5. Financial responsibility

The hand-receipt holder that initiates procedures will ensure that monetary restitution for lost, damaged, or destroyed property is made to the USPFO of the owning State or the loaning military organization by either—

a. Transfer of funds.

b. Replacement in kind.

c. Lateral transfer of property for which property adjustment is being made.

C–6. Borrower/hand-receipt holder responsibilities

When equipment is lost, damaged, or destroyed by the borrower or hand-receipt holder, the borrower or hand-receipt holder will replace the property according to paragraph C–5. Replacement of property by the borrower is a separate action for property adjustment and is not involved in deciding financial liability.
Glossary

Section I

Abbreviations

ABCMR
Army Board for Correction of Military Records

ACOD
actual cost of damage

ACOM
Army command

APO
accountable property officer

AMC
U.S. Army Materiel Command

AMDF
Army master data file

AR
Army Regulation

ARC
accounting requirements code

ARNG
Army National Guard

ASC
Army Sustainment Command

ASCC
Army service component command

ASDA
accountable supply distribution activity

AWCF
Army working capital fund

BL
bill of lading

CBL
commercial bill of lading

CFR
Code of Federal Regulations

CIF
central issue facility

CIIC
controlled inventory item code

CONUS
continental United States
GSA
General Services Administration

HMMWV
high mobility multipurpose wheeled vehicle

HQDA
Headquarters, Department of the Army

ICP
inventory control point

JFTR
Joint Travel Regulations

IM
inventory manager

LIN
line item number

LRC
??

MCN
management control number (figure)

MILSTRIP
military standard requisitioning and issue procedures

mph
miles per hour

MRO
materiel release order

MSC
Military Sealift Command

MTOE
modification table of organization and equipment

NGB
National Guard Bureau

NSLIN
nonstandard line item number (figure)

NSN
national stock number

OEP
other equipment or property

OCIE
organizational clothing and individual equipment

PBO
property book officer
**POD**
port of debarkation

**PA&E**
personal arms and equipment

**PFC**
private first class

**PVT**
private

**PV2**
private E–2

**ROTC**
Reserve Officers’ Training Corps

**S4**
adjutant

**SDDC**
Surface Deployment and Distribution Command

**SF**
standard form

**SFC**
sergeant first class

**SPC**
specialist

**SKO**
sets, kits, and outfits

**SN**
serial number (figure)

**SRA**
stock record account

**SSSC**
Self Service Supply Center

**TCN**
transportation control number (figure)

**TDA**
table of distribution and allowances

**TDY**
temporary duty

**TM**
technical manual

**TO**
transportation officer
Acceptance at destination
Assumption of title to property by DA at the specified delivery point. This term corresponds, generally, to the commercial term FOB destination.

Acceptance at origin
Assumption of title to property by DA at the point of shipment. This term corresponds, generally, to the commercial term FOB origin. It does not imply that payment was made at the time title passed to the Army nor does it necessarily mean that the Government, by assumption of title, forfeited the right to reject any article not conforming to contract specifications.

Accountability
The obligation imposed by law, lawful order, or regulation on an officer or other person for keeping an accurate record of property, documents, or funds. Includes identification data, gains, losses, due in, due out and balances on hand or in use. The person having this obligation may or may not have actual possession of the property, documents, or funds.

Accountable officer
Person officially appointed in writing, by proper authority, to maintain item and financial records of Government property, irrespective of whether the property is in their possession for use or storage, or is in the possession of others to whom it has been officially entrusted for use or for care and safekeeping. There are three types of accountable officers—

a. TO, accountable for property entrusted to him or her for shipment.

b. Stock record officer, accountable for supplies being held for issue from time of receipt until issued, shipped or dropped from accountability.

c. PBO, accountable for property upon receipt and until subsequently turned in, used (consumed) for authorized purposes, or dropped from accountability. (Hand receipt holders are not considered as.)

Accountable Property System of Record
The Government 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.

Appeal authority
An Army officer designated to take final action on requests for reconsideration when the DD Form 200 approving authority denies relief of financial responsibility to a respondent, and to act on requests for remission of cancellation of indebtedness. Appeal authority action is by authority of the Secretary of the Army. Normally, the appeal authority is the next higher commander above the approving authority, in the chain of command.

Appointing authority
An officer or civilian employee designated in writing by the approving authority with responsibility for appointing financial liability officers; reviewing the financial liability officer’s findings and recommendations; and providing his
or her concurrence/nonconcurrence to the approving authority of the financial liability officer’s findings and recommendations. The appointing authority is normally under the command of, or on the staff of the approving authority. An appointing authority must be in the grade of lieutenant colonel or above, or be a GS–13 or above (for exceptions, see AR 735–5).

**Approving authority**
An Army officer or Department of the Army Civilian employee authorized to appoint financial liability officers and to approve DD Form 200. An approving authority must be in the grade of colonel or above, or be a GS–15 or above, in a supervisory position. The approving authority is normally senior to the appointing authority.

**Army property**
All property under DA control, except property accounted for as owned by a nonappropriated fund activity. "Government property" and "Army property" are used synonymously with "property."

**Asset listing**
It is an asset visibility listing of GFP used by contractors but managed by an A. This listing will provide all the pertinent information needed to track the authorized GFP equipment minus an on hand quantity.

**Audit trail**
Documentation supporting debit and credit entries on accounting records from the time property is brought into the Army inventory with a source document, until the property is dropped from accountability.

**Bill of lading**
Includes Government BOL issued by the Army and commercial BOL for transportation services administered by the Army.

**Capital equipment**
Personal property of a capital nature classified nonexpendable in an Army supply manual, or that would be so classified if included in an Army supply manual or catalog.

**Capital nature**
Property that has all or most of the following characteristics:

a. Does not lose its identity when used for its intended purpose.
b. Has an acquisition of cost of $15,000 or more.
c. Has a useful life of more than 2 years when used for its intended purpose.
d. Normally is an investment-type item capitalized in the accounting records.

**Causative research**
An investigation of discrepancies (that is, gains and losses) consisting of a complete review of all transactions, as a minimum. Transactions will include the following supporting documentation occurring since the last completed inventory; the last location reconciliation that included quantity; or back 1 year, whichever is the most recent. These include catalog change actions, shipment discrepancies or unposted or rejected documentation. The purpose of causative research is to identify, analyze, and evaluate the cause(s) of inventory discrepancies to eliminate repetitive errors. Causative research ends either when the cause is found or after review of transactions back to the last inventory, last audit match, inventory, or immediately preceding the last audit match, when there have been no conclusive findings. The accountable officer will normally determine if a DD Form 200 is required.

**Checking-in (tally-in) operation**
An operation performed by a receiving clerk, normally under the supervision of the transportation officer or the receiving property officer. Includes removing items from a carrier’s vehicle and conducting a visual inspection to decide the condition of the packages and loose pieces in a shipment. Checking-in may be performed under other supervision, or at a later time, because of emergency conditions; however, it will not be confused with the ‘storage’ operation. Storage operation involves the opening of undamaged packages after delivery to a customer, user, or warehouse.

**Collective liability**
Where more than one individual is held financially liable for a loss, both collectively and individually.

**Command responsibility**
The obligation of a commander to ensure all Government property within his or her command is properly used and cared for, and that proper custody and safekeeping of Government property are provided. Command responsibility is
inherent in command and cannot be delegated. It is evidenced by assignment to a command position at any level and includes:

a. Ensuring the security of all property of the command, whether in used or in storage.
b. Observing subordinates to ensure their activities contribute to the proper custody, care, use, and safekeeping of all property within the command.
c. Enforcing all security, safety, and accounting requirements.
d. When necessary, taking administrative or disciplinary measures.

Concealed shortage or damage
Shortage in or damage to the contents of an original container or package detected after delivery. This damage or shortage is contrasted with visible damages or shortages in the number of packages involved, readily noticeable at the time of delivery.

Consumable supplies
Supplies consumed in use, such as ammunition, fuel, cleaning and preserving materials, surgical dressings, and drugs, or supplies that lose their separate identity in use, such as repair parts and building materials.

Contracting officer
A person who is currently a contracting officer with authority to enter into and administer contracts. The person may be a contracting officer either by virtue of position or by appointment under procedures prescribed by the Defense Acquisition Regulation. This person may make determinations and findings for contracts or for any part of such authority. In the ARNG, a contracting officer is the USPFO, or an ARNG technician who has been appointed as contracting officer by the CNGB with authority to enter into and administer contracts.

Contractor
A Government contractor is a private company that produces goods or services under contract for the Government.

Contractor acquired property
Property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the Government has title. Contractor acquired property that is subsequently delivered and accepted by the Government for use on the same or another contract changes Government property type from CAP to GFP. CAP is not to be entered into the Accountable Property System of Record (that is Government property book) until it changes Government property type to GFP at delivery and acceptance by the Government.

Controlled inventory items
Those items designated as having characteristics requiring they be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safekeeping and integrity. Controlled inventory items in descending order of the degree of control normally exercised are:

a. Classified item. Materiel requiring protection in the interest of national security.
b. Sensitive item. (See CIIC: 1 - 6, 8, 9, N, P, Q, R, night vision devices and navigation systems in the Army portion of FEDLOG as explained by DA Pam 708–2.)
   (1) Materiel requiring a high degree of protection and control because of statutory requirements or regulations.
   (2) High-value, highly technical, or hazardous items.
   (3) Small arms, ammunition, explosives, and demolition materiel.
   (4) Pilferable item. An item with a CIIC code of “7” and “M” does not require an AR 15–6 investigation if an item is lost or damaged unless directed by the command. Materiel having ready resale value or civilian application to personal possession and, therefore, especially subject to theft. Examples are binoculars, projectors, hand-held two-way radios, cell phones, blackberries, computers, laptops, monitors, printers, cameras, and so on (see CIIC codes in the Army portion of FEDLOG as explained by DA Pam 708–2).

Culpability
Before a person can be held financially liable, the findings must show that they, through negligence or willful misconduct, violated a particular duty involving the care for the property. Whether the person’s actions or omissions constitute negligence depends on the circumstances of each case. Negligence under some circumstances may not reflect negligence under other circumstances. Therefore, all facts must be fully considered when determining the reasonableness of a person’s conduct.

Custodial responsibility
The obligation of an individual for property in storage awaiting issue or turn-in to exercise reasonable and prudent actions to properly care for, and ensure proper custody and safekeeping of the property are provided. Custodial
Responsibility results from assignment as a supply sergeant, supply custodian, supply clerk, or warehouse person who is rated by and answerable directly to the accountable officer or the individual having direct responsibility for the property.

**Damage**

A condition that impairs either the value or use of an article; this may occur in varying degrees. Property may be damaged in appearance or in expected useful life without rendering it unserviceable or less useful. Damage also shows partial unserviceability. Usually implies that damage is the result of some act or omission.

**Deliberate unauthorized use**

The willful or intentional use without right, permit, or authority.

**Destroyed**

Equipment damaged to the point of complete loss of identity or beyond the prospect of future restoration. Major weapon systems, systems with classified components and sensitive items will not be considered destroyed without a technical inspection of the residue.

**Detail accounting**

Method of accounting that requires each transaction to be separately recorded and uniquely identified by a voucher or document number in the records, including adjustment of balances each time. Opposite of summary accounting, whereby several transactions may be shown as one without any unique identification.

**Digital signature**

The product of an asymmetric cryptographic system that is created when the owner of the private signing key uses that key to create a unique mark (the signature) on an electronic document or file. Like a written signature, the purpose of a digital signature is to guarantee that the individual sending the message really is who he or she claims to be.

**Direct responsibility**

Obligation of a person to ensure all Government property for which he or she has receipted, is properly used and cared for, and that proper custody and safekeeping are provided. Direct responsibility results from assignment as an accountable officer, receipt of formal written delegation, or acceptance of the property on hand receipt from an accountable officer and assignment is in writing.

**Discrepancies**

Disagreement between quantities or condition of property on hand and that required to be on hand, as shown by the accountable record of the property. It is usually a disagreement between quantities or condition of property actually received in a shipment and that recorded on the shipping document. This type of discrepancy generally is referred to as a “discrepancy incident to shipment.” Another form of discrepancy occurs when a disagreement exists between a stock record balance and the result of a physical count or inventory.

**Durable item**

An item of Army property coded with an accounting requirements code (ARC) of "D" contained in FEDLOG. Durable items do not require property book accountability after issue from the SRA, but do require hand receipt control for hand tools. The commander or the head of the activity monitors other items coded durable.

**Electronic signature**

A generic term encompassing both noncryptographic and cryptographic methods of authenticating identity. Noncryptographic methods include personal identification number or password, smart card, digitized signature, and biometrics. Cryptographic methods include shared symmetric key cryptography and public/private key (asymmetric) cryptography-digital signatures.

**Equipment**

Articles needed to outfit an individual or organization. Clothing, tools, utensils, vehicles, weapons, and similar items are articles of equipment. It is synonymous with “supplies” and “materiel.”

**Expendable items**

An item of Army property coded with an ARC of "X" contained in FEDLOG. Expendable items require no formal accountability after issue from a stock record account. Commercial and fabricated items similar to items coded “X” contained in FEDLOG are considered expendable items.
Fair wear and tear
Loss or impairment of appearance, effectiveness, worth, or utility of an item that has occurred solely because of normal and customary use of the item for its intended purpose.

Federal Acquisition Regulation
This system consists of sets of regulations issued by agencies of the Federal Government of the United States to govern what is called the "acquisition process"; this is the process through which the Government purchases ("acquires") goods and services. That process consists of three phases: (1) need recognition and acquisition planning, (2) contract formation, and (3) contract administration. The FAR System regulates the activities of Government personnel in carrying out that process. It does not regulate the purchasing activities of private sector firms, except to the extent those parts of it are incorporated into Government solicitations and contracts by reference.

FEDLOG
Provides user-friendly interfaces to quickly and easily retrieve information on over 7.6 million NSNs and 13.7 million part numbers. FEDLOG information is available at www.dlis.dla.mil/Fedlog/About.

Fiduciary record
A financial reporting record that tracks the Government’s fiduciary obligation from the time the property is acquired until the Government is relieved of accountability, that is, until such time as the Government decides to relinquish or transfer title through a disposal action such as donation, sale or abandonment.

Final action
Action taken at the DD Form 200 approval/appeal authority level. For an appeal in the ARNG, final action is delegated to the Chief, NGB for State, and the Adjutant General or delegated deputy for ARNG members.

Financial accounting
Maintaining accounting records in terms of dollars, without regard for the quantity of items.

Financial inventory accounting
Act of establishing and maintaining accounts in both monetary and quantitative terms for material, supplies, and equipment held as stock on records of property accountability in the Army supply system worldwide.

Financial liability
The statutory obligation of an individual to reimburse the Government for lost, damaged, or destroyed Government property as a result of negligence or abuse.

DD Form 200
An instrument for recording circumstances concerning loss or damage of Army property. It serves as, or supports, a voucher for dropping articles from property records on which they are listed. It also serves to determine any question of responsibility (financial or otherwise) for absence or condition of the articles.

Formal accountability
Obligation to maintain property book or stock record property accounts, commissary accounts, or troop issue subsistence activity sales accounts. All property is subject to formal accountability unless specifically exempted by regulation or specific instructions of HQDA.

Government-furnished property
Government-owned property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor (includes subcontractors and alternate locations) for performance of a contract. There are five Government property classifications of GFP:

a. Equipment.
b. Materiel.
c. Special tooling.
d. Special test equipment.
e. Real property.

Grade (applicable to Army National Guard only)
Grade referred to in this regulation is the grade that has been granted Federal recognition. As an exception, is the grade of the Adjutant General in each State. The grade of the State Adjutant General may be greater than his or her federally recognized grade.
Gross negligence
An extreme departure from the course of action to be expected of a reasonably prudent person, all circumstances being considered. The act is characterized by a reckless, deliberate, or wanton disregard of the foreseeable consequences.

Hand receipt
A signed document acknowledging acceptance of and responsibility for the items of property listed thereon that are issued for use and are to be returned.

Hand tools
Any hand-held devices that are either manually operated or power driven that are portable, lightweight and small enough to be used by a craftsman in accomplishing his or her trade. They include such items as wrenches, screwdrivers, hammers, chisels, pliers, saws, impact wrenches and other small devices that are normally held in a tool box.

Inconsequential transportation discrepancies
Loss and damage claims of $50 or less. Formal documents are not required, nor are claims filed against carriers in amounts of $50 or less. Exceptions are narcotics, drugs, and sensitive and classified material.
   a. DD Form 200 discrepancies in shipment. Procedure and proper forms (DD Form 1149 and DD Form 250) required to adjust property accountability and determine liability for discrepancies in shipment as defined above.
   b. DD Form 361. Multiple-use form to report, investigate, and process discrepancies in shipments involving loss or damage, and to report other transportation-type discrepancies. DD Form 361 is authorized for use as a DD Form 200 to support claims against carriers and contractors or vendors, including adjustment of inventory and financial accounting records, as proper, when dollar value involved is $50 or more.
   c. SF 364. When negligence is suspected, the SF 364 is used as an exhibit to a DD Form 200 to report and adjust supply discrepancies.

Individual equipment
Personal clothing and equipment issued for exclusive personal use of an individual.

Installation commander
The term “installation commander,” when used in general terms, does not apply to the ARNG. However, when specific reference is made to accountability for, processing of, or collection of debts for Government property that is lost, damaged, or destroyed, or otherwise rendered unserviceable from SRAs, the term means the USPFO.

Installation property
Nondeployable property issued to a unit under authority of a common table of allowances (CTA) or other HQDA-approved or NGB authorization documents, except expendable items and personal clothing.

Installation property book
Record of property issued under an authorization document other an MTOE, deployable TDA, and deployable CTA items.

Installed building equipment
Items of equipment that are affixed and built into the facility as an integral part of the facility. Equipment that is an integral part of the facility is equipment that is necessary to make the facility complete, and if removed would destroy or reduce the usefulness of the facility. Use of the equipment determines if it is an integral part of the facility.

Inventory accounting
Establishment and maintenance of accounts for material in storage, in manufacturing process, on hand, in transit, or on consignment in terms of cost or quantity. The accounting process includes maintenance of supporting records and rendition of reports when required. Specific types of inventory accounting are detail, summary, financial, and item accounting.

Investigation
Means of determining the facts related to the loss or damage of Government property; determining the present condition of such property; receiving recommendations as to disposition, retention, and further accountability for such property; or determining the responsibility for loss or damage of Government property.

Item
A generic term meaning any article of material which is produced, stocked, issued, or used.
**Item accounting**
Method of accounting that expresses credit and debit (loss or gain) entries in terms of quantity of items transacted without regard for dollar value of the materiel. May be performed in either a detailed or summary manner.

**Latent defects**
Weaknesses or flaws normally not detected by examination or routine tests, but present at time of manufacture and may be aggravated or discovered by use.

**Liability**
The state of being responsible or answerable for the loss or damage of Government property.

**Loss**
Loss of, damage to, or destruction of property of the U.S. Government under control of the Army. Includes loss from Government accountability. Property is considered lost when the person cannot account it for responsible for it.

**Major command**
A command directly subordinate to, established by authority of, and specifically designated by HQDA. Army component commands of unified and specified commands are major ACOM, ASCC, and DRU.

**Materiel**
Property necessary to equip, maintain, operate, and support military activities. May be used either for administrative or combat purposes.

**Negligence**
The failure to act as a reasonably prudent person would have acted under similar circumstances. An act or omission that a reasonably prudent person would not have committed, or omitted, under similar circumstances and which is the proximate cause of the loss of, damage to, or destruction of Government property. Failure to comply with existing laws, regulations, and procedures may be considered as evidence of negligence.

**Nonconsumable supplies**
Supplies not consumed in use and retaining their original identity during the period of use, such as weapons, machines, tools, furniture, and fixtures.

**Nonexpendable items**
An item of Army property coded with an ARC of “N” contained in FEDLOG. Nonexpendable items require property book accountability after issue from the SRA. Commercial and fabricated items, similar to items coded “N” contained in FEDLOG are considered nonexpendable items.

**Organizational property**
Property authorized to a unit or organization under an MTOE or deployable TDA authorization document and all CTA property, which deploys with the unit.

**Organizational property book**
Record of property issued under an MTOE or deployable TDA authorization document. CTA items of equipment that are mission-related to all tables of organization and equipment units Armywide are considered organizational property. Examples of this type of equipment can be found in AR 71–13.

**Original package**
A sealed or otherwise securely closed container packed by vendor, supply depot, or arsenal. Container conforms to the following:

1. Contains only one kind of article. This distinguishes the container from one in which miscellaneous articles are packed for convenience in shipment. Component articles comprising a standard assembled unit of equipment, when shipped as a complete unit, may be considered as one article.
2. Contents are standard as to quantity, or the outside of the package shows by stenciling or other permanently affixed markings a list of quantities and description of the contents.
3. Designation of vendor, depot, or arsenal that packaged the contents is shown on the outside of the package.
4. Consignee with unbroken seals or protective fastening applied by the vendor, depot, or arsenal, and with no evidence of tampering or visible damage to contents received package.
Other nonconsumable supplies
Nonconsumable supplies other than capital equipment.

Oversight management
Reviews of administrative property adjustments by senior commanders, brigade level and above to ensure inventory adjustments are proper and in the best interest of the Army. Administrative property adjustments include:

a. Inventory adjustment reports.
b. DD Form 200.
c. Damage statements approved by subordinate commanders.
d. DD Form 200 initiated to account for losses during military operations other than war personal arms or equipment.
e. Equipment or clothing issued to individuals for their sole use and care, such as weapons, personal retention items, mobility kit bags, flight jackets, parkas, and similar items. In defining personal arms or equipment, determine how the member uses the property, and whether it is turned in at the end of the work shift. This is especially true when dealing with portable radios and hand tools. A portable radio, for example, is personal equipment when an individual uses it constantly, carries it wherever he or she goes, and has it for an indefinite period of time. However, it is not personal equipment when the individual has it for a specified time while on duty, and turns in to be used by others at the end of a shift.

Personal clothing
Military-type clothing and personal clothing such as headgear, underwear, footwear, Service uniforms, and component items prescribed by the Secretary of the Army and provided to enlisted members.

Personal property
Property of any kind or any interest herein, except real property, and records of the Federal Government.

Personal responsibility
The obligations of a person to exercise reasonable and prudent actions to properly use, care for, and safeguard all Government property in their possession. Applies to all Government property issued for, acquired for, or converted to a person’s exclusive use, with or without receipt.

Primary hand receipt
Hand receipt between an accountable officer and the person receiving the property and assuming direct responsibility for it.

Primary hand receipt holder
A person who is hand receipted property directly from an accountable officer.

Probable cause
Reasonable grounds for belief.

Property
Anything that may be owned. As used in the Army, this term is usually confined to ‘tangible property,’ including real estate and material. For special purposes and as used in certain statutes, this term may exclude such items as the public domain, certain lands, and records of the Federal Government.

Property administrator
An individual duly designated by appropriate authority to administer contract requirements and obligations relative to Government property furnished to or acquired by a contractor; an authorized representative of the contracting officer.

Property book
A formally designated set of property records maintained under AR 710–2 to account for organizational and installation property in a using unit.

Property records and property account
General term referring to any record of property. This includes not only formal SRAs maintained in item or monetary terms by as, but also organizational and installation property book records, individual clothing and equipment records, hand receipt records, or any system of files for property records.

Proximate cause
The cause, which in a natural and continuous sequence of events unbroken by a new cause produced the loss or
damage. Without this cause, the loss or damage would not have occurred. It is further defined as the primary moving cause, or the predominate cause, from which the loss or damage followed as a natural, direct, and immediate consequence.

**Record**
All forms of information (such as, narrative, graphic data, and computer memory) registered in either temporary or permanent form so that it can be retrieved, reproduced, or preserved.

**Real property**
Land and property affixed to the land and not easily moved. This includes buildings, piers, docks, warehouses, rights-of-way and basements, utility systems, and all other improvements permanently attached and ordinarily regarded as real estate. This does not include machinery, equipment, or fixed signal communication systems that may be removed without harming the usefulness of the structure.

**Receiving officer**
An officer charged with custody or storage of property received by means of shipment. The office is distinguished from the consignee on the bill of lading because that consignee usually is the transportation officer. Usually, the receiving officer is an accountable officer at the station of destination.

**Respondent**
Any individual, State or entity against whom financial liability is recommended or assessed.

**Responsibility**
The obligation of an individual to ensure Government property and funds entrusted to his or her possession, command, or supervision are properly used and cared for and that proper custody and safekeeping are provided. There are five types of responsibility:

a. Command responsibility.

b. Supervisory responsibility.

c. Direct responsibility.

d. Custodial responsibility.

e. Personal responsibility.

**Responsible officer**
An individual assigned direct responsibility for the property listed on DD Form 200. By virtue of assignment, the responsible officer is usually a property book officer or other a, a unit commander, or head of an activity and has been formally assigned to his or her position in writing.

**Sales account**
Formal records of accountability maintained in monetary terms by troop issue subsistence activities, commissaries, and other sales activities. Line item stock record balances are not normally maintained by sales accounts.

**Scrap**
Property that has no value except for its basic material content.

**Shipping officer**
An officer who ships property for which he or she is responsible or accountable, as distinguished from the officer who prepares the bill of lading. Normally, a shipping officer is an APO who ships property to an officer who has requisitioned the articles (receiving officer).

**Shipping-type (item) discrepancy**
A variation in quantity or condition of goods received from that shown on the authorized (supply) shipping document; for example, SF 364 or DD Form 1348–1A. A shipping-type (item) shortage or overage is not evident on delivery; it is discovered when the article of freight as described on the transportation document is opened and the contents do not agree with the supply shipping documents.

**Simple negligence**
The failure to act as a reasonably prudent person would have acted under similar circumstances.
Standard rebuild cost
Average cost to repair an article to return it to its regular operating condition. The cost may be set forth in publications such as supply bulletins and manuals, or may be obtained from the installation maintenance activity.

State
Includes the 50 States, Commonwealth of Puerto Rico, and territory of the U.S. Virgin Islands, territory of Guam, and the District of Columbia.

Stock record
A perpetual inventory form of record, which shows by nomenclature, the quantities received, issued, and the balance on hand. The stock record shall show by item the receipt, issue, and transfer of accountability of property; the balances on hand; and such other identifying or stock control data as required.

Stock record account
Formal basic record showing, by item, receipt and disposal of property being held for issue, balance on hand, and other identifying or stock control data. It is maintained by, or under supervision of, an accountable officer. It may be maintained manually, by accounting machine methods, or by automated data processing equipment.

Sub hand receipt
A hand receipt for property from a primary hand receipt holder or a sub hand receipt holder to a person subsequently given the property for care, use, safekeeping or further issue. It does not transfer direct responsibility for the property to the sub hand receipt holder, but does transfer personal responsibility.

Summary accounting
Grouping transactions together for a specific time or activity, and then posting only net results or summary of transactions to the accounting records.

Supervisory responsibility
Obligation of a supervisor to ensure all Government property issued to, or used by, his or her subordinates is properly used and cared for, and that proper custody and safekeeping of the property are provided. It is inherent in all supervisory positions and is not contingent upon signed receipts or responsibility statements. It arises because of assignment to a specific position and includes:

a. Providing proper guidance and direction.
b. Enforcing all security, safety, and accounting requirements.
c. Maintaining a supervisory climate that will facilitate and ensure the proper care and use of Government property.

Supplies
Items needed to equip, maintain, operate, and support military activities. Supplies may be used for administrative, combat, or general purposes. Supplies include food, clothing, equipment, arms, ammunition, fuel materials, and machinery of all kinds. For planning and administrative purposes, supplies are divided into 10 classes. Supplies are synonymous with 'equipment' and 'materiel.'

Training equipment
Items developed, authorized, issued, or procured primarily for training and learning.

Transportation-type discrepancy in shipment
A carrier (common or contract) may fail to deliver to a consignee, in the condition originally billed, all of the packages or loose pieces of property listed on the GBL or other transportation documents (for example, CBL, manifest, load list, freight warrant). The shortage, overage, or damage is termed a transportation-type discrepancy. Transportation-type discrepancies reportable on DD Form 361 may be the fault of the carrier, shipper, vendor or contractor, container consolidation point, or transshipping activities. Overages and shortages within commercial or Government-owned (or leased) shipping containers, military-owned demountable containers, roll-on/roll-off trailers, or container expresses with seals intact, missing, or broken are included in this term.

Transportation officer
The officer responsible for the shipment of property. This officer initiates and accomplishes BLs. When no person is specifically provided to perform these functions, the officer who accomplishes BLs is responsible for duties assigned to the transportation officer.

U.S. property and fiscal officer
A commissioned officer of the Army or National Guard of the United States on extended Federal active duty and who
is accountable and responsible for the proper obligation and expenditure of all Federal funds and for the receipt and accounting of all Federal property in the possession of the National Guard of the State; maintains an SRA comparable to the level of a CONUS installation; and must ensure that accountability for Federal property is maintained after property is issued to the property book level.

**Unserviceability**
More inclusive term than damage or destruction. It indicates, in military usage, that the article to which the term is applied is no longer useful for its intended purpose. Damage or destruction may not be involved. The term also indicates property that has deteriorated through use; however, it may include property no longer usable for its original purpose, despite the reason for its condition.

**Voucher**
Document attesting to, or serving as evidence of a specific property transaction. Credit vouchers, such as signed receipts, support a reduction of on-hand balance shown on the property record. Debit vouchers, such as receiving reports, support an increase in the recorded on-hand balance.

**Willful misconduct**
Any intentional wrongful or unlawful act or omission relating to Government property, to include misappropriation of Government property.

**Section III**
**Special Abbreviations and Terms**
This section contains no entries.