

DEPARTMENT OF THE ARMY
U.S. ARMY MEDICAL DEPARTMENT ACTIVITY
FORT HUACHUCA, ARIZONA 85613-7079

MEDDAC MEMORANDUM
NO. 735-1

March 21, 2008

Property Accountability
FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS

	Para	Page
History -----	1	1
Purpose -----	2	1
Applicability -----	3	1
References -----	4	1
Responsibilities -----	5	1
Policies and Procedures for Processing FLIPL-----	6	3
Appendix A – Checklist & Tracking Document for FLIPL--- -----		A-1
Appendix B – DD Form 200 -----		B-1

- 1. **HISTORY:** This issue publishes a revision of this publication.
- 2. **PURPOSE:** To summarize regulatory guidelines and set forth local policies and procedures for Financial Liability Investigation Property Loss (FLIPL).
- 3. **APPLICABILITY:** This memorandum applies to all personnel in units or activities aligned with RWBAHC for logistical support.

4. REFERENCES:

- 4.1 AR 735-5, Policies and Procedures for Property Accountability.
- 4.2 AR 25-400-2, The Army Records Information Management System (ARIMS).
- 4.3 AR 15-6, Procedures for Investigating Officers and Boards of Officers.
- 4.4 DA Pam 735-5, Financial Liability Officer’s Guide.

5. RESPONSIBILITIES.

- 5.1 Approving Authority: The MEDDAC Commander is the approving authority. The approving authority will ensure that:

*This memorandum supersedes MEDDAC Memo 735-1, dated 07 Oct 2004

5.1.1 The Deputy Commander for Administration is appointed as the Appointing Authority.

5.1.2 That Appointing Authority appointment orders are filed with the FLIPL register kept in the Logistics Division.

5.2 Appointing Authority:

5.2.1 Ensures that a copy of the appointment orders are filed with the FLIPL register.

5.2.2 Ensures that responsible person's report lost, damaged, or destroyed items and that initiation, processing and adjudication takes place within time limits established in AR 735-5.

5.2.3 Ensures administrative action takes place to correct the causes of avoidable delays exceeding the processing time limits.

5.2.4 Ensures the FLIPL register and files are maintained in the headquarters of the approving authority per AR 735-5, paragraph 13-20a (6) and in accordance with AR 25-400-2.

5.3 NCOIC Logistics Division:

5.3.1 Responsible for ensuring all FLIPLs are processed within time frames listed in AR 735-5 when U.S. Government property is lost, damaged, or destroyed.

5.3.2 Ensure investigations are processed in accordance with regulatory guidance.

5.3.3 Supervises the preparation, maintenance, and management of the document/voucher register.

5.3.4 Maintains the FLIPL register, DA Form 1659, in accordance with AR 735-5.

5.3.5 Submit FLIPL for legal review as required.

5.3.6 Any delays will be explained in writing and attached as an exhibit.

5.4 Chief of Human Resource or his/her representative will be responsible for assigning a financial liability officer for FLIPL requiring investigation.

5.5 Property Book Officer (PBO)will:

5.5.1 Provide guidance to the primary hand receipt holder in initiating the FLIPL.

5.5.2 Assign a document number to the FLIPL. Ensure missing equipment is dropped from formal accountability and damaged items are turned in.

5.5.3 Establish supporting document files to support transactions of dropping items from the property book.

5.5.4 Ensure the Financial Liability officer is briefed on duties and responsibilities. PBO will furnish Investigating Officers with a copy of the FLIPL Officer Guide.

6. POLICIES AND PROCEDURES FOR PROCESSING FLIPL:

6.1 Initiation Process:

6.1.1 The initiator of a FLIPL will normally be the hand receipt holder, on rare occasions the Property Book Officer (PBO/Accountable Officer) may be required to initiate. If neither is available, the person with the most knowledge of the circumstances will serve as initiator. The initiator will prepare blocks 1 and 3-11 of DD Form 200 (Financial Liability Investigation of Property Loss) (Appendix B) and forward it to the Accountable Officer (Property Book Officer). When the DD Form 200 is prepared it will be attached to DA Form 7531 (Checklist and Tracking Document for Financial Liability Investigations of Property Loss) (Appendix A) that will be used as a checklist and for tracking events as they occur.

6.1.2 The accountable officer will complete blocks 17a-f of the original DD Form 200 and make six copies for processing. All exhibits should be labeled IAW AR 735-5, para 13-9a(3)(e). Property Management will review the FLIPL for accuracy, assign a document number, and attach a suspense cover sheet to the original for processing.

6.2 Distribution of FLIPL by the accountable officer:

6.2.1 Six copies of the FLIPL will be prepared. The accountable officer forwards the original of the DD Form 200 and four copies with all exhibits to the appointing authority or approving authority as appropriate.

6.2.2 Copy five is posted to the supporting document file. Copy six is given to the initiator.

6.3 Processing FLIPL by Appointing and Approving Authority:

6.3.1 The appointing authority may determine (from the information in block 9 and 10, DD Form 200 and exhibits) that there is no evidence of negligence. If so, he or she will complete blocks 13b through 13h, placing a statement in block 13b recommending all persons be relieved of financial liability. Forward the DD Form 200 to the approving authority.

6.3.2 The appointing authority may determine that there is evidence of negligence based on information provided in block 9 and 10. He or she may recommend liability without appointing a Financial Liability Officer. When this option is applied, the appointing authority will ensure procedures are followed as outlined in AR 735-5, Chap 13 para 22-23.

6.4 Appointment of a Financial Liability Officer:

6.4.1 The appointing authority may appoint a financial liability officer when the FLIPL does not contain enough information to make a decision without further investigation by completing block 13c and entering their initials and the date, or direct an investigation according to AR 15-6. If an AR 15-6 investigation is directed line through the words financial liability in block 13c and insert "AR 15-6" investigating in the row immediately above. The appointing authority will return the FLIPL to the Chief, Logistics Division who will brief all investigation officers. Upon completion of the investigation, the FLIPL will be returned to Logistics for review and submission to the appointing authority for processing.

6.4.2 The appointing authority will review the recommendations by the Financial Liability Officer, ensure all requirements are met and make one of the following decisions:

6.4.2.1 Return FLIPL to the Financial Liability Officer for further investigation.

6.4.2.2 Concur with findings and recommendations, check "Approve" in block 13a, and then complete blocks 13b-13h of DD Form 200, forward DD Form 200 to approving authority.

6.4.2.3 Nonconcur with findings and recommendations, check "Disapprove" in block 13a, and then enter a statement in block 13b.

6.4.3 If the appointing authority recommends financial liability and the survey officer does not, the appointing authority will ensure the procedures outlined in AR 735-5, para 13-34c and 13-35 are followed. Complete blocks 13d-13h of DD Form 200.

6.4.4 Forward the FLIPL to the approving authority.

6.5 Approving Authority:

6.5.1 When the Financial Liability Officer recommends liability the approving authority will submit the FLIPL for legal review.

6.5.2 The approving authority can take the following actions:

6.5.2.1 Determine the investigation is incomplete and request further investigation. The approving authority will insert an "X" in block 14a "Disapprove box", and specify the additional data required using a memorandum. The approving authority will then enter the date and his or her initials in block 14a of DD Form 200.

6.5.2.2 Adopt the recommendations of the financial liability officer, and approve them by checking block 14a "Approved box" DD form 200 and completing blocks 14b through 14h, or make a decision contrary to the recommendations of the financial liability officer, either to relieve all concerned from financial liability or to assess financial liability against a new individual

6.5.2.3 Assess financial liability against one or more respondents by following guidelines outlined in AR 735-5, para 13-34 and 13-35.

6.5.3 The approving authority will enter the decision in block 14a through 14h, DD Form 200 to relieve all concerned from property responsibility and accountability.

6.5.4 When the approving authority decides to relieve all concerned from financial liability, he/she will enter an "X" in block 14a "Approved box" DD Form 200, and insert the following statement in block 14b: "All concerned are relieved from financial liability for the LDD (Lost Damage and Destruction) of the property listed on this financial liability investigation of property loss". The approving authority will then complete blocks 14d through 14h.

6.5.5 When the approving authority decides to approve charges of financial liability against an individual, he/she will enter an "X" in block 14a, "Approved box" DD Form 200 and insert the following statement in block 15b: "To hold (insert name, rank/grade, and SSN) financially liable in the amount entered in block 15d". Enter the respondent's monthly basic pay at the time of loss in block 15c.

6.6 Time constraints for initiation of Financial Liability Investigation of Property Loss:

6.6.1 Active duty units have 75 calendar days for total processing. FLIPL will be sent to the appointing authority not later than 15 calendar days after the date of discovering the discrepancy.

6.6.2 Investigating officers will have up to 40 days to complete an investigation. Extensions will only be approved by the approving authority.

The proponent of this publication is the Chief, Logistics Division. Users are invited to send comments and suggested improvements on DA Form 2028 directly to Logistics Division, ATTN: MCXJ-LO, Fort Huachuca, Arizona 85613-7079.

FOR THE COMMANDER:

OFFICIAL:

GREGORY A. SWANSON
LTC, MS
Deputy Commander for Administration

ROBERT D. LAKE
Information Management Officer

DISTRIBUTION: E

Appendix A

**Checklist and Tracking Document for Financial Liability Investigations of Property Loss
(DA Form 7531)**

CHECKLIST AND TRACKING DOCUMENT FOR FINANCIAL LIABILITY INVESTIGATIONS OF PROPERTY LOSS			
For use of this form, see AR 735-5; the proponent agency is DCS, G-4.			
To: Accountable Officer 1.			
To: Approving Authority 2.			
To: Financial Liability Officer 3.			
To: Approving Authority 4.			
To: Staff Judge Advocate 5.			
To: Approving Authority 6.			
(A) Complete When a Loss is Discovered			
Date loss was discovered _____		Originating Unit _____	
Preliminary search for item began _____		Preliminary search for item ended _____	
Date assigned document number _____		Date assigned inquiry/investigation number _____	
(B) Initiator (Blocks 1 and 3 through 11 are completed by the individual initiating the investigation of property loss. Normally this will be the hand receipt holder or the accountable officer. When the hand receipt holder or accountable officer is not available, the person with the most knowledge of the incident causing the loss will initiate the financial liability investigating of property loss.)			
Block 1.	Has the date the investigation of property loss initiated been entered?	Yes	No
Block 3.	Has the date the loss was discovered been entered?	Yes	No
Block 4.	Has the correct stock number(s) been entered? If more than one, use a continuation sheet per figure 13-5. For items with a line item number (LIN), enter the LIN and for those items with a reportable item control code (RICC) of, 2, A, B, C or Z, enter the RICC.	Yes	No
Block 5.	Has the correct nomenclature(s) been entered, to include serial numbers if items have serial numbers? For damaged property, enter the cost of repair or the estimated cost of repair if actual cost is not available. Use continuation sheet when the loss to be investigated involves more than one item.	Yes	No
Block 6.	Has the quantity of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary.	Yes	No
Block 7.	Has the unit cost of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary.	Yes	No
Block 8.	Has the total cost of the item(s) lost, damaged or destroyed been entered? Use continuation sheet when necessary.	Yes	No
Block 9.	Has an accurate and concise statement of facts surrounding the loss been entered? Statement should identify as much as possible what happened, how it happened, where it happened, who was involved, when it happened and any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of the property.	Yes	No
Block 10.	Has a recommendation been entered by the initiator? Recommendations may be entered by the commander, accountable officer, and when appropriate by the financial liability investigating officer.	Yes	No
Block 11.	Has the individual who completed blocks 1 and 3 through 10, completed blocks 11a through 11e?	Yes	No
Block 12.	Has the responsible officer or the reviewing authority completed blocks 12 through 12g?	Yes	No
Attach the financial liability investigation of property loss to this checklist and tracking document, and forward to the accountable officer or person maintaining the expendable/durable document register for assignment of a document/voucher number.			
(C) Accountable Officer (Block 17 is completed by the accountable officer or person maintaining the expendable or durable document register prior to forwarding the investigation to the appointing authority or approving authority as appropriate.)			

Checklist and Tracking Document for Financial Liability Investigations of Property Loss
(DA Form 7531)

	<ul style="list-style-type: none"> o If appropriate, prepare a statement that individual recommended for a charge of financial liability refused to sign block 16g, DD Form 200, after being given the opportunity. <ul style="list-style-type: none"> oo A full explanation of the person's rights shall be included and a reply shall be requested. oo If the reply is not received within 30 days after the date of mailing, the financial liability officer shall record this fact and take action to complete the DD Form 200. This record of fact shall be included in, or appended to, the DD Form 200. oo Any reply received after the expiration of 30 days shall be forwarded through the same channels as the DD Form 200, form attachment to the original DD Form 200. o Was consideration given to any new evidence received after a recommendation was made? If the financial liability recommendation remains unchanged, the financial liability officer shall note that the added evidence was considered and provide the rationale for not changing the decision. The notation shall be on all copies of the report immediately following the original recommendation. If the financial liability officer makes a change in the original recommendations because of the new evidence, the financial liability officer shall record such change as "Amended Recommendations." These recommendations should be recorded immediately after the original recommendations. 	Yes	No	N/A
Block 15b.	Has the dollar amount of the loss been entered by the financial liability officer?	Yes	No	N/A
Block 15c.	When a charge of financial liability is being recommended, has the monthly basic pay of the respondent been entered?	Yes	No	N/A
Block 15d.	When a charge of financial liability is being recommended, has the recommended amount of financial liability been entered?	Yes	No	N/A
Blocks 15e-15k.	Self explanatory.	Yes	No	N/A
On completion of the investigation, the financial liability officer forwards the completed DD Form 200 with all exhibits to the approving authority. When the approving authority has designated an appointing authority, the financial liability officer forwards the completed investigation to the appointing authority.				
(F) Appointing Authority (Block 13 is completed by the appointing authority when one has been designated by the approving authority. When an appointing authority has not been designated, block 13a through b and d through f are left blank.)				
Block 13a.	On completion of the appointing authority's review of the financial liability investigation of property loss, a recommendation is made to either approve or disapprove the financial liability officer's findings and recommendations.	Yes	No	N/A
Block 13b.	The appointing authority's rationale for the decision reached in block 13a is entered in block 13b.	Yes	No	N/A
Block 13c.	This block was previously completed, as indicated in (D) above.	Yes	No	N/A
Blocks 13c-13h.	Self explanatory.	Yes	No	N/A
On completion of block 13, the financial liability investigation of property loss is either -- <ul style="list-style-type: none"> o Returned to the financial liability officer for additional investigation or documentation of findings and recommendation, or o Forwarded to the approving authority. 				
(G) Approving Authority (This set of blocks is completed by the approving authority to show the approving authority's preliminary decision after the approving authority's initial review of the financial liability officer's findings and recommendations.)				

Checklist and Tracking Document for Financial Liability Investigations of Property Loss
(DA Form 7531)

Block 14a.	On completion of the approving authority's initial review of the financial liability officer's findings and recommendations, has the approving authority indicated his or her approval or disapproval of the financial liability officer's findings and recommendations? <ul style="list-style-type: none"> o If the financial liability officer has recommended that all persons be relieved of responsibility and accountability for the loss and the approving authority agrees with the financial liability officer, the approving authority may approve the financial liability investigation of property loss and close the investigation, per AR 735-5, paragraph 13-39g(3). o If the financial liability officer has recommended that person(s) be charged with financial liability for the loss, and the approving authority agrees with the financial liability officer, the approving authority must forward the financial liability investigation of property loss to the supporting Office of the Staff Judge Advocate for legal review prior to making a final decision, per AR 735-5, paragraph 13-40d. o When the approving authority makes a decision contrary to the recommendations of the investigating officer or AR 15-6 financial liability officer, either to relieve all concerned from financial liability or assess financial liability against a new individual, this decision is entered in block 14a(1) with appropriate comments in block 14b, per AR 735-5, paragraph 13-40d(2). 	Yes	No	N/A
Block 14b.	Has the approving authority entered his or her rationale for the initial decision shown in block 14a? When a decision to charge an individual(s) with financial liability, comments should be entered stating who the respondent is and the amount of financial liability to be assessed.	Yes	No	N/A
Block 14c.	Has the approving authority indicated whether a legal review is necessary? A legal review is required when -- <ul style="list-style-type: none"> o A charge of financial liability is recommended. o The recommendations appear to be inconsistent with the findings. 	Yes	No	N/A
Blocks 14d-14h.	Self explanatory	Yes	No	N/A
On completion of block 14, when the approving authority decides to approve a charge of financial liability, he or she must forward the financial liability investigation of property loss to the supporting Office of the Staff Judge Advocate for legal review prior to making the final decision to assess financial liability.				
(H) Staff Judge Advocate When financial liability is recommended, or when recommendations appear to be inconsistent with the financial liability officer's findings, a judge advocate or civilian attorney must review the findings and recommendations and provide an opinion on the adequacy of the evidence and its relationship to the findings and recommendations. This legal review will be attached to the financial liability investigation of property loss as an exhibit. On completion of the legal review, the financial liability investigation of property loss will be returned to the approving authority.				
(I) Approving Authority On receipt of the financial liability investigation of property loss containing a legal review from Staff Judge Advocate, the approving authority will conduct a final review of the financial liability officer's findings and recommendation together with the Staff Judge Advocate's legal review and make a final decision concerning the charge of financial liability. <ul style="list-style-type: none"> o When a decision is reached to charge an individual with financial liability, the approving authority notifies the respondent by memorandum per AR 735-5, paragraph 13-42a. See AR 735-5, paragraph 13-43 addressing actions required when a respondent submits a request for reconsideration. o When a decision is reached to relieve all concerned of accountability and responsibility for the loss, investigation will be closed out per AR 735-5, paragraph 13-40e. 				

Appendix B

Financial Liability Investigation of Property Loss (DD Form 200)

FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS							
PRIVACY ACT STATEMENT							
AUTHORITY: 10 USC 2775; DoD Directive 7200.11; EO 9397. PRINCIPAL PURPOSE(S): To officially report the facts and circumstances supporting the assessment of financial charges for the loss, damage, or destruction of DoD-controlled property. The purpose of soliciting the SSN is for positive identification.				ROUTINE USE(S): None. DISCLOSURE: Voluntary; however, refusal to explain the circumstances under which the property was lost, damaged, or destroyed may be considered with other factors in determining if an individual will be held financially liable.			
1. DATE INITIATED (YYYYMMDD)		2. INQUIRY/INVESTIGATION NUMBER			3. DATE LOSS DISCOVERED (YYYYMMDD)		
4. NATIONAL STOCK NO.	5. ITEM DESCRIPTION				6. QUANTITY	7. UNIT COST	8. TOTAL COST
9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS (X one) <i>(Attach additional pages as necessary)</i>					<input type="checkbox"/> LOST	<input type="checkbox"/> DAMAGED	<input type="checkbox"/> DESTROYED
10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES <i>(Attach additional pages as necessary)</i>							
11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10							
a. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)				b. TYPED NAME (Last, First, Middle Initial)		c. DSN NUMBER	
				d. SIGNATURE		e. DATE SIGNED	
12. (X one)		RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS)			REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)		
a. NEGLIGENCE OR ABUSE EVIDENT/SUSPECTED (X one) <input type="checkbox"/> YES <input type="checkbox"/> NO		b. COMMENTS/RECOMMENDATIONS					
c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)				d. TYPED NAME (Last, First, Middle Initial)		e. DSN NUMBER	
				f. SIGNATURE		g. DATE SIGNED	
13. APPOINTING AUTHORITY							
a. RECOMMENDATION (X one) <input type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE		b. COMMENTS/RATIONALE				c. FINANCIAL LIABILITY OFFICER APPOINTED (X one) <input type="checkbox"/> YES <input type="checkbox"/> NO	
d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)				e. TYPED NAME (Last, First, Middle Initial)		f. DSN NUMBER	
				g. SIGNATURE		h. DATE SIGNED	
14. APPROVING AUTHORITY							
a. RECOMMENDATION (X one) <input type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE		b. COMMENTS/RATIONALE				c. LEGAL REVIEW COMPLETED IF REQUIRED (X one) <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, Zip Code)				e. TYPED NAME (Last, First, Middle Initial)		f. DSN NUMBER	
				g. SIGNATURE		h. DATE SIGNED	

**Financial Liability Investigation of Property Loss
(DD Form 200)**

15. FINANCIAL LIABILITY OFFICER			
a. FINDINGS AND RECOMMENDATIONS <i>(Attach additional pages as necessary)</i>			
b. DOLLAR AMOUNT OF LOSS		c. MONTHLY BASIC PAY	d. RECOMMENDED FINANCIAL LIABILITY
e. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, Zip Code)</i>		f. TYPED NAME <i>(Last, First, Middle Initial)</i>	g. DSN NUMBER
		h. DATE REPORT SUBMITTED TO APPOINTING AUTHORITY <i>(YYYYMMDD)</i>	i. DATE APPOINTED <i>(YYYYMMDD)</i>
		j. SIGNATURE	k. DATE SIGNED
16. INDIVIDUAL CHARGED			
a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND <i>(X one)</i>			
<input type="checkbox"/> Submit the attached statement of objection. <input type="checkbox"/> Do not intend to make such a statement.			
b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.			
c. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, Zip Code)</i>		d. TYPED NAME <i>(Last, First, Middle Initial)</i>	e. SOCIAL SECURITY NUMBER
		g. SIGNATURE	h. DATE SIGNED
f. DSN NUMBER			
17. ACCOUNTABLE OFFICER			
a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD			
b. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, Zip Code)</i>		c. TYPED NAME <i>(Last, First, Middle Initial)</i>	d. DSN NUMBER
		e. SIGNATURE	f. DATE SIGNED