



DEPARTMENT OF THE NAVY
SPACE AND NAVAL WARFARE SYSTEMS COMMAND
4301 PACIFIC HIGHWAY
SAN DIEGO, CA 92110-3127

SPAWARINST 11016.2E
SPAWAR 08-4
06 Oct 2003

SPAWAR INSTRUCTION 11016.2E

From: Commander, Space and Naval Warfare Systems Command

Subj: ACCOUNTABILITY FOR PLANT AND MINOR PROPERTY

Ref: (a) SECNAVINST 7320.10
(b) DOD Instruction 7000.14-R, Volume 4, Chapter 6
(c) DOD 4160.21M
(d) DOD 5000.64

Encl: (1) Property Management Requirements/Internal Control Checklist
(2) Property Management Reporting System (PMRS) Requirements
(3) Definitions
(4) Commanding Officer Verification Form

1. Purpose. To promulgate Space and Naval Warfare Systems Command (SPAWAR) policy and procedures for the accountability, management and control of plant and minor property in accordance with references (a) through (d).

2. Cancellation. SPAWARINST 11016.2D is superseded by this instruction.

3. Scope. This instruction applies to SPAWAR Headquarters, and it's activities.

4. Discussion. The public interest requires the Uniformed Services exercise strict fiscal responsibility and control over assigned assets. Property management is an integral responsibility of Navy leadership. Recent changes to references (a) and (b) require the establishment of a claimancy wide management system for plant and minor property. The Defense Property Accountability System (DPAS) is the mandated Property Management Reporting System (PMRS) used by the Navy for property purchased with appropriated funds. DPAS standardizes property reporting and enables the Navy to improve the accuracy of its e financial statements. Additional information on DPAS can be found on <http://www.nor.fisc.navy.mil/home/dpas.htm>. Working Capital Fund (WCF) activities shall establish and maintain a PMRS in accordance with guidance provided in this instruction and reference (a).

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5. Responsibilities. SPAWAR activities must have established procedures for property management. This includes an adequate program publication, familiarization, orientation, and training to carry out internal programs.

a. The SPAWAR Business Operations Division (SPAWAR 08-4) administers the claimancy Personal Property Accountability Program and establishes command-wide policy and has functional responsibility and oversight for management of plant and minor property.

b. Commanders, Commanding Officers and Officers-in-Charge are ultimately responsible for ensuring that all command personal property is properly maintained, safeguarded, accounted for, and accurately reported and shall formally designate a Personal Property Manager (PPM), and provide a copy to SPAWAR 08-4.

c. The PPM is the Responsible Officer and the primary custodian for personal property held in his/her program. The PPM may delegate responsibility to Site Managers or Supervisors; however, final accountability for all equipment in the program rests with the PPM. PPMs will provide oversight in accordance with the requirements of reference (a) and conform to the program requirements in enclosure (1).

d. The PPM for SPAWAR Headquarters is SPAWAR 08-4. SPAWAR 08-4 is designated the headquarters PPM and shall certify completion of the triennial-inventory actions to the commander to signify compliance with this instruction.

e. The SPAWAR Inspector General (OOG) shall ensure that reviews of plant and minor property and controlled pilferable property as well as the property reporting system be included in their Command Inspection programs as appropriate.

6. Action

a. SPAWAR Field Activities shall:

(1) Establish and maintain a plant and minor property management reporting system in accordance with guidance provided in this instruction and reference (a).

(2) Ensure pre-publication review of appropriate instruction(s) by SPAWAR 08-4, publish final within 90-days of receipt of this instruction and provide a copy to SPAWAR 08-4.

(3) Provide orientation, familiarization, and training appropriate to the work force involved.

(4) Sign enclosure (4) and send it to the Commander, Space and Naval Warfare Systems Command upon completion of all physical triennial inventory actions required by this instruction.

b. Command Evaluation and Management Control officials shall ensure that reviews of plant and minor property and controlled pilferable property are included in their programs as appropriate.

7. Internal Controls. For all property management reporting systems, adequate internal controls must be established to include at a minimum the following: identification, physical inventory, maintenance of records, physical security, management reports, care, and custody control of property.

/s/
K. D. SLAGHT

Distribution:
SPAWAR List 4

SNDL PART II:
FKAB1 (SPAWAR FIELD ACTIVITIES)

Property Management Requirements/Internal Control Checklist

1. Commanders/Commanding Officers/Officers-in-Charge shall formally designate a Personal Property Managers (PPM) for overall administration and management of property.
2. The PPM is the responsible officer and the primary custodian for personal property held in the command's program. The PPM may delegate responsibility to Site Managers or Supervisors; however, final accountability for all equipment in the program rests with the PPM.
3. Property Administrator(s) (PA) shall be designated in writing at an organizational level sufficient for adequate management control. The PA is the official with direct control of organizational assets.
4. Property Custodian(s) (PC) can be designated to assist the PA in administering control and accountability of plant and minor property. The principal purpose of the custodian network is to formally define custodians assigned responsibility for individual items of property.
5. Formal procedures shall be established to transfer property accountability upon the change of a custodian. A receipt or similar document shall be employed to assign accountability for property to a property custodian. A receipt or similar document shall also be employed for material on loan to government personnel for off-site use. The material on loan receipt shall include specific dates for the date of the initial loan, length of the loan (may not exceed a one-year period), reason for the loan, and return date. Procedures for acquisition/transfer of new or additional property should include:
 - a. Immediate notification of PPM of purchased or leased property that is defined as capital, minor or sub-minor property (see enclosure (3)). Property custodians must sign for all property prior to possession and notify the property administrator (PA), (or accountable officer, as applicable) immediately of any location or accountability changes.
 - b. Obtain Procurement Agency and contract number or Purchase Cardholder signature on Procurement Requests when property is purchased.

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c. Provide documentation of purchased or leased property to the PPM upon receipt, including invoice, packing slip (receiving report), and purchase order (when applicable).

d. Formal procedures for the accountability of property removed from an activity on a temporary basis shall be established and maintained. Provisions for loan authorizations shall be in accordance with reference (a). A PA will maintain loan authorizations. The material on loan receipt shall include specific dates for the date of the initial loan, length of the loan (may not exceed a one-year period), reason for the loan, and return date.

6. Missing, lost, stolen or recovered items shall be reported in compliance with references (a) and (b). The PA will ensure that a copy of the completed Report of Survey is provided to the PPM.

7. An inventory list shall be provided to custodians on an annual basis for property for which they are responsible. The inventory list will be used for performing an informal inventory to ensure accuracy of information and transferring accountability for property upon the change of custodians or locations.

a. A physical inventory of plant, minor, material on loan, and pilferable property will be scheduled and conducted every three years. SPAWAR HQ and subordinate activities will complete a triennial physical inventory no later than 1 October 2004 and will complete a triennial inventory every three years thereafter as prescribed by reference (a).

b. In lieu of the nine-month physical inventory period prescribed by reference (a), SPAWAR activities may request an optional perpetual physical inventory process (an inventory of 1/36 of all property each month) that will be conducted over a three-year period. Upon completion of the 1 October 2004 triennial inventory, those activities desiring approval of the perpetual triennial inventory should submit their request to the Corporate Planning, Operations and Command Information Office, Business Operations Division, SPAWAR 08-4. Each request will be considered on a case-by-case basis. The request should include, as a minimum, the following:

(1) Random surveys of the validity of the inventory.

(2) The method by which new equipment (regardless of type of acquisition) and unreported equipment is to be plant accounted (bar coded).

c. The triennial physical inventory team(s) shall consist of personnel independent of the persons accountable for the property.

Property Management Reporting System (PMRS) Requirements

1. Policy. Material accountability of personal property and pilferable property will be maintained on a property management reporting system to provide a safeguard against fraud, waste, and abuse of government property. The property management reporting system will include records of material on loan to government personnel. Personal Property and Equipment (PPE) includes capital, minor and certain sub-minor property and are maintained in the PMRS. Personal property managed through PMRS will include the following requirements:

2. Minimum information maintained in the PMRS by the PPM/PA:

- a. Property control number (locally assigned)
- b. Description of item by nomenclature
- c. Model number, serial number, manufacturer
- d. Custodian
- e. Location
- f. Acquisition date
- g. Acquisition cost
- h. Date of last inventory
- i. Source document number; i.e., standard document number, purchase document number
- j. Date of loan to custodian
- k. Authorized loan period
- l. Date of return of property

3. Marking/Identifying Property. A barcode, plate, or other method of marking with a unique property control number shall be attached to all plant and minor property as defined in reference (a) and enclosure (3).

Definitions

1. Class 1 - All Navy-owned land and water rights. Class 1 property is not covered by this instruction.
2. Class 2 - All Navy-owned buildings, structures, utilities, roads, parking areas, etc. and capital improvement. Class 2 property is not covered by this instruction.
3. Personal Property. Items used (not consumed) to produce goods/services supporting the DON's mission. Personal property includes: office equipment, industrial plant equipment, vehicles, material handling equipment, automated data processing (ADP) equipment, government furnished equipment (GFE), and other types of assets including leased assets. Personal Property does not include: inventory items (e.g., items intended for sale), operating materials and supplies, real property (i.e., land, buildings and structures), ordnance weapons, weapons systems (e.g., naval vessels, service craft, aircraft, etc.) or items of historical nature. Personal property is classified as: capitalized, minor, pilferable, sub-minor, government personal property in the possession of contractors, and leased personal property. Property in any of these categories may be sensitive or classified in nature and is covered by this instruction.
4. Capitalized Personal Property. An asset with a recorded cost equal to or greater than the capitalization threshold established by DoD that meets all capitalization criteria. Capitalization criteria are established in reference (b). All capitalized and minor property is covered in this instruction. Personal property that meets all of the following criteria:
 - a. Has an estimated or actual initial acquisition cost of \$100,000 or more.
5. Minor Personal Property. An asset with a recorded cost greater than the DoD accountability threshold, but less than the capitalization threshold. Property acquired for immediate use with a unit cost equal to or greater than \$5000 and less than \$100,000; or
 - a. Has an acquisition cost less than \$5000 and is determined to be sensitive and or classified in nature.

6. Pilferable Personal Property. An asset that is portable, can be easily converted to personal use and have been determined by the Commander/Commanding Officer/Officer-in-Charge to be critical to the activity's business/mission, and is hard to repair or replace. No dollar value threshold is specified.

7. Sub-Minor Personal Property. An asset that is less than or equal to the DoD accountability threshold that does not meet the criteria for pilferable, classified, or sensitive. There are no financial reporting requirements for this category of personal property and no mandated accountability requirements except those established at the activity level.

8. Personal Property Leases. All capital lease agreements for personal property (not for services) must be recorded in PMRS.

a. All operating lease agreements with minimum annual lease payments equal to or greater than \$5000 and lease terms over two years will be recorded in PMRS.

9. Personal Property in Possession of Contractors. Includes both of the following:

a. Personal property acquired by the Federal Government (government furnished equipment, GFE) will be recorded in PMRS and

b. Contractor-acquired equipment used to complete a government-sanctioned activity.

10. Defense Property Accountability System (DPAS). The Defense Property Accountability System (DPAS) is the mandated Property Management Reporting System (PMRS) used by the Navy for property purchased with appropriated funds. Acquisition, disposition, and transfer records shall be maintained in the property management reporting system.

SPAWARINST 11016.2E
06 Oct 2003

11016
Ser/
(date)

From: (Activity Name)
To: Commander, Space and Naval Warfare Systems Command

Subj: PLANT AND MINOR PROPERTY

Ref: (a) SECNAVINST 7320.10
(b) DOD Instruction 7000.14-R, Volume 4, Chapter 6
(c) DOD 4160.21M
(d) DOD 5000.64

1. I verify compliance with the triennial physical inventory of all plant and minor property as required by SPAWARINST 11016.2E and references (a) through (d). A reconciliation between the physical inventory and fiscal office records has been conducted with a survey completed for each missing item(s). A Missing, Lost, and Stolen Property Report (MLSR) has been completed for all appropriate items with a copy sent to SPAWAR 08-4 in accordance with reference (a).

Signature Block

Enclosure (4)