CNIC NAVY GATEWAY INNS & SUITES DESK GUIDE

PHYSICAL INVENTORY TRANSFER AND DISPOSAL OF PROPERTY

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Navy Gateway Inns & Suites
Worldwide Hospitality

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INTRODUCTION

This Desk Guide provides supplemental guidance on the management of Navy Gateway Inns & Suites lodging facilities. The procedures and guidelines are to be used by personnel charged with the administration and operation of Navy Gateway Inns & Suites. Use of this Desk Guide at all levels will promote uniform management practices across the CNIC Enterprise. The intent of this Desk Guide is to provide detailed guidance for activities where Navy is the host command. Except where noted, the procedures herein apply to Navy-owned and managed transient lodging facilities.

This Desk Guide will be updated as required. Widest dissemination is encouraged.

C. F. MEHRER
Director, Fleet Readiness

Physical Inventory, Transfer and Disposal of Property

Reference:

(a) DRMS-1 4160.14, Section 2, Chap 5, dtd 31 Jan 08
(b) NAVSO P-1000, Financial Management Policy Manual,12 Dec 02
(c) DOD 7000.14R, DOD Financial Management Regulation, Nov 08
(d) RAMCAS User Handbook, April 08, FY 08 Edition
(e) BUPERSINST 1710.11c, Operation of Morale, Welfare and Recreation Programs, 25 Jul 01 para 506 and 507

7.1. Physical Inventory Requirements

A. Fixed Assets. A complete fixed asset (tangible property $\geq$ $2500) inventory must be performed annually and signed by two persons. In addition, an independent party must verify the accuracy of the inventory annually.

B. Minor Property. A full minor property inventory (<$2500) must be performed annually and signed by two persons. In addition, an independent party must verify the accuracy of the inventory annually.

C. Merchandise and Consumable Inventory. A full merchandise and consumable inventory must be performed annually as per DoD 7000.14 R (reference c) and signed by two persons. In addition, an independent party must verify the accuracy of the inventory annually.

D. Inventory must be taken as directed by local practices and/or when the manager or inventory custodian changes. Documentation, signed by both parties, must be retained for a minimum of 36 months.

7.2. Transfer & Disposal of NAF Property

A. Serviceable Property. Property, including vehicles, which was purchased with NAF may be disposed of according to the following guidance. Whenever possible, operations are strongly encouraged to redistribute serviceable NAF property to operations with a need for the equipment. The preferred method of disposal is within the Navy community rather than being given to non-Navy individuals or organizations. See reference e.

(1) Property must first be reported to the region for re-distribution and may be used as trade-in for purchase of like property. NAF property shall not be donated to any individual or non-Navy organization except as noted in reference (a).

(2) Property may be sold to interested individuals through a "garage sale" or "sealed bid" auction. It is highly recommended that lodging partner with MWR to perform these types of sales. As needed, excess NAF property having an original cost of $1000.00 or less may be sold at a garage sale for a predetermined fair market price. Vehicles and any other equipment with an original cost of more than $1000.00 deemed excess may be sold through a "sealed bid" auction. The sale of excess NAF property through "garage sales" and "sealed bids" auctions shall be widely advertised in on-base media. Advertisement should begin 2-4 weeks prior to the event continuing up to the day of the sale.

(3) Lodging staff members, APF, NAF or contractors, and their family members are prohibited from purchasing items disposed of at the "garage sale" or "sealed bid" auction.

(4) Serviceable NAF property shall not be donated to or offered as a condition of transfer at commands identified for BRAC. Serviceable NAF property will be identified by the region/local command for Navy retention and redistribution and will not be eligible for inclusion in any Community Reuse Plans, etc.

B. Unserviceable Property. Unserviceable NAF property may be cannibalized for the purpose of servicing other equipment. The remaining unserviceable equipment will be disposed of following the guidance outlined below:

(1) Property having an original cost of $1000.00 or more will be transferred to Defense Reutilization Marketing Office (DRMO) for disposal, per reference a, or may be traded in as part of the purchase of a replacement item. When DRMO sells the item, the proceeds (minus a reasonable administrative fee) are returned to the lodging operation. As stated in reference (b), proceeds from the sale of property owned by NAFIs will be deposited to an region/installation level account.

(2) Property having an original cost of $1000.00 or less may be destroyed. Two persons must witness the disposal and verify the destruction of the property in writing.

C. Transfer of Property to Permanent Party. Excess property may be transferred for permanent party use. Documentation must be maintained for a minimum of 36 months. To transfer property

to permanent party residents, use one of the following processes:

(1) Any items on the fixed asset or minor property list must be written off. If a book value remains, APF must purchase the items from the NAF. Purchase price will be equivalent to the remaining book value. To accomplish this, have the Comptroller initiate an Order for Work and Services (NAVCOMPT Form 2275) and obligate the funds. Lodging will send the bill to DFAS on a Voucher for Disbursement/Collection (NAVCOMPT Form 2277). DFAS will then send the funds to the NABF.

(2) Any items not on the fixed asset or minor property list may be surveyed. Use form DD 1348-1A, Issue Release/ Receipt Document to document the transfer.

D. NAF Vehicles. In no instance will NAF-owned vehicles be given or sold to any individual or non-Navy organization without prior and specific approval of the Regional Commander.

(1) Serviceable vehicles may be sold through a "sealed bid" auction or turned into Defense Reutilization Marketing Office (DRMO). When DRMO sells the item, the proceeds (minus a reasonable administrative fee) are returned to the lodging operation. As stated in reference (b), proceeds from the sale of property owned by NAFIs will be deposited to a region/ installation level account. Upon receipt, the region/ installation shall be take appropriate action to transfer the funds to NGIS.

(2) Unserviceable vehicles shall be transferred to DRMO for disposition or used as trade-in unless demonstrated value can be realized in using salvaged parts.

7.3. Transfer & Disposal of APF Property

Property that was purchased with APF, whether serviceable or unserviceable, will be transferred to the Defense Reutilization Marketing Office (DRMO) for disposal.

7.4. Tagging of NAF Items

A. All items on the NAF fixed asset and minor property listing must be tagged/bar-coded to establish ownership. For Whole Room Concept assets, one tag may be used to cover all items listed as sub-assets. Fixed asset and minor property

numbers come from SAP and are to coincide with the official report from SAP.

B. Highly pilferable items such as NAF TVs, DVD players, VCRs, microwaves and stereos must be tagged using a bar code strip to indicate ownership.

C. Ensure the tag/bar-code is placed in an inconspicuous spot easy to locate to read or scan when conducting inventories.