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CNICINST 7320.1B  
N8  
10 Oct 2017

CNIC INSTRUCTION 7320.1B

From: Commander, Navy Installations Command

Subj: GENERAL EQUIPMENT POLICIES AND PROCEDURES

Ref: (a) OPNAV M-5210.1  
(b) OPNAVINST 5215.17A  
(c) DoD 7000.14-R, DoD Financial Management Regulations, December 2011  
(d) OUSD (AT&L) memo, Implementation of Proper Financial Accounting Treatment for Military Equipment of 12 June 2007  
(e) SECNAVINST 5200.42  
(f) FAR 52.245-1, Federal Acquisition Regulation, January 2017  
(g) SECNAVINST 7320.10A  
(h) ASN (FM&C) memo, Revised Document Retention Requirement to Support Department of the Navy Financial Statement Audits of 29 Jan 15  
(i) DoD Instruction 5000.64 of 27 April 2017  
(j) DASN (FMO) memo, Budget Submitting Office Annual Inventory Completion Letter, 7000 Ser FMO/27, of 20 Jun 14  
(k) DoD Instruction 8320.04 of 3 September 2015  
(l) OMB Circular A-123 of 15 July 2016

Encl: (1) Overview of Property, Plant and Equipment  
(2) Governance and Management of General Equipment  
(3) Key Supplemental and Supporting Documentation Requirements  
(4) Defense Property Accountability System  
(5) Inventory Requirements and Procedures  
(6) Defense Property Accountability System Monthly Inventory Reconciliation Reports  
(7) General Equipment Inspections and Assistance Visits  
(8) General Equipment Inspection Checklist  
(9) Asset Identification Requirements  
(10) Management Control Requirements

1. Purpose. This instruction updates Commander, Navy Installations Command (CNIC) policy and procedures for the control and accountability of General Equipment (GE) requirements as defined in references (a) through (l) and enclosures (1) through (10).
2. Cancellation. CNICINST 7320.1A.
3. Scope and Applicability. This instruction applies to CNIC Headquarters (HQ), Regions and Installations.

4. Responsibility

a. CNIC HQ Comptroller (N8) is responsible for providing operational policy governing the management of GE in order to ensure compliance with applicable laws and regulations. N8 will also appoint the CNIC HQ Command Property Officer (CPO) and an alternate that will be responsible for the oversight of the GE program across the CNIC enterprise.

b. CNIC HQ CPO will implement the GE Policies and procedures contained within this instruction and provide GE policy and guidance interpretation to the appropriate designees of Region Commanders (REGCOM) and installation Commanding Officers (CO).

c. REGCOMs and installation COs will ensure that the policies and procedures set forth in this instruction are fully abided by and implemented.

d. REGCOMs will appoint a Region Accountable Property Officer (APO) and an alternate.

e. Region APOs will ensure all GE is properly accounted for and recorded in the Defense Property Accountability System (DPAS), and ensure adequate internal controls are in place to prevent the misuse or theft of CNIC GE.

f. Installation COs will appoint an installation APO and an alternate.

g. Installation APOs will maintain accountability and oversight of CNIC property within the installation, maintain and update GE in DPAS, and schedule required physical inventories with stakeholders.

h. At the direction of the installation APO, GE Custodians will account for GE at their respective locations and acknowledge receipt of new GE.

i. CNIC personnel will ensure the proper use, care and physical protection of Government owned property. This includes complying with applicable regulations and advising appropriate authorities of misuse, loss, theft and damage of Government owned property.

5. Information Management Control. Sample appointment letters, certification letters, memorandums, reviews and sample annual inventory plans can be found on the CNIC Gateway 2.0 (G2) at <https://g2.cnic.navy.mil/tscnichq/N8/N82/Shared%20Documents/Forms/AllDocsSorted.aspx>.

6. Records Management. Records created as a result of this instruction, regardless of media and format, will be managed per reference (a).

7. Review and Effective Date. Per reference (b), CNIC (N8) will review this instruction annually on the anniversary of its effective date to ensure applicability, currency and consistency with Federal and Departments of Defense and Navy policies and statutory authorities. This

instruction will automatically expire five years after effective date unless reissued or canceled prior to the five year anniversary date, or an extension has been granted.

  
C. S. GRAY  
Chief of Staff

Releasability and distribution:

This instruction is cleared for public release and is available electronically only via CNIC Gateway 2.0, <https://g2.cnic.navy.mil/CC/Documents/Forms/Directives%20Only.aspx>

## OVERVIEW OF PROPERTY, PLANT AND EQUIPMENT

### 1. Overview

a. Types of Property. There are three sub-categories of Property, Plant and Equipment (PPE): Real Property (land, buildings and structures), Internal Use Software and GE. This instruction primarily focuses on GE within CNIC.

b. General Equipment Defined. Per reference (c), GE is personal property that is functionally complete for its intended purpose, durable and nonexpendable. GE has an expected service life of two years or more; is not intended for sale; does not ordinarily lose its identity or become a component part of another article when put into use and has been acquired or constructed with the intention of being used. This definition includes property formerly classified as Military Equipment.

### 2. Categories of GE

a. GE. GE is classified into two primary categories, Accountable GE and Locally Accountable GE. Accountable GE is further divided into Capitalized Accountable GE and Non-capitalized Accountable GE.

(1) Capitalized Accountable GE has an acquisition cost of \$1,000,000 or greater, an estimated recovery period equal to or greater than 24 months and is not intended for sale in the ordinary course of operations. Examples of capitalized accountable GE used within CNIC include:

- (a) Fire Trucks with an acquisition cost of \$1,300,000.
- (b) Barge Fuel Water Separators with an acquisition cost of \$4,600,000.
- (c) Boat Fenders with an acquisition cost of \$1,200,000.

(2) Non-capitalized Accountable GE has an acquisition cost of at least \$5,000 but less than \$1,000,000 or has an acquisition cost greater than \$1,000,000 but does not meet all of the criteria to be classified as Capitalized Accountable GE. Examples of non-capitalize accountable GE include:

- (a) Boat Fenders with an acquisition cost of \$971,285.88.
- (b) Fire Trucks with an acquisition cost of \$750,000.00.
- (c) Weapons Simulators with an acquisition cost of \$111,568.00.
- (d) Band Saw with an acquisition cost of \$23,770.00.

(3) Locally accountable GE has an acquisition cost less than \$5,000, and has been identified locally as requiring property management controls to maintain visibility and protect against loss. Examples of locally accountable GE include:

(a) Handheld radios with an acquisition cost of \$3,553.29.

(b) Barcode readers with an acquisition cost of \$2,154.00.

(4) Military equipment is a term that is no longer used, per reference (d), and is considered GE, recorded as such in the Defense Property and Accountability System (DPAS) (with the exception of Navy Boats).

(5) Government Furnished Property (GFP) is property in the possession of or directly acquired by the Federal Government and subsequently furnished to the contractor for performance of a contract, per reference (e). GFP includes, but is not limited to, spares and property furnished for production, repair, maintenance, overhaul or modification, operation of government owned equipment and vessels, special tooling and special test equipment. GFP also includes Contractor-Acquired Property (CAP) if the CAP is a deliverable under a cost contract once accepted by the government for continued use under the contract. Detailed procedures for changing the status of GE to GFP in DPAS are below:

(a) APO identifies and provides IUIDs for GE.

(b) The APO delivers the GE to the contractor via the Wide Area Workflow (WAWF) process and acknowledges receipt of the GE by the contractor.

(c) The GE record status is updated in DPAS to reflect the equipment out on loan to contractor. The GFP status is updated in DPAS upon return to the government.

(d) If GFP is returned and purchased as CAP, the APO establishes an accountable property record in DPAS.

(e) Per reference (f), if the property is no longer required by the contractor to support the contract, the contractor returns excess property via the Plant Clearance Automated Reutilization Screening System (PCARSS) and completes a final disposition transaction per the instructions of the Plant Clearance Officer (PLO) at contract close out.

(f) The PLO oversees the disposal process and instructs the contractor on Defense Reutilization and Marketing Office (DRMO) site for final disposition of the GFP to be destroyed.

(6) GFP includes:

(a) Government Furnished Equipment (GFE). GFE is a subset of GFP and is treated the same as other forms of GE. This includes any GE owned by the Government and provided to a contractor for performance of a contract. GFE is functionally complete for its intended purpose, durable and non-expendable.

(b) CAP. Any property acquired, fabricated or otherwise provided by the contractor for performing a contract, and to which the Government has title. CAP that is subsequently delivered and accepted by the Government for use on the same or another contract is considered GFP.

### 3. Recording Accountable GE

a. Per reference (g), all accountable GE must be recorded in an Accountable Property System of Record (APSR). DPAS is the authorized APSR for CNIC.

b. Recording Locally Accountable GE. The Installation Accountable Property Officer (IAPO) must record and track all locally accountable GE in an off-line record (e.g., Excel or Access). An Excel spreadsheet has been created with all the required data fields and can be found on the CNIC Gateway 2.0 (G2) in the N82 shared document library, <https://g2.cnic.navy.mil/tscnichq/N8/N82/Shared%20Documents/Forms/AllDocsSorted.aspx>. Only locally accountable GE that meets the listed criteria ((1) through (3)), and has been also specifically authorized by Headquarters Program Directors (HPD), can be recorded in DPAS. Any of the following requirements must be met for Locally Accountable GE to be recorded in DPAS:

(1) Sensitive.

(2) Classified.

(3) Meets all of the following criteria:

(a) Pilferable.

(b) Critical to the CNIC business/mission.

(c) Difficult to repair or replace.

(4) Property of any value provided to a contractor as GFP.

c. Remaining locally accountable GE currently residing in DPAS that is determined to not meet one of the previously listed HPD requirements must be removed from DPAS. If a Region determines that GE meets the above criteria, a request must be sent to CNIC HQ CPO with

justification that shows that the asset meets the stated criteria. The CNIC HQ CPO will route the request to the appropriate HPD for approval or disapproval.

d. Recording GFP. Government equipment/property provided to a contractor must be entered into DPAS regardless of the acquisition cost.

e. Recording GFE. GFE consists of equipment, special tooling or special test equipment that is provided to a contractor for use on a Government contract. All special tooling, special test equipment or equipment items meeting or exceeding the appropriate capitalization threshold must be capitalized at the time of delivery. GFE must be recorded in DPAS prior to being furnished to a contractor.

e. Recording CAP. Once the government accepts the receipt of CAP from the contractor, the IAPO must establish a record for the CAP in DPAS. CAP only applies to the original contract; if used in subsequent contracts, it is considered GFP.

GOVERNANCE AND MANAGEMENT OF GENERAL EQUIPMENT

1. Accountable Officer (AO). The installation CO is considered an AO and is responsible for ensuring that all command GE is properly maintained, safeguarded, accounted for and accurately reported. This includes the proper recording and reporting of the financial information for the Personal Property and Equipment (PPE) in the CO's area of responsibility.
  
2. CNIC HQ CPO. This position is assigned and appointed by the CNIC HQ Comptroller. The CNIC HQ CPO works within CNIC (N82) and is responsible for the administration and control of PPE recorded in DPAS. An alternate CNIC HQ CPO may also be appointed to provide coverage during the absence of the primary. A copy of the appointment and termination letters will be posted on the CNIC Gateway 2.0 (G2) within the (N82) shared document library located at:  
<https://g2.cnic.navy.mil/tscnichq/N8/N82/Shared%20Documents/Forms/AllDocsSorted.aspx>.
  
3. Region Accountable Property Officer (RAPO). RAPOs are responsible for the property management policies cited in this instruction and the most current edition of the references. RAPOs will be appointed in writing by the REGCOM. An alternate RAPO may also be appointed in writing by the REGCOM. RAPOs will provide a scanned copy of their appointment letter to the CNIC HQ CPO. A copy of the appointment and termination letters will be posted on the CNIC G2 within the (N82) shared document library. RAPO duties include the following:
  - a. Provide oversight for IAPOs within their Region;
  
  - b. Notify CNIC HQ CPO when an IAPO is terminated to initiate the process of termination of DPAS access by the Navy Supply (NAVSUP) Support Office.
  
  - c. Provide training and property management support to IAPOs.
  
  - d. Conduct annual site visits and conduct inspections, as required.
  
  - e. Review transactions and key supporting documents, as required.
  
  - f. Review monthly exception reports and ensure that IAPOs make necessary corrections.
  
  - g. Schedule required inventories with each installation.
  
  - h. Notify the CNIC HQ CPO prior to departure from the Command or reassignment of the IAPO duty.



4. IAPO. IAPO are responsible for the daily accountability and safekeeping of CNIC personal property at the installation level and serve as a representative of the CO. IAPOs will be appointed in writing by the installation CO. A copy of the appointment letter will be provided to the RAPO and the CNIC HQ CPO. A copy of the appointment and termination letters will be posted on the CNIC G2 within the (N82) shared document library. Each IAPO will be responsible for the following duties and responsibilities:

- a. Obtain access to DPAS in order to monitor and maintain property records.
- b. Record new accountable assets in DPAS within seven calendar days of receipt and upload applicable supporting documentation.
- c. Prepare documentation for transfer and disposal of accountable assets and upon approval; enter in DPAS with applicable supporting documents attached.
- d. Maintain oversight of GE that has been signed for by custodians within their installation.
- e. Ensure that an inventory is scheduled whenever one of the events listed in paragraph 1 of enclosure (5) occurs.
- f. Conduct property inventories as described within enclosure (5), in coordination with each Custodian.
- g. Coordinate with the Department Head in the event of property losses, to ensure that a proper investigation is completed. Consult with the investigation team to provide any technical support required. A letter containing the investigation results and actions to be taken must be signed by the CO and an electronic copy provided to the RAPO.
- h. Maintain communication with RAPO regarding any personal property issues.
- i. Notify the CO and RAPO prior to departure from the command so that a new IAPO can be assigned.

5. Custodian. Each Custodian will be properly appointed in writing by the IAPO as acting on authority of the IAPO. The Custodian signs for custody of GE assets and is someone within an office, department or work area that has direct knowledge of GE used in their custodial area. The Custodian is responsible for the immediate physical custody of all GE under their control. The appointment of a Custodian may or may not correspond to the individual's official job title. The Custodian is responsible for:

- a. Maintaining current custodial records for all accountable GE within their custodial area to include physically signing property down to the user level through the use of hand receipts.

- b. Receipt of new GE acquired ensuring that the IAPO is provided documentation within five working days of receipt so that items are properly recorded in DPAS and bar coding occurs within seven calendar days of receipt.
- c. Initiating or processing documents affecting the accountability or custody of GE.
- d. Ensuring GE has proper maintenance and protection, and is only used for official purposes.
- e. Identifying and reporting to the IAPO any GE in excess of the needs of the accountable area.
- f. Promptly notifying the IAPO of lost, damaged or destroyed GE and completion of corresponding documentation.
- g. Receipt of bar code labels from the IAPO that are required to be affixed on all accountable GE.
- h. Assisting with the performance of physical inventories and reconciliation of inventory records.
- i. Assisting with procedures to ensure accountability for all assigned GE.
- j. Notifying the IAPO prior to leaving their current position so that a new custodian can be assigned by the IAPO and a turnover inventory can be completed.
- k. A copy of the appointment and termination letters will be posted on the CNIC G2 within the (N82) shared document library located at:  
<https://g2.cnic.navy.mil/tscnichq/N8/N82/Shared%20Documents/Forms/AllDocsSorted.aspx>.

KEY SUPPLEMENTAL AND SUPPORTING DOCUMENTATION REQUIREMENTS

1. Reference (h) requires that Key Supplemental and Supporting Documents (KSSD) for GE be retained at the Region or installation level for 10 years after the asset is disposed of and removed from DPAS. CNIC HQ requires the Regions and installations maintain an electronic copy of all KSSDs.

2. The Existence and Completeness (E&C) of property records maintained in DPAS must be validated on a monthly basis. E&C is achieved when property records are accurately entered or updated within DPAS. To ensure that each asset recorded in DPAS is properly added, updated or deleted, there must be a periodic review of KSSDs by the CPO. All KSSDs in support of recorded transactions must be reviewed and compared to all accountable property recorded in DPAS. The following actions will be implemented to achieve this goal:

a. Each month, the IAPO must review and certify that all acceptance documents are properly accepting, recording, reporting, transferring and disposing of GE. Typical acceptance documents include, but are not limited to, DD Form 250, Material Inspection and Receiving Report; DD Form 1149, Requisition and Invoice of Shipping Document; and DD Form 1155, Order for Supplies or Services. Transfer (e.g., DD Form 1149, Requisition and Invoice or Shipping Document) and disposal documents (e.g., DD Form 1348-1A, Issue Release or Receipt Document) must also be validated.

b. Each month, the RAPO must verify each DPAS entry made by the IAPO by comparing the KSSD data to the DPAS entry. If the DPAS entries are entered by the RAPO, the RAPO's supervisor will be designated in writing by the REGCOM or CO to conduct this review. The following procedures will be followed to review and validate all DPAS transactions:

(1) A comparison of KSSDs to the DPAS transactions for the month will be conducted by the RAPO to ensure that all required data elements in DPAS are recorded properly and all new accountable property entered in DPAS is properly supported with the required supporting documentation.

(2) No later than the fifth of each month, the RAPO will generate an Increase/Decrease report in DPAS from the first day of the previous month to the last day of the previous month. Generating the Increase/Decrease report procedures are available on the CNIC G2 within the (N82) shared document library located at:  
<https://g2.cniv.navy.mil/tscnichq/N8/N82/Shared%20Documents/Forms/AllDocsSorted.aspx>.

(3) The RAPO will complete a Secondary Level Review Certification Letter for the monthly certification. Signatures must be used on this form as it provides a record of reconciliation and must be retained for audit purposes.

(4) A monthly certification must be completed even if there are no transactions for the month. The Increase or Decrease report will be retained by the RAPO.

(5) Based on reference (h), the RAPO must retain the certification documentation, to include the Increase/Decrease report, on file for 10 (or two years after disposal/not on the records) two years after completion of the last audit.

(6) A copy of the completed monthly certification and the Increase or Decrease report must be scanned into a portable document format (.pdf) file and forwarded to the CNIC HQ CPO no later than the 15<sup>th</sup> day of each month.

c. To ensure that all new accountable property is recorded in DPAS, the IAPO must review all transactions each month. This must include the following:

(1) Review of the Government Purchase Card transactions.

(2) Review all expenditures with Expense Element "W."

(3) Review of purchase requests.

(4) Review all receiving reports.

(5) Review invoices; acceptance and receipt documents in the Invoicing Receipt, Acceptance and Property Transfer (IRAPT) system.

3. Assets must have complete documentation to support acquisition and disposition transactions in DPAS. Retention of KSSDs is addressed in reference (h). If documentation cannot be found, the Similar Assets/Estimated Fair Market Value Worksheet, found in reference (g), must be completed. The purpose of this worksheet is to estimate recorded cost and date for personal property items lacking proper substantiating documentation. This is required for unsupported personal property recorded in DPAS. This worksheet, when properly completed, serves as a substitute for original acquisition documentation and should be used when all attempts to locate actual documentation have been exhausted. All KSSDs for asset transactions must be uploaded in DPAS as an attachment. DPAS will be the only repository used unless the CNIC HQ CPO determines that another location is essential for unique transactions.

4. When an asset is transferred to another Budget Submitting Office (BSO), CNIC loses visibility of the asset and any related KSSDs. Therefore, prior to transfer of any asset to another BSO, all KSSDs must be copied and uploaded to the G2 repository. This process will ensure the availability of KSSDs for future audit requirements.

5. Secondary Level Review Certification and the Similar Assets/Estimated Fair Market Value Worksheet can be found on the CNIC G2 located at:

<https://g2.cnlic.navy.mil/tscnichq/N8/N82/Shared%20Documents/Forms/AllDocsSorted.aspx>

DEFENSE PROPERTY ACCOUNTABILITY SYSTEM

1. DPAS. DPAS is the APSR approved by the Navy and designated by CNIC to be the APSR for GE. The DPAS program office, under the auspices of the Office of the Under Secretary of Defense, Acquisitions, Technology and Logistics (OUSD (AT&L)), manages DPAS.

2. Access to DPAS. Follow the steps below for system access:

a. Register your DOD Common Access Card (CAC) (choose your DoD ID certificate) on the Navy Property Plant and Equipment Management Support web site at the following link: <https://www.navsup.navy.mil/registration>.

b. Logon to the following link in order to access a System Authorization Access Request Form (SAAR), DD Form 2875, that has been populated with DPAS specific information: [https://mynavsup.csd.disa.mil/webcenter/portal/nppe?\\_adf.ctrl-state=s8457x4pi\\_4&\\_afLoop=23389677612442730#!%40%40%3Fwc.contextURL%3D%2Fspaces%2Fnppe%26\\_adf.ctrl-state%3Dacyapeg7p\\_4](https://mynavsup.csd.disa.mil/webcenter/portal/nppe?_adf.ctrl-state=s8457x4pi_4&_afLoop=23389677612442730#!%40%40%3Fwc.contextURL%3D%2Fspaces%2Fnppe%26_adf.ctrl-state%3Dacyapeg7p_4). Once you have accessed the link, click on User Information and fill out the form.

c. Paragraphs 2c(1) through 2c(8) below, pertain to completion of DD Form 2875. These procedures will help ensure quick processing of the form.

(1) Block 13 required entries:

(a) “UNIT IDENTIFICATION CODE (UIC)”: Enter the Region UIC (e.g., N00171).

(b) “SITE ID”: enter “NI-CI”.

(c) “EDI NUMBER”: Obtain from the CAC.

(d) When a DPAS user needs access to one installation (e.g., Installation Accountable Property Officer (IAPO)), insert “CUSTODIAN NBR: Nxxxx” in block 13 under the UIC data. The IAPO will only have access to that UIC. If the entire Region access is needed, then do not enter this field.

(e) If a contractor requires access to DPAS, be sure that all required information in block 13 is provided.

(2) A scanned copy of DD Form 2875 is unacceptable. Therefore, the original .pdf version (digitally signed by all) is the only acceptable version that will be processed.

(3) Block 11 of DD Form 2875: The user’s digital signature must be the first digital signature on the form. The date included in the digital signature must be equal to or less than the dates in blocks 18, 19, 21, 21b, 31 and 32.

(4) The approval process for DD Form 2875 MUST be in the following sequential order: (1) Supervisor; (2) Security Office; and (3) CNIC HQ CPO. The digital signature dates are verified by DFAS to ensure that they are signed in this order.

(5) Blocks 17 through 20b are reserved for the user's supervisor.

(6) Blocks 21 through 25 are reserved for the CNIC HQ CPO (as the functional appointee responsible for approving access to the system being requested).

(7) Blocks 28 through 32 are reserved for the Region or installation Security Manager.

(8) The requestor must digitally sign page six.

3. Required Training. CNIC HQ CPO, RAPOs and IAPOs are required to complete online training courses, listed in paragraph 4, prior to gaining full access to DPAS. A DPAS account is required to access the courses; therefore the user will need to create a new account. Additional information related to the e-learning process can be found at the following link:  
<http://dpaselearning.golearnportal.org/login/index.php>

4. Following is a list of the course requirements that must be completed prior to gaining full access to DPAS; these training certificates must be maintained by the RAPO:

- a. Course # DPAS1024 - Property Administrator of Navy
- b. Course # DPAS1130 - Data Inquiry
- c. Course # DPAS1140 - Report and Forms

5. The following documents must be submitted to the CNIC HQ for approval in order to gain access to DPAS. The CNIC HQ CPO will forward requisite documentation to the Navy Supply (NAVSUP) Support Office for account establishment.

a. DD Form 2875 (SAAR) with required signatures, obtained from the DPAS support site:  
[https://mynavsup.csd.disa.mil/webcenter/portal/nppe?\\_adf.ctrl-state=s8457x4pi\\_4&\\_afLoop=23389677612442730#!%40%40%3Fwc.contextURL%3D%2Fspaces%2Fnppe%26\\_adf.ctrl-state%3Dacyapeg7p\\_4](https://mynavsup.csd.disa.mil/webcenter/portal/nppe?_adf.ctrl-state=s8457x4pi_4&_afLoop=23389677612442730#!%40%40%3Fwc.contextURL%3D%2Fspaces%2Fnppe%26_adf.ctrl-state%3Dacyapeg7p_4). A scanned copy is not acceptable.

b. A scanned .pdf copy of the Cyber Awareness Challenge Training Certificate. Ensure that the most current version is submitted. The training must have been completed within the past 12 months and the date on the certificate must match the date entered on DD Form 2875.

6. CNIC HQ CPO, RAPOs, IAPOs and alternates, must log into DPAS at least once every 30 days in order to retain access to DPAS. After 45 days of inactivity, a DPAS account is canceled and the incumbent will need to submit a new DD Form 2875 to initiate a new DPAS account.
7. The CNIC HQ CPO must be notified to remove DPAS access for any RAPO or IAPO that leaves their position of property management. Access to DPAS must not be allowed to continue when the property incumbent no longer needs system access.

## INVENTORY REQUIREMENTS AND PROCEDURES

1. Physical Inventory Requirements. References (g) and (i) require that all physical inventories include a comparison of all personal property records to physical assets (i.e., book-to-floor) and all physical assets to personal property records (i.e., floor-to-book). Required frequency of inventories is as follows:

- a. All Capitalized Accountable GE, Classified and Sensitive must be inventoried annually.
- b. All Non-capitalized Accountable GE and Locally Accountable GE must be inventoried triennially.
- c. All GE must be inventoried upon change of a custodian.
- d. All GFP must be inventoried and reported annually by the contractor to the RAPO.
- e. All property must be inventoried any time there is a suspected loss or at the direction of the REGCOM or CO.
- f. The IAPO must inventory all accountable property on an installation at least 30 days prior to a Change of Command. This will also satisfy the triennial inventory requirement.

## 2. Certification of Inventory Results

a. Inventory results will be electronically forwarded to the RAPO within 30 days of completion using the required certification letter indicated below. All certification letters are on the G2 located at:

<https://g2.cnic.navy.mil/tscnichq/N8/N82/Shared%20Documents/Forms/AllDocsSorted.aspx>

(1) The inventory for Capitalized Accountable GE, Classified and Sensitive and GFP must be certified using the installation Inventory Completion Certification letter.

(2) The inventory for Non-capitalized Accountable GE and Locally Accountable GE must be certified using the Triennial Physical Inventory Completion letter.

(3) The GE inventory completed for a change of custodian must be certified using the installation Inventory Completion Certification letter.

(4) Inventory results due to suspected loss must be certified using the installation Inventory Completion Certification letter.



b. The incoming REGCOM or CO must review the previous inventory results within 30 days of assuming command and can accept those results using an installation Inventory Acceptance Certification letter or the incoming REGCOM or CO can require a new physical inventory. If the incoming REGCOM or CO requires a new physical inventory, the results must be recorded using the installation Inventory Completion Certification letter.

(1) A signed copy of either required certification letters must be provided to the RAPO and CNIC HQ CPO.

(2) More than a 30 day break between REGCOMs or COs will necessitate the requirement for a new physical inventory.

c. Signed certification letters will be prepared by each installation and provided to the RAPO. The RAPO will complete a Region Inventory Completion Certification letter to certify that all subordinate activities have completed a physical inventory of all accountable property. The CNIC HQ CPO will review results and post on the CNIC G2 site under CNIC (N82) Shared Documents.

3. Inventory Management Plan. RAPOs will develop and maintain an Inventory Management Plan for all installations within their Region. This plan will cover a three year period to ensure that all required personal property inventories are scheduled and completed as required by reference (b). RAPOs will provide an updated plan (electronically) to the CNIC HQ CPO annually no later than 31 October of each year. The CNIC HQ CPO will review all plans and post each plan on the G2 site under CNIC (N82) Shared Documents.

4. Physical Inventory Procedures. Reference (i) requires a minimum physical inventory accuracy rate of 98 percent (100 percent for classified or sensitive property). E&C is only achieved when all GE is properly accounted for in DPAS. The following procedures are provided to ensure proper conduct for physical inventories.

a. A team of two personnel with no vested interest in the activity's property management requirements will be appointed in writing by the CO to conduct the inventory. The appointment letter must specifically state who is appointed, when the inventory will be conducted, and the functional area or activity to be inventoried. The IAPO will conduct a briefing on the procedures for conducting the inventory. Independent contractors may also be used to conduct an official inventory.

(1) A triennial inventory completed by the Custodian or IAPO is not considered an independent verification of GE. The Custodian or IAPO can perform an annual verification of accountable GE but the official triennial inventory must always be completed by personnel with no vested interest in the activity's property management requirements.

(2) The Custodian and IAPO may be present to help the inventory team locate property on the inventory and provide any administrative assistance as needed.

(3) The Custodian and IAPO are not there to direct how the inventory is conducted, only to advise on the location of an asset.

b. The IAPO will generate the inventory list from DPAS and attach it to the appointment letter. If a hand-held scanner is used to conduct the inventory, a hard copy of the inventory must still be provided as a guide so that the inventory team can ensure counting of all accountable assets recorded in DPAS.

c. Conducting an inventory based on the DPAS inventory list satisfies the “existence” portion of the inventory process. Once an inventory is initiated in DPAS, it will be completed within 30 days. Suspected losses will be investigated and properly resolved and corrected in DPAS no more than 60 days after the completion of an inventory. Inventories will be reconciled and lost items processed for disposition.

d. The “completeness” portion of the inventory process occurs when the activity or department location is physically examined for accountable GE that was not included on the inventory sheet. It is the responsibility of the inventory team to perform this physical examination for GE throughout the entire inventory location. Any new assets found must be added to the inventory sheet with as much description as possible.

e. Upon completion of the inventory, reconciliation must occur between the inventory list and DPAS asset list.

(1) If there are no discrepancies on the existing DPAS asset list and no new assets are located, then proceed to paragraph 4e(4) below.

(2) If an asset is not located, then the Custodian and IAPO must assist in the effort to locate the asset. Once located, the inventory team will need to physically verify the asset and the record as found on the inventory list.

(3) If the asset is not located, then the inventory team will record it as missing. The Custodian and IAPO will then need to process the DD Form 200, Financial Liability Investigation of Property Loss, for a financial investigation. Instructions for completion of the DD Form 200 are found in reference (c) and below in paragraph 6. Any new assets found during the inventory must be added to DPAS using the Similar Assets/Estimated Fair Market Value Worksheet when all attempts to locate the actual documentation have been exhausted.

(4) All inventories must be signed and dated by each inventory team member. The inventory team must not sign the inventory until the above procedures have been satisfied.

f. Once the above steps are completed, the IAPO must update the inventory in DPAS based on the inventory team results. Any lost assets will be deleted from DPAS using the DD Form 200, refer to paragraph 6 below.

5. Completion of DD Form 200. When all efforts to locate a property item have been exhausted, the inventory team can make the determination that a loss does exist. A thorough investigation must be conducted and a determination of liability made. Procedures for conducting the investigation are found in reference (c). The DD Form 200 will be completed using the following guidelines:

- a. Blocks 1 through 11 will be completed by the Custodian.
- b. Block 1 is the date the CO assigned the investigation.
- c. Block 2 will be assigned locally.
- d. Block 3 is the date of the physical inventory.
- e. Block 12 will be completed by the IAPO or RAPO.
- f. Block 13 will be completed by the CO.
- g. Block 14 will be completed by the REGCOM.
- h. Block 15 will be completed by the person appointed to conduct the investigation.
- i. Block 16 will only be completed if someone is held accountable for the loss.
- j. Block 17 will be completed by the RAPO. The original document must be retained for audit purposes and support prior to the removal of the asset from DPAS.

6. Measurement of Physical Inventory Loss and Overage. Reference (i), requires a minimum inventory accuracy rate of 98 percent, except for classified or sensitive items which requires a 100 percent accuracy rate.

a. The following calculations must be computed for each installation physical inventory and reported in the Inventory Completion memorandum and forwarded to the CNIC HQ CPO.

b. Annual Overage Rate. Number of overages found by the inventory Action Code Items Found on Installation (IFOI) divided by the number of items in the total population, divided by number of years since the last inventory (number of IFOI ÷ number of items inventoried ÷ 1, 2 or 3 years).

c. Annual Loss Rate Calculation. Number of items not located and removed from inventory by Action Code DLDD (Disposal Lost, Damaged or Destroyed) divided by the number of items in the total population, divided by the time in years since the last inventory (number of DLDD actions ÷ number of items inventoried ÷ 1, 2 or 3 years). Note that a transfer or disposition is not considered a loss. If you cannot find the item, it is considered a loss.

7. Documentation Retention. Reference (h) requires all asset documentation to be retained for 10 years.

8. Annual Inventory Certification. Reference (j) requires every BSO to provide the Deputy Assistant Secretary of the Navy (Financial Operations), with an annual certification stating that all required inventories were completed. To support the CNIC certification, each REGCOM is required to provide a certification addressed to CNIC that all required inventories were completed. All COs will certify to their REGCOMs that all required inventories were completed. Regions will use the Region Inventory Completion Certification to certify inventory completion results to CNIC HQ CPO. This inventory certification is an annual requirement that must be submitted by each Region to CNIC HQ CPO no later than 30 September of each year.

9. Examples of installation Inventory Acceptance Certificates, installation Inventory Completion Certificates, Annual Inventory Management Plans and Region Inventory Completion Certifications can be found on the G2 located at:

<https://g2.cnic.navy.mil/tscnichq/N8/N82/Shared%20Documents/Forms/AllDocsSorted.aspx>.

DEFENSE PROPERTY ACCOUNTABILITY SYSTEM MONTHLY INVENTORY  
RECONCILIATION REPORTS

1. Monthly Exception Reports. DPAS exception reports are generated by the NAVSUP Support Office at the end of each month. The NAVSUP Support Office will notify CNIC HQ CPO that exception reports with notification and discrepancy files are available at: [https://mynavsup.csd.disa.mil/webcenter/portal/nppe?\\_adf.ctrl-state=171j8tqq7n\\_1&\\_afLoop=27191301440054720#!%40%2Foracle%2Fwebcenter%2Fpage%2FscopedMD%2Fse0cfe209\\_9b7c\\_4d39\\_8b4e\\_14c926ed6420%2FPage8.jspx%40%3Fwc.textURL%3D%2Fspaces%2Fnppe%26\\_adf.ctrl-state%3D171j8tqq7n\\_5](https://mynavsup.csd.disa.mil/webcenter/portal/nppe?_adf.ctrl-state=171j8tqq7n_1&_afLoop=27191301440054720#!%40%2Foracle%2Fwebcenter%2Fpage%2FscopedMD%2Fse0cfe209_9b7c_4d39_8b4e_14c926ed6420%2FPage8.jspx%40%3Fwc.textURL%3D%2Fspaces%2Fnppe%26_adf.ctrl-state%3D171j8tqq7n_5). CNIC HQ CPO will forward the exception reports with the notification and the discrepancy files to all CNIC RAPOs with noted errors. It is the responsibility of each RAPO to review the reports and files and make appropriate corrections. Additional reports containing discrepancies may also be generated by the CNIC HQ CPO and those will also be forwarded to the respective RAPO for corrective actions.
2. Processing Timeline. All exception reports and files must be reviewed and corrective actions taken within the month that they are received. Completion of corrections will be reported by the RAPO to the CNIC HQ CPO by the 21<sup>st</sup> of each month (i.e., exception reports for the month of June are posted on the NAVSUP Support Office website in early July and must be corrected no later than 21 July).
3. Generating Exception Reports. Each RAPO and IAPO should generate reports each month to ensure that exceptions are kept to a minimum at the end of the month. Predefined reports are available within DPAS Inquiries dropdown menu that make this task a quick process.

GENERAL EQUIPMENT INSPECTION AND ASSISTANCE VISITS

1. CNIC HQ Responsibilities. CNIC HQ CPO may conduct on-site inspections of Regions' RAPO property records to determine the completeness of GE records. These inspections will follow the inspection checklist found in enclosure (8). Inspections conducted on-site may be announced in advance or may also be unscheduled. Each inspection will include a review of audits conducted by internal or external agencies (e.g., Inspector General) and the inspections conducted by RAPOs that is documented using the inspection checklist. When requested by a Region, an assistance visit will be scheduled but the assistance visit will not replace a formal inspection.

2. RAPO Responsibilities. Each RAPO will conduct annual inspections of the GE records maintained by IAPOs. Documentation of inspection results will be retained on file per reference (h). The inspection checklist will be used to conduct these inspections, but may be supplemented with additional steps as needed. Adjustments are entered into DPAS as needed.

GENERAL EQUIPMENT INSPECTION CHECKLIST

1.	<u>General Equipment Policies and Procedures</u>	Yes	No	Remarks
1.1	Does the CNIC HQ CPO, RAPO, IAPO and alternates have an appointment letter from the Commander? Ref: Enclosure (2)			
1.2	Does each level of RAPOs and IAPOs have a copy of pertinent regulations? Ref: references (a) through (l)			
1.3	Is DPAS being used for all GE? Ref: Enclosures (1) and (10)			
1.4	Are inventories scheduled and completed as required? Ref: Enclosure (5)			
1.5	Does each level APO have a current Physical Inventory Management Plan? Ref: Enclosure (5)			
1.6	Is there evidence that the RAPO is managing the Physical Inventory Management Plan? Ref: Enclosure (5)			

2.	<u>Inventory and Accountability</u>	Yes	No	Remarks
2.1	Check Property Book to Floor accuracy – can the property recorded in DPAS be found on the floor? Ref: Enclosure (5)			
2.2	Is property properly identified with a bar code within seven calendar days of receipt? Ref: Enclosure (9)			
2.3	Is there a valid Item Unique Identification (IUID) number assigned to the property? Ref: Enclosure (9)			

2.4	Does the property location in DPAS agree with the physical location of the property? Ref: Enclosure (9)			
2.5	Are changeover of Custodians properly conducted (conduct inventory, training, update Custodians in DPAS, appointment letters, etc.)? Ref: Enclosures (2) and (4)			
2.6	Formal process is in place to ensure that all incoming property is recorded in DPAS			
2.7	If used, are property hand receipts properly completed (name, email, phone number and location)?			

3.	<b><u>Personal Property System Security and Data Integrity</u></b>	Yes	No	Remarks
3.1	Has access to DPAS been eliminated for APOs who have left the organization? Ref: Enclosure (4)			
3.2	Do prior personnel still sign into the system? Verify using DPAS User report.			
3.3	Do current users have the appropriate level of access to perform their duties? (e.g. view only or add/change) Ref: Enclosure (4)			
3.4	Is all the pertinent information data fields filled in with default values instead of actual cost on KSSDs? Ref: Enclosure (3)			
3.5	Does the actual data in the pertinent information data fields match what is on the KSSDs? Trace a sample of documents to validate. Ref: Enclosure (3)			
3.6	Is the APO current with Cyber Awareness Challenge training requirements? Last training date? Ref: Enclosure (4)			
3.7	Is the IAPO the only person entering information into DPAS? Ref: Enclosures (2) and (4)			



4.	<b><u>Documentation to Support Assets Recorded in DPAS</u></b>	<b>Yes</b>	<b>No</b>	<b>Remarks</b>
4.1	Does each property item have the following (4.4.1 – 4.1.5): Ref: Enclosure (3)			
4.1.1	DD Form 1155 order for a purchase?			
4.1.2	DD Form 250 which documents receipt of a contracted item?			
4.1.3	DD Form 1149 Requisition for property transferred in from another Government activity?			
4.1.4	All KSSDs have been uploaded in DPAS as an attachment to the asset? Ref: Enclosure (3)			
4.1.5	A secondary level review completed to validate the entry of assets in DPAS? Ref: Enclosure (3)			

5.	<b><u>Documentation to Support Property Removed from DPAS</u></b>	<b>Yes</b>	<b>No</b>	<b>Remarks</b>
5.1	Are the following documents on file? (5.1.1 – 5.1.3) Ref: Enclosure (3)			
5.1.1	DD Form 1348-1A for Transfer to another Government Activity or Turn-in to Defense Reutilization and Marketing Office (DRMO)?			
5.1.2	DD Form 200 Report of Survey to document a lost, missing, stolen or damaged property item.			
5.1.3	A secondary level review of assets removed from DPAS? Ref: Enclosure (3)			

6.	<b><u>Inventory Documentation</u></b>	<b>Yes</b>	<b>No</b>	<b>Remarks</b>
6.1	Is there a copy of the completed inventories for each installation for the past 10 years? Ref: Enclosure (3)			
6.2	Have all items been reconciled in DPAS? Ref: Enclosure (5)			
6.3	Were all lost, stolen, missing or damaged property items properly documented and removed from DPAS? Ref: Enclosure (5)			

7.	<b><u>Standard GE Procedures</u></b>	<b>Yes</b>	<b>No</b>	<b>Remarks</b>
7.1	Does the Asset Identification number use the Region UIC? Enclosure (9)			
7.2	Is GFE properly recorded in DPAS? Ref: Enclosure (9)			
7.3	Do all assets have the Program Special Interest Code (SIC) recorded in the DPAS Owning Cost Center field? Ref: Enclosure (9)			
7.4	Do bar codes affixed to assets include the two dimension bar code for the Unique Identification Number? Ref: Enclosure (9)			

## ASSET IDENTIFICATION REQUIREMENTS

1. Receiving. The Custodian initially receives an asset and is required to sign and date a receiving document to establish the accountability and depreciation start date for that asset. To ensure that accountability is continuously maintained for every asset, local procedures must be established to ensure new assets are recorded in DPAS within seven calendar days of receipt.
2. Asset Identification Numbers. All asset identification numbers assigned in the DPAS should be assigned using the Region UIC, minus the service code designator (e.g., 00171).
  - a. Identification of Assets by Installation. The DPAS “Custodian Nbr” field will always be used to identify the installation where the asset is located. The UIC should be entered with the N before the UIC (e.g., N68469).
  - b. Identification of Assets by Program. All GE must be related to a program or functional area. The DPAS “Owning Cost Center” field is the standard field that will be used to achieve this identification. The SIC will be used in the “Cost Center” field for each property item. This will provide a standard method for pulling reports for all GE that belongs to each program or functional area.
3. Bar Coding Policy. Reference (k) requires all assets to be registered through DPAS with an IUID. The reference requires serially managed, mission essential or controlled inventory to be registered with an IUID. All accountable assets, must have an IUID and be tagged with a two-dimensional barcode.
  - a. All GE recorded in DPAS will be bar coded within seven calendar days of receipt. Even items that cannot be physically bar coded (e.g., satellites) should still have a bar code assigned to them.
  - b. Bar codes may be reused 36 months after the disposed GE item has been removed from the personal property system.
  - c. When GE is transferred-in, the old bar code will be immediately removed and replaced with a new bar code from the gaining activity.
  - d. If an item is borrowed from (on loan from), then the original bar code will be maintained on the GE item to ensure that the GE item is properly identified as a loaned item.
  - e. Sponsored-owned property bar codes should reflect the UIC of the activity that has custody and uses the item not the activity that purchased it.

MANAGEMENT CONTROL REQUIRMENTS

1. Reference (1) establishes that management has a fundamental responsibility to develop and maintain effective internal controls.
2. Procedures contained in this instruction and the references therein are designed to ensure that adequate internal controls are established that achieve property accountability for the CNIC Enterprise.
3. Procedures will be established by the CNIC HQ CPO, RAPO and IAPO to ensure the following management control objectives are realized: accountability; accuracy; system integrity; life-cycle management; and compliance with policies and procedures. Specific steps to ensure management control objectives are achieved include the below processes.
  - a. Enter new GE into DPAS and barcode within seven calendar days of receipt.
  - b. Ensure inventory reports are signed for all personal property.
  - c. Schedule, monitor and ensure completion of GE inventory at least every three years (one year for serialized, controlled and GFP, upon change of the custodian or whenever directed by the REGCOM or CO.
  - d. Ensure the security of and proper access to DPAS and property data.
  - e. Process additions, deletions and modifications to property records resulting from a physical inventory.
  - f. Upon completion of inventories, provide a Certification of Completion to the CNIC HQ CPO.