

### CHAPTER 3 - GENERAL POLICIES FOR THE ACQUISITION AND MANAGEMENT OF PERSONAL PROPERTY

3-1. Management Policies. All property acquired by/from whatever source, whether purchased or not, must be accounted for as prescribed by this regulation and other appropriate regulations. Such accounting will be maintained through formal records. The accounting will be continuous from the time of acquisition until the ultimate consumption or disposal of the property. Supporting documents will be maintained as prescribed in appropriate regulations. USACE property is for official use only.

3-2. Classification of Property.

a. Property of any kind, except real property, is considered personal property and will be classified for accountability purposes as nonexpendable, expendable, or durable. Personal property will be accounted for IAW procedures outlined in AR 710-2. Commercial and fabricated items similar to items in the Federal Logistics (FEDLOG) will be given the same classification on USACE records. Questions concerning item classification will be resolved by the property book officer.

b. Items of clothing, such as safety shoes and safety glasses, are classified durable, non-recoverable, and will be controlled IAW the guidelines in AR 710-2.

c. "Pilferable" property can be nonexpendable, expendable, or durable, and must be controlled regardless of dollar value. A list of pilferable property and control procedures will be developed by the PBO in accordance with regulatory guidance. Commanders will ensure that all such items are posted to their property books.

d. Priority system. LMO is responsible for maintaining an effective and credible priority system, IAW Army regulations or FPMR. Requesters will indicate priority on all requisitions before submission to LMO, which will convert the priority to a Priority Designator (PD) when ordering from government sources.

e. Local purchase of small arms and component parts will not be initiated without prior concurrence/authority from HQDA, ODCSLOG, and the National Inventory Control Point (NICP). These purchases are strictly controlled and will be evaluated on a case-by-case basis before approval is granted.

3-3. Sources of Supply. Commanders will ensure that all persons requiring property first conduct a screen for excess before making the acquisition. Activities shall satisfy requirements for supplies and equipment from or through the sources and publications listed below in descending order as indicated:

- a. Agency inventories.
- b. Excess from other agencies.
- c. Federal Prison Industries, Inc. (UNICOR).
- d. Procurement lists of products available from the Committee for Purchase from the Blind and Other Severely Handicapped.
- e. Native American.
- f. GSA stock program and other wholesale suppliers, such as the Defense Logistics Agency, Veterans Administration, and other military inventory control points.
- g. Federal Supply Schedules.
- h. Commercial sources (including educational and nonprofit institutions).

3-4. System Furniture Acquisition Guidelines.

a. The acquisition of new office machines and office furniture shall be limited to those requirements which are considered absolutely essential and shall not include upgrading to improve appearance, office decor, status, or satisfy the desire for the latest design or more expensive lines. Furniture systems acquisition requires ACSLOG approval for acquisitions greater than \$100,000. The forms and analysis formats contained in FPMR E-215, Cost Justification of Furniture Systems and Similar Products, based upon space savings, will be used with the request for furniture systems.

b. A systems furniture request for authorization must be submitted through command channels to ACSLOG prior to initiation of a purchase request. The authorization approval is not synonymous with funding authority. Authorization approval should be in place prior to seeking funding authority. Activities may seek authorization approval and funding authority simultaneously, however, to prevent loss of funds due to the close of a fiscal year.

c. Approvals are based on payback years (derived from average cost per workstation and space savings), utilization rate (per person), and the cost per square foot of the building being occupied. Stability of activity is also taken into consideration. Systems furniture is not generally approved for the current office space when offices anticipate moves to other locations. Do not submit more than one request for any one building per year. If more than one request is received for any one building within a one year-period, it will be sent back for a space analysis of the entire building.

d. Criteria below will be used in review of FPMR E-220 work sheets:

(1) Payback rate must be 6 years or less.

(2) Utilization rate must meet/exceed GSA standards [currently 122 (average) square feet per person for systems; 135 square feet per person overall]. Submit space utilization rate for the entire building, as well as the area under consideration for systems furniture.

e. Systems furniture will be assigned a single Management Control Number (MCN) (see AR 708-1), and bar-code number for each approved furniture system. The PBO will prepare a component list using the data on the purchase contract for which the furniture was procured, or use accessories procedures in the APPMS program.

f. When it is impractical to assign a furniture system to a single individual, the local commander has the option to manage the furniture system through the use of an inventory list.

3-5. Precious Metal Recovery Program (PMRP). Refined precious metals may be requisitioned from DLA's PMRP, when available, for approved internal use or for use as government-furnished material (GFM) in contracts requiring precious metals. Since refined metals recovered through the program are available for just the cost of recovery plus an authorized administrative surcharge, savings are realized through the use of the PMRP. Requiring activities are encouraged to call DLA for asset availability prior to the requisitioning of any quantity of precious metal.

3-6. Mission support stock record accounts. USACE has created mission support stock record accounts (MSSRA) as defined in Army regulations. A mission support SRA is established to support a particular mission. New MSSRAs will be established on approval of ACSLOG. Those presently in existence are considered to be approved and do not require new justification action at this

time. Each will be managed using a stock record account. The present approved MSSRAs are at the Philadelphia District - arm bands (identification), uniform insignia and badges; dredging sleeves; and engineer flags, insignia and pennants.

3-7. Prohibitions. Commands will not make purchases for a Unit Identification Code (UIC) other than their own unless a formal agreement has been made through command channels. A copy of this agreement (which may be a memorandum of understanding) must be on file in the LMO.

3-8. Reconciliation. Open requisitions will be reviewed monthly to determine status and whether a need still exists for the item.

3-9. Stock Numbers. National Stock Numbers (NSN), locally-assigned Management Control Numbers (MCN), and Commercial and Government Entity (CAGE) Codes with manufacturer's item identification numbers will be used IAW AR 708-1.

3-10. Department of Defense Activity Address Code (DODAAC) and Activity Address Code (AAC).

a. The DODAAC and AAC are distinctive six-position alphanumeric address codes which identify a specific Corps major subordinate command, district, laboratory or field operating activity, non-DOD government element, or private contractor authorized by DOD to requisition and receive supplies. They are used primarily on the Military Standard Requisitioning and Issue Procedures (MILSTRIP) system, the Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) system and related documents. MILSTRIP and FEDSTRIP are the mandatory requisitioning systems for military organizations, civilian Federal agencies and authorized contractors who wish to order supplies from Army logistics systems and the General Services Administration (GSA). Commands may requisition from DOD activities using the procedures in AR 725-50, Requisitioning, Receipt and Issue System.

b. In its decoded form, the DODAAC breaks down to at least two, and in some instances, three addresses referred to as Type Address Code (TAC) 1, 2, and 3. TAC 1 and 3 addresses are mandatory and must be provided to the Army Central Service Point (ACSP) in order to assign a DODAAC.

(1) TAC 1 address. This is used for mail, parcel post, and small package shipments. It is also used for a freight address if no TAC 2 document is submitted.

(2) TAC 2 address. This is used for freight shipments, but only when an activity is to receive freight at an address

different from the TAC 1 address. Post office box addresses cannot be used. For OCONUS, if applicable, the break bulk point (BBP) DODAAC will appear in record 1 in the TAC 2 only.

(3) TAC 3 address. This is used for billing purposes, and must contain an active address that is listed with a fiscal station number in the disbursing and fiscal station number directory. This number may be obtained from the Finance and Accounting Office. The disbursing and fiscal station numbers directory lists fiscal station numbers that are inactive as well as active. Inactive numbers are not authorized to be TAC 3 addresses.

(4) The AAC also consists of three addresses: the mailing address, which is mandatory; the freight address; and the billing address. In designating each address, use at least two lines of typed text, and no more than four. No line of text in the address may contain more than 35 characters.

c. DODAAC/AAC Assignments.

(1) The ACSP is the only activity designated by DA to assign Army DODAACs. GSA assigns AACs. The ACSP will assign DODAACs and GSA will assign AACs upon receipt of a request from the MACOM DODAAC coordinator. Any activity that is authorized a stock record account (SRA), property book (PB), or is designated as a Supply Support Activity (SSA) may be assigned an Army DODAAC. The MACOM DODAAC/AAC coordinator for USACE is ACSLOG (CELO-MS).

(2) When a DODAAC/AAC is required, a written request will be provided to CELO-MS. All requests must be authenticated by CELO-MS prior to submission to the ACSP or GSA. The assignment of these addresses takes approximately three weeks from the time of receipt by the ACSP or GSA.

(3) All requests for DODAAC/AAC assignments will be submitted to CELO-MS 30 days prior to the required date.

d. DODAAC/AAC Changes/Deletions.

(1) Requests for changes will be processed by the ACSP or GSA upon receipt from CELO-MS. Requests for changes or deletions should be submitted to CELO-MS 30 days prior to the required date.

(2) When submitting a DODAAC/AAC change, submit only the TAC or address that is affected.

e. DODAAC/AAC Qualification(s). When an activity is authorized to requisition, ship, or receive material, the activity can be authorized a DODAAC/AAC. Multiple DODAACs/AACs may be authorized only if the activity has separate, authorized functions; i.e., stock record account, or if the activity is geographically dispersed, and support at the parent installation is not practical.

f. Prior to the submission for a DODAAC/AAC addition, change, or deletion, the requester will ensure the following:

(1) The request has not already been submitted.

(2) The request has been verified by the Chief, LMO, or a designated representative.

(3) The request is forwarded to CELO-MS 30 days prior to the required date.

(4) A CAGE code has been assigned for contractor DODAAC/AAC assignments.

g. Contractor DODAAC/AAC. Addresses for contractors are assigned by the ACSP or GSA. The composition of a contractor DODAAC is similar to the address DODAAC except that it begins with a "C".

(1) The ACSP or GSA assign a separate DODAAC/AAC for each contract number under which a contractor will requisition from the DOD supply system. This is regardless of the number of contracts/delivery orders a commercial activity may have with the government.

(2) Requests for contractor DODAACs/AACs will be made in writing through the responsible contracting officer, and submitted to CELO-MS.

(3) Each request for a contractor DODAAC/AAC must have a Commercial and Government Entity (CAGE) code (formerly FSCM code), applicable to the contractor for whose contract the DODAAC/AAC is being requested. The CAGE code is assigned to commercial entities registered to do business with the U.S. Government. To be assigned a CAGE code, a contractor must submit a DD Form 2051, Request for Assignment of a CAGE Code (DFARS 204.7202-1), through the contracting officer to the Defense Logistics Service Center.

(4) Each request for a contractor DODAAC/AAC must contain

the following information:

- (a) Contractor name and CAGE number.
- (b) Contract number.
- (c) The effective date of the contract (which will be the effective date of the DODAAC/AAC).
- (d) The expiration date of the contract (which will be the deletion date of the DODAAC/AAC).
- (e) The Army logistics support categories authorized under this contract (government-furnished material [GFM], government-furnished property [GFP], or government-furnished equipment [GFE]).
- (f) A clear text address for each mailing, shipping, and billing location.

3-11. Acquisition from DOD Activities Using DODAAC.

- a. LMOs will obtain Department of Defense Activity Address Codes (DODAAC), if required, through ACSLOG. All requests for additions, deletions or changes will be submitted to ACSLOG, and will include applicable UICs.
- b. Activities awaiting DODAACs may obtain DOD-supplied items by submitting requests through FEDSTRIP. This procedure should not be used in place of requesting a DODAAC.

3-12. Acquisition Using the Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) System.

- a. The LMO will obtain FEDSTRIP activity address codes (AAC), if required, through ACSLOG. Requests for additions, deletions or changes will be submitted to ACSLOG NLT thirty (30) days prior to the required date.
- b. Once a FEDSTRIP AAC is received, a command may requisition from GSA.
- c. These requisitions will automatically be forwarded to a DOD supply point when DOD is the wholesale supplier of an item.
- d. Once an AAC is received, activities may request supplementary address codes (SAC) to be assigned to all remote sites. Once a SAC is received, LMO can then order supplies and

materials shipped directly to the user with billing review and receiving control maintained within the LMO.

e. The originator of a FEDSTRIP requisition is required to enter a priority designator code on each requisition.

3-13. Cataloging Policy. Federal Catalog System (FCS) procedures will be used to develop Federal Item Identification Data. They will also be used to establish common supply management data for items of supply, regardless of funds (civil, military, PRIP, revolving) used for procurement. Cataloging supports logistics functions from the procurement of an item to its disposal. The FCS is a common language used to classify, name, describe and number items of supply in a uniform way.

3-14. Management Control Numbers (MCN). Items of supplies and equipment are generally assigned MCNs when not cataloged within the FCS. A MCN is a 13-character number similar to the NSN except for the alpha code in the seventh position ("R" represents USACE), and must be used by all commands.

a. An MCN will be the last resort in cataloging an item. It will not be assigned to any item that can be traced to an assigned NSN through cross-referencing FEDLOG, or to a CAGE/MIIN. Furthermore, an MCN is for internal use only and will not be used for item identification purposes in official publications or documents. An MCN may be used in any local document as an aid in identification if the document does not leave the local activity assigning the MCN. The MCN record will be kept only as long as there is a need to identify the item by the MCN.

b. The following categories do not need NSNs, but must have MCNs assigned:

(1) Items procured on a one-time basis for immediate use in research and development, experiments, construction, installation and maintenance.

(2) Items furnished by contractors to fulfill service contracts that may be used to overhaul and repair specified equipment, provided such items are consumed in the overhaul cycle.

(3) Items obtained through overseas procurement and intended solely for overseas use.

(4) Items procured only with non-appropriated funds.

(5) Locally fabricated training aids unless HQUSACE



anticipates that they will be adopted as standard items.

(6) Parts and supplies incidental to roadside repair of vehicles and equipment.

(7) Commercial construction materiel (i.e., sod, fill dirt, and bricks), excluding mechanical, electromechanical, electrical and electronic items.

(8) Items procured only for DOD civil defense efforts, except those items that are required to provide protection to personnel or to be used by them to quell disturbances.

c. To reduce the use of MCNs, each command must ensure NSNs are assigned to items that require stockage by:

(1) Screening all part numbers for stocked items assigned MCNs, and converting those that match existing NSNs.

(2) Submitting requests for NSN assignment for part numbered items utilizing DA Form 1988, Request for Review of an Item. In the Automated Personal Property Management System (APPMS), three or more bar-code numbers for the same items will equate to three demands.

d. Each command will:

(1) Conduct a semiannual review of all assigned MCNs to determine which MCNs will be retained, canceled or replaced with an NSN.

(2) Query the FEDLOG to ensure that an item has not already been assigned an NSN before assigning an MCN.

(3) Ensure that items initially assigned an MCN are shipped, distributed, or redistributed by part number or NSN, and not by MCN.