



DEPARTMENT OF THE ARMY
UNITED STATES ARMY INSTALLATION MANAGEMENT COMMAND
HEADQUARTERS, U.S. ARMY GARRISON YONGSAN
UNIT 15333
APO AP 96205-5333

ASKO-LYS

UNITED STATES ARMY GARRISON-YONGSAN (USAG-Y) POLICY LETTER 4-1

MEMORANDUM FOR ALL USAG-Y TENANT UNITS AND ACTIVITIES

SUBJECT: Financial Liability Investigation

1. **REFERENCE:**

a. Army Regulation (AR) 735-5, Policies and Procedures for Property Accountability, 28 February 2005

b. AR 15-6, Procedures for Investigating Officer and Boards of Officers, 2 October 2006

c. Department of the Army (DA) Pam 710-2-1, Using Unit Supply System (Manual Procedures), 31 December 1997

2. **PURPOSE:** To provide USAG-Y guidance for implementing the Financial Liability Investigation System, preparing management reports, and ensuring processing timeliness.

3. **PROCEDURE:**

a. Time segment, with appointing authority, for the Financial Liability Investigation Process of Property Loss (FLIPL) is a total of 75 accumulative days.

(1) Financial Liability Investigation initiation process is 15 days.

(a) Preliminary search for item and identification of item thru Army Master Data File (AMDF).

(b) Gather dates and circumstances pertaining to the loss.

(c) Initiation of Financial Liability Investigation, DA Form 200, (Reference Army Regulation 735-5, figure 13-3A).

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- (d) Complete narrative portion.
- (e) Provide to appointing authority upon assignment of document number.
- (2) Financial Liability Investigation Appointing Authority process is five (5) days.
 - (a) Investigation number assigned.
 - (b) Determination if further investigation is required.
 - (c) Appoint the Investigation Officer if required.
- (3) Financial Liability Investigation and Recommendation process is 35 days.
 - (a) Review property records.
 - (b) Take statements.
 - (c) Ascertain facts.
 - (d) Determine proximate cause.
 - (e) Calculate loss.
 - (f) Make recommendation (Reference AR 735-5, Figure 13-11).
 - (g) Notify the individual.
 - (h) Consider a rebuttal.
 - (i) Review by appointing authority.
 - (j) Decision by appointing authority.
 - (k) Provide to approving authority.
- (4) Financial Liability Investigation Adjudication Process is 20 days.
 - (a) Starts upon receipt from appointing authority.
 - (b) Approval authority review.

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(c) Judge Advocate General (JAG) reviews assessment of financial liability, (Reference AR 735-5, figure 13-12A and 13-12B).

(d) Decision by approving authority.

b. Mandatory initiation of a Financial Liability Investigation: Initiate and process a Financial Liability Investigation to account for **lost, damaged, or destroyed U.S. Government property** when one or more of the situations listed exist. Process the Financial Liability Investigation in accordance with (IAW) the version of the regulation in effect at the time the loss, damage or destruction occurred. A Financial Liability Investigation will be processed when:

(1) Negligence or willful misconduct is suspected as the cause, and the individual does not admit liability and refuses to make voluntary reimbursement to the Government for the full value of the loss, less depreciation.

(2) The property loss, damage, or destruction involves a change of Accountable Officer's inventory and the outgoing Accountable Officer made no voluntary reimbursement for the full amount of the loss to the Government.

(3) The value of the admitted loss, damage, or destruction exceeds the individual's monthly basic pay.

(4) The value of the damages or shortages in occupied government quarters (Real Property and furnishings combined) or government furnishings in non-government quarters exceeds the individual's monthly basic pay.

(5) The total handling loss of a specific bulk petroleum product exceeds the allowable loss for that product, and the dollar value of the total loss exceeds \$500.00. (Reference DAPAM 710-2-1, Paragraph 12-23(3))

(6) The loss or destruction involves a sensitive item. Investigate sensitive items lost or destroyed per AR 15-6, however, do not use the AR 15-6 investigation as authority to adjust property records or to assess financial liability. Process a Financial Liability Investigation to accomplish either of these actions. When using an AR 15-6 investigation, do not request a separate investigation by an investigation officer.

(7) The loss or destruction involves public funds or other negotiable instruments.

(8) Required by higher authority or other DA regulations.

(9) Directed by an Inventory Adjustment Report (IAR) Approving Authority.

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(10) The loss or damage involves a General Services Administration (GSA) vehicle, and the administrative actions under AR 735-5, paragraph 12-1c above have not been taken.

(11) The loss resulted from a fire, theft or natural disaster.

c. Time constraints for processing Financial Liability Investigations of property loss, damage, or destruction of U.S. Government property:

(1) Initiate and process Financial Liability Investigation **75 days** following the discovery of the loss, damage, or destruction of U.S. Government property. When delayed beyond the 15-day time limit for the initiation process, the person responsible for the delay will prepare a written statement signed by his or her Commander explaining the reason for the delay and attach it to the Financial Liability Investigation as an exhibit.

(2) Total processing time equals the difference in days between the date of discovering the discrepancy and the date of Financial Liability Investigation approval. (Reference Army Regulation 735-5 figure 13-2).

d. Financial Liability Investigation Initiator:

(1) The initiator of a Financial Liability Investigation is the Hand Receipt holder or the Accountable Officer. When the Hand Receipt holder or the Accountable Officer is not available, the person with the most knowledge of the incident will serve as the initiator.

(2) DD Form 200 will be proof read by Director of Logistics Readiness Center Yongsan (LRC-Y) and Financial Liability Investigation Representative **prior** to assigning a document number from Assessment Management Branch (AMB).

e. When an AR 15-6 investigation establishes that there is lost, damaged, or destroyed government property, initiate a Financial Liability Investigation. The initiator will do the following:

(1) Fill out blocks 1 through 10 of the Financial Liability Investigation IAW with figure 13-5.

(2) Block 11: Insert the words, "See AR 15-6 Investigation." Identify the location of the AR 15-6 investigation if it is not already attached as an exhibit due to security classification.

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(3) Blocks 12: Leave blank.

f. Non-Tactical Vehicles (NTV): Units who have dispatched vehicles from their servicing or other area Transportation Motor Pools (TMP) accept full responsibility for safe operation of vehicles. The using unit is responsible for all repair costs when a vehicle is involved in an accident, regardless of dollar amount IAW AR 735-5. When the using unit has drivers from other units tasked to operate vehicles, the using unit is responsible for the vehicle, not the tasked driver's unit. In the event a NTV has more than \$500 of damage, the using unit is responsible for initiating a Financial Liability Investigation IAW AR 735-5 and local SOP's. Units not assigned to the USAG Y, who must initiate a Financial Liability Investigation, will provide the servicing TMP and LRC-Y a courtesy copy of the investigation.

g. Disposition of damaged property: The initiator of a Financial Liability Investigation will not dispose of, repair, or continue to use the damaged property until the investigation authority, or the approving authority, decides it is no longer needed for investigation purposes.

4. The point of contact for this policy is Mr. Chang, at DSN 738-7218.



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Commanding

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