



DEFENSE INFORMATION SYSTEMS AGENCY

P. O. Box 4502
ARLINGTON, VIRGINIA 22204-4502

DISA INSTRUCTION 270-165-5

14 April 2006

EQUIPMENT

Lost, Damaged, or Destroyed Government Property

1. **Purpose.** This Instruction prescribes policy, assigns responsibilities, and provides procedures relating to lost, damaged, or destroyed government property.
2. **Applicability.** This Instruction applies to DISA and special mission activities.
3. **Authority.** This Instruction is published in accordance with the authority contained in DoD Instruction 5000.64, Defense Property Accountability, 13 August 2002, and DoD 7000.14-R Financial Management Regulations (FMRs), current edition.
4. **References.**
 - 4.1 DoD 7000.4-R, Financial Management Regulations (FMRs), Volume 12, Chapter 7, Financial Liability for Government Property Lost, Damaged, or Destroyed, April 1998.
 - 4.2 Army Pamphlet 735-5, Survey Officer's Guide, 1 March 1997.
5. **Definitions.** Definitions are provided at [enclosure 1](#).
6. **Policy.** Agency property that is lost, damaged, or destroyed will not be dropped from accountability without an investigation and will be documented as a Report of Survey (ROS) to determine whether negligence was involved. Government employees who are found to have negligently lost, damaged, or destroyed Agency property will be held financially liable for the amount of loss to the Government.
7. **Responsibilities.**

7.1 **Chief of Staff (COS).** The COS serves as the ROS approving authority and will:

7.1.1 Designate appointing authorities, as needed.

7.1.2 Disqualify himself or herself when a conflict of interest is possible because the loss relates to property for which he or she is responsible or accountable.

7.1.3 Evaluate each ROS, regardless of dollar value, and either approve recommendations to assess financial liability or relieve those involved from liability, responsibility, or accountability.

7.1.4 Ensure all gains and losses that require a formal investigation are promptly and thoroughly investigated.

7.1.5 Ensure ROSs are initiated, processed, and adjudicated within Agency time limits.

7.1.6 Determine whether to delegate to an appointing authority the authority to approve or disapprove a DISA Form 292: DISA Report of Survey, when there is no evidence of negligence or abuse.

7.1.7 Overrule, when appropriate, the recommendations of an appointing authority and the Financial Liability Officer (FLO). (When this action results in the assessment of financial liability, the individual not previously recommended for liability shall be advised of their rights and afforded an opportunity to exercise their rights.)

7.1.8 Formally notify individuals against whom he or she has approved financial liability.

7.1.9 Act as appointing authority when determined appropriate.

7.2 **Principal Directors of Strategic Business Units, Directors and Chief of Shared Services Units, Direct Reports, and Special Advisors, Headquarters, DISA; Commanders of DISA Combatant Command Field Offices; and Commanders of Special Missions.**

These individuals, when designated by the approving authority, serve as an ROS appointing authority for surveys pertaining to their organization and will:

7.2.1 Appoint an FLO when circumstances indicate.

7.2.2 Provide administrative guidance to the FLO.

7.2.3 Review ROSs for accuracy and compliance with this Instruction.

7.2.4 Approve or disapprove the recommendations of the FLO and forward a personal recommendation to the approving authority.

7.2.5 Approve or disapprove ROSs when there is no evidence of negligence or abuse and the authorization has been delegated in writing by the approving authority.

8. Duties.

8.1 DISA Property Accountability Manager (DPAM). The DPAM will:

8.1.1 Provide staff oversight for the survey tracking system, to include the activities of the ROS coordinator.

8.1.2 Publish additional guidance to administer the Agency ROS process, as needed.

8.1.3 Sample ROSs from all DISA regions for quality, including those of any field organization to whom approving authority has been delegated.

8.2 Report of Survey (ROS) Coordinator. The ROS Coordinator will:

8.2.1 Assist the DPAM and the approving authority with the administration of the survey tracking system.

8.2.1.1 Maintain the Agency ROS register.

8.2.1.2 Assign an Action Information Management System (AIMS) tracking number to each survey at its inception and ensure accurate AIMS reporting of survey handoffs at each stage of the process.

8.2.1.3 Provide regular status updates on survey processing and timeliness to the DPAM and approving authority.

8.2.2 Review survey packages for completeness and hand-carry the packages to the approving authority's office for action.

8.2.3 Prepare, process for signature, and issue memoranda of official notification to persons against whom the approving authority has made a final determination of financial liability.

8.3 **Accountable Property Officer (APO).** An APO will:

8.3.1 Provide technical oversight for ROSs initiated, processed, and investigated within their assigned organization.

8.3.2 Prepare the ROS package that is ultimately routed to the approving authority for action.

8.3.3 Advise their respective appointing authority on ROS procedures, to include recommending when it is appropriate to appoint an FLO.

8.3.4 Brief each FLO prior to the conduct of a survey investigation and provide advice to FLOs during investigations, as needed.

8.3.5 Assist the FLO in determining the actual loss to the Government, to include appropriate depreciation for each case of loss, damage, or destruction of Agency property.

8.3.6 Assist the ROS coordinator in ensuring that the AIMS record of all assigned surveys is continually updated to reflect all handoffs, especially before the survey is routed to the survey coordinator and during the FLO investigation.

8.4 **Financial Manager.** A Financial Manager will assist APOs and FLOs in determining the actual loss to the Government for lost, damaged, or destroyed property originally acquired by their organization.

8.5 **Property Custodian (PC).** A PC will:

8.5.1 Perform preliminary inquiries and initiate ROSs unless disqualified as described in subparagraph [12.2](#).

8.5.2 Cooperate with FLOs in the conduct of ROSs pertaining to their handreceipts.

8.6 **Financial Liability Officer (FLO).** An FLO will:

8.6.1 Determine the actual facts pertaining to loss, damage, or destruction of property, not as alleged, but as they actually occurred and, additionally, determine whether negligence or abuse was involved and recommend whether to assess financial liability.

8.6.2 Perform investigations as thoroughly as needed to ensure all facts are fully developed, the interests of the Government

fully served, and the rights of the involved individuals fully protected. (FLOs will not limit their investigations to verifying statements of interested parties.)

8.6.3 Afford any person whose conduct or performance of duty may be subject to inquiry or who has a direct interest in the inquiry an opportunity to have their position considered. In addition, ensure any individual being recommended for financial liability is informed of his or her rights in accordance with 070404.B.10 of reference [4.1](#).

8.6.4 Immediately inform the appointing authority of all delays experienced in conducting the investigation.

9. DISA Employee Reporting of Lost, Damaged, or Destroyed Property. DISA employees, and especially personnel responsible for Government property, will immediately report all actual or suspected lost, damaged, or destroyed property to their immediate supervisor and property custodian (PC) and also notify their assigned security manager if theft is suspected.

10. Qualifications for Appointment as an FLO. To be appointed as an FLO, individuals must meet the following qualifications:

10.1 Be a commissioned or warrant officer or a civilian employee in the grade of GS-12 or above. (The FLO must be of higher grade or rank than the property custodian who submitted the survey or any person listing the facts and circumstances that may be potentially liable.)

10.2 Be senior in grade to individual(s) subject to potential financial liability. (If any subject is in grade O-6 or GS-15 or above, seniority by time-in-grade is acceptable. If during the investigation the FLO discovers that he or she is not senior, or that completing the investigation will require the FLO to examine the conduct or performance of someone senior to the FLO, the FLO will report this to the approving authority. The approving authority will either excuse the FLO and appoint another FLO who is senior or direct the original FLO to continue the investigation.)

10.3 Not be personally responsible for, or in any way directly interested in, the property listed on the ROS. (To ensure objectivity and to prevent conflict of interest, an FLO will normally not be appointed from within the same division when an appointing authority's organization is divided into divisions, branches, and teams. To the maximum extent possible, an FLO will not be appointed who reports to the same first-level

supervisor as a potential subject of the survey. Only rarely should an FLO be appointed who shares a second-level supervisor with a potential subject; i.e., assigned to the same division, and then only after the appointing authority considers the potential conflicts involved.)

11. **Timeline.** An ROS is to be processed in a timely manner with the number of handoffs in the ROS process kept to the minimum required to maintain consistency of survey packages forwarded to the approving authority for action. A timeline with a summary of critical actions required is provided at [enclosure 2](#).

12. **Procedures.**

12.1 **Discovery of Loss, Damage, or Destruction.** Any person noticing that an item of property is lost, damaged, or destroyed will immediately report the missing or destroyed property to the responsible PC or, if unknown, to a responsible manager and to the immediate supervisor. If theft is suspected, the assigned security manager should be notified.

12.2 **Initiation of the Inquiry.** The PC's organization will immediately initiate an inquiry. This inquiry will be an informal proceeding designed to determine the facts and circumstances leading to the loss, damage, or destruction. If accountable property is involved, the inquiry must be started promptly enough to allow the initial portion of the ROS to reach the APO within 5 working days of the original discovery of the loss, damage, or destruction. The PC responsible for the lost, damaged, or destroyed item will serve as the initiator and perform the inquiry. If the PC cannot impartially conduct the preliminary inquiry because the circumstances suggest his or her involvement in the loss, damage, or destruction of the property, the custodian must disqualify himself or herself from performing the inquiry. Upon the PC's disqualification, the PC will notify their immediate supervisor. The immediate supervisor shall either conduct the inquiry or designate, in writing, another person to conduct the inquiry.

12.3 **Conduct of the Inquiry.** For missing property, the informal inquiry begins with an immediate search of all likely areas. All inquiries must answer the six questions outlined in 070203 of reference [4.1](#). These questions are (1) what happened, (2) how it happened, (3) where it happened, (4) when it happened, (5) who was involved, and (6) was there any evidence of negligence, misconduct, or deliberate unauthorized use or disposition of the property? The initiator must gather all

relevant documents pertaining to the property in question. These documents will eventually be attached to the ROS as "exhibits." (Exhibits may include copies of handreceipt(s), subhandreceipt(s), pertinent correspondence (e-mails, memorandum, etc.), police or security guard reports (if available), invoices, packing lists, and statements from individuals regarding the loss or damage.) If the property was damaged or destroyed, digital photographs should be taken.

12.4 Initiation of ROS. If the missing property cannot be found or if the inquiry involved damaged or destroyed property, the next step is to initiate a DISA Form 292: DISA Report of Survey. ([Enclosure 3](#) provides a sample DISA Form 292 and accompanying instructions.)

12.4.1 The initiator fills out block 1 and blocks 3 through 13 of the DISA Form 292: DISA Report of Survey. A narrative that addresses each of the six questions referenced in subparagraph [12.3](#) will be contained in block 11. If additional space is necessary to complete any of these items (particularly block 11), a continuation sheet on letter size paper, identifying the block(s) that are being continued, will be used. All documentary evidence collected and attached to the form should be listed.

12.4.2 The narrative should provide all the basic information needed for the appointing authority to decide whether to recommend relief from accountability or to appoint an FLO. For missing property, the narrative should include such things as the last known location of the property, when it was last seen, who had possession of it, who discovered or witnessed the loss, whether it was secured or in an open area, who had access to the area, who was signed for the property, and the time it had last been officially inventoried.

12.4.3 Upon completion of block 1 and blocks 3 through 12 on the DISA Form 292, the initiator provides the form and attachments directly to the APO who maintains the Defense Property Accountability System (DPAS) record for the item(s). The DISA Form 292 will not be routed through an organizational "chop chain" prior to going to the APO as processing timelines do not allow for such routing and as the APO is the one who determines the technical sufficiency of the initial inquiry. If there is no PC to initiate the ROS or the PC is otherwise unavailable, an APO or Property Book Officer (PBO) must prepare or initiate the DISA Form 292 (completing block 1 and blocks 3 through 12 and sign blocks 12a and 13a).

12.5 APO Initial Processing.

12.5.1 Upon receiving the ROS, the APO will review the DISA Form 292 and attachments to ensure accuracy of the DPAS information reflected in blocks 3, 5, 6, 7, 8, 9, and 10; completeness of the preliminary inquiry, as reflected in block 11 (e.g. the six questions listed in subparagraph [12.3](#) have been answered); and applicability of the ROS process; i.e., whether corrections can legitimately be made to DPAS through means other than an ROS. If the preliminary inquiry is incomplete or other errors are present, the APO will return the DISA Form 292 to the initiator with appropriate instructions and guidance to ensure an adequate preliminary inquiry is conducted or any errors are corrected.

12.5.2 If the preliminary inquiry is incomplete or other errors are present, the APO will return the DISA Form 292 to the initiator with appropriate instructions and guidance to ensure an adequate preliminary inquiry is conducted or any errors are corrected. However, at the point the APO determines that a survey is the most appropriate remedy for the situation, the APO will contact the ROS coordinator for an AIMS tracking number. In many cases, this will be before the APO sends the form back to the initiator for correction. The APO will append this number to block 2 of the DISA Form 292. The APO will follow up by providing the coordinator with a working copy of the DISA Form 292 to support initial entries in the survey register. After receiving any needed corrections from the initiator and annotating the AIMS number, the APO will forward the survey to the respective appointing authority. AIMS numbers are applied as early as possible in the process to ensure forms needing correction are actually returned for further processing.

12.5.3 When creating the AIMS record, the ROS coordinator will designate the directorate who owns the property as the "action" office and all other organizations in the approval chain as "coordinate." This enables all participants to track the status and provide updates as they handoff the survey to the next office in the process. The default "coordinate" offices are the property custodian's organization (lowest level code), property custodian's directorate; initiator's organization (if different); Financial Manager's organization; Manpower, Personnel, and Security Directorate (MPS) Real Estate, Facilities, and Property Management Division; and Chief of Staff. AIMS coordination is only applicable to the General Counsel (GC) when the FLO in block 17 is recommending liability.

12.5.4 The APO will drop the property from DPAS once the ROS is initiated after signing block 13 of the DISA Form 292. Before dropping the property from DPAS, the APO will ensure an AIMS number is assigned. In addition, the dropped property in DPAS will have an official document number that is placed on the DISA Form 292 in block 7 along with the item description. If the property is found after the survey is completed, the APO will prepare a memorandum for record to reestablish accountability.

12.5.5 The APO creates an ROS package to transmit the DISA Form 292, attachments, and any other supporting documents to the appointing authority. (This is the same package that will be used throughout the life cycle of the ROS.) The APO transmits the ROS package through the DPAM to the appointing authority. The DPAM will review the package and sign block 14a before forwarding to the appointing authority.

12.6 Appointing Authority Initial Processing. Once the ROS package reaches the appointing authority, the first determination the appointing authority must make is whether to appoint an FLO. At issue is whether the information contained in the package is sufficient to persuade the appointing authority that negligence or abuse were not involved in the loss, damage, or destruction of the item(s).

12.6.1 If the information and exhibits contained in the package provide enough relevant detail to clearly establish that negligence was not a factor, then there is no need to appoint an FLO. In the presence of such evidence, the appointing authority will mark item (a) in block 15, indicating that no further investigation is required, and sign block 15e. The appointing authority will then forward the survey package to the survey coordinator, who will make further entries in the survey register before forwarding the survey package to the approving authority for action. This is known as a "short" survey.

12.6.2 If the evidence contained in the ROS package suggests that negligence or abuse were involved or if the currently presented evidence is insufficient to reasonably rule out negligence or abuse, the appointing authority will appoint an FLO to further investigate the circumstances. The appointing authority will check item (b) under block 15 and proceed to blocks 15c through 16 to appoint an FLO to conduct a further investigation. The FLO shall be notified of the duty by the directorate's chain of command. After the appointing authority completes blocks 15 and 16, the original survey package is returned to the APO for issue to the FLO.

12.7 Financial Liability Officer Investigation.

12.7.1 The FLO will make conducting the investigation his or her primary duty until it is completed. The FLO will be relieved of normal duties that could impair the expeditious completion of the investigation. The FLO is expected to complete the investigation within 30 calendar days of being appointed.

12.7.2 Upon notification of duties, the FLO will immediately make an appointment to be briefed by the APO regarding how the investigation should be conducted. This briefing must take place within 3 working days of the FLO's appointment. At the time of the briefing, the APO will provide the FLO a copy of all materials from the survey package plus a copy of reference [4.1](#) and Army Pamphlet 735-5 (reference [4.2](#)). The briefing for the FLO will include instructions on how to advise military members and civilian employees of their rights under Article 31 of the Uniform Code of Military Justice (UCMJ) and the Fourth Amendment of the Constitution, respectively, and the circumstances under which these advisories need to be made.

12.7.3 The FLO will conduct a thorough investigation, making findings and recommendations on the issue of liability of the person(s) involved and, if recommending liability, include a finding as to the value of loss and/or damage. In conducting the investigation, the FLO will perform all the responsibilities and duties set forth in 070404 of reference [4.1](#). In addition, Army Pamphlet 735-5 (reference [4.2](#)) provides authoritative explanations and examples of important concepts such as proximate cause, negligence, and culpability. It also contains guidance on developing findings and recommendations. Although DISA's procedures differ somewhat from those of the Army, the pamphlet's discussion for financial liability principles provides solid groundwork for the DISA FLO in conducting the investigation.

12.7.3.1 The FLO will complete and sign blocks 17a through 17g of DISA Form 292: DISA Report of Survey, using continuation sheets if necessary.

12.7.3.2 If not recommending financial liability, the FLO will forward the completed DISA Form 292 to the APO, who will review it for technical sufficiency, place it in the survey package, and forward the package to the appointing authority for action.

12.7.3.3 If recommending financial liability, the FLO will provide the individual against whom liability is being

recommended a chance to examine the ROS, after the findings and recommendations have been recorded, and the opportunity to make a statement that will be attached to the DISA Form 292. Further, the FLO will adhere to the other requirements in 070404B.10. of reference [4.1](#) ensuring individuals are aware of their rights and have the individual complete blocks 18a through 18d of the DISA Form 292. These steps are critical, as block 18a is a rights acknowledgement and the GC must review any rebuttal when providing the approving authority a legal opinion. After obtaining the signature, the FLO will provide the completed form to the APO, who will review it for technical sufficiency, place it in the survey package, and forward the package to the appointing authority for action.

12.8 Appointing Authority Processing After FLO Investigation.

12.8.1 Upon receiving the completed DISA Form 292 from the FLO, the appointing authority takes action by completing blocks 19a through 19e, either concurring or nonconcurring with the FLO findings and recommendations. If nonconcurring, the appointing authority will provide the reason in block 19b. The appointing authority's office then forwards the survey package to the survey coordinator to be prepared for approving authority review.

12.8.2 If the appointing authority determines that the FLO investigation is incomplete, the appointing authority may return the survey package to the FLO for additional investigation. In this case, the appointing authority would not annotate blocks 19a through 19e, but would spell out the shortfalls in a separate communication; e.g., an e-mail or a memorandum.

12.9 **ROS Coordinator Actions.** Upon receiving the survey package from the appointing authority, the ROS coordinator has 2 working days to review the package for completeness, make corrections, and hand-carry the survey package to the approving authority (or to the GC if liability is recommended by the FLO). If the FLO is recommending financial liability, the ROS coordinator will instead hand-carry the survey package to the GC for a legal review. After the GC completes their review, the survey package will be hand-carried to the approving authority and the ROS coordinator notified. The ROS coordinator updates AIMS to reflect this status. Total processing time through the point where the ROS coordinator forwards the notification that financial liability has been assessed will not exceed 75 days.

12.10 Approving Authority Actions.

12.10.1 The approving authority evaluates the survey package and considers the recommendation of the appointing authority. If the survey circumstances were straightforward enough to be submitted without an FLO being appointed (short survey), the approving authority has the options of (1) approving the survey as is, (2) directing the appointing authority to appoint a FLO to conduct an investigation, or (3) directing the appointing authority to informally collect additional information. (In such a case, the person who conducted the preliminary inquiry normally does further information gathering.) If exercising the latter two options, the approving authority will send the package directly to the appointing authority while apprising the survey coordinator. The ROS coordinator will annotate AIMS accordingly.

12.10.2 If an FLO investigation has already been conducted, the approving authority evaluates the quality of the investigation and the merit of the findings and recommendations. If the approving authority determines additional investigation is warranted before taking action, the package will be returned directly to the FLO with guidance on what aspects of the investigation were lacking. In such a case, the approving authority apprises the ROS coordinator that this action has occurred and the coordinator annotates the AIMS record accordingly.

12.10.3 When the approving authority can establish from the information in blocks 11 and 17a and the attached exhibits whether negligence or willful misconduct was the probable cause of the loss, damage, or destruction, the approving authority may decide whether to hold the subject financially liable by checking the appropriate item in block 20a on the DISA Form 292.

12.11 **Appeals.**

12.11.1 An individual held financially liable may appeal, in writing, the findings and determinations of the ROS within 30 days of receipt of the notification that liability will be assessed. Appeals must state alleged errors or injustices. Appeals must be submitted to the ROS coordinator for forwarding to the Vice Director, who serves as the DISA appellate authority. After the Vice Director decides on the appeal, the package will be returned to the ROS coordinator, who will prepare a memorandum to the individual providing notification of the decision.

12.11.2 After liability is assessed, the approving authority may consider a request for reconsideration to make a minor

correction or address newly discovered evidence, including evidence that previously lost property has been recovered. The approving authority takes action on such requests for consideration, and the survey coordinator will ensure the action is implemented.

13. Distribution of Approved Surveys. The ROS coordinator will forward the approved ROS to the APO after allowing 30 days for an appeal or after the appeal process is completed. The APO will assign the ROS a document number and use it as the basis for final adjustments to the Defense Property Accountability System (DPAS), e.g., dropping the property from the ROS handreceipt. The APO will file a copy of the complete ROS and attachments in the Document Register Supporting File and provide a copy to the initiator. After distributing the copies, the APO forwards the original and all remaining copies of the DISA Form 292 by transmittal document to the servicing disbursing officer. All continuation sheets are to be included and the attachments and exhibits excluded. The approved DISA Form 292 is sufficient to hold a person financially liable and establish a debt.

14. Disposition of Damaged Property. The initiator of an ROS will not dispose of, repair, or continue to use the damaged property until the FLO (when appointed), the appointing authority, or the approving authority decide it is no longer needed for investigative purposes.

14.1 When damaged property is not needed for investigative purposes, it will be categorized as serviceable, repairable, unserviceable, or uneconomically repairable. Property deemed serviceable and repairable will be returned to service. Unserviceable and uneconomically repairable property will be turned in through the APO to the supporting supply activity or excess warehouse.

14.2 For vehicular accidents resulting in minor damage to the exterior of the vehicle, the approving authority may allow continued use of the vehicle as long as certification is obtained from a qualified automotive technician that the damage does not prevent the safe use of the vehicle and that continued use will not make the damage worse. Photographs need to be obtained documenting the damage at the time of the accident. (Both the photographs and the certification will be attached as exhibits to the ROS when it is initiated.)

15. Recovered Property. Property recovered after completion of an ROS is returned to the Government and not the individual.

15.1 If property is recovered prior to the completion of a survey, the FLO will line through the item on the DISA Form 292 and write the word "recovered" beside it. The total amount of the survey will be reduced to reflect the difference.

15.1.1 The FLO must notify both the APO and the survey coordinator, in writing, of all property recovered during the investigation at the time the findings and recommendations are provided to the APO.

15.1.2 The APO will complete a memorandum for record to reestablish the lost item to the property book. Within the memorandum, the ROS AIMS number, property's stock number, nomenclature, serial number, quantity, and cost should be referenced. In addition, the original handreceipt number should be identified to reestablish accountability.

15.2 If property is recovered after the survey is completed and the item dropped from DPAS, the APO reestablishes property accountability by completing a memorandum for record and accessing DPAS by performing a reversal increase action or administrative adjustment report (AAR). The APO will reference the document number and control number of the survey on all transactions, post the item in DPAS, restore the item to the appropriate handreceipt, and generate a DA Form 3161: Request for Issue or Turn-In, to issue the property to the owning property custodian. A copy of the document will be filed with the original survey transaction for reference purposes, as well as in the handreceipt and document register supporting files.

16. Financial Cost of Lost, Damaged, or Destroyed Property.

For damaged property, this loss shall be based on the cost of repair or restoration. For lost or destroyed property, this loss shall be based on the fair market value immediately before the event. When fair market value cannot be determined, the amount shall be the acquisition cost adjusted for depreciation. (For detailing cost, refer to DoD 7000.14-R, FMRs, Volume 4, Chapter 6.) The actual financial liability to individuals will be the actual amount of loss or the limitation based upon rate of pay, whichever is less. All decisions to impose financial liability will be made on the basis of findings by a properly appointed FLO.

17. Voluntary Payment. At any time before or during the ROS process, a DISA employee may voluntarily pay the Government for lost, damaged, or destroyed government property. Voluntary payment may be accepted in lieu of an ROS provided the criteria in 070204 of reference [4.1](#) are met. Voluntary payments are

processed on a DD Form 362: Statement of Charges or Cash Collection Voucher, and the responsible individual will make the check or money order payable to the "U.S. Treasury" with annotations of the property and DISA activity name.

18. Summary of Rights.

18.1 In General. When the FLO recommends financial liability, 070209 of reference [4.1](#) requires the FLO to apprise the individual and give him or her the opportunity to examine the findings and recommendations. In addition, they can obtain representation, make a rebuttal statement, and present any mitigating factors that may have contributed to the negligence or abuse.

18.2 Rights Against Self-Incrimination.

18.2.1 Military Member. If the initiator or FLO has reason to believe that a military member has lost, damaged, or destroyed government property by negligent, reckless, or intentional acts or omissions, he or she will administer an Article 31 rights warnings prior to the initiator pursuing the discussion. Should the military member invoke his or her rights, the discussion will be terminated and this fact noted in block 11 by the initiator or block 17 by the FLO. The initial inquiry or FLO investigation will then continue.

18.2.2 Civilian Employee. If the initiator or FLO suspects that a civilian employee has lost, damaged, or destroyed government property by negligent acts or omissions, no Fourth Amendment rights advisory need be given before discussing the matter with the employee. This is because civilian employees cannot be criminally charged for negligent acts. However, if the initiator suspects that a civilian employee has intentionally damaged or stolen government property, the initiator should administer a Fourth Amendment right warning prior to pursuing the discussion. Should the employee invoke his or her rights, the discussion will be terminated and this fact noted in block 11 by the initiator or block 17 by the FLO. The initial inquiry or FLO investigation will then continue.

18.3 Upon Issue of Findings of Financial Liability.

18.3.1 The FLO is to give any individual against whom he or she makes a finding of financial liability the opportunities to examine the ROS after the findings and recommendations have been recorded, obtain representation, make a rebuttal statement, and present any mitigating factors that may have contributed to

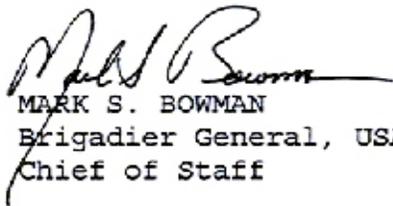
negligence or abuse. In providing the opportunity to make a statement, the FLO is to inform the individual that the statement may be used against him or her with regard to financial liability and other administrative or disciplinary actions.

18.3.2 The FLO is to ensure that the individual being recommended for possible financial liability is aware of his or her rights under chapter 30, "Debt Collection by Involuntary Salary and Administrative Offset," volume 5 of the FMR.

18.4 **Upon Final Determination of Financial Liability.** The approving authority is required to notify individuals against whom he or she has approved financial liability. Although the FMR provides no process for appeal, DISA has established an appeal process as discussed in subparagraph [12.11](#).

FOR THE DIRECTOR:

3 Enclosures a/s


MARK S. BOWMAN
Brigadier General, USA
Chief of Staff

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DEFINITIONS

1. **Abuse.** Willful misconduct or deliberate unauthorized use.
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 of funds with or without physical possession. Note: The person who has possession is responsible for physical control, care and safekeeping.
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.
4. **Accountable Property Officer (APO).** An individual appointed by proper authority who, based on their training, knowledge, and experience in property accountability and control procedures, are charged with (1) establishing and maintaining an organization's formal property records and systems and/or financial records in connection with Government property, irrespective of whether the property is in his or her possession and (2) implementing associate internal controls. These responsibilities cannot be delegated.
5. **Acquisition Cost.** Consists of the amount paid for the property, less both trade and cash discounts, plus the transportation costs.
6. **Appointing Authority.** An officer or civilian employee designated in writing by the approving authority with responsibility for appointing report of survey investigating officers; reviewing the Financial Liability Officer's findings and recommendations; and providing his or her concurrence/nonconcurrence to the approving authority of the Financial Liability Officer's findings and recommendations. The appointing authority is normally under the command of, or on the staff of, the approving authority. An appointing authority must be in the grade of lieutenant colonel or above or be a GS-14 or above.
7. **Approving Authority.** A military officer or DISA civilian employee authorized to appoint Financial Liability Officers and to approve reports of survey "by authority of the Secretary of Defense." An approving authority must be in the grade of

lieutenant colonel or above or be a GS-14 or above in a supervisory position. The approving authority is normally senior to the appointing authority. The approving authority for all reports of survey is the Chief of Staff.

8. **Causative Research.** An investigation of discrepancies (i.e., gains and losses) consisting of (as a minimum) a complete review of all transactions to include supporting documentation. The purpose of causative research is to identify, analyze, and evaluate the cause(s) of inventory discrepancies with the aim of eliminating repetitive errors. Causative research ends when the cause(s) of the discrepancies have been discovered or when, after review of the transactions, no conclusive findings are possible.

9. **Controlled Inventory Items.** Designated items as having characteristics which require they be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safekeeping and integrity. (See controlled inventory item codes (CIIC) 1 through 6, 8, 9, \$, N, P, Q, R, and Y as explained in Federal Log.) Listed below the degree of normal control exercised for controlled inventory items, in descending order.

9.1 **Classified Items.** Materiel requiring protection in the interest of national security.

9.2 **Sensitive Items.** Material requiring a high degree of protection and control due to statutory requirements or regulations; high value, highly technical, or hazardous items; and small arms, ammunition, explosives, and demolition materiel.

9.3 **Pilferable Items.** Materiel having ready resale value or civilian application to personal possession and, therefore, are especially subject to theft. Examples are binoculars, blackberries, laptop computers, cellular phones, cameras, tapes, and recorders.

10. **Culpability.** Before a person can be held financially liable, the findings must show that he or she, through negligence or willful misconduct, violated a particular duty involving the care for the property. Whether the person's actions or omissions constitute negligence depends on the circumstances of each case. Negligence under some circumstances may not reflect negligence under other circumstances.

11. **Collective Financial Liability.** The term is used when more than one individual is found financially liable for a loss.

12. **Damage.** A condition that impairs either the value or use of an article; may occur in varying degrees. Property may be damaged in appearance or in expected useful life without rendering it unserviceable or less useful. Damage also shows partial serviceability. Usually implies that damage is the result of some act or omission.

13. **Discrepancies.** The loss, gain, damage, or destruction of Government property.

14. **Financial Liability.** The statutory obligation of an individual to reimburse the Government for lost, damaged, or destroyed Government property as a result of negligence or abuse.

15. **Financial Liability Officer (FLO).** An individual who is appointed in writing by the appointing authority to conduct an investigation to determine responsibility for loss, damage, or destruction of Government property. Individuals appointed as an FLO 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 GS-12 or above. The FLO must be of higher grade or rank than the property custodian who submitted the survey or any person listed in the facts and circumstances who may be potentially liable.

16. **Investigation.** A means of determining the facts related to lost, damaged, or destroyed Government property or materiel; determining the present condition of such property; receiving recommendations as to disposition, retention, and further accountability for such property; or determining the responsibility for loss, damage, or destruction of Government property and materiel.

17. **Item.** A generic term meaning any article of material which is produced, stocked, stored, issued, or used.

18. **Liability.** The state of being responsible or answerable for the loss, gain, damage, or destruction of Government property.

19. **Negligence.** The failure to act as a reasonable and prudent person would have acted under similar circumstances. An act or omission that a reasonable and prudent person would not have committed or omitted under similar circumstances and which is the proximate cause of the loss of, damage to, or destruction of Government property. Failure to comply with existing laws,

regulations, or procedures may be considered as evidence of negligence. Descriptions of simple and gross negligence follow.

19.1 **Gross Negligence.** An extreme departure from the course of action to be expected of a reasonable prudent person, all circumstances being considered. The act is characterized by a reckless, deliberate, or wanton disregard of foreseeable consequences.

19.2 **Simple Negligence.** Simple negligence is the failure to act as a reasonably prudent person would have acted under similar circumstances.

20. **Probable Cause.** Reasonable grounds for belief.

21. **Property.** Anything that may be owned. As used in the military establishment, this term is usually confined to "tangible property," including real estate and material. For special purposes and as used in certain statutes, this term may exclude such items as the public domain, certain lands, and certain categories of naval vessels and records of the Federal Government.

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

22.1 **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, or 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.

22.2 **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.

23. **Property Record.** General term referring to any record of property. It is inclusive not only of stock record accounts, but also of organization and installation property books, clothing and equipment records, handreceipt records, or any system of files for property records. Also called, "property account."

24. **Proximate Cause.** Proximate cause is the cause which, in a natural and continuous sequence, unbroken by a new cause, produces loss, damage, or destruction and without which the loss, damage, or destruction would not have occurred. It is further defined as the primary moving cause, or the predominate cause, from which the loss, gain, or damage followed as a natural, direct, and immediate consequence.

25. **Record.** All forms of information (e.g., narrative, graphic data, and computer memory) registered in either temporary or permanent form that it can be retrieved, reproduced, or preserved.

26. **Research.** An investigation of potential or actual discrepancies between physical count and recorded balances. The purpose of the research is to determine the correct balance and determine the cause of discrepancies.

27. **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. Four different types of responsibility within DISA are outlined as follows:

27.1 **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.

27.2 **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 property custodian always have direct responsibility.

27.3 **Personal Responsibility.** Personal responsibility is the obligation of a person to exercise reasonable and prudent actions to properly use, care for, and safeguard all Government property in their physical possession. It applies to all Government property issued for, acquired for, or converted to a person's exclusive use, with or without receipt.

27.4 **Custodial Responsibility.** The physical possession of the property and the duty or responsibility to assure that such property is protected or otherwise maintained. This responsibility is typically assigned to one or more property custodians in specific custodial or work areas.

28. **Short Survey.** A short survey provides an option of shortening the report of survey process. When the facts documented in the "date and circumstances" block and exhibits are clear enough to support an approving authority decision on relief from accountability, the approving authority may act without a Financial Liability Officer (FLO) investigation. The FLO-related portions of the process and survey form are skipped, and, therefore, are shorter. There are two types of short surveys. The first is a short survey forwarded by an Appointing Authority; the second is a short survey completed entirely by the Approving Authority. In DISA, short surveys will not be used to assess liability.

29. **Report of Survey Register.** A register providing status of all report of surveys.

30. **Survey Package.** A report of survey package (DISA Form 9: Summary Sheet, e-mails, DISA Form 292: Report of Survey, exhibits, and any type of supporting material) prepared by the Accountable Property Officer (APO) forwarded to the appointing authority. This package will be used throughout the life cycle of the report of survey.

31. **Willful Misconduct.** Willful misconduct is any intentionally wrongful or unlawful act or omission relating to Government property to include misappropriation of Government property.

Return to:

[Top of DISAI 270-165-5 Enclosure 1](#)

[DISAI 270-165-5 Basic](#)

[DISAI 270-165-5 Enclosure 2](#)

[DISAI 270-165-5 Enclosure 3](#)

[Publications Listing](#)

[DISA Home Page](#)

cio-pubs@disa.mil - Last Revision: 13 April 2006

REPORT of SURVEY (ROS) TIMELINE

Action	Allowable Period	Total Time Allowable
Initiator receives report of loss, damage, or destruction; performs preliminary investigation; prepares DISA Form 292: DISA Report of Survey, and submits directly to Accountable Property Officer (APO) with exhibits, as required.	5 working days (WD)	7 Days
APO reviews and validates survey, determines approval chain, and provides the basic information to ROS coordinator via e-mail.	3 WD	10 Days
ROS coordinator initiates an action in the Action Information Management System (AIMS) and informs APO of the AIMS tracking number. ROS coordinator annotates the survey register.	1 WD	13 Days
APO appends AIMS number to block 2 and forwards survey to appointing authority.	1 WD	14 Days
APO drops the listed ROS property from the Defense Property Accountability System (DPAS) and ROS is initiated upon signing block 13a of the DISA Form 292. APO assigns an official document number in DPAS when dropping lost property. APO prepares the survey package and provides the package directly to appointing authority.	N/A	N/A
Appointing authority approves survey or appoints Financial Liability Officer (FLO).	5 WD	21
FLO obtains briefing from APO.	3 WD	26
FLO completes investigation to include (1) offering the subject the opportunity to examine the findings and recommendations and to make a statement or rebuttal, (2) ensuring subjects understand their rights and complete blocks 18a-18d), (3) consulting with APO in determining depreciation for block 17b and 17c, and (4) returning survey package to APO.	30 Days from appointment	51

APO reviews package and forwards directly to appointing authority.	3 WD	56
Appointing authority concurs or nonconcur and forwards package to ROS coordinator.	3 WD	61
ROS coordinator prepares package and hand-carries to General Counsel (GC) for a legal review if liability is recommended by FLO or to approving authority if FLO does not recommend liability.	2 WD	63
If applicable, GC accomplishes legal review and hand-carries survey package and legal review to approving authority	3 WD	66
Approving authority reviews package, to include any rebuttal, and approves or rejects findings and recommendations.	5 WD	75
Approving authority makes final liability determination.	N/A	N/A
ROS coordinator prepares, obtains approving authority signature for, and sends formal notification to subject (if found liable).	N/A	N/A
APO files the completed survey in the Document Register Supporting File.	N/A	N/A

Return to:

[Top of DISAI 270-165-5 Enclosure 2](#)

[DISAI 270-165-5 Basic](#)

[DISAI 270-165-5 Enclosure 1](#)

[DISAI 270-165-5 Enclosure 3](#)

[Publications Listing](#)

[DISA Home Page](#)

cio-pubs@disa.mil - Last Revision: 13 April 2006

**DISA FORM 292: DISA REPORT OF SURVEY
(FRONT)**

DEFENSE INFORMATION SYSTEMS AGENCY REPORT OF SURVEY <small>For use of this forms, see DISAI 270-165-5</small>				1. DATE PREPARED <small>(YYYY MM DD)</small>	2. SURVEY NUMBER (FOI/O)
3. TYPE OF PROPERTY		4. ADDRESS OF INITIATOR			
5. NAME OF INITIATOR					
6. STOCK NUMBER	7. ITEM DESCRIPTION <small>(Including barcode and serial number)</small>	8. QTY	9. UNIT PRICE	10. TOTAL COST	
11 DATE AND CIRCUMSTANCES <small>(Check one)</small>					
<input type="checkbox"/> LOST <input type="checkbox"/> DAMAGED <input type="checkbox"/> DESTROYED					
ATTACH CONTINUATION SHEET AND EXHIBITS					
12. AFFIDAVIT <small>I do solemnly swear (or affirm) that (to the best of my knowledge and belief) the articles of public property shown above and/or on attached sheets were lost, destroyed, damaged, or worn out in the manner stated, while in the public service.</small>		12a. SIGNATURE OF INITIATOR		12b. DATE (YYYY MM DD)	
		12c. TYPED NAME, AND TITLE			
13a. APO/PBO SIGNATURE		13b. DATE (YYYY MM DD)		14a. DPAM SIGNATURE	
				14b. DATE (YYYY MM DD)	
15. APPOINTING AUTHORITY <small>(Check one)</small>					
I have reviewed the evidence pertaining to this lost, damaged, or destroyed property, and have determined that the following action is required.					
a. <input type="checkbox"/> No further investigation is required. There is no conclusive evidence of negligence. I do not suspect willful misconduct or deliberate unauthorized use. I hereby forward this document to the approving authority for final action (Proceed to block 20)					
b. <input type="checkbox"/> The circumstances surrounding the loss, damage, or destruction warrants further investigation. (Proceed to block 16)					
15c. DATE (YYYY MM DD)		15d. TYPED NAME, GRADE AND TITLE OF APPOINTING AUTHORITY			15e. SIGNATURE

**DISA FORM 292: DISA REPORT OF SURVEY
(BACK)**

16. NAME OF FINANCIAL LIABILITY OFFICER (FLO) (YOU ARE APPOINTED FINANCIAL LIABILITY OFFICER BY ORDER OF APPOINTING AUTHORITY IDENTIFIED IN BLOCK 15)		
17a. FINDINGS AND RECOMMENDATION OF FINANCIAL LIABILITY OFFICER I have examined all available evidence as shown in exhibits _____ to _____ and as indicated below have personally investigated the same and it is my belief that the article(s) listed hereon and/or attached to sheets <input type="checkbox"/> (was) <input type="checkbox"/> (was not) lost, damaged, or destroyed due to negligence on the part of _____		
17b. ACTUAL LOSS	17c. MONTHLY/ BASE PAY	17d. RECOMMEND <input type="checkbox"/> No Financial Liability <input type="checkbox"/> Financial Liability in amount of _____
17e. DATE (YYYY MM DD)	17f. TYPED NAME OF FLO	17g. SIGNATURE
18a. INDIVIDUAL CHARGED I have examined the findings and recommendations of the Surveying Officer on this report of survey and the exhibits _____ to _____ and <input type="checkbox"/> desire to make a statement which is attached hereto; <input type="checkbox"/> do not desire to make a statement. I am aware of my right to legal advice in preparing the statement, and if a pecuniary charge is finally approved, to make an appeal and <i>(If an ex-Armed man)</i> my right to request remission of indebtedness. I am/am not the accountable officer for the lost of damaged property. The property was/was not my personal arms or equipment.		
18b. DATE (YYYY MM DD)	18c. TYPED NAME, GRADE OF INDIVIDUAL BEING CHARGED	18d. SIGNATURE
19a. RECOMMENDATION BY THE APPOINTING AUTHORITY <input type="checkbox"/> CONCUR <input type="checkbox"/> NONCONCUR	19b. COMMENTS	
19c. DATE (YYYY MM DD)	19d. TYPED NAME, GRADE & TITLE OF APPOINTING AUTHORITY	19e. SIGNATURE
20. APPROVING AUTHORITY		
20a. RECOMMENDATION OF FINANCIAL LIABILITY OFFICER <i>(X one)</i>	20b. COMMENTS/RATIONALE	20c. LEGAL REVIEW COMPLETED IF REQUIRED <i>(X one)</i>
<input type="checkbox"/> (1) Approved <input type="checkbox"/> (2) Disapproved		<input type="checkbox"/> (1) Yes <input type="checkbox"/> (2) No
20d. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, Zip Code)</i>	20e. NAME, GRADE, AND TITLE OF APPROVING AUTHORITY	20f. DSN NUMBER
	20g. SIGNATURE	20h. DATE SIGNED (YYYYMMDD)

INSTRUCTIONS FOR COMPLETING DISA FORM 292

Blocks 1-12. Prepared by the initiator except for block 2.

Block 1	Enter date prepared.
Block 2	APO inputs AIMS number as verified by ROS coordinator.
Block 3	Enter either Organizational, Program, or DISA Lab.
Block 4	Enter address of initiator.
Block 5	Enter name of initiator.
Block 6	Enter stock number.
Block 7	Enter name of item, barcode, and serial number.
Block 8	Enter quantity.
Block 9	Enter unit price. (Acquisition cost or fair market value at time of survey.)
Block 10	Calculate total cost or estimated cost.
Block 11	Enter description of events leading to the loss, damage, or destruction. Refer to DISAI 270-165-5, subparagraph 12.4.1 . Attach exhibits and witness statements. Use a continuation sheet, for additional space, if necessary.)
Block 12	Self explanatory.
Blocks 12a-c	Self explanatory.
Block 13a,b	APO or PBO sign and date.
Block 14a,b	DPAM sign and date.
Block 15a-e	Appointing Authority completes section.
Block 16	Appointing Authority enters FLO name.
Block 17a-g	FLO completes.
Block 17a	Enter findings and recommendation. (For findings, advise if there was no negligence or willful misconduct and make a recommendation to relieve all individuals involved of responsibility or advise as to whether accountability continues.)
Block 17b	Enter actual loss, which is fair market value or depreciated value.
Block 17c	Enter figure. (For civilian employee, cost is equivalent to 1/12 of the annual pay; for a military member, cost is 1-month's base pay.)
Block 17d-g	Self explanatory.
Block 18a	Individual charged completes.
Block 18b,c	FLO completes.
Block 18d	Individual charged signs.
Block 19a-e	Appointing Authority completes.
Block 20a,b	Approving Authority completes.
Block 20c	General Counsel completes, if required.

Block 20d-h	Approving Authority completes.
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Return to:

[Top of DISAI 270-165-5 Enclosure 3](#)

[DISAI 270-165-5 Basic](#)

[DISAI 270-165-5 Enclosure 1](#)

[DISAI 270-165-5 Enclosure 2](#)

[Publications Listing](#)

[DISA Home Page](#)

cio-pubs@disa.mil - Last Revision: 13 April 2006
