

24 JUL 2018

VOLUME 17

“FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS”

SUMMARY OF VOLUME 17 CHANGES

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Cancellations. MCBul 4440.4 Financial Liability Investigation of Property Loss (FLIPL)

VOLUME 17: FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS

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REFERENCES

- (a) Title 5 U.S.C., Section 5514
- (b) Title 10 United States Code (U.S.C.)
- (c) Title 31 United States Code (U.S.C.)
- (d) Title 37 U.S.C., Section 1007
- (e) Federal Acquisition Regulation Part 45 "Government Property," January 19, 2017
- (f) DoD 4165.63-M," DoD Housing Management," October 28, 2010
- (g) DoD Instruction 5000.64, "Accountability and Management of DoD Equipment and Other ... Accountable Property," May 19, 2011
- (h) DoD 7000.14-R, "Department of Defense Financial Management Regulation," Dates vary by Volume
- (i) MARCORMAN W/CH 1-3
- (j) MCO P12000.11A W/CH 5
- (k) Manual for Courts Martial (2016)
- (l) MCO 4400.160
- (m) DoD 4140.25-M, DoD Management of Bulk Petroleum Products, Natural Gas, and Coal, 28 June 2013

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VOLUME 17: CHAPTER 1

“GENERAL OVERVIEW”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER 1

GENERAL OVERVIEW

0101 GENERAL

This Volume provides policy, procedures, and defines responsibilities governing the Financial Liability Investigation of Property Loss (FLIPL) process in accordance with references (a) through (m). This policy ensures that Marine Corps processes and procedures are in compliance with Department of Defense (DoD) regulations for documenting, investigating, and assessing financial liability for government property that is lost, damaged, destroyed, or stolen.

010101. The Financial Liability Investigation of Property Loss (FLIPL) process is used to:

- A. Account for loss, damage, destruction, or theft of government property; determine the responsibility and amount of financial liability of those found to be culpable for such financial losses; provide relief from accountability; and establish debts resulting from the assessment of financial liability.
- B. Inquire, research, and investigate the causes of the loss, damage, destruction, or theft of government property.
- C. Assess financial liability with respect to lost, damaged, destroyed, or stolen government property.
- D. Initiate DD 200 "Financial Liability Investigation of Property Loss."
- E. Provide documentation that can be used to support the adjustment of accountable property records.
- F. Provide commanders with historical data which will enable them to take corrective action to prevent recurrence of the incident.

010102. The DD 200 is used to document the circumstances concerning the loss, damage, destruction, or theft of government property. It serves as a voucher for adjusting the property from accountable records. It also documents relief from or a charge of financial liability against an individual.

010103. To assist Marine Corps organizations with executing this policy, the following documents are provided as appendices: Appendix A provides instructions for completing the DD 200 and associated FLIPL documents; Appendix B is the FLIPL process flow chart; Appendix C is a sample Appointing Authority Appointment Letter; Appendix D is a sample Financial Liability Officer Appointment Letter; Appendix E is a sample Financial Liability Assessment Letter by the Approving Authority; Appendix F is a sample Request for Reconsideration Letter; Appendix G is a sample Appeal Letter; Appendix H is a FLIPL Register Template; Appendix I is a FLIPL Checklist and Tracking Document; and Appendix J is a sample completed DD 200.

0102 BACKGROUND

010201. Accountability

Per reference (i), commanders and accountable officers in the Marine Corps are responsible for government property under their control. They are responsible for ensuring internal controls for property control are established, enforced and operating effectively. Federal employees and members of the Armed Forces or Reserve of the Armed Forces are responsible for the proper care and safekeeping of government property regardless of whether or not it is on property records. Marine Corps personnel (both uniformed and civilian) and other Federal employees and service members assigned or attached to Marine Corps organizations can be held financially liable for the loss, damage, destruction, or theft of Marine Corps property proximately caused by the individual's negligence or abuse. No financial liability will be assessed against an individual until the FLIPL process has been conducted in accordance with the procedures set forth in this Volume.

010202. Legal Foundation

Statutory and regulatory authority governing the accounting of government property lost, damaged, destroyed, or stolen, and the fixing of responsibility and liability through the FLIPL process is codified in United States Code, the Code of Federal Regulations, and the Federal Acquisition Regulation. This authority includes but is not limited to: Title 10, United States Code (U.S.C.), Section 2775; Title 37, U.S.C. Section 1007; Title 5, U.S.C. Section 5514; and Title 31, U.S.C. Section 3716. Chapter 7, Volume 12 of reference (h) provides for implementation of policies and responsibilities relating to financial liability for government property that is lost, damaged, destroyed or stolen within the DoD. Note: Commanders (also referred to as commanding officers or convening authorities) retain and maintain the authority and discretion to conduct appropriate and necessary inquiries, investigations, etc., in addition to the FLIPL process.

0103 RESPONSIBILITIES

010301. Deputy Commandant, Installations and Logistics (DC I&L)

- A. As the Enterprise Ground Equipment Manager, serve as the Marine Corps' coordination agency for all policy issues concerning management of the FLIPL process.
- B. Provide current policy and guidance for management of the FLIPL process in accordance with DoD policy and procedures.
- C. Coordinate with the Commanding General, Training and Education Command to ensure the implementation of effective training programs for the contents of this policy.
- D. Ensure Field Supply and Maintenance Analysis Office (FSMAO) teams inspect Marine Corps organizations for compliance with this policy and provide assistance as required.

010302. Deputy Commandant, Programs and Resources

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A. Coordinate FLIPL financial policy with DC I&L (LPC-2) and provide amplifying guidance as necessary.

B. Provide specific guidance to regional disbursing offices for the collection of debt from service members and civilian employees.

010303. Staff Judge Advocate to the Commandant

A. Coordinate FLIPL legal policy and guidance with DC I&L (LPC-2).

B. Provide specific guidance to staff judge advocate (SJA) personnel throughout the Marine Corps in support of this policy.

010304. Commanders, Marine Corps Forces and Supporting Establishments

A. Ensure adherence to the requirements in this policy for all organizations under your purview.

B. Develop and implement internal command policies and procedures to facilitate the execution of this policy.

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VOLUME 17: CHAPTER 2

“FLIPL PROCESS”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER 2

FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS (FLIPL) PROCESS

0201 GENERAL

The policy and procedures provided in this chapter are based on U.S.C., Federal Government, DoD, and Marine Corps policies, regulations, and orders cited in the references. FLIPLs are used strictly to determine whether financial liability should be assessed against individuals involved with lost, damaged, destroyed, or stolen property. The following guidance concerning possible disciplinary action is provided.

020101. Assessment of financial liability will not be used instead of, or as a form of disciplinary action; however, if misconduct by military personnel is suspected, commanders should contact the SJA before proceeding with any investigative steps. If misconduct by DoD civilian employees is suspected, commanders should contact a civilian personnel law attorney before proceeding with any investigative steps. All cases involving stolen government property shall be referred to local security and/or law enforcement officials in accordance with agency procedures.

020102. Commanders must decide if a case warrants taking disciplinary action against military personnel under the Uniform Code of Military Justice (UCMJ), or against DoD civilian employees. This is a separate action and is not related to the assessment or relief of financial liability.

0202 DEFINITIONS

The following definitions are pertinent to this policy.

020201. Commanding Officer (CO). Per reference (i), a commanding officer (CO) is one who is properly appointed to command an organization, or who under applicable provisions of law, regulations, or orders, succeeds to such command due to transfer, incapacity, death, or absence of the previous CO. Marine Corps COs are titled as commander, commanding general, commanding officer, director, or inspector-instructor. Other titles used to designate Marine Corps COs shall be made only with the specific approval of the Commandant of the Marine Corps.

020202. Accountable Officer (AO). Accountability of public resources is inherent to command. In pecuniary and fiduciary terms, this responsibility is a commander's role as an AO. This function is tied to both Title 10 and Title 31 of U.S.C. responsibilities relative to the proper accountability of appropriations or materials and services associated to an activity. For purposes of this policy, the term "Accountable Officer" is generally synonymous with "CO" unless otherwise designated. Due to certain unique command structures, general officers may be responsible for those tasks/duties that are normally inherent to the billet of CO. A general officer has the authority to assign the most appropriate officer to execute the duties as the AO. Once assigned, this officer will have the same authority associated with the management of a supply account as a CO would. It is important to note that accountability of public resources and management of a supply account in the role of an AO is separate from determining financial liability (FLIPL process) in the role of an approving authority (see paragraph 020207 below).

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020203. Supply Officer. The supply officer (SupO) performs supply administrative and property accounting functions for the command. As a special staff officer to the CO, they are responsible for ensuring the CO/AO is made fully aware of the unit's current supply and fiscal postures; and recommending corrective procedural changes so detrimental supply situations may be prevented or corrected. Synonymous with accountable property officer (APO).

020204. Accountable Property Officer (APO). Per reference (g), an APO is an individual who, based on their training, knowledge, and experience in property management, accountability, and control procedures, is appointed by proper authority to establish and maintain an organization's accountable property records, systems, and/or financial records, in connection with property, irrespective of whether the property is in the individual's possession. This includes the requirement for maintaining a complete trail of all transactions, suitable for audit, and the ability to implement and adhere to associated internal controls. Within most Marine Corps organizations, the term "accountable property officer" is synonymous with the term "supply officer."

020205. Responsible Officer (RO). An individual appointed by the CO/AO who accepts custodial responsibility for property, typically by signing a hand-receipt. The RO is directly responsible for the physical custody of accountable property under their control. Synonymous with "property custodian." For the purpose of this policy, ROs may be held financially liable for the loss, damage, destruction, or theft of property under their control.

020206. Responsible Individual (RI). A responsible individual (RI) is any person appointed in writing by an RO/property custodian to have custodial responsibility for property in their possession. RIs (i.e. military, DoD civilians, government contractors) are directly responsible for the physical custody, accountability, and safekeeping of accountable property under their control. RIs may be held financially liable for the loss, damage, destruction, or theft of property under their control.

020207. Approving Authority. An approving authority is a Marine Corps officer or DoD civilian employee authorized to appoint a financial liability officer and to approve financial liability investigations. The approving authority does not have to be a court-martial convening authority. The approving authority makes determinations to either relieve involved individuals from financial responsibility or approve assessment of financial liability. Approving authority is inherent in a commander's responsibilities as an accountable officer. The approving authority's responsibilities may be delegated only by general officers in command; however, the delegations must be in writing and cannot be delegated further. The approving authority may act as the appointing authority or designate an appointing authority in writing. The approving authority is normally senior to the appointing authority. The roles of the approving and appointing authority in the Marine Corps for most using units will be the CO; however, in cases where the commander is a general officer, the approving/appointing authority may be delegated to the appropriate staff principal. See paragraph 0303 and 0304 within this Volume for information on approving authority responsibilities. As stated in paragraph 020202 above, there may be cases when the approving authority determining financial liability against an individual as part of the FLIPL process may be in a separate organization than the AO who provided the lost item. The following examples apply:

A. Temporary Loan. If an item provided by a supporting unit CO/AO is lost by an individual within the supported unit that received the item, the commander/approving authority of

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the supported unit will determine financial liability against the individual in his/her command. The DD 200 will be provided from the supported unit approving authority to the supporting unit CO/AO to be used as a voucher to drop the lost item from the accountable records.

B. Garrison Property. Garrison property is normally owned and managed by the installation commander as the AO and subsigned to tenant activity commanders as ROs. If an individual within a tenant activity loses a garrison property item, the tenant activity commander/approving authority will determine financial liability against the individual in his/her command. The DD 200 will be provided from the tenant activity approving authority to the installation commander (i.e., Personal Property Manager) to be used as a voucher to drop the lost item from the accountable records.

020208. Appointing Authority. An appointing authority is a Marine Corps officer or DoD civilian employee designated in writing by the approving authority. The approving authority may designate a Major (O-4) or DoD civilian employee in the grade of GS-13 or above as an appointing authority. The approving authority may act as the appointing authority. The appointing authority appoints financial liability officers, if required; approves or disapproves the recommendations of the SupO/APO, or financial liability officer; and recommends actions to the approving authority. The appointing authority is normally senior to the SupO/APO, and financial liability officer.

020209. Financial Liability Officer (FLO). A FLO can be a Marine Corps commissioned officer; warrant officer; enlisted Marine in the rank of Gunnery Sergeant (E-7) or higher; or DoD civilian employee (GS-12) or above. Per reference (h), the FLO is designated in writing by the approving/appointing authority to conduct a FLIPL investigation. The FLO must be a disinterested party with no interest in the custodianship, care, accountability, or safekeeping of the property requiring investigation. Accordingly, organizational supply personnel must not be appointed as a FLO. Additionally, per reference (i), FSMAO personnel cannot be assigned as a FLO.

020210. Financial Liability Investigation of Property Loss (FLIPL) Manager. The FLIPL manager acts as the organization's focal point for FLIPL guidance and procedures. The appointing authority will normally designate the SupO or APO in writing as the FLIPL manager.

020211. Marine Corps Property. For the purpose of this policy, the terms "government property" and "Marine Corps property" are synonymous. Depending on where property is located within the supply chain, Marine Corps property is categorized in the two categories of "supply system stock" or "property record items." Supply system stock includes materiel held at intermediate or wholesale supply activities for issue to end-use customers. Property record items include all Marine Corps property that has been fielded to its final destination in the supply chain. See paragraphs 0702 and 0703 for detailed information. Per reference (h), this policy does not apply to Government Furnished Property (GFP) for Contractor-Acquired Property in the possession of a third party, to include contractors.

0203 INITIATOR OF THE DD 200

The initiator of a DD 200 will normally be the individual who had possession of the property at the time of the incident. If the individual is not known, the DD 200 will be initiated by the individual

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who had the property on their property records at the time of the incident (e.g., RO/property custodian, SupO). A FLIPL may also be directed by the unit CO/AO or department head (e.g., AC/S G-4) in cases including, but not limited to, repetitive losses, evidence of negligence or abuse, or large dollar losses. In cases where an individual has been subcustodied responsibility for property belonging to an AO who is not in the chain of command of that responsible individual (e.g. garrison property in the custody of a tenant organization, or individual combat clothing and equipment issued to a Marine from an Individual Issue Facility), that individual's command will process the FLIPL and make the SupO or APO of the external organization aware of such. Upon determination of financial liability, a copy of the DD 200 will be forwarded to the AO who owns the property for proper disposition of the property from the property records.

0204 MANDATORY INITIATION OF A DD 200

Initiate and process a DD 200 for lost, damaged, destroyed, or stolen government property when one or more of the situations listed below exist. Process the DD 200 in accordance with this Volume at the time the loss, damage, destruction, or theft is discovered. The DD 200 will be used to document the circumstances leading to the loss, damage, destruction, or theft of government property. Initiating a DD 200 does not always require the appointment of a FLO for a formal investigation. A DD 200 will be processed when:

020401. As shown in the table below, any controlled item as identified by a Controlled Inventory Item Code of 1-6, 8, 9, N, P, Q or R has been lost, damaged, destroyed, or stolen. FLIPL reports containing classified information must bear an appropriate security classification.

CONTROLLED INVENTORY ITEM CODE (CIIC)	
(Table 61 DoD 4100.39-M)	
A code indicating the security classification and/or security risk or pilferage controls for storage and transportation of DoD assets.	
Code	Definition
\$	This code identifies nuclear weapons use control (uc) ground equipment which is CIIC unclassified but may require special controls. Use control ground equipment is described as recoders, verifiers, adapters, power supplies, cables, programmers, monitors, controllers, code processors, power converters, computers and data modules which perform a nuclear weapon use control function. (see note (2) below).
1	Highest Sensitivity (Security Risk Category I (SRC-I)) - Unclassified Arms, Ammunition, and Explosives (AA&E). Non-nuclear missiles, recoilless rifles and rockets in a ready-to-fire (certified round) configuration. Examples: Patriot missile launch canister, FIM-92 Stinger, TOW, Javelin, M72 LAW, M136 AT4 LAAW, M141 BDM, and explosive rounds for non-nuclear missiles and rockets. This SRC also applies in situations where the launcher tubes and explosive rounds, though not in a ready-to-fire configuration, are jointly stored or transported.
2	High Sensitivity (SRC II) - Unclassified AA&E
3	Moderate Sensitivity (SRC III) - Unclassified AA&E

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4	Low Sensitivity (SRC IV) - Unclassified AA&E
5	Highest Sensitivity (SRC I) - Secret AA&E
6	Highest Sensitivity (SRC I) - Confidential AA&E
7	Non-Sensitive (SRC-N/A) - Unclassified AA&E: Or items assigned a demilitarization code other than A, B, Q, or P for which another CIIC is inappropriate. (Note: The loss, theft, unlawful disposition, and/or recovery of an item with CIIC 7 will be investigated in accordance with DoD-4000-25-2-M AND this policy).
8	High Sensitivity (SCR) - Confidential AA&E
9	This code identifies an item as a controlled cryptographic item (CCI). CCI is described as secure telecommunications or information handling equipment, associated cryptographic component, or other hardware item which performs a critical COMSEC function. Items so designated are unclassified but controlled, and will bear the designation "controlled cryptographic item or CCI."
A	Confidential - Formerly Restricted Data
B	Confidential - Restricted Data
C	Confidential or Moderate Sensitivity (SRC III) and Low Sensitivity (SRC IV) - Confidential AA&E. (Item will be stored and transported in accordance with the provisions of DoD 5100.76M or DoD 5200.1R Information Security Program - Whichever is more stringent).
D	Confidential - Cryptologic
E	Secret - Cryptologic
F	Top Secret - Cryptologic
G	Secret - Formerly Restricted Data
H	Secret - Restricted Data
I	Aircraft Engine Equipment and PARTS
J	Pilferage - Pilferage controls may be designated by the coding activity to items coded U (Unclassified) by recording the item to J.
K	Top Secret - Formerly Restricted Data
L	Top Secret - Restricted Data
M	Hand tools and Shop Equipment
N	Firearms Piece Parts and Nonlethal Firearms
O	Item contains unclassified naval nuclear propulsion information; disposal and access limitations are identified in OPNAVINST N9210.3.
P	Ammunition and Explosives
Q	A drug or other controlled substance designated as a Schedule III, IV, or V Item, in accordance with the Controlled Substance Act of 1970. Other sensitive items requiring limited access storage.

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R	Precious metals, a drug or other controlled substance designated as a Schedule I or II item, In accordance with the Controlled Substance Act of 1970. Other selected sensitive items requiring storage in a vault or safe.
S	Secret
T	Top Secret
U	Unclassified
V	Individual Clothing and Equipment
W	Office Machines
X	Photographic Equipment and Supplies
Y	Communication/Electronic Equipment and Parts
Z	Vehicular Equipment and Parts

Figure 2-1. Controlled Inventory Item Codes

020402. There is evidence of abuse, gross negligence, willful misconduct, or deliberate unauthorized use, fraud, theft, or if negligence is suspected in the management of government property.

020403. Initial causative research for lost or missing property is non-conclusive and does not identify the cause of the discrepancy in the supply system or property account.

020404. Supply system stock records for a single line item (National Stock Number (NSN)) are adjusted in excess of \$2,500 for pilferable items. Supply system stocks are those inventories where a stock record account is required to be maintained, showing by item, the receipt, issue, and disposal of property, the balances on hand, and such other identifying or stock control data as may be required (see paragraph 0702). Pilferable Items are items with a Pilferage Code J which are easily transportable or concealable; have a ready resale value or application to personal possession; and are subject to theft. Pilferable property requires formal supply accounting down to the user level throughout the life of the asset.

020405. Supply system stock records for a single line item are adjusted in excess of \$16,000 for non-controlled or non-pilferable items.

020406. Marine Corps property in the possession of a contractor is lost, damaged, destroyed, or stolen. See paragraph 0803.

020407. The specific handling loss of a specific bulk petroleum product exceeds the allowable loss for that product, and the dollar value of the total loss exceeds \$1,000. See paragraph 0804.

020408. Public funds or other negotiable instruments are lost and the value is \$750 or greater.

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020409. Repetitive cases of loss, damage, destruction, or theft occur, even though any one by itself would not warrant the processing of a DD 200.

020410. Marine Corps property is lost, damaged, destroyed, or stolen while under the control of a non-appropriated fund (NAF) organization. Coordination with the NAF activity is essential because items procured with NAF funds are processed differently than those procured with Operation and Maintenance (O&M) funds.

020411. Unrecorded Property. The requirements for a DD 200 apply whether or not the government property is recorded on an accountable record.

020412. Ammunition. All instances of lost or missing Class V(W) ammunition or explosives; and any case when there is evidence of abuse, gross negligence, or willful misconduct resulting in the damage or destruction of Class V(W). Damaged ammunition from normal wear and tear (e.g., bent cartridge from weapon jamming) does not require a DD 200.

0205 WHEN A DD 200 IS NOT MANDATORY

A DD 200 is not required when:

020501. A vehicle accident investigation report indicates that gross negligence, willful misconduct, or deliberate unauthorized use was not involved and it is not necessary to adjust property records.

020502. Property belonging to other DoD activities is lost, damaged, or destroyed by Marine Corps military or civilian personnel attached to another DoD activity. If required, these instances are handled under the owning component's regulations or interservice support agreements. Marine Corps personnel or employees attached to another DoD activity held liable for the loss of, or damage to, another DoD component's property are subject to FLIPL procedures of the other component.

020503. Losses or damage due to combat operations or natural disaster.

0206 GENERAL OVERVIEW OF DD 200 PROCESSING PROCEDURES

020601. Step 1 – Initiation Process. After completing causative research with the SupO or APO to verify that property is missing, the individual with direct possession/responsibility for the lost, damaged, destroyed, or stolen property will initiate the DD 200 to describe known circumstances for the incident. The DD 200 will be provided to the SupO or APO for assignment of an inquiry/investigation number for tracking purposes. The SupO or APO will then forward the DD 200 to the appropriate approving/appointing authority with a recommendation concerning whether a formal investigation is warranted.

020602. Step 2 – Investigation and Recommendation Process. The approving/appointing authority will review the narrative portion of the DD 200 from the initiator. Based on recommendations from the SupO or APO, the approving/appointing authority will appoint a FLO if deemed necessary. In cases where negligence is obvious, the approving authority may

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assess financial liability against the individual without appointing a FLO to conduct an investigation. In these cases, the DD 200 will be referred directly to the SJA for review and endorsement. If appointed, the FLO will seek legal advice and investigate the incident. The FLO will provide recommendations concerning negligence or financial liability to the approving/appointing authority.

A. At this time, if the approving authority is also the AO for the lost property, he or she may choose to drop the lost or missing item from the property records while financial liability is being determined.

B. If the approving authority is not the AO for the lost property, a copy of the DD 200 should be provided to the AO so the accountable records can be adjusted as soon as possible (while the financial liability process is completed by the approving authority).

020603. Step 3 – Approving Authority Decision Process. The approving authority will review the completed DD 200 with recommendations from the appointing authority, FLO, and SupO or APO, and will decide whether to assess financial responsibility against the individual charged, or relieve them from responsibility. If financial responsibility is to be assessed, the FLIPL will be referred to the SJA for review and endorsement.

020604. Step 4 – Notification and Adjudication Process. When an assessment of financial liability is determined, the DD 200, with the SJA's legal review attached as an endorsement, will be submitted for acknowledgment by the individual charged. The individual will be advised of their right to request reconsideration of the approving authority's decision, and to submit an appeal to the next higher level in the chain of command if their request for reconsideration is denied.

020605. Step 5 – Debt Collection Process. Once all adjudication proceedings have concluded (i.e., requests for reconsideration, appeals, waivers), debt collection actions will be taken against the individual charged if applicable.

0207 TIMEFRAMES FOR PROCESSING A DD 200

Reference (h) allows the Services to set time limits for processing DD 200s. Accordingly, Marine Corps time limits for each step of the FLIPL process are as follows:

020701. Step 1 – Initiation

A. 15 calendar days from the time of discovery to presentation of the DD 200 to the approving/appointing authority.

B. 5 calendar days for the approving/appointing authority to appoint a FLO to conduct an investigation (if required).

020702. Step 2 - Investigation. 30 calendar days from the appointment of the FLO to presentation of the DD 200 to the approving/appointing authority. At the conclusion of the investigation, the DD 200 can be used as a voucher by the appropriate AO to adjust the property records.

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020703. Step 3 - Decision. 10 calendar days from presentation of the DD 200 to the approving authority to the decision concerning financial liability and notification of the decision to the individual involved. As noted in paragraph 020602, the approving authority can immediately decide to assess financial liability against an individual without appointing a FLO or conducting an investigation.

020704. Step 4 – Notification/Adjudication

A. 5 calendar days from providing notification to the individual being charged, to submission of a request for reconsideration from the individual to the approving authority. The individual also has the option to voluntarily pay the amount assessed.

B. 5 calendar days from receipt of a request for reconsideration by the approving authority, to the approving authority's response to either approve or deny the request.

C. 30 calendar days from receipt of the approving authority's response on the request for reconsideration, to submission of an appeal to the next higher level approving authority via the original approving authority.

D. 5 calendar days from receipt of the appeal, to forwarding the appeal to the next higher approving authority.

E. 30 calendar days from receipt of an appeal from the individual, to final adjudication on the appeal by the higher headquarters approving authority. This includes notifying the individual of the higher headquarters approving authority decision to approve or deny the appeal.

020705. Step 5 – Debt Collection. 5 calendar days for initiating debt collection actions for financial liability.

020706. Under normal circumstances, Marine Corps organizations will not exceed 135 calendar days total processing time. Commanders may adjust the time segments downward at their discretion.

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VOLUME 17: CHAPTER 3

“FLIPL RESPONSIBILITIES”

SUMMARY OF SUBSTANTIVE CHANGES

Hyperlinks are denoted by ***bold, italic, blue and underlined font.***

The original publication date of this Marine Corps Order (MCO) Volume (right header) will not change unless/until a full revision of the MCO has been conducted.

All Volume changes denoted in **blue font** will reset to black font upon a full revision of this Volume.

CHAPTER VERSION	PAGE PARAGRAPH	SUMMARY OF SUBSTANTIVE CHANGES	DATE OF CHANGE

CHAPTER 3

FLIPL RESPONSIBILITIES

0301 GENERAL

This chapter defines specific roles, responsibilities, and authorities for proper management and execution of the FLIPL policy.

0302 RESPONSIBILITIES OF THE COMMANDER

As the approving authority, the commander to whom the lost, damaged, destroyed, or stolen property was issued normally will decide whether to appoint a FLO to determine the facts in the case and make findings and recommendations for assessing or not assessing financial liability against an individual. In many cases, the commander may also be the appointing authority.

0303 RESPONSIBILITIES OF THE APPROVING AUTHORITY

Upon receipt of a DD 200, the approving authority will decide whether to: (1) relieve the individual of responsibility if negligence is not suspected; (2) approve voluntary payment by the individual if offered (the DD 200 does not require SJA review); (3) assess financial liability against the individual without conducting a FLIPL investigation if negligence or willful misconduct is obvious (the DD 200 must be referred to the SJA for review and endorsement); or (4) appoint a FLO to conduct an investigation (determine financial liability based on the findings and recommendations of the FLO). If a FLO is not appointed, the SupO, APO, or FLIPL manager must compute the value of loss to the government in accordance with Chapter 4 in this Volume. Reference (h) prescribes the policy pertaining to approving authorities. The approving authority will:

030301. Designate an appointing authority in writing as required. Within the appointment letter, identify specific responsibilities and the approved dollar threshold for FLIPL approvals (less than \$100,000).

030302. Disqualify himself when a conflict of interest is possible because the loss relates to property that was in his personal possession.

030303. Ensure that all DD 200s received are accurate and complete. Evaluate each DD 200 and either approve recommendations to assess financial liability or relieve those involved from liability, responsibility or accountability. The approving authority approves or disapproves all DD 200s within approved dollar thresholds unless otherwise delegated in writing.

030304. Ensure that all property losses that require a formal investigation are promptly and thoroughly investigated.

030305. Ensure that DD 200s are initiated, processed and adjudicated within the time limits established by this Order.

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030306. Require a written explanation if delays occur while initiating or processing a DD 200 and take appropriate corrective actions.

030307. Ensure that individuals held financially liable are notified, informed of their rights, and given the opportunity to inspect and copy DD 200 documents.

030308. Personally evaluate each DD 200 when there is evidence of negligence or abuse.

030309. Ensure the DD 200 is reviewed by the SJA; that a written opinion is provided on the adequacy of evidence and propriety of the findings and recommendations in cases where financial liability is assessed; and that the legal opinion becomes part of the FLIPL file. Note: An SJA review is not required in cases when the individual charged has agreed to voluntary payment.

030310. Ensure that corrections of any attested entries are properly initialed and documented.

030311. Overrule the recommendations of the appointing authority and the FLO when appropriate.

030312. Formally notify individuals who have been assessed financial liability (see Appendix E).

030313. Make determinations on requests for reconsideration of liability. Notify the individual involved accordingly.

030314. Forward all appeals to the next higher approving authority in the chain of command for adjudication.

030315. In cases where a DD 200 involves property directly assigned to an approving authority, forward the FLIPL to the next higher approving authority for action.

030316. General officers in command can delegate approving authority responsibilities to the most appropriate individual (e.g., Chief of Staff); however, the delegation must be in writing and cannot be delegated further.

0304 FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS (FLIPL) DOLLAR THRESHOLDS FOR APPROVING AUTHORITIES

Throughout the Marine Corps, the total dollar value of lost, damaged, destroyed, or stolen property will dictate the level of approval authority for FLIPL investigations. To ensure that proper internal controls and oversight are in place for approving FLIPL investigations and subsequent adjustments of accountable property records, the following specific dollar thresholds for approving authorities have been established based on rank and the level of responsibility:

030401. O-5 Level Commander. For FLIPL investigations with a final loss or damage less than \$250,000, the first LtCol (O-5) or supervisory GS-14 in the rating chain is the approving

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authority. FLIPL investigations of \$250,000 or greater must be forwarded to the next higher approving authority in the chain of command. This dollar threshold also applies to COs at the rank of Major (O-4) who are command-slotted as the CO of company-level commands (e.g., 4th Force Recon, 4th Marine Division, Marine Forces Reserve; or COs of Recruiting Stations).

030402. O-6 Level Commander. For FLIPL investigations with a final loss or damage between \$250,000 and \$499,999, the first Colonel (O-6) or supervisory GS-15 in the rating chain is the approving authority. FLIPL investigations of \$500,000 or greater must be forwarded to the first general officer or Senior Executive Service (SES) employee in the chain of command.

030403. Commanding General. For FLIPL investigations with a final loss or damage of \$500,000 or greater, the first general officer or SES employee in the rating chain is the approving authority.

030404. Approving authorities at any level may designate appropriate appointing authorities to perform specific responsibilities; however, the dollar threshold for FLIPL approvals will be limited to less than \$100,000, and the authority must be in writing. Additionally, individuals designated as appointing authorities must meet the minimum grades of Major (O-4) or DoD civilian employee of GS-13. Regardless of who initiates the FLIPL investigation, it is processed through the chain of command of the individual responsible for the property at the time of the incident.

030405. Figure 3-2 below identifies authorized dollar thresholds discussed above:

Dollar Threshold	Approving Authority	Appointing Authority
<100K		(Designated threshold)
<250K	O-5 (LtCol/GS-14) Level Commander	
250K – 499K	O-6 (Col/GS-15) Level Commander	
500K or more	CG/SES Level Commander	

Figure 3-2. FLIPL Dollar Approval Thresholds

0305 RESPONSIBILITIES OF THE APPOINTING AUTHORITY

Reference (h) sets forth the policy pertaining to appointing authorities. Appointing authorities will:

030501. Appoint a FLO when conditions warrant.

030502. Appoint a financial liability board (FLB) in lieu of a FLO to conduct the investigation if warranted. Reasons for considering an appointment of a FLB include complexity, size, or unique type of loss due to negligence or abuse.

030503. Provide administrative guidance to the FLO and the FLB if established.

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030504. Review all FLIPLs, appeals, and waiver requests for accuracy and compliance.

030505. Approve or disapprove the recommendations of the FLO or the FLB and forward personal recommendations to the approving authority.

030506. Approve or disapprove the assessment of financial liability when the loss, damage, destruction, or theft is less than \$100,000 and authorization has been designated in writing by the approving authority. In these cases, the appointing authority can assess financial liability against an individual without the consent of the approving authority and without appointing a FLO to conduct a FLIPL investigation. If a FLO is not appointed, the SupO, APO, or FLIPL manager must compute the value of loss to the government in accordance with Chapter 4 in this Volume.

030507. Make recommendations to the approving authority on FLIPL administrative guidance and procedures.

030508. Examine FLIPLs for completeness, logical conclusions, findings and recommendations.

030509. Appointing Authority Responsibilities to the Financial Liability Officer (FLO). The appointing authority must:

A. Provide advice and assistance when required or requested by the FLO or the senior member of the FLB. This includes access to the SJA for training, assistance, and a legal brief.

B. Review the evidence, findings, and recommendations to ensure that:

1. Any contradictions in the FLIPL are resolved.

2. The statements of interested persons are confirmed or refuted.

3. Findings are stated clearly.

4. Recommendations are supported by logical conclusions based on the facts.

5. Monetary charges are computed correctly.

6. The person(s) who may be found financially liable were interviewed by the FLO or FLB. These statements must become a part of the FLIPL file and must be weighed against testimony obtained from other individuals when developing the findings and recommendations.

030511. Ensure the SJA performs a review of any FLIPL recommending financial liability against an individual.

0306 RESPONSIBILITIES OF THE FINANCIAL LIABILITY OFFICER (FLO)

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The commander to whom the lost, damaged, destroyed, or stolen property was issued normally will decide whether to appoint a FLO to determine the facts in the case and make findings and recommendations for assessing or not assessing financial liability against an individual. The FLO investigation is a critical phase of the FLIPL process to ensure all facts are developed, the interests of the government are served, and the rights of involved individuals are protected. The FLO will be an officer, Staff Non-Commissioned Officer (E-7 or above), or a civilian employee (GS-12 or above) with a broad perspective of Marine Corps policies and procedures in the area under investigation.

030601. A FLO is required to be appointed when:

A. The initial inquiry results are insufficient to make a determination of whether or not negligence or abuse was the proximate cause of the loss, damage, destruction, or theft of government property and the approving or appointing authority determines that a formal investigation is warranted.

B. The value of the property lost, damaged, destroyed, or stolen, or the circumstances of the case warrants further investigation such as repetitive losses, evidence of negligence or abuse or large dollar losses.

C. Requested by an accountable officer.

D. Directed by higher authority.

030602. A FLO's findings and recommendations are administrative, not punitive. Therefore, the FLO reports are purely advisory and the opinions do not constitute final determinations or legal judgments. The FLO's recommendations are not binding upon appointing and approving authorities.

030603. General Duties of the Financial Liability Officer (FLO). The FLO will become familiar with this policy and the requirements for conducting an investigation in accordance with reference (h).

A. Per reference (h), the six basic DoD requirements for conducting a FLIPL investigation are to determine:

1. What happened?
2. How it happened?
3. Where it happened?
4. Who was involved?
5. When it happened?

6. Any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of property.

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B. In addition to the requirements per reference (h), when applicable, the FLO will:

1. Review and evaluate, as a minimum, the adequacy of existing procedures to protect property.

2. Determine compliance with existing procedures and directives.

3. Determine the individuals responsible and the type of responsibility assigned (such as command, supervisory, or personal).

4. Present facts indicating whether or not negligence or abuse was involved.

5. Determine the proximate cause of the loss, damage, destruction, or theft.

6. Recommend corrective action to minimize or preclude recurrence.

7. Establish when it was first determined that the property was lost or damaged.

8. Determine if the property custodian(s) performed their duties properly.

9. Determine if the property custodians were properly trained.

10. Determine what actions were taken to find lost or stolen property.

11. Determine the depreciated value of lost or stolen property.

12. If vehicle damage is involved, determine if the operator was properly briefed regarding governing directives and if the driver was properly trained.

030605. Investigation is a Primary Duty. Conducting the investigation will be the primary duty of the FLO until it is completed and Blocks 1 through 15 of the DD 200 are completed. The FLO will be relieved of normal duties which could impair the expeditious completion of the investigation.

030606. Detailed Duties of the Financial Liability Officer (FLO). The FLO, based on the facts, makes findings and recommendations on the issue of financial liability of the individual involved and ensures they are well documented in Block 15a of the DD 200. As part of the investigation, the FLO will:

A. Develop the facts in the case which logically lead to the findings and recommendations. The FLO must interview all individuals with knowledge of the case if they are in the immediate area. This includes the individual who may have lost, damaged, or destroyed the property.

B. Obtain written statements from individuals interviewed.

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- C. Attach witness statements to the DD 200. They must substantiate the statements and the findings and recommendations of the FLO.
- D. Ensure that all witnesses are identified by first name, middle initial, last name, rank or grade, organization to which assigned, and if applicable the address of the witnesses.
- E. Include a statement that will indicate how the witness is (or was) involved in the case or how the witness has knowledge of the situation.
- F. Indicate whether any laws, directives, or procedures were violated. The FLO should immediately suspend the FLIPL investigation and consult with the approving/appointing authority and SJA if the FLO suspects that a federal/state law or UCMJ violation is evident. Also indicate how the individual involved did or did not exercise ordinary or reasonable care.
- G. Attempt to communicate with witnesses not in the immediate area and obtain written statements which must be certified as being true and correct to the best of their knowledge.
- H. Submit a written signed statement outlining the information verbally received from the witness if the FLO is not able to obtain statements. The statement will contain words to indicate that the statement is a true portrayal of what the witness told the FLO.
- I. Attach to the DD 200, the motor vehicle accident investigation conducted by either military or civilian law enforcement officials. This must substantiate the FLO's statements, findings, and recommendations concerning the accident.
- J. The FLO should contact the cognizant SJA prior to conducting the investigation and, in cases where a civilian employee is the subject of the investigation, a civilian personnel law attorney normally located within the Regional Counsel's Office.
- K. Complete Block 15a (FLO's findings and recommendations) on the DD 200.
 - 1. Ensure the findings and the recommendations are supported by the testimony of individuals involved and that the testimony leads logically to the findings and recommendations.
 - 2. Determine if financial liability should be assessed based on the conduct of the individual, as derived from the facts and circumstances of the case. If financial liability is recommended, it will be based on the value of the property involved, with appropriate depreciation applied. Reduction of the recommended assessment of financial liability is a command prerogative and not within the purview of the FLO.
 - 3. When the individual involved responds to the approving authority's Notification of Assessment of Financial Liability (Appendix E), comments may be included regarding the adverse impact that paying the assessed amount will have upon the personnel involved.
 - 4. Complete and sign Blocks 15j and 15k, then submit the DD 200 to the approving or appointing authority.

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030607. Additional Duties and Responsibilities of the Financial Liability Officer (FLO). The primary purpose of the FLIPL process is to determine responsibility for lost, damaged, destroyed, or stolen property; and to assess financial liability if required. To determine such responsibility, the facts contributing to the loss or damage must be developed by investigation. The FLO investigation may establish the fact that some other individual is at fault. The FLO shall not limit the investigation to verifying statements of interested parties.

A. A FLO investigation is required to determine where responsibility and/or liability belong without regard to the relationship of the responsible individual to the property. As an example, actions by the accountable officer, responsible officer, or property receipt holder should be investigated as well as actions of the users of the property.

B. The FLO must determine the actual facts, not as alleged, but as they actually occurred. The FLO's recommendations shall be evaluated in succeeding reviews; therefore, the recommendations must be supported by the findings and conclusions.

C. The FLO must be able to make a determination from the findings and conclusions as to how the loss or damage occurred, whether negligence or abuse was involved, and whether negligence or abuse was the proximate cause of the loss or damage.

D. The FLO must record the findings, conclusions, and make recommendations based on findings and conclusions. The recommendation must indicate whether or not financial liability should be assessed.

E. The FLO must afford to any person whose conduct or performance of duty may be subject to inquiry, an opportunity to have their position considered. They may submit written statements that will become part of the FLO's investigation.

F. The FLO must compile evidence substantiating or refuting any statement recorded in Block 9 of the DD 200.

G. The FLO must physically examine the damaged property when available, before it is released for repair or disposal.

H. The FLO must consult with the SupO or APO, appointing authority, SJA, contracting officer, security police, or any other individual whose expertise could facilitate the investigation. In cases where responsibility for lost, damaged, destroyed, or stolen property may lie with a civilian employee of the Marine Corps, the FLO should consult with the servicing Human Resources and Organizational Management (HROM) Office and supporting Office of Counsel, prior to initiating the investigation, or as early as practicable after the possibility of civilian responsibility becomes apparent.

I. The FLO must determine the cost of damaged property. The value may be the cost of repairs or an estimate of the repairs obtained from technical manuals or other reliable sources. The FLO must also determine the value of the property immediately before its damage if the property is not economically reparable.

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J. The FLO must ensure action is taken to exercise control over the property if the property is recovered during the investigation.

K. The FLO must ensure the total loss to the government is accurately computed.

030608. The Financial Liability Officer (FLOs) Findings. The findings and conclusions reached by the FLO must be sound and based upon the evidence presented. They should not contain unsubstantiated opinions or phrases.

A. The FLO must state how the loss or damage occurred, whether negligence or abuse was involved and whether negligence or abuse was the cause of the loss, damage, destruction, or theft based on the evidence obtained through the investigation. The FLO's findings must substantiate or refute the statements made in Block 9 of the DD 200 and in affidavits or in additional statements included in the report. Where facts are obtained by oral testimony, the individuals must be named and identified and direct statements quoted.

B. The FLO's findings must be complete enough so that others reviewing the report can readily determine the responsibility without referring the report back to the FLO for further investigation or information.

030609. The Financial Liability Officer (FLOs) Recommendations. The FLO's recommendations must be supported by the findings and conclusions. After recording the findings, the FLO must record all recommendations in Block 15a of the DD 200. A recommendation of financial liability or relief from liability must be made for each individual involved. The FLO must indicate that the individual's negligence, willful misconduct, or deliberate unauthorized use was the cause of the loss, damage, destruction, or theft if financial liability is recommended. Under no circumstances will the FLO recommend disciplinary action.

030610. The FLO will provide the DD 200 to the appointing or approving authority after completing Block 15.

0307 FINANCIAL LIABILITY BOARD (FLB)

030701. Per reference (h), a FLB may be appointed by the approving or appointing authority for the specific purpose of conducting the FLIPL investigation. A board provides more resources than a FLO to investigate losses that are large, complex, or unique. FLBs are administrative and not judicial. Therefore, their reports are purely advisory, their opinions do not constitute final determinations or legal judgments and their recommendations are not binding upon appointing and approving authorities.

030702. FLB members are appointed in writing and will consist of two or more persons. One member will be formally appointed as the senior member of the FLB.

030703. Functions of an Financial Liability Board (FLB)

A. The primary function of an FLB is to research, develop, assemble, record and analyze all available information relative to the loss, damage, destruction, or theft of property. The

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board is required to formulate and clearly express consistent findings of facts, conclusions, and recommendations.

B. A collateral function of the FLB is to afford a hearing to any person whose conduct or performance of duty may be subject to inquiry or who has direct interest in the inquiry.

C. The board members take action on the DD 200.

D. The DD 200 file and supporting documentation will be submitted to the appointing or approving authority when the FLB completes its FLIPL investigation.

0308 RESPONSIBILITIES OF THE SUPPLY OFFICER AS THE FLIPL MANAGER

The command, unit, or activity SupO or APO will be designated in writing by the commander or appointing authority as the FLIPL manager. The manager ensures that all aspects of the FLIPL process function in a timely and efficient manner. The FLIPL manager assists appointing authorities, FLOs, and unit commanders as required. This includes advising the approving and the appointing authorities if there appears to be a conflict of interest in personnel involved in processing the FLIPL.

030801. As the reviewing authority, evaluate the facts and circumstances surrounding the loss, damage, destruction, or theft of property and recommend to the approving/appointing authority whether suspected negligence or abuse is evident, and whether or not investigative action is warranted. Comments and recommendations must be provided in Block 12 of the DD 200.

030802. Provide supply expertise and assistance to approving/appointing authorities, responsible officers, property custodians and FLOs. Conduct training as required or as requested.

030803. During initiation of a DD 200, assign an inquiry/investigation number to ensure proper tracking of each DD 200.

030804. Retain all completed DD 200s and supporting documentation for ten years.

030805. Duties of the Financial Liability Investigation of Property Loss (FLIPL) Manager

A. Acts as the command, unit or activity focal point for FLIPL guidance and procedures.

1. Maintains FLIPL information that will show trends and potential problem areas and will apprise the commander or the approving authority of the status and the results of the FLIPL program. This information may include statistics such as accountability assessments and the number, type, and dollar value of property lost, damaged, destroyed, or stolen within the organization. This information will be provided to the next higher headquarters as required.

2. As appropriate, keeps the major subordinate command (MSC) FLIPL manager apprised of the status of the organization's FLIPL program.

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3. Coordinates FLIPL actions with higher, lower, and adjacent command FLIPL managers.

B. Prepares and maintains internal operating procedures, checklists, FLIPL registers and related documents.

C. Provides guidance during investigations to FLBs and FLOs.

D. Prepares correspondence involved in routing the DD 200 for investigation, staff coordination, review, approval, due process, debt collection, and other FLIPL related actions.

E. Ensures that FLIPLs are processed expeditiously.

F. Ensures the actual or estimated cost of repair has been obtained before financial liability is assessed. Identifies any overcharges to be refunded.

G. Coordinates with the administration section (or in matters involving a DoD civilian employee, the servicing HROM Office and supporting Office of Counsel) to ensure individuals being charged as financially liable are promptly notified and are given the opportunity to review the file and make a written statement.

I. Coordinates with the administration section to ensure persons held financially liable by the approving authority are informed of their rights.

J. Computes the value of loss to the government, to include depreciation, when financial liability is assessed against an individual without appointing a FLO to conduct an investigation.

K. Maintains a Financial Liability Investigation of Property Loss (FLIPL) Register. Each DD 200 will be serially numbered starting at the beginning of each fiscal year. The register and copies of the DD 200 recorded on the register will be maintained for ten years for reference and audit purposes. A sample FLIPL Register with instructions is located in Appendix H.

1. The FLIPL manager will complete items 1-11 of the FLIPL Register within 15 days of the reported loss.

2. Disposition of Completed Registers and DD 200s. FLIPL Registers and case files that provide a complete record of each DD 200 must be retained as key supporting documents (KSDs). Volume 3 of this Order requires KSDs to be retained for a period of ten years after final action is completed.

030806. Local Administrative Procedures. All organizations must prepare implementing procedures to this policy. Delegations of authority made by the commander or approving authority will be made in writing.

030807. Scheduled Separations. The initiator of a DD 200 must advise the FLIPL manager if any person who may have caused the loss, damage, destruction, or theft of government

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property is scheduled for separation. When this situation occurs, every effort must be made to expedite both the completion of the FLIPL and debt collection action.

030808. Pending Liability - Individual Transferred. If an individual transfers to another command before being notified that financial liability is being assessed, the losing FLIPL manager will coordinate the notification and debt collection process with the administration section (or in matters involving a DoD civilian employee, the servicing HROM Office and supporting Office of Counsel). However, both the losing and gaining commands have responsibilities in assuring the individual receives proper notification.

030809. Losing Financial Liability Investigation of Property Loss (FLIPL) Manager's Responsibilities. In coordination with the administration section, the losing manager will:

A. Obtain the name and location of the command to which the individual is being transferred, and the name and organizational address of the gaining FLIPL manager.

B. Ensure the approving authority has signed the DD 200.

C. Send the original and one copy of the FLIPL file to the gaining FLIPL manager.

1. The file will consist of all documents that are material to the finding of negligence, including a copy of the SJA endorsement and notification letter used to advise the individual of impending charges.

2. The transmittal letter accompanying the complete file will request that formal notification be given to the individual being charged and that a copy of the DD 200, with Block 16 signed by the individual, be completed and returned directly to the losing FLIPL manager. The transmittal letter will indicate the name, organizational address, and contact information of the losing FLIPL manager.

3. Establish a 30-day suspense from the date the FLIPL package is received at the gaining command for a response from the gaining command. Upon receipt of the DD 200 with Block 16 completed, or if no response is received after 30 days, FLIPL debt collection will be processed by the losing command approving authority. The gaining command is only responsible for notifying the person held liable, and for obtaining acknowledgment on Block 16 of the DD 200. Debt collection procedures will be executed by the disbursing officer/finance officer (DO/FO) supporting the losing command.

4. If the approving authority does not assess financial liability, the losing FLIPL manager will notify the person who was responsible for losing or damaging the property and close the case.

030810. Gaining Command Financial Liability Investigation of Property Loss (FLIPL) Manager Responsibilities. In coordination with the legal or administration section, the gaining FLIPL manager will:

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- A. Upon receipt of the FLIPL documents, contact the commander of the individual charged and arrange for pickup or delivery of the documents.
- B. Notify the losing FLIPL manager to acknowledge receipt of the documents and include the date that the individual or their commander received the documents.
- C. Send the file back to the losing FLIPL manager indicating any discrepancies if it appears that provisions of this policy have not been complied with.
- D. Follow-On Actions. Advise the losing FLIPL manager once the individual being assessed is notified. At that time the gaining FLIPL manager will no longer be involved. Subsequent actions such as requests for reconsideration, appeals, waiver requests, and debt collections, will be conducted directly between the individual (or the individual's commander) and the losing command.

030811. Interaction With the Disbursing Officer/Finance Officer (DO/FO). FLIPL managers will work closely with the DO/FO to assure actions related to payroll deductions and debt collections are processed promptly. Once the approving authority has assessed financial liability and applicable due process procedures are completed, the losing FLIPL manager will provide a copy of the completed DD 200 to the DO/FO to execute debt collection actions.

0309 RESPONSIBILITIES OF THE HIGHER HEADQUARTERS COMMANDER

Under certain circumstances, approving authorities must forward DD 200 FLIPLs to the next higher commander/approving authority for action as follows.

030901. Action on DD 200 Financial Liability Investigation of Property Loss (FLIPLs)

- A. No person may act as an appointing authority or approving authority that has had personal responsibility or accountability for the property listed on the DD 200 at the time the property became lost, damaged, destroyed, or stolen. In such cases, the next higher commander or Marine Corps civilian employee in the chain of command will act as the appointing authority or the approving authority.
- B. For DD 200s containing recommendations affecting general officers or SES employees, the next general officer or SES employee in the chain of command senior to the general officer or SES employee being recommended for assessment of, or relief from, financial liability becomes the approving authority.
- C. As stated in paragraph 0304 above, DD 200s that exceed the authorized dollar threshold of an approving authority must be forwarded to the next higher approving authority in the chain of command for action.

030902. Action on Appeals. Individuals charged with financial liability may submit an appeal to the next higher approving authority in the chain of command if they think the facts of

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the case do not support an assessment of financial liability. A sample appeal letter is provided in Appendix G.

A. Approving Authority. The original approving authority must forward the appeal letter, DD 200, and all supporting documents to the next higher approving authority in the chain of command.

B. Next Higher Approving Authority. Prior to reviewing the appeal, the next higher approving authority, as the appeal authority, will forward all related documents to the cognizant SJA with direction to provide a written opinion as to its legal sufficiency. Opinions and recommendations of the SJA will be attached to the DD 200 before the appeal authority's review. Once received, the appeal authority will review the DD 200 and appeal to determine if the evidence offered by the individual charged provides grounds to relieve them from financial liability. After review, the appeal authority may:

1. Direct the original approving authority to reopen the financial liability investigation and conduct further investigation to clarify matters specified by the appeal authority.
2. Grant relief of financial liability in whole or in part based on the facts and evidence contained in the file.
3. Deny relief of financial liability to the individual.
4. After review and decision by the appeal authority, the DD 200 with all supporting documents will be returned to the original approving authority for action under a formal memorandum. The memorandum will state decisions by the appeal authority and required actions to be taken.
5. All decisions made by the next higher approving authority regarding financial liability are final.

C. Delegated Approving Authority. Per paragraph 020207 in this Volume, general officers in command may delegate approving authority responsibilities to the most appropriate staff principal. Once delegated approving authority in writing, this individual may also serve as the appeal authority for DD 200 appeals from subordinate organizations.

030903. Discretionary Authorities. The member or employee will not pay more than one month's base pay, unless they fall into one of the following categories: SupO or APO; individuals losing public funds; or individuals who lose, damage, or destroy government quarters, furnishings, or equipment in quarters due to gross negligence or willful misconduct. In these cases, the individual may be assessed the full amount of the loss to the government. Base pay is determined at the time of the incident, not when the FLIPL is completed. Approving authorities may exercise certain discretion regarding assessments of financial liability if they provide written rationale. Based on the circumstances of each case, the approving authority may impose financial liability in an amount equal to the amount of the loss or damage (up to one month's basic pay), or in some lesser amount deemed appropriate, or relieve an individual from liability. In determining the amount of financial liability, the approving authority may consider factors including, but not limited to:

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- A. The degree of abuse or negligence involved.
- B. The extent, if any, to which involuntary collection would cause substantial financial hardship, constitute a clear injustice, or adversely impact unit morale and discipline.
- C. Any prior instances of abusive or negligent conduct toward government property.
- D. The degree of risk arising from assigned duties.
- E. The degree of experience and training of the individual.

030904. Major Subordinate Command (MSC), Marine Expeditionary Force (MEF) and Marine Force (MARFOR) Financial Liability Investigation of Property Loss (FLIPL) Managers. The MSC, Marine Expeditionary Force (MEF) and Marine Force (MARFOR) FLIPL managers will be assigned in writing by the commander or designated staff member and will:

- A. Review all FLIPLs and appeals requiring action at their level to ensure all administrative requirements have been met.
- B. Prepare correspondence pertaining to FLIPLs and appeals.
- C. Maintain receipt and suspense registers to control documents received.
- D. Provide guidance to subordinate FLIPL managers, including the development of command administrative procedures to supplement this policy.
- E. Keep the command approving authority apprised of the status of the FLIPL program.
- F. As appropriate, keep the next higher command FLIPL manager apprised of ongoing FLIPLs.

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VOLUME 17: CHAPTER 4

“COMPUTING FINANCIAL LIABILITY”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER VERSION	PAGE PARAGRAPH	SUMMARY OF SUBSTANTIVE CHANGES	DATE OF CHANGE

CHAPTER 4

COMPUTING FINANCIAL LIABILITY

0401 GENERAL

This chapter provides policy and guidance for computing the actual monetary loss to the government when property is lost, damaged, destroyed, or stolen.

0402 COMPUTING FINANCIAL LIABILITY

As a part of the FLIPL process, the FLO must determine the value of loss to the government when recommending an assessment or relief of financial liability. If financial liability is assessed without appointing a FLO to conduct an investigation, the SupO or APO will determine the value of loss to the government in accordance with this chapter. The actual loss to the government is the difference between the value of the property immediately before its loss, damage, or destruction, and its value immediately after. Once the actual loss to the government is computed, financial liability assessed against an individual will be limited to the amount of actual loss. See paragraph 060604 for additional information on the amount of liability that an individual can be assessed.

0403 VALUE OF REPAIRABLE PROPERTY

The value of loss for repairable property will be the repair cost required to return the damaged property to the condition it was in at the time of damage, or the value of the item at the time of the damage -whichever is less. The value of repairable property is the lesser of the following computations:

040301. Repair Cost. The cost of repairs consists of the sum of the costs of material, labor, overhead, and transportation, minus any salvage or scrap value of replaced component parts. If repair makes the item more valuable than it was at the time of the loss, reduce the cost of repairs by the amount of the increase in value. Maintenance personnel will compute the actual repair cost. When actual repair costs cannot be determined, they will prepare an itemized list of the estimated cost of damage. An estimate will be used to compute the value of a loss only when actual costs cannot be obtained within a reasonable time. When an estimate is used to compute the value of the damaged property, the DD 200 must state why, and state the basis on which the estimate was made.

040302. Adjusted Repair Cost. When an estimated cost of damage is used in the interest of expediency to process a FLIPL, the repair of damaged property will be followed through the repair process to determine the actual cost of repairs. When the actual cost of damage is less than the estimate, the FLIPL manager of the DD 200 will cause it to be reopened and the appropriate DO/FO will be requested to reimburse the difference to the charged individual.

0404 VALUE OF LOST, DESTROYED, OR IRREPARABLY DAMAGED PROPERTY

The value of lost, destroyed, or irreparably damaged property will be the actual value of the property at the time of the loss, minus any salvage or scrap value. Actual value at the time of the loss or damage may be computed in one of two ways.

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040401. Fair Market Value. The preferred method of determining the value of property at the time of loss or damage is by a qualified technician's two-step appraisal of its fair market value. First, a technician must determine the condition of the item at the time of the loss or damage through personal knowledge, review of maintenance records, conversations with using personnel, and any other means available. Second, the commercial market must be reviewed to determine the price that similar items in similar condition have sold for in commercial transactions within the last 6 months. Appraisal guides accepted in the commercial market may be used for this purpose. The fair market value is the preferred method of fixing the value of property at the time of loss; however, it is not always practical since much of the Marine Corps' inventory is not available on the commercial market.

040402. Depreciated Value. When determination of fair market value is not possible or equitable, the value at the time of the loss or destruction may be computed by subtracting depreciation from the standard price of a new item at the time of acquisition. Standard price information is contained in Federal Logistics Information System Web Search, Defense Property Accountability System (DPAS), Global Combat Support System – Marine Corps (GCSS-MC) or the Total Force Structure Management System (TFSMS). Depreciation is not deducted for loss or damage to new property. Compute depreciated value for all property not listed below at 5 percent per year of service, up to 75 percent. If the time in service cannot be determined, depreciate a standard 25 percent.

A. For individual combat clothing and equipment (ICCE) items and non-power hand tools, depreciate by 10 percent for each such item.

B. For items made of relatively perishable material such as leather, canvas, plastic, or rubber (except for ICCE), depreciate by 25 percent for each such item.

C. For electronic equipment and office furniture, depreciate 5 percent per year of service, up to 50 percent.

D. For tactical and general purpose vehicles, depreciate 5 percent per year of service, up to 90 percent. Total depreciation will not exceed 90 percent.

E. For government furnished quarters, furnishings will be depreciated 5 percent per year of service, up to 50 percent.

F. Small arms are not depreciated.

G. The rates of depreciation above are based on normal use, and may be increased or decreased based on facts showing more or less than average use.

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Sample Calculations for Depreciated Value				
Item Name	Original Unit Price	Placed in Service Date	Depreciation	Amount of Liability
MTVR	\$107,800	N/A	\$26,950.00	\$80,850.00
HMMWV	\$98,950	2003	\$59,370.00	\$39,580.00
Printer	\$3,200	2013	\$480.00	\$2,720.00
Tent	\$1,700	N/A	\$425.00	\$1,275
Helmet	\$350	N/A	\$35.00	\$315.00

Sample Formula: When Placed in Service Date is Known

$$\begin{array}{c}
 \begin{array}{ccccc}
 & & (.05 \times 12) & = & .60 & * & \$98,950.00 & = & \$59,370.00 \\
 & \uparrow & \uparrow & & \uparrow & & \uparrow & & \uparrow \\
 \text{Depreciation Rate} & & \text{Years of Service} & & & & \text{Unit Price} & & \text{Amount of Depreciation}
 \end{array} \\
 \\
 \$98,950.00 - \$59,370.00 = \$39,580.00 \\
 \begin{array}{ccccc}
 \uparrow & & \uparrow & & \uparrow \\
 \text{Unit Price} & & \text{Amount of Depreciation} & & \text{Amount of Liability}
 \end{array}
 \end{array}$$

Sample Formula: When Placed in Service Date is Not Known

$$\begin{array}{c}
 \begin{array}{ccccc}
 & & .25 & * & \$107,800.00 & = & \$26,950.00 \\
 & \uparrow & \uparrow & & \uparrow & & \uparrow \\
 \text{Depreciation Rate} & & & & \text{Unit Price} & & \text{Amount of Depreciation}
 \end{array} \\
 \\
 \$107,800.00 - \$26,950.00 = \$80,850.00 \\
 \begin{array}{ccccc}
 \uparrow & & \uparrow & & \uparrow \\
 \text{Unit Price} & & \text{Amount of Depreciation} & & \text{Amount of Liability}
 \end{array}
 \end{array}$$

Figure 4-1. Formula for Calculating Depreciated Value and Sample

0405 CREDIT FOR SALVAGE AND SCRAP VALUE

When property is damaged to the point it must be scrapped, salvage credit is allowed for the salvage or scrap value, including the scrap value of parts recovered from the property which has been repaired.

040501. Repairable Items. When items are repaired, allow for the scrap value of the repair parts, components, or assemblies recovered from the item; however, these reclaimable parts must be depreciated by the same factor that is used to depreciate the whole item. For example, a vehicle costs \$200,000, and a 50 percent credit (or \$100,000) was allowed for depreciation. If a

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mechanic removed \$500 worth of reclaimable parts from the vehicle, only a 50 percent credit (or \$250) would be allowed for depreciation on the reclaimable parts for the vehicle.

040502. Items Beyond Repair. If an item has been damaged to the point it has to be scrapped, allow credit for the salvage or scrap value of the item or parts. When the entire item is turned in, obtain the information on the credit from the Defense Logistics Agency Disposition Services Field Office, which determines the amount of credit.

0406 FAIR WEAR AND TEAR

The value of loss to government quarters or related furnishings or equipment due to fair wear and tear is exempt from financial liability. Fair wear and tear will be determined by a qualified technical inspector.

0407 DETERMINING THE ACTUAL LOSS OR DAMAGE TO THE GOVERNMENT

The actual loss to the government is the difference between the value of the property immediately before its loss or damage and its value immediately after. There are four means of determining actual costs for the loss or damage of government property, and the corresponding amount of financial liability. The following steps must be considered in sequence.

040701. If the item is repairable, the charge will be based on the actual cost of repairs.

040702. If the item cannot be repaired because it is too badly damaged, a technical inspector must determine the market value of the item after the damage. Salvage credit must be included when appropriate.

040703. If the item is not repairable and a technical inspection is impossible (e.g., when an item is lost or completely destroyed in a fire), apply the appropriate depreciation formula to determine the property value.

040704. Deduct the standard rebuild cost from the value of the item.

0408 ACTUAL COST OF REPAIRS

If an item can be repaired, the charges must be based on the cost of repairs minus certain allowances. Although owning activities must compute the actual cost of repairs to determine the amount of financial liability, processing a DD 200 document, to include final charges against the individual involved, will not be delayed pending the completion of repairs. When the actual cost of repairs cannot be obtained in time to complete processing a DD 200 within the time limits established in paragraph 0207, technical personnel will make an itemized list of the estimated cost of repairs. The DD 200 will then be completed with the understanding that if the actual cost of repairs is less than the estimated cost of repairs, the DD 200 will be reopened, the charges amended, and the difference will be reimbursed to the individual.

040801. When computing the actual cost of repairs, charge for the following expenses:

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A. Direct Materials. For instance, if a fender is damaged and is not repairable, charge for the cost of the new fender.

B. Direct Labor. Charge for the actual rate paid for civilian labor.

C. Overhead Costs. Use the amount computed by using the authorized local cost accounting systems at a government repair activity.

D. Transportation Costs. Charge for the cost of shipping the item to and from the repair facility.

040802. When computing the actual costs, allow for circumstances that affect the actual loss to the government. For example, if extensive repairs enhance the value so that the item is worth more than it was before the repair, make an allowance for the increase in value.

040803. Credit for repairs made but not needed to return the damaged property to the condition it was in immediately before the incident causing the damage. It may be more economical to refurbish the damaged item rather than repair just the damaged portion.

0409 TECHNICAL INSPECTION

Technical inspections will be documented prior to the repair or turn-in of the damaged property.

040901. Definition of Technical Inspection. A technical inspection determines the extent of damage and establishes whether the item is repairable. It also involves an appraisal to determine the value of the item just before it was damaged or destroyed.

040902. Need for a Technical Expert. A technical inspector must have a thorough knowledge of the item and its uses, mechanisms, and functions and must have broad experience in dealing with the type of item. In most cases this person will be a representative of the maintenance support for the installation or activity. The technical inspector will have to determine the prices of the same or similar items sold in the commercial markets at or about the time of the loss.

040903. Decision on the Fair Market Value of an Item. If the fair market value appears to be unfair to the government or the respondent, that value will not be used. For instance, if the acquisition cost of a pair of binoculars was \$97, and they are now being sold on the open market for \$175, the respondent cannot be charged \$175.

0410 COMPUTATION STATEMENT

When allowances are made for depreciation, the FLIPL must include a statement indicating the factors considered and methods by which the depreciation was computed so that a proper assessment may be made by the approving authority. GCSS-MC, DPAS, and TFSMS will be utilized to provide the information below. This statement and supporting documents will be attached to the DD 200 and will include:

041001. Source of published depreciation factors.

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- 041011. Date of manufacture.
- 041012. Original acquisition cost.
- 041013. Replacement cost of a like item and source of this quotation.
- 041014. Estimated life expectancy.
- 041014. State of obsolescence.

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VOLUME 17: CHAPTER 5

“PAYMENTS, COLLECTIONS, REFUNDS”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER 5

PAYMENTS, COLLECTIONS, REFUNDS

0501 GENERAL

This chapter outlines policy, responsibilities, and procedures for voluntary payments, involuntary collections, and refunds after the final assessment of financial liability has been determined by the appropriate approving or appointing authority. Most importantly, involuntary collection may not begin until the individual charged receives final notification of financial liability by the original approving or appointing authority, or the higher headquarters approving authority in the case of an appeal. In all cases, initiation of a DD 200 is required to serve as a voucher document to adjust the accountable property records.

0502 VOLUNTARY PAYMENTS

Marine Corps personnel and employees may voluntarily pay the government for lost, damaged, destroyed, or stolen government property. Voluntary payment may be made any time during the FLIPL process. In some cases, voluntary payments are made without the assessment of financial liability by the approving or appointing authority. In other cases voluntary payments are made as a result of the approving/appointing authority's assessment. For voluntary payments, the DD 200 does not require a review and endorsement by the supporting SJA. Voluntary payment may be accepted providing the following criteria are met:

050201. The individual is offering the payment on their own volition and is not being coerced or threatened with adverse action if payment is not made.

050202. The individual is aware that an agreement for voluntary payment may not later be revoked.

050203. The individual is aware that the normal avenues of relief (request for reconsideration, appeal, or waiver) are not available if voluntary payment is made.

050204. If the loss or damage exceeds one month's basic pay and the individual offers to voluntarily pay one month's basic pay, voluntary payment can be accepted if the loss or damage does not involve:

A. Assigned government quarters damage where gross negligence or willful misconduct may be evident.

B. Loss of public funds.

C. Loss or damage where a SupO or APO is involved.

050205. Completing the DD 200. Per paragraph 0501 above, individuals choosing to voluntarily pay for the loss, damage, destruction, or theft of government property must submit a DD

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200 to serve as a property adjustment voucher by the accountable officer who accounts for the lost property.

A. When submitting the DD 200, the individual must make a statement in Block 9 that they volunteer to pay for the lost property and they understand their rights (see paragraph 0502 above and Chapter 9 in this Volume). The DD 200 should then be routed to the approving or appointing authority, via the SupO/APO, for signature.

B. If the approving or appointing authority notifies the individual responsible for the loss or damage that financial liability is assessed, the individual may voluntarily pay the amount specified on the DD 200 and corresponding assessment letter.

C. In these situations, the FLIPL process is terminated and the FLIPL Register is annotated to reflect voluntary payment. By making voluntary payment at this time, the individual thereby relinquishes the right to request reconsideration, appeal, waiver, or any other relief from financial liability. Debt collection/payment will then be processed via the supporting DO/FO.

050206. Voluntary Payment Documentation

A. Active duty and Reserve Marines. Voluntary payments from active duty and Reserve Marines are processed via a DD 200 and a NAVMC 6 "Cash Sales/Request for Checkage for Government Property." This includes voluntary payments via cash, check, or pay checkage.

B. Government civilian employees (cash or check). Voluntary payments from government civilian employees in the form of cash or check are processed via a DD 200.

C. Government civilian employees (pay checkage). Voluntary payments from government civilian employees requesting a pay checkage or salary offset are processed via a DD 139 "Pay Adjustment Authorization."

D. Military members of the other Services. Voluntary payments from military personnel from the other Services (Navy, Army, Air Force, Coast Guard) are processed via a DD 139. The form of payment will be a pay checkage.

050207. Document Processing Requirement.

A. Organizational commanders/approving authorities normally coordinate voluntary payment documents for the loss, damage, destruction, or theft of government property issued to their activities or to persons under their command or administrative control. If designated in writing, voluntary payments may also be coordinated by appointing authorities. The SupO or APO must develop and issue procedures for preparing and processing voluntary payment documents (e.g., NAVMC 6, DD 200, etc.).

B. Where lost, damaged, destroyed, or stolen property is recorded on property control records, the DD 200 must be used as a voucher document to support adjustment of the property account.

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0503 INVOLUNTARY COLLECTIONS

This paragraph establishes debt collection procedures to be followed when financial liability is assessed and the individual charged does not volunteer to pay the amount assessed. Consent by Marine Corps personnel or employees is not required for the collection of FLIPL debts. The organization responsible for paying the Marine Corps member or employee shall determine the maximum amount to be collected each month. References (a), (c), and (h) apply.

050301. Involuntary Collections from Marine Corps Personnel and Employees

When a Marine Corps member or employee is held financially liable, the approving authority will notify the individual in writing of the type and amount of the debt being assessed. A sample Financial Liability Assessment Letter is provided in Appendix E. The letter must be hand-delivered with a receipt of notice executed; or sent by certified or registered mail with return receipt requested. Because the Marine Corps must be able to demonstrate that individuals held financially liable have received demand letters and notices of intent to effect involuntary collection, these receipts must be included in the FLIPL case file. The written notification advises the individual of the following:

A. The requirement to make lump-sum remittance within 30 days from the date of the written debt notification, and the right to request a written agreement to repay the debt in installments. A request for installment payments must be accompanied by the debtor's financial statement submitted under penalty of perjury.

B. The right to inspect and copy the DD 200 and all supporting documents relating to the debt.

C. The right to request reconsideration of the approving or appointing authority's decision (see Appendix F for a sample letter).

D. The right to appeal the findings of the FLIPL. The appeal must be submitted within 30 days from the date the individual is notified that their request for reconsideration has been denied by the approving authority.

E. The intention of the Marine Corps to make involuntary deductions from the individual's pay if voluntary lump-sum payment is not made within 30 days of liability notification or completion of the appeal process if an appeal is filed and the financial liability is upheld.

F. That any portion of the debt uncollected at the time of employment termination will be collected from the individual's final pay and allowances.

050302. Involuntary Collections from Marine Corps Personnel

The references cited in paragraph 010202 above define statutory and regulatory authority for the involuntary collection of indebtedness from active duty and Reserve Marines. After the approving or appointing authority assesses financial liability, the following procedures apply:

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A. The individual will be notified by the approving authority and will be given 30 days to pay the amount due. If payment, a request for reconsideration, or an appeal is not arranged within 30 days, the approving authority will send the DD 200 with attachments to the DO/FO for recording on the individual's pay record and initiation of involuntary collection action. Involuntary collections will be processed according to reference (h) and other appropriate accounting and finance directives.

B. The individual may request reconsideration within five days of the assessment of financial liability. If the request for reconsideration is denied by the approving authority and the individual intends to submit an appeal, the approving authority will forward the appeal to the next higher approving authority (appeal authority). If the appeal is granted, no collection action will be taken. If the appeal is denied, the original approving authority will notify the individual of the decision and will initiate involuntarily collection of the debt.

C. Occasionally, collection is made from a member whose pay record is maintained by another servicing DO/FO. The supporting document for such a collection is a DD 200 signed in Block 14g by the approving authority. The DO/FO will process the appropriate Transaction Type Code to record the debt on the member's pay record.

050303. Involuntary Collections from Civilian Employees

A. The references cited in paragraph 010202 above define statutory and regulatory authority for the involuntary collection of indebtedness from an appropriated fund civilian employee. FLIPL appeal channels must be exhausted before processing involuntary salary offset per reference (a).

B. FLIPL appeal rights are forfeited if the appeal is not submitted within established time frames. If the appeal right is forfeited, or if the appeal is denied, the case file will be returned to the FLIPL approving authority. Authority to offset from retired civilian pay is provided in reference (a) Section 5514 and reference (h) Volume 8, Chapter 8. The authority for the involuntary collection of indebtedness from a Marine Corps NAF employee is located in reference (j). In all cases, involuntary collection from government civilian employees is processed via a DD 200.

C. The FLIPL manager must establish a suspense file for all FLIPL cases referred to the employee's organization for completion of due process procedures. Initial follow-up with the employee's organization will be accomplished 45 days after the case is referred and subsequently at 30-day intervals until collection action is completed or the FLIPL case is returned for involuntary collection action. Employee organizations are required to certify completion of due process procedures before submission to the DO/FO for involuntary collections.

050304. Collection From Military Members From The Other Services. When financial liability has been assessed against military personnel from another Service (e.g., Army, Navy, Air Force, Coast Guard), the following procedures apply:

A. Notify the member in the same manner as for Marine Corps members. Request lump-sum payment of the amount due.

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B. If after 30 days from initial notification, the member fails to pay, either in lump-sum or installments, and there is no indication that a request for reconsideration or an appeal was submitted within allowable timeframes, send the filed DD 200 with attachments to the finance office for referral to the Defense Finance and Accounting Service (DFAS) for collection assistance.

050305. Collection From Separated Members. If a Marine Corps member separates before a FLIPL is completed, the following procedures apply:

A. If the member has not been notified of an assessment for financial liability before their separation, notification must be given in the same manner as for active duty members. If the separated member does not respond to the initial notification within 30 days, the DD 200 must be sent to the approving authority for final action. If the approving authority assesses financial liability, the DD 200 must be transferred to the DO/FO for referral to DFAS for collection assistance. Notification letters must be included in the case file.

B. If a member separates after signing Block 16g of the DD 200, but before the approving authority assesses financial liability, give notification of the approving authority's assessment in the same manner as for active duty members. If after 30 days from initial notification the separated member fails to respond, transfer the filed DD 200 to the DO/FO for referral to DFAS for collection assistance. Include notification letters in the case file.

C. There may be cases when losses are discovered after a member leaves the Marine Corps and the member is not receiving any pay from DFAS. In these situations, an after-the-fact FLIPL must be processed and an attempt must be made to obtain reimbursement to the government for the lost, damaged, or destroyed property in the same manner that a FLIPL would be processed if the person was still on the Marine Corps payroll.

D. Do not send FLIPL files to the DO/FO until the procedures in this paragraph have been accomplished unless the debtor cannot be contacted. If files are transferred to the DO/FO, they must contain the member's last known address.

050306. Collection From Retired Members. If a Marine Corps member retires before a FLIPL is completed, the following procedures apply:

A. If the member has not been notified of an assessment for financial liability before retirement, accomplish notification and disposition in the same manner as a separated member.

B. If local collection cannot be made using procedures prescribed in this paragraph, the DD 200 with attachments must be transferred to the DO/FO. The DO/FO will run the appropriate Transaction Type Code to put the member's active duty pay record in debt. Once that is accomplished, the DO/FO will transfer the debt to DFAS to initiate debt collection from the retired pay account.

C. If a member has acknowledged an assessment of financial liability by signing Block 16g of the DD 200 before retirement, notification of the approving authority's assessment is

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accomplished in the same manner as a separated member. If local collection cannot be made, transfer the DD 200 for collection to the DO/FO.

D. Do not send FLIPL files to the DO/FO for referral to DFAS for collection until the procedures in this paragraph have been accomplished. If files are transferred to the DO/FO, they must contain the amount of the debt.

050307. DD 200 Requirements for Involuntary Collections. When processing a DD 200 for involuntary debt collection, the DD 200 must contain the following elements for proper processing by the DO/FO or DFAS:

- A. The dollar amount to be collected.
- B. Signature of the approving authority or appointing authority.
- C. SJA endorsement verifying negligence by the individual.
- D. Signature of the individual if possible.

050308. Cases Not Covered By This Paragraph. In these cases, the approving authority or appointing authority should query the DO/FO regarding how to address the problem.

0504 REFUNDS

If an erroneous collection has been made, the approving authority will inform the individual concerned of the adjustment, authorize refund of the amount collected, and advise the DO/FO in writing to process the refund. The refund voucher must be supported by references to the collection voucher or military pay order number used for the initial collection and a copy of the document containing the reason for the refund. If final action on the FLIPL was made by the higher command approving authority, correspondence authorizing repayment must be sent to the unit of origin. Attach the correspondence to a copy of the DD 200.

050401. Members Reassigned. If a member from whom a collection was made has been transferred from the organization originating the charge, all concerned should refer to paragraph 0308.

050402. Members Retired. The approving authority must notify the DO/FO to prepare refund documentation if the member's address is known. The refund voucher must be properly supported by documents authorizing the refund. If the member's address is not known, obtain a current mailing address from the DO/FO or from DFAS and notify the DO/FO accordingly. Do not transfer the file to DFAS for refund action.

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VOLUME 17: CHAPTER 6

“RIGHTS OF THE INDIVIDUAL”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER 6

RIGHTS OF THE INDIVIDUAL

0601 GENERAL

This chapter provides policy regarding the rights of an individual once financial liability has been assessed by the approving or appointing authority.

0602 RIGHTS OF THE INDIVIDUAL IF THE APPROVING AUTHORITY ASSESSES FINANCIAL LIABILITY

If the approving authority determines that a member or civilian employee should pay for the loss, damage, destruction, or theft of property, the approving authority must allow the individual to examine the entire FLIPL package and to submit a request for reconsideration if necessary. Additionally, the approving authority must inform the individual of their right to submit an appeal to the next higher approving authority if their request for reconsideration is denied. In order to challenge the FLIPL decision, the member or employee must submit evidence to the approving authority within certain time limits.

060201. Processing DD 200s. If the approving authority believes the individual is liable, he or she will forward the report to the SJA for legal review. If the report is determined to be legally sufficient, the approving authority will notify the individual in writing if he or she intends to hold them financially liable. This letter will also inform the individual of the following rights:

- A. To inspect and copy all records relating to the FLIPL.
- B. To request reconsideration.
- C. To submit an appeal to the next higher approving authority.
- D. To request extension of the collection period.
- E. To request a waiver or cancellation of the indebtedness for damage or destruction to government housing; however, the member or employee must request this before the entire amount is collected from their pay.
- F. If the individual does not exercise the above rights, or if they are unsuccessful, then the amount owed will be withheld from their pay within 30 to 60 days.

060202. Amount of Liability. The financial loss is calculated using the lost item's current fair market value and depreciation. The member or employee will not pay more than one month's base pay, unless they fall into one of the following categories: SupO or APO; persons losing public funds; or persons who lose, damage, or destroy government quarters, furnishings, or equipment in quarters due to gross negligence or willful misconduct. Base pay is determined at the time of the incident, not when the FLIPL is completed. For Marine Corps Reserve personnel, one

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month's base pay refers to the amount that would be received by the service member if on active duty.

0603 REQUESTS FOR RECONSIDERATION

Marine Corps members and employees may request reconsideration of financial liability from the approving authority based on inaccuracies or erroneous decisions in the FLIPL investigation.

060301. Justification. The request for reconsideration must state why the individual believes the approving authority's assessment of financial liability is erroneous, including a complete description of the facts, evidence, and summary of testimony of any witnesses that support the change in proximate cause (see paragraph 060401.B below). The individual should attach copies of any pertinent records they wish to be considered if they differ from those records previously provided by the approving authority.

060302. Time Limits. The time limits for submitting a request for reconsideration vary depending on how the approving authority notified the individual. If the individual received the approving authority's notification letter and FLIPL package in person, then they have five calendar days from that date to submit a request for reconsideration. A sample request for reconsideration letter is provided in Appendix F. If the individual was notified by mail and they reside in the same country as the approving authority, they have 15 days from the date the FLIPL was received to respond. If they are in a different country from the approving authority, they have 30 days from the date the FLIPL was received to respond.

060303. Decision by the Approving Authority. After reviewing the request for reconsideration from the individual charged, the approving authority will decide whether to accept the request and relieve the individual of financial liability, or deny the request and inform the individual of their right to appeal the decision to the next higher approving authority. In both cases, the approving authority will provide his decision to the individual as an endorsement to the request for reconsideration letter.

0604 APPEALS

In cases when the approving authority has denied a request for reconsideration from an individual, the individual charged has the right to submit an appeal to the next higher approving authority. A sample appeal letter is provided in Appendix G.

060401. Content of the Appeal. To properly appeal the approving authority's decision, the individual must know the basis for the decision. Therefore, it is vital that they carefully read the FLIPL findings and recommendations. In order for the approving authority to assess liability, he or she must find, based on the facts in the report, that the individual willfully or negligently caused the property to be lost, damaged, destroyed, or stolen.

A. Willful Misconduct. To find the individual liable, the approving authority must establish that their intentional wrongful or unlawful act or omission resulted in a loss, damage, destruction, or theft of government property.

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B. Negligence and Proximate Cause. To find the individual liable, the approving authority must establish that they were negligent and that negligence was the proximate cause of the loss, damage, destruction, or theft. Consult with the cognizant SJA in the event of questions regarding these concepts. A four-part test must be followed before determining financial liability.

1. Part 1: The individual must have a duty to care for the property. This duty can arise in numerous ways such as: signing for the property; responsibility for supervising individuals using the property; custodial responsibility; or having physical possession of the property.

2. Part 2: The individual must have breached the above-described duty of care. Whether the individual breached the duty of care depends on the circumstances in each case. The standard to be applied is whether they acted in a manner that a reasonable person would have acted if faced with the same situation. Acts or omissions can cause breaches.

3. Part 3: The individual's negligence (breach of duty) was the proximate cause of the loss, damage, destruction, or theft. The breach of duty cannot be merely a potential factor in the cause of the loss, but rather the act or omission that actually caused the loss.

4. Part 4: There must be a loss to the government, which includes loss of accountability.

C. Gross Negligence. In some cases, it is pertinent whether the negligence exceeded simple negligence. In those cases, the approving authority will determine whether the loss resulted from gross negligence. To find gross negligence, the approving authority must establish that in addition to breaching the four-part test above, the individual's conduct was an extreme departure from the course of action to be expected of a reasonably prudent person. An act of gross negligent is characterized by a reckless, deliberate, or wanton disregard of the foreseeable consequences.

D. Evidence. The individual should gather any documents, photos, statements, and other facts that will support their position. The appeal should explain why the approving authority's decision is erroneous, and why the facts surrounding the individual's case supports their position.

060402. Processing the Appeal.

A. The appeal must be submitted in writing and specifically state the alleged errors or injustices occurring during the FLIPL process.

B. Appeals must be submitted to the approving authority within 30 days of the date the individual's request for reconsideration was denied by the approving authority, or 30 days from the date the individual was notified of an assessment of financial liability in cases where a request for reconsideration was not made.

C. The approving authority must forward the DD 200 and appeal to the next higher approving authority in the chain of command for adjudication. This must occur within five working days from the date the appeal is received.

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060403. Preparation of Financial Liability Investigation of Property Loss (FLIPL) Files for Forwarding. The appeal file forwarded to the next higher approving authority must contain the following documents:

- A. The appeal letter from the individual.
- B. DD 200 and all supporting documents.
- C. The request for reconsideration letter from the individual, with an endorsement from the approving authority indicating the reasons for denying the request for reconsideration.
- D. A statement which responds to each contention or allegation raised against the individual.
- E. Any additional information that would assist the next higher approving authority in ruling on the appeal.

0605 CHANGES TO A DD 200 FLIPL

After a final determination of financial liability has been made by the approving authority under the provisions of this policy, a FLIPL will not be reopened, corrected, or altered in any manner except as provided in this paragraph.

060501. Change in Approving Authority. If the approving authority who took action on the original DD 200 no longer has such authority (e.g., transfer, separation, relief of approving authority, etc.), the DD 200 will be submitted to the relieving individual with approving authority. All required actions to complete the FLIPL process will be performed by the relieving approving authority.

060502. Minor Corrections. Minor corrections which do not involve important changes in findings or recommendations of the FLO or in the action of appointing or approving authorities may be made on the original FLIPL on file.

060503. Cancellation. Cancellation of a finalized FLIPL that was used to adjust property control records is seldom necessary or desirable; however, the approving authority who took action may cancel the original FLIPL if circumstances warrant. This could include duplicate FLIPLs for the same items, or discovery of items previously reported as lost. The approving authority canceling a FLIPL must notify each activity involved and ensure all actions taken to adjust the property records are reversed.

060504. New Evidence. If new evidence or information becomes available, the approving authority may reopen a FLIPL. Amending action may be taken with or without reinvestigation; however, the approving authority may direct the FLO to further investigate the case as appropriate. Upon completion of the additional investigation, the FLIPL must be resubmitted through original channels to the approving authority taking previous action. A notice of corrective action on a FLIPL must be communicated to all activities involved.

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060505. Property Recovered Is Damaged. When property believed to be lost and dropped from property records by an approved FLIPL is later found but is damaged, the original FLIPL will be canceled and a new FLIPL initiated to:

- A. Establish responsibility for the damage.
- B. Establish financial liability if warranted.
- C. Establish monetary loss or cost of repair.
- D. Dispose of unserviceable property.

0606 HOUSING DAMAGE WAIVERS

Approving authorities may waive all or part of the assessed liability for damage to government accommodations based on the circumstances in the case. See Chapter 8 in this Volume for more information.

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VOLUME 17: CHAPTER 7

“CATEGORIES OF PROPERTY”

SUMMARY OF SUBSTANTIVE CHANGES

Hyperlinks are denoted by ***bold, italic, blue and underlined font.***

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CHAPTER VERSION	PAGE PARAGRAPH	SUMMARY OF SUBSTANTIVE CHANGES	DATE OF CHANGE

CHAPTER 7

CATEGORIES OF PROPERTY

0701 GENERAL

Per reference (h) and Volume 4 of this Order, for the purposes of physical inventory control, all Marine Corps property falls within the two categories of supply system stocks and property record items. This chapter defines these categories and provides specific policy and procedures for processing DD 200 FLIPLs when the loss, damage, destruction, or theft of property is discovered.

0702 SUPPLY SYSTEM STOCKS

This paragraph applies to Marine Corps property stored in inventory locations defined as “supply system stocks” and contains procedures to be followed when discrepancies are discovered.

070201. Supply system stocks are those inventories where a stock record account is required to be maintained in a Marine Corps-approved accountable property system of record (APSR) (e.g., GCSS-MC or Ordnance Information System – Marine Corps), showing by item, the receipt, issue, and disposal of property, balances on hand, and such other identifying or stock control data as may be required to record its position within the supply chain en route to its end use. Supply system stocks can include operating materials and supplies (OM&S), inventory, and military equipment not in use. This includes in-stores equipment and retail inventories financed by stock funds and other appropriations for issue to end-use customers.

A. Operating Materials and Supplies (OM&S). OM&S is tangible personal property to be consumed in normal operations. Repairables and consumables that are not for sale are considered OM&S. This includes ordnance.

B. Inventory. Inventory is materiel, titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal.

C. Military Equipment Not In Use. This includes military equipment positioned in storage locations for issue to end-use customers (i.e. Stores Account Code 1 Table of Authorized Materiel Control Number (TAMCN) items positioned at intermediate activities).

070202. If a loss occurs in supply system stocks because supervisors did not ensure that stocks were properly inventoried, this may be the basis for finding an individual negligent in the performance of assigned duties.

070203. Guidance. Inventory managers (i.e., OIC for the Supply Management Unit (SMU), OIC Storage Operations, OIC for a Repairable Issue Point, SupO or APO, etc.) for supply system stocks are liable for the full amount of the loss, damage, destruction, or theft of property for which they are accountable when the loss, damage, destruction, or theft is caused by their negligence, willful misconduct, or deliberate unauthorized use.

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070204. Department of Defense (DoD) Supply System Stock Procedures. For guidance and procedures pertaining to inventory losses of supply system stocks, refer to paragraph 0708 of Volume 12, Chapter 7 of reference (h).

070205. Marine Corps Procedures Implementing Department of Defense (DoD) Policy.

A. Inventory Adjustments. Discrepancies in supply system stocks may occur between stock record account balances and materiel in storage.

1. Per Volume 4 of this Order, intermediate-level supply activities may adjust accountable asset records prior to completion of causative research; however, this does not preclude those activities from completing all required research and/or investigative action. Intermediate-level activities have 30 days from the adjustment transaction to complete required causative research.

2. Supply activities that manage wholesale-level stocks are allowed 45 days from the date the adjustment transaction was posted to complete causative research. For the Marine Corps, this timeframe applies specifically to Marine Corps owned materiel stored and managed by the Defense Logistics Agency (DLA) at Marine Corps Logistics Command.

B. Causative Research. Inventory managers will conduct causative research of these discrepancies to determine the reason for the out-of-balance condition.

1. If the causative research reveals the discrepancy is the result of an administrative processing error, and the adjustment transaction has been completed to bring the appropriate records into balance, then a DD 200 is not required.

2. If the causative research does not identify the cause of the discrepancy, and if the discrepancy does not meet the requirements for a mandatory DD 200 as prescribed in paragraph 0204 within this Volume, use an inventory adjustment document to adjust the stock record account. A DD 200 is not required.

3. If the causative research does not identify the cause of the discrepancy and the discrepancy meets the requirements for a mandatory DD 200, a DD 200 must be initiated by the inventory manager (e.g., SMU Storage OIC). Use the DD 200 to substantiate adjustment of the stock record account, to recommend corrective action, and to determine possible financial liability of the inventory manager, or any other person involved in the discrepancy. The DD 200 will be forwarded to the approving authority to decide whether to appoint a FLO to conduct an investigation.

C. Financial Liability Investigation of Property Loss (FLIPL) Investigation. If the approving authority decides to conduct an investigation on the matter, the FLIPL investigation will cover the requirements listed in reference (h) as a minimum. These requirements include:

1. Reviewing and evaluating existing internal controls and property control procedures for their adequacy in protecting property.

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2. Determining compliance with prescribed internal controls, regulations and procedures.

3. Determining who is involved and what responsibilities they have been assigned.

4. Determining whether simple or gross negligence or abuse is evident.

5. Reviewing the causative research conducted.

6. Determining the cause or the probable cause of the inventory loss.

7. Recommending actions to minimize recurrence of inventory loss.

070206. Corrective Action Statement. In cases where the investigation determines any type of deficiency in the control of or accounting for property, the FLO must provide a statement in Block 10 of the DD 200 to describe actions taken to prevent recurrence of the discrepancy.

070207. Supply Officer Signature. Block 17e of the DD 200 must be signed by the SupO or APO (e.g., SMU Storage OIC, RIP OIC, or Consolidated Storage Program (CSP) Management Specialist) responsible for inventory management of the supply system stocks.

070208. Approving Authority Signature. Block 14g of the DD 200 must be signed by the approving authority for supply system stocks. If the approving authority is also the AO, Block 14b will include comments concurring with the adjustment of the property records.

070209. Approval Dollar Thresholds for Supply System Stocks. Supply system stock discrepancies that require mandatory initiation of a DD 200 (see paragraph 0204 within this Volume) must be forwarded to the appropriate approving authority for action. Approving authority dollar thresholds for DD 200 FLIPLs are provided in paragraph 0304 within this Volume. Current Marine Corps policy for intermediate-level supply management (MCO P4400.151B) which authorized individuals filling specific billets to authorize inventory adjustments remains valid for discrepancies that do not require a DD 200. For example: the OIC of Stock Control at the SMU has an approval threshold of \$15,000; the approval threshold for the General Account OIC is \$100,000; and the approval threshold for the SMU OIC is \$350,000. Using these examples, the General Account OIC is authorized to approve inventory adjustments less than \$100,000; however, if there are single line items that meet the DD 200 criteria, then a DD 200 must be initiated to document the loss and determine liability. It must be noted that initiation of a DD 200 is required for physical inventory losses. A DD 200 is not required for administrative adjustments.

0703 PROPERTY RECORD ITEMS

Property record items include all Marine Corps property, other than supply system stocks, which have been fielded to their final destination in the supply chain. This paragraph applies to Marine Corps property defined as "property record items" and contains procedures to be followed when discrepancies are found.

070301. This category of property includes the following DoD definitions:

A. General Equipment. General equipment is property of any kind (i.e., General Property, Plant, and Equipment) 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. Sub-categories of general equipment include:

1. Military Equipment in Use. 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. The Marine Corps will assign a TAMCN to all military equipment. Marine Corps examples include: combat vehicles, tanks, artillery and crew serve weapons. The term “in use” refers to military equipment acquired and fielded to its intended element of the approved acquisition objective. This includes equipment in stores, equipment on-hand at consumer level organizations, pre-positioned equipment, Depot Maintenance Float Allowance assets, or equipment in the possession of a commander or in the possession of a third party.

2. Garrison Property. 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, office equipment, automated data processing equipment, industrial plant equipment, training equipment, special tooling, and special test equipment.

3. Garrison Mobile Equipment. Garrison mobile equipment is used to perform transportation and automotive maintenance functions at Marine Corps installations. Commercially available garrison mobile equipment includes passenger vehicles, cargo vehicles, non-tactical materiel handling equipment, engineer equipment, and railway rolling stock.

B. Heritage Assets. Heritage assets are recognized to be assets of historical or natural significance; cultural, educational, or artistic importance; or possess significant architectural characteristics. They are expected to be preserved in museums or registered with the Naval History and Heritage Command or the National Museum of the Marine Corps.

070302. Guidance. In most cases, a DD 200 will be initiated to report the loss, damage, destruction, or theft of property record items issued to an RO/property custodian or an individual. Paragraph 0204 within this Volume describes mandatory requirements for initiating a DD 200. Organizations must ensure proper routing of the DD 200 when the approving authority determining financial liability is not be the same person as the accountable officer who accounts for the items within an APSR. The following specific guidance is provided.

A. Items Issued to an RO/Property Custodian. All property record items (e.g., TAMCN items) issued to an RO/property custodian and accounted for within an APSR (e.g., GCSS-MC) require the initiation of a DD 200 to report a loss, damage, destruction, or theft. Throughout the Marine Corps, this most commonly includes military equipment accounted for by the CO/AO and issued to ROs on a Consolidated Memorandum Receipt (CMR).

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1. Quarterly inventory. If losses are discovered during a quarterly physical inventory and causative research is non-conclusive (i.e., no supporting documentation exists to explain the loss), the RO will initiate a DD 200. This procedure replaces previous policy of submitting a Request for Investigation Letter to the CO/AO.

2. Losses by a Responsible Individual. If an item is lost, damaged, destroyed, or stolen while in the possession of a responsible individual, the individual involved will initiate a DD 200 to report the loss. A signed receipt is not required to determine financial liability in these cases.

3. Accountable Officer Actions. In all commands throughout the operating forces, the commander will serve as the approving authority to determine financial liability, and the accountable officer for the lost property. In these cases, the commander will use Block 14 of the DD 200 to state the determination of financial liability, and to direct the supply officer to adjust the accountable property records. The unit supply officer will complete Block 17 with the document number used to drop the item.

4. Routing the DD 200. The DD 200 will not require routing outside of the command.

B. Individual Combat Clothing and Equipment (ICCE) Issued to an Individual

1. All losses of ICCE issued to an individual from a Consolidated Issue Facility (CIF) or Individual Issue Facility (IIF) require initiation of a DD 200 to report the loss, determine financial liability, and to serve as a voucher. The DD 200 replaces previous policy of routing a Missing Gear Statement through the chain of command.

2. Accountable Officer Actions. The commander, as the approving authority, or the executive officer, if appointed as appointing authority, will take action on the DD 200 to determine financial liability against the individual involved. Appropriate comments will be made in Block 14 of the DD 200. Since unit commanders do not serve as an accountable officer for CIF/IIF assets, comments will not be made in Block 14 directing the items to be dropped from the property records. Note: This does not apply to organizations that own and manage ICCE assets issued to individuals within the command. In these instances, the commander, as the accountable officer and the approving authority, will use Block 14 to provide comments regarding the assessment or relief of financial liability, and directing the items to be dropped from the accountable records (if applicable).

3. Routing the DD 200. Once the approving or appointing authority has signed the DD 200 (i.e., voluntary payment, relieving the individual of responsibility, or assessing financial liability), a copy of the DD 200 will be routed to the CIF/IIF Manager as a voucher to adjust the accountable property records. Block 17 will be completed by the CIF/IIF Manager or designated personnel.

C. Unit Issue Facility (UIF) Assets Issued to an RO

1. All losses of assets issued to an RO from a UIF managed under the Consolidated Storage Program (CSP) require initiation of a DD 200 to report the loss, determine

financial liability, and to serve as a voucher. Although UIF assets are managed by regional UIF managers, the MEF CG is the accountable officer. As such, MEF G-4s are responsible for establishing local procedures for reviewing and endorsing all DD 200s for UIF equipment. Once endorsed by the MEF CG or their designated representative, the DD 200 and all supporting documentation will be forwarded to the UIF manager to serve as a voucher for property record adjustment. Note: DD 200s initiated to report the loss of UIF assets by units within Marine Corps Forces Special Operations Command (MARFORSOC) will be endorsed by the MARFORSOC G-4 prior to submission to the UIF manager at Camp Lejeune.

2. Supported Unit Actions. The commander of the supported unit, as the approving authority, or the executive officer, if appointed as appointing authority, will take action on the DD 200 to determine financial liability against the RO or individual involved. Appropriate comments will be made in Block 14 of the DD 200 regarding the assessment or relief of financial liability. Since unit commanders do not serve as the accountable officer for UIF assets, comments will not be made in Block 14 directing the items to be dropped from the property records. Block 17 of the DD 200 will be completed by the UIF manager or designated personnel.

D. Garrison Property Issued to a Tenant Organization. At most Marine Corps installations, garrison property is issued to tenant organizations from the installation Personal Property Manager (PPM). In these cases, the installation commander is the accountable officer and commanders of tenant organizations are ROs.

1. Losses by a Responsible Individual or Responsible Officer. If garrison property issued or temporarily loaned to a tenant organization is lost, damaged, destroyed, or stolen while in the possession of a responsible individual, the individual involved will initiate a DD 200 to report the loss. A signed receipt is not required to determine financial liability in these cases. If the responsible individual is not known, the RO for the account will initiate the DD 200.

2. Accountable Officer Actions. The tenant organization approving or appointing authority will take action on the DD 200 to determine financial liability against the individual involved. Appropriate comments will be made in Block 14 of the DD 200 to either relieve the individual of responsibility or assess financial liability. Since tenant organization commanders do not serve as an accountable officer for garrison property assets, comments will not be made in Block 14 directing the item to be dropped from the property records.

3. Routing the DD 200. Once the approving or appointing authority has signed the DD 200 (i.e., voluntary payment, relieving the individual of responsibility, or assessing financial liability), a copy of the DD 200 will be routed to the installation PPM as a voucher to adjust the accountable property records. Block 17 will be completed by the PPM. Figure 7-1 displays the proper routing of a DD 200 for losses of garrison property (when the approving authority (tenant commander) is not the accountable officer (installation commander) for lost items.

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DD 200 Routing for Garrison Property (Approving Authority not the Accountable Officer)

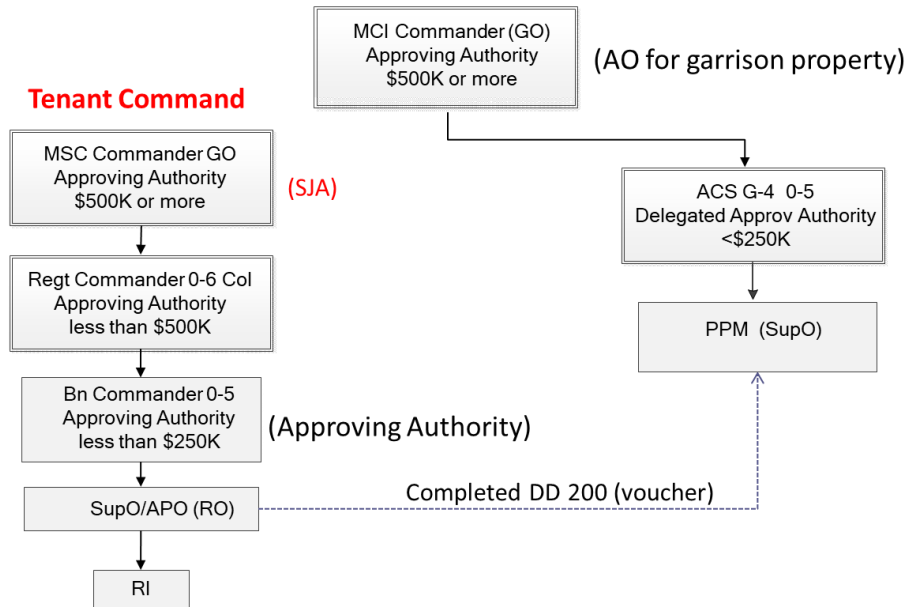


Figure 7-1. DD 200 Routing for Garrison Property

E. Temporary Loans of Military Equipment. When military equipment is provided as a temporary loan from the commander of a supporting activity to the commander of a supported activity, the supporting commander remains as the accountable officer for the loaned asset.

1. Losses by a Responsible Individual. If military equipment loaned to a supported activity is lost, damaged, destroyed, or stolen while in the possession of a responsible individual, the individual involved will initiate a DD 200 to report the loss.

2. Accountable Officer Actions. The commander of the supported activity, as the approving authority; or the executive officer, if appointed as appointing authority, will take action on the DD 200 to determine financial liability against the individual involved. Appropriate comments will be made in Block 14 of the DD 200 to either relieve the individual of responsibility or assess financial liability. Since the commander of the supported activity is not accountable officer for the loaned military equipment, comments will not be made in Block 14 directing the item to be dropped from the property records.

3. Routing the DD 200. Once the approving or appointing authority of the supported command has signed the DD 200 (i.e., voluntary payment, relieving the individual of responsibility, or assessing financial liability), a copy of the DD 200 will be routed to the commander of the supporting command to serve as a voucher to adjust the accountable property records. Block 17 will be completed by the supply officer of the supporting command.

F. Property Record Adjustments at Consumer-level Accounts

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1. Previous Policy. Previous Marine Corps supply policy (i.e., MCO 4400.150 and Volume 4 within this Order) authorized consumer-level SupOs/APOs to approve property record adjustments that:

a. Do not exceed a unit price of \$2,500 or have an extended dollar value of \$50,000 for pilferable items.

b. Include non-controlled, non-sensitive, and non-pilferable items with a unit price of less than \$5,000, or a total dollar value per transaction of less than \$50,000 (serialized and non-serialized).

2. Updated/Current Policy. This policy requires all physical losses of property to be reported to the CO/AO, as the approving authority, to determine whether there is cause to suspect possible negligence or mismanagement of property leading to an assessment of financial liability. Accordingly, the approval thresholds for consumer-level SupOs/APOs listed above are no longer authorized.

3. Procedural Guidance. All inventory adjustments as a result of a physical inventory (e.g., RO quarterly inventory, SupO annual or spot inventory, etc.) must be reported to the CO/AO for approval prior to adjusting the accountable records. Physical losses meeting the mandatory criteria for a DD 200 (see paragraph 0204 within this Volume) must be reported to the CO/AO, as the approving authority, to determine whether to assess financial liability, conduct a FLIPL investigation, or approve the property record adjustments. This may include:

- a. Loss of a controlled item (includes pilferable and sensitive items).
- b. Repetitive losses of the same item.
- c. Losses involving suspected negligence.
- d. Causative research for the lost item is non-conclusive.

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VOLUME 17: CHAPTER 8

“MISCELLANEOUS PROCEDURES”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER VERSION	PAGE PARAGRAPH	SUMMARY OF SUBSTANTIVE CHANGES	DATE OF CHANGE

CHAPTER 8

MISCELLANEOUS PROCEDURES

0801 GENERAL

This chapter provides policy and guidance for miscellaneous situations involving the loss, damage, destruction, or theft of property related to vehicles, government furnished property, retail bulk petroleum, and government housing.

**0802 FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS (FLIPL)
PERTAINING TO VEHICLES**

This paragraph provides guidance relating to damage to private conveyances, rental vehicles, and government owned vehicles. For the purposes of this policy, a vehicle is considered to be any piece of equipment that moves on a solid surface either under its own power, towed, or pushed and is used to move people or things. A vehicle can be mounted on wheels, tracked treads, or runners and be of commercial or military design. The following are examples of vehicles: sedans; pick-up and cargo trucks; prime movers; trailers; motorcycles; tracked vehicles; manual or motor operated cranes; snowmobiles; aircraft cargo loaders; hand operated or mechanized warehouse material handling equipment such as warehouse tractors and trailers, and forklift trucks.

080201. Damage Involving Private Conveyances. Damage to Marine Corps property resulting from operation of privately owned vehicles, boats, airplanes, or other conveyances is not generally subject to the FLIPL process. Contact the SJA prior to taking any investigative steps into an incident or event that may potentially result in claims or civil litigation against the United States. Claims or administrative action against responsible individuals are usually pursued under references (b) and (c). If Marine Corps members or employees are involved, a FLIPL may be processed instead of asserting a tort claim for the damage to Marine Corps property. These actions must be coordinated with the legal office.

080202. Damage to Rental Vehicles.

A. A DD 200 will be initiated for damage to General Services Administration vehicles and commercial rental vehicles under Marine Corps control. Commercial rental vehicles are under Marine Corps control when a Marine Corps contracting officer enters into a written agreement with a commercial rental vehicle company.

B. Damage to vehicles rented by Marine Corps members and employees directly from commercial companies are not subject to the provisions of this Order, regardless of whether or not the rental was authorized on government orders.

080203. Financial Liability Investigation of Property Loss (FLIPL) Guidance and Procedures for Government Vehicles.

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A. In cases involving government vehicles, the standard used for processing a DD 200 and imposing financial liability is the determination of gross negligence, willful misconduct, or deliberate unauthorized use by the individual involved.

B. Rationale for Gross Negligence. The standard of gross negligence has been adopted to eliminate the significant expenditure of resources to process FLIPLs for little monetary return to the government, and to more equitably distribute the risk of liability associated with government vehicle damage. Past practices had resulted in unfairly charging vehicle operators (normally the most junior Marines and civilian employees) for motor vehicle damage, which is commonly recognized as a normal cost of doing business. However, the gross negligence standard does not preclude a commander from taking other administrative or disciplinary actions against individuals who damage government vehicles.

080204. Overall Guidance

A. When a DD 200 is Required. A DD 200 must be processed in all cases of loss, damage, destruction, or theft if there is evidence of gross negligence, willful misconduct, deliberate unauthorized use, or if property records must be adjusted.

B. Assigning Financial Liability. Military members and DoD civilian employees can be held financially liable only in those cases in which the loss or damage to government motor vehicles was caused by the member's or employee's gross negligence, willful misconduct, or deliberate unauthorized use.

C. Punitive and Administrative Actions. The fact that a DD 200 was not processed or financial liability was not imposed on the person responsible for the vehicle damage does not prevent the commander from taking other action punitive or administrative actions against the responsible person.

080205. Implementing Instructions

A. Directing a Fact-Finding Investigation. When a vehicle is lost, damaged, destroyed, or stolen, the approving authority, appointing authority or the commander of the organization that has possession of the vehicle will direct an informal fact-finding investigation to ascertain the facts in the case and to help the approving or appointing authority decide on whether or not to proceed with a FLIPL investigation. This also applies to vehicles that may be deployed or issued to individuals outside of the owning organization.

B. Vehicle Accident Reports. A motor vehicle accident investigation report prepared by security police personnel, civilian law enforcement authorities, or transportation/vehicle control officers may be used by the approving or appointing authority to determine whether there is evidence of gross negligence, willful misconduct, or deliberate unauthorized use. The accident investigation report can be used for this purpose only if it thoroughly documents the facts and circumstances of the damage.

C. Other Accident Investigations. If an accident investigation report was not accomplished, has insufficient information, or leaves doubt that all facts have been presented, then

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the approving or appointing authority must appoint a FLO to conduct an investigation to determine all facts and circumstances of the damage.

D. FLO's Recommendations. After reviewing the facts and circumstances of the damage, the FLO must make a written recommendation to the approving or appointing authority as to whether or not negligence is involved and whether financial liability should be assessed. The FLO's findings and recommendations will be provided in Block 15a of the DD 200. After considering the FLO's recommendation, the approving or the appointing authority, will make the final decision for assessing financial liability to individuals involved or relieving them of responsibility.

0803 GOVERNMENT-FURNISHED PROPERTY (GFP)

Per reference (h), this policy does not apply to GFP or Contractor-Acquired Property in the possession of a third party, to include contractors. Per reference (g), GFP is property in the possession of, or directly acquired by, the government and subsequently furnished to a contractor for the performance of a contract. The contracting officer (KO) to whom the contractor is assigned is responsible for complying with the applicable provisions of reference (e). Contractors involved in the loss, damage, destruction, or theft of government property are not required to initiate a DD 200. Additionally, contractors normally may not be held financial liable to the government.

080301. The purpose of processing a DD 200 for items lost, damaged, or destroyed by contractors is to provide the SupO/APO of the owning organization with a voucher document for use in adjusting the accountable records. It is not used to relieve or hold the contractor liable for lost, damaged, destroyed, or stolen GFP.

080302. When the loss of GFP involves possible contractor liability under a service contract, the contractor will process and report discrepancies, loss of government property, physical inventory results, audits and self-assessments, corrective actions and other property-related reports as directed by the KO. The report will be in accordance with the Federal Acquisition Regulation.

080303. The KO, in coordination with the Management Control Activity (MCA) at Marine Corps Logistics Command, Marine Corps Systems Command, or Marine Corps Installations Command, will investigate the loss and make an independent finding as to liability of the contractor. Once this is complete, the KO will provide a copy of the investigation to the applicable MCA. The KO is the final authority in determining relief or liability in regards to contractors. This is separate from the FLIPL process.

080304. The applicable MCA will process a DD 200 to adjust the accountable records. The MCA will only fill out Blocks 1, 3, 4–9, and 17a–f of the DD 200 to ensure the government property is accurately identified (i.e., NSN, Qty, Serial #). The MCA will use the findings and exhibits from the KO investigation as supporting documentation for audit purposes.

0804 RETAIL BULK PETROLEUM LOSSES

Retail bulk petroleum losses will be resolved per references (h) and (m).

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080401. Loss Expectancy. Some losses are unavoidable in the handling and storage of volatile products. These losses can be controlled by management actions to limit the rates of loss for such products so that standards are not exceeded. Reference (m) provides authorized loss allowances for bulk petroleum.

080402. Categories of Losses. Reference (m) categorizes retail bulk petroleum losses as follows:

A. In-Transit Losses. Losses of product received at DoD activities are allowable only when the actual loss is within the authorized allowance. When a loss exceeds the allowance, a portion of the loss is not allowable, and the entire loss will be reported as prescribed in reference (m). Causative research will be performed if there is any suspicion of negligence or abuse on the part of government personnel who contributed to the loss.

B. Operating Losses. Terminal operating loss allowances for various types of petroleum products are prescribed in reference (m). When the loss exceeds the stated allowance, a portion of the loss is not allowable, and the entire loss must be researched and reported.

C. Determinable Losses. Losses which occur from determinable causes (such as tank overflows, spills, pipeline breaks, fire or unrecoverable tank bottom) can normally be precluded or greatly minimized by effective management. These losses will be researched and reported in accordance with reference (h).

D. Any trends, such as a pattern of losses within the allowable percentage, require further research and investigation. These losses shall be researched and reported in accordance with references (m) and (c).

0805 GOVERNMENT HOUSING

Reference (h) Volume 12, Chapter 7 outlines DoD policy pertaining to government housing liability. Portions of reference (h) are included in this paragraph that prescribes the financial liability of military personnel for the loss, damage, or destruction of government housing (family housing, unaccompanied personnel housing or barracks). It also describes minimum requirements for assessing financial liability when government housing, including equipment or furnishings therein, is lost, damaged or destroyed. Government housing within the scope of this paragraph includes both permanent and temporary quarters and barracks either owned by, or controlled by, the U.S. Government.

080501. Determination of Proximate Cause. A member of a military Service shall be held liable to the United States for the loss, damage or destruction of family housing or an unaccompanied personnel housing unit assigned to a member, including equipment and furnishings therein, when a determination is made that the loss, damage or destruction was proximately caused by the abuse or negligence of the member, a dependent of the member, or a guest either of the member or the member's dependent.

080502. Financial Liability of Occupants. Financial liability against personnel involved in the loss, damage or destruction of government housing, including equipment and

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furnishings, may be assessed for the full amount of the loss if the loss, damage or destruction was proximately caused by gross negligence or abuse. Liability of occupants for damage to government housing and related equipment and furnishings is prescribed in reference (b).

080503. Determination of Negligence. Determinations must be made on whether the loss or damage to government housing was proximately caused by simple or gross negligence of the member, the member's dependents, or guests of either. Simple negligence is the failure to act as a reasonably prudent person would have acted under similar circumstances. Gross negligence is the extreme departure from the course of action expected of a reasonably prudent person, accompanied by a reckless, deliberate, or wanton disregard for the foreseeable consequences of the act.

A. Gross Negligence. When the proximate cause of the loss or damage is determined to be gross negligence, the financial liability of the member will be for the total amount of the loss to the government. If a member's dependent or guest causes a loss or damage through gross negligence, the member will be fully liable for the loss or damage if the member was "on notice" of the particular risk involved and failed to exercise reasonable, available opportunities to prevent or limit the loss or damage. In the absence of evidence to the contrary, the member will be presumed to have been "on notice" of any risks attending the activities of family members and guests on the premises.

B. Simple Negligence. Where simple negligence is determined to be the proximate cause of the loss or damage, the financial liability of the member will be limited to an amount equal to basic pay for one month at the rate in effect at the time of the loss, or the amount of the loss, whichever is less.

C. A member is liable for damages to any assigned family housing or unaccompanied personnel housing unit (including loss or damage to equipment and furnishings therein) if an approving authority determines that the loss or damage was caused by the member's negligence or deliberate unauthorized use of such unit.

D. A FLIPL investigation is required for members who damage assigned and non-assigned government quarters. If both assigned and non-assigned quarters are damaged in the same incident, a member may be held liable for damage to assigned quarters, and may also be held liable for damage to non-assigned quarters up to one month's basic pay. Under these circumstances, total liability for all quarters damaged in a single incident may not exceed one month's basic pay, unless gross negligence or willful misconduct is involved.

E. If assigned quarters and personal or organizational equipment are damaged in the same incident, a member may be held liable for damage to quarters, and may also be held liable for damage to the personal or organizational equipment.

080504. Responsibility for Submitting a DD 200

A. Family Housing. Normally, the base housing manager is responsible for initiating a DD 200 for loss, damage or destruction to Marine Corps controlled family housing. The DD 200 will be forwarded to the approving authority of the individual involved for investigative action and determination of financial liability.

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B. Unaccompanied Housing and Barracks. The approving authority for the individual involved in the incident must designate a representative (normally the individual involved) to initiate a DD 200 for the loss, damage or destruction of unaccompanied housing or the barracks. The DD 200 will be processed through the individual's chain of command.

080505. Waiver Provisions for Housing Damage. Reference (b) provides for waiver of liability arising under certain conditions. The waiver applies to both family housing, unaccompanied personnel housing, and barracks.

080506. Waiver Consideration for Housing Damage. Liability resulting from damage to assigned family housing or unaccompanied housing and barracks (including equipment and furnishings therein) is subject to waiver by the FLIPL approving authority. Liability may be waived in whole or in part by the approving authority if, based on the unique circumstances of the case, it is determined that the waiver is in the best interest of the government.

A. Factors To Be Considered. In determining whether or not liability should be waived by the approving authority, factors to be considered may include the following:

1. The degree of abuse or negligence involved.
2. Where damage was caused by a dependent or guest, whether or not the member or the member's spouse was on notice of the activities in question and exercised available opportunities for preventing or limiting the damage, or otherwise exercised proper control over dependents or guests.
3. The extent, if any, to which involuntary collection of pay would cause substantial financial hardship, constitute a clear injustice, or adversely impact unit morale and discipline.
4. The relative culpability of other individuals whose actions or omissions may have contributed to the damage or loss.
5. Any prior instances of abusive or negligent conduct toward government property.
6. In overseas areas, the unavailability of private insurance to cover the liability of individuals who would normally be insurable in the United States.

B. Waiver Procedures. A member may specifically request a waiver and provide support for the request in writing. In the absence of such a request, the approving authority must also consider the appropriateness of granting a waiver based on the information in the DD 200.

1. Individual Charged. Once a member has been notified that financial liability is being assessed for damage to government housing, the individual must be advised of available options. One option is to submit a fully substantiated waiver request to the approving authority. The waiver request must be submitted within five calendar days from the date the individual was notified of financial liability.

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2. Approving Authority. Upon receipt of the waiver request, the approving authority must decide whether to approve or disapprove the waiver. If the approving authority waives the liability in full, disposition is the same as for relief of liability. The approving authority will advise the member that the debt is canceled. If the approving authority does not waive the liability in full, the member must be notified and must be advised of his or her right to appeal the decision to next higher approving authority.

3. Waiver Appeals. Upon receipt of a disapproved waiver request from the approving authority, the member may appeal the decision to the next higher approving authority. This option must be exercised within 30 days of the date the member is notified that the waiver request is disapproved. The DD 200, appeal, and waiver package must be sent to the next higher approving authority for final decision. Appeal procedures in paragraph 0604 apply.

a. If the next higher approving authority approves the appeal and waives the liability in full, the file will be returned to the original approving authority for action.

b. If the next higher approving authority does not waive the liability in full, the file will be returned to the original approving authority. The approving authority will notify the individual of the decision and will pursue collection via the individual's servicing DO/FO. If part of the liability is waived, the DO/FO will reduce the debt and collect the appropriate amount.

080507. Privatized Housing. The majority of Marine Corps family housing is currently managed, maintained and operated by Private Partners. Private Partners managing family housing have their own corporate procedures for initiating investigations for property loss, damage or destruction and for collecting funds from members who are found liable. These processes and procedures are spelled out in the renter's agreement between the Private Partner and the member. The Private Partner's Community Manager may engage the base housing office or the installation commander if they determine that the loss, damage or destruction is the result of the member's abuse or negligence, or if the member is unresponsive to repayment requests. The FLIPL process does not apply to privatized housing.

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VOLUME 17: APPENDIX A

“DD 200 FLIPL INSTRUCTIONS”

SUMMARY OF SUBSTANTIVE CHANGES

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APPENDIX A

DD 200 FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS (FLIPL)
INSTRUCTIONS

1. DD 200, Financial Liability Investigation of Property Loss. An electronic version of the DD 200 can be located at: <http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd0200.pdf>. Prepare and complete the DD 200 as follows:

a. The DD 200. The original and one copy will be provided to the Supply Officer/FLIPL Manager.

b. Block 1. The individual directly involved in the loss, damage, destruction, or theft of property will annotate the date the DD 200 is initiated. For losses discovered as part of an inventory that meet the criteria for a DD 200, the DD 200 will normally be initiated by the RO/property custodian or SupO/APO who maintained custody of the item(s).

c. Block 2. The Supply Officer/FLIPL Manager assigns an inquiry/investigation number within the first 5 days of the date the DD 200 is initiated. This provides a control or suspense for completion of the initiation phase. The inquiry/investigation number will be formatted as a standard document number (e.g., DoDAAC, Julian Date, Serial Number). Example: M21460-7120-F001.

d. Block 3. The individual initiating the DD 200 enters the date the loss, damage, destruction, or theft was discovered.

BLOCKS 4-8. Complete Blocks 4-8 ONLY IF one item is being reported as lost, damaged, destroyed, or stolen. If multiple items are being reported, LEAVE BLOCKS 4-8 BLANK, except type "See Continuation Page" in Block 5, and list all items on the Continuation Page. This procedure must be followed due to auto-calculations in the electronic version of the DD 200 (July 2009 version).

e. Block 4. The individual initiating enters either the National Stock Number (NSN) or manufacturer's part number. In the event there is no NSN or part number, enter "N/A." Complete Block 4 only if one item is reported on the DD 200. If multiple items are being reported, leave Block 4 blank and use the Continuation Page. Any number of items can be listed, as long as they pertain to the same incident and the person(s) responsible for the property are the same.

f. Block 5. The individual initiating enters the correct name of the property lost, damaged, destroyed, or stolen, including any serial numbers. If the property is not stock listed, give an accurate description sufficient for identification. If only a portion of a major item is damaged, describe the major item fully, and then describe the damages. If a vehicle is damaged, describe the type of vehicle and vehicle number. Complete Block 5 with specific information only if one item is being reported on the DD 200. If multiple items are being reported, type "See Continuation Page" in Block 5 and use the Continuation Page to list specific information for all items.

g. Block 6. The individual initiating enters the quantity (e.g., quantity (2) Canteen Cases) and if applicable, standard unit measure for the item. Complete Block 6 only if one item is reported

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on the DD 200. If multiple items are being reported, leave Block 6 blank and use the Continuation Page.

h. Block 7. The individual initiating enters the actual unit cost or standard price (current replacement cost). A copy of the property records (i.e. CMR) listing that identifies the current replacement cost of the lost, damaged, destroyed, or stolen item will be forwarded with the DD 200. Questions regarding prices should be referred to the SupO or APO. Complete Block 7 only if one item is reported on the DD 200. If multiple items are being reported, leave Block 7 blank and use the Continuation Page.

i. Block 8. No entry is required in the electronic version of the DD 200. Block 8 of the DD 200 will auto-calculate the total cost for a single item reported. If multiple items are being reported, leave Block 8 blank and use the Continuation Page. The Continuation Page will auto-calculate the total cost of all items listed.

j. Block 9. The individual who initiates the DD 200 completes this block. Describe the circumstances leading to the loss, damage, destruction, or theft of property. The information in this block can assist the approving authority in making a determination of whether or not negligence, willful misconduct, or deliberate unauthorized use was the cause of the loss, damage, destruction, or theft. Check the appropriate box to show whether the item was Lost, Damaged, or Destroyed; and whether the item belonged to the Organization (e.g., military equipment assigned to an RO); to the Installation (e.g., garrison property); or if the item is Organizational Clothing and Individual Equipment (OCIE) issued to an individual from a CIF or IIF. If voluntary payment is being offered by the individual, Block 9 should include the following statement: "I volunteer to pay the total cost of lost, damaged, or destroyed property and do so after being advised of my rights."

k. Block 10. If a FLIPL investigation reveals deficiencies in directives, procedures, internal controls, etc., a statement of corrective action is required to document the action that was taken or will be taken to prevent recurrence of the incident. The FLO will normally prepare the corrective action statement.

l. Block 11. This block will include point of contact information for the individual completing Blocks 1-9.

m. Block 12. The SupO or APO completes this block. The SupO or APO provides a recommendation to the approving or appointing authority on whether abuse or negligence was evident/suspected in the loss, damage, destruction, or theft of property, and whether a FLIPL investigation is warranted.

n. Block 13. The appointing authority completes this block. After reviewing comments in Block 9 from the individual, and recommendations from the SupO or APO in Block 12, the appointing authority must decide whether a FLIPL investigation is required. At this point, only Block 13c will be checked "Yes" or "No" to designate whether a FLO will be appointed. If Yes, the appointing authority will appoint a FLO via an appointment letter. No other comments will be made in Block 13 at this time. Once the appointing authority receives the DD 200 with findings and recommendations from the FLO, the appointing authority will complete the remainder of Block 13. Block 13a will be used to approve or disapprove the FLO's recommendations, and Block 13b will

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include comments and recommendations to the approving authority. If a FLO is not appointed to conduct an investigation, the appointing authority will use Block 13a to approve or disapprove of the SupO or APO's recommendations, and Block 13b will be used to provide comments to the approving authority. If the approving authority is also acting as the appointing authority, he or she will complete Blocks 13 and 14.

(1) If the appointing authority has been authorized to approve or disapprove DD 200s up to \$100,000 without the consent of the approving authority, the appointing authority will identify all actions and decisions within Block 13. Block 14 will not be used. As an example, if the appointing authority receives a DD 200 from a Marine who is clearly negligent in the loss of an item, and the SupO or APO has recommended that an investigation not be conducted, the following steps would apply:

(a) The appointing authority would mark Block 13a "Approve" to approve of the SupO or APO's recommendation.

(b) Block 13c would be checked "No" that a FLO is not being appointed.

(c) In Block 13b, the appointing authority would state that he is assessing financial liability against the individual for the amount of the loss. He would not sign the DD 200.

(d) The DD 200 would be referred to SJA for review and endorsement.

(e) Once the DD 200 is returned with a positive endorsement from SJA, the appointing authority would make the statement "A legal review has been conducted" in Block 13b, and complete Blocks 13d-h.

(f) A copy of the DD 200 and a Financial Liability Assessment Letter would then be provided to the individual.

o. Block 14. The approving authority completes this block to approve or disapprove of recommendations from the appointing authority, the FLO, the SupO, or APO; to specify the amount of financial liability assessed or relief from liability; and to authorize dropping the lost or destroyed property from the accountable property records (if the approving authority is also the accountable officer for the lost property). If the approving authority approves of recommendations to hold an individual financially liable, Block 14a will be checked "Approve" and comments will be provided in Block 14b describing the amount being assessed. At this point, the DD 200 must be forwarded to the supporting SJA for review and endorsement. Once the legal review is complete, the approving authority will complete the remainder of Block 14 will notify the individual via an assessment letter. If the approving authority is also the accountable officer for the lost property, the following statement should be included in Block 14b: "I hereby direct the item(s) to be dropped from the accountable property records." In this case, the DD 200 should be forwarded to the SupO or APO to adjust the property records while the financial liability process (i.e., notification, request for reconsideration, appeal, debt collection) is completed. If the approving authority is not the accountable officer for the lost property, a copy of the DD 200 should be provided to the accountable officer as a voucher to adjust the property records.

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p. Block 15. This block is completed by the FLO to identify findings and recommendations from the investigation, and to define the recommended amount of financial liability to be assessed.

q. Block 16. The individual charged completes this block after receiving official notification that financial liability is being assessed by the approving or appointing authority. After reviewing the DD 200 and all supporting documentation, the individual will check Block 16a as follows:

(1) Check the box “Submit the attached statement of objection” if the individual intends to submit a request for reconsideration letter to the approving authority.

(2) Check the box “Do not intend to make such a statement” if the individual agrees to voluntarily pay the amount assessed by the approving authority.

r. Block 17. Although Block 17 on the DD 200 displays “Accountable Officer” as the person taking action, Marine Corps SupOs or APOs will complete this block. Most importantly, this block should be completed by the SupO, APO, or PPM who manages the APSR for the accountable officer. This is critical for audit purposes since the document number(s) used to adjust the property records must be listed in Block 17a of the DD 200. As an example: If one Marine Corps unit temp loans a TAMCN item to another Marine Corps unit, the supporting commander remains as the accountable officer for the item, and the supported commander will serve as the approving authority to determine financial liability if the item is lost. If the item is lost, the DD 200 will be processed by the supported commander/approving authority. Upon conclusion of the FLIPL investigation (if warranted) and completion of Block 14 by the approving authority, a copy of the DD 200 will be forwarded to the supporting CO/AO to serve as a voucher to adjust the property records. The supporting commander will endorse the DD 200 with comments directing his or her SupO or APO to drop the item from the property records. The SupO or APO of the supporting command would complete Block 17 with the document number (or transaction ID number for GCSS-MC) used to drop the item.

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VOLUME 17: APPENDIX B

“FLIPL PROCESS FLOW”

SUMMARY OF SUBSTANTIVE CHANGES

Hyperlinks are denoted by ***bold, italic, blue and underlined font.***

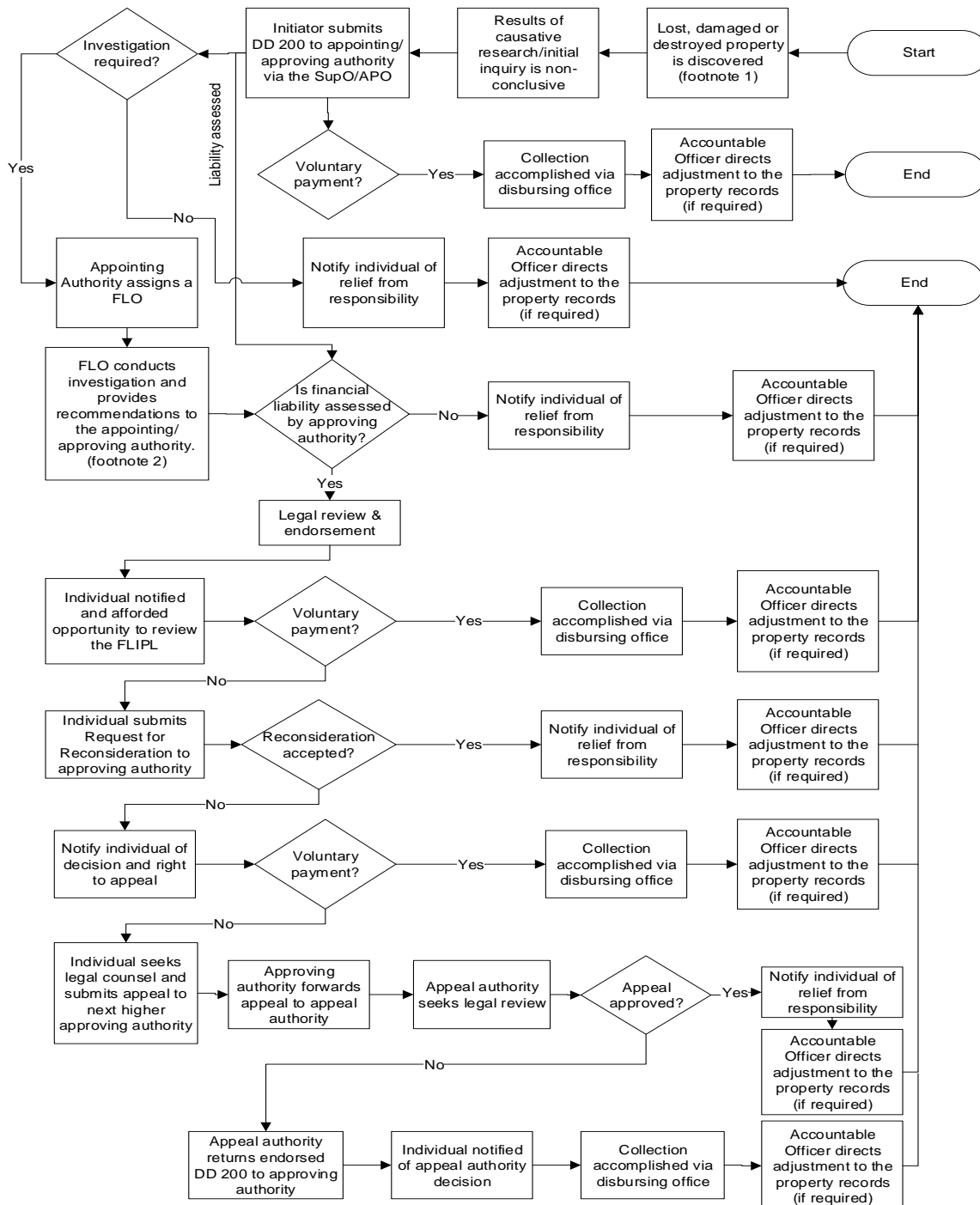
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APPENDIX B

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS (FLIPL) PROCESS
FLOW**



Footnote 1: Inventory adjustments for supply system stocks (e.g., OM&S) may be made at this point.

Footnote 2: Inventory adjustments for property record items (e.g., TAMCN item) may be made at this point.

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VOLUME 17: APPENDIX C

“SAMPLE APPOINTING AUTHORITY APPOINTMENT LETTER”

SUMMARY OF SUBSTANTIVE CHANGES

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APPENDIX C

SAMPLE APPOINTING AUTHORITY APPOINTMENT LETTER

From: Commanding Officer (Approving Authority)
To: Major Executive X. Officer 1234567890/0302 USMC

Subj: APPOINTMENT AS FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS
(FLIPL) APPOINTING AUTHORITY

Ref: (a) MCO 4400.201, Volume 17

1. Per reference (a), you are hereby appointed as the Appointing Authority to review all DD 200 “Financial Liability Investigation of Property Loss” forms resulting from the loss, damage, destruction, or theft of government property assigned to this command.

2. In cases where the total value of property lost, damaged, destroyed, or stolen is less than **\$100,000**, you are authorized to appoint a Financial Liability Officer (FLO) (if warranted) and approve or disapprove the recommendations of the Supply Officer and FLO to assess or relieve individuals of financial liability. Note: this paragraph can be used to restrict the authority of the appointing authority. There may be cases when the commander/approving authority may chose to have his XO/appointing authority handle all losses of individual equipment from an Individual Issue Facility, while the commander/approving authority handles losses of other property (e.g., TAMCN items assigned to Responsible Officers within the command).

3. You are directed to familiarize yourself with the reference and understand your responsibilities which include the following:

- a. Disqualify yourself when a conflict of interest is possible.
- b. Ensure that all DD 200s received are accurate and complete. Evaluate each DD 200 and either approve recommendations to assess financial liability or relieve those involved from liability, responsibility or accountability.
- c. In cases where you decide to appoint a FLO to conduct a formal investigation, ensure the investigation is conducted promptly and thoroughly in accordance with reference (a).
- d. Ensure that DD 200s are initiated, processed, and adjudicated within the time limits established by reference (a).
- e. Require a written explanation if delays occur while initiating or processing a DD 200 and take appropriate corrective actions.
- f. Ensure that individuals held financially liable are formally notified, informed of their rights, and given the opportunity to inspect and copy DD 200 documents.

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- g. Personally evaluate each DD 200 when there is evidence of negligence or abuse.
 - h. In cases where financial liability is assessed, ensure the DD 200 is reviewed by the SJA; that a written opinion is provided on the adequacy of evidence and propriety of the findings and recommendations; and that the legal opinion becomes part of the FLIPL file.
 - i. Ensure that corrections of any attested entries are properly initialed and documented.
 - j. Make determinations on requests for reconsideration of liability and notify the individual involved accordingly.
 - k. Notify and forward all appeals to the next higher approving authority in the chain of command for adjudication.
 - l. In cases where a DD 200 involves a requirement to adjust the property records (AAC-MXXXXX), forward the DD 200 to me as the Accountable Officer, as I must authorize all property record adjustment transactions in accordance with reference (a).
 - m. In cases where property lost by this command is accounted for by a separate commander/accountable officer (e.g., temp loaned equipment, garrison property, individual equipment issued to a Marine from an Individual Issue Facility); upon completion of the FLIPL investigation by the FLO, forward a copy of the DD 200 and supporting documentation to the accountable officer to adjust his or her property records.
4. Inform me of all cases where a FLO is assigned. The below instances require the initiation of a DD 200 to report the loss, damage, destruction, or theft of government property; however, it is your decision whether to appoint a FLO to conduct a formal investigation.
- a. Evidence of abuse, gross negligence, willful misconduct, or deliberate unauthorized use, fraud, theft, or suspicion of negligence.
 - b. Loss of a controlled item as defined in reference (a).
 - c. Initial causative research for lost or missing property is non-conclusive and does not identify the cause of the discrepancy in the supply system or property account.
 - d. Repetitive cases of loss, damage, or destruction occur, even though any one by itself would not warrant the processing of a DD 200.
 - e. Loss of bulk fuel/petroleum greater than \$1,000.
5. The point of contact for additional guidance is the Battalion FLIPL Manager, Captain I. M. SupO, at XXX-XXX-XXXX or via email at ima.suppo@usmc.mil

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VOLUME 17: APPENDIX D

“SAMPLE FINANCIAL LIABILITY OFFICER APPOINTMENT LETTER”

SUMMARY OF SUBSTANTIVE CHANGES

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APPENDIX D

SAMPLE FINANCIAL LIABILITY OFFICER APPOINTMENT LETTER

4400
(code)
(date)

From: Approving or Appointing Authority
To: (Rank First Name MI. Last Name)

Subj: APPOINTMENT AS FINANCIAL LIABILITY OFFICER

Ref: (a) MCO 4400.201, Volume 17

Encl: (1) DD 200, Financial Liability Investigation of Property Loss (FLIPL)

1. Per reference (a), you are hereby appointed as a Financial Liability Officer to conduct a FLIPL investigation into the circumstances surrounding the loss, damage, destruction, or theft of government property assigned to (unit). Your task in conducting an investigation of property loss is to determine whether someone's negligence or willful misconduct was the proximate cause of the loss, damage, destruction, or theft. If an individual was negligent, and that negligence was the cause of the loss, damage, destruction, or theft, it is appropriate to recommend assessment of financial liability against that individual.

2. During your investigation, the following specific issues will be addressed:

a. Verify the type and quantity of government property lost, damaged, destroyed, or stolen.

b. Establish whether correct accountability procedures and policies were followed in this case.

c. Establish the chain of custody for the lost, damaged destroyed, or stolen property. Detail any lapses in the chain of custody or accountability of the government property.

d. Determine whether there were any failures to follow appropriate procedures and policies leading to the loss, damage, destruction, or theft of government property.

3. Before you begin your investigation you should contact XXXXXXXX at XXXXX or XXXXXXXX@usmc.mil, who will serve as your legal advisor. You will receive a mandatory legal briefing prior to beginning your investigation and will consult your cognizant staff judge advocate as you deem necessary during the course of the investigation. In cases where responsibility for lost, damaged, destroyed, or stolen property may lie with a civilian employee of the Marine Corps, you will consult with a civilian personnel law attorney, normally located within the Regional Counsel's Office, prior to initiating the investigation, or as early as practicable after the possibility of civilian

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responsibility becomes apparent. Submit your completed DD 200 and report of investigation to your legal advisor for review prior to delivering it to me.

4. You are to conduct this investigation using the procedures outlined in reference (a). You will interview all key witnesses in person when possible.
5. If, in the course of your investigation, you come to suspect that any individual (s) committed a criminal act or misconduct subject to adverse administrative action or punishable under the UCMJ, immediately suspend the FLIPL investigation and notify the Approving/Appointing Authority and cognizant staff judge advocate for further guidance.
6. Submit your findings and recommendations on DD 200, Block 15 to this office by (enter date). In the event you are unable to meet the above suspense date, prepare a written statement explaining the reason for the delay and attach it to the investigation of property loss as an exhibit. Per reference (a), this investigation becomes your primary duty until completion and acceptance by me.
7. The point of contact for additional guidance is XXXXXX.

(Signature)

(FI. MI. LAST Name of Approving or Appointing
Authority)

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VOLUME 17: APPENDIX E

“SAMPLE FINANCIAL LIABILITY ASSESSMENT LETTER”

SUMMARY OF SUBSTANTIVE CHANGES

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APPENDIX E

SAMPLE FINANCIAL LIABILITY ASSESSMENT LETTER

The following is a sample letter notifying an individual that the approving or appointing authority has determined that the individual will be held liable for loss or damage to government property.

4400
(code)
(date)

From: Approving or Appointing Authority

To: (Rank, First Name MI. Last Name)

Subj: ASSESSMENT OF FINANCIAL LIABILITY

Ref: (a) MCO 4400.201, Volume 17

Encl: (1) DD 200 "Financial Liability Investigation of Property Loss (FLIPL)"

1. After considering the facts and circumstances documented in FLIPL (inquiry/investigation number), I have assessed financial liability against you in the amount of \$ ----- for the (loss of/damage to) government property (may be specifically described here). A copy of the completed DD 200 is provided for your review. This assessment was determined under the provisions of reference (a).

2. You must decide what action you want to take in response to this notification. The following options are available to you.

a. Voluntary payment

(1) Pay the amount due by cash or check to the Disbursing Officer/Finance Officer.

(2) Pay the amount due by authorizing a payroll deduction.

(3) Request a written agreement to repay the debt in installments. A request for installment payments must be accompanied by your financial statement submitted under penalty of perjury.

(4) Include comments regarding what adverse impact the assessment of financial liability will have upon you. Submission of supporting documentation is optional.

b. Request reconsideration. If you believe there are errors in the investigation, or have new evidence that may impact my decision to assess financial liability, you may submit a request for

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reconsideration. The request for reconsideration must be in writing and submitted to me within five days of this notification. A sample request for reconsideration letter will be provided.

c. Submit an appeal. If I deny your request for reconsideration, or you do not request reconsideration, you have the right to submit an appeal in writing to the next higher approving authority for final decision. The appeal must be submitted to me within 30 days from the date your request for reconsideration is denied. A sample appeal letter will be provided.

(1) In the event you submit a written appeal, it must include your signature.

(2) Once I receive your written appeal, it will automatically be sent to the next higher approving authority for final decision.

3. In addition to the options listed above, you have the following rights:

- a. To inspect and copy Marine Corps records relating to the FLIPL report.
- b. To request extension of the collection period.
- c. To request waiver or cancellation of the indebtedness for damage to government quarters.

4. If you do not exercise any of the above options within 30 days of this notification, I will initiate involuntary collection action under policies and procedures in accounting and finance directives. The statutory authorities for involuntary collection are 37 U.S.C. Section 1007c for members and 5 U.S.C. Section 5514 for civilian employees. Any portion of the debt uncollected at the time of your employment termination will be collected from your final pay and allowances.

5. This notification is given to allow you every opportunity to respond to this assessment of financial liability. I encourage you to respond promptly. If you need administrative assistance, contact (name, organization, office symbol, and phone number of the FLIPL Manager).

(Signature)
(FI. MI. LAST Name of Approving
Authority)

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VOLUME 17: APPENDIX F

“SAMPLE REQUEST FOR RECONSIDERATION LETTER”

SUMMARY OF SUBSTANTIVE CHANGES

Hyperlinks are denoted by ***bold, italic, blue and underlined font.***

The original publication date of this Marine Corps Order (MCO) Volume (right header) will not change unless/until a full revision of the MCO has been conducted.

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APPENDIX F

SAMPLE REQUEST FOR RECONSIDERATION LETTER

The following is a sample letter for an individual that is requesting reconsideration of financial liability from the approving or appointing authority based on inaccuracies or erroneous decisions in the FLIPL investigation.

4400
(code)
(date)

From: (Rank First Name MI. Last Name)
To: Approving or Appointing Authority

Subj: REQUEST FOR RECONSIDERATION, FINANCIAL LIABILITY
INVESTIGATION OF PROPERTY LOSS (NUMBER) (\$ AMOUNT)

Ref: (a) MCO 4400.201, Volume 17

1. Per reference (a), I hereby request reconsideration of the assessment of financial liability against me for the (loss, damage, destruction, or theft) of government property investigated under the subject financial liability investigation of property loss.
2. Justification (provide a statement of the reason(s) why you believe the approving or appointing authority's assessment of financial liability is erroneous, including a complete description of the facts, evidence, and summary of testimony of any witnesses that support your change in proximate cause. Attach copies of any pertinent records you wish to have considered if they differ from those records previously provided to you by the approving or appointing authority.)

(Signature)
(FI. MI. LAST Name of Respondent)

<div><div>VOLUME 17: APPENDIX G</div><div>“SAMPLE APPEAL LETTER”</div><div>SUMMARY OF SUBSTANTIVE CHANGES</div><div>Hyperlinks are denoted by <i><u>bold, italic, blue and underlined font</u></i>.</div><div>The original publication date of this Marine Corps Order (MCO) Volume (right header) will not change unless/until a full revision of the MCO has been conducted.</div><div>All Volume changes denoted in blue font will reset to black font upon a full revision of this Volume.</div></div>			
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APPENDIX G

SAMPLE APPEAL LETTER

The following is a sample letter for an individual that is appealing the assessment of financial liability for the loss, damage, destruction, or theft of government property.

4400
(code)
(date)

From: (Rank First Name MI. Last Name)

To: Appeal Authority

Via: Approving Authority

Subj: APPEAL OF FINANCIAL LIABILITY

Ref: (a) MCO 4400.201, Volume 17

1. Per reference (a), I am appealing the assessment of financial liability against me in Financial Liability Investigation of Property Loss (FLIPL) Number _____. The approving authority has decided that I pay \$ _____ for the loss/damage/destruction/theft of _____.

2. Facts. (Explain what happened).

3. Negligence and Proximate Cause. The Financial Liability Officer (FLO) has not proven that my negligence resulted in the loss. Without proof of these elements, there is no theory of liability upon which I can be held liable.

a. Paragraph 0602 in the reference, states that before a person can be held financially liable, the facts must show that he or she violated a particular duty of care toward the property through negligence or willful misconduct. Further, the facts must show the negligence was the proximate cause of the loss.

b. Paragraph 0602 in the reference, defines simple negligence as the absence of due care, by an act or omission of a person which lacks the degree of care for the property that a reasonably prudent person would have taken under similar circumstances to avoid loss, damage, destruction, or theft of the property. Before I can be found liable, I must be found negligent. My negligence must have also been the proximate cause of the loss or damage.

(1) Responsibility. (Explain why you were not responsible at the time the property was lost, damaged, destroyed, or stolen).

(2) Culpability. (Explain why you were not culpable at the time the property was lost, damaged, destroyed, or stolen).

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(3) Proximate Cause. (Explain why there is no proximate cause at the time the property was lost, damaged, destroyed, or stolen).

4. Conclusion. I am not liable for the (lost, damaged, destroyed, or stolen) government property. The FLO cannot prove that I was responsible at the time of loss, I was culpable, or I proximately caused the loss. Further, the loss was improperly calculated. Absent proof of these essential elements of negligence, I cannot be held liable for the loss.

(Signature)

(FI. MI. LAST Name of Appellant)

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VOLUME 17: APPENDIX H

“FLIPL REGISTER TEMPLATE”

SUMMARY OF SUBSTANTIVE CHANGES

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APPENDIX H

FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS (FLIPL) REGISTER
TEMPLATE

The FLIPL Manager will maintain a FLIPL Register to track and document unit initiated DD 200s. The FLIPL Register will contain the following information:

1. Inquiry/Investigation Number - Assign an inquiry/investigation number to each DD 200. The inquiry/investigation number will be composed of the Unit DoDAAC to which the lost, damaged, destroyed, or stolen property is maintained, Julian Date and a serial number (e.g., M21260-7120-F001). Include the inquiry/investigation number in Block 2 of the DD 200.
2. Date Assigned - Record the date an inquiry/investigation is assigned.
3. Organizational Point of Contact - Record the name and phone number of the organizational point of contact.
4. Form - Record the type of form used for debt collection (DD 200, NAVMC 6 "Cash Sales/Request for Checkage for Government Property," DD 139 "Pay Adjustment Authorization."
5. Dollar Amount - Enter the total dollar value of the loss (see Block 8 or the Continuation Page of the DD 200) and (L) for loss or (D) for damage or destruction.
6. Item Description - Enter a brief, general description of the item(s).
7. Responsible Individual - Enter the name of the person mentioned on DD 200 as responsible for losing or damaging the property (see Block 11 on the DD 200).
8. FLO and Date - If a financial liability officer (FLO) is appointed, enter the name and date of appointment.
9. Amount of Financial Liability - Enter the dollar amount of financial liability and insert (A) if assessed or (R) if relieved of liability.
10. Final Action Officer and Date - Enter the name of the final action officer and date.
11. Comments - Explain any unusual circumstances or provide any pertinent comments (for example, appeal approved, separation pending, etc.).

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VOLUME 17: APPENDIX I

“FLIPL CHECKLIST AND TRACKING DOCUMENT”

SUMMARY OF SUBSTANTIVE CHANGES

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APPENDIX I

**FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS (FLIPL) CHECKLIST
AND TRACKING DOCUMENT**

CHECKLIST AND TRACKING DOCUMENT FOR FINANCIAL LIABILITY INVESTIGATIONS OF PROPERTY LOSS To be used with DD 200			
(A) Initiator. (Blocks 1 and 3 through 11 are completed by the individual initiating the DD 200. This will be the individual directly involved in the loss, damage, destruction, or theft of property. When this individual is not available or not known, the person with the most knowledge of the incident will initiate the DD 200.			
Block 1.	Has the date the DD 200 was initiated been entered?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 2.	Has the DD 200 been presented to the supply officer or APO for assignment of an Inquiry/Investigation Number? The individual initiating the DD 200 may also validate the correct information in Blocks 4-8 at this time.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 3.	Has the date the loss was discovered been entered?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 4.	Has the correct stock number(s) been entered? Use a continuation sheet for multiple items.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 5.	Has the correct nomenclature(s) been entered to include serial numbers? Use a continuation sheet when the loss to be investigated involves more than one item.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 6.	Has the quantity of the item(s) lost, damaged, destroyed, or stolen been entered? Use a continuation sheet when necessary.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 7.	Has the unit cost of the item(s) lost, damaged, destroyed, or stolen been entered? Use a continuation sheet when necessary.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 8.	Has the total cost of all item(s) lost, damaged, destroyed, or stolen been entered/calculated? Use continuation sheet when necessary.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 9.	Has an accurate and concise statement of facts surrounding the incident been entered? The statement should identify what happened, how it happened, where it happened, who was involved, when it happened. If the individual offers voluntary payment, is a statement included as follows, "I volunteer to pay the total cost for lost, damaged, destroyed, or stolen property, and do so after being advised of my rights."	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 10.	Has a recommendation been entered to prevent future occurrences? Comments are normally made by the FLO based on findings from an investigations. Recommendations may also be entered by the commander, supply officer, or section head.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Block 11.	Has the individual who completed Blocks 1 and 3 through 9, completed Blocks 11a through 11e?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

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(B) Supply Officer or APO. Block 12 is completed by the supply officer/APO prior to forwarding the DD 200 to the appointing authority or approving authority as appropriate.

Block 12.	Has the supply officer/APO completed Blocks 12 through 12g with recommendations concerning whether to conduct a formal investigation? Has the proper box been checked in Block 12a to identify whether negligence or abuse is evident or suspected?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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(C) Appointing Authority. Upon reviewing the comments (Blocks 1-11) from the individual, and recommendations from the supply officer or APO (Block 12), the appointing authority must decide whether to appoint a FLO to conduct a FLIPL investigation. If designated in writing, the appointing authority may also assess financial liability without appointing a FLO. The approving authority may also serve as the appointing authority. If a FLO is appointed, only Block 13c will be completed at this time. The remaining blocks are completed after the investigation is completed to show whether the appointing authority approves of the FLO's findings and recommendations.

Block 13c.	Has the appointing authority completed Block 13c indicating whether a FLO is appointed? When a FLO is appointed, attach the FLO Appointment Letter from the appointing authority in accordance with Appendix D of MCO 4400.201, Volume 17. If a FLO is not appointed, the appointing authority will check Block 13c "No" and make appropriate comments in Blocks 13a and 13b.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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(D) Financial Liability Officer. (Block 15 is completed by the FLO prior to returning the investigation to the appointing authority or approving as appropriate).

Block 15a.	The FLO's findings and recommendations are recorded here. If required, the FLO's report may be provided as a separate document (attached to the DD 200). In conducting the FLIPL investigation, has the FLO:		
	○ Consulted with the SJA prior to the investigation for military personnel, or the Human Resources Organizational Management Branch for DoD civilian employees?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	○ Scrutinized all available evidence?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	○ Interviewed witnesses and secured statements from individuals concerning: ○ The cause of the loss or damage? ○ The responsibility for the loss or damage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	○ Compiled evidence substantiating or refuting any statement in Block 9 of the DD 200?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	○ Physically examined the damaged property, when available, and released it for repair or disposal? This should be done on the first day of the FLO's appointment.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	○ Consulted with the appointing/approving authority as appropriate for guidance, when needed?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	○ Determined the amount of damage, if property was damaged? This value may be the actual cost of repairs or an estimated cost of the repairs obtained from technical	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		N/A <input type="checkbox"/>	N/A <input type="checkbox"/>

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	manuals or other reliable sources. Determine the value of the property immediately before it was damaged if the property is not economically repairable. The supply officer may be asked to assist if he or she has not been directly involved.			
	○ Correctly computed the total loss to the government?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	○ Coordinated this investigation with the claims investigating officer when the investigation covers the loss, damage, destruction, or theft of government property that is being investigated by a claims FLO? This includes cases where military personnel or civilian employees, while driving a privately owned vehicle, damage government property and have insurance to pay for part of the loss.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	Recommend to the appointing or approving authority whether financial liability should be assessed against the individual due to negligence or willful misconduct?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 15b.	Has the dollar amount of the loss been entered by the FLO?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 15c.	When a charge of financial liability is being recommended, has the monthly basic pay of the respondent been entered?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 15d.	When a charge of financial liability is being recommended, has the recommended amount of financial liability been entered?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Blocks 15e – 15k	Self-explanatory	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
On completion of the investigation, the FLO forwards the completed DD 200 with all exhibits to the approving authority. When the approving authority has designated an appointing authority, the FLO forwards the completed investigation to the appointing authority.				
(E) Appointing Authority. Block 13 is completed by the appointing authority when one has been designated by the approving authority. When an appointing authority has not been designated, Block 13a through b, and d through f are left blank.				
Block 13a.	On completion of the appointing authority's review of the FLIPL investigation, is a decision made to either approve or disapprove the FLO's findings and recommendations?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 13b.	The appointing authority's rationale for the decision reached in Block 13a is entered in Block 13b. If the appointing authority is authorized to assess financial liability, the decision and dollar amount of the assessment is described here.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 13c.	This block was previously completed, as indicated in (D) above.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Blocks 13d – 13h	Self-explanatory	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

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On completion of Block 13, the DD 200 is either: ○ Returned to the FLO for additional investigation or documentation of findings and recommendations, or ○ Forwarded to the approving authority				
(F) Approving Authority. This set of blocks is completed by the approving authority to show the approving authority's decision based on recommendations from the supply officer or APO, the FLO, and the appointing authority.				
Block 14a.	On completion of the approving authority's review of the FLIPL file, has the approving authority indicated his or her approval or disapproval of recommendations? ○ If the approving authority has decided that all persons be relieved of responsibility and accountability for the loss, damage, destruction, or theft of property, comments will be made in Block 14b, and Block 14c will be check "N/A." A copy of the DD 200 will be provided to the individual involved as notification that they are relieved of responsibility and that the DD 200 has been closed. ○ If the approving authority has decided to assess financial liability against the individual involved in the loss, damage, destruction, or theft of property, comments will be made in Block 14b and the DD 200 will be forwarded to the SJA for legal. ○ When the approving authority makes a decision contrary to the recommendations of the FLO, either to relieve all concerned from financial liability or assess financial liability against a new individual, Block 14a will be marked "Disapprove" and appropriate comments will be made in Block 14b to state the approving authority's decision.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 14b.	Has the approving authority entered his or her rational for the decision shown in Block 14a? When a decision to charge an individual with financial liability has been made, comments should be entered stating who the respondent is and the amount of financial liability to be assessed. If the approving authority is also the accountable officer for the lost or destroyed property, comments should be made directing the supply officer or APO to drop the property from the accountable property records.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Block 14c.	Has the approving authority indicated whether a legal review has been completed? A legal review is required when the approving or appointing authority has decided to assess financial liability against an individual.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Blocks 14d – 14h	Self-explanatory	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

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(G) Staff Judge Advocate

When the approving or appointing authority has decided to assess financial liability against an individual, the supporting SJA must review the FLIPL file and provide an opinion on the adequacy of the evidence and its relationship to the findings and recommendations. The results of the legal review will be attached to the DD 200 as an endorsement and returned to the approving or appointing authority.

(H) Approving Authority

Upon receipt of the DD 200 from the SJA, the approving authority will conduct a final review of FLIPL file, and will make a final decision concerning the charge of financial liability. In some cases, the approving authority may change his decision based on input from the SJA.

- When a decision is reached to charge an individual with financial liability, the approving authority will notify the individual via an Assessment Letter (see Appendix E in MCO 4400.201, Volume 17).
- When a decision is reached to relieve all concerned of accountability for the loss, the individual will be notified and the DD 200 will be closed out.

(I) Individual Charged

Upon receipt the Assessment Letter from the approving authority, the individual must complete Block 16a to identify whether he or she will make a statement of objection (i.e., submit a request for reconsideration or an appeal), or make no statement and voluntarily pay the amount assessed. The individual must also complete Blocks b-g before returning the DD 200 to the approving authority.

Block 16	After receiving an Assessment Letter from the approving or appointing authority, has the individual marked the correct box in Block 16a to identify their decision?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
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(J) Supply Officer or APO

The supply officer or APO who maintains the accountable property records for the accountable officer who owns the lost, damaged, destroyed, or stolen property will complete Block 17. This can be accomplished once the approving or appointing authority has made a final decision to relieve the individual of responsibility, or assess financial liability against an individual.

Block 17.	Has the supply officer completed Blocks 17a through 17f showing the document number(s) used to adjust the property records within the APSR? For damaged property, a document number is not assigned.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
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“SAMPLE COMPLETED DD 200”

SUMMARY OF SUBSTANTIVE CHANGES

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APPENDIX J

SAMPLE COMPLETED DD 200

FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS							
1. DATE INITIATED (YYYYMMDD)		2. INQUIRY/INVESTIGATION NUMBER		3. DATE LOSS DISCOVERED (YYYYMMDD)			
20170110		M21260-7063-F001		20170105			
4. NATIONAL STOCK NO.	5. ITEM DESCRIPTION		6. QUANTITY	7. UNIT COST	8. TOTAL COST		
5855-01-423-0524	Night Vision Goggle AN/PS-14		1	3,607.00	3,607.00		
9. CIRCUMSTANCES UNDER WHICH PROPERTY WAS (X one)			<input checked="" type="checkbox"/> Lost <input checked="" type="checkbox"/> Organization <input type="checkbox"/> Damaged <input type="checkbox"/> Installation <input type="checkbox"/> Destroyed <input type="checkbox"/> OCIE				
(Attach additional pages as necessary)			Add Page On 4 January 2017, I, Sgt Williams, M.J., was returning from training at 29 Palms. The NVGs (serial number 12345) were in the back of my pickup truck with other personal items. I stopped by WalMart for a few items and found the NVGs missing when I returned to my truck.				
10. ACTIONS TAKEN TO CORRECT CIRCUMSTANCES REPORTED IN BLOCK 9 AND PREVENT FUTURE OCCURRENCES (Attach additional pages as necessary)							
(Completed by the FLO after the investigation has been completed) The importance of individual responsibility to properly secure government property has been discussed during unit formations and PME's. Additional guidance has been published in the battalion SOP.							
11. INDIVIDUAL COMPLETING BLOCKS 1 THROUGH 10							
a. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)		b. TYPED NAME (Last, First, Middle Initial)		c. DSN NUMBER			
A Co, 1st Bn, 1st Marines		Williams Michael, J. (Sgt USMC)		365-2100			
		d. SIGNATURE		e. DATE SIGNED			
		[Signature]		20170110			
12. (X one) <input checked="" type="checkbox"/> RESPONSIBLE OFFICER (PROPERTY RECORD ITEMS) <input type="checkbox"/> REVIEWING AUTHORITY (SUPPLY SYSTEM STOCKS)							
a. NEGLIGENCE OR ABUSE EVIDENT/ SUSPECTED (X one)		b. COMMENTS/RECOMMENDATIONS (SupO/APO comments) Due to suspected negligence in the loss of the NVGs, I recommend that a FLIPL investigation be conducted.					
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO							
c. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)		d. TYPED NAME (Last, First, Middle Initial)		e. DSN NUMBER			
Supply Officer, 1st Bn 1st Marine Regt		Jones, Steve M. (1stLt, USMC)		365-2600			
		f. SIGNATURE		g. DATE SIGNED			
		[Signature]		20170111			
13. APPOINTING AUTHORITY							
a. RECOMMENDATION (X one)		b. COMMENTS/RATIONALE (Blocks a and b are completed after receiving the FLO's findings) I recommend approval of the FLO's findings to hold Sgt Williams financially liable for failing to properly secure government property.			c. FINANCIAL LIABILITY OFFICER APPOINTED (X one)		
<input checked="" type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE					<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)		e. TYPED NAME (Last, First, Middle Initial)		f. DSN NUMBER			
Executive Officer, 1st Bn, 1st Marine Regt		Smith, William M. (Maj, USMC)		365-2514			
		g. SIGNATURE		h. DATE SIGNED			
		[Signature]		20170228			
14. APPROVING AUTHORITY							
a. RECOMMENDATION (X one)		b. COMMENTS/RATIONALE Approved to hold Sgt Williams financially liable in the amount entered in Block 15d. Sgt Williams' basic pay at the time of the loss was \$2,146.00. As the Accountable Officer for this equipment, I hereby direct the item to be dropped from the accountable property records.			c. LEGAL REVIEW COMPLETED IF REQUIRED (X one)		
<input checked="" type="checkbox"/> APPROVE <input type="checkbox"/> DISAPPROVE					<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A		
d. ORGANIZATIONAL ADDRESS (Unit Designation, Office Symbol, Base, State/Country, ZIP Code)		e. TYPED NAME (Last, First, Middle Initial)		f. DSN NUMBER			
Commanding Officer, 1st Bn, 1st Marine Regt		Johnson, Ray S. (LtCol, USMC)		365-3001			
		g. SIGNATURE		h. DATE SIGNED			
		[Signature]		20170303			

DD FORM 200, JUL 2009




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15. FINANCIAL LIABILITY OFFICER			
a. FINDINGS AND RECOMMENDATIONS <i>(Attach additional pages as necessary)</i>			
Add Page			
<p>The FLO reports the findings and recommendations of the investigation. In this case, he finds Sgt Williams negligent in the loss of the NVGs and recommends that the Approving Authority assess financial liability for a maximum of one month's base pay.</p>			
b. DOLLAR AMOUNT OF LOSS		c. MONTHLY BASIC PAY	d. RECOMMENDED FINANCIAL LIABILITY
3,607.00		2,146.00	2,146.00
e. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</i> MMO, 1st Bn, 1st Marines		f. TYPED NAME <i>(Last, First, Middle Initial)</i> Anderson, James R. (1sLt USMC)	g. DSN NUMBER 365-5400
		h. DATE SUBMITTED TO APPOINTING AUTHORITY (YYYYMMDD) 20170224	i. DATE APPOINTED (YYYYMMDD) 20170116
		j. SIGNATURE 	k. DATE SIGNED 20170223
16. INDIVIDUAL CHARGED			
a. I HAVE EXAMINED THE FINDINGS AND RECOMMENDATIONS OF THE FINANCIAL LIABILITY OFFICER AND (X one)			
<input type="checkbox"/> Submit the attached statement of objection. <input checked="" type="checkbox"/> Do not intend to make such a statement.			
b. I HAVE BEEN INFORMED OF MY RIGHT TO LEGAL ADVICE. MY SIGNATURE IS NOT AN ADMISSION OF LIABILITY.			
c. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</i> A Co, 1st Bn, 1st Marine Regt		d. TYPED NAME <i>(Last, First, Middle Initial)</i> Williams, Michael J. (Sgt, USMC)	e. DSN NUMBER 365-2100
		f. SIGNATURE 	g. DATE SIGNED 20170305
17. ACCOUNTABLE OFFICER			
a. DOCUMENT NUMBER(S) USED TO ADJUST PROPERTY RECORD M21260-7063-0001			
b. ORGANIZATIONAL ADDRESS <i>(Unit Designation, Office Symbol, Base, State/Country, ZIP Code)</i> Supply Officer, 1st Bn, 1st Marine Regt		c. TYPED NAME <i>(Last, First, Middle Initial)</i> Jones, Steve M. (1stLt, USMC)	d. DSN NUMBER 365-2600
		e. SIGNATURE 	f. DATE SIGNED 20170306

DD FORM 200 (BACK), JUL 2009

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