## Chapter 6

## **Property Accountability at Unit Level**

This chapter discusses concepts and procedures for accounting for organizational property and weapons. Another major concept introduced in this chapter is the command supply discipline program. It also introduces the basic methods for the relief of property accountability.

6-1. ACCOUNTABILITY AND RESPONSIBILITY. **Property** accountability is one of the greatest challenges a company commander will face during his tour of duty. The commander can do many things during a command tour but still fail as a commander if he does not maintain proper accountability of his equipment. The commander has the responsibility to keep the unit's property in serviceable condition. The commander must stress to the soldiers that each person is responsible for all property in his charge and not just for property that is listed on the unit property books. Commanders must also ensure their soldiers properly account for unit property. AR 710-2 and AR 735-5 contain the Army policy for property accountability and responsibility. DA Pam 710-2-1 contains the manual procedures for property accountability. DA Pam 735-5 contains procedures for officers conducting a report of survey.

**Property Accountability.** Property accountability is the obligation of a person to keep an accurate formal record of property issued to him. The record should show item identification data, quantities, balances, and transactions. This obligation may not be delegated. The accountable officer does not have to personally make all detailed entries on property records. However, he must:

- Make sure that the property issued to him is correctly noted on the property records.
- Know what is on hand as determined by the property records.
- Take action to resolve shortages or overages.

**Property Responsibility.** Property responsibility is the obligation of a person to ensure that government property entrusted to his possession, command, or supervision is properly used and cared for and proper custody and safekeeping are provided. AR 710-2 requires someone to be assigned direct responsibility for each nonexpendable and durable item on hand in the unit. There are three types of responsibility based on position within the

organization, and a fourth type based on signatures. The four types of responsibility are shown below:

- **Direct Responsibility.** Per AR 735-5, direct responsibility is the obligation of a person to ensure all government property for which he or she is receipted, is properly used and cared for. Direct responsibility results from assignment as an accountable officer, receipt of formal delegation, or acceptance of the property on hand receipt from an accountable officer or other hand receipt holder.
- Command Responsibility. The commander has command responsibility of all property in his unit. Command responsibility is the obligation of a commander to ensure the proper care, custody, and safekeeping of all government property within the command. He has this command responsibility for unit property whether he has signed for it or not. He must personally ensure the security of all unit property whether it is in storage or in use. For example, he must provide a secure place for mechanics to store tool kits issued to them. If he has not done so, and an item is lost, the commander could be held liable for the loss. The commander must also ensure proper supervision to make sure the tool kit is being used properly.
- Supervisory Responsibility. Supervisory responsibility is the obligation to ensure the proper use, care, and safekeeping of government property issued to or used by subordinates. Supervisors can be held liable for losses incurred by their subordinates.
- Personal Responsibility. Unit personnel are responsible for all arms, hand tools, and OCIE issued to them for their use. They are responsible whether they signed for the property or not. For example, when the tool kit is issued, the mechanic assumes personal responsibility for it and all items in it. The mechanic must take proper care of the kit and secure it in the assigned storage area when it is not being used. If the mechanic forgets to secure the kit and it is lost, he is responsible for the loss.

**Financial Responsibility.** Financial liability is the statutory obligation of a person to pay the U.S. Government for government property that was lost, damaged, or destroyed because of negligence or willful misconduct. A person may be held liable by his admission or as the result of an investigation. Soldiers can be charged the full amount of the loss when personal arms or equipment are lost. Accountable officers are liable for the full amount of the loss unless they can prove they were not at fault. Commanders who maintain separate property books at company level are accountable officers. The concept of financial responsibility is for reparations for the loss to be made by

the person responsible for the loss rather than for this to be used as a punitive action.

**Types of Property.** All Army property, except real property, is classified for property accountability purposes as nonexpendable, durable, or expendable. Whether property is considered nonexpendable, durable, or expendable is determined by the ARC. The ARC is found in the Federal Logistics Data on CD-ROM (FEDLOG). When an officer assumes command of a unit, he also assumes responsibility for these three types of property.

- *Nonexpendable*. Nonexpendable property is property that is not consumed in use, keeps its original identity, and has an ARC of N. Nonexpendable items require property book accountability after issue from the stock record account. They include property described in AR 710-2, Chapter 2.
- **Durable**. Durable property is personal property that is not consumed in use, keeps its original identity, and has an ARC of D in the FEDLOG. Durable items do not require property book accountability after issue from the stock record account. However, they do require hand-receipt control when issued to the user. They include hand tools with a unit price greater than \$5.
- **Expendable**. Expendable property is personal property that is consumed in use or loses its identity in use, or property with a unit price less than \$100 neither consumed in use nor otherwise classified as durable or expendable. These items have an ARC of X in the FEDLOG. Expendable items require no formal accountability after issue from a stock record account. They include paint, officer supplies, nuts and bolts, some repair parts, and components.

**Supply Discipline.** One of a commander's goals should be to instill supply discipline in his soldiers. Implementation of a strong command supply discipline program starts with the commander instilling a sense of supply discipline in the supply room personnel. By setting clear responsibilities and requirements from the beginning, the commander sets the proper command climate with regards to supply discipline for the entire unit. All soldiers in the unit need to be made aware of the importance of preserving Army property. Any practices that waste supplies or damage or destroy property must be corrected. When persons waste, damage, or lose government property, there are several actions that can be taken. They can be given oral or written reprimands. Efficiency reports can be annotated. For a serious incident, an Article 15 or a court-martial may be appropriate. Some ways to implement sound accountability practices and security measures include:

- Conduct a complete joint physical inventory before assuming command.
- Check for needed publications when you assume command and order the ones not on hand.
- Set up procedures for safeguarding government property.
- Check the supply SOP, and add or adjust procedures as needed.
- Set up procedures for controlling non-property book durable items.
  Use hand receipts, hand receipt annexes, or component hand receipts.
- Set up procedures for controlling expendable items. These items are not on a hand receipt or the property book. Make sure that supply discipline is strictly followed.
- Cover the methods for turning in excess property in the supply SOP for the unit. See that property is turned in as soon as it is no longer authorized or required.
- Conduct property accountability classes quarterly.
- Make sure that property records are kept up to date.
- Spot-check the PLL for inventory accuracy and item demand history. Make sure that all repair parts are on hand or on request.
- Periodically spot-check items on property records to ensure onhand balances are correct
- Follow DA guidelines for the Command Supply Discipline Program. The CSDP was developed as a means for commanders, at battalion level and above, to ensure their commands at the next lower level have implemented compliance with DA regulatory guidance. Company level commanders are required to report to their next higher headquarters any applicable requirements which cannot be completed. The requirements listing giving specifics is contained in AR 710-2 and contains:

General Requirements, including clarification of requirements, deviations from policy, supply constraints reporting, and hazardous materials program.

*Property Authorization Documents* (MTOE, TDA, CTA) and reconciliation with property book allowances.

Requesting and Receiving Supplies; authorized property on hand or on request, commander review of appropriate documents, review of receipt procedures, hazardous materials handling training, and reconciliation of supply requests.

*Disposition of Property*; property transfers in and out, component shortages, found on installation property, disposition of ammunition residue and hazardous materials.

Property Responsibility; command and supervisory responsibility for property, hand receipt holder responsibilities, temporary vs. permanent hand receipt, assignment of personal responsibility, components of sets kits and outfits, keeping hand receipts current, ammunition responsibility, tool room responsibilities, reports on hazardous materials.

OCIE and Personal Clothing; maintaining OCIE records, soldiers clearance of CIF, authorization of cash purchases from CIF, OCIE damage statements, soldiers clothing records, clothing inspections and shakedown (for quantity, cleanliness, and proper fit) inspections.

*Management of Loads:* basic vs. operational loads, management of stockage of loads, establishment of responsibility for loads, maintain demand data on loads.

*PLL:* review of records, increases/decreases to PLL, mandatory stockage, request for reparables, number of lines.

*Inventories:* change of hand receipt holders, periodic inventory, command directed, weapons and ammunition, basic and operational loads, PLL, OCIE.

Adjustments for lost, damaged or destroyed items.

Storage: internal control checklists and inspections of stored items.

*Petroleum Management:* government credit cards, audit of bulk storage, spills and contamination, recovery of contaminated/used POL products.

**Property Control.** The commander must be alert to the need for security of property under his control. Taking the following actions will help accomplish this:

- Safeguard government property by controlling access to storage areas and by maintaining key control.
- Count all items yourself when doing an inventory. Do not just review hand receipts and subhand receipts. See the item. Touch it.
   Feel it. Do not let someone else do the inventory for you. It is your responsibility to conduct the inventory.
- Emphasize control of hand tools, OCIE, and components of sets, kits, and outfits.
- Mark equipment and supplies to show they belong to your unit.
- Use control sheets for expendable supplies so you can determine requirements and can take action when excessive demands are made.
- Make sure supply personnel are well trained in property accountability procedures.

6-2. **PROPERTY RECORDS.** The two categories of Army property are real property and personal property. Real property includes land and structures. Personal property includes capital equipment and other nonexpendable supplies. The commander must ensure his soldiers keep adequate records of the property under his control. The instruments used for this purpose are property books; hand receipts; inventory lists; transfer documents; and operational, prescribed, and basic load lists.

**Property Books.** Property books are formal records of nonexpendable property assigned to divisional and nondivisional units, TDA units, and separate companies. DA Pam 710-2-1 lists the property that must be accounted for on property books. Divisional property books are automated. Divisional property book teams maintain the property books according to AR 710-2 and the end users manual for the automated system used. Property books are either automated or manual (DA Form 3328):

- Manual. If you command a separate company or similar unit, you may be the PBO or you may appoint one. If you are the PBO, you must sign a statement at the front of the property book acknowledging responsibility. The PBO and unit supply specialists must maintain the property book according to the guidance in DA Pam 710-2-1.
- Automated. If you are the commander of a divisional company, the property books are automated and maintained at the division, except in Force XXI units where it is maintained at corps. Property book teams maintain property records for the division PBO. The PBO teams follow the procedures in the end user's manual for their automated system. As the commander of a divisional company, you are not responsible for the record keeping, but you still retain command responsibility for the property in your unit. You receive a monthly printout of your unit property that you must reconcile against your previous records and turn-ins, transfers, and receipts accomplished during the month.

**Types of Property Books.** All nonexpendable property must be maintained on a property book, with a few exceptions. Those exceptions are certain types of furnishings as outlined in DA Pam 710-2-1. As a company commander, you may be a primary hand receipt holder from more than one property book office, including; division PBO (MTOE type property), installation PBO (office type property), or furnishings management office PBO (barracks and dayroom type property). As the primary hand receipt holder, you accept command responsibility for all these type of property. The property should be marked in such a way as to be easy to distinguish which PBO it came from. When the unit deploys, it deploys only with its organizational (MTOE and certain TDA) property.

**Managing Excess Property.** The quantity and type of property on the property book is based on that which is authorized by MTOE, TDA, and CTA. Inevitably units acquire excess items which may or may not be accounted for on the property book. It is the commander's responsibility to make proper disposition of the excess property items, which can include:

■ *TAADS Change.* The Army Authorization Documentation System includes TOE, MTOE, TDA, MOB TDA, and CTA. When the command determines an item is excess, but they need it to accomplish their mission, they need to submit a change to the appropriate authorization document. If it is a piece of equipment needed to accomplish the wartime mission, the TOE, MTOE or MOB TDA should be changed. For peacetime missions, a change to the TDA should be submitted.

- Request for Disposition. For property no longer needed, the command should submit a request for disposition to the next higher echelon S4. The S4/G4 will provide transfer instructions to the unit, or will instruct the unit to turn the item in. Both units must keep a copy of the transfers to make the correct update to the property books.
- Unserviceable Items. Unserviceable/nonreparable items must be turned in. Copies of turn-in documents will be maintained to make the correct update to the property book.

**Hand Receipts.** A hand receipt is a listing of nonexpendable and durable items (other than components) which have been issued to an individual, section, or unit. The signature on a hand receipt establishes direct responsibility for that item. Hand receipts are also accountable records of all nonexpendable and durable property. Manual systems use the DA Form 2062 as hand receipt documents to account for property at company, unit, or activity level. It is used to assign responsibility to the supervisor and user levels. Instructions for preparing the DA Form 2062 are found in DA Pam 710-2-1. Automated systems use machine listings as hand receipt documents. These are prepared and maintained according to AR 710-2-1 and the system end users manual.

- Copies. If you are a company commander acting as the PBO, issue property to the platoons and other elements of your unit on hand receipts. If you are the primary hand receipt holder, you issue the property on subhand receipts. You keep the original and provide a copy to the subhand receipt holder. The receiver must keep the copy until their hand receipt or sub-hand receipt is adjusted and updated.
- Maintenance. Hand receipts and subhand receipts must be kept current. The information about property on the property book and hand receipts must agree at all times. DA Pam 710-2-1 shows how to keep hand receipts current. Hand receipts may be kept current by posting changes directly to the hand receipt as changes occur, or by using change documents such as DA Form 3161, DD Form 1348-1, or DD Form 1348-1A to show issue and turn-in transactions. The issuer keeps the original and the receiver keeps a copy and they file the change documents with their hand receipts until the next time the hand receipt gets updated.
- *Adjustments.* When change documents are used to keep hand receipts current, the changes must be posted to the hand receipt:
  - At least every six months.

- Before change of primary or subhand receipt holders.
- Before a change of PBO.
- Before an annual PBO inventory.
- Temporary Hand Receipts. A PBO or unit commander may need to temporarily lend property to another unit. This may be accomplished using a DA Form 3161 as a temporary hand receipt. However, a temporary hand receipt is good only for 30 days. After 30 days, the property must be returned or be transferred to the other unit permanently.

**Inventory Lists.** The PBO or responsible officer may encounter a situation where it is impractical to assign further responsibility for property. For example, this could happen in the case of multiple-use classrooms, or dayrooms used by more than one unit. In this case, the responsible officer or PBO may manage the property using an automated list or DA Form 2062 as an inventory list. When using the inventory list method, the PBO or responsible officer must inventory the property semiannually. The list will be prepared and managed according to the provisions of DA Pam 710-2-1.

**Issue, Turn-In, and Transfer Documents.** A PBO or responsible officer may use DA Form 3161 in many different situations. DA Pam 710-2-1 provides specifics for preparation of the form. DA Form 3161 can be used as an issue, turn-in, or transfer document.

- Request for issue and turn-in document. Units not under an automated system may use DA Forms 3161 and 3161-1 (continuation sheet) to request supplies. These forms may also be used to document turn-in of items to the PBO or other activity. However, they are only valid for 30 days at which time the hand receipt must be updated.
- Transfer document. Units can transfer items laterally to other units, when authorized or when directed by the appropriate level of command, depending on the type of property involved. These transfers can be posted to the hand receipt using the DA Form 3161. Procedures for lateral transfer actions are contained in DA Pam 710-2-1.

**Hand Receipt Annexes.** Hand receipt annexes are used between the PBO and primary hand receipt holders and between primary hand receipt holders and subhand receipt holders. When an item with components is issued on a hand receipt or subhand receipt, any shortage of nonexpendable or durable

components must be recorded on a hand receipt annex. The hand receipt annex, also known as a shortage annex, is prepared in two copies. The shortage of any component of a major end item, set, kit, or outfit will be shown on a hand receipt annex for that item of property. The PBO and primary hand receipt holders record shortages of nonexpendable components. The person (PBO or company commander) who maintains the document register for durable items will be the level at which durable items are recorded on the hand receipt annex. Commanders ensure that the responsible soldiers:

- Maintain hand receipt annexes in the same manner as hand or subhand receipts.
- Take prompt action to requisition items to fill shortages.
- Control hand tools which are easily lost or stolen. Assign tool sets to specific individuals, and keep track of small tools not kept in toolboxes. Have each soldier who is issued a tool sign for it. Hold soldiers and supervisors accountable for lost, damaged, or destroyed tools.

**Weapons Records.** The commander is responsible for the security and control of all weapons under his care. Details regarding security of arms, ammunition, and explosives are found in AR 190-11 and AR 190-51. The unit armorer prepares and maintains the documents for weapons control according to AR 190-11 and AR 710-2. He maintains a master authorization list to ensure there is no unauthorized issue or use of weapons. The armorer inventories weapons when the unit receives them and records the serial numbers on the unit property records. Units may have weapons stored in a consolidated arms room. The commander of the unit in charge of the arms room is in charge of its physical security and acts as its landlord. He controls the locking of the outer doors and the keys for the doors. He is responsible for setting up an SOP which includes key control, access authorization, and issue times/procedures. Weapons in a consolidated arms room are separated by units; for example: A Company's weapons cannot be stored in the same racks Some units store small arms (such as 9mm as B Company's weapons. pistols) in a Class V filing cabinet.

Arms, Ammunition, and Explosives Control. Arms, ammunition and explosives are sensitive items. Commanders are responsible for controlling sensitive items within their units. AR 710-2 requires a quarterly inventory for sensitive items other than weapons and ammunition. Weapons are inventoried monthly by serial number. After the inventory, the commander signs a statement showing the inventory results. For units without their own property book, a copy of the inventory will be maintained in the unit and the original will be forwarded to the PBO. If the inventory shows a loss, the commander appoints someone to find out why. That person audits the supply

actions that occurred since the previous inventory. If he finds an accounting error, the records can be corrected. If not, then further action will be taken. As soon as the loss is verified, the law enforcement activity will be notified. CID will determine criminal intent before administrative actions are taken per AR 710-2 and AR 735-5. If the item is listed in AR 190-11, Appendix B or E, an investigation under AR 15-6 will be initiated. This investigation must include findings, recommendations, and disposition of unserviceable property. The results may be used for a report of survey to adjust the property record.

**Organizational Clothing and Equipment Record.** OCIE items are issued from the CIF. Issues and turn-ins of OCIE are recorded on DA Form 3645 and DA Form 2645-1 according to AR 710-2 and DA Pam 710-2-1, when not under an automated system. AR 735-5 allows soldiers to pay for OCIE losses that are not depreciated. Each soldier's OCIE should be inventoried quarterly. Unit supply personnel are required to perform a semiannual reconciliation with the CIF of personnel in their unit. Unit funds are used to replace OCIE in the CIF for soldiers who have departed the unit without clearing the CIF.

**Personal Clothing Procedures.** Certain situations require soldiers to be issued clothing at no cost to them. These situations include, but are not limited to:

- Initial issues. Occasionally soldiers are not issued their entire initial issue during their initial entry training. These missing items are requested using DA Form 3078, Personal Clothing Request. DA Form 3078 will be completed per the instructions in AR 700-84.
- Alterations or Exchanges. Any alterations or exchanges required by enlisted soldiers within the first six months of active duty will be paid for by the government. These actions are also done by using DA Form 3078.
- Extra Clothing Allowances.

Supplemental. Additional uniform items, such as an additional polyester wool coat for a female on recruiting duty. These additional type items are listed in CTA 50-900.

Civilian. Certain special duty assignments (such as when an enlisted soldier is assigned duties requiring him to wear civilian clothing) require supplemental clothing issues. There are three types of these allowances: initial, special, or temporary duty.

 Gratuitous Issues. Procedures for gratuitous issues of personal clothing are outlined in AR 700-84. Some situations which allow for gratuitous issues are:

Dress uniform for burial of deceased active duty personnel.

Replacement of items damaged by administering of first aid.

Replacement of items damaged by a government laundry facility.

When authorized by medical department to contain the spread of contagious diseases.

When baggage is lost or damaged while on a government conveyance.

**Lock and Key Control.** Lock and key control measures are explained in AR 190-11 and AR 190-13. Local physical security offices can provide assistance in ensuring standards are met. A lock and key custodian will be appointed for the unit. He is responsible for ensuring all unit keys and locks are handled properly. Table 6-1 lists procedures for lock and key control. All keys to arms rooms and secure areas will be stored separately in a locked box. This key box will be either bolted to the wall or chained to the floor so that it cannot be removed. It must also be located in an area that is manned 24 hours a day. The lock and key custodian is responsible for keeping a record of locks and keys. He must keep track of the number and type of locks and keys used by unit personnel. DA Form 5513-R should be used for keeping these records. The proponent for DA Form 5513-R is AR 190-11.

6-3. **INVENTORIES.** An inventory is the physical count of all supplies and equipment on hand. Property records must be kept up to date so they show the quantities on hand andinventories must be taken to verify the quantities on hand agree with the property records. At unit level, items on hand receipts and balances on PLLs must be inventoried. Then the records are reconciled and action taken when items are missing, damaged, or destroyed. When assuming command, the incoming commander must complete a 100 percent physical count of all property, including components of end items, sets, kits, and outfits.

**Types of Inventories.** There are several types of inventories required at unit level. Some are vent oriented, such as a change of the primary hand receipt holder. Other inventories are type of property oriented, such as arms, ammunition, and OCIE. Table 6-2 shows types of inventories and when they are required to be conducted.

## Table 6-1. Lock and Key Control Guidelines

## **PROCEDURES**

- Inventory keys and locks twice a year.
- Make sure keys to the box are counted and that missing keys are accounted for when there is a change of duty officers or duty NCOs. Record this count as part of the duty log.
- Make sure that only authorized persons have access to the key box and to the keys inside. Keep the list of authorized persons near the box, but away from public view.
- Store keys to arms rooms, weapons racks, and containers away from other keys. Do not allow these keys to be left unattended.
  - Do not leave keys unattended or in an unsecured area.
- $\bullet$   $\;$  Do not take keys for secure areas, arms rooms, rack, or containers outside the unit's operating area.
  - Change locks at once whenever keys are lost, misplaced, or stolen.
  - Make sure key control registers and inventory logs are kept up to date.
  - Change combinations to locks on secured areas twice a year.

**Inventory Procedures.** Each type of inventory should have an SOP. When conducting an inventory take the following steps:

- Determine what is to be inventoried. The automated systems will generate an inventory listing which will show the items to be inventoried
- Set the dates. A schedule should be produced and provided to all hand receipt holders and subhand receipt holders involved.
- *Use correct publications*. Make sure the required publications (such as TMs) are available and up to date.
- Notify the hand or subhand receipt holder. Make sure the person responsible for the items to be inventoried knows when the inventory will occur. That person should also prepare the inventory in advance. For example, if the inventory is for tool boxes, they should be laid out in advance of the arrival of the person conducting the inventory.
- *Conduct the inventory.* Supply personnel should accompany the person taking the inventory. They should have copies of the hand receipts, component shortages, and other records with them.
- Record results and adjust records. Compare the inventory count with the property record, and post the results. Verify shortages and overages and adjust the records. Under an automated system, the required certification will be prepared and returned to the PBO. For discrepancies, prepare the adjustment documentation IAW AR735-5 & DA Pam 710-2-1.
- 6-4. **PROPERTY RECORD ADJUSTMENTS.** The commander must decide the appropriate action to take to adjust the property records and account for the differences when the records do not match the quantities on hand or equipment or when supplies are damaged or destroyed. Overages may be adjusted by adding the items to the property record, transferring it to another unit, or turning the item in as found on installation.

Table 6-2. Types of Inventories:

INVENTORY	DESCRIPTION
Receipt and Issue of Property	When property is received from a hand receipt holder or PBO, from an SSA, from the next higher source of supply, or a lateral transfer.
Change of Primary Hand Receipt Holder	When there is a change in the officer responsible for property issued to the unit.
Annual Primary Hand Receipt Holder	Within one year since the last annual inventory or within one year since the change of responsible officer, whichever is later.
Cyclic	Monthly, quarterly, or semiannually.
Change of PBO	Within 30 days prior to replacement of the PBO.
Change of Custody of Arms Storage Facility	When responsibility for the custody of the keys to the arms storage facility is transferred.
Command Directed	When directed by the installation commander.
Sensitive Items - Other than Weapons or Ammunition	Quarterly. Controlled cryptographic items semiannually.
Weapons & Ammunition	Monthly weapons by serial number.
Basic Loads	Monthly for Class III bulk and Class V. Semiannually for Class I, II, III Packaged and IV
OCIE	Within 5 work days after arrival or departure.

**Determining Responsibility for a Loss.** A loss must be investigated and the facts determined. If the person holding the hand receipt for the item admits liability, the item can be accounted for using a statement of charges or a report of survey. Details on preparing these forms are contained in AR 735-5. When no liability is admitted, causative research must be conducted before beginning the investigative procedures. This is done to determine whether there was an actual loss or if the discrepancy is simply an accounting error. When gross negligence is suspected, an investigation under AR 15-6 may be warranted. AR 735-5 gives guidance on when to use the report of survey process and when an investigation under AR 15-6 should be initiated.

**Appointing an Investigating Officer or Board of Officers.** A commander at any level or a primary staff officer of a general court marshal convening authority can appoint an officer or a board of officers to make an informal investigation. The appointment may be oral or written. It should specify the purpose and scope of the investigation, the nature of the findings, and the recommendation(s) needed.

Using a Report of Survey. A report of survey is used as a means of reestablishing accountability for lost, damaged, or destroyed supplies and equipment. When there is no admission of liability for a loss or when a person admits liability for the loss but the loss is greater than one month's basic pay for that person, then a report of survey should be initiated. The report of survey is not intended as a means of punishment. The commander still retains the option of administering nonjudicial punishment under Article 15 of the UCMJ or convening a court marshal. The commander will appoint a survey officer or NCO, normally of equal or higher rank than the individual who signed for the item on the hand receipt. This appointing authority commander is at or above battalion level. The investigating officer or NCO uses DA Form 4697 for recording report of survey information. DA Form 4697 along with specific guidelines and timelines are shown in AR 735-5. The timelines shown in AR 735-5 are important in seeing the matter resolved in a timely manner.

**Making Minor Administrative Adjustments.** Property records may be adjusted when there are administrative changes or minor errors. Although they are called minor, they correct inaccuracies in the records. However, minor adjustments do not affect or correct the on hand balance on property books. These adjustments are made under the manual system by using DA Form 4949. The procedures for preparing this form are in DA Pam 710-2-1. The following are examples of when an AAR might be used:

- NSN changes for similar makes and models.
- Size corrections.

- Unit of issue changes.
- Items changing from accountable to nonaccountable.
- Items changing from nonaccountable to accountable.

**Making Adjustments Using Statement of Charges/Cash Collection Voucher.** When a person admits liability, they may be offered the option of reimbursing the government by using DD Form 362 or DD Form 1131. These forms may not be used for reimbursement to the government if the costs exceed one month's basic pay for that individual. The procedures for preparing these two forms are contained in AR 735-5.