

## CHAPTER 1 - INTRODUCTION

1-1. Purpose. This regulation governs supply operations within the U.S. Army Corps of Engineers (USACE). It provides policy for the acquisition, accountability, management, and disposal of supplies and personal property used within USACE.

1-2. Applicability. This regulation applies to all HQUSACE elements and all USACE commands having responsibility for supply operations, regardless of size, location, and funding [civil, military, foreign military sales (FMS), etc.].

1-3. Distribution Statement. Approved for public release; distribution is unlimited.

1-4. References. Policies and procedures in this regulation are based on guidance presented in the regulations and publications listed in Appendix A. This regulation should not be used to the exclusion of the referenced publications. They provide the basic policy guidance from which systems and procedures are developed.

1-5. Objectives.

a. This regulation prescribes policy for accountability for all property acquired by commands from whatever source, whether bought or not. Section 4832, Title 10 of the United States Code requires such accounting and responsibility.

b. It will serve as the principal policy document for property accounting procedures that will be continuous from the time of acquisition until the ultimate consumption or disposal of the property occurs. Such accounting will be maintained through formal records. The policy herein also serves to ensure compliance with Chief Financial Officers (CFO) Act and DoD 7000.14R, Financial Management Regulation, requirements.

c. Management control systems. This regulation is subject to the requirements of AR 11-2. It contains management control provisions but does not contain checklists for conducting management control reviews. It covers three evaluation areas of the USACE Management Control Plan: Supply Activities; Property Authorizations; and Personal Property - Chief Financial Officers' Act. Commands will use the Command Supply Discipline Program, the Equipment Utilization Management Program, this ER, appropriate Army/Department of Defense (DOD)/Federal regulations, inspections, and locally generated checklists to implement a

management control system. Sample checklists will be found on the web site of the USACE Assistant Chief of Staff for Logistics.

1-6. Precedence of Regulations. Unless specifically authorized in this policy or other written guidance, USACE will follow Department of Defense Regulations (DODR) or Army Regulations (AR). In the event of any conflict among DODRs, ARs and Engineer Regulations (ER), the highest level regulation will apply. NOTE: In this regulation, Major Subordinate Command (MSC) refers to divisions, centers (including laboratories), and field operating activities (FOA).

1-7. Record Keeping. Documentation for capitalized plant and equipment must be retained for Chief Financial Officer (CFO) audit purposes as long as the item is recorded on the USACE General Ledger. (The capitalization level is \$25,000 or more for civil funds, and \$100,000 or more for military funds.) Other supply records will be kept in accordance with AR 25-400-2, Modern Army Record Keeping System (MARKS).

1-8. Responsibilities.

a. The Commander, USACE, will ensure the development of specific commodity or command-unique property accounting policies that comply with the basic policies and procedures prescribed by Army and other applicable regulations. The Commander will:

- (1) implement the Command Supply Discipline Program;
- (2) establish supply discipline as regulatory guidance; and
- (3) implement an equipment management program.

b. The USACE Assistant Chief of Staff for Logistics will:

(1) ensure that the policies and procedures specified in this regulation are kept current to comply with higher echelon policies and procedures;

(2) serve as the USACE Major Command Supply Discipline Program (CSDP) coordinator; and

(3) serve as the USACE major command equipment manager.

c. Commanders at MSC level will:

(1) ensure that implementation of the CSDP and Equipment Utilization Management Program (EUMP) is routinely examined during command inspections; and

(2) that all MSC evaluations of CDSP and EUMP activities are documented, and contain, at a minimum, findings, recommendations and suspense dates.

d. Commanders, at district or MSC level, will:

(1) establish formal Command Supply Discipline Programs and Equipment Utilization Management Programs, and ensure that evaluations are properly documented. The documentation should contain, at a minimum, findings, recommendations and suspense dates;

(2) ensure that supervisors are aware of and properly discharge their responsibilities under the CSDP and EUMP;

(3) ensure that reports of survey are processed IAW the requirements of AR 735-5, including the use of simple negligence as the standard for a finding of pecuniary liability; and

(4) appoint, in writing, property book officer(s), property disposal officer(s), transportation officer(s), inventory accountable officer(s) and sales contracting officer(s), to be renewed upon change of command.

e. The Chief, Logistics Management Office, USACE commands, will:

(1) establish and maintain the Command Supply Discipline Program within the organization, with written standard operating procedures;

(2) promote command supply discipline through compliance with all applicable DOD, Army and USACE policies and procedures;

(3) design and publish local implementing policies and procedures in compliance with this regulation;

(4) establish and maintain the Equipment Utilization Management Program, IAW AR 71-32, with written standard operating procedures, and by naming a senior logistician as the equipment manager; and

(5) send requests through command channels for clarification of regulatory guidance. Deviations from supply policy contained herein require approval from HQUSACE, and, in some cases, HQ DA.

f. Responsible employees, as primary hand receipt holders (HRH), will be trained, with periodic refresher re-training, to safeguard property assigned to them according to the procedures specified in this regulation and local standard operating procedures.

g. All employees will safeguard government property whether or not they have been formally assigned responsibility for it.

(NOTE: Throughout this regulation, for purposes of brevity and unless otherwise noted, the HQUSACE Office of the Assistant Chief of Staff for Logistics will be called ACSLOG. The logistics management offices of the major subordinate commands, districts, laboratories, field operating activities, and projects will be called LMOs.)

1-9. Command Supply Discipline Program (CSDP). The CSDP is prescribed by AR 710-2, Appendix B and AR 735-5, Chapter 11, as a commander's program directed at eliminating noncompliance with existing supply regulations. To accomplish this, the CSDP assists commanders by making them aware of supply conditions in their command. It is a compilation of existing regulatory requirements brought together for visibility purposes. It is directed at standardizing supply discipline and is meant to simplify command, supervisory, and managerial responsibilities. This is accomplished by outlining the various requirements for responsible personnel, by standardizing requirements, and by formalizing follow-up procedures.

1-10. General Requirements. Automated systems, which include software intended to manage such items as property books, inventory accounts, document registers, hand receipts, reports of survey and self-service supply centers, will not be implemented, developed or procured without written approval from ACSLOG.