



DEPARTMENT OF THE ARMY
US ARMY INSTALLATION MANAGEMENT COMMAND
HEADQUARTERS, UNITED STATES ARMY GARRISON, RED CLOUD
UNIT # 15707
APO AP 96258-5707

IMRD-ZA

1 Dec, 2014

MEMORANDUM FOR All USAG Red Cloud & Area I Assigned Soldiers and Civilians

SUBJECT: Financial Liability Investigation of Property Loss (FLIPL) Guidance

1. PURPOSE: To establish USAG – RC & Area I policy for conducting an effective and efficient Financial Liability Investigation of Property Loss (FLIPL) process for lost, damaged or destroyed government property.

2. APPLICABILITY: This policy is applicable to all subordinate units and organizations issued property from the IMCOM, DPW, or Housing Furniture Management Branch.

3. REFERENCES:

a. Army Regulation 710-2, Supply Policy Below the National Level, 28 March 2008

b. Army Regulation 735-5, Property Accountability Policies, RAR 22 August 2013

4. BACKGROUND: A FLIPL is an approved method to document the circumstances concerning lost, damaged, or destroyed Government property and is the official means to adjust property books and accountability records. FLIPL lateness is a habitual materiel weakness. Immediate action is required to correct lateness and to ensure timely investigations. Root causes are insufficient command emphasis and investigation delays. Timely investigations offer the best opportunity to recover lost property.

5. DISCUSSION: All Commanders will adhere to the Department of Army (DA) FLIPL processing and investigation standards. To mitigate losses and ensure timely identification of losses, units must implement an effective Command Supply Discipline Program (CSDP) within their level of command, as outlined in AR 710-2. Units will comply with established Army timeliness and procedures found in AR 710-2. Units will also comply with established Army timelines and procedures found in AR735-5 for initiating, processing, and completing FLIPLs.

a. Units will employ the below listed FLIPL techniques and procedures:

(1) Appoint investigating officers with 90 or more days remaining on the peninsula.

(2) IAW AR 735-5 (par 13-28), do not arbitrarily change out FLIPL officers.

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(3) Monitor and shield the FLIPL officer from outside influences until the approving authority accepts the investigation as completed, or until otherwise relieved from FLIPL responsibilities.

(4) Conduct meticulous pre-change of command inventories.

b. Major Subordinate Command (MSC) Commanders are ultimately responsible for ensuring FLIPLs are completed within 75 calendar days from the date of discovery. Commanders will develop internal control measures and processes that ensure no late FLIPLs. All anticipated late FLIPLs will require a command endorsement memorandum addressed directly to the first O-6 Colonel in the chain of command prior to the 75 day deadline. FLIPLs in excess of 120 days require a memorandum endorsed by the 2ID Commander addressed directly to the USAG-RC and Area I commander. Letters will be updated and re-submitted every 30 days (until the FLIPL is completed) and include: the specific reason for the delay, the expected new completion date, and identification of the type of assistance required to complete the action.

c. All statement of charges and FLIPL's upon completion will be forwarded in their entirety to the Housing Division Chief for review and final processing, no statement of charges or FLIPL is closed until provided to IMCOM Housing for acceptance of determinations or elevation to Garrison Commander when findings are not supported. When actions are not completed, FLIPL actions will be initiated at the Housing Office on the responsible commander and processed to the Garrison Commander for closure IAW AR 735-5.

d. The utilization of eMH systems is the mandatory data base file of record and Commanders, First Sergeants, FSBP Building Managers or other designated persons should utilize eMH to the maximum extent possible. eMH allows Commanders & designated FSBP Building Managers to generate property and receipts down to the lowest end user reducing the potential for command loss and FLIPL actions by the Commander. eMH allows property responsibility to be assigned the room resident during occupancy, and the First Sergeant/FSBP Building Manager for vacant rooms to include common areas.

e. Housing Leadership will mentor and train our leaders at every level to ensure compliance with this policy letter.

6. The point of contact is the Furniture Management Branch at DSN (315) 732-4345.


JOHN W. HAEFNER
COL, EN
Commanding

DISTRIBUTION:

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Financial Liability Investigations of Property Loss (FLIPL)

Soldiers and Department of the Army civilian employees may have to pay for Army property they lose or damage.

Soldiers and Civilian Employees may be liable for lost, damaged, or destroyed property:

Soldiers and Department of the Army civilian employees may have to pay for Army property they lose or damage. Under Army Regulation (AR) 735-5, financial liability ordinarily will not exceed one month's base pay. In certain cases, however, such as the loss of personal arms or equipment, or damage to Government housing, liability may equal the full amount of the loss. The Financial Liability Investigation of Property Loss is the administrative tool used by the Army to establish liability.



Statement of Charges versus Financial Liability Investigation of Property Loss:

A Financial Liability Investigation of Property Loss is not required in every situation where there is a loss or damage. If the loss is less than one month's base pay, the command may ask the responsible individual to sign a DD Form 362, Statement of Charges/Cash Collection Voucher. This is essentially an admission of liability for the lost or damaged property and an agreement to pay for it. The command cannot force or coerce someone to sign the statement; it must be voluntary. A FLIPL is used in situations where responsibility for the loss is in question, or where the amount to be charged is in dispute.

Procedures - Submitting a Rebuttal:

The Financial Liability Investigation of Property Loss process starts when the appointing authority, usually a Lieutenant Colonel or above (most often a battalion or squadron commander), appoints a financial liability officer (FLO) to investigate the facts surrounding the loss. The FLO will be a commissioned or warrant officer, a noncommissioned officer with the rank of sergeant first class or above or a civilian employee GS-7 or above. The FLO must be senior in grade to the individual subject to potential liability unless war or military exigency requires otherwise.

The FLO investigates and makes initial findings as to what happened. A copy of those initial findings is then given to the individual subject to potential liability. That individual has 7 days to prepare and submit a rebuttal back to the FLO. The person will have 15 days if the findings are mailed to him or her. Mailing may be appropriate if the FLO and the individual are not assigned to the same installation (perhaps the individual PCSed during the investigation process). The

FLO will consider the rebuttal along with the findings, and make a recommendation about who should be held liable and in what amount. The recommendation is made to the appointing authority.

The appointing authority reviews the FLIPL, reviews the action taken by the FLO, and either requests further investigation or concurs in the FLO's findings. The appointing authority then forwards the FLIPL to the approving authority. The approving authority, usually a Colonel or above (most often a brigade or regiment commander or a division or installation chief of staff), approves or disapproves the FLO's recommendation. Before making his decision, the approving authority receives a legal opinion that the findings are legally sufficient and that the FLIPL was completed in accordance with AR 735-5.

To assess liability, the approving authority must find 1) the person to be held liable had a duty/responsibility to take care of the property; 2) the person failed to carry-out that duty (negligence); and 3) the person's failure led to the loss (proximate cause). The approving authority will notify the person to be charged that financial liability has been assessed. The notification will be in memorandum format and will inform the person they have the right to request reconsideration of (appeal) the approving authority's decision.

Appealing Liability - Requesting Reconsideration:

A person held liable has 30 days to request reconsideration of the approving authority decision to assess liability. The request goes back to the approving authority (the financial liability officer and the appointing authority are not involved). If the approving authority decides to continue liability, he or she will forward the request to the appeal authority. The appeal authority, usually a general officer, is the next higher commander in the chain of command. The appeal authority will examine all of the facts and the recommendations again. The decision of the appeal authority is final.

Waiver of Liability - Government Vehicle Accidents:

AR 735-5 authorizes the waiver of financial liability for Government vehicle accidents caused by "simple negligence." The chain of command can use the process to document the loss and justify repairing the vehicle without actually having to take money from the soldier or civilian employee involved. The waiver provision recognizes accidents happen, and that personnel should not have to lose pay for simple fender benders. Personnel should be sure to ask for the waiver in their rebuttal or request for reconsideration.

Post-Investigation Options:

Once the approving authority renders a decision, the person to be held liable still has several options to avoid losing pay. These options include the right to request remission or cancellation of the debt (enlisted personnel only), to request a hearing (civilian personnel only), to request an extension of the collection, or to petition the Army Board for the Correction of Military Records (ABCMR) to reverse the chain of command action.

Before an FLO can recommend financial liability to the appointing authority, he must determine you were both negligent (you acted unreasonably or improperly), and your action caused the loss or damage to property.

What Legal Assistance Can Do:

Legal Assistance Attorneys can help you prepare your rebuttal and request for reconsideration. Before an attorney can see you, you must have a copy of the FLIPL packet to leave with your attorney. Also, please bring with you a written draft of a rebuttal statement or request for reconsideration, preferably on disk. Be aware of the deadline for submitting your rebuttal or request for reconsideration. Your attorney needs 5-7 working days to adequately prepare your document. If this will put you beyond the due date to submit your rebuttal or request for reconsideration, you must get an extension from the FLO