



**DEPARTMENT OF THE NAVY**  
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CNICINST 7320.1A  
N8  
26 Jul 2013

CNIC INSTRUCTION 7320.1A

From: Commander, Navy Installations Command

Subj: CNIC PERSONAL PROPERTY POLICIES AND PROCEDURES

Ref: (a) DoD 7000.14-R, Financial Management Regulation,  
Volume 4, Chapter 6, June 2009  
(b) DoD Instruction 5000.64  
(c) SECNAVINST 7320.10A  
(d) FMO Memo FMO21320110076 of 5 Oct 11  
(e) OUSD (AT&L) Memo, "Implementation of Proper Financial  
Accounting Treatment for Military Equipment", of  
12 Jun 07  
(f) SECNAV M-5210.1  
(g) OMB Circular A-123

Encl: (1) Personal Property Management

1. Purpose. This instruction implements the policy and procedures for control and accountability of personal property requirements contained in references (a) through (e). Treatment of military equipment is also addressed in this instruction.
2. Cancellation. CNICINST 7320.1 dated 21 Jan 2009
3. Scope. Policies and procedures contained in this instruction are applicable to CNIC Headquarters (HQ) and all subordinate commands.
4. Policy. CNIC personnel are responsible for proper use, care and physical protection of Government-owned property. This includes complying with applicable regulations and advising appropriate authorities of misuse, loss, theft, and damage of Government-owned property.
5. Action. Region Commanders, Installation Commanding Officers (CO) and heads of support activities shall ensure that the policies and procedures set forth in Enclosure (1) of this instruction are implemented immediately.

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and procedures set forth in this instruction are implemented immediately.

5. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed in accordance with SECNAV M-5210.1.

  
W. D. FRENCH  
Vice Admiral, U. S. Navy

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<https://g2.cnic.navy.mil/CNICHQ/Pages/Default.aspx>

**PERSONAL PROPERTY MANAGEMENT**

1. Overview Of Plant, Property And Equipment (PP&E)

a. Types of Property. There are two types of PP&E within the Department of the Navy (DoN): General PP&E and Stewardship PP&E. General PP&E consists of two sub-categories: real property and personal property. This instruction primarily focuses on personal property within CNIC.

b. Personal Property. Personal property is defined as those items used, but not consumed, to produce goods or services in support of the DoN's mission. Personal property includes but is not limited to: equipment, vehicles, material handling equipment, ADP equipment, capital assets (properties that are held by a company for a useful purpose and investment), and military equipment (weapons, weapon systems, and components). Government Furnished Equipment (GFE) is property that is acquired directly by the government and then made available to the contractor for use.

c. Categories of Property. Personal property is categorized as capitalized, minor, sub-minor and Government Furnished Property (GFP).

(1) Capitalized Personal property has an acquisition cost of \$100,000 or greater. It has an estimated recovery period equal to or greater than 24 months. It is not intended for sale in the ordinary course of operations.

(2) Minor Personal property has an acquisition cost of at least \$5,000 but is less than \$100,000 or has an acquisition cost greater than \$100,000 but does not meet all the capitalization criteria.

(3) Sub-Minor Personal property has an acquisition cost less than or equal to \$5,000.

(4) Military Equipment (ME) can fall within any of the above three categories. Examples of ME within CNIC are High Mobility Multipurpose Wheeled Vehicles (HMMWV) and Navy Boats. ME is considered personal property but is not recorded in the CNI Defense Property Accountability System (DPAS) data base. All ME is recorded in DPAS NJ: ME database and access is provided to the respective custodian.

(5) Government Furnished Property (GFP) includes any property defined in subparagraphs (1) through (3) above that has been provided on loan to a government agency or contractor. GFP provided to a contractor must be included in their contract.

(6) Contractor Acquired Property (CAP) is property acquired by a contractor under a cost reimbursable contract to which the government takes title but does not receive until the end of the contract performance.

d. Recording Plant, Property and Equipment (PP&E). Accountable records shall be established and maintained in an Accountable System of Record (ASR) for all personal property purchased, leased, or otherwise obtained, having a unit acquisition cost of \$5,000 or more. Personal property also includes items below \$5,000 and are sensitive, classified, or meet all of the following criteria: pilferable, critical to CNIC business/mission, and hard to repair or replace.

e. Guidance. Appendix A provides links to key references and PP&E resources.

## 2. Appointments And Responsibilities

a. Accountable Officer (AO). By virtue of their position, the CO of an installation is considered an AO and is responsible for ensuring that all command personal property is properly maintained, safeguarded, accounted for, and accurately reported. This includes the proper recording and reporting of the financial information for the personal property in the Commander's area of responsibility.

b. CNIC PP&E Program Manager (PM). This position is assigned and appointed by the CNIC Comptroller. The CNIC PP&E PM works within CNIC N82 and is responsible for the administration and control of personal property recorded in the DPAS program. A copy of all appointment and termination memorandums will be forwarded to the CNIC's PP&E PM via official email (if your email or attachment/s to your email contain personally identifiable information, it must be encrypted) within seven calendar days of appointment or termination action. All appointment memorandums will be posted and maintained on the CNIC Gateway 2 (G2) within the N82 document library. An Alternate CNIC PP&E PM may also be assigned to assist the primary PM and provide coverage during the absence of the PM.

c. Region Personal Property Manager. Region PPMs are responsible for the implementation of the policies cited in this instruction. Each region PPM must provide oversight to installation Personal Property managers within their span of control. Each region PPM shall be designated in writing using an Appointment Order (see Appendix B) by the CO. Upon termination of installation PPMs, the region PPM must ensure that access to DPAS and other personal property data is terminated. Each region PPM will be held to the highest ethical standards in managing and accounting for all CNIC personal property. Region PPMs must notify the CNIC PP&E PM prior to departure from the command or their position.

d. Installation Personal Property Managers (IPPM). IPPMs are responsible for the daily accountability and safekeeping of governmental personal property and shall be designated in writing by an Appointment Order (see Appendix B) by the installation CO. Each IPPM will be responsible for carrying out the duties and responsibilities set forth in this instruction. The IPPM should be provided access to DPAS in order to monitor, maintain and update property records. When new personal property is acquired, the IPPM must ensure that these items are properly recorded in DPAS within seven days. Each IPPM is responsible for oversight of PP&E that has been signed for by custodians within their installation. Personal property management requires that complete and accurate inventories are accomplished by each custodian whenever one of the events listed in paragraph 6a below takes place. Property inventory listings (or bar code scanner) will be provided to the Personal Property Custodian to perform the required physical inventory. In the event of property losses, the IPPM will coordinate with the convening authority to ensure that a proper investigation is initiated and will consult with the investigation team to provide any technical support that is needed. IPPMs are held to the highest ethical standards in carrying out the duties and responsibilities of this trusted position. The IPPM will notify the Region PPM prior to departure from the command.

e. Personal Property Custodian (PPC). Each Personal Property Custodian shall be designated in writing using an Appointment Order (see Appendix B) by the installation CO. The PPC signs for custody of these assets and is someone within an office, department or work area that has direct knowledge of all the personal property used in that environment. An inventory is required to properly relieve a PPC of responsibility and to transfer the personal property responsibility to the custody of a newly appointed PPC. When new personal property is acquired,

custodians must ensure that the IPPM is provided documentation within five days of receipt to ensure items are properly recorded in DPAS.

3. Supporting Documentation Requirements. All supporting documentation requirements contained in the references and those identified in Appendix D will be followed. These requirements apply to acquisition, transfer and disposal of PP&E.

4. Training Requirements

a. Access to DPAS. The DPAS program is managed by the Defense Finance and Accounting Service (DFAS) but they also receive operational input from the Navy PP&E Program Manager. Procedures to request access to the Defense Property Accountability System (DPAS) can be found at:  
<https://www.navsup.navy.mil/nPP&E>

b. Completion of Training. Region/Installation PPMs and Personal Property Custodians are required to complete the online training courses before gaining full access to the DPAS program. DPAS training and other useful tools are located at <http://dpaselearning.golearnportal.org>. The following courses are required for access to DPAS by the CNIC PP&E PM, Region PPM and IPPM:

- (1) 1024 - Property Administrator for Navy
- (2) 1130 - Data Inquiry
- (3) 1140 - Report and Forms Generation

Upon completion of the training, submit a System Authorization Access Request (SAAR) DD Form 2875 to CNIC PP&E PM at N82 for approval in order to gain access to DPAS. The current version of DD-2875 is found at the Navy PP&E web site, [https://www.navsup.navy.mil/nPP&E/security\\_info](https://www.navsup.navy.mil/nPP&E/security_info) and must be used to request access to DPAS.

5. Navy Metric Report Processing

a. Monthly Exception Reports. DPAS exception reports are generated by the DoN PP&E Support office immediately after each month is closed out. The Navy PP&E Support office will send an email notifying Navy POCs that exception reports have been posted on their web site at:  
[https://www.navsup.navy.mil/nPP&E/stats\\_metrics](https://www.navsup.navy.mil/nPP&E/stats_metrics). The CNIC PP&E

PM will forward the notification to all CNIC Region PPMs. It is the responsibility of each PPM to review the exception reports and make appropriate corrections. Additional reports containing discrepancies may also be generated by the CNIC PP&E PM and will also be forwarded to the respective Region PPM for corrective action.

b. Processing Timelines. All exception reports must be reviewed and corrective action taken within the month that they are received. Completion of corrections will be reported to the CNIC PP&E PM prior to the end of the month. For example, exception reports for the month of June are posted on the Navy PP&E Support office website (see Appendix A) in early July and must be corrected in the month of July.

c. Generating Exception Reports. Each region and installation PPM should be generating reports during each month to ensure that exceptions are kept to a minimum at the end of the month. Predefined reports are available within DPAS that make this task a quick process.

## 6. Inventory Requirements

a. Physical Inventory Requirements. All physical inventories are required to include a comparison of all the personal property records to the physical assets (i.e., book-to-floor) and all the physical assets to the personal property records (i.e., floor-to-book) to ensure all items are included in a compliant personal property system. Each region or installation CO will designate in writing a team of at least two people to independently perform the validation of PP&E. These teams will verify the existence of PP&E and validate the condition of all items in the personal property database detailed listing to include the accuracy of the data recorded in the database (e.g., description of the item, serial number, bar code, make, model, manufacture name, manufacture year, and location). Missing information should be annotated on the physical inventory worksheet and the database updated as required. The references require the following minimum physical inventory frequencies:

(1) All PP&E must be inventoried at least once every three years for capital, minor, and pilferable personal property.

(2) All ME and GFP must be inventoried annually.

(3) All PP&E must be inventoried upon change of a PPC.

b. Inventory Documentation and Retention. Documentation will be retained indefinitely as required by reference (d).

c. Certification of Inventory Results. Inventory results will be electronically forwarded to the CNIC PP&E PM within 30 days of completion. This certification will be prepared by each installation and provided to the regional PPM who will forward the certification to the CNIC PP&E PM. The CNIC PP&E PM will review results and post on the CNIC G2 site under N82.

d. Inventory Management Plan. Region PPMs will develop and maintain an Inventory Management plan for all installations within their region. This plan will cover a three year period to ensure that all personal property inventories are completed at least once within that three year period or more often as required by Appendix C. The region PPM will provide an updated plan (electronically) to the CNIC PP&E PM annually by 31 October. The CNIC PP&E PM will review all plans and post each plan on the CNIC G2 site under the N82 document library. A minimum of 98 percent physical inventory accuracy rate (100 percent for classified or sensitive property) shall be achieved and maintained.

## 7. Inspections And Assistance Visits

a. CNIC HQ Responsibilities. CNIC PP&E PM may conduct onsite inspections of region PPM DPAS records subject to the availability of travel funding. Alternately, the CNIC PP&E PM may request support documentation to inspect files at CNIC HQ. Inspections conducted onsite will be announced at least 60 days in advance. Each inspection will consist of reviewing the inspections conducted by Region PPMs or an onsite review that is documented using the audit checklist found in Appendix D. When requested by a region, an assistance visit will be scheduled. Assistance visits will not replace a formal inspection.

b. Region PPM Responsibilities. Each region PPM will conduct annual inspections of the personal property records maintained by the installation PPMs. Documentation of inspections will be retained on file for at least 3 years. The audit checklist (Appendix D) is used to conduct these inspections, but may be supplemented as needed. Results are filed in the personal property records and adjustments are entered into DPAS.



8. Standardized PP&E Procedures

a. Asset Identification Numbers. All asset identification numbers assigned in DPAS are assigned starting with the installation UIC minus the service code designator.

b. Recording Non-Accountable PP&E Under \$5,000. PP&E under \$5,000 will not be recorded in DPAS unless specific requirements contained in references (b) and (c) for recording these assets are fully met.

c. Completion of Inventories. Inventories will be accomplished in 30 days. Suspected losses will be investigated and properly resolved and corrected in DPAS no longer than 60 days after the start of an inventory. Inventories will be reconciled and lost items processed for disposition.

d. Government Furnished Equipment (GFE). All PP&E that is provided to a contractor must be recorded in DPAS as GFE using Loan Code 'C'. Within DPAS, the contractor name will be entered in the Location field and the contract number will be entered in the Remarks field. All GFE must be included in the contract governing the services provided by the contractor.

e. Identification of Assets by Program. All PP&E must be related to a program or functional area. The DPAS Cost Center field is the standard field that will be used to achieve this identification. The Special Interest Code (SIC) will be used in the Cost Center field for each property item. This will provide a standard method for pulling reports for all PP&E that belongs to each program or functional area.

9. Management Controls

a. Reference (g) establishes that management has a fundamental responsibility to develop and maintain effective internal controls.

b. Procedures contained in this instruction and the references are designed to help ensure adequate management internal controls are established that achieve accountability for CNIC PP&E.

c. Procedures will be established by region and installation PPMs to ensure the following management control objectives are realized: accountability, accuracy, system integrity, life cycle management, and compliance with policies

and procedures. Specific steps to ensure management control objectives are achieved include the following:

- (1) Enter new PP&E into Accountable System of Record (ASR) and Bar Code within 7 calendar days of receipt.
- (2) Ensure inventory reports are signed for all personal property.
- (3) Schedule, monitor and ensure completion of personal property inventory at least every 3 years (1 year for ME and GFP), upon change in property custodian or whenever directed by the CO.
- (4) Ensure the security of and proper access to the ASR system and property data.
- (5) Process additions, deletions and modifications to property records resulting from a physical inventory.
- (6) Upon completion of inventories, provide a Certification of Completion to the CNIC PP&E PM.

**Appendix A - ELECTRONIC RESOURCES**

DODFMR, DOD 7000.14-R, Volume 4, Chapter 6  
<http://www.defenselink.mil/comptroller/fmr/04/index.html>

DODINST 5000.64 of 19 May 2011  
<http://www.dtic.mil/whs/directives/corres/ins1.html>

SECNAVINST 7320.10A  
<http://doni.daps.dla.mil/allinstructions.aspx>

OUSD(AT&L) PROPERTY AND EQUIPMENT POLICY  
<http://www.acq.osd.mil/pepolicy/index.html>

NAVY, PLANT, PROPERTY AND EQUIPMENT WEB SITE (contains links to  
property information and policies)  
<http://www.navsup.navy.mil/nPP&E>

DPAS Login <https://app.DPAS.dod.mil/>

DPAS Training <http://dpaselearning.golearnportal.org>

**Appendix B - SAMPLE APPOINTMENT ORDERS**

Sample for the appointment of Personal Property Managers (Region and Installation) and Custodians. Each example also includes an Acknowledgement of Appointment that must be completed. Use SECNAV M-5216.5 for official standard naval letter format.

REGION PERSONAL PROPERTY MANAGER APPOINTMENT

From: Commander, Navy Region (name)

To: (name)

Subj: APPOINTMENT AS PERSONAL PROPERTY MANAGER (PPM) FOR  
(Region name)

Ref: (a) DODINST 5000.64  
(b) DOD FMR, DOD 7000.14-R, Volume 4, Chapter 6  
(c) SECNAVINST 7320.10A  
(d) CNICINST 7320.1A

1. Per the references, you are hereby appointed as the Personal Property Manager for the (name) Region. The attached Acknowledgement of Appointment must be completed and returned to the Region Commander within 5 working days.

2. Performance of your duties as PPM will be guided by the references. You are responsible for implementing the policies and procedures established by the references and will perform the duties and responsibilities as specified. All required training will be completed within 30 days of this appointment.

3. You are reminded that this is a position that requires the utmost trust and responsibility for accountability and control of this Region's personal property assets.

4. This designation is effective immediately and will remain in effect until you are properly relieved of this duty by the undersigned. The undersigned will be notified at least 30 days prior to your departure from this position.

(Signature Block)

Copy to:  
CNIC PP&E Program Manager

**ACKNOWLEDGEMENT OF APPOINTMENT**

From: (Name)

To: Commander, (Region Name)

Subj: APPOINTMENT AS PERSONAL PROPERTY MANAGER (PPM) FOR  
(Region name)

I hereby acknowledge appointment as the (Region Name) Personal Property Manager as specified in this appointment letter. I have read the references and understand my responsibilities for the care and safekeeping of government personal property. All required training will be completed within 30 days of my appointment. Further, I acknowledge the requirement to notify the Commander at least 30 days prior to any anticipated departure from this position.

---

(Signature of Region PPM)

Date: \_\_\_\_\_

**INSTALLATION PERSONAL PROPERTY MANAGER APPOINTMENT**

From: Commander, Navy Installations Command

To: (name)

Subj: APPOINTMENT AS INSTALLATION PERSONAL PROPERTY MANAGER  
(PPM) FOR (Installation Name)

Ref: (a) DODINST 5000.64  
(b) DOD FMR, DOD 7000.14-R, Volume 4, Chapter 6  
(c) SECNAVINST 7320.10A  
(d) CNICINST 7320.1A  
(e) (Region/Local guidance)

1. Per the references, you are hereby appointed as the Personal Property Manager for the (Installation Name). The attached Acknowledgement of Appointment must be completed and returned to the Installation Commander within 5 working days.

2. Performance of your duties as PPM will be guided by the references. You are responsible for implementing the policies and procedures established by the references and will perform the duties and responsibilities as specified. All required training will be completed within 30 days of this appointment.

3. You are reminded that this is a position that requires the utmost trust and responsibility for accountability and control of this Region's personal property assets.

4. This designation is effective immediately and will remain in effect until you are properly relieved of this duty by the undersigned. The undersigned will be notified at least 30 days prior to your departure from this position.

(Signature Block)

Copy to:  
Region PPM

**ACKNOWLEDGEMENT OF APPOINTMENT**

From: (Name)

To: Commander, (Installation Name)

Subj: APPOINTMENT AS INSTALLATION PERSONAL PROPERTY MANAGER  
(PPM) FOR (Installation Name)

I hereby acknowledge appointment as the (Installation Name) Installation Personal Property Manager as specified in this appointment letter. I have read the references and understand my responsibilities for the care and safekeeping of government personal property. I will complete all required training within 30 days of my appointment. Further, I acknowledge the requirement to notify the Commander at least 30 days prior to any anticipated departure from this position.

---

(Signature of Installation PPM)

Date: \_\_\_\_\_

**PERSONAL PROPERTY CUSTODIAN APPOINTMENT**

From: Commander, Navy Installations Command

To: (name)

Subj: APPOINTMENT AS PERSONAL PROPERTY CUSTODIAN FOR  
(Activity/Section/Department Name)

Ref: (a) DODINST 5000.64  
(b) DOD FMR, DOD 7000.14-R, Volume 4, Chapter 6  
(c) SECNAVINST 7320.10A  
(d) CNICINST 7320.1A  
(e) (Region/Local guidance)

1. Per the references, you are hereby appointed as the Personal Property Custodian for the (Activity/Section/Department Name). The attached Acknowledgement of Appointment must be completed and returned to the Installation PPM within 5 working days.

2. Performance of your duties will be guided by the references and any additional guidance that is provided by the Installation Personal Property Manager (PPM). You are responsible for implementing the policies and procedures established by the references within your area or responsibility and will perform the duties and responsibilities as specified.

3. You are reminded that this is a position that requires the utmost trust and responsibility for accountability and control of this Installation's personal property assets.

4. This designation is effective immediately and will remain in effect until you are properly relieved of this duty by the undersigned. Prior to being relieved of this duty all personal property that you are responsible for must be inventoried and property accounted for.

(Signature Block)

Copy to:  
Installation PPM



**ACKNOWLEDGEMENT OF APPOINTMENT**

From: (Name)

To: Commander, Navy Installations Command (CNIC)

Subj: APPOINTMENT AS PERSONAL PROPERTY CUSTODIAN FOR  
(Activity/Section/Department Name)

I hereby acknowledge appointment as the Custodian of Personal Property for (Activity/Section/Department Name) as specified in this appointment letter. I understand my responsibilities for the care and safekeeping of (Activity/Section/Department Name) Personal Property and acknowledge the financial responsibilities thereof. Any required training for performing these duties will be completed. At least 30 days prior to my departure from this position, I will notify the appointing authority.

\_\_\_\_\_  
(Signature of Custodian)

Date: \_\_\_\_\_

Appendix C - SAMPLE INVENTORY MANAGEMENT PLAN

<b>INVENTORY MANAGEMENT PLAN</b>				
<b>REGION:</b> _____				
<b>DATE PREPARED:</b> _____				

INSTALLATION NAME	UIC	DATE LAST INVENTORY COMPLETED	START DATE FOR NEXT INVENTORY	ENDING DATE FOR INVENTORY
CNRSE - NAS Pensacola	00204	15-Aug-2010	15-May-2013	14-Aug-2013

**Appendix D - AUDIT CHECKLIST**

1.	<u>Personal Property Policies and Procedures</u>	Yes	No	Remarks
1.1	Does the PPM have an Appointment Letter from the Commander?			
1.2	Does the PPM have a copy of the regulations cited in Appendix A?			
1.3	Is DPAS being used for all Personal Property?			
1.4	Are inventories schedule and completed as required by Current Regulations?			
1.5	Does the PPM have a current Physical Inventory Management Plan?			
1.6	Is there evidence that the PPM is managing the Physical Inventory Management Plan?			
2.	<u>Inventory and Accountability</u>	Yes	No	Remarks
2.1	Check Property Book to Floor accuracy - can the property recorded in DPAS be found on the floor?			
2.2	Is property identified with a bar code within 7 days of receipt?			
2.3	Is there a valid Item Unique Identification (IUID) number assigned to the property?			
2.4	Does the property location in DPAS agree to the physical location of the property?			
2.5	Are changeovers of Custodians property conducted (conduct inventory, training, update custodian in DPAS, appointment orders)?			
2.7	Formal process is in place to ensure that all incoming property is recorded in DPAS?			
2.8	Are property hand receipts properly completed (name, email, phone number, location)?			

3.	<u>Personal Property System Security and Data Integrity</u>	Yes	No	Remarks
3.1	Do personnel who have left the organization still have system access?			
3.2	Do the prior personnel still sign into the system?			
3.3	Do current users have the appropriate level of access to perform their duties?			
3.4	Are critical data fields filled in with default values (e.g. \$1.00 for cost)?			
3.5	Does the actual data in the critical data fields match what is on the supporting documentation? Trace some documents to validate.			
3.6	Is the PPM current with Information Assurance training requirements?			
3.7	Is the PPM the only person entering information into DPAS?			

4.	<u>Documentation to Support Assets Recorded in DPAS</u>	Yes	No	Remarks
4.1	Does each property item have the following:			
4.1.1	DD Form 1155 order for a purchase? OR			
4.1.2	DD Form 250 which documents receipt of a contracted item? OR			
4.1.3	DD Form 1149 Requisition for property transferred in from another Govt activity? OR			
4.1.4	A lease agreement and related documentation?			

5.	<u>Documentation to Support Property Removed from DPAS</u>	Yes	No	Remarks
5.1	Are the following documents on file?			
5.1.1	DD Form 1348-1A for Transfer to another Govt Activity or Turn-in to DRMO; OR			
5.1.2	DD Form 200 Report of Survey to document a lost, missing, stolen or damaged property item.			

6.	<u>Inventory Documentation</u>	Yes	No	Remarks
6.1	Is there a copy of the last 2 completed inventories for each Installation?			
6.2	Have all items been reconciled?			
6.3	Were all lost, stolen, missing or damaged property items properly documented and removed from DPAS?			