

<p>VOLUME 1</p> <p>“ACCOUNTABILITY AND RESPONSIBILITY”</p> <p>SUMMARY OF VOLUME 1 CHANGES</p> <p>Hyperlinks are denoted by <i>bold, italic, blue and underlined font.</i></p> <p>The original publication date of this Marine Corps Order (right header) will not change unless/until a full revision of the MCO has been conducted.</p> <p>The date denoted by blue font (left header) will reflect the date this Volume was last updated.</p> <p>All Volume changes denoted in blue font will reset to black font upon a <u>full revision</u> of this Volume.</p>			
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- (a) Office of Management and Budget (OMB), "Accounting for Inventory and Related Property, Statement of Federal Financial Accounting Standards Number 3 (SFFAS 3)," October 27, 1993
- (b) DoD 7000.14-R, "Department of Defense Financial Management Regulation (DoD FMR)," Volumes 1-15, dates vary by volume
- (c) SECNAVINST 7320.10A
- (d) DoD Manual 4140.01-V6 CH 1, "DoD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition," August 14, 2015
- (e) MARCORMAN W/CH 1-3
- (f) DoD Manual 4140.01-V7, "DoD Supply Chain Materiel Management Procedures: Supporting Technologies," February 10, 2014
- (g) DoD Instruction 5000.64, "Accountability and Management of DoD Equipment and Other Accountable Property," May 19, 2011
- (h) Joint Publication 1-02, "Department of Defense Dictionary of Military and Associated Terms," 8 November 2010 (As Amended Through 15 February 2016)
- (i) Title 10, United States Code (U.S.C.)
- (j) Title 31, United States Code (U.S.C.)
- (k) DoD 4100.39-M, "Federal Logistics Information System (FLIS) Procedures Manual (Glossary and Volumes 1-16)," date varies
- (l) Office of Management and Budget (OMB), "Circular A-76 Revised, Performance of Commercial Activities," May 29, 2003
- (m) Office of Management and Budget (OMB), Office of Federal Procurement Policy (OFPP) Policy Letter 11-01, "Performance of Inherently Governmental and Critical Functions," September 12, 2011
- (n) DLM 4000.25, "Defense Logistics Management Systems (DLMS)," Volumes 1-7, dates vary by volume
- (o) [Manual for Courts Martial \(MCM\), United States \(2012 Edition\)](#)
- (n) [Title 10, U.S.C. CH 47, "Uniform Code of Military Justice \(UCMJ\)," 21 July 2010](#)

VOLUME 1: CHAPTER 1

“GENERAL OVERVIEW”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER 1

GENERAL OVERVIEW

0101 SCOPE

This Directive is issued under the authority of Marine Corps Order (MCO) 4400.201 *Management of Property in the Possession of the Marine Corps*. It prescribes strategic policy, procedures, and responsibilities for managing property under Marine Corps control in order to ensure complete and accurate accountability, auditability and valuation of property. The strategic goal of this Directive is to achieve full inventory accountability and visibility of property in accountable property systems of record (APSR), financial systems of record, and Department of Defense (DoD)-compliant procurement and requisitioning systems in accordance with DoD laws and regulations for resource management.

0102 GENERAL

This Volume prescribes basic guidance and responsibilities for managing property under Marine Corps control. All accountable property falls within the three major categories of (1) Property, Plant and Equipment (PP&E), (2) Operating Materials and Supplies (OM&S), and (3) Inventory. See Figure 1-1 below.

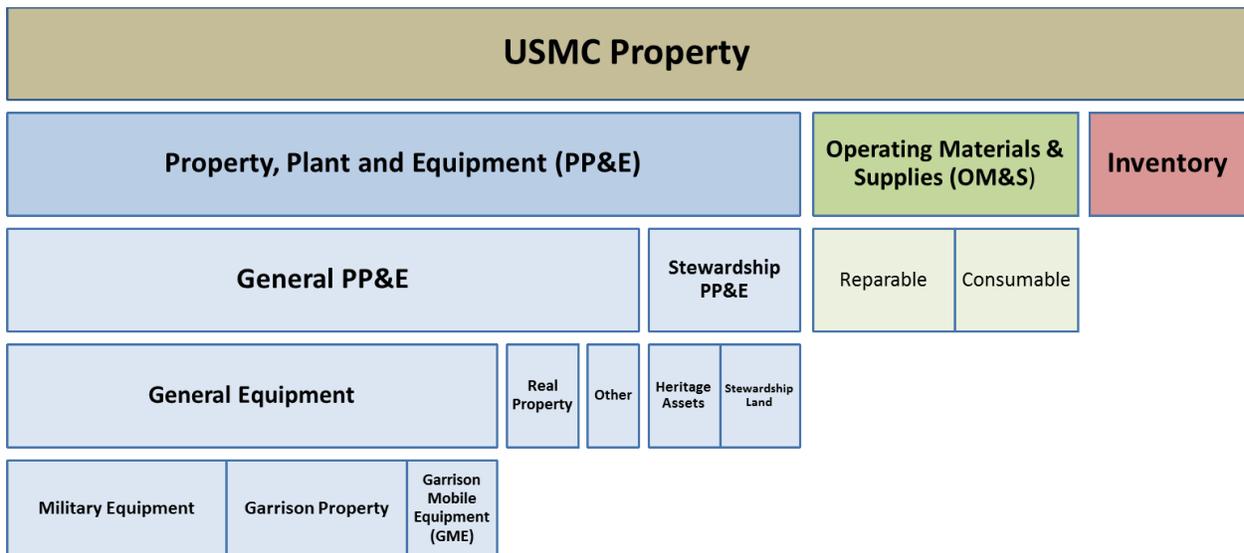


Figure 1-1. USMC Property

010201. Property, Plant & Equipment (PP&E)

Per reference (a), PP&E is defined as tangible assets that (1) have an estimated useful life of two or more years, (2) are not intended for sale in the ordinary course of business, and (3) are intended to be used or available for use by the entity. PP&E consists of two categories: general PP&E and stewardship PP&E.

A. General PP&E

Per reference (b), general PP&E is any property, plant and equipment used in providing goods or services. General PP&E typically has one or more of the following characteristics: (1) It could be used for alternative purposes (e.g., by other DoD or federal programs, state or local governments, or nongovernmental entities), but it is used to produce goods or services, or to support the mission of the entity; or (2) It is used in business-type activities; or (3) It is used by entities in activities whose costs can be compared to those of other entities performing similar activities (e.g., federal hospital services in comparison to commercial hospitals). General PP&E has several sub-categories as follows:

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

a. Military Equipment. Per reference (b), military equipment (ME) 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 Table of Authorized Material Control Number to all ME. Marine Corps examples include: combat vehicles, tanks, artillery and crew serve weapons. ME also includes Marine Corps procured research and development equipment (e.g., prototypes, test gear, Engineering Development Models).

b. Garrison Property. Per reference (c), 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.

c. Garrison Mobile Equipment. Per reference (c), garrison mobile equipment (GME) is used to perform transportation and automotive maintenance functions at Marine Corps installations. Commercially available GME includes passenger vehicles, cargo vehicles, non-tactical material handling equipment, engineer equipment, and railway rolling stock.

2. Real Property. Per reference (b), real property is a type of general PP&E which includes land, the rights to land, and improvements to land (i.e., facilities). It includes equipment affixed and built into a facility as an integral part of the facility (such as heating systems), but not movable equipment (e.g., plant equipment, industrial equipment, buoys). In many instances, this term is synonymous with real estate. Examples include ground stations, test facilities, and aircraft hangars.

3. Other Property. The following types of property are considered general PP&E and are included within the “other” category in Figure 1-1 above.

a. Construction in Progress. Construction in Progress (CIP) is an accounting term referring to the temporary classification of assets under construction. While under construction, costs of new construction and facility improvement projects are accumulated in CIP accounts.

b. Assets Under Capital Lease. Per reference (b), a lease agreement conveys the use of an asset or part of an asset (such as part of a building) from one entity, the lessor, to another, the lessee, for a specified period of time in return for rent or other compensation. Leases meeting the criteria for a capital lease transfer substantially, all the benefits and risks of ownership from the lessor to the lessee.

c. Leasehold Improvements. Leasehold improvements are defined as improvements to leased property. When leasehold improvements meet or exceed DoD capitalization criteria, such improvements shall be capitalized and amortized for the remainder of the lease period or 20 years, whichever is less.

d. Internal Use Software. Internal use software includes application and operating system programs, procedures, rules, and any associated documentation pertaining to the operation of a computer system or program that is used for operational or other internal use. Normally, software is an integral part of an overall system having interrelationships between software, hardware, personnel, procedures, controls, and data.

B. Stewardship PP&E

Per reference (b), stewardship PP&E is a category of PP&E which consists of tangible assets classified as either heritage assets or stewardship land.

1. Heritage Assets. Per reference (b), 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 Historical Center or the National Museum of the Marine Corps.

2. Stewardship Land. Per reference (b), stewardship land is land and land rights owned by the federal government but not acquired for or in connection with items of general PP&E. Examples of stewardship land include land used as forests and parks, and land used for wildlife and grazing.

010202. Operating Material & Supplies (OM&S)

Per reference (a), OM&S consists of tangible property to be consumed in normal operations. OM&S shall be categorized as: held for use; held in reserve for future use; held for repair; or excess, unserviceable and obsolete. Excluded are (a) goods that have been acquired for use in constructing real property, (b) stockpile materials, and (c) inventory held for sale. Repairables and consumables that are not for sale are considered OM&S.

010203. Inventory

Per reference (d), inventory is materiel, titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal. This definition covers the same population of items as the definition for inventory in Chapter 4 “Inventory and Related Property,” of Volume 4 of reference (b). Inventory does not include tangible personal property to be consumed in normal operations, OM&S as defined by Volume 4 of reference (b).

0103 LEGAL AND ADMINISTRATIVE RESPONSIBILITIES

The legal and administrative responsibilities of property control are inherent at all levels of command. As a Service Component, the legal foundation for property control is established as a matter of public law and is further defined by statutory regulations. This publication outlines the duties and responsibilities of commanders, directors, supervisors and those directly responsible for the proper stewardship and management of property in the possession of the Marine Corps. See the Legal Foundation Overview in Appendix A for more information.

0104 MARINE CORPS PHILOSOPHY

Per reference (e), United States Marine Corps philosophy is based upon the principle that proper control of property is inseparable from command. Mission critical assets and their availability are essential for commanders to perform their assigned missions.\

0105 MILITARY, CIVILIAN, AND CONTRACTOR PERSONNEL

All military, civilian and contractor personnel will operate and maintain government systems, equipment, and supplies in the best possible condition, in constant readiness, and in the absolute minimum quantities necessary to accomplish assigned tasks.

0106 MARINE CORPS PROPERTY MANAGERS

Property managers will provide the proper allocation, control, use, and safeguard of property under Marine Corps control. Property management tenets apply to each individual and limit the use of property to official purposes only.

0107 SUPPLY DISCIPLINE

Supply discipline is mandatory for all personnel and is essential to account for, protect, and maintain available government systems, equipment, and supplies for operational requirements. Subordinate commanders are responsible to their commanders for prudent management, control, storage, and cost-effective use of property under their jurisdiction.

010701. Accountability

Accountability of Marine Corps property will be established upon receipt, delivery, or acceptance.

A. Accountable Property Records

Marine Corps accountable property records will be established and maintained using information technology. Per reference (f), the use of automatic identification technologies to assist in property accountability is mandatory unless demonstrably proven through cost benefit or other analysis that implementation would not be practicable. Additionally, per reference (g), accountable property meeting established criteria will receive item unique identification marking in order to track the lifecycle of items within supply, maintenance and property accountability systems.

B. Accountability of Marine Corps Property

The accountability of Marine Corps property throughout its lifecycle will not be compromised by virtue of its status (i.e., excess, obsolete or unserviceable) or physical location (e.g., in-transit, in theater, or loaned to a contractor).

C. Accountable Property System of Record (APSR)

Accountability of Marine Corps property will be maintained in the following approved APSRs (See Chapter 4 within this Volume for detailed information):

1. Defense Property Accountability System (DPAS).
2. Global Combat Support System – Marine Corps (GCSS-MC).
3. Stock Control System (SCS).
4. Ordnance Information System – Marine Corps (OIS-MC)
5. Defense Medical Logistics Standard Support Automated Information System (DMLSS AIS).

0108 LOST, DAMAGED, OR DESTROYED GOVERNMENT PROPERTY

Property management responsibility includes the determination or assessment of pecuniary liability for the loss, damage, or destruction of government property resulting from negligence, willful misconduct or deliberate unauthorized use.

0109 VARYING LEVELS OF RESPONSIBILITY

DoD and Marine Corps policy provide for varying levels of responsibility and roles when managing or controlling property.

VOLUME 1: CHAPTER 2

“PROPERTY MANAGEMENT ROLES AND RESPONSIBILITIES”

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CHAPTER 2

PROPERTY MANAGEMENT ROLES AND RESPONSIBILITIES

0201 GENERAL

This chapter prescribes general and specific roles and responsibilities for the proper management of Marine Corps property and resources. Throughout this Directive, the basic tenets of accountability and responsibility are defined as follows:

020101. Accountability

Per reference (e), accountability is the obligation imposed by law, lawful order, or regulation on an officer or other person for keeping current, complete and accurate records of property, documents, or funds. The person having this obligation may or may not have actual possession of the property, documents, or funds. Accountability is concerned primarily with records, while responsibility is concerned primarily with custody, care, and safekeeping. Property accounting is a rigorous form of property control that entails a significant investment in personnel and resources in order to maintain the required records and associated audit trails.

020102. Responsibility

Per reference (h), responsibility is defined as “the obligation for the proper custody, care, and safekeeping of property or funds entrusted to the possession or supervision of an individual.” Any person having public property, funds, and/or other government provided resources in their custody or under their supervision assumes a public trust that the property will be used only for its intended purpose and as authorized by law or regulations.

0202 GENERAL ROLES AND RESPONSIBILITIES

It is DoD and Marine Corps policy that all military, civilian and contractor personnel will operate and maintain government systems, equipment, and supplies in the best possible condition, in constant readiness, and in the absolute minimum quantities necessary to accomplish assigned tasks. Responsibilities applicable to all personnel include

020201. Accurately maintaining property records to reflect the current inventory and condition of property, to include government commercial purchase card (GCPC) purchases.

020202. Ensuring that all personnel carefully and economically use and safeguard property.

020203. Providing adequate security, protection, and storage for property.

020204. Ensuring that property found on installations, and not accounted for, is identified, reported, and recorded on accountable property records.

020205. Making approved adjustments to the accountable property records to reflect all discovered shortages and excesses according to prescribed directives.

020206. Making recommendations to accountable officers (AOs) for the prevention and correction of fraud, waste, and abuse activity.

020207. Adhering to all Marine Corps and DoD policies concerning the acquisition of specific classes of supply.

0203 SPECIFIC ROLES AND RESPONSIBILITIES

In addition to the general responsibilities applicable to all DoD and Marine Corps personnel, the following Marine Corps specific roles and responsibilities will be established to fulfill mandates set forth in references (i) and (j), reference (o), and reference (e) requirements for the management of equipment, materiel, and resources within the Marine Corps. Paragraphs 0204 through 0215 below provide applicable details. See Figure 2-1 at the end of this chapter for additional detail.

0204 COMMANDANT OF THE MARINE CORPS (CMC)

The CMC provides policy and procedures through various directives, to include this publication, for the management of property and resources under Marine Corps control. Further, the CMC provides resources and a basic organizational structure with which to discharge the supply management duties of commanders at various echelons.

0205 COMMANDING OFFICER (CO)/ACCOUNTABLE OFFICER (AO)

Per reference (e), a 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, CO, director, or inspector-instructor (I-I). Other titles used to designate Marine Corps COs shall be made only with the specific approval of the CMC. The titles officer in charge (OIC) or non-commissioned officer in charge (NCOIC) do not normally denote a CO; however, in specific instances, superiors in the chain of command may delegate command authority to OICs or NCOICs to the extent required for them to carry out their assigned tasks.

020501. Accountability of public resources is inherent to command. This responsibility cannot be delegated. In pecuniary and fiduciary terms, this responsibility is a COs role as an AO. This function is tied to both responsibilities set forth in references (i) and (j) relative to the proper accountability of appropriations or materials and services associated to an activity. For the purposes of this policy, the term “CO” is synonymous with “Accountable Officer” unless otherwise designated. Within certain unique command structures, general officers or other individuals, designated as the AO for the organization, may be responsible for those tasks/duties normally inherent to the billet of CO. COs/AOs will place specific emphasis on the following responsibilities:

- A. Ensuring that a supply officer/APO, or personal property manager is appointed in writing to perform administrative duties associated with accounting for property and funds within the organization.
- B. Ensuring that responsible officers (ROs) and/or responsible individuals (RIs) are appointed in writing to directly manage assets in sub-custody accounts; including the timely and accurate recording of accountable property transactions and maintenance of key supporting documents (KSD).
- C. Ensuring that physical inventories of accountable property under their purview are conducted at periods prescribed in applicable directives.
- D. Approving inventory gain/loss adjustments to correct discrepancies identified during physical inventories (i.e., annual, quarterly, cyclic, spot inventories).
- E. Ensuring that the accountable property records are properly adjusted in response to approved financial liability investigations for property loss (FLIPL).
- F. Identifying the proper urgency and validity of requests for materiel in accordance with reference [\(k\)](#).
- G. Properly identifying, reporting, and determining the correct disposition of unserviceable, repairable, or excess property.
- H. Validating the accuracy of accountable property records and the validity of property locations.
- I. Providing effective management, direction, and controls for committing or obligating public funds.
- J. Providing guidance and training on accountability standards to ROs, custodians, and other personnel as required.
- K. Providing guidance on required contingency location closure actions under their purview.

020502. Commanding General/Commander

A general officer has the authority to appoint the most appropriate officer as the AO. Once appointed, this AO will have the same authority associated with the management of a supply account as a CO would. If the AO in this case is prohibited from performing certain duties associated with supply procedures (i.e., does not have convening authority for Judge Advocate General Manual (JAGMAN) investigations), the action will be referred to the next higher level in the chain of command which has the appropriate authority.

020503. Unique Command Organizations

There are chain-of-command peculiarities associated with certain command elements such as a regiment or special-purpose/contingency Marine Air-Ground Task Force. The regimental commander, major subordinate command, Marine Expeditionary Force, or Marine Force general officer has the authority to appoint the most appropriate officer as the AO in these instances of particular commands (e.g., Headquarters Company/Battery Commander). If the AO in this case is prohibited from performing certain duties associated with supply procedures (i.e., does not have convening authority for JAGMAN investigations), the action will be referred to the next higher level in the chain of command which has the appropriate authority (e.g., Regimental CO).

0206 APPROVING AUTHORITY

An approving authority is defined as a Marine Corps officer or DoD civilian employee authorized to appoint investigating officers (i.e., financial liability officers), and approve or disapproved investigations of property loss (i.e., FLIPL). The approving authority also may act as the appointing authority or designate an appointing authority in writing (see appointing authority responsibilities in paragraph 0206). By virtue of command, the CO (0-5 level) at most Marine Corps units is both the approving authority and the appointing authority for FLIPLs arising within their command or under their supervision. Reference (b) prescribes detailed policy and guidance for approving and appointing authorities. The approving authority's responsibilities may be delegated; however, the delegations must be in writing. The approving authority shall:

020601. Designate an appointing authority, when needed.

020602. Establish procedures and designate a person to initiate and conduct an inquiry immediately after the loss, damage, destruction, or theft is discovered.

020603. Evaluate each investigation of property loss and either approve recommendations to assess financial liability or relieve those involved from liability, responsibility or accountability. The approving authority approves or disapproves all investigations of property loss, within their authorized dollar value threshold, unless otherwise delegated in writing.

020604. Ensure that all gains and losses that require a formal investigation are promptly and thoroughly investigated.

020605. Determine whether to delegate to the appointing authority the authority to approve or disapprove an investigation of property loss when there is no evidence of negligence or abuse or theft.

0207 APPOINTING AUTHORITY

An appointing authority is a Marine Corps officer or DoD civilian employee designated in writing by the approving authority. The approving authority will normally be senior to the appointing authority. The approving authority also may act as the appointing authority. The appointing authority appoints financial liability officers, if required; approves or disapproves the recommendations of the supply officer or financial liability officer; and recommends actions to the approving authority if required.

The appointing authority is normally senior to the supply officer and financial liability officer. The appointing authority is responsible for the following tasks:

- 020701. Appoint an investigating officer (i.e., financial liability officer), if needed.
- 020702. Appoint a board in lieu of a financial liability officer to conduct the investigation, if warranted. Reasons for considering appointment of a board include complexity, size, or unique type of loss due to negligence or abuse.
- 020703. Provide administrative guidance to the financial liability officer.
- 020704. Approve or disapprove the recommendations of the financial liability officer and forward personal recommendations to the approving authority if required.
- 020705. Approve or disapprove investigations of property loss when there is no evidence of negligence or abuse and authorization has been delegated in writing by the approving authority.
- 020706. Approve or disapprove investigations of property loss when the loss, damage, destruction or theft is less than \$100,000 and authorization has been delegated in writing by the approving authority.

0208 SUPPLY OFFICER/ACCOUNTABLE PROPERTY OFFICER (APO)

020801. Per reference (g), an APO is an individual who, based on his or her 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." Although most consumer level supply accounts have a supply officer assigned to execute supply administration and property accounting functions for the command, unique organizations like Marine Corps Logistics Command (MARCORLOGCOM) and Marine Corps Systems Command may appoint APOs to manage various supply accounts for the command. In all cases, the CO/AO shall designate, in writing, a supply officer/APO to perform supply and financial management functions for the command. Delegation of accounting responsibilities to the supply officer/APO does not relieve the CO/AO of accountability. Specific responsibilities of a supply officer/APO are as follows:

- A. Serve as a special staff officer to the CO/AO.
- B. As a member of the CO's/AO's staff, ensure that the CO/AO is made fully aware of the command's current supply and fiscal postures.
- C. Post changes to the property records for all transactions as required (e.g., loan, loss, damage, disposal, inventory adjustments, item modification, transfer, and sale).

- D. Designate custodial areas within an accountable area and appoint property custodians, in writing, for each custodial area designated.
- E. Monitor the acquisition, storage, utilization, transfer, and disposal of property.
- F. Properly and uniquely identify and mark property received and issued as appropriate.
- G. Issue custody receipts or similar documents for all property assigned to an individual or organization.
- H. Evaluate culpability when property loss has been reported; report and recommend appropriate action and assist in investigations, as required, according to established procedures (see reference [\(b\)](#)).
- I. Certify that property assigned to a unit or organization is properly inventoried; perform a joint physical inventory (with the gaining organization) when transferring the organization's property account; properly execute and sign required documentation.
- J. Develop physical inventory plans and procedures, schedule physical inventories, and assist in their completion, in accordance with Volume 4 of this Directive.
- K. Ensure electronic interfaces are used between the APSR and mandated enterprise systems (e.g., Wide Area Workflow).
- L. Recommend corrective procedural changes to the CO/AO so that detrimental supply situations may be prevented or corrected.

020802. In most cases, the supply officer/APO will also assume the roles and responsibilities of fiscal/budget & accounting officer, supply resource manager, certifying officer, and supply automated information system (AIS) administrator as follows:

A. Fiscal/budget & Accounting Officer

In the absence of a comptroller, the CO/AO shall designate in writing, via an appointment letter and a DD Form 577, "Appointment/Termination Record – Authorized Signature," a fiscal/budget & accounting officer to perform financial management functions for the command. In most organizations, fiscal/budget & accounting officer duties are inherent to the supply officer/APO billet and include the following responsibilities:

1. Provide guidance and direction of financial matters throughout the organization as a staff service to the CO.
2. Track all activities/programs that will have a financial impact on the organization. This includes budget plans and program schedules.

3. Perform applicable budget formulation, execution, and review functions for future, current, and expired fiscal years.
4. Provide guidance to fund managers responsible for the administration of travel payments (i.e., advances and settlements).
5. Ensure budget authorizations and allotments are passed to subordinate elements in a timely manner.
6. Maintain oversight of transactions posted in the accounting system to ensure validity and accuracy of postings. These evaluations should include proper usage of funds, coding structures used, validity of obligations, and timely posting of financial information.
7. Conduct evaluations and analyses of fund manager activities to assist in the prompt detection and correction of problems in connection with established financial procedures, practices, records and accounting system problems and deficiencies.
8. Ensure proper records and source documents supporting fund execution are maintained by appropriate activities such as fund managers.
9. Ensure proper use of appropriations by purpose, time, and amount to include meeting the criteria of bona-fide need.
10. Train delegated fund holders in the proper utilization of the accounting system.
11. Act as a liaison with the Defense Finance and Accounting Service (DFAS) on all accounting issues.
12. Maintain required currency in fiscal training.

B. Supply Resource Managers

Supply Resource Managers must be appointed in writing by the CO/AO via an appointment letter and a DD Form 577. Although the responsibility for oversight of financial management belongs to the comptroller or a fiscal/budget & accounting Officer, supply resource managers receive authorized funds on behalf of the CO/AO as a resource to accomplish and execute their assigned missions. In most organizations, supply resource manager duties are inherent to the supply officer/APO billet. In some situations, the CO/AO may allocate funds to support a given function which is subsequently administered by a staff officer who has primary cognizance over the function supported (e.g., facilities office may oversee facilities requisitions, or the consolidated administration office may oversee temporary additional duty (TAD) and local travel etc.). In these scenarios, the staff officer will be appointed by the CO/AO as a fund holder responsible for coordinating execution and reconciliation of funds with the supply resource manager. Responsibility on behalf of the CO/AO for overall supply resource management is entrusted to the supply officer/APO. Supply resource managers are responsible for, but not limited to, the following duties and responsibilities:

1. Compiling and executing the budget in accordance with the financial plan for the current fiscal year.
2. Monitoring the execution of the financial plan for all fiscal years available for obligation and five additional years thereafter.
3. Preparing source documents.
4. Recording accounting transactions into the accounting system.
5. Reconciling the accounting system with source documents on a cyclic basis.
6. Maintaining financial records and source documents in accordance with current directives.
7. Identifying and providing information to the comptroller on Unmatched Disbursements and Negative Unliquidated Obligations on error and exception listings.
8. Conducting Unliquidated Orders and outstanding travel order validations.
9. Performing the functions as the supply AIS administrator for funding execution automated systems.

C. Certifying Officer

The CO/AO will appoint the supply officer/APO as the certifying officer in writing via an appointment letter and a DD Form 577. Certifying officers should be a supervisor with knowledge of the subject matter for which assigned, background or experience in preparation of vouchers for payment, knowledge of appropriations and other funds and accounting classifications, and knowledge of the payment process (e.g., availability of funds and location of designated paying and accounting offices). Responsibilities of the certifying officer include:

1. Attesting to the correctness of statements, facts, accounts, and amounts appearing on payment vouchers, and certifying the vouchers as correct and proper for payment.
2. Certifying and forwarding payment vouchers to the disbursing office.
3. Providing oversight to departmental accountable officials (DAOs) to strengthen internal controls. DAOs (i.e., Responsible officers, supply resource manager/fund holders) provide information, data, or services to certifying officers upon which the latter rely on to properly certify vouchers for payment.
4. Providing oversight and training to others involved in the payment certification process (e.g., DAO's, fund holders, receipt and acceptors) in order to prevent incorrect or erroneous payments.

D. Supply AIS Administrator

The role of the supply AIS administrator is inherent within the supply officer/APO billet and must be identified in the appointment of the supply officer/supply resource manager by the CO/AO. As the supply officer/supply resource manager is responsible for overall supply administrative functions and funding execution for the command, he/she must maintain controls for access to systems that are used to obligate the activity's appropriations or alter its accountable/custodial records and balances. Responsibilities of the supply AIS administrator include:

1. Maintaining all requests for access to automated system(s) used to support purchase requests, requisitioning, receipt and acceptance, equipment accountability, financial management, and other supply chain management functions.

2. Managing all system authorization access requests for supply AIS functions.

3. Recommending the appointment of additional supply AIS administrators to assist in the performance of supply AIS administrator responsibilities as required. Other pseudonyms for this function include group administrator, unit user account manager (UUAM), user administrator, workflow manager, etc.

0209 RESPONSIBLE OFFICER (RO)/PROPERTY CUSTODIAN

An RO/property custodian is an individual appointed in writing by the 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. COs/AOs appoint ROs via an appointment letter to manage property within the command with specific emphasis on the following responsibilities:

020901. Manual and/or automated tracking and recording of transactions affecting classes of supply under their functional control.

020902. Expeditious reporting of automated and/or manual property record adjustments to the supply officer and AO.

020903. Timely identification, reporting, and disposition of serviceable, unserviceable, reparable, and excess materiel.

020904. Maintenance and security of auditable and/or accountable documents (known as KSDs).

020905. Immediately reporting all incidents involving lost, stolen, or damaged government property to the CO/AO.

020906. Management of contingency location closure actions affecting property under their control.

0210 RESPONSIBLE INDIVIDUAL (RI)

An 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 and place specific emphasis on the following responsibilities:

021001. Planning and forecasting requirements to meet mission goals.

021002. Preparing and forwarding materiel requests to the proper agency or individuals. This includes submission of request for supplies and services to the requisitioning authority before executing acquisition or requisitioning (military standard requisition and issue procedures or GCPC action).

021003. Signing custody receipts or listings for property charged to their organization.

021004. Reporting losses or irregularities relating to property to immediate commanders, AOs, and/or supply officers.

021005. Taking action to reconcile and correct accountable property records.

021006. Reporting unusual purchase patterns to commanders.

0211 CUSTODIAL RESPONSIBILITY

RIs having custodial responsibility may be held liable for the loss, damage, or destruction of property caused by willful misconduct, deliberate unauthorized use, or negligence in the use, care, custody, or safeguard of the property.

0212 KEY SUPPORTING DOCUMENTS

Personnel having custodial responsibility for the management of property must maintain key supporting documents that provide evidence of ongoing management and internal controls to account for property. KSDs include, but are not limited to:

021201. Properly documented and itemized physical inventories taken at required intervals.

021202. Copies of each document or computer record that confirms the acquisition or movement of property.

021203. Certificates of transfer between responsible/accountable personnel.

0213 RELIEF FROM CUSTODIAL RESPONSIBILITY

COs/AOs provide relief from custodial responsibility after reviewing and approving the following:

021301. Documents or computer records (i.e., KSDs) showing the turn-in or transfer of items to another custodian.

021302. Approved reports (i.e., KSDs) that prove the disposition of, or relief from responsibility for items that have become unusable due to damage, loss, deterioration, obsolescence, or destruction.

021303. Approved inventory adjustments, or a prescribed document (i.e., KSD) to adjust the accountable property records incidental to the loss of property.

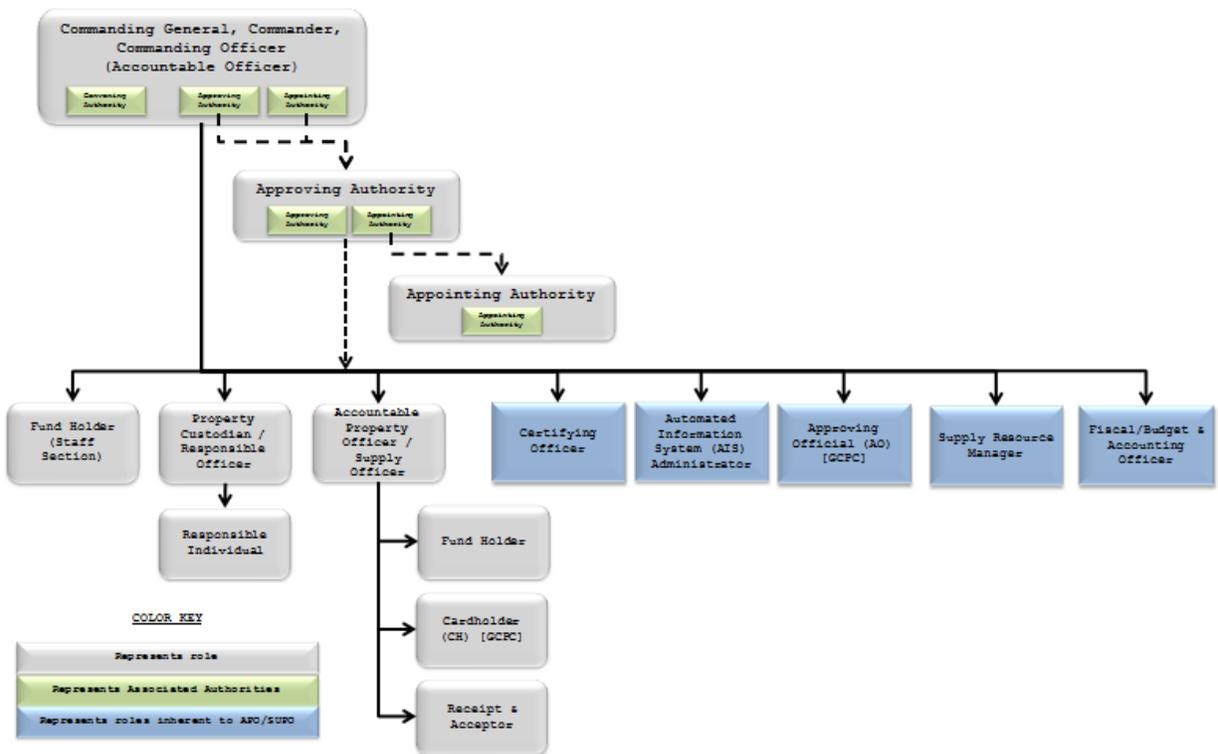


Figure 2-1 USMC Property Management Roles

VOLUME 1: CHAPTER 3

“MARINE CORPS CONTRACTORS”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER 3

MARINE CORPS CONTRACTORS

0301 GENERAL

Contractors provide a wide variety of useful services that help agencies accomplish their missions. Agencies use service contracts to acquire special knowledge and skills not available in the government, obtain cost-effective services, or obtain temporary or intermittent services. Marine Corps activities will ensure compliance with the following policy regarding contractor roles and responsibilities for managing general property, plant and equipment to include government furnished equipment and material in the possession of contractors.

0302 PROHIBITIONS

Although contractors perform valuable services, they are prohibited from performing certain functions. Specifically, contractors may not execute those functions that are "inherently governmental functions." An inherently governmental function is an activity that is so intimately related to the public interest as to mandate performance by federal employees. Per references [\(b\)](#), [\(l\)](#) and [\(m\)](#); an inherently governmental function includes activities that require either the exercise of discretion in applying government authority, or the making of value judgments in making decisions for the government."

0303 GOVERNMENTAL FUNCTIONS

030301. Inherently governmental functions normally fall into two categories:

- A. The exercise of sovereign government authority.
- B. The establishment of procedures related to the oversight of monetary transactions and entitlements.

030302. Per reference [\(m\)](#), an inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States as to commissioning, appointing, directing, or controlling officers or employees of the United States; or "exerting ultimate control over the acquisition, use, or disposition of government property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of federal funds."

0304 DISCRETIONARY AUTHORITY

Per reference [\(b\)](#), those functions of the AO and supply officer that involve the exercise of substantive discretionary authority in determining the government's requirements and controlling government assets cannot be performed by a contractor and must be retained by the government.

0305 RESPONSIBILITIES

The responsibilities of the AO and supply officer as an individual and as a position cannot be contracted and should be removed from supporting contracting documents before solicitation.

0306 ADMINISTRATIVE FUND CONTROL

Per reference (b), the responsibility for administrative fund control cannot be performed by a contractor and must be retained by the government. In the area of supply management, the contractor can process all required paperwork, less funds obligation documents, which must be done by a government employee (fund manager, contracting officer, credit card holder, etc.) designated as responsible for funds control. The contractor can also process such documents as Reports for Survey and adjustments to stock levels; however, approval authority must remain with the government (AO and supply officer). In all cases, the administrative control of funds must be retained by the government since contractors or their employees cannot be held responsible for violations of the United States Code (U.S.C.)

0307 FUNCTIONS PERFORMED BY CONTRACTORS

Contractors can perform certain functions in support of the AO or supply officer when those functions are performed in accordance with the criteria defined by the government. These functions must be mandatory requirements, requiring no personal judgment or discretion on the part of the contractor. When performed in support of the AO or the supply officer, the following functions can be performed by contractors:

030701. Stock control and property control operations

030702. Materiel management operations in support of self-service supply centers, central issue facilities or consolidated storage programs, clothing initial issue points, and reparable issue points to include:

- A. Preparing catalogs.
- B. Receiving operations (does not include government certification of acceptance which authorizes payment for goods received from commercial vendors or contractors).
- C. Storage operations.
- D. Issue operations.
- E. Data conversions, files, document control, and organizing inventory adjustments.
- F. Item management, materiel management, and similar accounting functions.

0308 FUNCTIONS NOT TO BE PERFORMED BY CONTRACTORS

The following AO and supply officer functions are inherently governmental and cannot be performed by contractors for the Marine Corps:

- 030801. Procurement management
- 030802. Certifying the acceptance of goods received from commercial vendors or contractors, which authorizes the payment for goods received
- 030803. Preliminary and final approval authority for discretionary actions such as determining requirements.
- 030804. Preliminary and final approval authority for inventory gain or loss adjustment transactions for property.
- 030805. Authorizing disposal actions for property.

0309 MANAGING CONTRACTOR FUNCTIONS

In certain cases, contractors may be required to perform functions that are generally not considered to be inherently governmental but are closely associated with the performance of inherently governmental functions. Per reference [\(m\)](#), when functions that generally are not considered to be inherently governmental approach being in that category because of the nature of the function, agencies must give special consideration to using federal employees to perform those functions. If contractors are used to perform such work, agencies must give special management attention to contractor's activities to guard against their expansion into inherently governmental functions. The proper identification of inherently governmental functions and closely associated functions is the first step for meeting these requirements. Section 5-1 and Appendix B of reference [\(m\)](#) provide guidelines and definitions.

030901. Closely Associated Functions.

The following is an illustrative list of functions that are closely associated with the performance of inherently governmental function:

- A. Performing budget preparation activities such as workload modeling, fact finding, efficiency studies, and cost analysis.
- B. Providing support for developing policies, including drafting documents and conducting analyses, feasibility studies, and strategy options.
- C. Support acquisition activities such as conducting market research, developing inputs for governmental cost estimates, drafting Statements of Work, and other pre-award contract documents.
- D. Disseminating information regarding agency policies or regulations, such as conducting agency training courses.
- E. Providing technical advice in the provision of inspection services.

030902. Oversight of Contractor Functions.

If a Marine Corps activity determines that contractor performance of a function closely associated with an inherently governmental function is appropriate, the activity shall:

A. Limit or guide a contractor's exercise of discretion and retain control of governmental functions by both:

1. Establishing in the contract, specified ranges of acceptable decisions and/or conduct; and

2. Establishing in advance, a process for subjecting the contractor's discretionary decisions and conduct to meaningful oversight and, whenever necessary, final approval by a Marine Corps official.

B. Assign a sufficient number of qualified government employees, with expertise to administer or perform the work, to give special management attention to the contractor's activities, in particular, to ensure that they do not expand to include inherently governmental functions.

C. Take appropriate steps to avoid or mitigate conflicts of interest by conducting pre-award contract reviews to ensure that contractor performance is in accordance with objective standards and contract specifications.

VOLUME 1: CHAPTER 4

“ACCOUNTABLE PROPERTY SYSTEM OF RECORD”

SUMMARY OF SUBSTANTIVE CHANGES

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CHAPTER 4

ACCOUNTABLE PROPERTY SYSTEM OF RECORD (APSR)

0401 GENERAL

An APSR is a government system used to control and manage accountable property records. It is an “official” record-keeping system used to manage all nonexpendable and other specially designated property issued to an activity, in accordance with reference (n). To be considered an APSR, the system must be able to perform property management functions capturing all lifecycle events affecting the assets. The APSR must be integrated with the core financial system(s) and must maintain an auditable record of all lifecycle events. Individual property records must be maintained for each asset managed in the APSR. The Deputy Commandant, Installations and Logistics, as the Marine Corps enterprise ground equipment manager and logistics portfolio manager, has approved use of the APSRs listed in the paragraphs below to ensure accurate accountability and management of property and resources.

0402 GLOBAL COMBAT SUPPORT SYSTEM-MARINE CORPS (GCSS-MC)

GCSS-MC provides a single point of entry for all requests for products and services, integrating data and providing greater access to near-real-time, accurate information up and down the logistics chain. With greater asset visibility and improved access to timely, reliable information, commanders can make faster, better-informed decisions. Key performance objectives are reduced customer wait time, improved logistics response time, and decreased dependence on forward-positioned stocks. Within GCSS-MC, the Installed Base and perpetual inventories are the accountable records (rather than internal reports that can be extracted such as the Mechanized Allowance List or Consolidated Memorandum Receipts. Key features of GCSS-MC include:

- 040201. Enterprise-wide accountability and visibility of Marine Corps ME, certain OM&S, and inventory held by organic and intermediate units/activities.
- 040202. Automated service requests and requisitioning.
- 040203. Automated preventive maintenance scheduling.
- 040204. Near real-time reporting and viewing of acquisition, logistics, and financial data.
- 040205. Integrated financial management functions.

0403 STOCK CONTROL SYSTEM (SCS)

SCS is used by MARCORLOGCOM to account for end items positioned in support of the approved acquisition objective for war reserve, depot maintenance float allowances, and headquarters-approved excesses. It is also used to account for inventory and OM&S positioned at MARCORLOGCOM and in Defense Logistics Agency (DLA) distribution depots for the Marine Corps. It provides enhanced processing of property transactions and management information. The

high-level functional areas contained in the SCS are asset-management functions consisting of requisitioning, item technical data, inventory management, due-in/receipts, materiel returns (excess), ME and secondary item management, depot support, disposal, reclamation, and miscellaneous supporting functions; distribution functions; and financial accounting functions.

0404 DEFENSE PROPERTY ACCOUNTABILITY SYSTEM (DPAS)

DPAS is a web-based DoD property management system. It is the APSR for over 20 DoD agencies and military services. The program is administered by the Office of the Under Secretary of Defense (SECDEF) for Acquisition, Technology and Logistics, a branch of the Office of the SECDEF, and contains the following capabilities for managing and accounting for property:

040401. Provides accountability for real property/stewardship land, military property, heritage assets, personal property, and government-furnished equipment.

040402. Provides asset management capabilities for life-cycle management, inventory management, redistribution/asset visibility, maintenance, and authorized allowances.

040403. Provides property financial reporting capabilities by calculating depreciation based on asset type, and by operating as a stand-alone system or by interfacing with accounting systems.

0405 DEFENSE MEDICAL LOGISTICS STANDARD SUPPORT AUTOMATED INFORMATION SYSTEM (DMLSS AIS)

The DMLSS AIS is the primary support system for all military logistics functions associated with managing medical supplies and equipment. The DMLSS AIS achieves integration and interoperates with other standard DoD systems such as DFAS and DLA. Other DMLSS AIS interfaces include military theater medical information systems, other medical and non-medical AIS systems, as well as financial, procurement, and military wholesale logistics systems. Critical logistics functions (modules) within DMLSS AIS include:

040501. Automatic replenishment of inventories and enhanced processing of materiel receipts using wireless technology and bar-code scanners.

040502. Automated inventory/materiel management functions that interface with financial systems. Additional functions provide options for replenishing inventory via prime vendor, vendor-managed inventory, and Defense Supply Center Philadelphia contracts.

040503. Readiness tracking for multiple organizations.

0406 ORDNANCE INFORMATION SYSTEM – MARINE CORPS (OIS-MC)

OIS-MC is the accountable system designated by Program Manager Ammo, as the Marine Corps Inventory Control Point, to manage Class V(W) ammunition. The system processes requisitions, issues, redistributions, asset and procurement data, and provides the capability to plan, procure, position, and distribute ammunition, encompassing the pre and post-production ammunition lifecycle. Other key capabilities of OIS-MC include:

- 040601. Lot and serialized item tracking
- 040602. Inventory visibility and maintenance
- 040603. Tech data management
- 040604. Allowance management.

VOLUME 1: APPENDIX A

“LEGAL FOUNDATION OVERVIEW”

SUMMARY OF SUBSTANTIVE CHANGES

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APPENDIX A

LEGAL FOUNDATION OVERVIEW

1. Public Law - United States Code (U.S.C.)

The U.S.C. is the codification by subject matter of the general and permanent laws of the United States. The U.S.C. was first published in 1926. The next main edition was published in 1934, and subsequent main editions have been published every six years since 1934. In between editions, annual cumulative supplements are published in order to present the most current information. It is divided by broad subjects into 51 titles and published by the Office of the Law Revision Counsel of the U.S. House of Representatives. Title 10, U.S.C. (reference (i)) outlines the role of the armed forces.

a. Subtitle A – General Military Law, Chapter 2 – Department of Defense, Section 111, Executive Department.

The DoD is an executive department of the United States, consisting of “The Office of the Secretary of Defense...The Department of the Navy...”

b. Subtitle C – Navy and Marine Corps, Chapter 555 – Administration, Section 6011, Navy Regulations.

U.S.C. Section 6011 states that “United States Navy Regulations shall be issued by the Secretary of the Navy.”

2. United States Navy Regulations

a. Authority.

Chapter 1, Statutory Authority for United States Navy Regulations, states that “Title 10, United States Code, Section 6011, provides that United States Navy Regulations shall be issued by the Secretary of the Navy. Regulations issued under this authority are permanent regulations of general applicability, as opposed to regulations issued by the Secretary under Article 0104.” (Chapter 1, paragraph 0102).

b. Purpose.

The “United States Navy Regulations are the principal regulatory documents of the Department of the Navy, endowed with the sanction of law, as to duty, responsibility, authority, distinctions, and relationships of various commands, officials and individuals. Other directives issued within the Department of the Navy shall not conflict with, alter or amend any provision of Navy Regulations.” (Chapter 1, paragraph 0103).

c. Commandant of the Marine Corps (CMC).

As part of the Department of the Navy (DON), the United States Marine Corps is subject to the statutory requirements set forth in the United States Navy Regulations.

(1) “Subject to the authority, direction, and control of the Secretary of the Navy, the CMC shall exercise supervision, consistent with the statutory authority assigned to commanders of the unified or specific combatant commands, over such of the members and organizations of the Navy and the Marine Corps as the Secretary determines.” (Chapter 5, paragraph 0503).

(2) Delegated Authority and Responsibility. “The Commandant of the Marine Corps shall command: (1) the operating forces of the Marine Corps; and (2) such shore activities as may be assigned by the Secretary.” (Chapter 5, paragraph 0505).

(3) “The Commandant shall be responsible to the Secretary of the Navy for the utilization of resources by, and the operating efficiency of, all commands and activities under such command.” (Chapter 5, paragraph 0505).

(4) “In addition, the Commandant has the following specific responsibilities:”

(a) “To plan for and determine the needs of the Marine Corps for equipment, weapons or weapons systems, materials, supplies, facilities, maintenance, and supporting services...”. (Chapter 5, paragraph 0505)

(b) “Subject to guidance from the Assistant Secretary of the Navy (Financial Management), to formulate budget proposals for the Headquarters, Marine Corps, the Operating Forces of the Marine Corps, and other activities and programs as assigned.” (Chapter 5, paragraph 0505).

d. Headquarters Marine Corps (HQMC).

The United States Navy Regulations also lay out the parameters for HQMC, which are to assist the Commandant, and “prepare detailed instructions for the execution of approved plans and supervise the execution of those plans and instructions.” (Chapter 5, paragraph. 0504).

3. Marine Corps Manual (MARCORMAN)

While the United States Navy Regulations apply to the Marine Corps, 10 U.S.C., Section 6012 also makes provision for “Additional regulations for Marine Corps.” Accordingly, the Commandant, as a member of the Joint Chiefs of Staff, is also responsible for promulgating these additional statutory regulations, in consonance with United States Navy Regulations, as prescribed by 10 U.S.C., for how the Marine Corps operates as a part of the DON. To that end, the CMC publishes the MARCORMAN, in accordance with United States Navy Regulations, for the instruction and guidance of all persons in the DON in matters concerning the Marine Corps.

a. Purpose

(1) The MARCORMAN is the basic publication of the United States Marine Corps issued by the CMC and approved by the Secretary of the Navy (SECNAV). It is a regulatory publication for the DON as defined in U.S. Navy Regulations.

(2) The MARCORMAN is binding upon all persons in the DON in matters concerning Marines and the Marine Corps.

b. Scope

(1) The MARCORMAN supplements U.S. Navy Regulations with:

(a) Regulations of the SECNAV for the Marine Corps.

(b) Delineations of the fields of authority of the CMC.

(c) Regulations of the CMC implementing U.S. Navy Regulations.

(2) The MARCORMAN contains broad regulatory policies of the CMC either originated within the Marine Corps or derived from statutes and from directives of the President of the United States, the SECDEF, and the SECNAV.

c. Use

(1) The MARCORMAN is designed primarily for use by Marine Corps commanders and their staffs, Navy officers exercising command over Marines, the staff of the CMC, and the staffs of the bureaus and offices of the DON.

(2) The MARCORMAN should be used with U.S. Navy Regulations to ascertain departmental policy as it relates to the Marine Corps. When details on a specific subject are desired, the manual should be used with Marine Corps directives and other applicable issuances of the DON.

(3) MARCORMAN is the foundation to how the Marine Corps organizes, trains, and equips forces as Service Component defined by 10 U.S.C.

4. Accountability and Responsibility

a. Subtitle C – Navy and Marine Corps.

The foundation for a commander's responsibilities relative to the accountability of equipment and property charged to them is found in reference (i) Subtitle A, Part IV provides this framework in two chapters as follows:

(1) Chapter 161, Section 2721

(a) Under regulations prescribed by him, the S shall have the records of the fixed property, installations, major equipment items, and stored supplies of the military departments maintained on both a quantitative and a monetary basis, so far as practicable.

(b) The regulations prescribed pursuant to subsection (a) shall include a requirement that the records be maintained as follows:

1. To the extent practicable, provide up-to-date information on all items in the inventory of the DoD.

2. Indicate whether the inventory of each item is sufficient or excessive in relation to the needs of the Department for that item.

3. Permit the Secretary of Defense to include in the budget submitted to Congress under section 1105 of reference (j) for each fiscal year, information relating to the amounts proposed for each appropriation account in such budget for inventory purchases of the DoD; and the amounts obligated for such inventory purchases out of the corresponding appropriations account for the preceding fiscal year.

(2) Chapter 165, Section 2788.

The Secretary of a military department may prescribe regulations for the accounting for the property of that department and the fixing of responsibility for that property.

b. Title 31 – Money and Finance, Subtitle II - The Budget Process.

Reference (j) frames the etymology behind the definition of requisition authority, because therein is found that law requires there be traceability (and liability) to a person for the over-obligation of appropriated funds. Specifically, the following Sections apply.

(1) Chapter 13 – Appropriations

(a) Section 1301 – Application. Appropriations shall be used only for purpose for which the appropriations were made, except as otherwise provided by law.

(b) Section 1341 – Limitations on expending and obligating amounts. An officer may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.

(c) Section 1349 – Adverse personnel actions. An officer or employee of the United States Government or of the District of Columbia government violating section 1341 of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.

(d) Section 1350 – Criminal penalty. An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1341 (a) or 1342 of this Title shall be fined not more than \$5,000, imprisoned for not more than 2 years, or both.

(2) Chapter 15 – Appropriation Accounting

(a) Section 1511 – Definition and application. “Appropriations” mean appropriated amounts, funds, and authority to make obligations by contract before appropriations.

(b) Section 1514 – Administrative division of apportionments. The official having administrative control of an appropriation shall prescribe a system of administrative control which can restrict obligations or expenditures from each appropriation to the amount of apportionments or reapportionments of the appropriation, and enable the official to fix responsibility for an obligation or expenditure exceeding an apportionment or reapportionment. The system shall also be able to administratively divide appropriations with the objective of financing each operating unit, at the highest practical level, from not more than one administrative division for each appropriation affecting the unit.

(c) Section 1517 – Prohibited obligations and expenditures. An officer shall not make or authorize an expenditure, or obligation exceeding an apportionment; or the amount otherwise permitted by regulations.

(d) Section 1518 – Adverse personnel actions. An officer violating section 1517 shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.

(e) Section 1519 – Criminal penalty. An officer who knowingly and willfully violates section 1517 of this Title shall be fined not more than \$5,000, imprisoned for not more than two years, or both.

5. Requisition Authority

a. Background.

Requisition authority is that authority vested in someone to expend real appropriated dollars. Before the advent of a mechanized supply system (e.g., SASSY or GCSS-MC), expenditure of appropriated dollars started with the creation of a document number in a log book, usually maintained by a supply officer. That document number had unit identification and financial information attached to it that enabled the expenditure of appropriated dollars. The owner of that document number (i.e., a commander) was accountable and liable for the obligation of appropriated dollars created by the processing of that document number. The authority to create this obligation is requisition authority.

b. Definition.

The lawful authority to obligate appropriated funds whereby accountability and liability for such obligation can be attached to an individual delegated by the CMC to perform such obligations. This delegation is conferred upon COs as defined by the MARCORMAN. Requisition authority is inherent to commands/activities with the Table of Organization (T/O) mission to submit and process financial transactions to fill requirements, and to manage both the fiscal and supply responsibilities inherent to the full life cycle of the transactions and the goods/services procured by them (i.e., from creation of a request through to closing/retirement/disposal). Commands charged with this mission must also possess the T/O structure necessary to perform these functions. A supply officer or civilian equivalent (position description must include designation as a property and funds manager) with appropriate supporting supply staff are authorized to submit requisitions on behalf of these commands to obligate appropriated funds, unless stated otherwise in the most current MCBul 5400 or mission statement. The following activities typify commands that require requisition authority: Supply operations, purchasing, acquisition, creation of orders for TAD, and labor (to include time keeping).

c. Application.

To be appointed with requisition authority, it is not enough that someone is able to expend appropriated dollars, but there must also be a mechanism in place whereby the goods/services for which these funds were expended are tracked in a lifecycle management process (i.e., generation of requirement all the way through to disposal). By law, someone has to be held accountable for the obligation of appropriated funds (more specifically, the over-obligation of funds). Similarly, this same person has the responsibility to physically account for the supplies and equipment that are bought with appropriated funds. This mission is delegated down by the CMC to COs through the issuance of orders and through Tables of Organization and Equipment over which someone is appointed as the AO. The distinction on who can serve as an AO hinges upon court-martial and non-judicial punishment (NJP) authority, because the AO needs to be able to adjudicate matters relative to any loss, damage, or theft of government property over which he/she is charged.

d. Principles.

To ensure proper authority is associated with the management and use of public resources (e.g., appropriations, materiel, equipment, etc.) associated to and enabled by the use of a requisitioning DoD Activity Address Code, the following principles apply for establishing requisition authority for an activity:

(1) Commanders.

The MARCORMAN defines a commander as 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 commanders are titled as Commandant, Commander, Commanding General, CO, Director, I-I. Other titles used to designate Marine Corps commanders shall be made only with the specific approval of the CMC. The titles OIC or NCOIC do not normally denote a commander; however, in specific

instances, superiors in the chain of command may delegate command authority to OICs or NCOICs to the extent required for them to carry out their assigned tasks.

(2) Roles and Responsibilities.

The CMC appoints subordinate commanders to execute the mission of the Marine Corps. The MARCORMAN establishes that, inherent to the appointment of a commander is the authority to carry out a number of responsibilities.

(a) The management of finances.

(b) Administration of all authorizations of funds formally granted through an operating budget or allotment. This responsibility cannot be delegated in whole or part within the command. Accordingly, COs are personally responsible for any act of their own, or an act of a subordinate, which causes an over-commitment, over-obligation, or over-expenditure of an authorization of funds and may be subjected to the penalties as set forth in Section 3679 Revised Statutes (31 U.S.C. 665). Note: The information formerly contained in Section 665 of 31 U.S.C. has been revised and is now found in chapters 13 and 15, of reference (j).

(c) Accountable Officer. Accountability of public resources is inherent to command. In pecuniary and fiduciary terms, this responsibility is a commander's role as an AO. As stated above, this function is tied to responsibilities in references (i) and (j) relative to the proper accountability of appropriations or materials and services associated to an activity. Volume 12, chapter 7 of reference (b) defines AO as an individual appointed by proper authority to establish and maintain an organizations accountable property records, systems, and/or financial records, in connection with government property, irrespective of whether the property is in the individual's possession.

(d) Convening Authority. A commander must have the requisite authority necessary to adjudicate matters relative the abuse of public resources provided to the command/activity. Reference (o), Manual for Courts Martial (MCM), states that the authority to convene courts-martial is independent of rank and is retained as long as the convening authority remains a commander in one of the designated positions (Rule 504, Convening courts-martial, and page II-48, reference (o)). These designated positions are defined in reference (p), the Uniform Code of Military Justice (UCMJ).

1. UCMJ. Articles 22-24 establish who can convene the various types of courts-martial, and Article 15 elaborates on NJP authority as follows:

(a). Article 22 describes the authority to convene a general court-martial as the CO of a division, a separate brigade, or a corresponding unit of the Marine Corps, or the CO of a wing of the Marine Corps.

(b). Article 23 describes the authority to convene a special court-martial as the CO of any Marine brigade, regiment, detached battalion, or corresponding unit; the CO of any Marine barracks, wing, group, separate squadron, station, base, auxiliary air field, or other place where members of the Marine Corps are on duty.

(c). Article 24 describes the authority to convene a summary court-martial. When only one commissioned officer is present with a command or detachment he shall be the summary court-martial of that command or detachment and shall hear and determine all summary court-martial cases brought before him. Summary courts-martial may, however, be convened in any case by superior competent authority when considered desirable by him.

(d). Article 15 describes the lowest level of authority necessary to effectively adjudicate matters relative to the role of an AO. Article 15 establishes that the following persons may serve as a NJP authority for the purposes of administering NJP proceedings.

(1) Commander. As provided by regulations of the Secretary concerned, a commander may impose NJP upon any military personnel of that command. "Commander" means a commissioned or warrant officer who, by virtue of rank and assignment, exercises primary command authority over a military organization or prescribed territorial area, which under pertinent official directives is recognized as a "command." "Commander" includes a commander of a joint command. Subject to subparagraph 1d(2) of reference (o), and any regulations of the Secretary concerned, the authority of a commander to impose NJP as to certain types of offenses, certain categories of persons, or in specific cases, or to impose certain types of punishment, may be limited or withheld by a superior commander or by the Secretary concerned.

(2) Officer In Charge (OIC). If authorized by regulations of the Secretary concerned, an OIC may impose NJP upon enlisted persons assigned to that unit.

(3) Principal Assistant. If authorized by regulations of the Secretary concerned, a commander exercising general court-martial jurisdiction or an officer of general or flag rank in command may delegate that commander's powers under Article 15 to a principal assistant. The Secretary concerned may define "principal assistant."

2. Punishments. The final piece in determining the lowest level of authority necessary to fulfill AO responsibilities is linked to the maximum level of punishment authorized for NJP proceedings. Per the MCM, the Secretary concerned may limit the power granted by Article 15 with respect to the kind and amount of the punishment authorized. The maximum punishment that may be authorized from NJP proceedings is dependent upon both the accused and the presiding authority of the proceedings.

(a) If the accused is a commissioned or warrant officer, the presiding authority must be a CO over the accused, or an officer exercising general court-martial jurisdiction, an officer of general or flag rank in command, or a principal assistant as defined in paragraph 2c, Part V of reference (o).

(b) If the accused is any other military personnel of the command, the level of authority necessary to impose the broadest scope of punishment rests with COs of the grade of Major or Lieutenant Commander or above, or a principal assistant as defined in paragraph 2c of Part V of reference (o).

(e) Succession to Command. In addition to the foregoing, AO responsibilities are also tied to succession to command, as provided in reference (e). Chapter 1, paragraph 1007.2 of

reference (e) lays out the policy for succession to command. Whoever lawfully succeeds to command must also possess the requisite legal authority necessary to discharge AO legal responsibilities as previously discussed. This is found in reference (o).

e. Criteria.

Based on the foregoing, the following are the criteria which qualify a commander to have, or the ability to appoint an AO to have on his behalf, requisition authority for a command/ activity.

- (1) Must be officially appointed to office of Commander by orders issued by the CMC.
- (2) Must possess sufficient level of judicial authority (courts-martial & NJP) to adjudicate matters relative to the disposition of accountable supplies and equipment (field grade or above).
- (3) Command/activity must have authorized mission (by approved mission statement in T/O) to requisition supplies, equipment, materiel, and or services.
- (4) Command/activity must have authorized mission (by approved mission statement in T/O) to possess financial management capability (resources and allocated funds) that enable requisitioning.
- (5) Command/activity must have authorized mission (by approved mission statement in T/O) to possess supply accountability capability (personnel and resources to account for and track supplies and equipment through life cycle from initial request to retirement/disposal) for requisitioned items