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**FINANCIAL LIABILITY FOR USTRANSCOM PROPERTY
LOST, DAMAGED, DESTROYED, OR STOLEN**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction prescribes guidance and procedures applicable to establishing financial liability for the United States Transportation Command (USTRANSCOM) property which is lost, damaged, or destroyed and implements DOD 7000.14-R, *Department of Defense Financial Management Regulation*, Volume 12, Chapter 7, *Financial Liability for Government Property Lost, Damaged, Destroyed, or Stolen*, and Volume 7A, Chapter 50, *Stoppages and Collections Other Than Courts-Martial Forfeitures*. This instruction does not apply to loss, damage, or destruction of government property belonging to the military departments or other United States Government agencies. Consult applicable Service or agency directives, regulations, or instructions regarding financial liability determinations for the loss, damage, or destruction of non-USTRANSCOM property. Nothing in this instruction precludes a Commander from taking disciplinary action when warranted under the *Uniform Code of Military Justice* or from taking administrative action when appropriate. Likewise, supervisors of civilian employees are not precluded from taking administrative or disciplinary action when warranted without regard to imposition of financial liability under this regulation. Send comments and suggested improvements to this publication on AF Form 847, *Recommendation for Change of Publication*, to the Office of the Staff Judge Advocate (TCJA). Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with CJCSM 5760.01 Vol 1, *Joint Staff Records Management Program*, USTRANSCOM Instruction 33-32, *USTRANSCOM Records Management Program*, and disposed of in accordance with, CJCSM 5760.01 Vol 2, *Joint Staff and Combatant Command Records Disposition Schedule*.

SUMMARY OF REVISIONS

This instruction reflects recent changes to DOD 7000.14-R, *Department of Defense Financial Management Regulation*, Volume 12, Chapter 7, *Financial Liability for Government Property Lost, Damaged, Destroyed, or Stolen*. Specifically, paragraph 1 updates the type of items subject to this instruction. Paragraph 1.1 updates the types of losses subject to this instruction. Paragraphs 1.1.1.1. to 1.1.1.6. specify when an investigation is mandatory. Paragraph 1.1.2.7.

describes circumstances when an investigation is not required. Paragraph 1.1.3. sets out procedures for loss of contractor-acquired property.

1. Policy. USTRANSCOM personnel are responsible for USTRANSCOM property under their control, including government-owned (supply system) material, equipment, real property, and monetary assets such as cash and marketable securities (e.g., stocks and bonds).

1.1. All members of the military (including members of the Reserve Components) and civilian employees shall be subject to an assessment of financial liability when their negligence, willful misconduct, or deliberate unauthorized use proximately causes USTRANSCOM property to be lost, damaged, destroyed, or stolen. These requirements apply whether or not the government property is recorded in an accountable property system.

1.1.1. A financial liability investigation shall be conducted for all loss, damage, destruction, or theft of the following.

1.1.1.1. Controlled items.

1.1.1.2. Government-owned equipment when an initial acquisition cost (value) of such property is \$5000 or greater.

1.1.1.3. All sensitive, classified, or leased property, regardless of initial acquisition cost.

1.1.1.4. Monetary assets \$750 or greater.

1.1.1.5. Any real property.

1.1.1.6. Any USTRANSCOM-issued personal electronic device (e.g., cell phone, PDA, blackberry, or laptop computer).

1.1.2. A financial liability investigation is not required under the following circumstances.

1.1.2.1. Property belonging to other DOD activities is lost, damaged, or destroyed by USTRANSCOM military or civilian personnel.

1.1.2.2. An item becomes unserviceable due to fair wear and tear.

1.1.2.3. Competent authority authorizes an item to be disassembled for component parts or is salvaged.

1.1.2.4. Competent authority authorizes an item be abandoned.

1.1.2.5. Loss, damage, or destruction is caused by acts of God.

1.1.2.6. Property is lost in combat operations.

1.1.2.7. Property is intangible assets such as software, copyrights, and similar intellectual assets.

1.1.3. Loss, damage, destruction, or theft of contractor-acquired property and government-furnished material. Loss of such property shall be processed in accordance with the *DOD Manual for the Performance of Contract Property Administration*, DOD 4161.2-M, and the terms and conditions of the contract to which the lost, damaged, destroyed, or stolen property was accountable.

1.2. Financial liability for loss, damage, destruction, or theft shall be assessed only when a preponderance of the evidence establishes (a) negligence, willful misconduct, or deliberate unauthorized use, and (b) proximate cause. Financial liability shall also be assessed only when the procedures of this instruction have been followed.

1.3. Financial liability will be assessed as follows:

1.3.1. Personal Arms and Equipment. The full amount of loss or damage to personal arms and equipment.

1.3.2. Other. In all other cases, up to the full amount of the loss, damage, or destruction of USTRANSCOM property, but in no case more than one month's regular military compensation as authorized in title 37 United States Code (U.S.C.) § 101(25) in the case of military members and one-twelfth of annual pay in the case of civilian employees. For reserve component personnel, one month's regular military compensation refers to the amount that would be received by the military member if on active duty.

2. Responsibilities.

2.1. Appeal, Approving and Appointing Authorities.

2.1.1. The Chief of Staff (TCCS), USTRANSCOM. TCCS shall act as the Appeal Authority on all financial liability appeals arising within USTRANSCOM.

2.1.2. USTRANSCOM Directors and Command Support Group Chiefs shall act as approving authorities on financial liability recommendations. They may also act as Appointing Authority or delegate such responsibilities, in writing, to a subordinate. An Appointing Authority shall be no lower than the rank of 0-5, GS-14, or NSPS Pay Band 2.

2.2. Office of the Staff Judge Advocate (TCJA).

2.2.1. TCJA will coordinate on recommendations by the Responsible Officer or Reviewing Authority (see paragraph 3.1.3) before the recommendation is forwarded to the Appointing Authority for a decision on the appointment of Financial Liability Officer.

2.2.2. TCJA will ensure legal guidance is provided to the Appointing Authority and the Financial Liability Officer. The Financial Liability Officer must receive a legal briefing prior to conducting his or her investigation.

2.2.3. TCJA will provide a legal review of the financial liability determination prior to submission for action by the Approving Authority.

2.2.4. TCJA will ensure that a different attorney provides the legal review for the Appeal Authority than the attorney who provided the legal review for the Approving Authority.

2.3. Manpower and Personnel Directorate (TCJ1).

2.3.1. TCJ1 will assist the Appointing Authority by providing a list of nominees for appointment as Financial Liability Officer.

2.3.2. A Financial Liability Officer is selected based on training, experience, competence, and ability to conduct an independent and objective investigation. He or she may be a commissioned officer; enlisted member in the grade of E-7, or above, or a civilian employee in the grade of GS-07 (if not NSPS) or NSPS Pay Band 2, or above. The Financial Liability Officer must be senior to the individual directly involved in the discrepancy and not directly affected by the loss, damage, destruction, or theft of the property being investigated. The Financial Liability Officer normally will be selected from a different section, division, or branch than the individual(s) being investigated and should not be accountable or responsible for, or any way directly interested in, the property being investigated.

2.4. Financial Liability Officer. The Financial Liability Officer will be appointed, in writing, by the Appointing Authority. The Financial Liability Officer conducts an investigation to determine responsibility for lost, damaged, or destroyed, or stolen USTRANSCOM property.

2.5. Program Analysis and Financial Management Directorate (TCJ8). TCJ8 will forward approved financial liability determinations to the appropriate agency for collection in accordance with DOD 7000.14-R, *Financial Management Regulation*, Volume 7A, Chapter 50, *Stoppages and Collections Other Than Courts-Martial Forfeitures*, Volume 5, Chapter 30, *Debt Collection by Offset*, and Volume 8, Chapter 8, *Underpayments and Indebtedness*.

2.6. Responsible Officer and Reviewing Authority.

2.6.1. The Responsible Officer is an individual who has been appointed to exercise custody, care, and safekeeping over property entrusted to him or her and under his or her supervision. The Responsible Officer must report any loss or damage as soon as it is discovered. The Responsible Officer may conduct the initial inquiry or may appoint an Initial Inquiry Officer (IIO).

2.6.2. The Reviewing Authority is appointed by the Approving Authority to review and analyze the results of supply stock system research.

2.6.3. The Responsible Officer or Reviewing Authority complete Block 12 of DD Form 200, *Financial Liability Investigation of Property Loss*, and determines if negligence or abuse is evident or suspected before forwarding DD Form 200 to the Appointing Authority.

2.7. The supervisor of the organization (section, branch or division) whose property was lost, damaged, destroyed, or stolen shall designate an individual to initiate and conduct an informal initial inquiry.

3. Reporting and Investigating Lost, Damaged, Destroyed, or Stolen Property. DD Form 200 will be used to document losses and adjust accountable records accordingly. See Attachment 3 for DD Form 200 instructions. A DD Form 200 is not required when an individual voluntarily makes restitution to the government for the full amount of the loss and a controlled inventory item is not involved.

3.1. Initial Inquiry. Immediately upon discovery of the loss, damage, destruction, or theft of USTRANSCOM property, the supervisor of the organization that possesses the property will appoint, in writing, an individual to conduct an informal initial inquiry. The inquiry should normally be conducted by an individual who has knowledge of the property and routine operations of the organization. See Attachment 4.

3.1.1. The purpose of the inquiry is to make an initial determination of the facts and circumstances surrounding the loss. The results of the inquiry are documented on DD Form 200, blocks 1 through 11.

3.1.2. The inquiry should identify (1) what happened; (2) how it happened; (3) where it happened; (4) who was involved; and (5) when it happened. The inquiry should include any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of USTRANSCOM property. Normally, the initial inquiry should be completed within five work days of appointment. Requests and approvals for a delay in meeting the suspense must be in writing and include the reasons for the delay.

3.1.3. After the inquiry officer completes his or her initial inquiry (DD Form 200, blocks 1-11), the DD Form 200 is forwarded to the Responsible Officer or Reviewing Authority to determine if negligence or abuse is evident (DD Form 200, block 12). The recommendations of the Responsible Officer or Reviewing Authority shall include whether a Financial Liability Investigation Officer should be appointed to conduct further investigation. The Responsible Officer or Reviewing Authority should forward the DD Form 200 to TCJA for review and then to the Appointing Authority within five work days after receipt of the initial inquiry.

3.2. The Appointing Authority then reviews the DD Form 200. If the Appointing Authority determines the preliminary inquiry shows that negligence or abuse was not the proximate cause of the loss or damage, he or she may assume the role as Approving Authority and close the matter. If the Appointing Authority determines that further information is required to make a determination, he or she may appoint a Financial Liability Officer for further investigation. If the Appointing Authority determines the preliminary inquiry shows negligence or abuse was the proximate cause of the loss or damage, but the value of the lost or damaged property is *de minimus* (less than \$200), and reimbursement cannot be pursued in a cost-effective manner, he or she may assume the role as Approving Authority and close the matter. Lastly, if the Appointing Authority determines the preliminary inquiry is sufficient to show negligence or abuse was the

proximate cause without the need for further inquiry, he or she may assess liability as directed in paragraph 3.2.1.

3.2.1. If the Appointing Authority believes that the preliminary inquiry is sufficient to show negligence or abuse and proximate cause such as to assess financial liability without further investigation, the Appointing Authority shall assume the duties of the Financial Liability Officer by completing block 15.a-d, as well as block 13, of DD Form 200. The Appointing Authority shall specifically identify the evidence of negligence or abuse and explain how such negligence or abuse caused the loss, damage, or destruction of USTRANSCOM property. The Appointing Authority will ensure that the DD Form 200 is referred to the individual or individuals being recommended for financial liability and that they are informed of their rights. See Attachment 6.

3.2.2. If the preliminary inquiry indicates that a contractor or contractor employees are responsible for the loss, damage, or destruction, the Appointing Authority will forward the DD Form 200 to the contracting officer responsible for administering the contract. The contracting officer will investigate the loss and make an independent finding as to the liability of the contractor involved. If liability is determined, the contracting officer should coordinate with the responsible officer to determine whether replacement of the property, a credit to the contract, or payment to the U.S. Government should be pursued in accordance with the terms of the contract and applicable FAR (Federal Acquisition Regulation) provisions. The contracting officer will act as the approval authority and record the findings and state the adjustment on the DD Form 200 before returning it to the Appointing Authority. The decision of the contracting officer is final and conclusive unless the contractor makes an appeal under the disputes clause of the contract.

3.2.3. The Appointing Authority may appoint a Financial Liability Officer whenever deemed appropriate (repetitive losses, evidence of negligence or abuse, or large dollar losses); however, the Appointing Authority shall appoint a Financial Liability Officer whenever the following occurs:

3.2.3.1. Loss or gain of sensitive items.

3.2.3.2. Loss or gain of classified items.

3.2.3.3. Loss or gain of pilferable items when the unit price of any one item times the quantity is equal to or greater than \$2,500.

3.2.3.4. Any inventory loss when there is an indication or suspicion of fraud, theft, negligence, or abuse.

3.3. Time for Completion of Investigation. Except in unusual circumstances, the Appointing Authority should designate no more than 30 days for completion of investigations. Investigations involving Reservists normally should be completed within 60 days. Requests for a delay in meeting the suspense must be submitted in writing to the Appointing Authority and include the reasons for requesting the delay.

3.4. Financial Liability Officer Responsibilities and Duties. Duties and responsibilities of Financial Liability Officers are set out below. Unless operational requirements clearly dictate otherwise, a Financial Liability Officer shall conduct these functions as his or her primary duty until the investigation is complete.

3.4.1. The primary purpose of the DD Form 200 is to determine responsibility for lost, damaged, or destroyed property. To determine such responsibility, the facts contributing to the loss, damage, or destruction must be developed by investigation.

3.4.1.1. The investigation may establish the fact that some other individual is at fault. The Financial Liability Officer shall not limit the investigation to verifying statements of interested parties. Rather, the Financial Liability Officer shall perform an investigation as thoroughly as is needed, in their opinion, to ensure that all facts are fully developed, the interests of the government are fully served, and the rights of the involved individuals are fully protected.

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

3.4.2. The investigation conducted by the Financial Liability Officer is the critical phase of the process. The Financial Liability Officer should not rely on the alleged facts, but must determine the actual facts through interviews and research. The Financial Liability Officer's recommendations shall be evaluated in succeeding reviews; therefore, the recommendations must be supported by the findings and conclusions.

3.4.3. The Financial Liability Officer should be able to make a determination from the findings and conclusions as to how the loss or damage occurred and whether negligence or abuse was involved.

3.4.4. After recording the findings and conclusions, the Financial Liability Officer should make recommendations based on policies set forth in this instruction. The Financial Liability Officer shall recommend whether to assess financial liability.

3.4.5. A function of the Financial Liability Officer is to afford to any person whose conduct or performance of duty may be subject to inquiry or who has a direct interest in the inquiry an opportunity to have their position considered, as described in paragraph 3.7 of this instruction.

3.5. Conducting an Investigation. Financial Liability Officers shall conduct investigations promptly and in accordance with paragraph 3.3 of this instruction. In conducting the investigation, the Financial Liability Officer shall personally perform the following.

3.5.1. Scrutinize all available evidence.

3.5.2. Interview witnesses and secure statements from individuals concerning (a) the cause of the loss or damage and (b) the responsibility for the loss or damage.

3.5.3. Compile evidence substantiating or refuting any statement in block 9 of the DD Form 200.

3.5.4. Physically examine the damaged property, when available, and then release it for repair or disposal. This should be done on the first day of their appointment.

3.5.5. Consult TCJA for initial guidance and seek subsequent guidance when needed.

3.5.6. Determine the amount of financial loss in accordance with paragraph 3.6 of this instruction. The accountable officer may be asked to assist if he or she has not been directly involved in the loss, damage, destruction, or theft of the property.

3.5.7. Ensure that action is taken to exercise control over the property, if the property is recovered during the investigation.

3.6. Determination of Financial Loss and Liability. Financial Liability Officers shall recommend, based on the findings of their investigation, whether assessment of financial liability against an individual(s) is appropriate for the loss, damage, destruction, or theft of USTRANSCOM property. Financial liability can only be recommended if a preponderance of the evidence supports a determination that negligence of the responsible individual was the proximate cause for the loss, damage, destruction, or theft of USTRANSCOM property. That is, financial liability cannot be assessed unless, after considering all relevant factors, it appears more likely than not that an individual's actions, or failure to act, constituted negligence, willful misconduct, or deliberate unauthorized use and proximately caused the loss, damage, destruction, or theft at issue. If the weight of evidence does not support both determinations, the individual is not held liable.

3.6.1. Computation of Financial Loss. When there is evidence to indicate that the loss was proximately caused by negligence or abuse, a documented computation of the financial loss shall be made.

3.6.1.1. When damaged property or items can be repaired economically or restored to the condition immediately prior to the loss, the loss to the government shall be based on the cost of repair or restoration. This value may be the cost of repairs or an estimate of the repairs obtained from technical manuals or other reliable sources. If the cost to repair or restore the property or items exceeds the replacement cost, the loss to the government will be computed in accordance with paragraph 3.6.1.2 of this instruction. Replacement cost shall be construed to mean the cost of an item of similar age, condition, and function and not a new item unless the item was new before it was damaged.

3.6.1.2. If the cost to repair or restore the property exceeds the cost to replace the property, the amount of the loss shall be the fair market value of the property immediately before the loss. When property is lost, damaged, or destroyed beyond economical repair, and the property is not replaceable, the amount of the loss shall be the fair market value of the property immediately before the loss.

3.6.1.2.1. Evidence of fair market value can be obtained from a variety of sources, including internet searches, catalog prices, or information from vendors knowledgeable about pricing of similar or comparable items.

3.6.1.2.2. When a fair market value cannot be readily determined, the amount shall be the acquisition cost or standard price, adjusted for depreciation based on the specified depreciation period for such item or, if such a period has not been specified, the amount will be based on its estimated useful life. Depreciation shall be computed using the straight line method of depreciation. In no case should property be depreciated below its scrap value.

3.6.1.2.3. For property that is damaged beyond economical repair, the scrap or salvage value of the property shall be used to reduce the loss to the government.

3.6.2. Liability. Financial liability of individuals is based on the actual loss to the government, as computed in paragraph 3.6.1 of this instruction. However, when liability is limited by the individual's rate of pay, the financial liability of the individual is either the actual amount of the loss or the limitation based upon the rate of pay, whichever is less.

3.6.3. Collective Liability. If more than one individual is found financially liable for the loss, damage, destruction, or theft of USTRANSCOM property, the individuals shall be collectively liable. Because the government cannot collect more than the total amount of assessed liability, the Approving Authority who assessed financial liability will decide how much to collect from each individual. Among the factors to be considered in taking collection action from each liable individual are the degree of each individual's responsibility for the loss, damage, or destruction and the ability to collect for the loss from the responsible individuals.

3.7. Notification of Liability. Prior to submitting a recommendation to impose financial liability, the Financial Liability Officer must notify the individual against whom financial liability is recommended of his or her rights. See Attachment 6. This notification must include the following information and advisements.

3.7.1. The individual against whom financial liability is recommended must be given the opportunity to examine the report of investigation and to submit a statement or rebuttal. The individual must be informed that the statement may be used against him or her with regard to financial liability and other administrative and disciplinary actions. The Financial Liability Officer must fully consider and attach any statement made to the DD Form 200.

3.7.2. The individual recommended for possible financial liability must be made aware of his or her rights under DOD 7000.14-R, Volume 5, Chapter 30, *Debt Collection by Offset*. The individual should acknowledge his or her understanding of these rights by completing block 16 of the DD Form 200. If the individual refuses to sign, attach a statement to the DD Form 200 stating that the individual refused to sign block 16 after being given an opportunity.

3.7.3. If the individual is not readily available, a copy of the findings, evidence, and recommendations shall be sent by certified mail with a return receipt requested. A full explanation of the individual's rights shall be included. A reply shall be requested.

3.7.4. If a reply is not received within 30 days (45 days if the mailing is through non-U.S. mail systems) after the date of mailing, the Financial Liability Officer shall record this fact and take action to complete the DD Form 200.

3.7.5. If a reply or rebuttal is received after the 30 days, it shall be forwarded through the same channels as the DD Form 200 for consideration (see paragraph 3.7.6) and attached to the original DD Form 200.

3.7.6. Any new evidence or statement received after an initial recommendation has been made, but before the packet has been forwarded, shall be considered. If after reviewing the new evidence the recommendation remains unchanged, the Financial Liability Officer shall note that the additional evidence was considered and shall provide a rationale for not changing the decision. The Financial Liability Officer or Appointing Authority will make such notation on all copies of the report. If a change in the original recommendation is made based on the new information, the officer shall record such change as “Amended Recommendation.”

3.8. Final Action by the Financial Liability Officer. The Financial Liability Officer shall complete his or her action on the DD Form 200 and recommend either relief from financial responsibility or assessment of financial liability, and forward the report to the Approving Authority through TCJA. TCJA performs a legal review and forwards the report to the Appointing Authority. The legal review shall be included as part of the record with the DD Form 200. The Appointing Authority shall either approve or disapprove the findings and recommendations and forward the DD Form 200 to the Approving Authority with personal recommendations for action. When the action of the Appointing Authority results in the assessment of financial liability, any individual not previously recommended for liability shall be advised of his or her rights and afforded an opportunity to exercise his or her rights before the action is forwarded to the Approving Authority.

3.8.1. A Financial Liability Officer’s findings and recommendations are administrative and the reports are advisory. The opinions are not final determinations or legal judgments, and the recommendations are not binding upon the Appointing and Approving Authorities.

3.9. Approval Authority Action. The Approving Authority approves or overrules recommendations of the Appointing Authority and Financial Liability Officer. When the Approving Authority’s action results in the assessment of financial liability, any individual not previously recommended for liability shall be advised of his or her rights and afforded an opportunity to exercise his or her rights. The Approving Authority formally notifies, in writing, an individual against whom financial liability has been approved or disapproved. The written notification will either be hand delivered with a receipt of notice executed or, if appropriate, sent by registered or certified mail with return receipt requested.

3.9.1. An individual against whom financial liability is approved will be given 30 days from the date of receipt of the Approving Authority’s written notification to provide full remittance. See Attachment 7 for a sample notification letter. An additional 15 days shall be allowed to respond if the individual’s correspondence must go through non-U.S. mail systems.

3.9.2. The notification letter shall include notice of the individual's right to (a) request to repay the debt in installments; (b) inspect and copy records relating to the debt and to review the decision relating to the debt; (c) request remission of indebtedness; and (d) request reconsideration and appeal the findings.

3.9.3. The individual shall be advised that if voluntary lump-sum payment is not paid within 30 days of liability notification or completion of the appeal process, involuntary deductions will be taken from the individual's pay. Any portion of the debt that remains uncollected at the time of employment termination will be collected from the individual's final pay.

3.9.4. The Approving Authority, prior to approving a recommendation to impose financial liability, will ensure the notification procedures were followed and properly documented.

3.10. Voluntary Payment. Individuals may voluntarily choose to pay the government for lost, damaged, destroyed, or stolen USTRANSCOM property any time prior to involuntary collection from their pay.

3.10.1. The government does not seek any advantage or forego any right by accepting a voluntary payment. An individual cannot be coerced or threatened with adverse action if payment is not voluntarily made. Individuals offering voluntary payment do so of their own volition.

3.10.2. Individuals must be made aware of the effect of making a voluntary payment. That is, it may not be later withdrawn, avenues for relief will no longer be available, and voluntary payment does not preclude other administrative or disciplinary action contemplated by an individual's commander.

3.10.3. Individuals offering to pay in excess of basic pay for one month by military members or one twelfth of annual pay by civilian employees must be made aware that their liability may be a lesser assessment as a result of an investigation.

3.10.4. Voluntary payments may be made in cash or by payroll deduction.

3.11. Collections from Civilian Employees. Procedures for liability notification and due process rights for civilian employees are covered under 5 U.S.C. § 5514 and DOD 7000.14-R, Volume 8, Chapter 8, paragraphs 080303 and 080506. Appeal channels for civilian employees must be exhausted before involuntary salary offset is initiated.

3.11.1. If a request for reconsideration or appeal is not submitted within established time frames, appeal rights are forfeited. If the appeal right is forfeited or if the appeal is denied by the appeal authority, the case is returned to the Approving Authority. The Approving Authority must then ensure notification and due process protections required by DOD 7000.14-R, Volume 8, Chapter 8, paragraph 080303, are applied. The file is then forwarded to the appropriate finance office for collection.

4. Mitigation or Reduction of, or Relief from, Financial Liability.

4.1. Subject to the limitations of this section and based on the circumstances of each case, the Approving Authority may exercise discretion and impose financial liability in an amount equal to the loss or damage (up to one month's basic pay for military or one-twelfth annual pay for civilians), or in some lesser amount deemed appropriate, or relieve the individual from all liability.

4.2. The Approving Authority may not limit the amount of liability pertaining to accountable officers or military members who lose, damage, or destroy personal arms and equipment. In accordance with paragraph 1.3.1 of this instruction, these individuals are liable for the entire amount of the loss to the government.

5. Requests for Reconsideration and Appeals.

5.1. Requests for Reconsideration. Individuals against whom financial liability has been approved may submit a request for reconsideration to the Approving Authority. Requests submitted more than 30 calendar days after notification of liability (or 45 days if using a non-U.S. mail system) will not be considered absent a showing of good cause for failing to make a timely submission. A request for reconsideration that is denied automatically becomes an appeal to the Appeal Authority. Regardless of whether styled a request for reconsideration or appeal, the matter shall first be referred to the Approving Authority for consideration and action. The Approving Authority may, within his or her discretion, grant requests for reconsideration. Such actions may consist of the following:

5.1.1. Make minor corrections that do not involve important or substantial changes to the findings or recommendations of the financial liability investigation.

5.1.2. Cancel a previously approved financial liability determination due to administrative errors such as duplicative investigations, discovery of items previously reported as lost, or a determination that the property investigated did not belong to USTRANSCOM.

5.1.2.1. When property believed to be lost and dropped from property records by an approved financial liability determination is later found but is damaged, the original investigation will be cancelled and a new one initiated.

5.1.3. Reopen an investigation if new evidence becomes available.

5.1.4. Take any action to lessen, mitigate, or waive previously approved financial liability based upon alleged errors or injustices.

5.1.5. When a request for reconsideration is denied in total or in part, the Approving Authority shall provide a written rationale for the action taken. The packet shall then be referred to TCJA for a legal review prior to being forwarded to the Appeal Authority. The legal review will be completed by an attorney who has not previously provided a legal review on the matter.

5.2. Appeals. If the Approving Authority denies the request in whole or in part, the matter shall be considered an appeal. The Appeal Authority may take any action that the Approving Authority could have taken on a request for reconsideration.

5.2.1. The Appeal Authority will notify the individual that relief has been granted or that the appeal is denied and collection action will be commenced. When an appeal is denied, civilian employees may request a hearing through their servicing Finance and Accounting Office (FAO) or U.S. Property and Fiscal Office (USPFO). The FAO or USPFO will forward the petition for the hearing to the Director, Defense Finance and Accounting Service – Indianapolis Center, ATTN: Department 80, Indianapolis, IN 46249-0001, per DOD 7000.14-R, Volume 5, Chapter 28, and Volume 8, Chapter 8.

5.3. When a request for reconsideration or appeal is submitted, TCJ8 will take action to suspend collection of the debt until action is taken by the Appeal Authority. (This applies to military members only; civilian employees will have no collection action taken until every appeal is exhausted in accordance with paragraph 3.11 of this instruction.)

6. Procedure for Debt Collection. When financial liability is approved, the Approving Authority will forward the completed copy of the DD Form 200 and the financial liability investigation file to TCJ8. TCJ8 will forward the debt to the appropriate agency for collection.

RONALD A. RODGERS
Colonel, USAF
Staff Judge Advocate

7 Attachments

1. Glossary of References, Abbreviations, Acronyms, and Terms
2. Financial Liability Assessment Flowchart
3. Instructions for Completing DD Form 200
4. Format for Appointment Letter – Initial Inquiry
5. Format for Appointment Letter – Financial Liability Officer
6. Format for Notification Letter – Financial Liability Officer Recommendation to Impose Financial Liability
7. Format Notification Letter – Notice of Assessment of Financial Liability by the Approving Authority

Attachment 1

GLOSSARY OF REFERENCES, ABBREVIATIONS, ACRONYMS, AND TERMS

Section A - References

DOD 7000.14-R, *Department of Defense (DOD) Financial Management Regulation*

Uniform Code of Military Justice (UCMJ), *Article 92*

Title 37, United States Code, *Pay and Allowances of the Uniformed Services*

Title 5, United States Code, *Government Organization and Employees*

Air Force Manual (AFMAN) 23-220, *Reports of Survey for Air Force Property*

Army Regulation (AR) 735-5, *Policies and Procedures for Property Accountability*

OPNAVINST 5530.13C, Chapter 7, *Department of the Navy Physical Security Instruction for Conventional Arms, Ammunition, and Explosives (AA&E)*; Navy JAGMAN A-2-v, *Loss or Excess of Government Funds or Property* (See also NAVSUP Publication 485 for a list of property categories for which adjustments are authorized.)

Marine Corps Order 4340.1A, *Reporting of Missing, Lost, Stolen or Recovered (MLSR) Government Property*

Section B - Abbreviations and Acronyms

Not Used.

Section C - Terms

Abuse - Willful misconduct or deliberate unauthorized use.

Accountability - The obligation imposed by law, lawful order, or regulation on an officer or other person for keeping an accurate record of property documents or funds.

Accountable Officer - An individual appointed by proper authority who maintains item and/or financial records in connection with Government property, irrespective of whether the property is in his or her possession for use or storage, or is in the possession of others to whom it has been officially entrusted for use or for care and safekeeping.

Appointing Authority - An individual designated in writing by the approving 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 responsible officer, reviewing authority, or financial liability officer; and recommends actions to

the approving authority. The appointing authority is normally senior to the responsible officer, reviewing authority, accountable officer, and financial liability officer.

Approving Authority - The approving authority makes determinations to either relieve involved individuals from responsibility and/or accountability or approve assessment of financial liability. 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.

Classified Items - Material which requires protection in the interest of national security.

Collective Liability - Where more than one individual may be liable for a debt, both collectively or individually.

Controlled Inventory Items - Those items designated as having characteristics which require that they be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safekeeping and integrity. Controlled inventory items in descending order of the degree of control normally exercised are:

Deliberate Unauthorized Use - Willful or intentional use without right, permit, or authority.

Financial Liability - The statutory obligation of an individual to reimburse the Government for lost, damaged, or destroyed Government property as a result of negligence or abuse.

Financial Liability Officer - An individual who is appointed in writing by the appointing authority to conduct an investigation to determine responsibility for loss, damage, or destruction of Government property. Individuals so appointed shall not be the accountable or responsible officer or have any direct interest in the property being investigated. The individual shall be a commissioned officer; warrant officer; enlisted member in grades E-7, E-8, or E-9; or civilian employee GS-07 (if not NSPS) or NSPS Pay Band 2, or above. However, the financial liability officer is normally senior to the person(s) directly involved with the discrepancy. The appointing authority may act as the financial liability officer.

Gross Negligence - An extreme departure from the course of action to be expected of a reasonably prudent person, all circumstances being considered. The act is characterized by a reckless, deliberate, or wanton disregard of foreseeable consequences.

Investigation - Means of determining the facts related to loss, damage, or destruction of Government property; determining the present condition of such property; receiving recommendations as to disposition, retention, and further accountability for such property; or determining the responsibility for loss, gain, damage, or destruction of Government property.

Liability - The state of being responsible or answerable for the loss, gain, damage, or destruction of Government property.

Negligence - The failure to act as a reasonable prudent person would have acted under similar circumstances. An act or omission that a reasonably prudent person would not have committed

or omitted under similar circumstances and which is the proximate cause of the loss of, damage to, or destruction of Government property. Failure to comply with existing laws, regulations, or procedures may be considered as evidence of negligence.

Personal Arms or Equipment - Equipment or clothing issued to individuals for their sole use and care such as weapons, personal retention items, mobility kit bags, flight jackets, parkas, and similar items. In defining personal arms or equipment, determine how the property is used by the member and whether it is turned in at the end of the work shift. This is especially true when dealing with portable radios and hand tools. A portable radio, for example, is personal equipment when an individual uses it constantly, carries it wherever he or she goes, and has it for an indefinite period of time. However, it is not personal equipment when the individual has it for a specified time while on duty and then turns it in to be used by others at the end of a shift.

Pilferable Items - Materials having a ready resale value or application to personal possession and which are, therefore, especially subject to theft.

Preponderance of Evidence - Evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Probable Cause - Reasonable grounds for belief.

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

Proximate Cause - The cause which, in a natural and continuous sequence of events unbroken by a new cause, produced the loss or damage. Without this cause, the loss, gain, or damage would not have occurred. It is further defined as the primary moving cause, or the predominate cause, from which the loss, gain, or damage followed as a natural, direct, and immediate consequence.

Responsibility - An obligation for the proper custody, care, and safekeeping of property or funds entrusted to the possession or supervision of an individual.

Responsible Officer - An individual appointed by proper authority to exercise custody, care, and safekeeping over property entrusted to his or her possession or under his or her supervision.

Sensitive Items - Material which requires a high degree of protection and control due to statutory requirement or regulations, such as narcotics and drug abuse items; precious metals; items which are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition materials.

Willful Misconduct - Intentional damage, destruction, misappropriation, or loss of Government property.

Attachment 2

FINANCIAL LIABILITY ASSESSMENT FLOWCHART

Step 1 Initiation Process

1. Discovery of the loss, damage, or destruction
 - a. Voluntary restitution by individual,
 - or
 - b. Officer responsible for property appoints Initial Inquiry Officer (IIO):
 - i. Appointment in writing (Attachment 4)
 - ii. IIO gathers dates, circumstances and value of loss
 - iii. Fills in DD Form 200, blocks 1-11 (Attachment 3)
 - iv. Forward to Responsible Officer within 5 work days

Step 2 Preliminary Investigation Process

1. Responsible Officer:
 - a. Determines if negligence or abuse is evident
 - b. Fills in DD Form 200, block 12
 - c. Recommends if Financial Liability Officer (FLO) should be appointed
 - d. Forwards to judge advocate for review
2. Forwards to Appointing Authority within 5 working days

Step 3 Recommendation Process

1. Appointing Authority:
 - a. Fills in DD Form 200, block 13
 - b. Reviews preliminary investigations and determines:
 - i. Negligence or abuse was not the proximate cause of the loss or damage
 1. Assumes the role as Approving Authority
 2. Fills in DD Form 200, block 14
 3. Matter is closed
 - ii. Negligence or abuse was the proximate cause of the loss or damage
 1. But the value of the property is *de minimus* (less than \$200)
 2. Reimbursement cannot be pursued in a cost-effective manner
 3. Assumes the role as Approving Authority
 4. Fills in DD Form 200, block 14
 5. Matter is closed
 - iii. Negligence or abuse was the proximate cause without the need for further inquiry
 1. Assumes the role as FLO
 2. Assesses liability
 3. Fill out DD Form 200, block 15. a-d
 4. Notifies individual, in writing, of assessed liability (Attachment 6)
 5. Forwards to Approving Authority
 - iv. Further information is required to determine liability and FLO is appointed for further investigation

Step 4 Investigation Process

1. Financial Liability Officer
 - a. Appointed in writing (Attachment 5)
 - b. Develops the facts contributing to the loss, damage, or destruction of property
 - c. Determines by a preponderance of the evidence amount of loss and liability
 - d. Fills out DD Form 200, block 15
 - e. Investigation completed within 30 days
 - f. Notifies individual of assessed liability (fills in DD Form 200, block 16)
 - g. Individual has 30 days to submit rebuttal
 - h. Attach rebuttal, if any, to DD Form 200 and forward to Approval Authority, via judge advocate and Appointing Authority

Step 5 Adjudication Process

1. Review by Approval Authority
 - a. If FLO does not find liability and the Approval Authority concurs, the matter is closed
 - b. If the FLO finds liability, but Approval Authority does not concur, the matter is closed
 - c. If Approval Authority determines there is liability, the package is forwarded for collection
 - i. If not previously notified of assessed liability, the individual is notified in writing and has 30 days to submit rebuttal (Attachment 7)

Step 6 Collection Process

1. Individual may voluntarily pay the government for assessed liability
or
2. Approving Authority fills out DD Form 200, block 17, forwards financial liability determination to Program Analysis and Financial Management Directorate (TCJ8)
3. TCJ8 forwards approved financial liability determination to appropriate agency for collection
4. If necessary, an Accountable Officer adjusts property record (Block 17).

Attachment 3**INSTRUCTION FOR COMPLETING DD FORM 200**

(Note: Some blocks are self explanatory.)

Block 1. Date Initiated.

Block 2. Inquiry/Investigation Number. Leave Blank.

Block 3. Date Loss Discovered.

Block 4. National Stock Number (NSN). Enter the NSN, manufacturer's part number, or other identification number(s). If not applicable, enter the word "none."

Block 5. Item Description. Enter the correct name of the property, including any serial numbers, model numbers, controlled inventory item, etc. If the item is not stock listed, give a brief description sufficient for identification. If additional space is needed, a continuation sheet may be used.

Block 6. Quantity. Enter the number of units and unit of issue (e.g., 1 each, 2 dozen, 5 pair, etc.).

Block 7. Unit Cost. Enter the cost per unit shown in official catalogs, supply bulletins, or item records. The specific reference should be indicated for audit trails.

Block 8. Total Cost. Enter the total cost of all units of each article listed (block 6 times block 7).

Block 9. Circumstances Under Which Property Was Lost, Damaged, or Destroyed. Enter a complete statement of the facts, including the date and place of the incident. Include the name, grade, and social security number of all persons directly involved. The statement must answer five basic questions of who, what, when, where, and how. Identify any appropriate contract numbers, transaction numbers, control numbers, etc. Add as exhibits and identify alphabetically within the block, as needed.

Block 10. Actions Taken to Correct Circumstances Reported in Block 9 and Prevent Future Occurrences. If investigation reveals deficiencies in directives, procedure, 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 originating office or the initial inquiry official prepares the corrective action statement. Include recommended actions by the accountable or responsible officer if appropriate.

Block 11. Individual Completing Blocks 1 Through 10. Person conducting the inquiry.

Block 12. Responsible Officer / Reviewing Authority. Responsible Officer is an individual appointed by proper authority to exercise custody, care, and safekeeping over property entrusted to their possession or under their supervision. Reviewing Authority is an individual designated in writing by the Director to review and analyze the result of supply system stock research. Enter comments and recommendations. Use an attachment if needed.

Block 13. Appointing Authority. Appointing Authority reviews facts presented in inquiry and accepts or disapproves recommendations. Appoints Financial Liability Officer to conduct further investigation, if necessary.

Block 14. Approving Authority. Approving Authority either approves or disapproves the recommendations of the Investigation Officer in block 9 or in block 15a if a Financial Liability Officer was appointed.

Block 15. Financial Liability Officer. Enter findings along with a recommendation regarding liability of the involved parties.

1. Indicate that negligence on the part of the individual has not been determined, if applicable.
2. Recommend the investigation be continued at some future time because of extenuating circumstances, if applicable.
3. Recommend corrective actions.
4. Recommend that individuals involved in the loss, damage, or destruction be relieved of responsibility for the property when negligence cannot be established. State the facts on which the recommendations are based. Proper conclusions shall be drawn from available facts, not opinions or suspicions. The Financial Liability Officer must sustain or refute the statements made in block 9 of the DD Form 200 and any other statements that are part of the inquiry and/or investigation. Do not use stereotyped phrases such as “loss or damaged in manner stated.” State in own words how the loss or damage occurred based on the evidence obtained by the investigation.
5. Include a computation of charges, as prescribed in paragraph 3.6.1 of this instruction when recommending financial liability. The computation should show how depreciation was calculated and other factors used in determining the loss, or reference should be made to the exhibit on which the computation is recorded. The results of the computation shall be entered in block 15.b.
6. Describe the disposition of the property. Items that have been classified as “uneconomically repairable” shall be turned in to the designated person (e.g., property custodian, accountable officer, or Defense Reutilization and Marketing Service) when released by the Financial Liability Officer or the Appointing Authority when a Financial Liability Officer is not appointed.

7. Recommendations shall be entered immediately after the findings. The recommendations shall include:

a. Financial liability to be assessed or relief from responsibility and accountability. Also, enter this information in block 15.d. For a military member, enter monthly basic pay and for a civilian, enter one-twelfth of the yearly salary.

b. Disposition instructions for any unserviceable property not previously sent to the Defense Reutilization and Marketing Service.

c. State clearly the full name, grade, SSN, and the amount of the charge when recommending financial liability.

d. State if the DD Form 200 may cover the loss, damage, or destruction of property for which a claim is also being processed.

8. The recommendations must represent a logical and equitable decision developed from the facts cited in the evidence and findings.

Block 16. Individual Charged. Comply with paragraphs 3.5 through 3.7 of USTRANSCOM Instruction 23-2. In block 16.d, enter individual's name and rank or grade. Enter information required in all other blocks. Initiate collection action by forwarding a copy of the approved DD Form 200 by transmittal document to the servicing disbursing officer. All continuation sheets are to be included, but the attachments and exhibits excluded. The approved DD Form 200 is sufficient to hold a person financial liable and establish a debt.

Block 17. Accountable Officer. Record document numbers used to adjust property and financial records.

Attachment 4**FORMAT FOR APPOINTMENT LETTER – INITIAL INQUIRY****(Letterhead)**

(Date)

MEMORANDUM FOR _____ (individual)

FROM: (Supervisor of Office Responsible for the USTRANSCOM Property)

SUBJECT: Financial Liability Determination for USTRANSCOM Property Lost, Damaged,
Destroyed, or Stolen

1. In accordance with USTRANSCOMI 23-2, paragraph 3.1, you are hereby appointed to conduct an inquiry into the damage, loss, destruction, or theft of USTRANSCOM property. The property is described as _____. This inquiry is your primary duty until complete.
2. You will need to make an initial determination of the facts and circumstances surrounding the loss and whether negligence caused or contributed to the loss. You should identify: (1) what happened; (2) how it happened; (3) where it happened; (4) who was involved; (5) when it happened; and (6) any evidence of negligence, willful misconduct, or deliberate unauthorized use or disposition of USTRANSCOM property. The results of your inquiry must be documented on DD Form 200, Blocks 1-11. You may attach additional sheets if necessary.
3. When necessary to advise a military member of his or her rights under the Uniform Code of Military Justice, you should consult with the USTRANSCOM Office of the Staff Judge Advocate (or the closest servicing legal office if off-site) prior to questioning the individual. (Before interviewing civilian employees, first consult with the Civilian Personnel Office for further guidance.)
4. You have ____ days (normally 5) to complete your inquiry and submit the DD Form 200 to me. Any requests for delay shall be in writing and include a rationale for why the delay is necessary.
5. If you have questions concerning the scope of the inquiry, you may seek assistance from the USTRANSCOM Office of the Staff Judge Advocate (TCJA) at (618) 229-1366.

Signature Block
(See Paragraph 3.1)

Attachment 5

FORMAT FOR APPOINTMENT LETTER – FINANCIAL LIABILITY OFFICER

(Letterhead)

(Date)

MEMORANDUM FOR (RANK, NAME, AND OFFICE SYMBOL)

FROM: (Appointing Authority)

SUBJECT: Appointment Letter, Financial Liability Officer, Property Damage/Loss of _____(brief description)

1. In accordance with USTRANSCOM Instruction 23-2, *Financial Liability for USTRANSCOM Property Lost, Damaged, Destroyed, or Stolen*, paragraph 3.2, you are appointed to conduct a formal investigation into all aspects of the facts and circumstances concerning [give a brief listing of what is to be investigated]. An informal inquiry was conducted and based on my review of the attached report (DD Form 200, Blocks 1 through 11), I determined that a financial liability investigation is warranted. This investigation is your primary duty until complete, unless operational requirements dictate otherwise. If so, inform me immediately.
2. When necessary to advise a military member of his or her rights under the Uniform Code of Military Justice, you should consult with the USTRANSCOM Office of the Staff Judge Advocate (TCJA) (or the closest servicing legal office if off-site) prior to questioning the individual. (Before interviewing civilian employees, first consult with the Civilian Personnel Office.)
3. Follow the provisions of USTRANSCOM Instruction 23-2, paragraphs 3.4 through 3.8, and DOD 7000.14-R, Vol. 12, Section 070404. Prepare and submit to me the completed DD Form 200. You should consult with TJCA, (618) 229-1366, for initial guidance and as needed.
4. You have _____(days) [normally 30] to complete your investigation. Any requests for delays shall be in writing and include a rationale for why the delay is necessary

Signature Block
Appointing Authority

Attachment
DD Form 200

Attachment 6**FORMAT FOR NOTIFICATION LETTER – FINANCIAL LIABILITY OFFICER
RECOMMENDATION TO IMPOSE FINANCIAL LIABILITY****(Letterhead)**

(Date)

MEMORANDUM FOR (Individual)

FROM: (Financial Liability Officer (FLO) or Appointing Authority if no FLO has been appointed)

SUBJECT: Notice of Intent to Recommend Imposition of Financial Liability – DD Form 200

1. Attached is a DD Form 200, *Financial Liability Investigation of Property Loss*, which recommends that you be assessed \$ _____ for (loss, damage, or destruction) of government property. (Property may be described here.) This action is being processed according to guidance and procedures in USTRANSCOM Instruction 23-2, *Financial Liability for USTRANSCOM Property Lost, Damaged, Destroyed, or Stolen*.

2. I am recommending that you be held financially liable after examination of the facts and circumstances of this case. Before this action is sent to the Appointing and Approving Authorities, you are entitled to exercise certain options as stated here.

a. Voluntarily pay the amount of the loss in block 8, DD Form 200. Payment may be made in cash using DD Form 1131, *Cash Collection Voucher*, or by payroll deduction using DD Form 362, *Statement of Charges/Cash Collection Voucher*. Please note that once paid, your voluntary payment may not be later withdrawn, avenues for relief will no longer be available, and voluntary payment does not preclude other administrative or disciplinary action contemplated by your commander or supervisor.

b. Examine the findings and recommendations on the attached DD Form 200 and the supporting evidence.

c. Present any additional evidence and submit a statement which refutes a finding of negligence or abuse and which you believe is relevant to a determination of who should be held liable. Be advised that your statement may be used against you with regard to financial liability and other administrative and disciplinary actions.

d. Request that the Approving Authority allow you to satisfy this liability by replacing or repairing the property. Replacement property or repair to USTRANSCOM property must meet minimum applicable standards. If there is any doubt as to whether the replacement property or repair meet these standards, the property or repair will not be accepted.

3. Your acknowledgment of receipt of this action is not an admission of liability, an

acknowledgment of admission of liability, or an acknowledgment of a debt. You may seek legal or other counsel at your own expense. If you seek legal or other counsel in preparation of a written statement, the statement must be submitted over your signature, or it must contain your signed endorsement that the statement prepared by counsel is submitted with your full concurrence and consent.

4. Specific instructions:

a. Place an "X" in the proper area of block 16a on the attached DD Form 200, and complete blocks 16b through 16h.

b. If you intend to make a statement, attach it to the DD Form 200.

c. Return the DD Form 200 (Attachment 1) to me with your statement, if one is submitted, as soon as possible but not later than 30 days from the date you were notified of this action.

d. Retain the copy of the file (Attachment 2) for your records.

5. When I receive your signed DD Form 200, the entire file will be sent to the Appointing and Approving Authorities for determination of financial liability. If you are relieved from liability, you will be notified accordingly. If you are held liable, you will be notified of your options regarding payment or appeal. If you do not respond to this memorandum within 30 days, a copy will be sent to the Appointing or Approving Authority for action. If you return the DD Form 200 with the block checked indicating you are attaching a statement but fail to submit a statement, the action will be processed if a statement is not received within 30 days of the date you were notified of the recommendation by this memorandum.

6. If you have any questions, please contact me at (e-mail, office symbol and phone number).

Signature Block
Financial Liability Officer

Attachments

1. DD Form 200
2. Copy of File

Attachment 7**FORMAT FOR NOTIFICATION LETTER – NOTICE OF ASSESSMENT OF
FINANCIAL LIABILITY BY THE APPROVING AUTHORITY****(Letterhead)**

(Date)

MEMORANDUM FOR (Individual)

FROM: (Approving Authority)

SUBJECT: Notice of Assessment of Financial Liability – DD Form 200

1. After considering the facts and circumstances documented in DD Form 200 (include case number if one is assigned), I am approving assessment of financial liability against you in the amount of \$ _____ for (loss of/damage to) government property (may be specifically described here). A copy of the completed DD Form 200, *Financial Liability Investigation of Property Loss*, is provided for your records. This action was conducted under the provisions of USTRANSCOM Instruction 23-2.
2. As the Approving Authority, I arrived at the assessment of financial liability based on the (value of the lost property/repair cost of the damaged property) or one month's basic pay, whichever was less. If the property was personal arms or equipment, the assessment was based upon the full amount of the loss or damage.
3. A copy of this action will be sent to TCJ8 for collection of the amount specified on DD Form 200. You have 30 days to decide what action you would like to take in response to this notification. The following options are available to you.
 - a. Pay the amount due in cash, using DD Form 1131, *Cash Collection Voucher*.
 - b. Pay the amount due by authorizing a payroll deduction, using DD Form 362, *Statement of Charges/Cash Collection Voucher*, under the policies and procedures established in accounting and finance directives.
 - c. Request a written agreement to repay the debt in installments. A request for installment payments must be accompanied by a financial statement submitted by you. Include comments regarding what adverse impact the assessment of financial liability will have upon you. Submission of supporting documentation is optional.
 - d. Retain legal counsel. You may seek legal or other counsel at your own expense. If military, you should consult your service to determine if legal assistance is available to you.
 - e. Request reconsideration of the findings of negligence or abuse and assessment of financial liability. The request for reconsideration must be in writing and submitted to me, the Approving

Authority, within 30 days of this notification or it will not be considered unless good cause is shown for the delay.

(1) If you seek legal or other counsel in preparing a written request for reconsideration or appeal, the request must be submitted over your signature, or it must contain your signed endorsement that it is submitted with your full concurrence and consent.

(2) If your request for reconsideration is denied by the Approving Authority, it will automatically be considered an appeal and sent to the Appeal Authority for action.

f. Inspect and copy records relating to the debt.

g. Review the decision relating to the debt.

h. Request a remission of indebtedness if you are an enlisted member. This request is processed through TCJ8.

4. If you do not exercise any of the options within 30 days of this notification, USTRANSCOM will initiate involuntary collection action under policies and procedures in accounting and finance directives. The statutory authorities for involuntary collection are title 37 United States Code section 1007c for military members and title 5 United States Code 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. If you elect to request reconsideration or appeal, collection action will be suspended until the appeal is ruled upon. You will be further notified when the results of the appeal are available. No collection action will be taken against a civilian employee until all appeals are exhausted.

6. The foregoing notification is given to allow you every opportunity to respond to actions taken on the attached DD Form 200. I encourage you to respond promptly. If you need administrative assistance, contact (name, organization, office symbol, and phone number of Financial Liability Officer).

Signature Block
Approving Authority

Attachment
DD Form 200