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SECNAVINST 5200.43A
ASN (RD&A)
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SECNAV INSTRUCTION 5200.43A

From: Secretary of the Navy

Subj: GOVERNMENT FURNISHED PROPERTY, ACCOUNTABILITY AND
MANAGEMENT

Encl: (1) References
(2) Responsibilities
(3) Records Management
(4) Forms and Reports Control
(5) Glossary and Terms
(6) List of Acronyms

1. Purpose. Under the authority of references (a) and (b) (see enclosure (1)), this instruction:

a. Establishes the overarching Department of the Navy (DON) policy for accountability and management of Government Furnished Property (GFP).

b. Assigns roles and responsibilities within DON for all DON GFP (see enclosure (2)).

c. Aligns DON policies for GFP with federal statutes, regulations, and accounting standards, and Department of Defense (DoD) and DON policies for accountability and management of government property furnished to contractors.

d. Provides a framework for financial and physical accountability and management to support financial reporting, auditability requirements, and warfighter readiness.

e. Establishes a standard taxonomy for GFP.

2. Cancellation. SECNAVINST 5200.43.

3. Applicability

a. This instruction applies to the Office of the Secretary of the Navy (SECNAV), the Chief of Naval Operations (CNO), the Commandant of the Marine Corps (CMC), and all U.S. Navy and U.S. Marine Corps entities within the DON.

b. This instruction applies to all GFP procured with General Fund (GF) or Working Capital Fund (WCF) to which the government holds title.

c. This instruction applies to all GFP provided via a contract. When contract or GFP provided therein are classified and compliance with the requirements of this instruction conflict with the requirements of reference (c), the security requirements of reference (c) shall take precedence.

d. This instruction applies to property furnished to non-federal entities under non-Federal Acquisition Regulation (FAR) based procurement agreements including, but not limited to, exchange-sale agreements, rental of government property, or property furnished under bailments. All requirements of this instruction, including language normally contained in contract clauses, must, as appropriate and consistent with applicable policies and guidance, be included in such agreements to protect the government's interests in the property. When the non-FAR based agreement or GFP provided therein is classified, if compliance with the requirements of this instruction conflict with the requirements of reference (c), security requirements of reference (c) shall take precedence.

e. This instruction does not apply to real property (land or structures), intellectual property, or software. Per reference (d), property purchased with Non-Appropriated Funds is not considered federal property and therefore is not subject to this instruction.

4. Policy. This policy governs the accountability and management of GFP. This instruction does not supersede or supplant any higher-level regulation or instruction issued at the federal or DoD level. It is SECNAV policy to:

a. Execute financial and physical management and accountability of GFP, per references (b) and (e) through (o), including the latest policies, procedures, standards, and mandates prescribed in references (g), (h) and (i) or directed by federal, DoD, or DON regulations and policies or the laws that pertain to GFP accountability and financial requirements.

b. Require that Service-level policies for implementing accountability and management of GFP are in place and reviewed at least every five years.

c. Require management internal controls for GFP are in place, functioning and are adhered to at all levels of command.

d. Furnish property only under terms and conditions of an awarded contract and when meeting circumstances described in references (g) and (h). Property shall be furnished only for performance of a specific contract. Ordinarily, contractors are required to furnish all property necessary to perform government contracts per policies and procedures of reference (g).

e. Require written documentation of the decision to furnish GFP from the requiring activity whenever a decision is made to provide GFP, whether pre-award/solicitation or post contract award via modification. This documentation shall include a detailed analysis of all of the elements found in Procedures, Guidance and Information (PGI) 245.103-70 in reference (h) and shall be added to the contract file when complete. The documentation shall incorporate the benefits and the risks as well as an analysis of all costs and savings to the government, including the administrative costs of managing and accounting for GFP to demonstrate that providing GFP is in the best interest of the government. Per PGI 245.103-70 of reference (h), this documentation is not needed when contractors are furnished GFP for repair, modification or overhaul under a contract.

f. Include all required GFP-related clauses from references (g), (h), and (i) in every time and material or cost reimbursement solicitation and contract, all contracts that have cost reimbursable Contract Line Item Numbers, all fixed price contracts that will include government property, and all labor hour solicitations and contracts where government property is expected to be furnished. If a decision to provide government property is made post-award, the required GFP clauses also shall be added to the base contract by modification before government property is provided to the contractor. These clauses are mandatory and must be included and enforced unless a deviation is approved in writing by the Assistant Secretary of the Navy (RD&A) or higher designee. Contracts subject to part 12 of reference (g), in which the aggregate value of all GFP is below the simplified acquisition threshold as defined in subpart 2.1 of reference (g), do not require these clauses unless the contractor is directed to acquire property for use under the contract that is titled in the government.

g. Maintain accountable records in a government approved Accountable Property System of Record (APSR) for all General

Equipment (GE), Special Tooling (ST), Special Test Equipment (STE), and serially managed Operating Materials and Supplies (OM&S) furnished to the contractor, regardless of acquisition value. Third party property management or accountability systems, such as custodial systems, shall not supersede or replace the APSR requirement.

h. Financially expense and retire accountable records from the APSR for non-serially managed OM&S provided to support repair or production contracts upon report of receipt by the contractor. As appropriate, the OM&S shall be capitalized into a construction in progress or OM&S in development account. The contractor shall track and maintain records for non-serially managed OM&S provided to support repair or production contracts, per section 52.245-1 of reference (g). Remaining balances shall be reconciled with contractor consumption records as part of the contract close out process or when the non-serially managed OM&S is determined to be excess or no longer required for performance on the contract.

i. Require all GFP to be listed in and accountable to one and only one contract utilizing required forms and technologies as directed by references (e), (f), and (h).

j. Adhere to line item structure requirements outlined in section 4.1003 of reference (g) and sections 204.7103 and 204.7104 of reference (h) for delivery of any Contractor Acquired Property (CAP) items associated with a contract that will be delivered. For CAP that will be delivered, but was not anticipated at time of contract award or not otherwise specified for delivery on an existing line item, a not separately priced line item directing delivery shall be added to the contract via modification. For all CAP that will be delivered that meets or exceeds the capitalization threshold per reference (j), and for all ST, STE, and equipment designated for preservation and storage under a major defense acquisition program regardless of the component's capitalization threshold, such line items directing delivery shall be established as soon as the property is identified per PGI 245.402-71(2) and PGI 204.7103 of reference (h). Delivery of this property to the government shall be scheduled as soon as practicable. When retained by the contractor for use under a contract, the delivered CAP items shall be added to the contract GFP attachment and become GFP.

k. Require electronic shipping notifications when transferring government property to a contractor utilizing the GFP Module resident in the Procurement Integrated Enterprise

Environment (PIEE). Include Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.211-7007 in all required contracts which directs contractors to receipt property transferred from DoD and to initiate transfers returning or delivering property to DoD using the PIEE GFP module.

l. Direct that unused or excess GFP be returned to government control or transferred to follow-on contracts, per section 52.245-1 of reference (g) and section 252.245-7004 of reference (h) and applicable DoD instructions. Disposition instructions for unused or excess GFP shall be issued as soon as the excess is identified without waiting for formal contract closeout processing to complete whenever practicable.

m. Accurately identify contracts containing GFP when reporting contracts to the Federal Procurement Data System - Next Generation or Electronic Data Access systems.

n. Maximize GFP visibility and accountability to support sustained auditability and warfighter readiness.

5. Responsibilities. See enclosure (2).
6. Records Management. See enclosure (3).
7. Forms and Reports Control. See enclosure (4).
8. Glossary and Terms. See enclosure (5).
9. List of Acronyms. See enclosure (6).



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REFERENCES

- (a) SECNAVINST 5430.7S
- (b) SECNAVINST 5200.42
- (c) DoDM 5200.01, Volumes 1-3, DoD Information Security Program, dates vary by volume
- (d) DoDM 4160.21, Volume 2, Defense Materiel Disposition of 22 October 2015
- (e) DoD Instruction 5000.64 of 27 April 2017
- (f) DoD Instruction 4161.02 of 27 April 2012
- (g) Federal Acquisition Regulation, current edition
- (h) Defense Federal Acquisition Regulation Supplement, current edition
- (i) Navy Marine Corps Acquisition Regulation Supplement, current edition
- (j) SECNAVINST 5200.45
- (k) SECNAVINST 5400.15D
- (l) SECNAVINST 5200.35G
- (m) DoD 7000.14-R, Department of Defense Financial Management Policy, dates vary by volume
- (n) SECNAVINST 5200.44
- (o) DoD Instruction 4140.01 of 6 March 2019

RESPONSIBILITIES

1. Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN (RD&A)) shall:

a. Ensure adequate policies are in place and provide full oversight for GFP accountability and management within the DON.

b. Designate a representative to coordinate with Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN (FM&C)) to adjudicate any GFP-specific issues unresolved at the Service-level and serve as the SECNAV physical accountability representative on all GFP related matters.

c. Designate a representative to coordinate with ASN (FM&C) to co-lead a working group comprised of GFP subject matter experts to address issues and assist with developing Service-level GFP policies. This working group will convene as required to address GFP issues.

d. Designate a representative to develop property accountability reporting requirements and metrics with goals that measure efficient physical management of GFP and collect data provided by the Services. Collect, consolidate, analyze, and forward reports and feedback to the DoD and Services as appropriate. This includes, but is not limited to, data submitted by contracting officers and Heads of Contracting Activity (HCA) to determine compliance with requirements for contract assembly and clause inclusion as stated in references (g) through (i).

e. Designate a representative to coordinate with ASN (FM&C) to lead the review, update and promulgate changes to this policy not less than every five years and when changes to legislation, DoD guidance, or audit findings necessitate changes to this policy.

f. Designate a representative to interface with the Office of the Under Secretary of Defense (Acquisition & Sustainment), on matters of GFP policies, procedures, execution, accountability and acquisition, and contractual requirements.

g. Establish and enforce DON specific contractual requirements for GFP management and accountability through reference (i) and interim policy updates.

h. Collect, collate, analyze, and forward as appropriate responses to GFP-related data calls from all levels of the Office of the Secretary of Defense (OSD).

2. ASN (FM&C) shall:

a. Provide DON policy and guidance for accounting and financial management of GFP. Accounting and financial management includes, but is not limited to recording, valuing, depreciating, reporting, and disposal of GFP.

b. Designate a representative to coordinate with ASN (RD&A) to adjudicate any GFP-specific issues unresolved at the Service-level and serve as the SECNAV financial representative on all GFP related matters.

c. Designate a representative to coordinate with ASN (RD&A) to provide policy and guidance for accounting and financial management of DON GFP per reference (b) and support efforts to update this policy as required.

d. Designate a representative to coordinate with the CNO and the CMC to ensure and periodically test that proper internal controls for GFP management required per reference (l) are being met.

e. Designate a representative to collect and review financial data submitted by the Budget Submitting Offices (BSO) for financial reporting. Coordinate with the Defense Finance and Accounting Service to ensure all GFP is properly reported on the DON Financial Statements as required by reference (k).

f. Approve APSRs for use within the DON and maintain a list of approved government APSRs, per references (a) and (b).

3. CNO and CMC shall:

a. Publish Service-level policies and procedures relating to GFP management and accountability that implement this policy and review them at least every five years. Service-level

policies shall enable proper management control and safeguarding of DON's GFP while balancing risk and operational readiness.

b. Designate which approved government APSRs are authorized for financial and physical management of GFP within their respective Service.

c. Require Resource Sponsors to fully resource the GFP management requirements identified in this instruction and its references. Resource requirements include, but are not limited to manpower, information technologies, and systems architectures that support GFP management requirements.

d. Establish Service-wide standard taxonomy and business practices for procuring, managing, reutilizing, and reporting GFP.

e. Require adherence to federal, DoD, and SECNAV regulations and policies with respect to managing, reutilizing, accounting, and reporting GFP.

f. Require Program Executive Officers (PEO), Program Managers (PM) and other requiring officials to include the administrative cost of managing and accounting for GFP in the decision whether or not to provide GFP.

4. BSOs shall:

a. Coordinate with PEOs and requiring activities, as applicable, to establish processes to record all GFP in an APSR prior to furnishing the property to a contractor. Processes shall include procedures to create accountable records in the event the property is accepted in place and remains in the custody of the contractor as GFP.

b. Coordinate with PEOs, as applicable, to establish a formal internal property management review process that requires annual peer, supervisor and senior accountable official reviews of a representative sample of existing contracts. Reviews shall use SECNAV Form 5200/1 to ensure physical accountability and management requirements are met. Completed checklists may be reviewed as part of Naval Inspector General, Naval Audit Service, local command inspections, or other audits.

c. Assign trained, capable, and qualified individuals to provide contracting, financial and logistics support to PEOs and PMs, as applicable to properly manage GFP.

d. Establish local training programs to ensure all requirements generators, contracting officers, logisticians, and item managers are familiar with and abide by GFP rules and regulations.

e. Support common business practices across program offices.

f. Disseminate current GFP guidance and information throughout the command including the latest policies, procedures, standards, and mandates established by the Federal Accounting Standards Advisory Board (FASAB), DoD, DON, federal regulation, and the laws that pertain to GFP accountability and financial requirements.

g. Require GFP be valued per references (j), (m), or (n) and other financial guidance published by ASN (FM&C) as appropriate to the property type.

h. Coordinate with PEOs, as applicable, to establish procedures to ensure activities are using a Service-directed APSR, data is complete and accurate and financial information is being reported properly.

i. Require quarterly system access reviews are conducted to ensure only authorized personnel have access to the APSR to manage GFP assets' details and/or creating/retiring records.

j. Establish local controls to ensure every GFP transaction is documented in the designated APSR(s) to support auditability. Controls shall be in place within 12 months following signature of this instruction.

5. BSO Command Property Officers (CPO) shall:

a. Be assigned in writing per reference (b).

b. Collect, collate, and forward GFP-related metrics and data as required by OSD, DON, Service, or command data calls.

c. Represent the BSO on DON and Office of the Chief of Naval Operations property management working groups.

d. Serve as principal liaison between the Property Management, Acquisition and Contracting communities.

6. HCAs shall:

a. Establish procedures to ensure contracting officials are validating compliance with GFP requirements found in references (g) and (h) by utilizing SECNAV Form 5200/2. Per reference (i), the completed SECNAV Form 5200/2 shall be included in the Business Clearance Memorandum (BCM) and retained in the contract file. Local automated tools may be used in lieu of SECNAV Form 5200/2 only when approved in writing by ASN (RD&A) or delegate. When a BCM is not required per section 5201.690(c) of reference (i) or local procedures, the completed and signed SECNAV Form 5200/2 or approved local alternative shall be retained in the contract file.

b. Establish procedures for when any of the contract administration functions at FAR 42.302(27)-(30) are retained to ensure excess or unused GFP is dispositioned, e.g., returned to government control, disposed or transferred to follow-on contracts, per references (g) and (h) and applicable DoD instructions as soon as the excess is identified and without waiting for formal contract closeout processing to complete whenever practicable.

c. Establish command-wide standard inventory reporting requirements that direct contractors to provide on-hand inventory reports to support property type specific inventory requirements as set forth in references (e), (j), (n), and (o).

d. Establish procedures for when any of the contract administration functions at section 42.302(27)-(30) of reference (h) are retained to notify the Accountable Property Officer (APO) when GFP has been reported lost via a Property Loss case or has been dispositioned from the contractor's custody.

e. Ensure all personnel performing Property Administration functions are adequately trained in Industrial and Contract Property Management by Defense Acquisition University or a locally equivalent training program.

f. Establish procedures for when any of the contract administration functions at FAR 42.302(27)-(30) are retained to verify the completeness and accuracy of Property Loss and Plant Clearance Disposition Cases per reference (g) and (h), and applicable DoD instructions.

7. Contracting Officers shall:

a. Assign in writing contract and property administration responsibilities found in section 42.302(a)(27)-(30) of reference (g) and section 201.670 of reference (h) for all contracts requiring GFP. Assignments shall be made per section 42.202 of reference (g).

b. Require offers to a solicitation provide a description of their property management system per section 45.201(c)(4) of reference (g) or confirmation of a property management system that has been reviewed and approved per section 242.302 of reference (h) and meets the requirements of section 52.245-1(f) of reference (g).

c. Review all solicitations and contracts requiring GFP to ensure compliance with the federal, DoD, and the DON regulations and guidance, including required clauses, a properly formatted GFP attachment and written documentation of the decision to furnish GFP provided by the Requirements Generator and acknowledge the presence of these on the GFP Pre-Award Compliance Checklist (SECNAV Form 5200/2) per reference (i). Per reference (i), the completed SECNAV Form 5200/2 shall be included in the BCM and retained in the contract file. When a BCM is not required per section 5201.690(c) of reference (i) or local procedures, the completed and signed SECNAV Form 5200/2 shall be retained in the contract file.

d. Be assigned the GFP Attachment Approver role in the PIEE GFP Module and conduct final approval of GFP attachments in the GFP Module. Verify GFP attachments are matched to signed contracts in Electronic Data Access per reference (h) Procedures, Guidance and Information section 204.270-2.

e. Ensure the block labeled "GFP Provided Under This Action" is appropriately marked when the contract is recorded in Federal Procurement Data System - Next Generation per reference (g).

f. Ensure contract modifications are completed to update GFP status, e.g., adding additional GFP or removing GFP when transferring the property to another contract or as a result of disposition action per part 245.103-71 of the PGI found in reference (h) when requested by the requiring activity.

g. Coordinate with the BSO CPO and PEOs, as applicable, to collect, collate and forward GFP-related metrics and data as required by OSD, DON, Service, or command data calls.

8. PEOs shall:

a. Coordinate with the appropriate supported Service to ensure all Service-specific orders, policies, and governance are followed.

b. Coordinate with the appropriate BSO to establish processes to record all GFP in an APSR prior to furnishing the property to a contractor. Processes shall include procedures to create accountable records in the event the property is accepted in place and remains in the custody of the contractor as GFP.

c. Coordinate with the appropriate BSO to establish procedures to ensure PMs and requiring officials establish and maintain accountable records and physical accountability of GFP per references (e), (f), and (o).

d. Coordinate with the appropriate BSO to establish a formal internal property management review process that requires annual peer, supervisor and senior accountable official reviews of a representative sample of existing contracts. Reviews shall use the SECNAV Form 5200/1 to ensure physical accountability and management requirements are met. Completed checklists may be reviewed as part of Naval Inspector General, Naval Audit Service, local command inspections, or other audits.

e. Coordinate with the BSO CPO and contracting officials as applicable, to collect, collate and forward GFP-related metrics and data as required by OSD, DON, Service, or command data calls.

9. PMS, Item Managers, and all Requiring Activities shall:

a. Provide written documentation of the decision to furnish GFP from the requiring activity whenever a decision is made to provide GFP, whether pre-award/solicitation or post contract award via modification. This written documentation shall include a detailed analysis of all of the elements found in PGI 245.103-70 in reference (h), and shall be added to the contract file when complete. The documentation shall incorporate the benefits and the risks as well as an analysis of all costs and savings to the Government, including the administrative costs of managing and accounting for GFP to demonstrate that providing GFP is in the best interest of the government. Per PGI 245.103-70 in reference (h), this documentation is not needed when contractors are furnished GFP for repair, modification, or overhaul under a contract.

b. Coordinate with the appropriate supported Service to ensure all Service-specific orders, policies, and governance are followed.

c. Be assigned the GFP Attachment Initiator role in the GFP Module resident within PIEE and provide a comprehensive list of all serially managed GFP, non-serially managed GFP, and items authorized to be requisitioned by the contractor and paid for by the government for inclusion in the contract or solicitation. This list may be developed outside of the GFP Module but must be uploaded into the GFP Module to create the GFP Attachment. Data elements required to create the GFP Attachment are found at PGI 245.103-72 of reference (f).

d. Designate personnel to be assigned the GFP Attachment Reviewer role in the GFP Module resident within PIEE. Multiple individuals may be assigned as GFP Attachment Reviewers, with specific consideration given to assigning technical experts and material control personnel.

e. Designate personnel to be assigned the Government GFP Shipper role in the GFP Module resident within PIEE.

f. Establish and maintain accountable records and physical accountability of all GFP per references (e), (f), and (g).

g. Conduct annual reviews of a representative sample of existing contracts to ensure contract compliance and physical accountability and management requirements are met using SECNAV Form 5200/2.

h. Reconcile, within 30 days of receipt, physical inventory reports submitted by the contractor to validate contractor compliance with the contract/Statement of Work/Contract Data Requirements Listing (CDRL) per reference (g).

i. Direct disposition of unused or excess GFP as soon as the excess is identified and without waiting for formal contract closeout processing to complete whenever practicable. Unused or excess GFP shall be returned to government control or transferred to follow-on contracts per reference (g) and (h) and applicable DoD instructions.

j. Coordinate with the BSO CPO, contracting officials, and PEOs, as applicable, to collect, collate and forward GFP-related metrics and data as required by OSD, DON, Service, or command data calls.

10. APOs shall:

a. Establish and maintain accountable records in the APSR for all GE, ST, STE, and serially managed OM&S furnished to contractors as GFP, regardless of property type or property value per references (e), (f), and (o). Records shall be established prior to the property being shipped to the contractor whenever practicable. When records are not established prior to shipping, records shall be established or updated within five business days of notification of receipt by the contractor.

b. Be assigned the GFP Attachment reviewer role, review GFP attachments generated in the PIEE GFP Module to ensure property availability.

c. Verify all government property receipted by the contractor in the PIEE GFP Module is accurately identified and recorded in the APSR as GFP within five business days of notification of receipt.

d. Reconcile all GFP inventory reports submitted by the contractor, contract administrator, property administrator, or

other sources within five business days of receipt to validate contractor on-hand records align with accountable records in the APSR and update the APSR as appropriate. Details to be reconciled include, at a minimum, nomenclature, serial number (if applicable), quantity, and location.

e. Review all GFP Property Loss or Plant Clearance cases provided and signed by the contracting officer or his designee within five business days of receipt to validate the GFP asset(s) included on the Property Loss Case and the existence of the GFP assets' records within the APSR per reference (g) and (h), and applicable DoD instructions.

f. Reconcile all reports of completed GFP disposition and contractor shipping reports with the APSR within five business days of receipt to ensure accountable records are accurate and complete.

g. Coordinate with the BSO CPO, requiring activities, and contracting officials as applicable, to collect, collate, and forward GFP-related metrics and data as required by OSD, DON, Service, or command data calls.

11. Property Administrators and personnel performing functions normally assigned to Property Administrators shall:

a. Coordinate with the contracting officer or administrative contracting officer to establish a Contractor Property Management System (CPMS) risk rating, conduct Property Management System Analyses (PMSA), and issue corrective action requests to the contractor should any element of the PMSA be deemed inadequate per reference (g).

b. Ensure the contractor has provided documentation of all CPMS policies and procedures and contractor self-assessments when performing PMSAs.

c. Communicate, coordinate, document, and share all GFP information with the APO and CPO including physical inventory reports, asset data reconciliation, key supporting documents, CDRs, and Relief of Stewardship/Liability/Property Loss Letters to the APO.

d. Review reports from the GFP Module resident in PIEE at least monthly to identify aged shipping notices not receipted by the contractor and potential GFP lost in shipment.

e. Verify, acknowledge receipt of, and track all contracts in their cognizance with GFP on contract award, or modification.

f. Investigate contractor Relief of Stewardship requests per reference (g) subpart 52.245-1, and relieve the contractor or advise the contracting officer to take action if the risk of loss falls upon the contractor.

g. Provide the contracting officer and administrative contracting officer written audit reports based on the outcomes of the PMSA.

h. Notify the contracting officer and administrative contracting officer when contractors certify in writing that property has been formally closed out on contracts.

i. Be assigned the following roles in the PIEE GFP Module:

(1) If certified and warranted as a Property Administrator:

(a) Property Administrator.

(b) Plant Clearance Officer.

(2) If not certified or warranted as a Property Administrator:

(a) Industrial Property Management Specialist.

(b) Plant Clearance Support.

RECORDS MANAGEMENT

1. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned according to the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page: <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx>.

2. For questions concerning the management of records related to this instruction, please contact your local Records Manager or the DRMD program office.

INFORMATION MANAGEMENT CONTROL

1. Forms. The following SECNAV Forms are available on the Department of the Navy Issuances website:
<https://www.secnav.navy.mil/doni/default.aspx>.
 - a. SECNAV 5200/1, Government-Furnished Property Compliance Checklist.
 - b. SECNAV 5200/2, Government-Furnished Property Pre-Award Compliance Checklist.
2. The reporting requirements contained within enclosure (2) paragraphs 1d and 5a are assigned SECNAV Report Control Symbol 5200-1.

GLOSSARY AND TERMS

1. Accountability. The obligation imposed by law, lawful order, or regulation accepted by an organization or person for keeping accurate records to ensure control of property, documents, or funds with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest. However, it does not necessarily impose personal liability upon an organization or person.

2. Accountable Property System of Record (APSR). The government system used to manage and control accountable property records. A subset of existing organizational processes related to the life cycle management of property; the system that is integrated with the core financial system. The APSR may also control and manage accountability records. For the SECNAV, APSRs are approved by the ASN (FM&C). Approved APSRs are designated for use at the Service-level. A full list of data elements required for approval as an APSR is located in reference (e).

3. Accountable Record. The record contained in the APSR. Accountable records shall include all data elements required by references (j) and (n) and shall include supporting documentation in sufficient detail to permit tracing balances from their source systems to amounts reported in financial statements. The supporting documentation shall demonstrate the inventory validity, existence, completeness, accuracy of physical and financial balances, valuation and rights of obligations including but not limited to receipts, material on hand validations, and documentation recording material condition.

4. Contractor Acquired Property (CAP). Any property acquired, fabricated, or otherwise provided by the contractor for performing a contract, and to which the Government has title. NOTE: CAP that is subsequently delivered and accepted by the government for use on the same or another contract is considered GFP.

5. Federal Accounting Standards Advisory Board (FASAB). An official body of the U.S. Government Executive Branch, the FASAB issues federal financial accounting standards and

provides guidance after considering the needs of external and internal users of federal financial information.

6. General Equipment (GE). Tangible personal property that is functionally complete for its intended purpose, durable, and nonexpendable. GE typically has an expected service life of two years or more; is not intended for sale; does not ordinarily lose its identity or become a component part of another article when put into use; and has been acquired or constructed with the intention of being used. Per reference (c), property formerly classified as Military Equipment is now categorized as GE. For purposes of this instruction, GE includes Garrison Mobile Equipment. DON GE is further defined in reference (j).

7. General Fund (GF). For purposes of this instruction, the GF represents all appropriated funds provided by Congress to the DON. GF monies may be used to pay acquisition, procurement, maintenance, research, development, operations, and personnel costs as directed in the appropriating legislation.

8. Government Furnished Property (GFP). Property in the possession of, or directly acquired by the government and subsequently furnished to the contractor for performance of a contract. GFP includes, but is not limited to, spares and property furnished for production, repair, maintenance, overhaul, or modification, operation of government-owned equipment and vessels, ST and STE. GFP also includes CAP if the CAP is a deliverable under a cost contract when accepted by the Government for continued use under the contract. GFP does not include property determined to be incidental to the place of performance per PGI 245.102-70 of reference (h)

9. Government Property. All property owned or leased by the Government. Government property includes both GFP and CAP. Government property includes material, equipment, ST, STE, and real property. Government property does not include intellectual property and software.

10. Head of Contracting Activity (HCA). The official who has overall responsibility for managing the contracting activity. Contracting activities are elements of the DON designated by the agency head and delegated broad authority regarding acquisition functions. A list of contracting activities is located within PGI 202.101 of reference (h).

11. Item Manager. An individual within the organization of an inventory control point or other such organization assigned management responsibility for one or more specific items of materiel.
12. Non-Appropriated Funds. Government monies that are not appropriated by Congress and are not held within the U.S. Treasury. These are separate funds that are not recorded in the books of the Department of the Treasury.
13. Operating Materials and Supplies (OM&S). DoD defines OM&S as tangible personal property to be consumed in normal operations. DON OM&S is comprised of material such as replacement parts, components, assemblies, and residual property that are to be consumed in normal operations but are not held for sale.
14. Procedures Guidance and Information (PGI). Relevant procedures, guidance, and information that do not meet the criteria for inclusion in the DFARS are issued in the DFARS companion resource, PGI. Unclassified, non-confidential memoranda, guidance, and other procurement-related policy documents issued by the Office of the Undersecretary of Defense (Acquisition, Technology and Logistics) are located in the appropriate PGI subpart. The contents of PGI are mandatory.
15. Program Manager (PM). Designated individual with responsibility for and authority to accomplish program objectives for development, production, and sustainment to meet the user's operational needs. The PM shall be accountable for credible cost, schedule, and performance reporting to the Milestone Decision Authority.
16. Real Property. Land and any interest in land, together with any buildings, fixtures, affixed improvements and structures, growing crops located thereon, and related appurtenances regardless of funding source.
17. Requiring Activity. The organization charged with meeting a mission and delivering requirements. The requiring activity is responsible for obtaining funding or developing the program objective memorandum. The requiring activity may also be the organizational unit that submits a written requirement or statement of need for services required by a contract.

18. Serially Managed/Non-Serially Managed Property. Serially managed property is uniquely identified to globally distinguish like items from each other using a unique item identifier. Serial Item Management enables tracking of unique items for the purposes of warranty, maintenance or lifecycle support. Serially managed items usually have a Federal Logistics Information System indicator of "Y" in the "SIM" or "IUID" field. Conversely, non-serially managed property is not uniquely identified or distinguished from like items.

19. Special Test Equipment (STE). Either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment including foundations and similar improvements necessary for installing STE, standard or general-purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes. STE does not include material, ST, real property, and equipment items used for general testing purposes or property that with relatively minor expense can be made suitable for general purpose use.

20. Special Tooling (ST). Jigs, dies, fixtures, molds, patterns, taps, gauges, and all components of these items including foundations and similar improvements necessary for installing ST, and which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. ST does not include material, STE, real property, equipment, machine tools, or similar capital items.

21. Working Capital Fund (WCF). A revolving fund (or account) that relies on sales revenue rather than direct congressional appropriations to finance its operations. A WCF generates revenue by charging customers a stabilized cost recovery rate to offset the full costs of its operations and to finance the fund's continuing operations without fiscal year limitation. A revolving fund is intended to operate on a break-even basis over time; that is, it neither makes a profit nor incurs a loss. WCFs provide a funding mechanism for DoD and DON corporate structures to absorb risk in planning investment programs for maintenance and supply.

LIST OF ACRONYMS

1. APO. Accountable Property Officer
2. APSR. Accountable Property System of Record
3. ASN (FM&C). Assistant Secretary of the Navy (Financial Management and Comptroller)
4. ASN (RD&A). Assistant Secretary of the Navy (Research, Development and Acquisition)
5. BCM. Business Clearance Memorandum
6. BSO. Budget Submitting Office
7. CAP. Contractor Acquired Property
8. CDRL. Contract Data Requirements Listing
9. CMC. Commandant of the Marine Corps
10. CNO. Chief of Naval Operations
11. CPMS. Contractor Property Management System
12. CPO. Command Property Officer
13. DFARS. Defense Federal Acquisition Regulation Supplement
14. DoD. Department of Defense
15. DON. Department of the Navy
16. DRMD. Directives and Records Management Division
17. FAR. Federal Acquisition Regulation
18. FASAB. Federal Accounting Standards Advisory Board
19. GE. General Equipment
20. GF. General Fund
21. GFP. Government Furnished Property
22. HCA. Head of Contracting Activity
23. OM&S. Operating Materials and Supplies
24. OSD. Office of the Secretary of Defense
25. PEO. Program Executive Officer
26. PGI. Procedures, Guidance and Information
27. PIEE. Procurement Integrated Enterprise Environment
28. PM. Program Manager
29. PMSA. Property Management System Analyses
30. SECNAV. Secretary of the Navy
31. ST. Special Tooling
32. STE. Special Test Equipment
33. WCF. Working Capital Fund