



Department of Defense INSTRUCTION

NUMBER 5000.64

May 19, 2011

USD(AT&L)

SUBJECT: Accountability and Management of DoD Equipment and Other Accountable Property

References: See Enclosure 1

1. PURPOSE. This Instruction:

- a. Reissues DoD Instruction (DoDI) 5000.64 (Reference (a)) in accordance with the authority in DoD Directive (DoDD) 5134.01 (Reference (b)), to establish accountability and management policy for tangible DoD-owned equipment and other accountable property.
- b. Establishes policy and procedures to comply with title 40 of United States Code (U.S.C.) and section 901 of title 31, U.S.C. (References (c) and (d)); and outlines requirements that reflect the accountability perspective of property management, which supports the lifecycle management of items to include the documentation of lifecycle events and transactions.
- c. Establishes policy, assigns responsibilities, and provides procedures for DoD-owned equipment and other accountable property; assists DoD property managers, accounting and financial managers, and other officials in understanding their roles and responsibilities.
- d. Complements the accounting and financial reporting requirements contained in DoD 7000.14-R (Reference (e)).

2. APPLICABILITY. This Instruction:

- a. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (hereinafter referred to collectively as the "DoD Components").

b. Does NOT apply to intellectual property, software, real property, or property and materiel for which accountability and inventory control requirements are prescribed in DoDI 4165.14, DoD 4140.1-R, and DoD 4000.25-2-M (References (f), (g), and (h)).

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

a. All persons entrusted with the management of Government property shall:

(1) Possess and continually demonstrate an appropriate level of competence and proficiency in property accountability and management.

(2) Be held to the highest ethical standards in accordance with DoDD 5500.07 (Reference (i)).

(3) Be responsible for the proper use, care, physical protection, and disposal or disposition of all Government property. This responsibility includes:

(a) Using Government property for official business only.

(b) Complying with all applicable regulations.

(c) Contacting the appropriate authority if property is subjected to undue risk of loss, damage, destruction, theft, fraud, waste, abuse, or mismanagement.

(d) Reporting property loss.

(e) Reporting any misuse of Government property to appropriate investigative organizations through proper channels.

(f) Directing the appropriate disposition or disposal of Government property, including reutilization and sale, in accordance with all applicable laws and regulations.

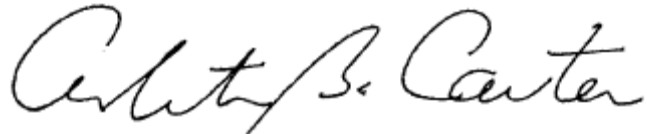
b. Property management policies and systems shall be consistent with the ASTM International E 2279-03 (Reference (j)).

5. RESPONSIBILITIES. See Enclosure 2.

6. PROCEDURES. See Enclosure 3.

7. RELEASABILITY. UNLIMITED. This Instruction is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE. This Instruction is effective upon its publication to the DoD Issuances Website.



Ashton B. Carter
Under Secretary of Defense for
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Enclosures

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ENCLOSURE 1

REFERENCES

- (a) DoD Instruction 5000.64, "Accountability and Management of DoD-Owned Equipment and Other Accountable Property," November 2, 2006 (hereby cancelled)
- (b) DoD Directive 5134.01, "Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L))," December 9, 2005
- (c) Title 40, United States Code
- (d) Section 901 of title 31, United States Code
- (e) DoD 7000.14-R, "DoD Financial Management Regulation," as amended
- (f) DoD Instruction 4165.14, "Real Property Inventory," March 31, 2006
- (g) DoD 4140.1-R, "DoD Supply Chain Materiel Management Regulation," May 23, 2003
- (h) DoD 4000.25-2-M, "Military Standard Transaction Reporting and Accounting Procedures," September 2001
- (i) DoD Directive 5500.07, "Standards of Conduct," November 29, 2007.
- (j) ASTM International E-2279-03, "Standard Practice for Establishing the Guiding Principles of Property Management"¹
- (k) ASTM International E-2452-10, "Standard Practice for Equipment Management Process Maturity (EMPM) Model"¹
- (l) DoD Directive 8320.03, "Unique Identification (UID) Standards for a Net-Centric Department of Defense," March 23, 2007
- (m) DoD 4100.39-M, Volume 10, "Federal Logistics Information System Procedures Manual," as amended
- (n) DoD Directive 5015.2, "DoD Records Management Program," March 6, 2000
- (o) Office of Management and Budget Memorandum M-06-19, "Reporting Incidents Involving Personally Identifiable Information and Incorporating the Cost for Security in Agency Information Technology Investments," July 12, 2006
- (p) Office of Management and Budget Memorandum M-06-16, "Protection of Sensitive Agency Information," June 23, 2006
- (q) DoD Instruction 4715.4, "Pollution Prevention," June 18, 1996
- (r) DoD 4160.21-M, "Defense Materiel Disposition Manual," August 1997
- (s) DoD 5220.22-M, "National Industrial Security Program Operating Manual (NISPOM)," February 1, 2006
- (t) ASTM International E2132-01(2007), "Standard Practice for Physical Inventory of Durable, Moveable Property"¹
- (u) DoD Instruction 5010.40, "Managers' Internal Control Program (MICP) Procedures," July 29, 2010
- (v) Federal Acquisition Regulation, Part 46 "Quality Assurance"
- (w) ASTM International E-2135-01, "Standard Terminology for Property and Asset Management"¹

¹ Available via Internet at <http://www.astm.org>

ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS (USD(AT&L)). The USD(AT&L) shall:

a. Establish property management policies, standards, and performance measures and monitor and evaluate DoD-wide performance to achieve and sustain effective accountability, management, control, and accurate accounting of Government property.

b. Establish procedures to grant waivers to this Instruction, where appropriate.

c. Establish a DoD Property Council. The DoD Property Council shall:

(1) Provide a forum for the discussion of major property accountability and management issues and problem resolution.

(2) Ensure the DoD property management goals and expectations are clearly communicated throughout the Department of Defense.

(3) Address the practical implementation of policy by:

(a) Providing, in an enterprise context, direction on uniformity in the identification, classification, and reporting of DoD property.

(b) Facilitating communication across the Department of Defense.

(c) Promoting successful system interfaces through the use of standardized terminology, policies, and procedures.

(d) Encouraging and promoting the use of best practices for property accountability and management.

2. HEADS OF THE DOD COMPONENTS. The Heads of the DoD Components shall:

a. Manage all property acquired, leased, or otherwise obtained throughout an asset's lifecycle: from initial acquisition and receipt, through accountability and custody, until formally relieved of accountability by authorized means, including disposition, or through a completed evaluation and investigation for property loss.

b. Establish accountable property systems of record (APSR); ensure the integration with core financial and other systems and processes, particularly those for logistics and acquisition.

c. Establish implementing regulations and procedures, including the assessment and reporting of its overall property management maturity level. The property management maturity level should meet the minimum standards as defined by ASTM E2452-10 (Reference (k)).

d. Develop and maintain effective and meaningful performance measures.

e. Perform periodic internal reviews and audits necessary to assess property accountability, management system effectiveness, and policy compliance and effectiveness.

f. Require that all persons entrusted with Government property are made aware of and understand their responsibilities, which includes proper care and stewardship, as well as potential legal ramifications for misuse or loss.

g. Require that personnel are properly trained to their level of functional responsibility.

h. Appoint, in writing, accountable property officers (APOs). Ensure that APOs:

(1) Establish and maintain an organization's accountable property records, systems, and financial records, in connection with Government property, irrespective of whether the property is in the individual's or DoD Component's possession. This includes the requirement for maintaining a complete trail of all transactions, suitable for audit (see paragraph 2.c. of Enclosure 3 of this Instruction), and the ability to implement and adhere to associated internal controls. These responsibilities cannot be delegated.

(2) Post changes to the property records for all transactions as required (e.g., loan, loss, damage, disposal, inventory adjustments, item modification, transfer, sale).

(3) Designate custodial areas within an accountable area and appoint property custodians, in writing, for each custodial area designated.

(4) Monitor the acquisition, storage, utilization, transfer, and disposal of property.

(5) Properly and uniquely identify and mark property received and issued as appropriate.

(6) Issue custody receipts or similar documents for all property assigned to an individual or organization.

(7) Evaluate culpability when property loss has been reported; report and recommend appropriate action and assist in investigations, as required; process reports of survey and liability investigations according to established procedures (see Chapter 7 of Volume 12 of Reference (e)).

(8) Certify that property assigned to a unit or organization is properly inventoried; perform a joint physical inventory (with the gaining organization) when transferring the organization's property account; properly execute and sign the required documentation.

(9) Develop physical inventory plans and procedures, schedule physical inventories, and assist in their completion, in accordance with section 11 of Enclosure 3 of this Instruction.

(10) Ensure electronic interfaces are used between the APSR and mandated enterprise systems (e.g., Wide Area Workflow).

ENCLOSURE 3

PROCEDURES

1. ACCOUNTABILITY. Accountability of property shall:

- a. Be established upon receipt, delivery, or acceptance.
- b. Be enabled by item unique identification (IUID) for identification, tracking, and management in accordance with DoDD 8320.03 (Reference (l)).
- c. Be established and maintained using information technology. The use of automatic identification technologies (AIT) to assist in property accountability is mandatory unless demonstrably proven through cost benefit or other analysis that implementation would not be practicable.
- d. Not be compromised by virtue of its status within the (property) life cycle (e.g., excess, obsolete or unserviceable, surplus) or physical location (e.g., loading platform, in-transit, in theater).
- e. Be maintained through accountable property records within an APSR.

2. ACCOUNTABLE PROPERTY RECORDS

- a. Accountable property records shall be established in an APSR for all Government property purchased, or otherwise obtained, having a unit acquisition cost of \$5,000 or more; property of any value that is controlled or managed at the item level; leased items (capital leases) of any value; and assets that are sensitive or classified (see Table 61 of Volume 10 of DoD 4100.39-M (Reference (m))).
- b. Accountable property records shall be kept current and reflect the current status, location, and condition of the asset until authorized disposition of the property occurs. The property records shall provide a complete trail of all transactions suitable for audit and will be the authoritative source for validating the existence and completeness of an asset.
- c. Documentation (original documents or hard or electronic copies of original documentation) shall be maintained in a readily available location, during the applicable retention period, to permit the validation of information pertaining to the item such as the purchase cost, purchase date, and cost of improvements. Supporting documentation may include, but is not limited to, purchase invoices or sales and procurement contracts and receiving documents. In the event historical information is not available, the record should be appropriately annotated. Records and supporting documentation shall be maintained in accordance with DoD Directive 5015.2 (Reference (n)).

d. At any point in time, an asset property record shall only be reported in a single APSR.

3. PROPERTY FURNISHED TO A THIRD PARTY. Although the Department of Defense may not have physical custody, in order to maintain effective property accountability and for financial reporting purposes, DoD Components shall establish and maintain records and accountability for property (of any value) furnished to contractors as Government furnished property (GFP). This requirement also includes property that is loaned to outside entities such as Federal agencies, State and local governments, and foreign governments.

4. PROPERTY IN THE POSSESSION OF A THIRD PARTY (OUTSIDE THE DEPARTMENT OF DEFENSE)

a. Third parties outside the Department of Defense (to include contractors) have stewardship responsibility, consistent with the terms and conditions of the accountable contract or third party agreement, for the Government property in their care. This includes DoD property loaned to outside entities and GFP, for which DoD records are required under paragraph 2.a, of this enclosure and contractor acquired property (CAP), for which the Department of Defense has taken title but has not yet been delivered. Accountable property records shall not be established for CAP until delivery to the Department of Defense has occurred.

b. Third party property management or accountability systems, such as custodial systems, shall not supersede or replace the APSR or the accountable property records maintained by the Department of Defense.

5. OTHER PROPERTY MANAGEMENT RECORDS. Accountable property records shall also be established when management has determined that, notwithstanding its acquisition cost, an item must be controlled and managed to protect against unauthorized use, disclosure, or loss; or when otherwise required by law, policy, regulation, or agency direction. Examples include:

a. Information technology property such as desktops, laptops, and mobile computing devices, including, but not limited to, mobile information storage devices and auxiliary hard drives, regardless of cost, containing personally identifiable information (see Office of Management and Budget (OMB) Memorandum M-06-19 (Reference (o)) and OMB Memorandum M-06-16 (Reference (p))) or other sensitive agency information.

b. Pilferable property, i.e., designated by each DoD Component as especially subject to theft.

c. Property hazardous to public health, safety, or the environment; such property is typically regulated by Federal or State environmental and safety laws.

d. Small arms. See Reference (g) for additional small arms management information.

e. Property designated as heritage assets.

- f. Seized and confiscated property.
- g. Property with national security implications.
- h. Scrap, including records for managing scrap sales under qualified recycling programs. See DoDI 4715.4 (Reference (q)) for additional information.
- i. Property obtained via operating lease.
- j. Property of any value that is controlled or managed at the item level not already covered by Reference (g).

6. DATA ELEMENTS. The following data elements, at a minimum, are required of an APSR:

- a. Name, part number and description (noun, nomenclature), model number, and national stock number (NSN), if known.
- b. Owner (both the accountable and custodial organization).
- c. Status (e.g., active or inactive (retired), staged, stored, in-transit, transferred, declared excess, awaiting disposal, disposed of).
- d. Quantity (e.g., received, fabricated, issued, and on-hand) and unit of measure.
- e. General ledger classification (e.g., military or general equipment, loaned, or leased, or a means to apply business rules for making such a determination).
- f. Value at full cost and depreciation information, if applicable; or original acquisition cost if the property does not require capitalization.
- g. Estimated useful life (years or activity based for capitalized property).
- h. Unique item identifier (UII) or DoD recognized IUID equivalent, if available and necessary for unique identification.
- i. Date placed in service.
- j. Location.
- k. Current condition. Information on supply condition codes is contained in Appendix 2.5 of Reference (h).
- l. Posting reference (e.g., receiving report number, contract, purchase order, or other procurement identification number, invoice number).

m. Transaction type (e.g., received, accepted, inventoried, transferred, shipped, retired, disposed).

n. Transaction date.

7. ACCOUNTING FOR PROPERTY IN-TRANSIT. Organizations shall retain accountability for property they place in an in-transit status, until such time as the consignee formally acknowledges receipt and acceptance (including resolution of shipping and other discrepancies). DoD Components shall maintain accountability for property, including GFP, furnished to third parties, in accordance with section 3 of this enclosure. Business rules for establishing receipt and acceptance should be in writing between consignee and consignor. At a minimum, procedures shall require records of:

a. Part number, NSN, serial number, UII, or DoD recognized IUID equivalent if available and necessary for unique identification, nomenclature, quantity, and value of items shipped from contractors or vendors for which title has passed to the Government.

b. Part number, NSN, serial number, UII, or DoD recognized IUID equivalent if available and necessary for unique identification, nomenclature, quantity, and value of items shipped from one organization to another organization, for which accountability is retained by the accountable organization until receipt and acceptance by the consignee.

c. Part number, NSN, serial number, UII, or DoD recognized IUID equivalent if available and necessary for unique identification, nomenclature, quantity, and value of items being moved from one location to another location within an organization.

8. VALUATION. Property shall be capitalized at full cost. Property not requiring capitalization shall be valued at acquisition cost. When acquisition cost is unknown, estimates based on the latest cost of similar items (at the time of acquisition) should be used, or the latest cost of similar items discounted for inflation since the time of acquisition. Such methods and sources, when used, shall be applied consistently.

9. EXCESS AND FOREIGN EXCESS PERSONAL PROPERTY. Information on excess property accountability and disposition is contained in DoD 4160.21-M (Reference (r)).

10. SCRAP. Scrap property should be accounted for by classification of type and quantitative units of weight.

11. PHYSICAL INVENTORIES

a. General

(1) Properly planned and executed physical inventories and location surveys serve to continuously improve accountable property record accuracy. However, the scheduling, type, method, and scope of the physical inventory process depend largely on the Component's management expectations. Such expectations include ensuring readiness, testing for existence and completeness, maintaining internal controls, or meeting other mission objectives. Physical inventories may take different forms, including wall-to-wall, cyclic, sampling, and "by exception" methodologies (see subparagraph 11.a.(6)).

(2) Physical inventory plans shall provide a schedule for completion of all physical inventories and must include an awareness of an item's acquisition or replacement cost, security classification, and its criticality. At a minimum, property shall be inventoried at least every 3 years; classified or sensitive property shall be inventoried at least annually in accordance with DoD 5220.22-M (Reference (s)). Property loss shall be calculated by using the number of items reported under procedures set forth in Reference (e).

(3) A minimum 98 percent physical inventory accuracy rate (100 percent for classified or sensitive property) shall be achieved and maintained. The parameters for inventory accuracy shall be established in the inventory plan. Physical inventory results shall be measured by annual loss and overage rates, in accordance with ASTM International E2132-01 (Reference (t)).

(4) Sampling methods may be used, where appropriate, provided they achieve statistically valid results. Such methods shall not be used for classified or sensitive property.

(5) Favorable physical inventory results do not eliminate the need for compliance with internal controls and/or the need for continuous improvement. Internal controls and procedures should be regularly evaluated for effectiveness and improvement.

(6) Inventory by exception may be authorized by the DoD Component APO. This type of inventory uses actions or transactions, (e.g., move orders, maintenance actions, calibration checks, usage logs (or flight logs)) where the items are "touched" by disinterested parties (i.e., persons without stewardship responsibilities), with supporting documentation directly associated with an accountable asset. Toward the end of the inventory cycle, an inventory is then performed on items not already inventoried by an action or transaction during the inventory period. If applicable, these types of inventories must be documented as part of the inventory plan and are subject to documented internal control procedures to ensure the validity of accountable property records.

b. The concepts of preparation, physical count, and reconciliation, as defined in the Glossary, apply to all types of physical inventories.

12. PROPERTY DISPOSITION. Property shall be disposed according to the policies established in References (p) and (q).

13. INTERNAL CONTROLS. Internal controls shall be established and maintained according to DoD Instruction 5010.40 (Reference (u)).

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

AIT	automatic identification technologies
APO	accountable property officer
APSR	accountable property system of record
CAP	contractor acquired property
DoDD	DoD Directive
DoDI	DoD Instruction
EMPM	Equipment Management Process Maturity
GFP	Government furnished property
IUID	item unique identification
NSN	national stock number
PP&E	property, plant, and equipment
UII	unique item identifier
U.S.C.	United States Code
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology, and Logistics

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this Instruction.

acceptance. A formal certification that the goods or services have been received and that they conform to the terms of the contract. Also see Federal Acquisition Regulation Part 46 (Reference (v)).

accountability. The obligation imposed by law, lawful order, or regulation, accepted by an organization or 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 the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability upon an organization or person.

accountable property. Property that meets accountability requirements. This property is recorded in the APSR.

accountable property record. The record contained within the APSR.

acquisition

The act of acquiring.

Acquiring hardware, supplies, or services through purchase, lease, or other means, including transfer or fabrication, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Also, acquiring by contract with appropriated funds of supplies or services.

acquisition cost. The amount, net of both trade and cash discounts, paid for the property, plus transportation costs and other ancillary costs. See “full cost.”

administrative property. A subcategory of personal property, used for grouping property that is operationally distinct from military and other equipment. Administrative property is typically less than mission critical. Examples include: desktop computers and peripherals, furniture, and office equipment.

AIT. The family of technologies that improves the accuracy, efficiency, and timeliness of material identification and data collection. AIT media and devices include, but are not limited to, linear and two-dimensional bar code symbols and their readers; magnetic stripe cards; integrated cards, (i.e., smart cards; optical memory cards); radio frequency identification (active and passive); contact memory-button devices; and magnetic storage media.

APO. An individual who, based on his or her training, knowledge, and experience in property management, accountability and control procedures, is appointed by proper authority to establish and maintain an organization’s accountable property records, systems, and/or financial records, in connection with Government property, irrespective of whether the property is in the individual's possession. Comparable terms include: Army -- Supply Support Accountable Officer/Property Book Officer; Navy -- Personal Property Manager; Air Force -- Accountable Officer/Chief of Supply/Chief of Material Management; Marine Corps -- Accountable Officer; Joint Commands – Joint Property Book Officer; Defense Logistics Agency -- Accountable Property Officer.

APSR. The Government system used to control and manage accountable property records; a subset of existing organizational processes related to the lifecycle management of property; the system that is integrated with the core financial system.

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

capitalize. To record and carry forward into one or more future periods any expenditure the benefits from which will then be realized.

capital lease. Leases that transfer substantially all the benefits and risks of ownership to the lessee. If at its inception, a lease meets one or more of the following criteria, the lease is considered a capital lease:

The lease transfers ownership of the property to the lessee by the end of the lease term.

The lease contains an option to purchase the leased property at a bargain price.

The lease term (non-cancelable portion, plus all periods, if any, representing renewals or extensions that can reasonably be expected to be taken) is equal to or greater than 75 percent of the estimated economic life of the leased property.

The present value of rental and other minimum lease payments, excluding that portion of the payments representing executory cost, equals or exceeds 90 percent of the fair value of the leased property. See Volume 4, Chapter 6, of Reference (e).

contract. Any enforceable agreement, including rental and lease agreements and purchase orders, between an agency and a business concern for the acquisition of property or services.

controlled inventory items. Property with characteristics that may require them to be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safekeeping and integrity. See Reference (g) and Table 61, Volume 10 of Reference (m). Controlled inventory items include (in descending order of the degree of control normally exercised):

classified items. Property requiring protection in the interest of national security.

sensitive items. Property requiring a high degree of protection and control due to statutory requirements or regulations (e.g., narcotics and drugs, precious metals, high value or highly technical assets, hazardous assets, or small arms, ammunition, explosives, and demolition material).

pilferable items. Property that has a ready resale value or application to personal possession and that are, therefore, especially subject to theft.

custodial area. A segment of the accountable area (e.g., a ward in a hospital, a division in an organization, within an accountable area); there may be as many custodial areas and officers as are required to execute effective property management. See “property custodian.”

equipment. Personal property that is functionally complete for its intended purpose, durable, and nonexpendable. Equipment generally has an expected service life of 2 years or more; is not intended for sale; does not ordinarily lose its identity or become a component part of another article when put into use; has been acquired or constructed with the intention of being used.

full cost. A baseline value that includes all (material) costs incurred to acquire and bring the property to a form and location suitable for its intended use and, as applicable, depreciated over its useful life. See paragraph 8 of Enclosure 3.

GFP. Property in the possession of, or directly acquired by, the Government and subsequently furnished to the contractor (includes sub-contractors and alternate locations) for performance of a contract. See “CAP.”

heritage assets. Property, plant, and equipment (PP&E) of historical, natural, cultural, educational or artistic significance (e.g., aesthetic); or with significant architectural characteristics. Heritage assets are expected to be preserved. Heritage assets consist of items whose physical properties resemble those of general PP&E and are traditionally capitalized in commercial-type financial statements. The nature of these items, however, differ from general PP&E in that their values may be indeterminable or may have little financial meaning (e.g., museum collections, monuments, assets acquired in the formation of the nation), or that allocating the cost of such assets (e.g., military weapons systems) to accounting periods that benefit from the ownership of such assets is not meaningful.

internal controls. The plan of an organization and all its methods and measures adopted within an organization to safeguard its assets, check the accuracy and reliability of its data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

inventory adjustments. Changes made to the accountable property record when the record and a physical count do not agree. All such changes require specific approval and documentation to support the adjustment, normally to include the results of reconciliation efforts to determine and resolve the cause of such disagreement, or a completed evaluation and investigation for lost, damaged, destroyed, or stolen property.

NSN. The term used for the 13-digit stock number consisting of the four-digit Federal Supply Class and the nine-digit National Item Identification Number. Each NSN is assigned to identify an item of supply and equipment within the material management functions. Only one NSN is assigned to an item. See Reference (g) for additional information.

operating lease. A lease that is not a capital lease. An agreement conveying the right to use property for a limited time in exchange for periodic rental payments.

personal property. All property (systems and equipment, materials, and supplies) except real property (land and improvements to facilities), and records of the Federal Government.

personally identifiable information. Any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, social security number, date and place of birth, mother's maiden name, biometric records, etc., including any other personal information which is linked or linkable to an individual.

physical count. The process of physically counting the item(s) in order to verify the accountable property record's posted balance. Physical counts may be performed using AIT.

physical inventory. The verification of property existence, accountable property record completion, location, and quantity. The process may also involve verifying additional information, performing reconciliations, and modifying the accountable property records. Also see ASTM International E-2135-01 (Reference (w)).

pilferable property. See controlled inventory items.

preparation. The process of preparing records and training of personnel to perform the physical count.

property. All references to property contained herein include equipment, military equipment, and other accountable property (e.g., administrative property, special tools, special test equipment). Other types of personal property, such as supplies, material, and records, are not included unless expressly stated as being included.

property custodian. An individual appointed by the APO, who accepts custodial responsibility for property, typically by signing a hand-receipt. The property custodian is directly responsible for the physical custody of accountable property under their control. See "custodial area."

property loss. Unintended, unforeseen, or accidental loss, damage or destruction to Government property that reduces the Government's expected economic benefits of the property. Loss does not include purposeful destructive testing, obsolescence, normal wear and tear, or manufacturing defects. Loss includes, but is not limited to:

Items that cannot be found after a reasonable search;

Theft;

Damage resulting in unexpected harm to property requiring repair to restore the item to usable condition; or

Destruction resulting from incidents that render the item useless for its intended purpose or beyond economical repair.

property management. A monitoring and control function, charged with assuring that organization processes related to the lifecycle of property support organization objectives, represent sound business practice, and are compliant with applicable standards, policies, regulations, and contractual requirements. Also, the system of acquiring, maintaining, using and disposing of the personal property of an organization or entity.

receipt. A transmission or other acknowledgment made by a receiving entity to indicate that a message, good, or service has been satisfactorily received. Receipt is often denoted by signing a situation specific form, such as DD Form 250, "Material Inspection and Receiving Report," DD

Form 1149, "Requisition and Invoice/Shipping Document," or DD Form 1348-1a, "Issue Release/Receipt Document."

reconciliation. The process of aligning the physical count with the quantity posted to the accountable property records, researching discrepancies, and determining inventory accuracy, i.e., calculation of loss or overage rates.

scrap. Property that has no value except for its basic metallic, mineral, or organic content.

stewardship responsibility. The requirement placed on an organization or individual who acts as the custodian of another individual's property by controlling, supervising, and managing the property in their care.

UUI. A set of data elements marked on an item that is globally unique and unambiguous. For assets that are serialized within the enterprise identifier, the data set includes the data elements of enterprise identifier and a unique serial number (Construct #1). For assets that are serialized within the part, lot, or batch number within the enterprise identifier, the UUI data set includes the data elements of enterprise identifier; the original part, lot, or batch number; and the serial number (Construct #2). Also, a generic term has evolved through usage to mean the concatenated UUI as a common data base key without regard to the data set construct being used. In this context, UUI may be used to designate UUI Constructs #1 and #2, or the DoD recognized Item UUI equivalents of Global Individual Asset Identifier, Global Returnable Asset Identifier, Vehicle Identification Number, or Electronic Serial Number, for cell phones only.

valuation. The act of determining or estimating the value or worth; assigning a value to an item. Also see "full cost."