



DEFENSE INFORMATION SYSTEMS AGENCY
P.O. BOX 4502
ARLINGTON, VIRGINIA 22204-4502

DISA INSTRUCTION 270-165-2*

7 November 2005

EQUIPMENT

Property Accountability for DISA

1. **Purpose.** This Instruction prescribes policy, assigns responsibility, and provides procedures for property accountability in DISA. It further provides a comprehensive framework that relates property accountability to acquisition and financial management.
2. **Applicability.** This Instruction applies to all DISA activities and contractors supporting DISA activities.
3. **Authority.** This Instruction is published in accordance with the authority contained in DoD Instruction (DoDI) 5000.64, Defense Property Accountability, 13 August 2002, and DoD 7000.14-R Financial Management Regulation (FMR), current edition.
4. **Definitions.** [Definitions](#) follow the [table of contents](#).
5. **Policy.**
 - 5.1 Property accountability in DISA will be addressed in life cycle planning, established by acceptance and receipt, and continuously maintained through management and accounting procedures. Property accountability, acquisition practices, and financial accounting are inextricably linked within DISA and must be managed accordingly at all employee levels. Property accountability will be an important aspect of Agency-wide business management improvements and recognized as critical to obtaining an unqualified opinion on the Agency's consolidated financial statements. Property accountability will be maintained by establishing an internal hierarchy beginning with the DISA Property Accountable Manager (DPAM) and ending with the mandatory signature of hand and sub-hand receipts by the property custodian (PC) or property acceptor. It is Agency policy that an employee sign hand receipts or sub hand receipts for property issued for their use.

5.2 The Defense Property Accountability System (DPAS) will be the sole property accountability system used by all DISA activities to account for personal property and equipment. (Chapter 1 provides insight to property accountability regarding DPAS).

6. **Objectives.** The objectives of this Instruction are as follows:

6.1 Establish accountability policy for property, plant, and equipment (PP&E) and provide operational guidance useful for asset management throughout DISA, particularly for property in the possession of directorates, field offices, and end-users.

6.2 Provide, in an enterprise context, a degree of uniformity in receipt and acceptance of property; its recording in Agency property records systems, its custody receipts and inventories; and its final disposition through disposal, excess, transfer, or reports of survey.

6.3 Promote improvement of systems interfaces and facilitate communication across Agency functional areas; e.g., property management, acquisition, logistics, and financial management, through the use of standardized terminology, policies, and procedures.

6.4 Ensure the establishment and maintenance of auditable records comprising a complete trail of all personal property transactions, including PP&E and Government Furnished Property (GFP), suitable for audit.

6.5 Ensure functional consistency through use of property accountability principles.

6.6 Ensure an adequate level of management involvement with property accountability based on equipment densities and spans of control.

7. **Responsibilities.**

7.1 **Principal Directors of Strategic Business Units, Directors and Chief of Shared Services Units, Direct Reports, Special Advisors, Headquarters, DISA, and Commanders of DISA Combatant Command Field Offices and Special Missions.** These individuals will:

7.1.1 Exercise responsibility for all accountable property acquired by or transferred to their organization.

7.1.2 Ensure compliance with all policies and procedures prescribed by this Instruction and adhere to the highest ethical standards in maintaining and protecting Government property.

7.1.3 Establish supplemental management controls, as necessary, to ensure that organizational property is protected from waste, fraud, and abuse. Property management standard operating procedures (SOPs) are required at the headquarters, directorate, field office, field command, and special mission levels.

7.1.4 Ensure all assigned Contracting Officer Representatives (CORs) and Task Monitors (TMs) attend required initial and refresher training and continually demonstrate an appropriate level of competence and proficiency in property management and accountability in accordance with this Instruction.

7.1.5 Ensure ordering offices provide complete copies of contracts, purchase orders, and credit card invoices to the Stock Records Officer (SRO) prior to delivery of property. (This is the principal means by which the SRO obtains complete line-of-accounting data with which to initiate DPAS records).

7.1.6 Ensure PCs are appointed in writing by a supervisor at the O-6/GS-15 level and that new custodians are appointed immediately upon notification that a PC is to depart or relinquish duties. Provide copies of PC appointment letters to the assigned accountable property officer (APO) and PM (PM).

7.1.7 Address property accountability responsibilities within performance work plans and appraisals under the element of internal management control.

7.1.8 Serve as Report of Survey (ROS) Appointing Authorities when officially designated as such by the Approving Authority.

7.1.9 Designate and/or assign a Real Property Coordinator at the directorate level.

7.2 Principal Directors of Strategic Business Units, Director of Testing, and Program Executives to whom an On-premise Accountable Property Officer has been Assigned. In addition to the responsibilities detailed in [subparagraph 7.1](#), these individuals will:

7.2.1 Designate and/or assign a PM at the directorate level.

7.2.2 Provide on-premise space, equipment, and resources for assigned APOs in accordance with negotiated matrix agreements.

7.3 **Chief of Staff.** The Chief of Staff will:

7.3.1 Serve as the DISA Report of Survey Approving Authority and designate Appointing Authorities as needed.

7.3.2 Ensure that ROS are initiated, processed, and adjudicated within Agency time limits.

7.3.3 Designate which organizations and program executives will be assigned an on-premise Manpower, Personnel, and Security (MPS) APO or MPS-contracted APO.

7.4 **Director for Procurement and Logistics (PLD).** In addition to responsibilities assigned in [subparagraph 7.1](#), the Director, PLD, will:

7.4.1 Ensure program logistics support planning adequately addresses property accountability issues.

7.4.2 Ensure all contracting officers, CORs, and TMs take initial and refresher training courses in contract property administration, including property accountability issues; comply with all policies and procedures prescribed by this Instruction; and continually demonstrate an appropriate level of competence and proficiency in discharging the duties specified in [subparagraph 8.10](#).

7.5 **Corporate Financial Executive (CFE).** In addition to responsibilities assigned in [subparagraph 7.1](#), the CFE will:

7.5.1 Serve as the Agency-wide executive for property accounting policy and procedures.

7.5.2 Map relevant accounting data elements for newly acquired accountable property from the line of accounting (LOA) to the appropriate data elements in the DPAS accounting module. Provide this generic mapping information to MPS, who will ensure its proper use by SROs and APOs in entering accounting data into DPAS. Coordinate any changes with MPS.

7.5.3 Maintain an SOP to govern financial accounting for Agency PP&E assets in accordance with DoD policies and standards.

7.5.4 Ensure timely reconciliation of Construction-in-Progress and/or Work-in-Progress accounts.

7.5.5 Ensure Financial Managers comply with all policies and procedures prescribed by this Instruction and continually demonstrate an appropriate level of competence and proficiency in discharging the duties specified in [subparagraph 8.11](#).

7.5.6 Produce real property reports and schedules from DPAS on a quarterly basis. Verify current and new real property facility and infrastructure data using DPAS and determine preponderant qualifications.

7.6 Corporate Acquisition Executive (CAE). In addition to responsibilities assigned in [subparagraph 7.1](#), the CAE will:

7.6.1 Ensure all Program Managers who report directly to CAE comply with the policies and procedures prescribed by this Instruction and continually demonstrate an appropriate level of competence and proficiency in discharging the responsibilities specified in [subparagraph 8.8](#).

7.6.2 Ensure property management is addressed during program acquisition life-cycle review.

7.7 Director for Strategic Planning and Information (SPI). In addition to responsibilities assigned in [subparagraph 7.1](#), the Director, SPI, will:

7.7.1 Serve as Agency manager for information technology (IT) assets.

7.7.2 Develop policies, procedures, and guidance for centrally purchased IT assets.

7.7.3 Establish supplemental management controls, as necessary, to ensure centralized purchasing processes for IT equipment are protected from waste, fraud, and abuse.

7.7.4 Ensure Information Management Officers (IMOs), PMs, and PCs follow prescribed IT procedures.

7.8 General Counsel (GC). In addition to responsibilities assigned in [subparagraph 7.1](#), the GC will:

7.8.1 Consult with Appointing Authorities and/or Financial Liability Officers (FLO) before statements are taken as part of a ROS (if there is a suspected violation of the Uniform Code of Military Justice).

7.8.2 When financial liability is recommended by a ROS, or upon direction of the Approving Authority, review the findings of ROS and provide an opinion on the adequacy of the evidence and its relationship to report findings and recommendations.

7.9 Director for Manpower, Personnel, and Security (MPS). In addition to the responsibilities assigned in [subparagraph 7.1](#), the Director, MPS will:

7.9.1 Establish procedures governing property passes used to document the authority to remove DISA property from DISA-maintained facilities.

7.9.2 Include property accountability measures within the directorate's Balanced Scorecard. (At a minimum, these measures will include annual inventory completion status, hand receipt reconciliation status, hand receipts that lack an assigned property custodian, hand receipts associated with organizations that no longer exist within the Joint Table Distribution (JTD), amount of property stored in warehouses pending turn-in, and status of reports of survey.)

7.9.3 Appoint a DISA Property Accountability Manager (DPAM).

7.9.4 MPS is the primary office of responsibility for this Instruction and the establishment of policy and procedures for property accountability.

8. Property Accountability Duties.

8.1 Chief, Real Property, Facilities, and Supply Services Division (MPS7). The Chief, MPS7, will:

8.1.1 Oversee property operations, to include property accountability and ensure property accountability measures, assigned in [subparagraph 7.9.2](#), are developed and maintained.

8.1.2 Approve waivers for exceptions to this Instruction.

8.1.3 Maintain communication with host activity regarding real property assets.

8.1.4 Maintain real property item records, to include new and annual updates, regarding real property facilities.

8.1.5 Provide facility assessments and validation of assessments and define capital lease requirements.

8.2 **DISA Property Accountability Manager (DPAM).** The DPAM will:

8.2.1 Serve as primary Agency-wide manager for property accountability policy and procedures.

8.2.2 Ensure Agency property accountability processes and procedures conform to DoD business improvement initiatives.

8.2.3 Serve as DISA representative on DPAS Configuration Control Boards (CCB).

8.2.4 Supervise Lead APO and National Capital Region (NCR) SRO.

8.2.5 Maintain and update Agency-level property accountability SOPs, including use and standardization of automated tools and technology to assist in property management.

8.2.6 Oversee use and administration of DPAS throughout DISA, and ensure all requests for access are expeditiously processed.

8.2.7 Maintain the single DISA equipment catalog for DPAS.

8.2.8 Publish a detailed list of DPAS data elements mandatory for each item of DISA accountable property, to include program accountable property. (These elements will comprise catalog, item record, fund code, and other table-driven data necessary and suitable for audit.)

8.2.9 Process approval requests for waivers for exceptions to this Instruction.

8.2.10 Authorize, on a case-by-case basis, direct shipments to receiving points other than those officially designated.

8.2.11 Perform periodic site visits.

8.2.12 Coordinate with PLD on lesson content for the property accountability portion of initial and refresher CO, COR, and TM training.

8.2.13 Coordinate and publish separate Agency-level annual lists of pilferable items and sensitive items.

8.2.14 Provide an official format for PC appointment letters. (Format will include the custodian's grade and the specific organization to which they are assigned, e.g., division, branch, or team.)

8.2.15 Maintain status of all ROS initiated, in progress, and completed within the Agency. Sample ROS from all DISA regions for quality.

8.2.16 Appoint APOs and Agency DPAS Information System Security Officers (ISSOs) and ensure ISSO requirements are accurate and timely.

8.2.17 Validate and approve the CFE office's mapping of accounting data elements to DPAS data elements in order to avoid conflict with DoD guidance or previously developed DISA data element assignments.

8.2.18 Maintain copies of annual inventory schedules and updates.

8.3 Lead Accountable Property Officer (APO). The Lead APO, located in the NCR, reports to the DPAM and will:

8.3.1 Supervise and provide technical oversight to include training to Strategic Business Unit (SBU), Shared Services Unit (SSU), Testing Directorate, Program Executive APOs, and other property management personnel.

8.3.2 Acknowledge responsibility for assigned organization's property with a memorandum for record.

8.3.3 Provide DPAS administrative support to assigned Agency-wide PCs and property management personnel.

8.3.4 Maintain an Agency-level ROS tracking system to provide the Approving Authority with visibility on survey initiation and processing timeliness.

8.3.5 Review measures of APO effectiveness.

8.4 Stock Records Officers (SROs). SROs will:

8.4.1 Receive initial delivery of DISA accountable property. (A DISA organization or another Government organization officially designated in writing by the DPAM to receive property for DISA can perform this function.)

8.4.2 Verify the completeness and condition of property upon delivery and document any deficiencies or damage.

8.4.3 Notify the COR or other key acquisition personnel on the receipt of goods and forward a copy of the shipment receipt to the COR.

8.4.4 Populate the initial DPAS record for each accountable property item, to include item description and financial fields, and verify the input against source acquisition documents, such as contract or purchase order and invoice.

8.4.5 Provide accountable property records, to include all required supporting source documents, to the APO who services the user organization.

8.4.6 Deliver accountable property to the designated user location(s) and ensure a PC or other officially authorized person acknowledges receipt of the accountable property in writing or by signature.

8.5 Directorate Property Managers. Directorate property managers will:

8.5.1 Develop, establish, and maintain policies and procedures to implement this Instruction within their organization.

8.5.2 Provide day-to-day operational guidance and priorities to the MPS assigned APO.

8.5.3 Ensure completion of annual inventories and de-conflict inventory schedule with organizational mission requirements.

8.5.4 Facilitate coordination between the directorate's MPS-assigned APO, the directorate's PCs, and other property-related personnel.

8.5.5 Ensure property is properly handreceipted to handreceipt holders (HRH) or sub-handreceipt holders (SHRH).

8.6 Accountable Property Officers (APOs) Assigned to a Strategic Business Unit, Shared Services Unit, Testing

Directorate, or Program Executive. These individuals report directly to the MPS Lead APO and will:

8.6.1 Maintain accountable property records to include a complete trail of all transactions suitable for audit.

8.6.2 Acknowledge responsibility for organization or program property with a memorandum for record.

8.6.3 Provide technical oversight to APOs in subordinate organizations that maintain DPAS accounts that derive from their account (e.g., derivative Unit Identification Code [UIC] accounts).

8.6.4 Provide technical oversight to any directly assigned property custodians, i.e., property custodians not otherwise supported by an APO. Maintain copies of property custodian appointment letters.

8.6.5 Initiate and/or process all required paperwork for receipt, issue, transfer, or disposal of DISA accountable property.

8.6.6 Provide property accountability training, both DPAS and generic, to assigned property custodians and other property-related personnel.

8.6.7 Advise the respective Appointing Authority on matters pertaining to ROS (DISA Form 292).

8.6.8 Schedule and provide technical assistance for annual inventories pertaining to property for which they are accountable. The schedule is to be coordinated with the organization's property manager. Publish annual schedule NLT 15 October for the coming fiscal year; provide a copy of the DPAM. Update schedule as needed; provide copies of updates to the DPAM.

8.6.9 Provide customer support in accordance with assigned organization's priorities.

8.6.10 Provide statistical and data analysis for assigned accountable property and provide management reports and updates as directed by DPAM.

8.7 Property Custodians (PCs). PCs will:

8.7.1 Attend initial and refresher DPAS PC training and initial training on generic PC duties.

8.7.2 Maintain property accountability for all items on the DPAS hand receipt.

8.7.3 Establish and maintain sub-hand receipts down to the user level.

8.7.4 Perform the lead role in annual inventories with assistance from the APO, as needed.

8.7.5 Complete all inventories within 30 days of initiation, to include reconciling differences, signing the adjusted hand receipt, and returning it to the APO. For scheduled inventories, return signed hand receipt to the APO within 30 days of the scheduled inventory date.

8.7.6 Identify and report unrecorded accountable property to the APO within 30 days of being identified as found.

8.7.7 Notify the APO 60 days in advance of transfer, rotation, or permanent change of duty station. (If due to job change, the PC cannot provide the full 60 days notice, the property custodian must notify their APO, their organization property manager, and their supervisor immediately to prevent any accountability issues.)

8.7.8 Out process through regular DISA Agency procedures and the assigned APO prior to departing the organization.

8.7.9 Turn in excess or no longer required property within 90 days of becoming excess.

8.7.10 Submit a DISA Form 292: DISA Report of Survey, to the APO within 15 days of discovery of loss, damaged, or destroyed Government property, as further discussed in [chapter 2](#).

8.8 Program Managers (PMs). Program Managers will:

8.8.1 Appoint PCs for program accountable property, as needed, and ensure new PCs are appointed immediately upon notification that a PC is to depart or relinquish duties. (PCs will also account for program accountable property at sites that do not have a resident DISA PC.)

8.8.2 Incorporate property accountability for program accountable property into program plans, addressing all phases

to include acquisition, receiving, issue to contractors as GFP, and shipping to installation sites. (Plans should address property accountability during any testing and after final delivery to the installation site.)

8.8.3 Require CORs and TMs to notify the respective PC or APO, as appropriate for the program's property management structure, when accountable property has been issued to contractors as GFP. (This allows for proper DPAS entries.)

8.8.4 Validate the accuracy of DPAS records reflecting program accountable property, to include their completeness and the correct annotation of property issued as GFP.

8.8.5 Ensure all pertinent financial and acquisition documentation, to include complete LOAs, is provided to the APO in order to accurately populate and/or update DPAS records for each item of accountable property.

8.8.6 Ensure the DPAM is informed via the assigned APO when an alternate warehouse delivery location or inspection and acceptance of Government accountable property will take place at a location not previously approved by the DPAM before the property is delivered.

8.9 Real Property Coordinators. Directorate real property coordinators will:

8.9.1 Review, validate, and provide oversight on DISA project development, funding, and execution.

8.9.2 Assess facility and space conditions and provide MPS with periodic updates.

8.9.3 Serve as organizational focal point for Agency-wide facility actions.

8.9.4 Identify all property records for which DISA is a preponderant user to include but not be limited to property cost information, points of contact, and location.

8.10 Contracting Officers. Contracting Officers will:

8.10.1 Apply appropriate contract clauses and instructions to contractors so as to establish adequate oversight of Government property and property administration when providing GFP or

Government Furnished Material (GFM) in the performance of a contract.

8.10.2 Require, when GFE or GFM is provided in support of the contract, pre-award and post-award reviews of contractor property procedures to assure adequacy for properly managing Government property.

8.10.3 Delegate the property administration function to the appropriate Government person when GFP or GFM is provided in support of a contract.

8.10.4 Amend contracts with a list of GFP and/or GFM and provide instructions to contractors to reflect the issue of property to the contractor.

8.10.5 Delegate appropriate contract responsibilities to contract administration offices, CORs, and/or TMs during the performance of Federal Acquisition Regulation (FAR) required property administration functions when providing GFP to a contractor.

8.10.6 Ensure CORs and TMs provide copies of contracts involving GFP to the respective APO.

8.10.7 Clearly define within the contract who has the authority to perform inspection and acceptance on all property deliveries.

8.11 **Financial Managers (FMs).** FMs will:

8.11.1 Enforce the requirement that purchase requests pertaining to DISA program and mission accountable property specify the location of the officially designated receiving activity as the point of delivery and designate the purchase as either a capital-item or expense-item acquisition.

8.11.2 Provide LOA data to the ordering or procurement office ensuring the correct source of funding and certifying the availability of funds. The LOA should identify whether the property is a capital investment, and, if so, the specific asset type for determining depreciation; e.g., software, automated data processing hardware, construction, capital lease, or other investment equipment. The LOA must be in a format that allows it to be mapped to DPAS data elements using guidelines established by CFE in coordination with MPS.

8.11.3 Review DPAS depreciation reports on a monthly basis if fund cites are issued that comprise investment authority.

8.12 **DISA Employees.** DISA employees will:

8.12.1 Be responsible for the proper use, care, and physical protection of Government-owned property.

8.12.2 Use Government property for official business only.

8.12.3 Comply with all applicable regulations or contractual requirements.

8.12.4 Contact the appropriate authority if property is subjected to undue risk.

8.12.5 Report theft and lost, damaged, or destroyed property.

8.12.6 Report any misuse of Government property to appropriate investigative organizations through proper channels.

8.12.7 Sign hand receipts for property issued for their personal use or for common-area property for which the organization has designated them responsible.

9. **Procedures.** Procedures relating to accountable organizational property, accountable program property, accountable IT property, accountable property in DISA test labs, and real property and leases are detailed in chapters 2 through 6.

10. **Establishing and Maintaining Accountability.**

Accountability is established by the receipt and acceptance of property by the first DISA activity. Accountability is maintained through an auditable record of ownership, using a document number sequence, which will occur through the transfer of property between activities, including non-DISA activities and contractors.

10.1 The only authorized delivery point for accountable property obtained through acquisition, to include credit card purchases, is the organization or program officially designated as a receiving activity by the DPAM in writing. This location will be stipulated on all contracts, delivery orders, and delivery instructions.

10.2 Use of automated identification technology to assist in property accountability is mandatory unless it is demonstrably proven through cost benefit or other analysis that implementation is not practicable.

10.3 Accountability will be maintained throughout an item's life cycle regardless of location. Accountability must not be compromised by change of status within the property lifecycle (e.g., becoming unserviceable, obsolete, excess, surplus) or by transient physical locations (e.g., loading platform, in-transit, and possession by third parties).

11. Accountable Records. Accountable records will be promptly established for all property purchased, capital leases, or otherwise obtained, having a unit cost of \$2,500 or more (and land, regardless of cost) and items that are sensitive, classified, or designated pilferable. Property records will provide a complete trail of all transactions, suitable for audit (i.e., a transaction-based history of asset activity, including individual additions and deletions).

11.1 Accountable records and supporting documentation, paper and electronic, documenting the acquisition of DoD PP&E, materials and supplies, fixed and other assets, and real and personal property, will be maintained according to volume 1, chapter 9, of DoD Directive 5015.2, DoD Records Management Program. This reference provides guidance for basic records management based on operational, legislative, and legal requirements and describes the minimum records management requirements that must be met according to National Archives and Records Administration (NARA) regulations.

11.2 Records will reflect current status and location of accountable property until disposition or until component is otherwise relieved of authorized means, including, but not limited to, consumption, or via a completed evaluation and investigation for lost, damaged, destroyed, or stolen accountable property.

11.3 Accountable records will consist of, but are not limited to, the following documents relating to accountable property: purchase orders, delivery orders, invoices, receiving reports, packing slips, hand receipts, signed contracts, credit card receipts, and disposition documentation.

12. Valuation.

12.1 If available, acquisition cost will be the basis for valuation. When actual acquisition cost is unknown, and/or acquisition documentation is unavailable, estimates based on the (latest) cost of similar items (at the time of acquisition) should be used, or the (latest) cost of similar assets discounted for inflation since the time of acquisition.

12.2 For accountable property already in DPAS for which the acquisition cost is not documented, several methods exist for establishing the item's value, e.g., price lists from the item's manufacturer, comparison to like items of known value, and/or use of independent appraisers.

12.3 Vendor invoices will be the preferred source documentation for valuation of property meeting the capitalization threshold. The contractor will submit a copy of the invoice directly to DFAS as prescribed within the contract. As the Department's disbursing agency, DFAS maintains an electronic file copy of each invoice within its Electronic Document Access (EDA) system. EDA is designed to support authorized users DoD-wide. Although SROs will continue to use invoices received with the actual shipment, other parties should consider EDA the primary source for later validation of invoice figures. In the event that the EDA record lacks an invoice, copies of vendor invoices are kept in at least two locations within DISA. First, the SRO keeps a copy of the shipping receipt, delivery order or invoice in the Document Register Supporting File for a period of 3 years following Fiscal Year closeout, (5 years from contract closeout when GFP is involved.) The SRO may not have an invoice for every property item. Second, the DISA Acquisition Handbook requires CORs to keep a copy of each invoice within the COR working file. When vendor information is not available from the above sources, estimates or other information (e.g., DD Form 250) will be used.

FOR THE DIRECTOR:


MARK S. BOWMAN
Colonel, USA
Chief of Staff

SUMMARY OF SIGNIFICANT CHANGES. This publication reflects major revisions in property management policies and procedures in compliance with Department of Defense Instruction (DoDI) 5000.64, 13 August 2002, which previous DISA Instruction 270-165-2, 27 August 1997 did not meet. In addition, Chapter 6 Real Property and Leases is a completely new addition in order to comply with audit standards.

*This Instruction cancels DISAI 270-165-2, 27 August 1997
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DEFINITIONS

1. **Acceptance.** A formal certification that the goods or services have been received and that they conform to the contract.

2. **Accountability.** The obligation imposed by law, lawful order, or regulation, accepted by a person for keeping accurate records, to ensure control of property, documents or funds, with or without physical possession. The obligation, in this context, refers to a person's fiduciary duties, responsibilities, and obligations to protect the public interest, but does not necessarily impose personal liability upon that person.

3. **Accountable Property.** A term used to identify Government property that is recorded in a formal property management or accounting system and is controlled by an identification system with supporting records from acquisition to disposal. Categorized for accounting and reporting purposes as real property or personal property. Real property consists of land and structures. Personal property is all other property. All DISA personal property will be classified for management and accountability as accountable or non-accountable.

3.1 Accountable Property (User Level).

3.1.1 **Non-IT Equipment.** Personal property with a cost of \$2,500 or greater that is not consumed in use and retains its original identity. This includes all non-IT personal property under DISA control but excludes furniture except executive furniture (category P-1, as described in DoDI 5305.6, Department of Defense Office Furniture Standards for the National Capital Region, 27 April 1977) DoDI 5305.6, Department of Defense Office Furniture Standards for the National Capital Region, 27 April 1977. Personal property with a cost of less than \$2,500 that has been identified as pilferable or sensitive is also classified as accountable property.

3.1.2 **Information Technology Equipment (IT).** IT equipment, except keyboards, mice, and speakers, regardless of cost. All CPUs, fax machines, scanners, copiers, network equipment, and any item designated as pilferable shall be bar-coded and entered into DPAS as an end item. Accountable IT equipment also includes all licensed software under DISA control with a cost of \$2,500, or greater.

3.2 Non-accountable Property: Non-IT personal property that is consumed in use, loses its identity in use, costs less than \$2,500, and which has not been identified as pilferable or sensitive.

4. Accountable Property Officer (APO). The APO is an accountable officer with formal training on the Federal laws, regulations, and instructions related to property accountability. The grade restriction may be waived upon request to the DPAM providing full justification for the waiver. According to the FMR, accountable officers can be held pecuniary liable for the full amount of property for which they are signed. An APO's responsibilities cannot be re-delegated.

5. Accounting Classification Reference Number (ACRN). A two position alpha or alpha-numeric control code used as a method of relating the accounting classification citation to detailed line item information contained in a contract or purchase order.

6. Accounting (Formal). Includes both item accounting and financial accounting. Within DISA, the item accounting records will contain the source transactional property documents for acquisitions, costs, modifications, receiving reports, temporary removals, transfers, excesses, losses, and dispositions. The item accounting records will be the repository to support financial accounting, property management, and audit requirements.

7. Acquisition Cost. The amount, net of both trade and cash discounts, paid for the property, plus transportation costs, and other ancillary costs.

8. Acquisition Logistician. A member of the program acquisition team (IPT) for all DISA-managed acquisition programs whose primary focus is Life Cycle support. In property administration terms, the logistician's focus includes all management procurement actions, procedures, and techniques used to determine requirements for acquiring, cataloging, receiving, storing, transferring, issuing, and disposing of items, both accountable and non-accountable. This includes provisioning for both initial support and replenishment supply support.

9. Administrative Contract Office. The office designated to perform pre-award and/or post-award functions related to the administration of a particular contract.

10. **Appointing Authority.** An individual designated in writing by the Approving Authority. The Approving Authority may act as the appointing authority. Appointing authorities appoint FLOs, if required; approve or disapprove the recommendations of the responsible officer, reviewing authority, or FLO; and recommend actions to the Approving Authority. An appointing authority is senior to the responsible officer, reviewing authority, accountable officer, and FLO.

11. **Approving Authority.** The Approving Authority makes determinations on reports of survey to either relieve involved individuals from responsibility and/or accountability or approve assessment of financial liability. There is only one Approving Authority in DISA, and this is the Chief of Staff. The Approving Authority may designate multiple appointing authorities and may act as an appointing authority himself or herself.

12. **Capitalize.** To record and carry forward into one or more future periods expenditures above a certain threshold, the benefits from which will then be realized (accounting matching principle).

13. **Capital Asset.** Any tangible asset, item, or property used in the conduct of the business and not intended for sale as a part of the normal operations. Tangible property includes durable goods, equipment, buildings installations, and land.

14. **Capital Lease.** Leases that transfer substantially all the benefits and risks of ownership to the lessee. Such a lease must meet the capitalization threshold plus at least one of four other criteria. Operating leases are not capital leases. Capital asset must meet the criteria for investment funding or other regulator criteria.

15. **Construction-in-Progress (CIP).** This account is used to accumulate the costs of real property construction projects. Also known as Work-in-Progress (WIP).

16. **Custody.** The physical possession of property.

17. **Custodial Responsibility.** The duty or responsibility typically assigned to a PC or hand-receipt holder to ensure property is protected or otherwise maintained.

18. **Direct-Report Managed Programs.** These are acquisition programs whose executive is a direct report of the Director,

DISA, i.e., the Director is the executive's first-level rating official. These programs are distinct from those whose executives report to the Corporate Acquisition Executive.

19. **Department of Defense Activity Address Code (DoDAAC).** A six-position code that uniquely identifies a unit, activity, or organization that has the authority to requisition and/or receive materiel.

20. **Document Register Supporting Files.** The document register and its supporting files are the infrastructure for all posting events in DPAS. For every APO entry in DPAS affecting the issue, receipt, quantity, stock number, price, serial number, etc., there must be valid documentation. Files are maintained by fiscal year and are retained for 3 years following the last day of the fiscal year (FY) of the file. In other words, files closed out at the end of FY2005 are retained until the beginning of FY 2009 (1 Oct 2008). Files will be maintained for a period of 5 years from contract closeout in situations where Government property is in the custody of a service contractor.

21. **Element of Expense/Investment Code (EEIC).** A five-digit alphanumeric code consisting of two parts: a three-digit account code followed by a two-digit sub-account code to provide further breakdown. The codes are designed for use in budget preparations and accounting systems to identify the nature of services and items acquired for immediate consumption (expense) or capitalization (investment).

22. **Financial Liability Officer (FLO).** An individual who is appointed in writing by an appointing authority to conduct an investigation to determine responsibility for loss, damage, destruction, or theft of Government property. Individuals so appointed will not be the accountable or responsible officer or have any direct interest in the property being investigated. The individual will be a commissioned officer, warrant officer, or a civilian employee in the grade of GS 12 or above. The FLO must be of higher grade/rank than the property custodian who submitted the survey or any person listed in the facts and circumstances who may be potentially liable.

23. **Financial Manager (FM).** For the purposes of this Instruction, the FM is the CFE employee who has been home-teamed to an organization to provide authoritative financial advice on budget and accounting directives and documentation and to direct and monitor the execution of the customer's annual operating and capital budgets.

24. **Government Property.** As defined by the FAR, all property owned by or leased to the Government or acquired by the Government under the terms of the contract. It includes both GFP and CAP.

24.1 **Contractor-acquired property (CAP).** Property acquired or otherwise provided by the contractor for performing a contract and to which the Government has title. CAP is entered into DPAS upon acceptance and can be transitioned into GFP by issuing it to contractors via a contract modification.

24.2 **Government Furnished Property (GFP).** Property in the possession of, or directly acquired by, the Government and subsequently made available to the contractor. The contractor becomes the custodian for this property. Government oversight of this property is delegated to the Defense Contract Management Agency (DCMA) Administration Officer's property representative who has oversight of the respective contractor's property program.

25. **Hand receipt.** Hand receipts are required whenever accountable property is issued. The hand receipt lists the property that has been issued; the signature of a person on a hand receipt establishes direct responsibility.

26. **Internal Use Software (IUS).** Internal Use Software includes application and operating system programs, procedures, rules, and any associated documentation pertaining to the operation of a computer system or program that is owned for operational or other internal use. Normally, software is an integral part of an overall system(s) having interrelationships between software, hardware, personnel, procedures, controls, and data. Internal Use Software does not include software integrated in National Defense PP&E, nor does it include software used in Special Test Equipment. Equipment/Hardware is not part of IUS.

27. **Item Accounting Records.** The official records of accountable personal property will consist of the source transactional property documents for acquisitions, costs, modifications, temporary removals, transfers, excesses, losses, and dispositions. It includes an inventory that is maintained to identify the quantities of items on-hand, unit prices, locations, physical condition, receipt and issue records, authorized stock numbers, item descriptions, and such information necessary to properly account for property and exercise other property management responsibilities such as financial accounting and various reporting requirements.

28. **Lease.** A lease conveys the use of an asset or part of an asset (such as part of a building) from one entity to another, the lesser, to another, the lessee, for a specified period of time in return for rent or other compensation. Lessees have capital or operating leases while lesser have sales type; direct financing, or operating leases. Capital, sales-type, and direct financing leases transfer substantially all the benefits and risks of ownership from the lesser to the lessee. Capital Leases are classified if one of four criteria outlined in paragraph E2.1.9 through E2.1.9.4, DoDI 5000-64, Defense Property Accountability, August 13, 2002 and Chapter 2 paragraph 20, Statements of Federal Financial Accounting Standards, are met. If a lease does not meet one of the four criteria, it is classified as an Operating Lease with no balance sheet recognition. Operating Leases of PP&E are leases in which the entity does not assume the risks of ownership of the PP&E.

29. **Line of Accounting (LOA).** The only authoritative and complete source of information on an item's financial accounting information to include its appropriation, program and/or project, and document identification.

30. **Pilferable Item.** Materiel having a ready resale value or application to personal possession and that is, therefore, especially subject to theft.

31. **Product Loan Agreement (PLA).** A document setting forth the terms and conditions under which DISA will accept, without cost, loaned products from suppliers.

32. **Property Custodian (PC).** The PC is a Government employee or DISA Contractor identified, in writing, as being responsible for all property within a specified activity (division/branch) or facility (building/lab/office). The PC shall be a GS-11 or above appointed in writing by an O6/GS-15 or higher supervisor to manage property accountability for the activity. The PC should have direct access to the organization's ROS Appointing Authority for property accountability issues. The PC may also be called the primary hand receipt holder and will prepare any sub-hand receipts for the activity. The size of a primary hand receipt for a collateral-duty PC is recommended not to exceed 500 line items, and no collateral-duty PC will be assigned more than one primary hand receipt. The format and appropriate statement for PC appointment memorandum will be provided by the DPAM. Appointment memos will remain in effect until rescinded or the individual's departure from the organization.

33. **Property Disposition.** Property disposition is the termination of responsibility to account for accountable property. Property disposition requires supporting transaction documentation by the APO in the formal item accounting records. Accountable property may be transferred between APOs for reutilization or turned in to a Defense Reutilization and Marketing Office (DRMS) as excess property.

34. **Property Manager (PM).** In organizations or programs serviced by a MPS APO, the property manager is recommended to be a GS-12 or other appropriate grade and appointed at the directorate level to provide an interface between the APO and the directorate's PCs. The property manager also advises the Principal Director or Program Manager on property management within the SBU or program and formulates local policies and procedures to implement Agency-level instructions and guidance.

35. **Property, Plant, and Equipment (PP&E).** Consists of the following two types of property:

35.1 **Personal Property.** Any property including military equipment, but excluding real property, consumable items, component parts of a higher assembly, or items that lose their individual identity through use. Some personal property is subject to capitalization if its cost exceeds the DoD capitalization threshold, has an estimated useful life of 2 years or more, is not intended for sale in the ordinary course of operations, is acquired or constructed with the intention of being used or being available for use by an entity. Intangible assets such as software, copyrights, and similar intellectual assets are considered personal property so long as they meet these criteria. Cash, marketable securities (e.g., stocks and bonds), and accounts receivable are considered monetary (or liquid) assets rather than personal property.

35.2 **Real Property.** Land (including Stewardship Land), buildings, structures, utilities, and equipment attached to and made part of buildings and structures (such as heating systems), but not movable equipment (such as plant equipment). Land rights represent interests and privileges; for example, crops, timber rights, leaseholds, easements, rights-of-away, and mineral rights. As such, land rights are considered Real Property.

36. **Responsibility.** As it pertains to property management and accountability, "responsibility" is the obligation of an individual to ensure that Government property entrusted to their

possession, command, or supervision is properly used and cared for and that proper custody and safekeeping are provided. The three different types of responsibility within DISA are supervisory, direct, and personal responsibility.

36.1 Supervisory responsibility depends on the location of the property within the chain of command. This responsibility is part of a job or position and is incurred by assuming command or supervisory position and it cannot be delegated.

36.2 Direct responsibility is a formal assignment of property responsibility to a person within the supply chain who has the property within their custody, but not necessarily in their possession or for their use. The APO and PC always have direct responsibility.

36.3 Personal responsibility always accompanies the physical possession of property.

37. **Sensitive Item.** Materiel that requires a high degree of protection and control due to statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items of high value, highly technical, or hazardous nature; and small arms and ammunition. The DPAM, with input from DISA security, will designate which items of the DISA DPAS inventory will be considered sensitive items.

38. **Special test equipment.** Either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment including standard or general purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes. It does not include material, special tooling, facilities (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant testing purposes.

39. **Special tooling.** Jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacement of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. It does not include material, special test equipment, facilities (except

foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items.

40. **Standard Operating Procedures (SOPs).** A set of mandatory, detailed operating procedures issued at the Agency of Field level and pertaining to a functional process or set of processes, e.g., the report of survey process. SOPs provide all details necessary to effectively standardize daily operations across Agency organizations. Organizations, in turn, are authorized to supplement SOPs with additional tailored, detailed procedures.

41. **Sub-hand receipt holder (SHRH).** A sub-hand receipt holder is a person within or assigned to a PC's organization to which the custodian has issued equipment in order for the user to perform official duties. A user may be a Government employee, military member, or Government contractor.

42. **System Access Authorization Request (SAAR).** The DD Form 2875 is used to approve and document a user's access to an information system. SAARs are used to provide DPAS access to property managers and custodians.

43. **Unit Identification Code (UIC).** The basis for DPAS hand receipts and relationship with the DISA Joint Table of Distribution (JTD). A Derivative UIC has a child-parent relationship with a higher-level UIC. APOs maintaining derivative UIC accounts come under the technical supervision of the APO of the parent-level UIC.

44. **Unique Identification (UID).** Within DoD, Unique Identification is the set of data for tangible assets that is globally unique and unambiguous, ensures data integrity and data quality throughout life, and supports multi-faceted business applications and users. All solicitations, contracts, or delivery orders for tangible items to be delivered to the Government will require unique item identification or a DoD-recognized unique identification equivalent if: a) unit acquisition cost is over \$5000, b) serially managed, c) mission essential, d) controlled inventory, or e) a consumable item or material where permanent identification is necessary.

45. **Valuation.** The act of determining or estimating the value or worth; assigning a value to the item.

46. **Work in progress (WIP).** Another term used synonymously CIP (Construction-in-Progress). Both terms are used to describe accounts that accumulate the costs of real property construction projects.

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C1. CHAPTER 1. DEFENSE PROPERTY ACCOUNTABILITY SYSTEM (DPAS)

C1.1 **General.** DPAS provides on-line capability to support all functions that are associated with property accountability and equipment management. Property listings maintained on user-created spreadsheets or databases will not be recognized as official property records. DISA uses the DPAS financial accounting module to calculate capital asset depreciation and to produce reports that support the Agency's financial statement property balances and audits.

C1.2 **Information Integrity.**

C1.2.1 PP&E information in DPAS comprises numerous fields and records establishing ownership and value that ultimately must be traceable to historical records or other source documentation. A detailed list of mandatory DPAS data elements comprising catalog, item record, and fund code and/or other table-driven data is maintained and distributed to all SROs and Accountable APOs by MPS. Assuring information integrity of DPAS data elements is dependent on the combined efforts of the respective FM, SRO, APO, PM, and PC and must be sufficient to meet any financial or property-related audit. Data-entry, validation, and review procedures must be closely followed at all stages of acquiring, receiving, managing, and disposing. When the original acquisition documents establishing item information cannot be located, alternate actions will be taken to overcome this deficiency. Original documents will be retained in accordance with the applicable NARA records schedule. The SRO or APO making the DPAS entry or modification as part of the document register-supporting file will keep copies of any document needed to substantiate a valuation amount or to adjust the quantity or accountable attributes of an asset.

C1.2.2 Before any PP&E item can be entered into DPAS, the item must have an identifying catalog entry. In order to minimize the item delivery and entry into DPAS, any request for cataloging must be provided prior to delivery to the SRO or other entry point.

C1.2.3 The SRO performs initial population of any PP&E items into DPAS, to include financial data. The SRO must verify the accuracy of all data entered by comparing it with the supporting documents. Data entry by upload of vendor-supplied electronic media (e.g., "flat file") is preferred, but resulting DPAS entries must still be verified. The SRO will make every attempt to fully populate all mandatory fields associated with the

receiving phase. In exceptional cases when critical documents are not available and the issue is time sensitive, the DPAM can authorize the SRO to issue accountable property items data to the APO on the basis of an incomplete DPAS record. In such cases, the APO will become accountable for locating the missing document(s) or identifying an alternative source. The test of acceptability for an alternative source is whether the source would be accepted in an Agency financial audit.

C1.2.4 After the initial establishment of the DPAS record by the SRO, the APO will conduct all data updates. The APO validates all previously made DPAS entries and completes any missing entries by obtaining the required source documents or acceptable alternative from the PM, Project Manager, or designated acquisition representatives. The APO may perform these actions after the property is issued to the Property Custodian (PC). Any requests for changes to record data by users, PCs, or property managers must be fully supported by documentation acceptable to the APO. APOs must validate and post to DPAS all acceptable changes within five (5) working days of receipt of request.

C1.2.5 Administrative adjustments to the DPAS baseline are performed by the APO posting changes submitted via DA Form 4949: Administrative Adjustment Record. These adjustments are limited to aspects such as make, model, and/or size where there is no possibility of the change masking an actual gain or loss of property. When a change is substantive, e.g., a different serial number or a descriptive change corresponding to a much less expensive item, a ROS is required as documentary support.

C1.2.6 The PC should verify the accuracy of all fields included within the hand receipt account at the time the accountable property items is issued. The PC must report to the APO any needed DPAS record corrections (e.g., model number) and support the changes with the required documentation. The PC may also report any changes after acceptance such as final price of item or change in financial information.

C1.2.7 Organizational FMs obtain direct access to DPAS accountable property records by obtaining a read-only DPAS account from MPS. Any FM who issues fund cites that comprise investment authority will review DPAS depreciation reports on a monthly basis and present total book values during recurring reviews conducted by CFE. The FM should also review the financial and price information for accuracy of any PP&E item and identify changes to the APO. The financial data could

change due to changes in line of accounting or discounts of final price of an accountable property item.

C1.3 Final Valuation Adjustments. Adjustments to valuation information for capitalized assets may come later in the acquisition cycle after actual disbursement is made by DFAS taking into account such factors as discounts, incentives, etc. In such cases, APOs make final adjustments to the DPAS financial accounting data based on actual disbursed amounts as reported to them by the FMs, who obtain it through accounting systems. The APO will record any unique situations, e.g., spreading of discounts, in the DPAS remarks field as provided by the FM.

C1.4 Entering Property.

C1.4.1 Contractor Acquired Property (CAP). This property becomes DPAS accountable property at the point a Government representative signs a DD Form 250: Material Inspection and Receiving Report or other acceptance document, regardless of the accountable property's physical location. CAP will not be entered into DPAS until the title transfers to the Government. The SRO or APO must verify acceptance by a Government representative, which is usually accomplished on a DD Form 250 or invoice noting the acceptance with signature. The SRO or APO verification will be conducted prior to entry of the PP&E item into DPAS.

C1.4.2 Government Furnished Property (GFP). GFP must be entered into DPAS prior to being issued to a contractor as part of a contract or contract modification. The DPAS record will capture all required contract data prior to issuance of the GFP to the contractor. The SRO or APO must be provided with source documentation such as a contract in order to process the change in GFP item status along with the COR or Government representative responsible to the administration of the contract and GFP items.

C1.4.3 IT Equipment.

C1.4.3.1 All personal IT system components except keyboard, mouse, cables, and speakers will be individually bar-coded and entered into DPAS regardless of cost. This procedure recognizes DPAS' role in central registration, equipment replacement, and warranty management. All bar-coded personal IT system components must be disposed of by turn-in to the respective APO to allow proper adjustment to DPAS.

C1.4.3.2 All network IT components, e.g., servers, routers, storage devices, etc., will be individually bar-coded and entered into DPAS, regardless of cost.

C1.4.4 **Capitalized Assets and/or Projects.** Individual assets associated with a capitalized project will be captured within DPAS by serial number.

C1.4.4.1 The FM will determine the useful life entered in DPAS for capitalized assets. The FM will provide a statement or memorandum with the funding document that establishes the useful life. If the useful life is less than 5 years, the FM will refer to CFE, who will obtain approval from Office of the Secretary of Defense (OSD) Comptroller in accordance with Volume 11B, Chap 58, of DoD 7000-14-R, DoD FMR. The invoice received by the SRO or APO will identify the useful life from the funding document.

C1.4.4.2 Maintenance and warranty costs that are separately identified from the cost of an individual asset will not be capitalized in DPAS unless acquired by capital investment appropriations. These separately identified costs may be reflected in the DFAS "remarks" field against the specific asset record.

C1.4.4.3 Spares, including exchange and repair items, are not capitalized and fall under the category, "Operating Material and Supplies," which consists of tangible personal property to be consumed in normal operation unless acquired by capital investment appropriations. Excluded are (1) goods that have been acquired for use in the construction of real property or in assembling equipment to be used by the entity (2) stockpile materials (3) goods held under price stabilization programs (4) foreclosed property (5) seized and forfeited property and (6) Inventory. Spares will be accounted for in DPAS and DISA financial statements as "Operating Material and Supplies."

C1.4.4.3.1 Replacement parts must be categorized as items for repair or parts for improvement. The intent behind the replacement is the determining factor. Repair by replacement that is expensed occurs when a facility or component has failed, is in the imminent stages of failing, or is no longer performing for which it was designated. Replacement parts that are designated to improve or expand efficiency of an asset that is in good working order will be categorized as an improvement and individually capitalized.

C1.4.4.3.2 Operating materials and supplies will be categorized as Held for Use; Held in Reserve for Future Use; or Excess, Obsolete, and Unserviceable.

C1.4.4.3.3 The consumption method of accounting, which requires recording of an item as an operating expense at the time of consumption, will be applied for Operating Materials and Supplies unless it is determined not cost beneficial. The purchase method can then be applied, which requires items be expensed when purchased.

C1.5 Interfaces with Other Systems. The DoD JFMIP (Joint Financial Management Improvement Plan) requires property accountability and/or management systems to be integrated with other business systems and processes, particularly those for financial, logistics, and acquisition management. The JFMIP further requires property management systems to be capable of interfacing with other financial and mixed systems.

C1.5.1 Defense Working Capital Fund (DWCF). The DISA accounting system supporting the DWCF is the Federal Financial Accounting Management Information system (FAMIS). DPAS interfaces with FAMIS to record depreciation, capital asset acquisition and disposal, and any other property-related adjustments on the general ledger. However, most financial transactions between FAMIS and DPAS are manually implemented using reports or other sources of information.

C1.5.2 General Fund (GF). The accounting system DISA uses to support GF activities is the Washington Headquarters Services Allotment Accounting System (WAAS). Although DPAS has the capability to pass financial information to WAAS, the WAAS system is not structured to handle this information as source data for the summary gross asset acquisition value, accumulated depreciation, and depreciation expense amounts reported in the WAAS general ledger trial balance. Therefore, until DISA acquires a modern financial management system capable of processing DPAS financial transactions, the amounts generated by DPAS for gross asset acquisition value, accumulated depreciation and depreciation expense will serve as the source data supporting any journal voucher entries needed to properly reflect these account balances on the Agency's GF financial statements.

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C2. CHAPTER 2. ORGANIZATIONAL PROPERTY

C2.1 **General.** Organizational Property (mission property) is accountable property items purchased using Agency funds for the daily use of DISA personnel performing the missions and functions of their assigned organization (e.g., DISANet equipment). DISA mission equipment may also include IT systems purchased by Computing Services and installed in Agency-run data centers to support Agency customers. It does not, however, include accountable program property items, e.g., General Command and Control System (GCCS) servers, installed at an Agency facility but purchased using DoD program funds, managed by a program office, and/or maintained as GFP by a contractor. Accountable organizational property is managed by the owning directorate, and accountable program property is managed by program offices. Centrally purchased personal IT equipment (e.g., desktops, laptops, printers, etc.) is also accountable organizational property, but is sufficiently different to have specialized procedures. This property is addressed in chapter [C4](#).

C2.2 Acquisition.

C2.2.1 The destination for all organizational accountable property items obtained through a contract acquisition or a credit card is the receiving activity officially designated to support the respective DISA organization. (For the NCR, this is the headquarters warehouse.) This applies to all shipments, regardless of method of delivery (mail, FedEx, vendor delivery, etc.) The official receiving location will be stipulated on all contracts, purchase orders, and delivery documentation.

C2.2.2 Ordering and procurement offices will ensure that the following information is included on all contracts and purchase orders:

C2.2.2.1 The DoDAAC should reflect the location of DISA's designated receiving activity.

C2.2.2.2 End-user designation sufficient to identify the correct APO and PC. When procurement applications allow, the DISA organization code and hand receipt number should be placed in the "TO" block or as "ship to/mark for" text in a remarks block.

C2.2.2.3 Purchase information data sufficient to initiate property records, to include nomenclature, model, serial number, part number, price, warranty agreements, and required delivery dates.

C2.2.3 For contracts and purchase orders, the Contracting Officer Representative (COR) or Task Monitor (TM) will provide the respective Stock Records Officer (SRO) a copy of contract or purchase order as soon as it is released for acquisition.

C2.2.4 For credit card purchases, the credit card holder will provide the respective SRO with a copy of the quote or invoice for the purposes of establishing price and end-user data. The credit card holder will also provide the financial data for each accountable property item.

C2.2.5 All IT acquisitions must be coordinated with Strategic Planning and Information (SPI) prior to purchase. Organizations will not purchase desktops, laptops, printers, or software via a credit card or as an Other Direct Charge (ODC) on a contract unless coordinated with the contracting officer or SPI.

C2.3 **Receiving.**

C2.3.1 **Authorization.** For APOs, the authority to receive and maintain accountable property items is the APO's appointment memorandum; for PCs, it is the custodian's appointment memorandum. An authorization for any other personnel to receive and maintain property must be in writing and issued by the respective DISA accountable or responsible officer. Within DISA, this authorization is delegated by using DA Form 1687: Delegation of Authority.

C2.3.2 **Acceptance.** Receiving activity personnel inspect shipments, sign receiving documents in accordance with local policy. If the receiving activity is not a DISA organization, then the organization should notify the DISA SRO of the shipment arrival. The SRO will, in turn, notify the respective COR or user. The Government representative signing a receiving document must physically inspect the property and ensure the shipment is complete.

C2.3.3 **Supporting Documents.** In addition to the purchase order and/or contract, the DISA SRO will capture and retain a copy of the packing lists or invoices received in lieu of packing slips and the bill of lading within document register supporting files.

C2.3.4 Financial Information. Key financial accounting information relating to the accountable property items will be captured within the DPAS accounting module at the time of receiving. These DPAS entries will be performed by either the SRO or a designated FM, as determined by local policy, and are done by using the LOA to the DPAS database record fields.

C2.3.5 Issue. APOs will issue accountable property items using a DA Form 3161: Request for Issue or Turn in, to PCs. When applicable, a DPAS-generated Increase/Decrease Report can be used in lieu of a DA Form 3161.

C2.4 Managing and Accounting.

C2.4.1 Delivery to the User. Delivery personnel will ensure that individuals who receive and sign for accountable property items have proper authority to do so, i.e., is either an appointed PC or a person listed on a valid DA Form 1687.

C2.4.2 Processing by Property Custodian (PC). Upon delivery, the PC or other authorized person will immediately inventory the accountable property items using, at a minimum, the DISA barcode and serial number to verify that all accountable property items have been received. Within three (3) business days, the PC will complete and return the DA Form 3161 (or other DPAM-approved issue document) to the APO, identifying any discrepancies with the accountable property items as listed. The APO will issue the PC a corrected DA Form 3161 accordingly. In the event the PC does not return the completed DA Form 3161 within three (3) business days, they are responsible for the barcode and serial number of the accountable property items as listed.

C2.4.3 Hand Receipts. All DISA accountable property items will be assigned to a responsible person (Government or contractor personnel) on a DPAS hand receipt. The PC will sub-hand receipt all accountable property items assigned for daily use to a specific Government or contract person.

C2.4.3.1 PCs will use DPAS sub-hand receipts to record issues to sub-hand receipt holders. Sub-hand receipt holders must request permission from the PC to further sub-hand receipt property.

C2.4.3.2 The respective APO or hand receipt holder will update hand and sub-hand receipts annually. The APO, PC, and PM will coordinate a schedule to ensure 100 percent annual inventory.

As schedules are established, it will be forwarded to the assigned MPS APO and MPS Lead APO for verification of 100 percent planned annual inventory.

C2.4.3.3 Management shall designate a person to sign a hand receipt or sub hand receipt for accountable property items installed or stored in common-use areas. Such persons will verify the accountability of the items on a weekly basis, at minimum. Local procedures may require accountability checks more often. Such an individual cannot be expected to exert personal, physical control at all times. Rather, this person is to perform the recurring checks and to immediately report any loss or damage to the respective hand receipt holder, APO, PM, and security manager. Such a person would generally not be held personally responsible for a loss of a common-area item unless they had negligently failed to perform the recurring checks or to report the loss in a timely manner.

C2.5 **Inventories.** Receiving personnel, PCs, and sub-hand receipt holders will inventory accountable properties as it is received. Correction of issuing documents will be performed by the APO or with the approval of the APO. The date of the most recent inventory for each accountable property item will be included on the record copy of the DPAS hand receipt.

C2.5.1 **Annual/Cyclic.** All DISA accountable property managed by barcode, including PP&E, will be physically inventoried at least annually in accordance with a schedule coordinated by the respective APO. Annual/cyclic inventories will be scheduled in conjunction with the PC, PM, and APO.

C2.5.1.1 The person performing the inventory must personally see the item (as opposed to a hand receipt). An exception is permissible if a sub-hand receipt holder is on an extended detail, deployment, or absence and the sub-hand receipt is less than one (1) year old or the sub-hand receipt holder otherwise certifies to the PC in writing that they have physical possession of the accountable property.

C2.5.1.2 The PC will ensure that the APO has posted all change documents to DPAS prior to starting the inventory. If there are any delays in posting changes, the PC must notify their property manager or DPAM.

C2.5.1.3 Annual inventories of DPAS accountable property items will be conducted using scanners (barcode, Radio Frequency Identification [RFID], etc.) that will allow automated analysis

within DPAS for missing accountable property items or items present but not listed on the hand receipt. All DISA bar-coded accountable property items found to be present during an inventory will be scanned; including those believed to be on other hand receipts.

C2.5.1.4 Manual key-ins of barcode numbers into a scanning device are permissible only in the case of damage to a barcode, inaccessibility due to an equipment configuration, or in accordance with subparagraph [C2.5.1.1](#). Key-ins of damaged bar codes is justification for the APO to reissue a barcode. The PC requiring a barcode should provide an immediate request to their APO. The APO should reissue the barcode within 14 working days.

C2.5.2 Change of Property Custodian or Sub Hand Receipt Holder (SHRH). Appointing authorities will normally ensure a period of at least 30 days for an incoming PC to conduct a joint physical inventory of 100 percent of assigned accountable property with the outgoing PC. The DPAS hand receipt will be "on hold" during this period. A new hand receipt will be printed prior to signing by the new PC or SHRH. The outgoing custodian is not relieved of responsibility for the accountable property until the new PC signs the hand receipt.

C2.5.3 Change of APO. The incoming and outgoing APO will perform a joint 100 percent physical inventory of all accountable property not issued on hand receipt. All major hand receipts in DPAS will be compared to the hand receipt files and all differences reconciled. The outgoing APO is not relieved of accountability until the incoming APO signs the responsibility statement.

C2.5.4 Sensitive Item. Sensitive item inventory reports are generated from DPAS. By the last day of each month, each PC must generate a sensitive item inventory report, use it to conduct a 100 percent physical inventory, and forward a copy of the completed inventory to the APO.

C2.6 Inventory Reconciliations. PCs will have 10 working days to resolve any discrepancies identified during their inventories. Requests for extensions will be submitted in writing through the APO to the DPAM. The APO will take the following actions of reconciliation and then issue an appropriately adjusted DPAS hand receipt for PC signature within 10 working days.

C2.6.1 Items found to be present, but not listed on any DPAS hand receipt, will be added to the hand receipt.

C2.6.2 Items found to be present, but listed on a different hand receipt, will be verified with the owning PC.

C2.6.3 Items found to be missing and which cannot be properly accounted for within 15 days will be addressed through the ROS process.

C2.6.4 Unbarcoded property found to be present during an inventory and which ought to be accountable will be promptly reported to the APO, who will generate barcodes and have them applied to the appropriate hand receipt.

C2.6.5 IT equipment will be inventoried in accordance with chapter 4, paragraph [C4.5](#).

C2.7 **Transfer, Disposal, and Retirement.**

C2.7.1 **Transfer.** All transfers of accountable property items from one DPAS hand receipt to another must be accomplished through the assigned APO(s) using a DPAS-generated DA Form 3161. Direct transfer of accountable property from custodian to custodian is prohibited. PCs will initiate requests for transfer through their assigned APO and include the serial number, barcode, and generic item information (email is acceptable).

C2.7.1.1 **Transfers within a Single DISA UIC.** Such a transfer is accomplished by a single APO, who administers the accountable property items within the same UIC. The transfer is normally initiated by an e-mail from the losing custodian to the APO. Upon the concurrence of the gaining custodian, the APO will create a DPAS-generated DA Form 3161, obtain the signatures of gaining and losing custodians, and post the document. (Transfers between Unit Identification Codes [UICs] are also handled this way if the same APO is responsible for both UICs.)

C2.7.1.2 **Transfers between Different DISA UICs.** When the accountable property items are transferred between two UICs and are maintained by different APOs, the transfer requires the coordination of both APOs. The transfer is normally initiated by e-mail from the losing custodian to their assigned APO, who uses DPAS to generate a DA Form 3161 and a document number. After obtaining the losing custodian's signature and removing the accountable property from the hand receipt, the losing APO

will electronically pass the DA Form 3161 to the gaining APO. The gaining APO will accept the DA Form 3161, generate an incoming document number, and issue the accountable property to the gaining custodian on a new DA Form 3161.

C2.7.1.3 Transfers between DISA NCR and DISA Combatant Command Field Offices. Transfers of equipment into the NCR are accomplished between APOs with the awareness of the DPAM. Such transfers are achieved via a DPAS-generated DA Form 3161 sent electronically from one APO to the other. Unless provided by other means, the losing APO will inform the DPAM of the transfer via e-mail.

C2.7.1.4 Transfers to Non-DISA Activities. Lateral transfer to non-DISA activities without express direction from the DPAM is not authorized. Agencies must make requests directly to DPAM who distributes reported serviceable excess accountable property according to a prescribed priority list, shown in table [T2.1](#). Once distribution instructions are received by the APO, shipment is completed by the APO. Documentation preparation requires a DA Form 3161 generated from DPAS "TRANSFER OUT" action to remove the accountable property items from DPAS hand receipt and DISA UIC. A copy of the transaction will be retained in property records for audit purposes.

C2.7.2 Disposal. All requests for turn-in and/or disposal of accountable property items are made through the APO assigned to the PC and hand receipt requesting the turn-in. All turn-ins are documented using a DA FORM 3161 or DD Form 1348: DoD Single Line Item Requisition System Document. All information contained within storage media, e.g., hard drives, cards, memory chips, external drives, and etc. will be removed by approved DoD regulation and policy destruction methods. A DLIS Form 1867 "Certification of Hard Drive Disposition" will be attached to each machine stating "cleaned/scrubbed" and the method used and signed and dated by the end user. The APO will create a DD Form 1348 for items for turn in to Disposal Unit, i.e., DRMS, etc. The disposal unit will sign the documentation. This documentation is to be maintained in the property audit records. The accountable property can be removed from the hand receipt and accountability system.

C2.7.2.1 Lost, Damaged, Destroyed, or Stolen Property. An ROS is used to determine the cause for the loss, damage, destruction, or theft of Government accountable property and to assess, if appropriate, individual liability. An approved ROS

is the only means by which accountable property can be dropped from DPAS in the absence of a transfer or turn-in.

C2.7.2.1.1 Any person or contractor will immediately report all actual or suspected losses, damage, or theft of Government property to their immediate supervisor. If theft is suspected, employees will notify the security manager.

C2.7.2.1.2 When Government property is reported missing, the assigned PC or APO will immediately initiate a preliminary investigation to ensure the missing property is actually missing before initiating an ROS. Investigation must be aggressively pursued to enable an ROS to be initiated and provided to the respective APO within five (5) calendar days of the discovery of the loss.

C2.7.2.1.3 Total ROS processing time, to include DISA Approving Authority action on survey officer's recommendations, if any, will not exceed 70 days. This timeframe does not include legal reviews when pecuniary liability has been recommended.

C2.7.2.1.4 Any person found to be financially liable by the Approving Authority will be notified, informed of their rights, and given the opportunity to appeal. The Vice Director serves as the Agency Appellate Authority in the ROS process.

C2.7.2.2 **Accountable Property.** The PC makes all requests for turn-in of accountable property to the assigned APO. E-mail is an acceptable means of providing serial number, bar code, and generic item description information. APOs will prepare DA Form 3161 to officially document the turn-in. A properly prepared DA Form 3161 approved by the assigned APO is the only basis by which turned-in accountable property will be removed from a PC's DPAS hand receipt.

C2.7.2.3 **Serviceable Property.** Accountable property must be complete and in working order to be considered serviceable. CPUs, laptops, servers, external or "hot swappable" hard drives, or any other media, which may have contained sensitive Government information, must have been properly wiped in accordance with authorized procedures. A certificate attesting that the item was properly cleaned must be provided to the APO at the time of turn in. All turn-ins are documented using a DA FORM 3161 or DD Form 1348. All information contained within storage media, e.g. hard drives, cards, memory chips, external drives, etc. will be removed by approved DoD regulation and policy destruction methods. A DD FORM 1867 will be attached to

each machine stating "cleaned/scrubbed" and the method used and signed and dated by the end user.

C2.7.2.4 Unserviceable Property. Accountable property is deemed unserviceable if it is inoperable, incomplete, or damaged. Turn-ins of unserviceable accountable property must be segregated from turn-ins of serviceable equipment. The removal of hard drives from equipment due to fact that they contained classified material automatically renders the accountable property unserviceable. All turn-ins are documented using a DA FORM 3161 or DD Form 1348. All information contained within storage media, e.g. hard drives, cards, memory chips, external drives, etc., will be removed by approved DoD regulation and policy destruction methods. A DD FORM 1867 will be attached to each machine stating "cleaned/scrubbed" and the method used and signed and dated by the end user.

C2.7.2.5 Turn-in of Non Accountable Property. If non-accountable property is being turned in, the items will be segregated from the accountable property turn-in documentation. All turn-ins are documented using a DA FORM 3161 or DD Form 1348.

C2.7.3 Retirement. A DD Form 1348 documenting turn-ins to DRMS must include the item description and serial number of each piece of property. For bar-coded accountable property items, the barcode will be included at the time of preparation for audit purposes. The APO must prepare the documentation for retirement of the accountable property items and provided to the delivery personnel. The delivery personnel will ensure all documentation is corrected and deliver the accountable property items to the designated DRMS site.

C2.7.4 Documentation Requirements. Volume 4, Chapter 6 of DoD Directive 5015.2, DoD Records Management Program, 6 March 2000 states that when an asset is transferred, traded, sold, or disposed of through salvage or demolition, copies of the original acquisition documents and disposal documents establishing the location, original acquisition cost, cost of improvements, the date the asset was purchased, constructed, or acquired, cost of improvements, the estimated useful life, the amount of accumulated depreciation, and the condition if desired will be transferred to the acquiring component. When these documents are not available, estimates may be made but must be documented and retained in accordance with the requirements contained in Volume 1, Chapter 9 of the DoD FMR. The APO will advise the cognizant FM of the transfer of any property that has

remaining book value for coordination of the values on the trial balance.

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TABLE T2.1 REPORTED SERVICEABLE EXCESS PROPERTY PRIORITY LIST

Priority	Organization
1	Agency That Reported Excess
2	Other DoD Agencies
3	DoD Contractors
4	Civil Agencies
5	Civil Agency Contractors
6	Law Enforcement Organizations
7	School Donation Program

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C3. CHAPTER 3. PROGRAM PROPERTY

C3.1 **General.** DISA is required to fully account for all accountable property it acquires, regardless of the source of funding. Accountable property acquired by DISA using DoD program dollars is as fully accountable as property purchased to support DISA's internal operations. However, procedures governing program property differ in many aspects from those for mission equipment.

C3.2 **Acquisition.**

C3.2.1 All program accountable property acquisitions must follow [C2.2.1 - C2.2.5](#) in addition to the following steps.

C3.2.2 Acquisition plans for program accountable property will address how property accountability is to be maintained throughout the equipment's life cycle: acquisition, acceptance, installation, operation, and final disposition. The program manager or designee must coordinate with the CFE office, FM, procurement staff, and APO in developing and executing the program acquisition plan.

C3.2.3 A program's assigned logistician will review statements of work for adequacy in addressing required property accountability responsibilities and procedures before the contract is issued. Contracts will specify points of delivery and the personnel authorized to sign receiving documents. A program's assigned logistician will coordinate the financial and property aspects of the acquisition with the CFE office, FM, procurement staff, and APO.

C3.2.4 To the maximum extent practicable, contracts will require vendors to provide electronic media (e.g., "flat" files) to directly upload equipment descriptive data and financial information into DPAS.

C3.2.5 For each item of program property ordered, the program manager or designee will provide the SRO or APO with a copy of the contract, contract modification, purchase order, or other document providing the complete LOA. When a piece of accountable property is associated with a contract line number (CLIN), the CLIN will be provided, along with any assigned ACRN.

C3.2.6 Point-of-delivery for program accountable property will be determined by the program manager during the acquisition planning process. Delivery to warehouses and/or facilities not

run by DISA is permissible as long as the acquisition plan provides Government acceptance procedures effectively linked to DISA DPAS entry. The program manager or program logistician will identify this type of situation to the CFE office, FM, and SRO/APO. The DPAM retains final approval of alternate receiving locations.

C3.2.7 Program accountable property to be installed in DISA facilities within the NCR will be delivered to the Headquarters warehouse before being shipped to their final destination.

C3.3 **Receiving.** The program office must follow the steps in [C2.3.1 - C2.3.5](#). The Government representative signing a receiving document must physically inspect the property and ensure completeness.

C3.3.1 **Acceptance.** Program accountable property does not become DPAS accountable until a Government representative signs the receiving document. If the accountable property items are not delivered to a SRO location, the Government receiving and/or acceptance representative must provide copies of the receiving documents plus any packing lists or bills of lading to the program's servicing SRO within 14 days of receipt. The respective SRO or APO must enter the property into DPAS within 10 working days of receiving the complete acquisition and financial supporting documentation.

C3.3.2 **Delivery.** For program accountable property delivered to the Headquarters warehouse, the warehouse SRO will perform the processing, to include inspection, signing of receiving documents, and DPAS entry. After receiving the accountable property and completing the DPAS entries, the SRO will provide the documentation to the MPS APO assigned to the organization responsible for program management. For program accountable property delivered to a properly authorized location other than the Headquarters warehouse, the program manager or designee will provide acceptance information in the form of a DD Form 250 or certified invoice to the SRO or APO for initial cost and item identification (e.g. serial and manufacturer number).

C3.3.3 **Contractor Storage.** Some items of property, e.g., repair parts, may be delivered to a contractor-run warehouse and shelved without a Government representative signing a receiving document. In such cases, the receiving document will be signed at such time as the program office determines that the part is needed. During the time of storage by the contractor, the property will remain CAP. The Government will not receive or

accept these program property items. If the Government does receive or accept these property items, the accountable property items must be entered into DPAS and identified as GFP if the contractor is to maintain the accountable property in storage for the Government. Refer to [C1.4.1](#).

C3.3.4 Financial Information.

C3.3.4.1 SROs and APOs will populate the DPAS financial accounting module for program accountable property as fully as possible at the time of Government acceptance. Depreciation, however, will not begin until the accountable property has been placed into service. The program manager or FM will provide specific documentation to indicate initial operating capability (IOC) date to begin depreciation. The asset code in DPAS will determine the recovery period unless the FM provides documentation for an approved exception.

C3.3.4.2 The cost of components, setup, and installation must be captured as the total cost of the system. The provisions of Volume 4, chapter 6, paragraph 060204.A, of the DoD FMR will govern what may be included as ADP system components for accounting and financial statement purposes.

C3.4 Managing and Accounting.

C3.4.1 Once accepted and entered into DPAS, program accountable property will either be issued to a contractor as GFP or issued to a user on a DPAS hand receipt.

C3.4.1.1 Accountable property will be issued to contractors as GFP using a modification to the contract, which lists the specific items and specifies accountability requirements.

C3.4.1.2 Program accountable property issued to a user at a site serviced by DISA PCs will be laterally transferred to the existing DPAS Hand Receipt of one of the custodians. The lateral transfer action will be routed through the APO who services the gaining PC. The custodian will fulfill normal DISA property accountability requirements for the accountable property items, to include inventories.

C3.4.1.3 Program accountable property issued to a user at a Government site not serviced by DISA PCs will be DPAS hand receipted by the owning APO to an accountable officer, as defined by DoDI 5000.64, responsible for servicing the facility. (Examples would be a Property Book Officer at an Army

installation or an Accountable Officer at an Air Force installation.) The purpose of this requirement is to ensure that the property is systematically accounted for by a property professional rather than issued directly to a facility worker, e.g., a communications technician. Procedures for accounting for the property, to include inventory requirements, will be incorporated within the DISA MOA governing the site.

C3.4.1.4 Accountable property issued to a user at a non-Government site will be maintained in accordance with a contract established by the DISA office having responsibility for the program. The contractor who has possession of the equipment will manage it in accordance with the contract and the provisions of FAR, 21 June 2005 and DoD Federal Acquisition Regulation Supplement (DFARS), current edition. Generally the property is reported on DD Form 1662: DoD Property in the Custody of Contractors per section 252.245-7001, DFARS, current edition and the Administrative Contracting Office (ACO) normally has oversight of this reporting. The DPAS record will reflect the contract number to which the accountable property is assigned. When accountable property is no longer needed, the respective APO will make disposition after consulting with the responsible Government office.

C3.4.2 Program property installed on non-DISA Government sites will have a DISA barcode applied to facilitate inventories and to readily distinguish it from property belonging to other site owners. Program property that cannot be conspicuously marked for security reasons (e.g., a DISA tag would divulge a DoD presence in a facility when the fact of such presence would be classified) will be inventoried using an alternative approach, e.g., network management inventory systems, RFID tag, or by serial number and part number.

C3.4.3 When accountable property originally entered into DPAS as individual items are combined into an assemblage or system when put into service, a program representative will prepare a DA Form 4949: Administrative Adjustment Report, listing the components of the assemblage. The APO will use the DA Form 4949 to designate the components as a system within DPAS.

C3.5 **Inventories.**

C3.5.1 Accountable program property issued to contractors as GFP will be inventoried in accordance with the contract. Contracts will require the contractor to deliver via the ACO an inventory report for all GFP and/or GFM in the contractor's

hands on an annual basis. This is a contract deliverable which should be established in the statement of work, performance work statement, or statement of objectives, as applicable.

C3.5.2 Accountable program property issued to users on DPAS HR and SHR will be physically inventoried by the respective handreceipt holder or sub-handreceipt holder at the time of initial receipt, upon change of HR or SHR holder, and annually in accordance with the schedule provided by the APO. Results of the inventory will be reported to the APO, who will post the results in DPAS and ensure follow-up on any situations requiring reconciliation.

C3.5.3 Accountable program property maintained by contractors on non-Government sites will be inventoried in accordance with the contract. Contracts will require a physical inventory at a minimum of once annually, and the inventory will be managed by the COR or TM of the contract.

C3.6 Transfer, Disposal, or Retirement.

C3.6.1 **Transfer.** For accountable program property transfer, the same process applies as in [C2.6.1](#). Program property for individual accountable property items or an asset will follow the same process.

C3.6.2 Disposal.

C3.6.2.1 For program accountable property disposal, program office or hand-receipt holder should follow [C2.6.2](#) for disposal process.

C3.6.2.2 At the end of a contract that encompasses GFP, the program office or accountable COR/TM must inform the respective APO as to how to disposition the accountable property. This determination must be made 30 days prior to the end of the contract, to facilitate final property disposition before contract termination.

C3.6.3 **Retirement.** A DD Form 1348 documenting turn-ins to DRMS must include the item description and serial number of each piece of accountable property. For barcoded items, the barcode will be included at the time of preparation for audit purposes. The APO must prepare the retirement documents and provide to personnel transporting the items to DRMS. The transporting personnel will ensure all documentation is correct and deliver the property to the designated DRMS site.

C3.6.4 **Documentation Requirements.** Volume 4, Chapter 6 of DoD Directive 5015.2, DoD Records Management Program, March 6, 2000 states that when an asset is transferred, traded, sold, or disposed of through salvage or demolition, copies of the original acquisition documents and disposal documents establishing the location, original acquisition cost, cost of improvements, the date the asset was purchased, constructed, or acquired, cost of improvements, the estimated useful life, the amount of accumulated depreciation, and the condition if desired will be transferred to the acquiring activity. When these documents are not available, estimates may be made but must be documented and retained in accordance with the requirements contained in Volume 1, Chapter 9 of the FMR. The APO will advise the responsible FM of the transfer of any property that has remaining book value for coordination of the values on the trial balance.

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C4. CHAPTER 4. IT EQUIPMENT AND SOFTWARE

C4.1 **General.** The procedures in this chapter apply to all types of IT equipment, to include organizational IT equipment used by DISA employees as well as program property. Centrally purchased personal IT equipment (e.g., desktops, laptops, printers, etc.) as well as all types of software are considered IT accountable property. This includes Internal Use Software (IUS). When internal use software is acquired via contract, either as a commercial-off-the-shelf (COTS) or as a contractor-developed product, the entire contract price will be recorded in DISA's property records upon delivery and acceptance of the software. However, when internal use software results from in-house development efforts, the direct and indirect costs incurred in those efforts will be accumulated initially in the servicing DISA accounting system. Only those costs incurred after conceptual formulation, design, and testing of alternatives, but before final acceptance testing will be accumulated. Program managers will ensure that the software is recorded as an asset in the Agency's property records and update its value as required to equal the amount that has been accumulated in the accounting system. Regardless of how acquired, when costs for internal use software equal or exceed the capitalization threshold of \$100,000, these costs will be depreciated over the expected useful life of the software. For software developed through in-house efforts, depreciation will commence following final acceptance testing. The program manager or FM will provide the APO with documentation sufficient to support initial DPAS entry, as well as any later changes.

C4.2 **Acquisition.**

C4.2.1 For identification of destination and required information on contracts, purchase orders and credit card acquisitions, the procedures should be followed as noted in [C2.2.1 - C2.2.4](#).

C4.2.2 Organizations will not purchase any IT accountable items without prior coordination with SPI. Organizations will not purchase desktops, laptops, printers, or software via a credit card or as an ODC on a contract unless coordinated with the contracting officer or SPI.

C4.2.3 SPI will conduct the acquisition of all centrally purchased IT assets. This includes the annual program, distribution and assignment of new IT accountable items. SPI

will gather and validate requirements for life-cycle replacement of personal computers on an annual basis.

C4.2.3.1 SPI will collect information for new personnel and mission requirements for centrally purchased IT accountable items on a quarterly basis (as needed) and validate these requirements with the organizational Information Management Officers. Requirements will be submitted to SPI through the Requirements Identification and Tracking System (RITS).

C4.2.3.2 SPI will budget life-cycle replacement of centrally purchased IT assets. SPI will gather and program the requirements to support the purchase life-cycle replacement for current and future IT accountable items.

C4.3 **Receiving.**

C4.3.1 Centrally purchased IT accountable items to be installed within the NCR will be received and stored at the DISA headquarters warehouse, which will be listed in the "ship to" portion of all contracts and purchase orders. The SRO will notify SPI of shipment deliveries within 3 days. Centrally purchased IT accountable items to be installed at field locations will be received by the activity officially designated to service the DISA activity by the DPAM.

C4.3.2 Receiving activity personnel inspect shipments and sign receiving documents in accordance with local policy. If the receiving activity is not a DISA organization then the organization should notify the DISA SRO of the shipment arrival. The SRO will, in turn, notify the respective COR or user. The Government representative signing a receiving document must physically inspect the property and ensure completeness.

C4.3.3 All IT accountable items, to include centrally purchased items, will be entered into DPAS by the SRO or APO. If provided by the vendor, electronic media (e.g., "flat files") will be uploaded directly to DPAS by the SRO to expedite processing. The upload of property information will be accomplished under Government supervision.

C4.3.4 After establishing the DPAS record within the Stock Record Account, the SRO will move the equipment to the appropriate APO for SPI hand receipts. The APO will laterally transfer the centrally purchased IT accountable items to the SPI special hand receipt.

C4.3.5 The SRO will follow the procedures in [C2.3.3](#) for processing supporting documents associated with accountable IT property. The procedures in [C2.3.4](#) will be used for processing the financial information for this property.

C4.3.6 Centrally purchased IT accountable items will be stored within the warehouse after DPAS processing to await pick-up by SPI installers for installation.

C4.3.6.1 The RITS will be the source record of information for the installers to distribute the IT equipment. APOs will issue property using a DA Form 3161: Request for Issue or Turn in, to PCs. When applicable, a DPAS generated Increase/Decreased Report can be used in lieu of a DA Form 3161.

C4.3.6.2 As SPI distributes the centrally purchased IT accountable items, SPI will request transfer from CIO hand receipt to the appropriate organizational hand receipt for which the IT accountable items is installed. The SPI hand receipt holder will request the transfer through their assigned APO.

C4.4 **Managing and Accounting.**

C4.4.1 **Delivery to the User.** Delivery personnel will ensure that individuals who receive and sign for property have proper authority to do so, i.e., is either an appointed PC or a person listed on a valid DA Form 1687.

C4.4.2 **Processing by Property Custodian (PC).** Upon delivery of the equipment at the user location, the PC or an officially designated alternate will physically inventory all components listed on the requirements identification documents (RID) and lateral transfer form. All barcoded components (this excludes mice, keyboards, and speakers) will be verified by serial number. After inventory and verification, the PC or designated alternate will sign and date the RID and DA Form 3161.

C4.4.2.1 The PC will provide the APO with a copy of the signed and dated RID and/or DA Form 3161 within 3 days of installation.

C4.4.2.2 The APO will compare the barcodes and serial numbers on the signed documents to the numbers recorded in DPAS to validate the DPAS record.

C4.4.3 **Assignment of Property.** PCs will issue DPAS sub hand receipts to users within three (3) days of returning the signed

DA Form 3161 to the APO. In the event that corrections are needed, sub hand receipts will be issued within three (3) days of the correction being posted.

C4.5 Inventories.

C4.5.1 IT components bar-coded as end items, either personal or network, will be physically inventoried annually, during change of PC, and during change of APO (unless on valid hand receipt). The processes in [C2.5.1](#) will be the normal process for IT accountable items.

C4.5.2 Capitalized IT and telecommunications accountable items or assets captured on a DISA organizational or program hand receipt but installed in facilities owned and operated by the Services or other non-DISA organizations must still be inventoried annually. It is the responsibility of the owning organization to accomplish and document the inventory. Possible methods include, but are not limited to, the following:

C4.5.3 Creating a Memorandum of Agreement requiring the using facility to annually certify that the equipment is on-hand and to provide supporting documentation, e.g., certificates, digital photographs, etc., to the owning DISA APO.

C4.5.3.1 Issuing a DPAS sub hand receipt to a designated logistics representative within the facility, obtaining a signed original, and repeating this cycle annually on the basis of a physical inventory.

C4.5.3.2 Arranging for a DISA organization in geographical proximity to send a person to the facility to conduct the inventory and to provide supporting documentation.

C4.5.3.3 Sending an employee or contractor to temporary duty (TDY) to the facility to conduct the inventory.

C4.5.3.4 Issuing the accountable property to a contractor as GFP through a contract modification and requiring the contractor to perform inventories in accordance with the contract and the FAR and/or DFARS.

C4.6 Transfer, Disposal, or Retirement.

C4.6.1 **Transfer.** All transfers of DISA property should follow the processes identified in [C2.6](#).

C4.6.2 **Disposal.** All disposal of DISA IT property items or assets will follow processes identified in [C2.6.2](#).

C4.6.3 **Retirement.** All retirement of DISA IT accountable property items or assets will follow processes identified in [C2.6.3](#).

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C5. CHAPTER 5. PROPERTY IN DISA LABS

C5.1 **General.** Property within DISA labs presents security and property accounting challenges requiring increased management oversight and controls. DISA labs contain various types of property, each with its own procedural issues: DISA accountable organizational property (mission equipment), accountable program property, and contractor-owned equipment (to which the Government does not or will not hold title). Accountable property can reside within DISA labs for durations ranging from weeks to years.

C5.2 **Organizational Property.** This is accountable property that belongs to a SBU, SSU, or DR organization, e.g., personal computers assigned to Testing Directorate (TE) personnel working in the lab. This accountable organizational property will be acquired, received, maintained and accounted for in accordance with chapter [C2](#). Accountable organizational property located in the lab at the time an annual inventory is scheduled will be inventoried by the owning PC, as determined by the primary hand receipt. The DPAS hand receipt for such items will reflect the lab as the current location of the property.

C5.3 **Program Property.** This is property that is acquired by a program but is being tested or configured in the lab. This accountable program property will be acquired in accordance with chapter [C3](#). Receiving will also be in accordance with chapter [C3](#), unless the lab has been properly authorized as the delivery location.

C5.3.1 For accountable property that is already in DPAS, and will remain in TE labs, the accountable property will be laterally transferred to the respective lab PC's DPAS hand receipt. The DA 3161 executing the transfer will be transmitted from the APO who services the owning PC to the TE APO. The SRO will coordinate the delivery schedule with the lab PC, and the lab PC or other properly delegated lab alternate will inventory and sign for the accountable property upon its delivery to the lab. The lab PC will remain signed for the accountable property as long as it is maintained in the lab.

C5.3.2 For accountable property that is already in DPAS (but are only being configured in the lab), and remaining in the lab for less than 90 days, (not to be used for testing), the accountable property will remain on the program office PC's DPAS hand receipt. The SRO will coordinate the delivery schedule

with the TE lab PC, and the PC or other properly delegated lab alternative will inventory and sign for the accountable property upon its delivery to the lab. The TE lab PC will assume control and conduct configuration management of the accountable property as long as it is in the lab.

C5.3.3 For accountable property that is not yet in DPAS, and when direct delivery to the lab has been authorized by the DPAM, the lab PC or properly delegated lab alternate will inspect the accountable property, sign the Government receipt form, and forward the documentation to the TE APO for entry into DPAS. The APO will assign the accountable property to the respective lab PC's DPAS hand receipt.

C5.3.4 For accountable property that will remain in TE labs, the TE lab PC will remain signed for the accountable property and be responsible for its ownership, control, and configuration management as long as it is maintained in the lab.

C5.3.5 For accountable property items or assets that will only be configured in the lab, remain within the lab for less than 90 days and not be used for testing, the TE lab PC will assume accountable property items control and conduct configuration management of the accountable property items or assets as long as they are maintained in the lab.

C5.3.6 For CAP not yet received by the Government, or GFP being maintained by a contractor, the contractor responsible for the equipment's accountability will notify the lab PC in advance of equipment delivery. Upon delivery, TE will capture detailed information pertaining to the equipment identity and installation location. The lab PC will be kept apprised of the equipment's location as long as it remains in the lab.

C5.3.7 For contractor-owned equipment to which the Government does not hold title, nor expects to hold title, TE accepts such equipment into testing labs under the conditions formally established in Product Loan Agreements (PLAs). PLAs will include the provision that the Government will not be liable for damage, destruction, or loss of the product in question. Further, PLAs will establish a time period after which the contractor must retrieve the property and require that the contract acknowledge return of the product in writing.

C5.4 **Inventories.** The PC who actually owns (i.e., has signed the primary DPAS hand receipt) an accountable property item located in the lab will perform inventories in accordance with

paragraph [C2.5](#). This is true regardless of whether the property is organizational or program. CAP equipment in the lab but not received by the Government will be inventoried in accordance with the FAR. GFP equipment used by a contractor in performance of a DISA contract in a TE lab will be inventoried in accordance with the contract.

C5.5 Transfer, Disposal and Retirement. The lab process should follow the process in paragraph [C2.6](#).

C5.6 Physical Security. TE will implement physical security measures that limit points of lab exit to those physically monitored by a guard, monitor, or property-censored alarm system (e.g., RFID). TE measures will include equipment-tracking forms and/or property passes that clearly document what equipment is leaving the lab and whether the person removing the equipment is authorized to do so.

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C6. CHAPTER 6. REAL PROPERTY AND LEASES

C6.1 **General.** Although defense agencies are generally prohibited from owning real property, the economic benefit derived from use of real property owned by the military services is material to an Agency's financial statements and must be recognized when DISA is the preponderant user of the property. Also, for DWCF funded activities, all efforts funded by DWCF capital minor construction must be captured and depreciated. For DWCF activities, it does not matter if DISA is the preponderant user of the property, since the DWCF business practice requires the capturing and depreciating of any capital asset.

C6.2 **Preponderant Use.** DISA real property coordinator managers will identify all property for which the Agency is the preponderant user, obtain cost information for the property from the responsible military service or Government activity, and maintain a schedule of such property showing the cost, location of the real property, and the DISA and military service points of contact. A separate schedule displaying like information will also be maintained for improvements made by DISA to real property where DISA is the preponderant user. Copies of these schedules will be obtained by CFE using DPAS no later than 10 days after the close of the prior period (as of 31 December, 31 March, 30 June, and 30 September) to support real property values reported by DISA on its quarterly financial statements.

C6.3 **Identification.** Because this is considered a financial process, CFE will provide detailed guidance and training on the identification, determination and assessment of preponderant use. Prior to the start of the each reporting period, CFE will verify all existing and any new real property facility and infrastructure in DPAS and determine if the real property items meet the criteria of preponderant use. If any real property items do not meet the criteria, CFE will notify MPS to eliminate the item from DPAS accountability.

C6.4 **Receiving.**

C6.4.1. **Authorization.** Each SBU, SSU and Direct Report will appoint a real property coordinator to support MPS in oversight and accountability of real property assets. This real property coordinator will be appointed by memorandum by the Director of each organization.

C6.4.2. **Acceptance.** MPS and the Host Activity will have to agree on the disposition of the real property asset. The Host Activity will have to agree to allow DISA to report the real property assets and all improvements on DISA financial accounts. The Host Activity does not give up the official real property accountability from a real property management function, rather the Host Activity will continue to report the real property asset as part of their overall inventory but will not financially report the improvements and associated depreciation. After determination of a capital lease, APOs will enter the lease facility as an asset into DPAS.

C6.5 **Managing and Accounting.** MPS will review all real property items and request annual updates on existing items or identification of new real property facilities from the DISA SBU, SSU and Direct Report organizations. Each SBU, SSU and Direct Report real property coordinator will obtain the necessary documentation for assessment by the real property coordinator and MPS.

C6.5.1 **Base Real Property Costs.** APOs and real property coordinators will assess each host activity's real property records and obtain the current base value and improvements along with dates of each value at the point of DISA occupancy of the real property facility. MPS, CFE and the real property coordinator will determine if the value has been fully depreciated and should be captured on DISA real property account. For example, if the facility was constructed in 1980 for \$100 million, the depreciable value of the initial construction costs should be zero in 2005.

C6.5.1.1 **Construction Projects.** As minor construction projects are approved and executed during the fiscal year, APOs and the organizational real property coordinators will assess the classification of project work and verify the work as Maintenance, Repair, Minor Construction or Equipment in Place. For General Fund activities, only minor construction project improvements and costs greater than \$2,500 will be entered into DPAS as an asset increase in value. For DWCF activities, any project improvement or costs funded with DWCF capital minor construction authority will be updated in DPAS and identified as an improvement for depreciation purposes. A DWCF activity may identify and fund major repair projects with DWCF capital minor construction funds such as resurfacing of parking lots or replacement of cooling towers. For DWCF projects, if any minor construction project costs less than the capital threshold, it will be recorded in DPAS but will not be depreciated since DWCF

Operating Authority is the source of funding. For MILCON efforts, the project and associated construction and infrastructure costs will be captured and depreciated in DPAS.

C6.5.1.2 Real Property Leases. For any real property leases acquired by DISA, an initial review will be commented to determine whether the lease is capital. If the lease is capital, the actual or estimated value of the lease facility will be captured into DPAS and depreciated. MPS, CFE and the organizational real property coordinator will assess the life-cycle costs and replacement of the facility against the monthly lease costs to determine whether the facility should be identified as a capital lease.

C6.6. Supporting Document.

C6.6.1 Base Real Property Documentation. The Host activity maintains real property records from initial construction including all significant improvements to the structure. A copy of the real property records with dates, description and costs should be provided to MPS for entry into DPAS.

C6.6.2 Lease Documentation. The lease agreement and monthly billing (less Government overhead) should be a basis for determination of a capital lease and captured as preponderant use for DISA. If the actual construction and improvement costs of the lease facility cannot be obtained, MPS will have to develop an estimated cost.

C6.6.3 Project Documentation. The construction contract with project documentation and estimate, work classification breakdown by the host activity, and disbursements against the appropriate contract CLIN and ACRN or Line of Accounting (LOA). For General Fund activities, the project LOA should identify the specific work classification whether by contract or in-house host support. Disbursements will be captured and entered into DPAS upon completion of the project by MPS. For DWCF projects funded with DWCF capital minor construction authority, the contract with project documentation to include actual expense data against the project CLIN and ACRN or LOA for in-house hosts support should be key documentation.

C6.6.4 Inventories. MPS and the real property coordinator will assess the current facility occupancy of DISA organizations Agency-wide. The assessment is to be performed annually to include a staff validation visit for specific visits. CFE, real property coordinator and MPS will review all real property

related costs in the accounting system and verify the accounting system with DPAS records. This reconciliation effort will be performed semi-annually.

C6.7 Termination.

C6.7.1 Government Real Property. As with any host real property, DISA will occupy the space until one of the parties terminates the agreement. The agreement is normally based on an Inter-service Support Agreement, which is signed between the host and DISA. At the time of termination, the remaining real property book value will be returned to the host activity for financial accountability. DWCF capital improvements with remaining book value will have to be assessed for either continued depreciation, one-time depreciation of remaining value or some form of write-off. MPS will notify CFE of any termination of facilities and changes to financial accountability.

C6.7.2 Lease Real Property. Each lease is unique regarding clause for termination and restoration. Each general capitalized lease can be terminated while financial liability will have to be determined. MPS will have to notify CFE of any termination and potential restoration liability of the terminated lease.

C6.8 Construction-in-Progress and/or Work-in-Progress (CIP/WIP)

C6.8.1 The cost of general PP&E real property assets while under construction are recorded in the Standard General Ledger (SLG) CIP account. This account is used to accumulate the costs of real property construction projects. CIP costs will be captured and accumulated by real property asset or structure to facilitate determining whether the capitalization threshold has been met. If costs do not meet the capitalization threshold, such costs will be expensed in the year management determines that the capitalization threshold was not or will not be met.

C6.8.2 DoD requires that completed construction projects be capitalized and recorded in the appropriate SGL account and real property accountability or management system (DPAS) upon placing the property in service, and that construction projects be maintained in a subsidiary ledger or system to facilitate the transfer of associated costs to the applicable real property or expense account. DISA utilizes FAMIS as the subsidiary ledger for the DWCF and WAAS for the General Fund.

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