



**DEPARTMENT OF THE NAVY
COMMANDER
NAVAL EDUCATION AND TRAINING COMMAND
250 DALLAS STREET
PENSACOLA, FLORIDA 32508-5220**

NETCINST 7320.1
N411

JAN 15 2004

NETC INSTRUCTION 7320.1

Subj: PERSONAL PROPERTY POLICIES AND PROCEDURES

Ref: (a) SECNAVINST 7320.10, Department of the Navy Personal Property Policies and Procedures
(b) DODINST 5000.64, Defense Property Accountability
(c) Deputy Under Secretary of Defense memo of 21 Mar 03, Property Accounting Thresholds

1. Purpose. To outline policy and procedures for personal property management per references (a) and (b).

2. Policy. This instruction applies to plant account property in Classes 3 and 4 and minor property as defined in paragraph 4 of reference (a).

3. Background

a. Personal property includes items used, but not consumed, to produce goods or services in support of the Department of the Navy's (DON) mission. Personal property does not include inventory items (e.g., items intended for sale) and real property (i.e., land, buildings, structures).

b. Control over property is required by the Comptroller of the Navy and Naval Supply Systems Command. The standard government practice is to safeguard valuable assets through effective internal controls. These measures include asset identification, physical inventory, physical security, custody control, and maintenance of property records. All capital, minor, sensitive, classified, and pilferable property that meets the definition for personal property will be recorded and tracked in the Defense Property Accountability System (DPAS), the official personal property system as established by the Department of Defense (DOD) and adapted by DON.

4. Categories of Personal Property. Personal property is classified as Capitalized (Plant), Minor, Pilferable, Sub-Minor, Government Personal Property in Possession of Contractors, and

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Leased Personal Property. Property in these categories may be sensitive or classified in nature.

a. Capitalized Personal Property. Personal property that meets all of the following capitalization criteria:

(1) Has an acquisition cost that is equal to or greater than \$100,000, and

(2) Has an estimated recovery period equal to or greater than 24 months, and

(3) Is not intended for sale in the ordinary course of operations, and

(4) Has been acquired or contracted with the intention of being used, or being made available for use by DON in its operations.

b. Minor Personal Property. Has an acquisition cost equal to or greater than \$5,000 (reference (c)), and less than \$100,000 or

(1) Has an acquisition cost less than \$5,000, and is determined to be sensitive, classified, or pilferable by the commanding officer, and

(2) Has a recovery period equal to or greater than 24 months, and

(3) Does not meet all the capitalization criteria.

c. Pilferable Personal Property. An asset that is portable, easily converted to personal use, critical to the activity's mission, and

(1) Difficult to repair or replace (e.g., a one-of-a-kind technical device), and

(2) Other property not readily available in the open market for suitable replacement.

d. Sub-Minor Personal Property. An asset that is less than the DOD accountability thresholds, and

(1) Does not meet the criteria for property as stated above (e.g., hand-held computers, laptop computers, and cellular phones), or

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(2) Is above the DOD accountability threshold of \$5,000 with a useful life of less than 2 years. There are no financial reporting requirements for this category of personal property and no mandated accountability requirements except those established at the activity level.

e. Government Personal Property in the Possession of Contractors. There are two types of property in this category: personal property either acquired by the federal government (government-furnished equipment (GFE)) or property acquired by the contractor (contractor-acquired) that is used to complete a government-sanctioned activity.

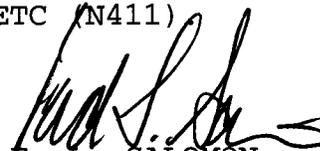
f. Leased Personal Property. An asset that is leased. Leases are categorized as either capital or operating. Reference (a), enclosure (1), establishes criteria for lease types.

5. Responsibilities

a. All activities within the Naval Education and Training Command (NETC) shall comply with DPAS policy and procedures outlined in references (a) and (b). Additional guidance may be obtained from the DPAS website at <http://www.nor.fisc.navy.mil/home/dpas.htm>. NETC activities should issue their own specific guidance on these procedures including assurance that physical counts (i.e., inventories) are conducted properly, the activity personal property database data is accurate, asset accountability is maintained, and financial reporting of personal property is accurate.

b. Echelon 3 Commanders/Commanding Officers shall provide personal property management oversight for activities under their cognizance.

c. Echelon 4 Commanding Officers shall forward a completion letter for their command and subordinate activities to NETC (N411), via their chain of command, stating that the triennial (wall-to-wall) inventory requirement was completed per reference (a). Echelon 3 Commanders shall submit their command's completion letters directly to NETC (N411).


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Chief of Staff

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