



**DEPARTMENT OF THE NAVY**  
OFFICE OF THE JUDGE ADVOCATE GENERAL  
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IN REPLY REFER TO:

JAG/CNLSCINST 7320.1A  
Code 64/JCAB  
**OCT 0 5 2016**

JAG/COMNAVLEGSVCCOM INSTRUCTION 7320.1A

Subj: PERSONAL PROPERTY POLICIES AND PROCEDURES

Ref: (a) SECNAVINST 7320.10A  
(b) Department of Defense (DoD) Financial Management Regulation (FMR) DoD 7000.14-R  
(c) DoDI 5000.64  
(d) DoDI 5000.42

Encl: (1) Personal Property Systems Record Form

1. Purpose. To establish organization specific policies and procedures for personal property management in the Office of the Judge Advocate (OJAG) and Naval Legal Service Command (NLSC) activities to supplement reference (a).

2. Cancellation. JAG/COMNAVLEGSVCCOMINST 7320.1.

3. Scope. Personnel assigned responsibility for the custody, accounting and disposition of personal property are required to comply with the provisions of this instruction.

4. Policy

a. All OJAG/NLSC personnel are responsible for the proper use, care and physical protection of Government-owned property, including:

- (1) Using Government-owned property for official business only;
- (2) Complying with applicable regulations, policies, procedures or contractual requirements;
- (3) Advising appropriate authority if Government-owned property is subject to undue risk; and
- (4) Reporting misuse of Government-owned property to the appropriate chain of command.

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b. All persons entrusted with Government-owned property will be held to the highest ethical standards.

## 5. Discussion

### a. Personal Property Defined:

(1) Personal Property/General Equipment (GE) is functionally complete equipment used for its intended purpose that is durable and non-expendable. GE has an estimated useful life equal to or greater than 24 months;

(2) Is not intended for sale in the ordinary course of operations;

(3) Does not ordinarily lose its identity or become a component part of another article when put into use; and

(4) Has been acquired or constructed with the intention of being used or available to be used by Department of the Navy in its operations.

(5) Personal property includes office equipment, automated data processing (ADP) equipment, government-furnished equipment (GFE) acquired by the Federal Government or a contractor and leased assets (capital or operating).

(6) Personal property does not include: inventory items (e.g., items intended for sale), operating materials and supplies, real property (i.e., land buildings and structures)), or items of an historical nature.

b. Personal Property Records. Personal Property records will be established and maintained by the Custodian and the Personal Property Officer (APO). The APO will enter and maintain all personal property records within the Defense Property Accountability System (DPAS) for all personal property purchased, leased (capital or operating leases as applicable), or otherwise obtained, having a unit acquisition cost of \$5,000 or more, as well as items that are below \$5,000 and are sensitive, classified, or meet all of the following three criteria:

(1) Pilferable;

(2) Critical to the activity's business/mission; and

(3) Hard to repair or replace.

c. Additional and/or separate records or other record keeping instruments will be established for management purposes when a risk assessment indicates the need for more stringent controls, or when otherwise required by law, policy, regulation, or Agency direction.

d. Classified/Sensitive Material. Certain personal property assets that are classified or sensitive will be protected and recorded.

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e. Contractor-Acquired Personal Property. Personal property assets purchased for use in the performance of a government contract with the intent that the Federal Government will retain ownership of the assets, will be recorded and tracked in DPAS upon physical transfer to OJAG/NLSC.

f. DPAS will be used in conjunction with the procedures, documentation and management controls outlined in this instruction to ensure financial reporting and accountability of government assets.

6. Responsibilities. The following responsibilities are assigned:

a. Activity Commanders. Act as the Accountable Officer and have overall responsibility for ensuring that all command property is properly maintained, safeguarded, accounted for, accurately reported, and audit ready. This includes the proper recording/reporting of the financial information for the property in the possession of Responsible Officers (RO).

b. Personal Property Officers (APO). Will be designated in writing by the Activity Commander/Accountable Officer. APO's are responsible for performing the Activity's property accountability and management responsibilities, implementing policies and procedures established by instructions, scheduling training for ROs and Administrative Officers (AOs), ensuring DPAS security and integrity, coordinating physical inventories (counting requirements), and maintaining an audit ready program. The above responsibilities are in conjunction with the Command Property Officer in accordance with all DON policies. Per reference (a) APO turnover will ensure all new personnel have been scheduled for appropriate personal property management training within 30 days of assuming duties.

c. AJAGs and Commanding Officers (CO). Act as the Custodian/RO and are responsible for ensuring the safekeeping of property assigned to their custody. This includes Government property for official business only, complying with all applicable regulations or contractual requirements, contacting the appropriate authority if property is subjected to undue risk, reporting theft, loss, damaged, or destroyed property, reporting any misuse of Government property to the APO. The RO is the Custodian within DPAS.

d. Administrative Officers (AOs). Act as the Command Property Coordinator and the Physical Inventory Validation Team Leader (PIVTL). The AO is responsible for completing intake and disposition forms, and for ensuring that enclosure (1) is completed and returned to the APO, along with a signed receipt, for any new asset within three days of receiving the item. AOs are also responsible for supervising and facilitating inventories and for ensuring that every asset has the correct bar code label affixed to it.

7. Management Control Objectives. APOs are required to implement the controls contained in this instruction plus additional controls as required to produce the following desired major objectives:

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- a. Accountability of assets;
- b. Accurate financial reporting of assets;
- c. Personal Property System security and data integrity;
- d. Life cycle management of personal property assets; and
- e. Compliance with personal property policies and procedures.

8. Inventory Management

a. The APO will create and maintain a Command Inventory Management Plan that includes specific Roles and Responsibilities and an inventory schedule based on the PRD of Custodians. The Command Inventory Management Plan will be disseminated to Activity Commanders, Responsible Officers and Command Property Coordinators.

b. Physical Inventory Frequency. APOs will ensure that physical inventories are performed as follows:

- (1) At least once every three years;
- (2) When there is a change in the custodian/RO. (*Inventories completed due to Custodian change are an official part of the Triennial inventory and will not need to be repeated during the Triennial inventory*);
- (3) Whenever directed by the Custodian/RO. A special physical inventory may be necessary when there is evidence of forced or unlawful entry or upon the discovery of an open or an unattended storage area; and
- (4) At least annually for equipment on loan.

9. Physical Inventory Roles and Responsibilities

a. APOs will schedule and monitor physical inventories in accordance with sections 8.b of this instruction.

b. For all physical inventories the APO will send via email to the Command Property Coordinators the following:

- (1) OJAG/NLSC Inventory Management Plan;
- (2) Defense Property Accountability Inventory Report (This is an asset list generated in DPAS);
- (3) Physical Inventory Worksheet, to be completed by the Physical Inventory Team;

(4) Accountable Property Systems Record; and

(5) Inventory Team Signature Page.

c. For all physical inventories, all discrepancies will be reconciled and documented, results will be filed in the personal property records, and any adjustments will be accurately entered into DPAS.

d. For triennial physical inventory only, certification of completion will be submitted to each BSO in accordance with reference (a).

e. Physical inventories and all supporting documentation will be maintained at a minimum until the next physical inventory is completed to ensure audit readiness.

f. AOs/ PIVTL will supervise and facilitate the physical inventory of assets as directed by the APO using the Command Inventory Management Plan and:

(1) Have designated in writing the Physical Inventory Team Members who will conduct the inventory during the specific time period directed by the Inventory Management Plan. Per reference (a) Physical Inventory Team Members must be staff independent of the command.

(2) Provide process training and answer questions for the Physical Inventory Team Members.

(3) Ensure Physical Inventory Team Members are aware of all possible sites/locations where Personal Property could be located. Teams should look for Personal Property at locations during the physical inventory that may not currently be on the inventory records.

(4) Remind teams that they are required to record all Personal Property items at their respective inventory sites.

(5) Ensure that all Physical Inventory Team Members sign the physical inventory documents before forwarding to the APO for reconciliation. The PIVTL should be prepared to discuss any variances between the physical inventory worksheet and the DPAS worksheet with the APO, and the RO if required.

(6) Reconcile the results of the physical inventory to the property records. Care must be taken to consider property due-ins and in-transit assets before reaching any conclusions regarding whether property accountability records are accurate or inaccurate.

(7) Conduct a recount, if necessary, and validate all items that had discrepancies during the original physical inventory count. Employees who made the initial physical inventory may not perform the revalidation. Discuss any variances between the physical inventory validation sheet and the physical inventory records with the RO and determine proper actions to be taken.

(8) Provide the RO with a list of all discrepancies. Obtain the RO's signature on the Defense Property Accountability Inventory Report and forward to the APO.

g. The Physical Inventory Team will:

(1) Ensure the existence and validate the condition of all items on the Defense Property Accountability Inventory Report and confirm the accuracy of that data (e.g., description of the item, serial number, bar code/asset Id, make, model, manufacture year, and location).

(2) Annotate missing/erroneous information on the physical inventory worksheet.

(3) Have a systematic approach to conducting the inventory at each location to ensure all assets are recorded during the inventory process.

(4) Verify Asset Condition.

(a) The asset condition should be assessed (e.g., operational, under repair, damaged, excess, unusable, or obsolete) and if assessed as other than fully operational, the condition should be recorded and the following actions taken:

1. If the property item is determined to be unusable or obsolete, the PIVTL will initiate the Form DD1348-1A and forward to the RO for signature/disposal approval. The completed DD1348-1A is forwarded to the APO for removal in DPAS and then may go to DRMO.

(5) Found Items. At the conclusion of the physical inventory, the inventory team will document all items that exist but were not included Defense Property Accountability Inventory Report and add these items to the physical inventory worksheet.

(6) Excessed Items. Property items held in an excess status awaiting further distribution or disposal should also be inventoried by the inventory validation team.

(7) Missing Items. If a property item is reported missing by the Physical Inventory Validation Team, Form DD200 should be initiated by the PIVTL and be signed by the RO.

(8) Loaned Property. Loaned property will be inventoried at least once a year.

h. The RO will:

(1) Research and resolve all discrepancies within two weeks after the physical inventory validation.

(2) Obtain supporting documentation for any adjustments to the physical inventory listing, including valid transfer forms, donation letters, purchase orders, invoices, receiving documents and disposals. If no original documentation can be found the APO must be notified

and then the APO will complete a Similar Asset/Estimated Fair Market Value Worksheet to determine if the asset meets accountability requirements.

(3) For found items, attempt to locate purchase documentation; perform research to find out where the item came from and determine whether it belongs to the Command in whose area it was found. If the asset does belong to the Command the APO will enter the item in DPAS and provide a bar code asset tag.

(4) Complete Form DD200 for items that are missing, stolen, etc., and forward to the APO.

10. Forms. The following forms are referenced in this instruction and are available at <http://www.dtic.mil/whs/directives/forms/index.htm>.

- a. DD Form 200 - Financial Liability Investigation of Property Loss
- b. DD Form 1348-1A - Issue Release/Receipt Document

11. Records Management. Records created as a result of this instruction, regardless of media and format, must be managed per Secretary of the Navy Manual 5210.1 of January 2012.

12. Review and Effective Date. Per OPNAVINST 5215.17A, the Navy JAG Consolidated Administrative Business Office (JCAB) will review this instruction annually on the anniversary of its effective date to ensure applicability, currency, and consistency with Federal, DoD, SECNAV, Navy policy, and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will expire 5 years after effective date unless reissued or canceled, or an extension has been granted.



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**Releasability and Distribution:**

This instruction is cleared for public release and is available electronically only, via Navy Judge Advocate General's Corps public website, <http://www.jag.navy.mil>.

## Personal Property Systems Record

*Form Instructions:*

1. Complete sections I, II, III upon receipt or transfer of Personal Property item(s).
2. Return the form to [JCAB\\_ORDERING@NAVY.MIL](mailto:JCAB_ORDERING@NAVY.MIL) within 3 days of receipt of item(s).
3. The Personal Property Manager (APO) will send via mail an asset label that must be affixed to the new asset.

I. GENERAL INFORMATION		
Receipt	Transfer In	Transfer Out

Responsible Officer (RO)/ Custodian Name	Custodian Site/Code	Custodian UIC
Custodian Email	Custodian Phone	
Location of Asset (Bldg/Suite)	Sub Location (only if at Branch)	

II. MATERIAL DETAIL		
Item Description	Serial Number	Manufacturer Name
Manufacturer Model/Part Nbr	Manufacture Year	
Transfer Date	Transfer To UIC/RO	Transferred From UIC/RO

III. PURCHASE DETAIL			
Date Received	Received By Name	Received By Email	Received By Phone
Acquisition Cost	Quantity Received	Document Number	Contract/DO Number
Remarks:			

IV. DPAS ENTRY		COMPLETED BY APO	
Date Form Received	Date Processed in DPAS	Asset ID	Stock Number (NSN)
Notes			