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From: Commandant of the Marine Corps
To: Distribution List

Subj: ACCOUNTABILITY FOR GOVERNMENT FURNISHED PROPERTY AND EXTERNAL LOANS,
LEASES, AND BAILMENTS

Ref: (a) DLM 4000.25-1
(b) Federal Acquisition Regulations (FAR)
(c) Defense Federal Acquisition Regulation Supplement (DFARS)
(d) DoD 7000.14-R, "Department of Defense Financial Management Regulation," June 2011
(e) DoD Manual 4140.01, "DoD Supply Chain Materiel Management Procedures" February 10, 2014
(f) DoD Instruction 5000.64, "Accountability and Management of DoD Equipment and Other Accountable Property," May 19, 2011
(g) DLM 4000.25
(h) Navy Marine Corps Acquisition Regulation Supplement (NMCARS)
(i) DoD Instruction 4140.57, "DoD Replenishment Parts Purchase or Borrow (DoD RPPOB) Program," May 30, 2008
(j) MCO 4400.150
(k) DoD Instruction 4161.02, "Accountability and Management of Government Contract Property," April 27, 2012
(l) DoD Instruction 8320.04, "Item Unique Identification (IUID) Standards for Tangible Personal Property," June 16, 2008
(m) DoD Directive 3025.18, "Defense Support of Civil Authorities (DSCA)," December 29, 2010
(n) DoD Directive 3025.13, "Employment of DoD Capabilities in Support of the U.S. Secret Service (USSS), Department of Homeland Security (DHS)," October 8, 2010
(o) DoD Instruction 3025.21, "Defense Support of Civilian Law Enforcement Agencies," February 27, 2013
(p) DSCA 5105.38-M
(q) MCO 5710.6C
(r) DoD Instruction 1225.06, "Equipping the Reserve Forces," May 16, 2012
(s) DoD Instruction 7230.08, "Leases and Demonstrations of DoD Equipment," January 2, 2009
(t) DoD Directive 5230.25, "Withholding of Unclassified Technical Data from Public Disclosure," November 6, 1984
(u) MCO P4600.39
(v) MCO 4600.7
(w) Statement of Federal Financial Accounting Standards 6
(x) DoD Directive 5410.18, "Public Affairs Community Relations Policy," November 20, 2001

DISTRIBUTION STATEMENT A: Approved for public release;
distribution is unlimited.

- (y) DoD Instruction 5410.19, "Public Affairs Community Relations Policy Implementation," November 13, 2001
- (z) SECNAVINST 4440.34
- (aa) DoD Instruction 3025.20, "Defense Support of Special Events," April 6, 2012
- (ab) DLM 4000.25-2
- (ac) 5 U.S.C. 552a
- (ad) SECNAVINST 5211.5E
- (ae) U.S.C. Title 10
- (af) U.S.C. Title 31
- (ag) Joint Publication 1-02
- (ah) SECNAV M-5210.1
- (ai) DoD 4120.15-L, Model Designation of Military Aerospace Vehicles, May 12, 2004
- (aj) MIL-HDBK 1812, Type Designation, Assignment and Method of Obtaining, February 14, 1997
- (ak) MIL-STD-196E, Joint Electronic Type Designation System, February 17, 1998
- (al) MIL-STD-1661(OS), Mark and Mod Nomenclature System, August 1, 1978
- (am) MIL-STD-1464A(AR), Army Nomenclature System, May 15, 1987
- (an) SECNAVINST 5030.8, Classification of Naval Ships and Craft, November 21, 2006.
- (ao) DoD 4000.25-2-M, "Military Standard Transaction Reporting and Accounting Procedures."

Encl: (1) Accountability for Government Furnished Property and External Loans, Leases, and Bailments

Report Required: Government Furnished Property (GFP) and Loaned Plant, Property, & Equipment (PP&E) Inventory Report (Report Control Symbol DD-4400-52), (External Report Control Symbol DD-AT&L(Q)1575), paragraph 4b(7)(c) and Appendices D through G

1. Situation. This Order addresses the temporary transfer of tangible Marine Corps property in the form of materiel and equipment to external organizations. This Order does not cover real property, documents and information, or intangible Marine Corps property because control over these types of property require different considerations which are addressed by separate Department of Defense, Department of the Navy, and Marine Corps policies and procedures. This Order also does not address permanent transfers of Marine Corps equipment or material to other parties. This Order constitutes a substantial revision to the previous Order and requires complete review. Major changes include task revisions, refined definitions, and clarification of processes.

2. Cancellation. MCO P4400.162B and MCO 4140.6.

3. Mission. To publish policy and procedures for the management of property furnished to external organizations in order to allow the Marine Corps to maintain proper accountability of assets per references (a) through (ao).

4. Execution

a. Commander's Intent and Concept of Operations

(1) Commander's Intent. The Marine Corps will maintain a uniform, standardized process for requesting, approving, managing, and returning Marine Corps property furnished to external organizations. Accountability will migrate from being managed by an existing manual process on local databases to an automated process using Department of Defense (DoD) approved Accountable Property Systems of Record (APSRs) with DoD mandated Defense Logistics Management System transactions in accordance with Military Standard Requisitioning and Issue Procedures (MILSTRIP) and Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP).

(2) Concept of Operations

(a) Request to initiate the furnishing of Marine Corps property to an external organization will be routed and approved in accordance with enclosure (1). Once approved, a binding agreement will be established detailing the terms associated with the furnishing of the property to the external organization. Details and types of binding agreements are provided in the enclosure. The binding agreement is then provided to the sourcing activity and supporting Management Control Activity (MCA) in order to initiate the transfer of the property and establishment of accountability.

(b) The Marine Corps will utilize MCAs who will be responsible for the control, accountability, and administration of government property furnished to external organizations. Each MCA will be tasked with the responsibility to administer and account for material and equipment provided by the Marine Corps as government property to external organizations for the purposes of development, manufacture, modernization, modification, repair, overhaul, bailment, or operational necessity. This responsibility does not include accountability/management of government furnished property requirements where the Marine Corps Forces (MARFORs)/Marine Expeditionary Forces (MEFs) are providing equipment for warranty and/or other Contractor Logistics Support (CLS) support (i.e. Logistics Integration Support).

(c) On an annual basis, property in the custody of external organizations will be validated and reported to Deputy Commandant for Installations and Logistics (DC I&L) using the procedures identified in Appendix D of the enclosure.

b. Subordinate Element Missions. Effective management of government property furnished to external organizations is a shared responsibility across several organizations. The following roles and responsibilities are pertinent to ensure clarity with coordination.

(1) Deputy Commandant, Installations and Logistics (DC I&L). DC I&L is responsible to the Commandant of the Marine Corps for establishing logistics policy. DC I&L exercises oversight for all issues pertaining to logistics, strategic mobility, purchasing & contracting, facilities, and installations. Though developed collaboratively across all functional stakeholders, the policy for accountability of government furnished property and external loans, leases, and bailments is published on behalf of Headquarters Marine Corps (HQMC) by DC I&L.

(a) Logistics Plans, Policy, and Strategic Mobility Division (LP)

1. Provide and maintain current policy guidance for the management of government property furnished to external organizations in accordance with current and future DoD guidance.

2. Coordinate with Office of the Secretary of Defense, Defense Procurement Acquisition Policy to ensure that DoD Automated Information Systems (AIS) support this policy and adequately capture Marine Corps requirements.

3. Serve as the principal Marine Corps representative in the joint community for policy matters pertaining to government property furnished to external organizations.

4. Establish, collect, and maintain metrics for monitoring government property furnished to external organization.

5. When applicable, serve as the approving authority for requests to loan/lease government property to an external organization.

6. Provide approval/disapproval for the use of using unit property to fill an external organization's requirements when there is no property available within Marine Corps Logistics Command (MARCORLOGCOM) inventory. Refer to paragraph 5e of chapter 1.

7. Responsible for maintaining and updating DoD Activity Address Codes (DoDAAC) in accordance with reference (a).

8. Coordinate with DC PP&O on all requests to furnish Marine Corps property to an external organization. If necessary, forward to MARCORLOGCOM for determination of property availability.

9. Provide tasking guidance to key stakeholders to include identification of a lead Marine Corps liaison if applicable.

10. Assign a unique Routing Identifier Code and Distribution Code for MARCORLOGCOM and Marine Corps Systems Command (MARCORSYSCOM) in order to allow the MCA to validate Government Furnished Material (GFM) requisitions.

11. Chair the Central Property Office Working Group that oversees the implementation of property policies.

(b) Contracts Division (LB)

1. Ensure supporting contracting offices are compliant with part 45 of reference (b) and the contents of this Order when government property is provided to contractors.

2. Participate in the monthly Central Property Office Working Group.

(2) Deputy Commandant, Plans, Policies, & Operations (DC PP&O). In coordination with DC I&L (LP), provide the strategic and political military (Pol-Mil) value and /or Service operational risk analysis for all requests to furnish Marine Corps government property to an external organization.

(a) DC PP&O (PLU) will provide the strategic and Pol-Mil value to DC I&L (LP) for requests that would result in the furnishing of Marine Corps property to a partner nation.

(b) DC PP&O (POG) will provide the Service operational risk analysis to DC I&L (LP) for requests that would result in the furnishing of Marine Corps property to an external organization.

(3) Commanding General (CG), Marine Corps Logistics Command (MARCORLOGCOM)

(a) Serve as the MCA responsible for the control, accountability, and administration of government property furnished to external organizations from Marine Corps inventory (i.e., existing stock or newly accepted property as a result of new acquisitions which require no further assembly/modification). This responsibility does not include accountability/management of GFP requirements where the MARFORs/MEFs are providing equipment for warranty and/or other CLS support (i.e. Logistics Integration Support). MCA responsibilities are identified in paragraph 4b(7) below.

(b) Serve as lead MCA responsible for collecting, validating, and reconciling the annual report of government property furnished to external organizations for assets identified in paragraph 5b(1) of chapter 1.

(c) As a requestor, provide requirements for Marine Corps contractual documents to the supporting contracting officer prior to Request for Proposal (RFP)/Request for Bid (RFB) which involve the furnishing of government property to a contractor.

(d) When required, determine property availability and provide recommended sourcing solution of all requests to furnish government property to external organizations. Forward all requests to MARCORSYSCOM when sourcing is not available from existing Marine Corps inventory.

(e) If necessary, request and establish Naval Surface Warfare Center (NSWC), Crane, Indiana sub-accounts to establish small arms/light weapon accountability for government property loaned to Coalition Force (CF) partners.

(f) In coordination with the lead Marine Corps liaison, coordinate validation and renewal of requirements, assist in accountability verification when required, coordinate return of property, and report discrepancies for all coalition loans.

(g) In cooperation with MARCORSYSCOM, assist in the execution of the Replenishment Parts Purchase or Borrow (RPPOB) program in accordance with this Order.

1. Execute, promote, and monitor the use of the RPPOB program in accordance with this Order.

2. Provide programming and policy guidance for the RPPOB program.

(h) Initiate via the comptroller a special disbursing account to maintain security deposits from external organizations in support of loan/lease agreements.

(i) Ensure supporting contracting offices are familiar with this Order.

(j) Participate in the monthly Central Property Office Working Group.

(4) Commander, Marine Corps Systems Command (MARCORSYSCOM)

(a) Serve as the MCA responsible for the control, accountability, and administration of government property furnished to external organizations as a result of new acquisitions in support of Research Development Test & Evaluation (RDT&E) efforts or new acquisitions in support of final end item assembly/delivery. This responsibility does not include accountability/management of GFP requirements where the MARFORs/MEFs are providing equipment for warranty and/or other CLS support (i.e. Logistics Integration Support). MCA responsibilities are identified in paragraph 4b(7) below.

(b) Serve as lead MCA responsible for collecting, validating, and reconciling the annual report of government property furnished to external organizations for assets identified in paragraph 5b(2) of chapter 1.

(c) In addition to the reporting responsibilities outlined in paragraph 4(b) above, support and provide MARCORLOGCOM the validated and reconciled annual report of government property furnished in support of MARCORSYSCOM programs when those assets are issued and controlled by the MARCORLOGCOM MCA. MARCORLOGCOM requires this information to maintain accountability of GFP provided by MARCORLOGCOM in support of MARCORSYSCOM programs.

(d) Coordinate with respective Program Executive Offices (PEOs) to ensure consistent and accurate reporting of government property furnished to external organizations.

(e) As a requestor, provide requirements for Marine Corps contractual documents to the supporting contracting officer prior to RFP/RFB which involves the furnishing of government property to a contractor.

(f) As a requestor, provide sourcing requirements to MARCORLOGCOM for determination of government property availability prior to the establishment of any binding agreements that involve furnishing government property to a non-contractor external organization when property requested falls under MARCORLOGCOM purview.

(g) When required, determine property availability and provide recommended sourcing solution of all requests to furnish government property to an external organization.

(h) When applicable, execute contract action for the purchase of Marine Corps property that will be furnished to an external organization.

(i) Notify DC I&L (LP) in advance if, during the course of an agreement, government property becomes the subject of foreign military sale.

(j) Notify the appropriate MCA of contract or binding agreement modifications that impact the type, quantity or duration of government

property furnished to an external organization, to include modifications to the information identified in PGI 245.2 of reference (c).

(k) As the Marine Corps Ground Equipment Lifecycle Manager, serve as the lead agency for the RPPOB program.

1. Execute, promote, and monitor the use of the RPPOB program in accordance with this Order.

2. Provide programming and policy guidance for the RPPOB program.

3. Initiate via the comptroller a special disbursing account to maintain security deposits from potential suppliers.

(l) Initiate via the comptroller a special disbursing account to maintain security deposits from external organizations in support of loan/lease agreements.

(m) Ensure supporting contracting offices are compliant with this Order.

(n) Participate in the monthly Central Property Office Working Group.

(5) Program Executive Offices (PEOs)

(a) As a requestor, provide requirements for Marine Corps contractual documents to the supporting contracting officer prior to RFP/RFB that involves the furnishing of government property to a contractor.

(b) As a requestor, provide sourcing requirements to MARCORLOGCOM for determination of government property availability prior to the establishment of any binding agreements which involve furnishing government property to a non-contractor external organization when property requested falls under MARCORLOGCOM purview.

(c) Coordinate government property support requirements for external organizations with the appropriate MCA (in accordance with paragraph 5b of chapter 1) to ensure consistent and accurate reporting of government furnished property.

(d) When applicable, facilitate contract execution for the purchase of Marine Corps property that will be furnished to an external organization.

(e) Notify the appropriate MCA of contract or binding agreement modifications that impact the type, quantity or duration of government property furnished to an external organization, to include modifications to the information identified in PGI 245.2 of reference (c).

(f) Ensure supporting contracting offices are familiar with this Order.

(g) Participate in the monthly Central Property Office Working Group.

(6) Marine Corps Forces (MARFORs) and Supporting Establishment (SE) Commanders

(a) As a requestor, provide requirements to MARCORLOGCOM for determination of government property availability prior to the establishment of any binding agreements which involve furnishing government property to a non-contractor external organization.

(b) As a requestor, provide requirements for Marine Corps contractual documents to the supporting contracting officer prior to RFP/RFB which, involve furnishing government property to a contractor.

(c) Forward all government property requests from non-contractor external organizations to DC I&L (LP).

(d) When authorized by DC I&L (LP), execute MARFOR/SE external temporary loans in accordance with chapter 4 of this Order.

(e) When applicable, serve as the lead Marine Corps liaison for CF partner loans in accordance with chapter 7 of this Order.
Responsibilities include:

1. Act as the single focal point for coalition loans within Area of Responsibility (AOR).

2. Serve as the communications link with Combatant Commander when they are the authorizing agency.

3. Assist in resolving accountability and visibility disputes.

4. In coordination with MARCORLOGCOM task appropriate subordinate elements in the execution of the transfer of Marine Corps property on temporary loan to CF partners within your respective AOR.

5. In coordination with MARCORLOGCOM, coordinate validation and renewal of requirements, assist in accountability verification when required, coordinate return of property, and report discrepancies.

6. Report to MARCORLOGCOM all combat losses, replacement-in-kind for combat losses, and/or return of property on temporary loan to CF partners.

7. Ensure compliance with applicable directives and instructions.

8. Provide assistance in the creation and proper management of the lead Marine Corps liaison coalition DoDAAC.

(f) Ensure supporting contracting offices are familiar with this Order.

(7) Management Control Activities (MCA)

(a) Manage and maintain a record of accountability for government property furnished to external organizations, with the exception of DC I&L (LP) approved MARFOR/SE external temporary loans. If required, billing and

payment procedures will be per reference (d) and as covered by binding agreements.

(b) Conduct random sampling of chain of custody documentation for validation of property records for all government property in the possession of external organizations.

(c) By 1 December each year and in accordance with chapter 4, volume 4 of reference (d), volumes 9 and 10 of reference (e), and reference (f), provide an annual consolidated financial value inventory of all government property in the possession of external organizations to DC I&L (LP). Report Control Symbol DD-4400-52 (External Report Control Symbol DD-AT&L(Q)1575) is assigned to this reporting requirement. Appendix D of this Order provides reporting procedures.

(d) Administer the government property in the possession of external organizations program within the Marine Corps per the references and maintain item accountability within an approved APSR through final disposition.

(e) Notify the requesting agency immediately when government property shipments will not meet the Required Delivery Date assigned to a request for support requirements.

(f) Investigate discrepancy reports related to government property furnished to an external organization submitted by the contractor/Defense Contract Management Agency/external agency and forward the results of the investigation to the appropriate requesting agency with recommended corrective action within 10 days of discrepancy notification.

(g) Initiate follow-up action when the external organization has not reported materiel receipt acknowledgement of government property within prescribed reporting time after the expected time of arrival in accordance with reference (g).

(h) Thirty days prior to expiration of a binding agreement, notify the requesting agency to review disposition instructions for the return of government property.

(i) Validate all requisitions from external organizations for property to be provided via the DoD supply system to ensure they are contractually authorized.

(j) Per volume 9 of reference (e), maintain control over all requisitions submitted to the DoD wholesale supply system by contractors and by DoD component activities when such requisitions indicate shipment to a contractor. The MCA shall carry out the procedures per references (a) and (g).

(8) Contracting Officers

(a) Review recommended Data Item Description submitted by requesting activity for use in generating appropriate Contract Data Requirements List(s).

(b) Verify that potential government property furnished to a contractor is available prior to initiation of a contract.

(c) Create the contract that provides Marine Corps property to a contractor adhering to references (b) through (d), volume 9 of reference (e), and reference (h) ensuring the applicable FAR and DFAR clauses and instructional language identified in Appendix C are included.

(d) Identify in the contract the government property authorized for furnishing to the contractor in accordance with PGI 245.2 of reference (c).

(e) Ensure "ship to/mark for" instructions for return of government property are provided. If return designation is uncertain at the time of issue, the contractor should be instructed to contact the contracting officer or their appointed representative who will coordinate with the appropriate MCA for disposition instructions. The binding agreement will be modified when applicable.

(f) Approve Synchronized Pre-deployment and Operational Tracker generated Letter of Authorization (LOA) for all contract employees authorized to receive military clothing and equipment as Government Furnished Equipment (GFE) in support of military forces deployed outside the United States. Refer to PGI 225.74 of reference (c) for information regarding the use of LOAs.

(g) Notify the appropriate MCA of binding agreement modifications that impact the type, quantity or duration of government property furnished to an external organization.

(h) Per volume 9 of reference (e), identify in the contract a list of authorized GFM items and quantities approved for requisitioning from DoD supply sources to support contractor requirements.

(i) In accordance with part 45 of reference (b), appoint a property administrator responsible for administering the contract requirements and obligations relating to government property in the possession of a contractor.

5. Administration and Logistics

a. Recommendations concerning the contents of this Order are invited and should be submitted to Assistant Deputy Commandant, Installations and Logistics (LP) attention to Logistics Policy and Capabilities Branch via the appropriate chain of command.

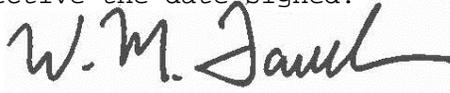
b. Records created as a result of this Order shall be managed according to National Archives and Records Administration approved dispositions per reference (ah) to ensure proper maintenance, use, accessibility and preservation, regardless of format or medium.

c. All the Navy/Marine Corps (NAVMC) forms mentioned in this Order with instructions are available at <https://navalforms.documentservices.dla.mil>.

d. The generation, collection or distribution of personally identifiable information (PII) and management of privacy sensitive information shall be in accordance with the Privacy Act of 1974, as amended, per references (ac) and (ad). Any unauthorized review, use, or disclosure or distribution is prohibited.

6. Command and Signal

- a. Command. This Order is applicable to the Marine Corps Total Force.
- b. Signal. This Order is effective the date signed.



W. M. FAULKNER
Deputy Commandant for
Installations and Logistics

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Chapter 1

General

1. Background. Historically the Marine Corps has furnished many categories of government property (Material, Equipment, Test Equipment, Special Test Equipment, etc.) to external organizations. Examples include furnishing military equipment to Space and Naval Warfare Systems Command (SPAWAR) for retrofitting with Supply System Responsibility Item equipment before being fielded to fleet units, or furnishing military equipment to CF partners to support contingency operations. To comply with Titles 10 and 31 of United States Code and DoD changes published in the references, this Order will redefine the process for the management of government property furnished to external organizations. See Appendix A for glossary of key terms and Appendix B for abbreviations and definitions.

2. Property Furnished to an External Organization. Although the DoD may not have physical custody, in order to maintain effective property accountability and for financial reporting purposes, DoD Components shall establish and maintain records and accountability for property (of any value) furnished to external organizations in accordance with reference (f).

a. In accordance with reference (k), government property may be furnished to contractors under the circumstances described in references (b) and (c), and only for the performance of a specific contract or contracts. For the remainder of this Order, government property furnished to a contractor via a contract will be referred to as GFP. Refer to chapter 2 for additional information.

b. In accordance with reference (d), government property may be lent as an external temporary loan or leased to various external organizations, to include but not limited to, DoD funded customers, state and local agencies, and foreign governments. Refer to chapters 3 through 7 for additional information.

3. Property in the Possession of an External Organization. External organizations that possess authorized government property have stewardship responsibility, consistent with the terms and conditions of the contract or binding agreement.

a. External organizations' property management or accountability systems, such as custodial systems, will not replace the responsibility to manage property in a Marine Corps APSR.

b. These policies and procedures apply to accounting for GFP issued within the provisions of other military services/agencies contracts and are to be coordinated by MARCORSYSCOM PMs and managed by MARCORLOGCOM.

4. Process Overview. Effective management of government property furnished to an external organization is a five step process, identified in figure 1-1.



Figure 1-1.--Five Step Process for Government Property Furnished to an External Organization

a. Determination of Government Property Availability and Approval. The first step provides the Marine Corps' feasibility of support, appropriate sourcing solution, and approval to fill the requested government property requirement.

b. Binding Agreement. The second step is the formal agreement committing the Marine Corps to provide government property to an external organization.

c. Request Issue/Notification. The third step provides the coordination required between the requestor (i.e., external organization or Marine Corps liaison entity) and the sourcing agency. The requestor provides the applicable information, such as contract number, binding agreement, requested delivery date, shipping address and points of contacts required by the sourcing agency to coordinate and execute the contract requirements. In some cases there will not be an issue request but rather, a notification to the appropriate MCA that a new item that has been procured, received and must be reported as GFP to the MCA.

d. Accountability of Government Property. The fourth step is the establishment and maintenance of property accountability and visibility in an approved APSR throughout the terms of the binding agreement.

e. Return/Disposal of the Government Property. The final step is the return of the sourced government property to the Marine Corps' inventory (as the end item or component to an end item) or the disposal of the government property in accordance with the Marine Corps' disposition instructions.

5. General

a. Loans of Marine Corps property are not to be encouraged or promoted.

b. MARCORLOGCOM and MARCORSYSCOM have each been designated as MCAs for the Marine Corps.

(1) MARCORLOGCOM will manage and track all Marine Corps property issued to external organizations when the sourcing is from existing Marine Corps inventory (i.e., existing stock or newly accepted material as a result of new acquisitions which required no further assembly/modification). Examples of such include:

(a) Property pulled from existing stocks to satisfy the requirement.

(b) Property redistributed from a using unit to satisfy the requirement.

(c) Any catalogued equipment where the Marine Corps is a registered user, whether or not the equipment was previously established on Marine Corps property records.

(d) Contractor requested and MCA approved material requisitioned through the DoD supply system in accordance with volume 9 of reference (e) for all MARCORLOGCOM generated contracts.

(2) MARCORSYSCOM will manage and track Marine Corps property issued to external organizations when it involves new acquisitions in support of RDT&E efforts or new acquisitions in support of final end item assembly/delivery. Examples of such include:

(a) Non-system property purchased and subsequently provided as GFP to an external organization for the purposes of RDT&E.

(b) Property received under one contract (not fielded) and provided to another contractor or non-contractor external organization (i.e., SPAWAR) to be included in the final end item assembly.

(c) All assets awaiting assignment of a National Stock Number (NSN) that would otherwise be transferable to MARCORLOGCOM for property accountability.

(d) Contractor requested and MCA approved material requisitioned through the DoD supply system in accordance with volume 9 of reference (e) for all MARCORSYSCOM generated contracts.

c. Government property will not be furnished to an external organization for contracts that include acquisition, repair, overhaul, modification, or reconditioning if providing the government property necessitates procuring new equipment that will result in exceeding the Approved Acquisition Objective (AAO).

d. With the exception of GFP, government property will not be transferred if consumed in use, resulting in the unnecessary disposition of government property without reimbursement, as could be the case with batteries, petroleum products, and other expendable items.

e. Government property will not generally be sourced from the MARFOR's inventory (i.e., from a using unit) to meet contract or binding agreement requirements. However, it may be required to source certain requirements from MARFOR units to meet unique or critical low-density equipment requirements, to support equipment repair/modification/overhaul/warranty, or to support coalition loan requirements within a contingency environment. In these situations, DC I&L (LP) approval is required.

(1) If required, MARCORLOGCOM will contact DC I&L (LP) for permission to redistribute property from a using unit for loan requirements.

(2) DC I&L (LP) will initiate a feasibility of support (FOS) with respective MARFOR/SE to determine supportability prior to authorizing redistribution.

(3) When redistribution from a using unit is approved by DC I&L (LP), the using unit will transfer accountability of the property to

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MARCORLOGCOM. MARCORLOGCOM will provide the authorization for transfer and shipping. The transfer documentation will identify the document directing the transfer.

Chapter 2

Providing Government Furnished Property (GFP) to Contractors

1. General Information

a. It is Marine Corps policy that contractors will furnish all materiel and equipment required for the performance of government contracts. However, government property may be furnished to the contractor as GFP only when it is determined in accordance with Part 45 of reference (b) and PGI 245.103-70 of reference (c).

b. MARCORLOGCOM and MARCORSYSCOM will not furnish government property to a contractor unless it is authorized by a binding agreement (i.e., contract, Purchase Order (PO), or modification to current contract) signed by an authorized government contracting officer. Failure to adhere is a violation of Part 45 of reference (b); Part 245 of reference (c); volume 9 of reference (e), and references (f) and (k); and this Order. A copy of each contract, contract modification, and PO that requires the furnishing of government property to a contractor as GFP will be forwarded to the appropriate MCA in order to maintain control and accountability of Marine Corps property.

c. Contractor Access to Government Supply Sources - Government Furnished Material (GFM). When a contracting officer determines in writing that it is in the best interest of the Marine Corps to provide materials to DoD contractors, the preferred method is to push those materials directly from existing stock. When a direct "push" of materials is not feasible, DoD contractors may be allowed access to DoD supply stores when the following conditions are met.

(1) The contract file must contain the required authorization to include a list of the authorized items and quantities in accordance with part 245.201-70 of reference (c).

(2) Contractors will be assigned a unique DoDAAC for each contract at each contractor location, and this DoDAAC will not be reassigned until that contract has been closed.

(3) For contractor access to government supply sources, the MCA will ensure compliance with volume 9 of reference (e).

(4) The MCA establishes a management reporting system to complete the GFM status report that abides by the provisions outlined in volume 9 of reference (e).

d. MARFORs and SEs are not authorized to furnish government property as GFP to contractors without coordination through MARCORLOGCOM.

e. Accountable property records shall not be established for Contractor Acquired Property (CAP) until delivery to the DoD has occurred.

f. Marine Corps equipment that is covered by warranty will be processed in accordance with procedures established by the respective program manager. However, the requirement to track and account for assets as GFP being repaired by a contractor under warranty still exists. The original contract is considered the binding agreement and satisfies the requirements set forth

in this Order. Accountability/management of GFP requirements where the MARFORs/MEFs are providing equipment for warranty and/or other CLS support (i.e. Logistics Integration Support) will be performed by the MARFOR/SE and do not require MCA involvement.

2. Determination of Government Property Availability

a. Upon identification of a potential GFP requirement by a requiring Marine Corps agency (i.e., activity with the GFP support requirement), a NAVMC 4400/2 - Request for Marine Corps Materiel - Government Furnished Property will be submitted to MARCORLOGCOM. To support the overall GFP process, the NAVMC 4400/2 will be submitted prior to both the initial solicitation and final contract award. Such documentation is not required when contractors are furnished property for repair, modification, overhaul, or warranty under a contract (e.g., Logistics Integration Support Contract for Secondary Repairables and End Items).

(1) The NAVMC 4400/1 - Military Property of the United States must be submitted in conjunction with the NAVMC 4400/2. Requestors may substitute the NAVMC 4400/1 with the Smart Attachment or spreadsheet provided in the DoD procurement toolbox, www.dodprocurementtoolbox.com.

(2) Sourcing determination for new acquisitions in support of RDT&E will be decided by MARCORSYSCOM and do not need to be forwarded to MARCORLOGCOM.

b. MARCORLOGCOM will conduct an FOS assessment, to include the screening of all DoD inventories, to determine the most cost-effective method to source the requirement. MARCORLOGCOM will respond to all NAVMC 4400/2 requests with the appropriate and/or recommended sourcing solution.

(1) When Marine Corps property is available from within existing MARCORLOGCOM inventory stores, the NAVMC 4400/2 response will be returned to the requesting agency.

(2) When Marine Corps property is not available from within existing MARCORLOGCOM inventory stores, it will not normally be redistributed from using units to satisfy the requirement. However, to meet specific GFP requirements as identified in paragraph 5e of chapter 1, MARCORLOGCOM may recommend to DC I&L (LP) the redistribution of property from a using unit. In these situations, the NAVMC 4400/2 response will be forwarded to DC I&L (LP).

(3) When Marine Corps property is not available under the conditions identified in paragraphs 2b(1) and 2b(2) of this chapter, the request is deemed not supportable and the NAVMC 4400/2 will be forwarded to MARCORSYSCOM for a recommendation on procurement action.

c. When warranted, MARCORSYSCOM will conduct a FOS assessment to determine if new procurement is a valid option to source the requirement. MARCORSYSCOM will respond to all NAVMC 4400/2 requests with the appropriate recommendation regarding procurement (e.g. new procurement or no procurement action) and return to the requesting agency.

d. When warranted, DC I&L (LP) will coordinate actions identified in paragraph 5e(2) of chapter 1 prior to approving or denying a MARCORLOGCOM

recommendation for using unit redistribution. Upon determination, the NAVMC 4400/2 will be returned to the requesting agency.

e. The determination that Marine Corps property is available for transfer does not in itself authorize providing the property.

f. The requesting Marine Corps agency's supporting contracting office will execute solicitation and final contract award that provides GFP based on recommendations provided on the NAVMC 4400/2 response.

3. Binding Agreement

a. References (b) and (d) require that a valid binding agreement (i.e., contract) be in place with the authorized government property properly identified as GFP in accordance with PGI 245.2 of reference (c) at the time of issue. The response to the requestor's final contract NAVMC 4400/2 request (paragraph 2 of this chapter) must correspond to the government property identified in the contract.

b. All contracts must adhere to the provisions of references (b) through (d), volume 9 of reference (e), and reference(h), meet requirements identified in PGI 245.103 of reference (c), and include clauses and instructional language identified in Appendix C.

c. The contractor receiving the GFP must have a valid DoDAAC to execute GFP custody accountability. Request for new contractor DoDAAC assignment is the responsibility of the requiring activity. Refer to reference (j) for additional information regarding DoDAAC assignment.

4. Request Issue/Notification

a. When GFP assets are sourced from Marine Corps inventory per paragraph 2b or 2d of this chapter and upon completion of the binding agreement (i.e., contract), requests for the issue of GFP are to be submitted to the supporting MCA utilizing the NAVMC 4400/4 - Request for Marine Corps Materiel - Issue Request. The NAVMC 4400/4 must include the applicable GFP contract number.

(1) MARCORLOGCOM will coordinate all issue actions with the appropriate contractor when sourced from MARCORLOGCOM inventory.

(2) MARCORLOGCOM will coordinate redistribution actions with the appropriate MARFOR and issue actions with the appropriate contractor when MARFOR sourcing is approved by DC I&L (LP).

b. When GFP assets are sourced from new procurement per paragraph 2c of this chapter and upon completion of the binding agreement (i.e., contract), the requesting agency will contact the appropriate MCA upon deliver and acceptance of the asset. The NAVMC 4400/4 must include the applicable GFP contract number which should not be confused with the procurement contract number.

c. When GFP will be incorporated into another end item or when the item will not be recovered, appropriate identification of this fact will be made on the NAVMC 4400/4.

5. Accountability of Government Property - GFP

a. The MCA will track and account for all Marine Corps property under their cognizance furnished as GFP to contractors using an APSR per reference (f).

(1) Contractors receiving GFP will be assigned an "L" DoDAAC for tracking purposes. The NAVMC 11718 USMC Department of Defense Activity Address Code (DoDAAC) will be used to request an "L" DoDAAC and will be submitted as supporting documentation to the NAVMC 4400/4 when requesting issue of GFP assets per the contract.

(2) MCAs will use the invoice and receipt forms to transfer property to the custody of the contractor as a basis for custodial accountability.

(3) Contractors will electronically receipt for the GFP in accordance with the instructions outlined in the binding agreement. Instructional language for this requirement is outlined in Appendix C.

(4) Contractors will be responsible for establishing stewardship responsibility and providing the MCA with the necessary copies of the receipt forms.

b. In accordance with reference (b), PGI 245.103-71 of reference (c), and reference (1), electronic transfers which cite the contract number and unique item identification (UII) will be used to document accountability transactions, when applicable.

(1) These transfers include the initial furnishing to and receipt by the contractor, subsequent transfers between contractors, or return to the government.

(2) The DoD IUID registry will be electronically updated to reflect the transfer of custody for GFP transactions.

c. Upon shipment of the GFP, either by the government to a contractor or a contractor to the government, an electronic notification will be made to the receiving organization (i.e., government or contractor) indicating a property transfer.

d. When in their possession, contractors will have stewardship responsibility of GFP. If a contractor furnishes GFP in which they have stewardship responsibility to one of their sub-contractors (i.e., GFP was furnished to the contractor in accordance with a binding agreement), stewardship responsibility remains with the contractor in which the government property was furnished.

e. When redistribution from a using unit is approved by DC I&L (LP), the using unit will transfer accountability of the property to MARCORLOGCOM; however, physical delivery of the property may go directly to the external organization. Coordination for the transfer and shipping instructions will be provided by MARCORLOGCOM per paragraph 4a(2) of this chapter.

6. Return/Disposal of Government Property. GFP may be returned to the Marine Corps in a variety of ways depending on the item and what has happened to the item during the time in which it has been in the contractor's custody. Examples include GFP embedded in new item delivery, GFP embedded in

repairables, or GFP returned as issued. As a result, the appropriate return/disposal instructions will be provided in the binding agreement. If return/disposal instructions are unknown at the time of the awarding of the binding agreement and subsequently not provided, the external organization will contact the approving agency (i.e., awarding contracting officer) who will coordinate with the MCA for appropriate disposition instructions. The binding agreement will be modified when necessary to document final return/disposal instructions.

Chapter 3

External Temporary Loans and Leases

1. General Information

a. For the remainder of this chapter, external temporary loans will be referred to as "loans".

b. Formal request for the loan or lease of Marine Corps property will be sent to DC I&L (LP) through the non-contractor external organization or requiring Marine Corps activity (i.e., Marine Corps activity with the requirement to loan property to a non-contractor external organization) chain of command using the NAVMC 4400/3 - Request for Marine Corps Materiel - Loan, Lease, or Bailment. Requests will be submitted at least 90 days prior to the date the loan is desired, when practical. All formal requests will receive a determination of property availability assessment and an appropriate DC I&L (LP) response/approval.

c. Formal request for the loan or lease of Marine Corps property to DoD agencies initiated by MARCORSYSCOM to support a previously established Marine Corps requirement for RDT&E efforts are not required to be routed to DC PP&O and DC I&L (LP).

d. Government property will not be furnished to non-contractor external organizations unless it is authorized by a binding agreement documented on a NAVMC 4400/5 - Agreement for the Loan of US Marine Corps Materiel, NAVMC 4400/6 - Agreement for the Lease of US Marine Corps Materiel, or upon direction by DC I&L (LP).

e. All binding agreements that require the furnishing of government property to a non-contractor external organization will be forwarded to appropriate MCA as indicated in paragraph 5(b) of chapter 1, in order to maintain control and accountability of Marine Corps property.

f. MARFORs and SEs are not authorized to furnish government property to external organizations unless authorized by DC I&L (LP). When authorized, MARFORs and SEs will execute the furnishing of government property in accordance with the procedures identified in chapter 4 of this Order.

g. Loans and leases will not cause the lender (i.e., the Marine Corps) to purchase a replacement item or report table of equipment (T/E) deficiencies.

h. Loans and leases are not applicable to the following situations.

(1) Loans to Marine Corps units or activities from MARCORLOGCOM inventory stores are not authorized. A temporary issue to Marine Corps units and activities will be accomplished in accordance with reference (j).

(2) The lease or bailment of facilities or the use of government production and research property by contractors, nonprofit organizations, foreign governments, or international organizations are not authorized. Refer to chapter 1 (GFP) and chapter 5 (bailment) for additional guidance.

(3) The temporary issues or loans of materiel for special tooling, special test equipment, Class V materiel, or software (technical manuals,

drawings, etc.) to contractors are not authorized. Refer to chapter 1 for additional guidance.

i. In accordance with reference (d), the following additional information is provided regarding the lending or leasing of property to other Federal agencies.

(1) State and Local Governments. An item may be lent to civil authorities for a maximum of 120 days during domestic crises, emergencies, or civil disturbances as prescribed under reference (m). Under no circumstances will emergency issues be treated as a loan. Refer to the reference for amplifying guidance.

(2) U.S. Secret Service. An item may be lent to the U.S. Secret Service for a maximum of 120 days in performance of their duties as prescribed under reference (n). Refer to the reference for amplifying guidance.

(3) Civilian Law Enforcement. An item may be lent to a civilian law enforcement activity for a maximum of 120 days for law enforcement purposes as prescribed in reference (o). Refer to the reference for amplifying guidance.

(4) DoD funded customers. An item may be lent to a DoD funded customer for a maximum of 120 days to support an approved training exercise, a military emergency, or natural disaster. For any other reason not previously addressed, loans to DoD funded customers will not exceed 365 days and will be determined by the approval authority based on valid justification.

(5) Humanitarian Relief. Under the authority of 10 USC 2557, nonlethal excess supplies (not a weapon, ammunition, or other equipment designed to inflict bodily harm or death) may be transferred to the Department of State for its distribution in support of humanitarian relief.

j. In accordance with reference (d), the following additional information is provided regarding the lending or leasing of property to civil authorities and special activities.

(1) National Veterans' Organizations. Under the authority of 10 USC 2551, an item (e.g., cots, blankets, pillows, mattresses, bed sacks, and other supplies) may be lent to recognized national veterans' organizations for a maximum of 120 days to support national/state convention or regional youth athletic or recreational tournament sponsored by veterans' organizations. A bond equal to the value of the property is required for the care and safekeeping of the property before the item(s) is/are loaned.

(2) American National Red Cross. Under the authority of 10 USC 2552, an item may be lent to an organization formed by National Red Cross for a maximum of 120 days for the purpose of instruction and practice needed to aid Army, Navy, or Air Force in time of war. A bond equal to twice the value of the property is required for the care and safekeeping of the property before the item(s) is/are loaned.

(3) Inaugural Committee. Under the authority of 10 USC 2553, an item may be lent to the Inaugural Committee to support an inauguration of the President of the United States for period not to exceed 9 days beyond

ceremony. A bond equal to the value of the property is required for the care and safekeeping of the property before the item(s) is/are loaned.

(4) Boy Scout Jamborees. Under the authority of 10 USC 2554, cots, blankets, commissary equipment, flags, refrigerators, and other property may be lent to the Boys Scouts of America for the use of Scouts, and officials who attend any national or world Boy Scout Jamboree. In addition, services and expendable medical supplies, as may be necessary or useful to the extent that items are in stock and items or services are available may be furnished without reimbursement. Items may be lent for a maximum of 120 days. A bond equal to the value of the property is required for the care and safekeeping of the property before the item(s) is/are loaned.

(5) Shelter for the Homeless, Incidental Services. Under the authority of 10 USC 2556, the Secretary of a Military Department may provide without reimbursement bedding for support of shelters that are operated by entities other than DoD, but only to extent the Secretary determines that the provisions will not interfere with military requirements. In addition, incidental services and other items (such as medical supplies) may be provided without reimbursement to the extent that the provisioning does not interfere with military preparedness or ongoing military functions. To support these requirements, a service may issue only property declared excess to the needs of DoD.

(6) Foreign Countries or International Organizations. An item may be loaned to eligible foreign countries or international organizations under an Acquisition and Cross-Servicing Agreement (ACSA). Refer to references (p) and (q) for amplifying guidance.

(7) Other Leases. Under the authority of 10 USC 2667, non-excess items may be leased to an organization when the Secretary of Defense or the Secretary of the Military department has determined that the item is not needed for DoD during the proposed lease and the lease will promote the national defense or otherwise be in the public interest.

k. Reserve Component. Reference (r) contains special provisions regarding loaning equipment from Reserve Component assets. The Memorandum of Agreements (MOA) requirement in this reference is satisfied by the completion of the NAVMC 4400/5 or NAVMC 4400/6 in this Order. Refer to reference (r) for amplifying guidance.

l. Special Events. DoD capabilities may be used to provide support for international and domestic special events as authorized by law and DoD policy. DoD resources in support of special events may be provided only after the resources of all other relevant governmental and non-governmental entities are determined not to be available, unless there is a statutory exception or the DoD is the only source of specialized capabilities. DoD support should not be provided if use of commercial sources would be more appropriate. Reference (aa) establishes policy, assigns responsibilities, and provides procedures for support to civil authorities and qualifying entities during the conduct of special events.

m. Leases and Demonstrations. Per reference (s), DoD Components may participate directly in international trade shows or trade exhibitions, when it is determined to be in the national security interest. Additionally, when foreign sales of U.S. manufactured defense equipment would contribute to U.S.

national security and foreign policy interests, the Secretaries of the Military Departments or their designees may lease DoD equipment to a defense contractor or industrial association for demonstration to foreign governments or for display or demonstration at international trade shows or trade exhibitions. Refer to the reference for amplifying guidance.

n. Inter-service transfer requests for excess Marine Corps equipment will be processed following the same procedures identified in this chapter and in accordance with volume 9 of reference (e). Hence the property, title, and accountability responsibility will be transferred, thus there is no coordination required for the return of the property to the Marine Corps.

2. Determination of Government Property Availability and Approval

a. All requests for the loan/lease of government property to a non-contractor external organization, either initiated by a non-contractor external organization or a requiring Marine Corps activity, will be processed utilizing the NAVMC 4400/3. These requests will be forwarded to MARCORLOGCOM and MARCORSYSCOM, when applicable, for a determination of property availability.

(1) The NAVMC 4400/1 must be submitted in conjunction with the NAVMC 4400/3; however, if a previous binding agreement has been established which details the pedigree data normally collected on the NAVMC 4400/1, then that binding agreement can be referenced instead of providing the NAVMC 4400/1, e.g. Modification Instruction or Tech Manual.

(2) In accordance with paragraph 1b of this chapter, request initiated by an external organization or a requiring Marine Corps activity will be routed to MARCORLOGCOM via DC I&L (LP) and coordinated with DC PP&O as appropriate.

(3) In accordance with paragraph 1c of this chapter, request initiated by MARCORSYSCOM will be routed directly to MARCORLOGCOM.

b. MARCORLOGCOM will conduct an FOS assessment, to include the screening of all DoD inventories, to determine the most cost-effective method to source the requirement. MARCORLOGCOM will respond to all NAVMC 4400/3 requests with the appropriate and/or recommended sourcing solution.

(1) When Marine Corps property is available from within existing MARCORLOGCOM inventory stores, the NAVMC 4400/3 response will be forwarded to DC I&L (LP), unless the request is to support RDT&E (see paragraph 1c of this chapter) in which case the NAVMC 4400/3 will be returned to the requesting activity.

(2) When Marine Corps property is not available from within existing MARCORLOGCOM inventory stores, it will not normally be redistributed from using units to satisfy the requirement. However, to meet specific loan requirements as identified in paragraph 5e of chapter 1, MARCORLOGCOM may recommend redistribution of property from a using unit to DC I&L (LP). In these situations, the NAVMC 4400/3 response will be forwarded to DC I&L (LP).

(3) When Marine Corps property is not available under the conditions identified in paragraphs 2b(1) and 2b(2) of this chapter, the request is deemed not supportable and the NAVMC 4400/3 will be forwarded to MARCORSYSCOM for a recommendation on procurement action.

c. When warranted, MARCORSYSCOM will conduct an FOS assessment to determine if new procurement is a valid option to source the requirement. MARCORSYSCOM will respond to all NAVMC 4400/3 requests with the appropriate recommendation regarding procurement (e.g. new procurement or no procurement action) and return to DC I&L (LP).

d. When warranted, DC I&L (LP) will coordinate actions identified in paragraph 5e(2) of chapter 1 prior to approving or denying a MARCORLOGCOM recommendation for using unit redistribution.

e. Request initiated by an External Organization. DC I&L (LP), in coordination with DC PP&O, will make the final approval determination. The final NAVMC 4400/3, if approved, will be provided to MARCORLOGCOM or MARCORSYSCOM, as appropriate, for the establishment of the binding agreement (i.e., NAVMC 4400/5 or NAVMC 4400/6), in accordance with paragraph 3 of this chapter.

f. Request initiated by Marine Corps Activity

(1) DC I&L (LP), in coordination with DC PP&O, will make the final approval determination. The final NAVMC 4400/3 will be returned to the requesting Marine Corps Activity. If approved, the requesting Marine Corps Activity is responsible for establishing the binding agreement (i.e., NAVMC 4400/5 or NAVMC 4400/6) in accordance with paragraph 3 of this chapter.

(2) Request in support of RDT&E (see paragraph 1c of this chapter) will be returned to the requesting MARCORSYSCOM activity whom is responsible for establishing the binding agreement (i.e., NAVMC 4400/5 or NAVMC 4400/6), in accordance with paragraph 3 of this chapter.

g. The determination that Marine Corps property is available for transfer does not in itself authorize provision of the assets.

3. Binding Agreement

a. A valid binding agreement, with the government property authorized for loan or lease properly identified, is required to be in place prior to the physical execution of the loan. The listing of authorized government property will be provided on the NAVMC 4400/1 attached to the approved NAVMC 4400/3 or provided via appropriate reference listing as described in paragraph 2a(1) of this chapter.

b. The binding agreement directing the loan/lease must be in the form of a NAVMC 4400/5 or NAVMC 4400/6 as indicated in paragraph 1d of this chapter. In no case will a document/binding agreement be substituted for NAVMC 4400/5 or NAVMC 4400/6. DoD approved requests and binding agreements and other lease agreements (to include FMS) such as those captured in a Letter of Offer and Acceptance may be attached to the NAVMC 4400/5 or NAVMC 4400/6 as supporting documentation. Refer to chapter 6 for additional information regarding binding agreements.

4. Request Issue/Notification

a. When property is sourced from Marine Corps inventory per paragraph 2b or 2d of this chapter and upon completion of the binding agreement, requests for the issue of assets are to be submitted to the supporting MCA utilizing

the NAVMC 4400/4. The NAVMC 4400/4 must include the applicable binding agreement.

(1) MARCORLOGCOM will coordinate all issue actions with the appropriate non-contractor external organization when sourced from MARCORLOGCOM inventory.

(2) MARCORLOGCOM will coordinate redistribution actions with the appropriate MARFOR and issue actions with the appropriate non-contractor external organization when MARFOR sourcing is approved by DC I&L (LP).

b. When property is sourced from new procurement per paragraph 2c of this chapter and upon completion of the binding agreement, the requesting activity will contact the appropriate MCA upon delivery and acceptance of the asset. The NAVMC 4400/4 must include the applicable binding agreement which should not be confused with the procurement contract number.

c. When property will be incorporated into another end item or when the item will not be recovered, appropriate identification of this fact will be made on the NAVMC 4400/4.

d. As indicated in paragraph 1h of this chapter, certain civil authorities are required to provide a bond prior to the loan or lease of government property. The posting of the bond by the borrowing activity is required prior to the issue of the loaned/leased government property; refer to chapter 6 for additional procedures regarding surety bonds.

5. Accountability of Government Property - Loans and Leases

a. The MCA will track and account for all Marine Corps property under their cognizance furnished as a loan/lease to external organizations using an APSR, unless directed otherwise by DC I&L (LP) (i.e., external temporary loans by the MARFOR/SE).

(1) External organizations receiving Marine Corps property will use their assigned DoDAAC for tracking purposes. In the event a DoDAAC is unable to be assigned (e.g., a non-DoD agency), another government tracking identification such as a Data Universal Numbering System (DUNS) number must be used.

(2) MCAs will use the invoice and receipt forms to transfer property to the custody of the external organization as a basis for custodial accountability.

(3) The external organization will be responsible for establishing stewardship responsibility and providing the MCA the necessary copies of the receipt forms.

b. When applicable, electronic transfers which cite the binding agreement and UII will be used to document accountability transactions. These transfers include the initial furnishing to and receipt by the external organization, subsequent transfers between external organization, or return to the government.

c. Upon shipment of the loaned/leased government property, either by the government to an external organization or an external organization to the government, an electronic notification will be made to the receiving

organization (i.e., government or external organization) indicating a property transfer.

d. When in their possession, external organizations will have stewardship responsibility of loaned government property. If an external organization with stewardship responsibility (i.e., government property was furnished to the external organization in accordance with a binding agreement) transfers the government property to another external organization (e.g., sub-contractor or subordinate agency), stewardship responsibility remains with the external organization to which the government property was furnished.

e. When redistribution from a using unit is approved by DC I&L (LP), the using unit will transfer accountability of the property to MARCORLOGCOM; however, physical delivery of the property may go directly to the external organization. Coordination for the transfer and shipping instructions will be provided by MARCORLOGCOM per paragraph 4a(2) of this chapter. These situations do not include the DC I&L (LP) authorized external temporary loans by MARFOR/SE discussed in chapter 4.

6. Return/Disposal of Government Property

a. Loaned government property may be returned to the Marine Corps in a variety of ways depending on the item and what has happened to the item during the time in which it has been in the custody of an external organization. Examples include government property embedded in new item delivery, government property embedded in higher assembly, or government property returned as issued. As a result, the appropriate return/disposal instructions will be provided in the binding agreement. If return/disposal instructions are unknown at the time of the awarding of the binding agreement and are subsequently not provided, the external organization will contact the approving agency who will coordinate with MARCORLOGCOM for appropriate disposition instructions.

b. Under normal circumstances, the loan of Stores Account Code (SAC) 1 materiel will not be made to another U.S. Navy activity. Intra-DoN movement of SAC 1 materiel will be either an issue to end use or a permanent issue (transfer) to that unit, using an APSR. Exceptions include inter-service requests for Marine Corps specific assets (i.e., Individual Combat Clothing and Equipment) that are required to support Marine Corps operations and exercises.

c. Consumable items will be treated as an issue to an end user in accordance with reference (j).

Chapter 4

Authorized External Temporary Loans by the MARFOR/SE

1. General Information

a. Authority. In accordance with chapters 1 through 3 of this Order, MARFORs and SEs are not authorized to furnish government property to external organizations unless authorized by DC I&L (LP). In certain situations, DC I&L (LP) may determine it is in the Marine Corps best interest to source and execute the furnishing of government property to a non-contractor external organization by a MARFOR or SE unit/activity. Only in these situations, will the MARFOR or SE unit/activity be responsible for the establishment of accountability management for government property furnished to a non-contractor external organization. The MARFOR and SE will never be asked or be expected to establish accountability management of GFP furnished to a contractor in accordance with chapter 2 of this Order.

b. Items To Be Loaned. Government property, with the exception of property catalogued as classified, sensitive, or pilferable in the Federal Logistics Information Service, is eligible for furnishing to a non-contractor external organization by the MARFOR/SE upon approval by DC I&L (LP). Examples include, but are not limited to, cots, mattresses, mattress covers, blankets, pillows, folding chairs, and tentage.

c. Formal requests by non-contractor external organizations for the loan of Marine Corps property will be submitted in accordance with paragraph 1b of chapter.

d. Geographically co-located commanders may assist the external organization in the completion and routing of the NAVMC 4400/3 as necessary.

e. Government property will not be furnished to non-contractor external organizations unless it is authorized by a binding agreement documented on a NAVMC 4400/5 or NAVMC 4400/6. DoD approved requests and binding agreements and other lease agreements (to include FMS) such as those captured in a Letter of Offer and Acceptance may be attached to the NAVMC 4400/5 or NAVMC 4400/6 as supporting documentation.

f. Refer to paragraphs 1h through 1k of chapter 3 for additional guidance regarding the loan and lease of government property to other Federal agencies, civil authorities, and special activities.

2. Determination of Government Property Availability and Approval

a. Requests for the loan/lease of government property to a non-contractor external organization that meet the criteria identified in paragraph 1b of this chapter may be forwarded to a MARFOR or SE unit/activity in accordance with paragraph 1a of this chapter for an FOS assessment. Requests that do not meet criteria identified in paragraph 1b of this chapter are executed in accordance with the procedures identified in chapter 3.

b. MARFOR and SE unit/activities will respond to all requests, using the original NAVMC 4400/3, with their determination of availability. The determination that Marine Corps property is available for transfer does not authorize provision of the assets.

c. Requests submitted with support of a geographically co-located commander may include their determination of availability on the NAVMC 4400/3 prior to routing to DC I&L (LP).

d. DC I&L (LP) will review the request for loan of government property and the MARFOR/SE determination of availability. Utilizing the NAVMC 4400/3, DC I&L (LP), in coordination with DC PP&O, will approve as an authorized external temporary loan by the MARFOR/SE and identify the sourcing agency or deny the request. The final NAVMC 4400/3, if approved, will be used for the creation of the binding agreement in accordance with paragraph 3 of this chapter.

e. Determination of Non-availability. A determination of non-availability is made by DC I&L (LP), in coordination with DC PP&O, when the requested government property is not capable of being sourced by the MARFOR/SE, and is not capable of being sourced or is not cost beneficial to source via MARCORLOGCOM.

3. Binding Agreement

a. When authorized as an external temporary loan by the MARFOR/SE, the sourcing activity will ensure a valid binding agreement, with the government property authorized for loan properly identified, is in place prior to the physical execution of the loan. The listing of authorized government property will be provided on the approved NAVMC 4400/3.

b. The binding agreement directing the loan must be in the form of a NAVMC 4400/5 or NAVMC 4400/6 as indicated in paragraph 1e of this chapter. In no case will an external organization's document/binding agreement be substituted for NAVMC 4400/5 or NAVMC 4400/06. Refer to chapter 6 for additional information regarding binding agreements.

4. Request Issue/Notification

a. The authorization by DC I&L (LP) will identify the sourcing solution as internal to the MARFOR/SE to support the furnishing of government property. As a result, there is no requirement for the supporting Marine Corps activity to submit a request to a sourcing activity (i.e., MARCORLOGCOM). The MARFOR/SE will coordinate the issuing of the property to the external organization.

b. As indicated in paragraph 1j of chapter 3, certain civil authorities are required to provide a bond prior to the loan or lease of government property. The posting of the bond by the borrowing activity is required prior to the issue of the loaned/leased government property. Refer to chapter 6 for additional procedures regarding surety bonds.

5. Accountability of Government Property - External Temp Loans. For external temp loans to non-contractor external organizations (see chapter 3 paragraph 1), the supporting MARFOR/SE (i.e., unit/activity tasked with support) will maintain accountability of all property furnished to the requesting organization using established internal temporary loan procedures described in chapter 6, paragraph 9a(3) of reference (j). The sourcing unit/activity will be responsible for conducting a joint inventory with the external organization and obtaining the necessary copies of property transfer documents. In addition, the sourcing unit/activity is further responsible for maintaining liaison with the external organization during the period of

utilization of the loaned Marine Corps Property. MARFOR/SEs are not authorized to furnish government property to a contractor without prior approval from DC I&L (LP). In these situations, the MARFOR/SE may ship the items directly to the contractor per the binding agreement; however, MARCORLOGCOM will assume responsibility for accounting for the furnished property.

6. Return/Disposal of Government Property. The supporting MARFOR/SE unit/activity is responsible for the following.

a. Ensuring all loaned government property is shipped at the close of the event at the expense of the external organization to the agreed to location.

b. Preparing a joint inventory of returned government property in cooperation with a representative of the external organization. This will be the basis for a final receipt at the expiration of the loan. The supply officer of the supporting unit/activity and the external organization representative with whom the government property is loaned will certify all copies for correctness.

c. Determining the cost of and making formal restitution demand upon the external organization for bond forfeitures in accordance with chapter 6 of this Order.

Chapter 5

Bailment Program (Replenishment Parts Purchase or Borrow (RPPOB))

1. Purpose. Establishes policy in accordance with reference (i) for the Marine Corps RPPOB Program to provide domestic business concerns an opportunity to purchase or borrow replenishment parts from the Government for:

- a. Design replication or modification.
- b. Subsequent submission of offers to sell items of supply replenishment parts to the government.
- c. Enhancing competition, lowering costs, and improving lead times by developing and locating alternative sources of supply and manufacturing.

2. Policy

a. Replenishment part costs shall be lowered through competition and product simplification. Therefore, sample parts shall be made available to domestic business concerns when it is determined that such action is in the best interest of the government. That determination shall include economic considerations as well as national security requirements, inventory needs, the probability of future purchases of parts, and any additional restrictions required by law.

b. No domestic business concern in good standing (i.e., not on the excluded party list) shall be denied the opportunity to participate in the Marine Corps RPPOB Program. The availability of sample parts shall be limited to quantities adequate to meet the program's objectives. Controls shall be established within the Marine Corps to prevent exploitative ordering of sample parts and later depletion of DoD Supply system stocks.

(1) Alternate sources of supply may be developed through this program when appropriate under Subpart 6.202 of the reference (b).

(2) The Marine Corps need not delay ongoing or planned purchase actions of spare parts to allow potential suppliers (i.e., external organizations) to participate in the program.

(3) Government inspection of parts for compliance to performance criteria, based on existing technical data, shall be conducted, when appropriate, before the bailment or sale of parts to potential suppliers.

c. Only domestic businesses may participate in the RPPOB Program. Transfer of parts or technical data by the domestic business participating in the RPPOB Program to other parties or firms within the United States or to foreign firms or foreign governments is forbidden.

d. Through the RPPOB Program, the Marine Corps shall make sample parts available to domestic businesses for the purpose of design replication, modification, or development and submission of a data package to obtain approval to sell like replenishment parts to the government.

e. To provide the maximum incentive for industry to participate in the RPPOB Program, the Marine Corps shall assure all qualified companies are

provided the opportunity to compete for parts they have made competitive under the RPPOB Program. Accordingly, no part shall be procured under requirements so strict as to eliminate the firm that moved the part from noncompetitive to competitive status through a successful RPPOB action.

f. The Marine Corps must be the Primary Inventory Control Agency of the part to approve requests from potential suppliers to view or obtain sample parts on a bailment or purchase basis.

g. MARCORSYSCOM will determine which sample parts are eligible for reverse engineering under the RPPOB program, during the full screen breakout/exploded view review performed per the Defense Federal Acquisition Regulation Supplement 6.

(1) Items requested for RPPOB sale or bailment that not undergone a full screen breakout review shall be expeditiously scheduled for a review (limited or full) to determine the items' eligibility for the RPPOB program.

(2) Once the breakout review process is completed and a part is determined eligible for the RPPOB program, the Marine Corps shall ensure the criteria identified in paragraph 4b of this chapter are met prior to approving the part for bailment.

h. There are three methods that the Marine Corps may use to make parts available to the potential suppliers:

(1) Direct purchase of the part by the potential supplier. This is the preferred method as it minimizes the management and administrative impact to the government. Pricing policies for this method shall be in accordance with volume 11A of reference (d). The potential supplier will also pay administrative and accessorial charges such as packing, crating, and handling costs. The potential supplier shall make payment prior to delivery of the material to the potential supplier. There is no limitation on the dollar value of parts that may be purchased. This option will follow the procedures identified below, however title and accountability responsibility will transfer, thus there is no coordination required for the return of the property to the Marine Corps.

(2) Bailment of the part to the potential supplier. A bailment agreement shall be prepared with the provisions agreed upon by both parties. Parts shall not be subjected to destruction or irreversible disassembly. Parts shall not be loaned to potential suppliers unless such parts can be re-inspected and validated by the government. The government will need to have visibility of the bailed property's material condition and location status in the event the property is required by the government (e.g., emergency need for the last item on the shelf). Bailments shall be assessed costs in accordance with volume 11A of reference (d).

(3) Inspecting the part. Potential suppliers may inspect parts for the purpose of familiarization. The parts will be displayed in Marine Corps-designated display areas. The Marine Corps will determine what parts are put on display. Viewing of a part is encouraged to eliminate unneeded purchase or bailment agreements. This option will follow the procedures below; however, government property will not physically be transferred. MARCORSYSCOM will coordinate with MARCORLOGCOM to coordinate the inspecting process.

3. Requests

a. Potential suppliers must be from a domestic business concern and shall submit requests to purchase or borrow a part utilizing the NAVMC 4400/3 to MARCORSSYSCOM. The NAVMC 4400/1 must be submitted in conjunction with the NAVMC 4400/3.

b. In the NAVMC 4400/3 justification, the potential supplier must:

(1) State that the intent of purchasing or borrowing the part is for replication and/or modification and subsequent offer of sale of the item of supply replenishment parts to the government.

(2) Specify the improvement to be offered by any proposed modifications.

4. Determination of Government Property Availability and Approval

a. Upon receipt of request to purchase or borrow a part by a potential supplier, an applicable MARCORSSYSCOM agent will be identified as the lead Marine Corps point of contact on the NAVMC 4400/3. This agent will have liaison responsibility with the potential supplier. The NAVMC 4400/3 will be forwarded to MARCORLOGCOM for a determination of government property availability. MARCORLOGCOM, in coordination with MARCORSSYSCOM, will conduct an FOS assessment, to include the screening of all DoD inventories, to determine the most cost-effective method to source the requirement; and ensure compliance with the criteria below for making sample parts available to potential suppliers. The determination that Marine Corps property is available for transfer does not in itself authorize providing the assets.

b. Criteria for identifying potential replenishment parts. In accordance with reference (i), the Marine Corps shall make sample parts available to potential suppliers only when all of the following criterion are met:

(1) The part has limited or reduced sources for supply due to non-availability of a technical data package (TDP), an incomplete TDP, or a TDP that contains limited rights data. Any technical data that contains limited rights shall not be released to potential suppliers.

(2) The annual buy value of the part exceeds thresholds developed by DoD components based on guidance in PGI subpart 217.7506 of reference (c). The DoD Components may lower the dollar value to accommodate their program.

(3) Loan or sale of the part does not adversely affect or deplete required supply quantities.

(4) Potential life-cycle savings exceed the cost (including evaluation and testing) of making the part available. The economic evaluation phase of reference (c) shall be used to determine cost savings.

(5) Critical Safety Items, engineering safety items, and engineering critical or unstable parts, as defined in enclosure (2), shall be made available only upon approval by DoD Components that has the technical cognizance of the part. Subpart 206.2 of reference (c) prescribes the qualification requirements for aviation critical safety items.

(6) A part's TDP, once developed, would not disclose critical technology with military or space applications. This determination shall be made in accordance with the provisions of reference (t).

(7) Loaning, viewing, or selling of the part is not prevented by law (i.e., patent rights or security classification).

(8) If the part is engineering critical or unstable, it may be made available only upon approval of the acquisition project officer for the end item.

(9) Once developed, the TDP for the part will not disclose critical military technology.

(10) A potential supplier may not borrow items under warranty. The government will not sell items under warranty unless the same item not under warranty is not available. In the instance where a warranted item is sold, the warranty does not transfer with the sale. A warranted item shall not be precluded from being viewed.

(11) The Marine Corps shall not bail or sell a part for the purpose of modification without considering the following:

(a) The proposed modification must improve performance, reliability, maintainability, interchangeability, product quality, safety, productivity, or decreases life-cycle costs.

(b) The probability of future purchases of the proposed improved part.

(c) If the proposed modification is, or should be, considered under the existing DoD Value Engineering (VE) Program under Part 48 of reference (b), or other in house product improvement, or preplanned product improvement.

(d) The potential supplier must not be currently debarred, suspended, or otherwise prohibited from engaging in government procurement.

(e) The potential supplier must demonstrate ability to duplicate the sample item. This demonstration may be accomplished by referencing past performance.

(f) The potential supplier must not have previously been awarded a contract to provide the requested item to the government.

c. When Marine Corps property is not available from within MARCORLOGCOM inventory stores, or does not meet the criteria identified in the preceding paragraph, it will not normally be redistributed from using units to satisfy the requirement and the request may be deemed not supportable; however, to meet specific requirements as identified in paragraph 5e of chapter 1, MARCORLOGCOM may request approval to redistribute property from a using unit from DC I&L (LP).

d. MARCORLOGCOM will respond to all requests, using the original NAVMC 4400/3, with the appropriate and recommended sourcing solution or indicate the Marine Corps inability to support the request.

e. A MARCORSYSCOM contracting officer will make final approval determination and notify the potential supplier utilizing the NAVMC 4400/3 if their request for bailment or purchase is denied or delayed. The final NAVMC 4400/3, if approved, will be used for the creation of the binding agreement in accordance with paragraph 5 of this chapter.

5. Binding Agreement

a. Approved Sales. Requests approved as a sale will use the approved NAVMC 4400/3 as source documentation for the sale. The sale price must be identified on the NAVMC 4400/3 upon approval. MARCORSYSCOM will be responsible for coordination of funds transfer with the external organization.

b. Approved Bailments. A valid binding agreement, with the government property authorized for bailment with the government property authorized for loan properly identified, is required to be in place prior to the physical execution of the loan. The listing of authorized government property will be provided on the approved NAVMC 4400/1 attached to the approved NAVMC 4400/3. The binding agreement directing the bailment must be in the form of a NAVMC 4400/7 - Agreement for the Bailment of US Marine Corps Materiel for the Purpose of Design Replication and Modification. In no case will a document/binding agreement be substituted for the NAVMC 4400/7. For unique situations that merit negotiation of specific bailment provisions, attach supporting documentation to the NAVMC 4400/7.

c. Approved Display. Request approved as a display will use the approved NAVMC 4400/3 as source documentation for the display of government property.

6. Request Issue/Notification

a. Approved Sales. The issue of government property in support of approved bailment sales will be submitted to MARCORLOGCOM utilizing the NAVMC 4400/4.

(1) MARCORLOGCOM will coordinate the physical issue of the loaned/leased government property requirements with the external organization.

(2) The government property will be supplied in condition code "A" with a copy of all associated unclassified data.

(3) The potential supplier will pay the transportation carrier directly for transportation costs to and from the Marine Corps storage site. All shipments shall be made by traceable means.

b. Approved Bailments. Upon completion of the binding agreement, requests for issue of government property are to be submitted to MARCORLOGCOM utilizing the NAVMC 4400/4.

(1) MARCORLOGCOM will coordinate the physical issue of the loaned/leased government property requirements with the external organization.

(2) Government property will be supplied in condition code "A" with a copy of all associated unclassified data.

(3) The potential supplier will pay the transportation carrier directly for transportation costs to and from the Marine Corps storage site. All shipments shall be made by traceable means.

c. Approved Displays. MARCORSYSCOM will coordinate the display time and location with MARCORLOGCOM.

7. Accountability of Government Property - RPPOB Program

a. The MCA will track and account for all Marine Corps property under their cognizance furnished as bailment loans to external organizations.

(1) In the event a DoDAAC is unable to be assigned (e.g., a non-DoD agency), another government tracking identification such as a DUNS number must be used.

(2) MCAs will use the invoice and receipt forms to transfer property to the custody of external organizations as a basis for custodial accountability.

(3) The external organization will be responsible for establishing stewardship responsibility and providing to MARCORLOGCOM the necessary copies of the receipt forms.

b. When applicable, electronic transfers which cite the bailment agreement and the UII will be used to document accountability transactions. These transfers include the initial furnishing to and receipt by the external organization, or return to the government.

c. Upon shipment of the government property, either by the government to an external organization or external organization to the government, an electronic notification will be made to the receiving organization (i.e., government or external organization) indicating a property transfer.

d. When in their possession, external organizations will have stewardship responsibility of loaned government property.

8. Return/Disposal of Government Property

a. Appropriate return/disposal instructions will be provided in NAVMC 4400/7. If return/disposal instructions are unknown at the time of the completion of the NAVMC 4400/7 and are subsequently not provided, the external organization will contact MARCORSYSCOM who will coordinate with MARCORLOGCOM for appropriate disposition instructions.

b. The borrower must return parts in the same condition as they were received. The government agency receiving the returned materiel is responsible for conducting a joint inventory of returned government property in cooperation with a representative of the external organization. This will be the basis for a final receipt at the expiration of the bailment. The supply officer of the supporting unit/activity and the external organization representative with whom the government property was loaned will certify all copies for correctness.

Chapter 6

Other Agreements and Bond Requirements

1. General. As indicated in the previous chapters, non-contractor external organizations will be required to enter into a binding agreement prior to the issuance of government property. This binding agreement will be in the form of a NAVMC 4400/5, NAVMC 4400/6, or NAVMC 4400/7. In addition, certain external organizations (as identified in chapter 3) are required to post and provide evidence of a bond to ensure the safe return of the borrowed materiel or reimbursement for any loss of or damage to the materiel. The information in this chapter is to provide assistance in the execution of these binding agreements and surety bonds.

2. Loan, Lease, and Bailment Agreements

a. The approving authority for a NAVMC 4400/3 will indicate on the form, as part of its approval, the requirement to complete a binding agreement with any additional supporting documentation, requirements, and identifying the appropriate agency responsible for document execution before shipment or issue of government property.

b. The approving authority for a non-contractor external organization request is:

(1) CDR, MARCORSYSCOM - MARCORSYSCOM supported RDT&E loans or leases.

(2) CDR, MARCORSYSCOM - bailment requests.

(3) DC I&L - all other requests for loans or leases. In these situations MARCORLOGCOM, MARCORSYSCOM, or MARFOR/SE unit/activities will be directed to establish the appropriate binding agreements as indicated in chapters 3 and 4 of this Order.

c. Loan, lease, or bailment agreements are mutually developed by the Marine Corps agency and the chief of the borrowing activity (or their designees). The binding agreements identify the responsibilities of all parties and include terms and conditions of the loan, lease, or bailment. The NAVMC 4400/5, NAVMC 4400/6, and NAVMC 4400/7 are standardized forms that will be used to enter the respective binding agreements.

d. The Marine Corps activities authorized to establish a loan, lease, or bailment agreement, upon direction from the approving authority identified in paragraph 2b above, are:

(1) MARCORSYSCOM Contracting Officer - MARCORSYSCOM supported RDT&E leases and bailment agreements.

(2) MARCORSYSCOM Assistant Commander, Acquisition Logistics and Product Support (AC/ALPS) - MARCORSYSCOM supported RDT&E or DC I&L (LP) directed loan agreements.

(3) MARCORLOGCOM Director, Weapon System Management Center (WSMC) - DC I&L (LP) directed loan agreements.

(4) MARFOR/SE Appointed Supply Officer - DC I&L (LP) authorized MARFOR/SE external temporary loans as discussed in chapter 4 of this Order.

e. The loan, lease, and bailment agreement must be signed by the chief of the borrowing activity (or their designee). In order to protect the government and to ensure the correct representative of the borrowing activity is entering into the binding agreement, borrowing activities that are private parties or non-DoD parties must notarize the agreement to make it binding. DoD agencies do not require notarization.

f. Loan, lease, and bailment agreements will be held by the Marine Corps agency and a copy will be provided to the issuing activity, with the NAVMC 4400/1, until termination and final settlement of each loan, lease, or bailment.

g. Loan and lease agreements with civil authorities or private entities, to support special events outlined in chapter 3 require the borrower to post and provide evidence of a bond prior to the delivery of government property. Refer to paragraph 3 of this chapter for applicable guidance.

h. When necessary, the binding agreement will include supporting documentation. Examples include, but are not limited to, purchase orders (PO), Military Interdepartmental Purchase Requests, ACSA, Inter-Service Support Agreements, Statements of Work (SOW), Government Task Orders or MOA.

i. For specific guidance regarding Foreign Military Leases (Security Assistance) see paragraph 4 below. For specific guidance on Coalition Loans see chapter 7.

3. Bonds

a. The borrower shall assume the risk of loss or liability for damage to the borrowed property. That risk shall be covered either by insurance or the posting of a bond on the replacement value of the property being loaned or leased. Per the requirements in chapter 3, Marine Corps policy will be to require the borrowing activity to post and provide evidence of a bond; however, DC I&L (LP) may approve the borrower to be self-insured, if proof is provided.

b. Bonds ensure safe return of the borrowed materiel or reimbursement for any loss of or damage to the materiel. To document the bond, the borrowing activity will be required to use NAVMC 4400/8 - Checklist to Document a Surety Bond and Power of Attorney. This will ensure that their bond instrument of choice contains all necessary information that provides for the Safekeeping of Public Property by Guaranteeing Reimbursement to the Government for Expenses incident to the Loan, Lease, or Bailment of US Marine Corps materiel. A warranted contracting officer will receive, review, and document evidence of the bond on the NAVMC 4400/8. As applicable, general counsel will receive, review, and document evidence of the power of attorney on the NAVMC 4400/8. The bond and power of attorney (if applicable) will be returned with the corresponding binding agreement to the following Marine Corps activities prior to delivery of government materiel:

(1) MARCORSSYSCOM AC/ALPS - All bailment agreements.

(2) MARCORLOGCOM Director, WSMC - All loan and lease agreements with the exception of MARFOR/SE external temporary loans authorized by DC I&L (LP) discussed in chapter 4 of this Order.

(3) MARFOR/SE Appointed Supply Officer - MARFOR/SE external temp loans authorized by DC I&L (LP) discussed in chapter 4 of this Order.

c. The bond will consist of:

(1) A properly executed bond with a certified bank check, cash, or negotiable U.S. Treasury bonds.

(2) A notice of bond by a reputable bonding company deposited with the appropriate Marine Corps activity identified above. Bonds will equal the total price of the borrowed items as indicated on the NAVMC 4400/1 submitted in conjunction with the approved NAVMC 4400/3, and will be referenced in the NAVMC 4400/5 or NAVMC 4400/6. A "double" bond (bond equal to twice the value of the borrowed item(s)) will be required when indicated in chapter 3 of this Order.

d. Bonds do not have to be posted by the borrowing agency itself. The source of originating agency for the bond is immaterial if the bond is valid. For example, to secure a lease, a State may post bond on behalf of a city, county, or other governmental body or authority within the State.

e. In an emergency, when posting a bond would delay issue of property for an urgent release, DC I&L (LP) may approve the issue prior to the posting of the bond. The bond must be posted within 5 days.

f. Bond forfeitures will be made in accordance with the applicable loan, or lease agreements. Exceptions to mandatory forfeitures can only be made with the approval of DC I&L (LP). Forfeitures do not release the borrowing agency from returning borrowed material or affect ownership. Bonds normally are forfeited under the following conditions:

(1) Material is not returned at the end of a lease period or when the Marine Corps has directed return.

(2) The borrowing agent refuses to pay for damages or other Marine Corps expenses.

g. Evidence of bonds will be held by the Marine Corps agency identified in paragraph 3b of this chapter until the loan or lease is ended and final settlement is made. At that time, the evidence of the bond will be returned to the borrower.

h. If US Treasury bonds are posted as surety bond, the borrowing agency must provide evidence of a power of attorney. This will enable cashing of the treasury bonds if forfeiture if required as a result of a default on the loan or lease.

i. Restitution will be conducted in accordance with volume 5 of reference (d) and chapter 6 of reference (j). If payment is not received within a reasonable time (i.e., a sensible length of time in which payment is possible or achievable), the matter will be referred to the next higher command for appropriate action. All restitutions under the provisions for loan/lease of Marine Corps property will be credited to the applicable Marine Corps general fund receipt account whenever permitted by reference (d). Consult the legal advisor if the situation is not covered by reference (d). In some situations, the miscellaneous receipt transaction will require deposit into the United States Treasury per 31 USC 3302.

4. Foreign Military Leases (Security Assistance). References (p) and (q) provide policy, procedures, and guidance for the lease of Marine Corps property to foreign countries. For clarification purposes, the following information is provided:

a. Use of leases. Normally, the U.S. Government makes defense articles available to foreign governments by foreign military sales under the Arms Export Control Act (AECA). However, there may be exceptional instances in which a lease agreement would be the most appropriate method whereby U.S. Defense article can be made available to foreign countries or international organizations. Such arrangements are authorized under the AECA, chapter 6, when it is determined that there are compelling foreign policy and national security reasons for providing such articles on a lease rather than a sales basis, and the article is not needed at this time for public use. For example, a foreign government may desire to obtain a Defense article for a short period under a lease for testing purposes to assist it in determining whether to procure the article in quantity. As another example, the U.S. Government may only be able to respond to an urgent foreign requirement for defense article by making it available from inventory but for national defense reasons cannot sell the article and must require its return to inventory after a specified term. Leases of defense articles to foreign countries or international organizations will be concluded under the AECA, chapter 6; leases to foreign countries or international organizations under 10 U.S.C. 2667 are not authorized.

b. The country or international organization must pay in U.S. dollars all costs incurred by the U.S. Government in leasing such property, including reimbursement for depreciation of such property while leased (the rental payment). The charge for depreciation will be based on the current procurement value, actual acquisition cost (if known), or latest procurement cost. If there is a current procurement contract in effect for the DoD component for an item which is identical to the property to be leased, the current procurement price will be applied, adjusted as appropriate for condition; otherwise, the actual or latest procurement cost will apply, adjusted as appropriate for condition and market value. An administrative charge will not be applied to rental payments collected under the lease.

c. Since leases to a foreign country are controlled as indicated in references (p) and (q), the CMC in reference (q) has tasked MARCORSYSCOM International Programs with the responsibility of the execution of this program. All requests from a foreign government for a lease of Marine Corps property must be forwarded to MARCORSYSCOM IP for appropriate action.

d. Per reference (q), DC I&L (LP), in coordination with DC PP&O, will review all lease requests prior to final execution.

e. If HQMC approves the lease, MARCORLOGCOM and MARCORSYSCOM will be notified to release the property, as appropriate. Accountability will be executed as a coalition loan which is discussed in chapter 7 of this Order.

Chapter 7

Coalition Loans

1. General. This chapter governs accountability and visibility (EAV) of Marine Corps property temporarily loaned to CF partners. This Order does not grant the legal authority to transfer or temporarily loan property; rather, this Order governs the processes to facilitate the transfer and EAV after legal authority has been obtained. Refer to reference (q) for information regarding SA and legal authority to enter into loan agreements.

2. Policy

a. Marine Corps property authorized and approved for temporary loan to CF partners will be accounted for at the Marine Corps level to establish accountability and maintain visibility. When applicable, Marine Corps elements may be tasked to execute the physical transfer on behalf of the Marine Corps, but accountability will remain a Marine Corps responsibility. In addition, management of requirements to include pending request, sourcing, tasking to support, renewal of binding agreements, coordination for the return of loaned property will be a Marine Corps responsibility. Responsibilities may be delegated or tasked to lower echelons to assist with the overall management of specific loans, but Marine Corps unit/activities will not loan property to CF partners.

b. All requests for coalition loans will be forwarded to DC I&L (LP) for coordination with DC PP&O (PLU) and appropriate actions. Requests from Combatant Commanders, whom have been given authority to enter into loans directly with Marine Force Commanders, will be expeditiously forwarded to DC PP&O and DC I&L (LP) for determination of property availability. Subsequent response will be forwarded to the Marine Force Commander for official response to the Combatant Commander.

c. Marine Forces and SE Commanders may be tasked to serve as the lead Marine Corps liaison with the CF partner and Combatant Commander within their respective AOR during the period of utilization of the loaned Marine Corps property, as applicable. These Commanders will provide support as required within the scope of this Order and maintain liaison with the CF partner, HQMC, MARCORLOGCOM, MARCORSYSCOM, and Combatant Commander.

3. Determination of Government Property Availability and Approval

a. Upon identification of a potential CF partner loan requirement, a request for determination of government property availability will be made to MARCORLOGCOM.

b. MARCORLOGCOM, in coordination with MARCORSYSCOM (to include the International Programs Office), will conduct an FOS assessment, to include the screening of all DoD inventories, to determine the most cost-effective method to source the requirement. The MARCORSYSCOM International Programs Office will screen the requirement to ensure compliance with International Trafficking in Arms Regulations (22 CFR 120) and any National Disclosure Policy (NDP) restrictions that may pertain to the requested items. The determination that Marine Corps property is available for transfer does not in itself authorize provision of those assets. Consideration for determination of property availability by the MARCORLOGCOM includes:

- (1) Adverse effects on readiness posture.
- (2) Adequate asset positions.
- (3) Prescribed timeframe for the loan period.
- (4) Readily replacing stocks when war reserve assets are required.
- (5) Compliance with International Trafficking in Arms Regulations and National Disclosure Policy restrictions.

c. When Marine Corps property is not available from within MARCORLOGCOM inventory stores and has been deemed not cost effective to source through new procurement, it will not normally be redistributed from using units to satisfy the requirement and the request may be deemed not supportable; however, to meet specific requirements as identified in paragraph 5e of chapter 1, MARCORLOGCOM may request approval to redistribute property from a using unit through DC I&L (LP).

d. DC I&L (LP), in coordination with DC PP&O, will provide a coordinated response to the requesting agency, i.e., Joint Chief of Staff or Combatant Commander via Marine Force Commanders.

4. Binding Agreement. The Marine Corps will be tasked to loan property to a CF partner by either the Joint Chiefs of Staff or Combatant Commander with delegated authority. DC I&L (LP), in coordination with DC PP&O, will endorse the tasking and provide appropriate execution coordination and guidance. Minimum requirements in the endorsed tasking include:

a. State the requirement and justification for the loaned government property to include the start and expiration date of the loan. A loan will not exceed one year without a requirement to request extension.

b. Identify MARCORLOGCOM as responsible for the accountability management of the CF partner loan.

c. Identify authorized government property to be loaned to include sourcing unit. If redistribution is required from a using unit, in accordance with paragraph 3c of this chapter, appropriate instructions will be provided.

d. Identify the lead Marine Corps liaison (i.e., MARFOR), if applicable.

e. Identify a valid DoDAAC for the agency receiving or providing Marine Corps oversight of the loaned government property, refer to paragraph 6b below regarding DoDAAC assignment.

f. Identify the requirement for a signature by the CF partner upon receipt of government property.

g. The expected condition of the government property upon issue and return, to include reimbursement mechanism for damaged or lost PP&E. If reimbursement mechanism is unknown at that time of tasking endorsement, indicate procedures to report damages to DC PP&O and DC I&L (LP).

h. Identify transportation costs associated with the shipment of the loaned government property in accordance with references (u) and (v).

5. Request Issue/Notification

a. Applicable information required for MARCORLOGCOM to execute the tasked CF partner loan will be provided in the endorsed tasking statement identified in paragraph 4 of this chapter.

b. If government property is sourced from a using unit to meet requirements, MARCORLOGCOM will coordinate the accountability transfer and issue in accordance with paragraph 5e of chapter 1.

6. Accountability of Government Property - Coalition Loan

a. The MARCORLOGCOM MCA will maintain and account for all Marine Corps property furnished to CF partners using an APSR.

(1) In order to establish accountability within an APSR, MARCORLOGCOM will administratively issue the government property as on loan using the lead Marine Corps liaisons CF DoDACC. Only one "ship to only" DoDAAC will be created to administratively account for all property loaned to CF partners within the lead Marine Corps liaison's AOR that is separate and distinct from their regular DoDAAC. This DoDAAC does not establish the lead Marine Corps liaison as the Accountable Officer, rather it provides MARCORLOGCOM with visibility of loaned government property within an APSR (i.e., it identifies property as on CF partner loan within a MARFOR Commanders AOR). The following Type of Address Codes will be used.

(a) TAC 1 will be identified by MARCORLOGCOM.

(b) TAC 2 will be identified by the MARFOR/SE Commander (lead Marine Corps liaison).

(c) TAC 3 will be HQMC.

(2) In coordination with the lead Marine Corps liaison, MARCORLOGCOM will use the invoice and receipt forms to transfer property to the physical custody of the CF partner as a basis for custodial accountability.

(3) The CF partner will be responsible for establishing stewardship responsibility and provide the lead Marine Corps liaison (who will provide copies to MARCORLOGCOM) the necessary copies of the receipt forms.

b. Electronic transfers will be used to document all issue transactions of government property. Upon shipment of the government property, a notification will be made to the lead Marine Corps liaison indicating a property transfer is being processed. The lead Marine Corps liaison will acknowledge receipt of property that will ultimately establish administrative accountability. The lead Marine Corps liaison will not receive property until the CF partner has acknowledged receipt of government property as indicated in paragraph 6a of this chapter.

c. If necessary, MARCORLOGCOM will request and establish NSWC, CRANE sub-accounts to establish small arms/light weapons accountability for government property loaned to CF partners.

d. MARCORLOGCOM, in coordination with the lead Marine Corps liaison, will coordinate and prepare a joint inventory of property being issued in

cooperation with a representative of a requesting organization. This will be the basis for the final condition determination at the expiration of the loan.

e. Where and when possible, combat losses and/or return of any Marine Corps property on temporary loan to CF partners will be reported to MARCORLOGCOM by the lead Marine Corps liaison.

f. Where and when possible, replacement-in-kind for combat losses of Marine Corps property on temporary loan to CF partners will be reported to MARCORLOGCOM by the lead Marine Corps liaison.

g. Any physical movement and/or transfer of sourced property to/from CF partners will be communicated via Automated Message Handling System to all agencies identified in the tasking message addressed in paragraph 4 of this chapter.

h. MARCORLOGCOM will initiate a request for validation of requirements, and accountability verification, when required.

i. Sustainment. Separate contracted maintenance and supply support for the specific purpose of supporting Marine Corps property temporarily loaned to CF partners is not authorized. If a CF partner requires sustainment of Marine Corps property on temporary loan to them, support will be limited to the following and sustainment costs will be captured and reported for reimbursement.

(1) Situations where providing supply or maintenance support to the CF partner does not impact or interfere with MAGTF operations or exceed logistical capabilities/capacity.

(2) Pre-existing maintenance services, to include field support representatives, ordinarily available to the MAGTF.

(3) Items requisitioned through the Marine Corps supply system and ordinarily available to the MAGTF.

7. Return/Disposal of Government Property

a. MARCORLOGCOM is responsible for providing the appropriate disposition instructions and ensuring the APSR is updated accordingly for all returns of loaned government property.

b. All property is shipped upon conclusion of the loan at the expense of the CF partner to an agreed upon location. MARCORLOGCOM, in coordination with the lead Marine Corps liaison, will determine the best location for the physical receipt of the property. Acceptable return locations include:

(1) Return to lead Marine Corps liaison.

(2) Return to MARCORLOGCOM.

c. MARCORLOGCOM, in coordination with the lead Marine Corps liaison, will prepare a joint inventory of returned property in cooperation with a representative of a requesting organization. This will be the basis for a final receipt at the expiration of the loan. The receiving agency (i.e., as

dictated by Marine Corps liaison) and the organization representative with whom the inventory is loaned will certify all copies for correctness.

d. Electronic transfers will be used to document all return transactions of government property. Upon shipment of the government property, the lead Marine Corps liaison will make a notification to MARCORLOGCOM indicating a property transfer is being processed using Wide-Area Workflow (WAWF). The lead Marine Corps liaison will initiate the WAWF transaction upon physical receipt of the property from the CF partner per paragraph 7b(1) of this chapter or upon the verification of physical shipment to MARCORLOGCOM per paragraph 7b(2) of this chapter. MARCORLOGCOM will acknowledge receipt of property in WAWF which will remove the administrative accountability from the lead Marine Corps liaison.

e. If applicable, MARCORLOGCOM, in coordination with the lead Marine Corps liaison, will initiate investigative action for missing or damaged CF partner loaned property. DC PP&O and DC I&L (LP) will be notified of such actions.

f. If applicable, MARCORLOGCOM, in coordination with the lead Marine Corps liaison, will determine the cost of and forward restitution demands to DC I&L (LP). DC I&L (LP), will forward restitution demands to the approving agency (i.e., Joint Chief of Staff or Combatant Commander). Restitution demands are applicable for the following:

(1) Items lost, destroyed, or damaged beyond prospect of economical repair.

(2) Renovations or repairs accomplished at the government expense. Expense estimates will be obtained as soon as practical for the purpose of making demand for restitution.

Appendix A

Glossary of Key Terms

Accountable Property Systems of Record (APSR). An APSR is a government information system used to control and manage accountable property records. It represents the "official" record keeping system for controlling government property. To be considered an APSR, the system must be able to perform property management functions capturing all life cycle events affecting the assets. The APSR must be integrated with the core financial system(s) and must maintain an auditable record of all life cycle events. Individual property records must be maintained for each asset managed in the APSR. Examples of APSRs include, but are not limited to, Global Combat Support System - Marine Corps (GCSS-MC), Stock Control System, and Defense Property Accountability System (DPAS). See also "Information System."

Acquisition and Cross-Servicing Agreement (ACSA). Per Joint Publication 1-02, a DoD Agreement, negotiated on a bilateral basis with United States allies or coalition partners, that allow United States forces to exchange most common types of support, including food, fuel, transportation, ammunition, and equipment.

Bailment. Per reference (i), the process whereby a part is provided to a contractor with the binding agreement that the part will be returned at an appointed time and place.

Bailment Agreement. A binding agreement between the government and contractor whereby the government loans a sample item of supply to a contractor so that the borrower may perform reverse engineering or otherwise identify the sample item, thus enabling the borrower to bid on future competitive contracts.

Bond. A written instrument executed by a bidder or contractor (the principal), and a second party (the surety or sureties), to assure fulfillment of the principal's obligations to an external organization (the obligee or government), identified in the bond.

Business Concern. A commercial or industrial enterprise and the people who constitute it.

Civil authorities. Those elected and appointed public officials and employees who govern the 50 States, District of Columbia, Commonwealth of Puerto Rico, U.S. possessions and territories, and governmental subdivisions hereof.

Civil defense. All those activities and measures designed or undertaken to (a) minimize the effects upon the civilian population caused, or which would be caused, by an enemy attack upon the United States; (b) deal with immediate emergency conditions which would be created by any such attack; and/or (c) implement emergency repairs to, or the emergency restoration of, vital utilities and facilities destroyed or damaged by any such attack.

Civil disturbance. Group acts of violence and disorders prejudiced to public law and order.

Civilian law enforcement officials. An officer or employee of a civilian agency with responsibility for enforcement of the law within the jurisdiction of the agency.

Coalition. Per reference (ag), a coalition is an arrangement between two or more nations for common action.

Consumable Item. Per reference (i), an item of supply or an individual item (except explosive ordnance and major end items of equipment) that is normally expended or used up beyond recovery in the use for which it is designed or intended.

Contractor-Acquired Property (CAP). Per references (d) and (f), CAP is property acquired by a contractor on behalf of a DoD component for use in the performance of a contract, and to which the government has title. Accountable property records shall not be established for CAP until delivery to the DoD has occurred. CAP that is subsequently delivered and accepted by the government for use on the same or another contract is considered GFP (GFE or GFM).

Crisis. Per reference (ag), an incident or situation involving a threat to the United States, its citizens, military forces, or vital interests that develops rapidly and creates a condition of such diplomatic, economic, or military importance that commitment of military forces and resources is contemplated to achieve national objectives.

Defense Article - Commercial Sales. Per reference (p), any item designated on the U.S. Munitions List (USML), Section 121.1 of the International Traffic in Arms Regulation, or technical data recorded or stored in any physical form, models, mockups or other items that reveal technical data directly relating to items designated on the USML. It does not include basic marketing information on function or purpose or general system descriptions.

Defense Article - Military Sales. Per reference (p), includes any weapon, weapons system, munitions, aircraft, vessel, boat, or other implement of war; any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance or making military sales; any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any other defense article or any component or part of any articles listed above, but shall not include merchant vessels, or as defined by the Atomic Energy Act of 1954, as amended (42 US Code 2011), source material, byproduct material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving Restricted Data.

Domestic Business Concern. A business concern having its principle place of business in the United States or U.S. territories and possessions.

Direct DoD participation. Per reference (s), the static display, demonstration (aerial or live), or staffing by DoD personnel of defense equipment. This includes displays providing information on DoD systems and technology, as well as the transportation of equipment that will be part of a DoD exhibit or otherwise employed by the Department of Defense itself at an international trade show or trade exhibition. Staffing by DoD employees includes operating equipment, standing by displayed equipment, and answering

questions on the equipment. Direct DoD participation also includes DoD employee attendance at international trade shows or trade exhibitions as official speakers or panel members. However, direct participation does not include attendance by DoD employees as observers or in other capacities not directly related to the transportation, display or demonstration, and staffing of defense equipment.

Domestic organization. Any non-Federal organization or private firm.

Emergency. Any catastrophe in any part of the United States that in the determination of the President requires Federal supplementary emergency assistance.

External Organization. Any organization outside of the Marine Corps. Includes, but is not limited to: contractors, sister services, and other DoD agencies.

External Temporary Loans. Per reference (j), external temporary loans include the loaning of organic equipment to an external organization (i.e., an organization other than an established Marine Corps unit). In these scenarios and in accordance with this Order, the temporary loan will be approved by HQMC; and coordinated with and accounted for by MARCORLOGCOM. Refer to the reference for additional information.

Federal agency. Any department, independent establishment, government agency, or other agency of the executive branch of the Federal Government, except the American National Red Cross.

Federal Logistics Information Service (FLIS). FLIS is a component of the FCS and is the primary computer system through which users are able to access, maintain, store and retrieve necessary information related to an item of supply.

Garrison Mobile Equipment (GME). Per references (j), GME is used to perform transportation and automotive maintenance functions at Marine Corps facilities. Commercially available GME includes passenger vehicles, cargo vehicles, material handling equipment, engineer equipment, and railway rolling stock. The Marine Corps classifies GME as a sub-category of general equipment.

Garrison Property. Per references (j), garrison property is used to provide general government services or goods in the support of end item development, maintenance, storage, and/or to support the operations of a Marine Corps installation and its tenant activities. Garrison property includes, but is not limited to, material handling equipment, training equipment, special tooling, and special test equipment. The Marine Corps classifies garrison property as a sub-category of general equipment.

General Equipment. Per reference (d), general equipment is property of any kind (i.e., General PP&E) except real property (land and improvements to facilities). It has an expected useful life of two or more years; is not intended for sale in the ordinary course of business; does not ordinarily lose its identity or become a component part of another article; and is available for the use of the reporting entity for its intended purpose. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities. General Equipment

consists of, but is not limited to, Military Equipment, Garrison Property, and Garrison Mobile Equipment. Synonymous with "Personal Property".

General Property, Plant and Equipment (PP&E). Per reference (d) and (j), general PP&E is a category of PP&E which is used in providing goods or services, or supports the mission of the entity, and has one or more of the following characteristics: (1) could be used for alternative purposes (e.g., by other DoD or federal programs, state or local governments, or nongovernmental entities), but it is used to produce goods or services, or to support the mission of the entity; (2) is used in business-type activities; and (3) is used by entities in activities whose costs can be compared to those of other entities performing similar activities (e.g., federal hospital services in comparison to commercial hospitals). General PP&E examples include but are not limited to real property, general equipment, military equipment, construction in progress, assets under capital lease, leasehold improvements, and internal use software. General PP&E excludes Operating Material and Supplies (OM&S), items in which the department has a reversionary interest, stewardship PP&E, stewardship investments (nonfederal physical property), and items that should be expensed as research, development, test, and evaluation costs, unless they are associated with the development of an end item that is produced for operational use.

Government-Furnished Equipment (GFE). A sub-category of GFP defined by reference (d) as property (i.e., PP&E) furnished to a contractor by DoD, which is used in producing an end product. GFE is not consumed, but is returned in the same form at the end of the contract.

Government-Furnished Material (GFM). A sub-category of GFP defined by reference (d) as inventory (i.e., OM&S) furnished to a contractor as government property. GFM may be incorporated into or attached to a deliverable end item or may be consumed or expended in performing a contract. GFM does not include material sold by the government to a contractor, equipment, special tooling, special test equipment or real property.

Government-Furnished Property (GFP). Per reference (f), GFP is property in the possession of, or directly acquired by, the government and subsequently furnished to the contractor (includes sub-contractors and alternate locations) for performance of a contract. DoD components shall establish and maintain records and accountability for property (of any value) furnished to contractors as GFP. Categories of GFP include: GFE and GFM.

Humanitarian Relief. Material or logistical assistance provided to relieve or reduce the results of natural or manmade disasters or other endemic conditions such as human pain, disease, hunger, or privation that might present a serious threat to life or that can result in great damage to or loss of property.

Information System. The organized collection, processing, transmission, and dissemination of information in accordance with defined procedures, whether automated or manual. Information systems include non-financial, financial, and mixed systems. See also "Accountable Property System of Record".

Internal Temporary Loans. Per reference (j), internal temporary loans include the loaning of organic equipment from an owning Marine Corps unit to another Marine Corps unit within the same MARFOR and will be tracked using the APSR. Refer to the reference for additional information.

International Trade Shows and Trade Exhibitions. Per reference (s), events held outside the United States that are organized primarily for promoting the sale of aerospace and other defense products. Events that consist only of the demonstration or display of aircraft and other defense equipment for public enjoyment and community relations, including aerobatics demonstrations and static displays held on specifically-designated public days of international trade shows or trade exhibitions, are governed by references (x) and (y).

Inventory. Per volume 9 of reference (e), materiel, titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal.

Lease. A binding agreement conveying the right to use property for a limited time in exchange for periodic rental payments.

Lease (Security Assistance). Per reference (p), a binding agreement for the temporary transfer of the right of possession and use of a non-excess defense article or articles to a foreign government or international organization, with the lessee agreeing to reimburse the USG in U.S. dollars for all costs incurred in leasing such property, and to maintain, protect, repair, or restore the article(s), subject to and under the authority of section 61, AECA (22 USC 2796).

Life-Cycle Cost. Cost involved in the total life of the assembly, including maintenance and replacement costs, as well as cost of replenishment.

Loan. The granting of permission by the owning activity (i.e., the organization responsible for accountability) for the use of their organic property by an external activity without compensation (except for transportation and handling costs) on the condition that it will be returned without cost to the owning activity in a condition as good as when loaned--reasonable wear and tear expected. Loans are applicable to DoD military services and agencies; federal, state and local government agencies; and approved CF partners. GFP is not considered a loan. Loans are temporary in nature and are categorized in reference (j) as "internal temporary loans" or "external temporary loans".

Local Government. Any county, parish, city, village, town, district, Indian tribe or authorized tribal organization, Alaskan native village or organization, or other political subdivision of any State.

Management Control Activity (MCA). Per volume 9 of reference (e), each DoD Component authorizing the use of DoD materiel by contractors shall establish one or more MCAs to maintain control over all requisitions submitted to the DoD wholesale supply system by contractors and by DoD Component activities when such DoD Component activity requisitions indicate shipment to a contractor. In addition, the CMC has designated and charged the MCA with the property accountability function for all Marine Corps property in the possession of an external organization (i.e., GFP or external Marine Corps agencies). CMC has designated MARCORLOGCOM and MARCORSYSCOM as MCAs for the Marine Corps.

Military Equipment. Per references (d) and (j), military equipment is a type of general equipment and includes weapon systems that can be used directly by the Armed Forces to carry out battlefield missions. Military equipment has

an expected useful life of two or more years; is not intended for sale in the ordinary course of business; does not ordinarily lose its identity or become a component part of another article; and is available for the use of the reporting entity for its intended purpose. Examples include: combat aircraft, pods, combat ships, support ships, satellites, and combat vehicles. Excluded are training aircraft and simulators.

Modification. A government-approved change in the configuration of a part or item which offers a significant benefit to the government by correcting deficiencies, satisfying a change in operational or logistics support requirements, or effecting a substantial life cycle cost savings.

National Veterans Service Organization. Congressionally-Chartered Veterans Service Organizations per title 36 of U.S.C. A listing is maintained by the House Committee on Veterans' Affairs.

Nonlethal Excess Supplies. Per DoD FMR, property, other than real property, of the DoD that is excess property as defined in regulations of the DoD; and that is not a weapon, ammunition, or other equipment or material that is designed to inflict serious bodily harm or death.

Operating Material and Supplies (OM&S). Per references (j), OM&S consist of tangible property (reparable and consumable inventory) that is held for use; held for future use; held for repair; or excess, unserviceable and obsolete. Excluded are (a) goods that have been acquired for use in constructing real property, (b) stockpile materials, and (c) inventory held for sale.

Personal Property. Per reference (d), personal property is property of any kind (i.e., General PP&E) except real property (land and improvements to facilities). It has an expected useful life of two or more years; is not intended for sale in the ordinary course of business; does not ordinarily lose its identity or become a component part of another article; and is available for the use of the reporting entity for its intended purpose. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities. Personal property consists of, but is not limited to, Military Equipment, Garrison Property, and Garrison Mobile Equipment. Synonymous with "General Equipment".

Potential Supplier. A domestic business concern who expresses interest in participating in the RPPOB program.

Property. Per reference (d), property is defined as anything that may be owned. As used in the military establishment, this term is usually confined to "tangible property," including real estate and material. For special purposes and as used in certain statutes, this term may exclude such items as the public domain, certain lands, certain categories of naval vessels and records of the Federal Government.

Property Administrator. Per reference (b), an authorized representative of the contracting officer appointed in accordance with agency procedures, responsible for administering the contract requirements and obligations relating to government property in the possession of a contractor.

Property, Plant and Equipment (PP&E). Per reference (w), PP&E is defined as tangible assets that (1) have an estimated useful life of two or more years, (2) are not intended for sale in the ordinary course of business, and (3) are

intended to be used or available for use by the entity. Per Reference (d), PP&E consists of two categories: General PP&E and Stewardship PP&E.

Qualifying Entity. Per reference (aa), a qualifying entity is a non-governmental organization to which the DoD may provide assistance by virtue of statute, regulation, policy, or other approval by the Secretary of Defense or his or her authorized designee.

Real Property. Per references (d) and (j), real property is a type of general PP&E which includes fixed assets that are comprised of land and the rights to land; buildings to include capitalized additions, alterations, improvements, and rehabilitations; and other structures and facilities. Real property does not include personal property (general and military equipment).

Repairable Inventory. Per references (d) and (j), a type of OM&S which consists of items that can be repaired economically and for which repair (at either field or depot level) is considered in meeting computed inventory requirements. DoD authorizes supply management activity groups to finance repairable items, including their transportation, acquisition, overhaul, progressive maintenance, renovation, rework, repair, manufacture, reclamation, alteration, and/or software support. Repairables can also be in an unserviceable condition when furnished to the contractor for repair, modification, or overhaul. Unserviceable repairables are often referred to as carcasses.

Replenishment Part. A repairable or consumable part, required to resupply initial stockage or increased stockage for reasons other than support of newly fielded end items. As used in this Order, the term "part" includes subassemblies, components, and subsystems.

Reverse Engineering. The process of examining a stock sample of an item to determine its function, material, composition, construction; its electrical, physical, and environmental requirements; and the development of a technical data package adequate for competitive procurement. Reverse engineering may be done in-house or by contractors.

Sample. An item of production owned by a DoD service/agency which meets the item of supply concept for a specified replenishment part.

Special Event. Per reference (aa), a special event is an international or domestic event, contest, activity, or meeting, which by its very nature, or by specific statutory or regulatory authority, may warrant security, safety, and other logistical support or assistance from the DoD. Event status is not determined by the DoD, and support may be requested by either civil authorities or non-governmental entities. Support provided may be reimbursable.

Stewardship Property, Plant and Equipment (PP&E). Per references (d) and (z), a category of PP&E which consists of tangible assets classified as either Heritage Assets or Stewardship Land.

Stewardship Responsibility. Per reference (f), the requirement placed on an organization or individual who acts as the custodian of another individual's property by controlling, supervising, and managing the property in their care.

Stockpile Materials. Per references (d) and (z), stockpile materials are strategic and critical materials held due to statutory requirements for use in national defense, conservation or national emergencies. They are not held with the intent of selling in the ordinary course of business. The following items are specifically excluded from stockpile materials: (a) items that are held by an agency for sale for use in normal operations and (b) items that are held for use in the event of an agency's operating emergency or contingency.

Surety. An individual or corporation legally liable for the debt, default, or failure of a principal to satisfy a contractual obligation.

Surety bond. A bond, including dollar deposit, guaranteeing performance of a contract or obligations.

Tangible Assets. Per reference (d), depreciable general PP&E and software developed, manufactured, transferred or acquired for a determinable cost meeting or exceeding the established capitalization threshold; are used over a period (useful life) estimated to be 2 years or greater; and generally become economically worthless (except for residual value) at the end of their estimated useful lives.

Technical Data Package (TDP). A technical description of an item adequate for acquisition and engineering support. The description defines the required design configuration and ensures adequacy of item performance. A TDP consists of all applicable technical data such as plans, drawings and associated lists, specifications, standards, models, performance requirements, quality assurance provisions, and packaging data.

Value Engineering (VE). A sequential process for systematically analyzing areas of functional requirements of DoD systems, equipment, facilities, procedures, operations, maintenance, and materiel to achieve the essential functions at the lowest total cost of effective ownership, consistent with requirements for performance, reliability, quality, maintainability, and safety. Terms such as value analysis, value control, value improvement, and value management are synonymous with the term VE.

Appendix B

Abbreviations and Definitions

AAC	Activity Address Code
ACSA	Acquisition and Cross-Servicing Agreement
AECA	Arms Export Control Act
AIS	Automated Information System
AOR	Area of Responsibility
ASA	Appropriated Stores Account
CAC	Cost Analysis Code
CAO	Contract Administration Office
CF	Coalition Force
CMC	Commandant of the Marine Corps
DC	Data Column
DCF	Document Control File
DCMAO	Defense Contract Management Area Office
DSCA	Defense Security Cooperation Agency
DFARS	Department of Defense Federal Acquisition Regulation Supplement
DIC	Document Identifier Code
DID	Data Item Description
DLEA	Drug Law Enforcement Agencies
DLMS	Defense Logistics Management System
DoD	Department of Defense
DoDAAC	Department of Defense Activity Address Code
DoD SS	Department of Defense Supply System
DON	Department of the Navy
DPAP	Defense Procurement and Acquisition Policy
EAV	Enterprise Accounting and Visibility
FAR	Federal Acquisition Regulation
GFE	Government-Furnished Equipment
GFM	Government-Furnished Materiel
GFP	Government-Furnished Property
GTO	Government Task Order
HQMC	Headquarters Marine Corps
ISSA	Inter-Service Support Agreement
IUID	Item Unique Identification
LEM	Logistics Element Manager
MARCORLOGCOM	Marine Corps Logistics Command
MARCORSYSCOM	Marine Corps System Command
MCA	Management Control Activity
MCLB	Marine Corps Logistics Base
MCO	Marine Corps Order
MCPR	Marine Corps Purchase Request
MILSTRIP	Military Standard Requisitioning and Issue Procedures
MILSTRAP	Military Standard Reporting and Accounting Procedures
MIPR	Military Interdepartmental Purchase Request
MOA	Memorandum of Agreement
MRC	Materiel Request Confirmation
MRO	Materiel Release Order
MVO	Money Value Only
NavCompt	Navy Comptroller
NAVMC	Navy/Marine Corps
NSN	National Stock Number

NSWC, CRANE	Naval Systems Warfare Center, Crane, Indiana
PICA	Primary Inventory Control Activity
PIIN	Procurement Instrument Identification Number
PM	Program Manager
PO	Purchase Order
PRF	Project Requirements File
RCP	Requests for Contractual Procurement
RCS	Report Control Symbol
RDD	Required Delivery Date
RFB	Request for Bid
RFP	Request for Proposal
RIC	Routing Identifier Code
RPPOB	Replenishment Parts Purchase or Borrow Program
SAC	Stores Account Code
SECNAVINST	Secretary of the Navy Instruction
SICA	Secondary Inventory Control Activity
SOW	Statement of Work
TAC	Type Account Code
UII	Unique Item Identifier
U.S.	United States
U.S.C.	United States Code
VSO	Veterans Service Organization
WAWF	Wide Area Workflow

Appendix C

FAR & DFAR Clauses and Instructional Language

FAR Clause(s): 52.245-1, Government Property
52.245-2, Government Property Installation Operation
Services
52.245-9, Use and Charges

DFAR Clause(s): 252.245-7001, Tagging, Labeling, and Marking of Government
Furnished Property
252.245-7002, Reporting Loss of Government Property
252.245-7003, Contractor Property Management System
Administration
252.245-7004, Reporting, Reutilization and Disposal
252.211-7007, Reporting of Government Furnished Property
252.225-7040, Contractor Personnel Authorized to Accompany
U.S. Armed Forces Deployed Outside the United
States (For Organizational Clothing and
Individual Equipment/Individual Combat
Clothing and Equipment (ICCE) support
requirements only)

Instructional Language:

- Contractors will utilize the DoD WAWF Government property transfer system for GFP receipt acknowledgement, subsequent transfer of GFP to other contracts/contractors (if authorized in the contract), or return of GFP to the Marine Corps in order to ensure government property transfers are conducted in accordance with the Defense Logistics Manuals 4000.25-1 MILSTRIP, and 4000.25-2 MILSTRAP; and applicable FAR/DFAR clauses.
- Contractors will report GFP deficiencies in quantity, quality, or failure to the Contracting Officer or their appointed representative.
- Contractor generated DoD SS requisitions must be submitted to the Contracting Officer or their appointed representative for subsequent MCA approval.
- Contractors will contact the Contracting Officer or their appointed representative for appropriate disposition instructions if not previously identified in the contract. When applicable, the contract will be modified.
- Contractors will mark all containers utilized to return government property with the UIIs (if applicable), issue document number, PIIN, and project code.
- Contractors are required to register as a Property Receiver and Property Shipper in the WAWF in order to acknowledge receipt of GFP and notify the Marine Corps of intent to return GFP. These actions ensure that the DoD IUID registry is updated with the lifecycle event which property reflects current possession status.

Note: The requesting Marine Corps agency (i.e., agency with the requirement) is responsible to coordinate these requirements with the supporting contracting office.

Appendix D

Government Furnished Property (GFP) and Loaned Property, Plant, & Equipment
(PP&E) Reporting Format

Report Control Symbol DD-4400-52 (External Report Control Symbol DD-AT&L(Q)1575)

1. As outlined in this Order, the provisions of a contract or an approved loan agreement may direct Marine Corps PP&E to be delivered or acquired by contractors or to be delivered to an external agency. In both cases, the PP&E remains Marine Corps property. Under the provisions of this Order, MARCORLOGCOM (MCA) and MARCORSYSCOM (MCA) will create and maintain the GFP/loaned PP&E asset listing in the APSR for Marine Corps accountability and fiduciary reporting purposes.
2. By 1 December each year (but no earlier than 1 November), each MCA will report a listing of GFP/loaned PP&E inventory and financial value to DC IL (LP) in accordance with this Order; chapter 4, volume 4 of reference (d); volume 9 of reference (e), and reference (f).
3. In the case of GFP/loaned PP&E administered by the MARCORLOGCOM MCA that is satisfying a MARCORSYSCOM requirement, MARCORSYSCOM will certify to MARCORLOGCOM that these assets have been inventoried and that the requirement is still current, prior to MARCORLOGCOM certification to DC I&L (LP). Appendix E can be used for this purpose.
4. The annual report will include:
 - a. GFP and loaned PP&E Inventory Report. A cover letter providing certification to the annual GFP and loan PP&E inventory submission. Enclosures include the items discussed in paragraphs 4b and 4c below. An example is provided in Appendix E.
 - b. GFP and Loaned PP&E Inventory Listing. An itemized consolidated listing of GFP in the custody of a contractor or loaned PP&E in the custody of an external agency. Reporting requirements and instructions are identified in Appendix F.
 - c. GFM Summary Report. A financial summary report of GFM as identified in the GFP and Loaned PP&E Inventory Listing. Reporting requirements and instructions are identified in Appendix G.

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Appendix E

Government Furnished Property (GFP) and Loaned Property, Plant, & Equipment
(PP&E) Inventory Report

Report Control Symbol DD-4400-52 (External Report Control Symbol DD-
AT&L(Q)1575)

Appropriate Letter Head

4400
Code/Serial
Date

From: Commanding General (or Commander if from MCSC)
To: Commandant of the Marine Corps, (DC I&L/LP)(or CG MARCORLOGCOM)

Subj: GOVERNMENT FURNISHED PROPERTY (GFP) INVENTORY REPORT

Ref: (a) MCO 4400.203
(b) DoDM 4140.01
(c) DoDI 5000.64
(d) DoD 7000.14-R

Encl: (1) Government Furnished Property (GFP) and loaned PP&E Inventory
Summary Report (see Appendix F for format)
(2) Government Furnished Material (GFM) Inventory Report Summary (see
Appendix G for format)

1. In accordance with reference (a), I certify that all GFP has been accounted for, physically sighted when applicable, and inventoried at least once during the last 12 months as required by references (b) through (d). Additionally, I have verified that all GFM retained past 24 months without an issue for use was reviewed for necessity of retention.

2. The following Department of Defense Activity Address Codes (DoDAACs) were reviewed as part of this report:

(Insert applicable DoDAACs and date data was pulled for inventory)

3. GFM inventory balance variances of 10% or more and out of balance inventory as reported in enclosure (2), have been reviewed, adequately justified, and adjusted by authorized approval authority.

4. My point of contact on any questions regarding this certification is (name, code, email, phone number).

Signature
Typed Name

Copy to:
Retention File

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Appendix F

Government Furnished Property (GFP) and Loaned Property, Plant, & Equipment
(PP&E) Inventory ListingReport Control Symbol DD-4400-52 (External Report Control Symbol DD-
AT&L(Q)1575)

The information provided and described below will be provided in a spreadsheet type format and be included as an enclosure to the GOVERNMENT FURNISHED PROPERTY (GFP)/LOANED PLANT, PROPERTY, AND EQUIPMENT (PP&E) INVENTORY REPORT, Appendix E. The information in bold capital letters identifies the requirement followed by a brief description of the required input.

1. **ITEM NUMBER** - Sequential count beginning with first entry.
2. **DATE PULLED** - Date the data for the inventory report was pulled from the APSR.
3. **COMMAND & DoDAAC** - Provide the DoDAAC and Command name of the Accountable Officer.
4. **PROGRAM MANAGER** - Program Manager Code (ex. *PEO LS, PM ICCE*).
5. **POC NAME** - Provide the First Name, MI, Last Name (rank if applicable) of the commands Point of Contact (POC).
6. **POC PHONE NUMBER** - Provide the Phone number (commercial and DSN) of the commands POC.
7. **POC EMAIL** - Provide the e-mail address of the commands POC.
8. **NATIONAL STOCK NUMBER (NSN)/MARINE CORPS STOCK NUMBER (MCSN)** - Provide the NSN/MCSN of the GFP/loaned PP&E item (ex. *1240004597780*).
9. **NOMENCLATURE AND DESCRIPTION** - Provide the nomenclature and description of the GFP/loaned PP&E item (ex. *TELESCOPE ELBOW M16*).
10. **PART/MODEL NUMBER** - Provide the Part/Model Number of the GFP/loaned PP&E item (ex. *7597780*).
11. **TYPE DESIGNATION** - Type designation is a combination of letters and numbers arranged in a specific sequence to provide a short, significant method of identification for an item (ex. *AH-1, M1114*). Type designations for major end items, assemblies and subassemblies are derived from the following documents:
 - DoD 4120.15-L, Model Designation of Military Aerospace Vehicles, May 12, 2004
 - MIL-HDBK 1812, Type Designation, Assignment and Method of Obtaining, February 14, 1997
 - MIL-STD-196E, Joint Electronic Type Designation System, February 17, 1998
 - MIL-STD-1661(OS), Mark and Mod Nomenclature System, August 1, 1978
 - MIL-STD-1464A(AR), Army Nomenclature System, May 15, 1987
 - SECNAVINST 5030.8, Classification of Naval Ships and Craft, November 21, 2006.

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12. UNIT OF MEASURE - Provide the unit of measure, AKO unit of issue, of the GFP/loaned PP&E item (*ex. EA, ST, RL, etc.*).

13. QUANTITY - Provide quantity of unit of measure of the GFP/loaned PP&E item.

14. UNIT ACQUISITION COST - Provided the unit acquisition cost of the GFP/loaned PP&E item (*ex. \$1,313.00*).

15. POSTING REFERENCE (I.E., PIIN) - Provide the receiving report number, contract number, purchase order, other PIIN, or invoice number which placed the GFP/loaned PP&E item into the Marine Corps inventory.

16. DUNS OR CAGE CODE - Manufacture DUNS is a unique nine-digit identification number to better identify organizations. Commercial and Government Entity (CAGE) code is a five-character data element assigned by Defense Logistics Information Service to identify a commercial or government entity. Provide the appropriate DUNS/CAGE code for the manufacturer of the GFP/loaned PP&E item.

17. ACCEPTANCE DATE - Provide the date the GFP/loaned PP&E item was placed into service at the Marine Corps.

18. ACCEPTANCE LOCATION - Provide the location of acceptance or DoDAAC of accepting agency which accepted the GFP/loaned PP&E item into service at the Marine Corps.

19. UNIQUE ITEM IDENTIFICATION (UII) - Provide the UII of the GFP/loaned PP&E item as it appears on the UII data plate. Required for all serialized assets. Leave blank if non-serialized asset.

20. OEM SERIAL NUMBER - Provide Original Equipment Manufacturer (OEM) Serial Number of the GFP/loaned PP&E item as it appears on the GFP/loaned PP&E item. Required for all serialized assets. Leave blank if non-serialized asset.

21. MARINE CORPS SERIAL NUMBER - Provide the MCSN of the GFP/loaned PP&E item as it appears on the asset, if applicable (*ex. USMC10002512*). Leave blank in non-serialized asset.

22. CATEGORY CODE - Provide the category code of the GFP/loaned PP&E item. Input "E" for Equipment (GFE) or "M" for Material (GFM).

NOTE: Entries of "M" are used for the completion of the Government-Furnished Material Inventory Summary Report.

23. OM&S CLASSIFICATION (GFM ONLY) - Provide appropriate OM&S classification for all GFM items. These are those items with a category code of "M" entered in column 22. OM&S classifications are as follows:

HFU - Held For Use
HFFU - Held in Reserve for Future Use
HFR - Held for Repair
E - Excess
O - Obsolete
U - Unserviceable

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NOTE: Refer to Chapter 4, Volume 4 of the DoD Financial Management Regulations for descriptions.

NOTE: These entries are used for the completion of the Government Furnished Material Inventory Summary Report.

24. CONDITION CODE - Respective material or equipment condition code. Condition codes are as follows:

- A - Serviceable Issuable Without Qualification
- B - Serviceable Issuable With Qualification
- C - Serviceable Priority Issue
- D - Serviceable Test/Modification
- E - Unserviceable Repairable (Limited Cost to Restore)
- J - Suspended (In Stock)
- K - Suspended (Returns)
- L - Suspended (In Litigation)
- Q - Suspended (Quality Deficient Exhibits)
- F - Unserviceable Repairable
- G - Unserviceable Incomplete
- M - Suspended (In Work)
- R - Suspended (Reclaimed Items, Awaiting Condition Determination)
- P - Unserviceable Reclamation/Salvage
- H - Condemned Unserviceable
- S - Condemned Scrap
- V - Condemned Waste Military Munitions (WMM)

NOTE: These entries are used for the completion of the Government-Furnished Material Inventory Summary Report.

25. CUSTODIAL CONTRACT NUMBER - The custodial contract number is the corresponding contract number or date time group (DTG) of message approving loan of PP&E which identifies the asset as a GFP/loaned PP&E requirement. Input for GFP will include contract number and most recent modification number when applicable (ex. M6700411C1111, MOD #2). Input for loaned PP&E will be DTG of message approving loan of PP&E (ex. 121524Z AUG 10).

26. CLIN/SLIN/ELIN - All GFP items must be delivered on a contract line item (CLIN) on subline item (SLIN). Exhibit line items (ELIN) may be used on the contract to provide additional information. Provide the appropriate CLIN/SLIN/ELIN identifying the delivery of GFP from the custodial contract number. Leave blank if loaned PP&E.

27. PERIOD OF PERFORMANCE START DATE - Provide the period of performance start date as identified in the custodial contract/approval to loan PP&E message (ex. 20120501).

28. PERIOD OF PERFORMANCE END DATE - Provide the period of performance end date as identified in the custodial contract/approval to loan PP&E message (ex. 20130501).

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29. **CONTRACTOR DoDAAC** - Provide the DoDAAC of the contractor/external agency receiving GFP/loaned PP&E as it appears on the custodial contract/approval to loan PP&E message.
30. **CONTRACTOR NAME** - Provide the name of contractor/external agency receiving GFP/loaned PP&E as it appears on the custodial contract/approval to loan PP&E message.
31. **CONTRACT POC** - Provide the name of contractor/external agency POC as it appears on the custodial contract/approval to loan PP&E message.
32. **SENT DATE** - Provided the date of physical delivery of the GFP/loaned PP&E item to the receiving agency.
33. **RECEIVED DATE** - Provide the date of physical receipt of the GFP/loaned PP&E by the receiving agency.
34. **AS IS** - At its option, the government may, furnish government property in an "as-is" condition. In such cases, the government makes no warranty. Identify "as is" conditions with a "Yes". Identify non "as is" conditions with a "No".

Appendix G

Government Furnished Material (GFM) Summary Report

Report Control Symbol DD-4400-52 (External Report Control Symbol DD-AT&L(Q)1575)

The information provided and described below will be provided in a spreadsheet type format and be included as an enclosure to the GOVERNMENT FURNISHED PROPERTY (GFP)/LOANED PLANT, PROPERTY, AND EQUIPMENT (PP&E) INVENTORY REPORT, Appendix E. The information in bold capital letters identifies the requirement followed by a brief description of the required input.

SECTION I - INVENTORY VALUE

1. **REPORTING DoDACC** - Enter the reporting agency's DoDAAC.
2. **LEDGER ACCOUNT** - DoD FMR Volume 4, Chapter 4 describes the ledger accounts in which OM&S must be reported in the financial statements as required by the Treasury and for other reporting requirements mandated by Congress and Office of Management and Budget. Each account must be updated based on applicable source documents. Source documents includes contracts, invoices, receiving reports, payment vouchers, material-return documents, transfer documents, inventory documents, issue and shipping documents, sales records, and documented gains and losses. Detailed posting transactions are outlined in the Standard Financial Information Structure (SFIS) transaction library at United States Standard General Ledger SFIS Transaction Library. Descriptions of the U.S. Standard General Ledger (USSGL) accounts for operating materials and supplies are provided below.
3. **CONDITION CODES** - Supply condition codes classify material in terms of readiness for issue and use or identify action underway to change the status of material. Supply condition codes currently in use within the DoD are defined in DoD 4000.25-2-M, "Military Standard Transaction Reporting and Accounting Procedures." OM&S recorded in financial records should be identifiable to OM&S recorded in APSR and vice versa. The relationship of APSR condition codes USSGL financial inventory accounts is provided below.

Operating Materials and Supplies Held for Use (Account 1511). Used to record the value of materials and supplies held for use in normal operations. Materials and supplies should not exceed the amount expected to be used within normal business operations unless documentation justifying an excess supply is developed and maintained for review. This account is used to record the initial acceptance of materials and supplies in transit when title has passed but the items have not been received and accepted. Items in transit between DoD accounting entities must be kept under financial accounting control at all times. As such, this account is intended to be used by any DoD Component that maintains supplies and materials. Use this account to record amounts for OM&S with condition codes A-D up to the AAO. **[Excludes Excess, Economic Retention and Contingency Retention OM&S]**

- A - Serviceable Issuable Without Qualification
- B - Serviceable Issuable With Qualification
- C - Serviceable Priority Issue
- D - Serviceable Test/Modification

Operating Materials and Supplies Held in Reserve for Future Use (Account 1512). Account is used to record the value of stocks of materials and supplies maintained because they are not readily available in the market and there is more than a remote chance that they will eventually be needed, although not necessarily in the normal course of operations. Use this account to record amounts for OM&S with condition codes A-D, E, J, K, L, and Q that is above the AAO and is retained for economic or contingency purposes. **[Excludes Excess OM&S]**

E - Unserviceable Repairable (Limited Cost to Restore)
J - Suspended (In Stock)
K - Suspended (Returns)
L - Suspended (In Litigation)
Q - Suspended (Quality Deficient Exhibits)

Operating Materials and Supplies Held for Repair or Remanufacturing (Account 1514). Account is used to record the value of materials and supplies that are not in usable condition, but can be economically repaired. The objective is to rebuild items as an alternative and rotating source of supply. Once rebuilt, the items will be returned to Operating Materials and Supplies Held for Use. Use this account to record amounts for all OM&S with condition codes F, G, M, and R. **[Excludes Excess OM&S]**

F - Unserviceable Repairable
G - Unserviceable Incomplete
M - Suspended (In Work)
R - Suspended (Reclaimed Items, Awaiting Condition Determination)

Operating Materials and Supplies - Excess, Obsolete and Unserviceable (Account 1513). Account is used to record the value of operating materials and supplies (serviceable or unserviceable) that exceed the amount expected to be used in normal operations and do not meet management's criteria to be held in reserve for future use. Obsolete operating materials and supplies include stocks that are no longer needed due to changes in technology, laws, customs or operations. Unserviceable operating materials and supplies are items that are physically damaged and cannot be consumed in operations. Use this account to record amounts for OM&S that is NOT reportable in USSGL accounts 1511, 1512, or 1514. The OM&S reported using this account must be valued at its Net Replacement Value. **[Includes Serviceable and Unserviceable Excess OM&S]**

P - Unserviceable Reclamation/Salvage
H - Condemned Unserviceable
S - Condemned Scrap
V - Condemned WMM

4. CURRENT SEMI-ANNUAL VALUE (\$ VALUE) - Input dollar value for current semi-annual inventory value per respective *LEDGER ACCOUNT/CONDITION CODE* combination.

5. PRIOR SEMI-ANNUAL VALUE (\$ VALUE) - Input dollar value for prior semi-annual inventory value per respective *LEDGER ACCOUNT/CONDITION CODE* combination. This value should correspond with the *CURRENT SEMI-ANNUAL VALUE* from the most recently submitted inventory report for respective *LEDGER ACCOUNT/CONDITION CODE* combinations.

6. VARIANCE (%) - Calculate the percentage variance between the *CURRENT SEMI-ANNUAL VALUE* and *PRIOR SEMI-ANNUAL VALUE*. Equation for calculation is $(CURRENT SEMI-ANNUAL VALUE - PRIOR SEMI-ANNUAL VALUE) / PRIOR SEMI-ANNUAL VALUE$.

7. DATE PULLED (YYYYMMDD) - Input the date (YYYYMMDD format) the data was pulled.

8. TOTAL VALUE OF INVENTORY - Input the total value of all *LEDGER ACCOUNT/CONDITION CODE* combination input for each column heading.

SECTION II - VARIANCE EXPLANATION

9-12. Explain any variances of plus or minus (+/-) of 10% for the reporting period for each *LEDGER ACCOUNT/CONDITION CODE* combination as determined in the VARIANCE (all block 6) calculations of **SECTION I - INVENTORY VALUE**.

SECTION III - SOURCE SYSTEM AND TRANSACTION SUMMARY

13. TOTAL RECEIPTS - Enter the total dollar value of the receipts that increased the dollar value of the inventory for the semi-annual report. Normally Document Identifier Codes starting with D6, WAWF receipt, or receipt reported by the MCA.

14. TOTAL ISSUES - Enter the total dollar value of the issues that decreased the dollar value of the inventory for the semi-annual report. Normally Document Identifier Codes starting with D7 or part of a contractor consumption report.

15. TOTAL GAINS - Enter the Dollar Value of Transactions that Had a Financial Impact on the Value of the Inventory. Do not include those Gains that had no Monetary Impact on the Value of the Inventory. Normally Document Identifier Codes starting with D8, Contractor Acquired Property now classified as GFM.

16. TOTAL LOSSES - Enter the Dollar Value of Transactions that Had a Financial Impact on the Value of the Inventory. Do not include those Losses that had no Monetary Impact on the Value of the Inventory. Normally Document Identifier Codes starting with D9, reported on Lost, Theft, Damaged, and Destroyed or Plant Clearance Automated Reutilization Screening System.

17. BALANCE VERIFICATON - The calculated balance that uses the previously reported total value of inventory value provided by the reporting activity (block 8b) and adds and subtracts the sum of the transactions that affected the inventory values during the reporting period as reported by the reporting command (blocks 13-16). If there is a difference between the calculated inventory balance (block 17f) and the current total value of inventory (block 8a), the reporting activity must provide a detail explanation of why the previous inventory values plus the transactions totals do not equal what is being reported for the current reporting period.

17a. PRIOR SEMI-ANNUAL BALANCE - Value calculated in block 8b - *TOTAL VALUE OF INVENTORY - PRIOR SEMI-ANNUAL VALUE*.

17b. TOTAL RECEIPTS - Value input in block 13 - *TOTAL RECEIPTS*.

17c. TOTAL ISSUES - Value input in block 14 - *TOTAL ISSUES*.

17d. TOTAL GAINS - Value input in block 15 - *TOTAL GAINS*.

17e. TOTAL LOSSES - Value input in block 16 - *TOTAL LOSSES*.

17f. CALCULATED CURRENT S/A INVENTORY - Calculated current Semi-Annual Inventory Value. Equation for calculation is (block 17a + block 17b - block 17c + block 17d - block 17e).

17g. REPORTED INVENTORY - Value calculated in block 8a - *TOTAL VALUE OF INVENTORY - CURRENT SEMI-ANNUAL VALUE*.

17h. OUT OF BALANCE CONDITION - Calculated difference between the *CALCULATED CURRENT S/A INVENTORY* value and *REPORTED INVENTORY* Value. . Equation for calculation is (block 17g - block 17f).

18. SYSTEM OF SOURCE DATA ORIGINATION - Enter the system from which the data was provided, i.e. DPAS, GCSS-MC, CAV-II

19. OUT OF BALANCE EXPLANATION - Required if *OUT OF BALANCE CONDITION* is not equal to 0.

NOTE: For Current Values, report the Latest Acquisition Cost or Unit of Issue Cost.

SECTION IV - DATA CALL CERTIFICATIONS

To comply with reporting requirements, reporting information must be reviewed to ensure financial information is reported accurately. This section provides assurance to the Fiscal Director of the Marine Corps that the financial information being reported has been reviewed and is being reported accurately. Certification by the Verifying Official must be provided. Reports used to obtain the financial information being provided must be retained in accordance with the financial records retention requirements and be made available upon request by auditors or other reviewing officials.

20. PREPARED BY - Individual preparing summary report is required to certify the report this section.

20a. NAME - Name of individual preparing summary report.

20b. RANK - Rank of individual preparing summary report.

20c. DATE - Date individual preparing summary report provided signature.

20d. SIGNATURE - Signature of individual preparing summary report.

21. VERIFIED BY - Individual verifying the summary report is required to certify the report in this section.

21a. NAME - Name of individual verifying summary report.

21b. RANK - Rank of individual verifying summary report.

21c. DATE - Date individual verifying summary report provided signature.

21d. SIGNATURE - Signature of individual verifying summary report