



OFFICE OF THE NATIONAL COMMANDER
CIVIL AIR PATROL
UNITED STATES AIR FORCE AUXILIARY
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ICL 17-05
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MEMORANDUM FOR ALL CAP UNIT COMMANDERS

FROM: CAP/CC

SUBJECT: Interim Change Letter - CAPR 174-1, *Property Management and Accountability*

1. CAPR 174-1 will be revised as part of the publications reengineering project. The anticipated release date for the new regulation is still to be determined. This interim change letter will remain in effect until the new regulation is published.

2. CAPR 174-1 is amended as follows:

a. All references to the following are changed:

- (1) Change "DRMO" to read "DLADS"
- (2) Change "NHQ/CO" and "NHQ/COO" to read "CAP/COO"
- (3) Change "NHQ/DO" to read "CAP/DO"
- (4) Change "NHQ/FM" to read "CAP/FM"
- (5) Change "NHQ/GC" to read "CAP/GC"
- (6) Change "NHQ/LG" to read "CAP/LG"
- (7) Change "NHQ/LGM" to read "CAP/LGM"
- (8) Change "NHQ/LGS" to read "CAP/LGS"
- (9) Change "NHQ/LGT" to read "CAP/LGT"

b. Paragraph 1-6b: Delete text "NHQ/LGS is also responsible for distributing uniforms under the Cadet Uniform Program."

c. Paragraph 1-6e: Delete the entire paragraph and re-letter remaining paragraphs 1-6f through 1-6k to read 1-6e through 1-6j.

d. Paragraph 1-7a: Delete text "The National Controller selects the Property Management Officer of the Year."

e. Paragraph 1-10: Delete the entire paragraph including subparagraphs a. and b.

f. Paragraph 1-11: Change paragraph number "1-11." to 1-10."

g. Paragraphs 2-3b and 2-3c: delete all text

h. Paragraph 2-3d: re-letter paragraph to read "2-3b."

i. Paragraph 2-11: Insert after the first sentence ending in "local government-owned" text that reads: "If property is managed on state/local government inventory records, property is not required to be loaded in ORMS as this causes dual accounting."

j. Paragraph 2-12a: Insert after the first sentence, ending in "regardless of source" text that reads: "(Exception: State/local government-owned property managed on state/local government inventory records)"

k. Paragraph 2-14 is replaced with the following:

"Assignment. ORMS permits individual non-expendable property items to be assigned as a component of another piece of property such as an aircraft, vehicle or kit. Un-assign property that will not be transferred to another unit."

l. Paragraph 2-15a. is replaced with the following:

Expendable property issue. Use the on-line, expendable issue form or if not available, create a locally generated spreadsheet to issue expendable property not listed in ORMS (e.g., uniform items, sleeping bags and other individual use items). Property management officers may access the form through ORMS. Record all expendable property issued on this form. Do not issue non-expendable property with the on-line expendable issue form. Items will remain on the expendable issue list until turned in or for 3 years from the date of issue, whichever occurs first. After 3 years from the date of issue items are automatically deleted from the individual's on-line expendable issue list.

m. Paragraph 2-26 is replaced with the following:

Reports of Survey (RoS). Reports of Survey serve as the official record of investigations into the circumstances that result in loss or damage of an item. Investigations of loss, damage or theft of Federally-owned or sourced equipment are required by 2 CFR 200.313(d) (3). A report of survey is required for the loss, damage or theft of DoD-excess property regardless of value as well as any item of non-expendable property. Accuracy and completeness in reports of survey are crucial to determining liability and in establishing accurate assessment values and should clearly state when and how the property was lost or damaged.

n. Paragraph 2-26b. is replaced with the following:

Investigating officers shall record the results of their investigations in the report of survey function of ORMS within 60 days following appointment. The RoS shall be thorough and clearly document the cause of the property loss or damage and, when ascertainable, the individual responsible. A report of survey checklist is available in ORMS. Note: If an outside agency investigation is required, the 60-day timeframe starts when the agency's investigation is complete.

- o. Paragraph 2-27b. is replaced with the following:

Region commanders are assessment authorities for members/units assigned to the region level and below. Wing commanders are assessment authorities for "Tracked Expendable" property for their respective wings. The National Vice Commander is the assessment authority for region commanders and members assigned to positions above the region level.

p. Paragraph 2-27c: Insert after the first sentence ending in "appropriate assessment authority" text that reads: "Wing and region commanders have 30 days each to submit recommendations after the investigating officer submits the report."

q. Paragraph 2-27d: Insert new last sentence that reads: "Commanders shall forward assessment documentation to member/units for "Tracked Expendable" property. See paragraph f. below for payment instructions."

- r. Paragraph 2-27e. is replaced with the following:

e. Appeals of Assessments: Submit appeals of assessment by letter to the National Commander through CAP/LG. Appeals must be filed with CAP/LG within 30 days of notification of assessment. The National Commander's decision on a member and/or unit's assessment is final. Appeals of "Tracked Expendable" property are made to the region commander within the same timeframe.

- s. Paragraph 2-27f. is replaced with the following:

f. Once an assessment decision is finalized, payments shall be forwarded to NHQ/LG at 105 South Hansell Street, Maxwell AFB AL, 36112. First payments are due within 60 days of the formal assessment notification. Checks will be made payable to "Civil Air Patrol." Members and/or units being assessed under this policy will be authorized to make payment arrangements with CAP/FM. CAP/FM may allow assessments to be paid in installments, but will normally require payment in full within 1 year. Members who are assessed will be flagged in the NHQ database and will not be allowed to renew their membership if their payment is late or is not made in full within the installment plan period. Renewal of membership can be restored upon full payment of assessment. Proof of payment in full will be retained in ORMS.

- t. Original paragraphs 2-27g. and 2-27h. are deleted.

- u. Paragraph 2-29c. is replaced with the following:

Non-expendable supplies that have not been obtained from DoD-excess and that have been depreciated to below \$500 and have exceeded their useful life are considered fully depreciated and not warranting a further screening procedure, i.e. they do not have to be returned to a DLADS when they become unserviceable or are no longer needed by the unit. These items are considered to be "tracked Expendable" and may be retained by the unit as long as they have utility, but may only be disposed with wing commander approval. Items may not be donated or sold, but are to be disposed in accordance with local environmental requirements.

- v. Paragraph 3-2b. is replaced with the following:

When visiting the DLADS to pick up screened items, screeners must possess a current CAP membership card and be in a CAP uniform. Obtain written "approval to remove" authorization from the CAP-USAF LR/LG before visiting the DLADS to pick up screened property. The CAP DoD Activity Address Code (DODAAC) is assigned to each wing by DLADS and must be used to withdraw property from DRMO.

w. Paragraph 6-9: Add new last sentence that reads: "For records too large to be loaded into ORMS property management officers may upload a document stating location of the original record."

x. Add new section 7 that reads:

"Chapter 7 - CONTRACTING

7-1. General. CAP wing and region commanders are not to be burdened with contracting responsibilities but are instead to focus on mission activities and day-to-day leadership of their regions and wings. In order to facilitate this pursuit, all contracts will be coordinated through NHQ prior to CAP/COO signing.

7-2. Definition. A contract is an agreement with specific terms between two or more persons or entities in which there is a promise to do something in return for a valuable benefit known as consideration. A contract requires the following components: 1) a proposal or offer; 2) acceptance of that offer meaning all parties are in agreement; 3) a pledge to perform; 4) a consideration of value (which could be a promise or payment in some form); 5) a commitment to a time or event when performance is to occur; 6) terms and conditions for performance, including fulfilling promises; 7) performance.

7-2.a. Examples of contracts we might expect to see in CAP include: hangar rent, conference and encampment agreements, storage facilities, catering, annual pest control, internet, DJ service, copier service agreements, building improvements, leases for buildings or repeater sites, insurance, loans and copier leases. This list is not all inclusive and when in doubt wings are instructed to contact their wing financial analyst or the National Headquarters staff for guidance.

7-2.b. Use of a credit card, for example to purchase office supplies or to fund professional development, does not represent a contract.

7-3. Procedures. To submit proposed contracts to NHQ for centralized review and signing of documents, the wing/region/unit shall submit a copy of the proposal electronically through Sertifi for Finance Committee approval. The approved Sertifi document with electronic signatures will then be forwarded, prior to being obligated (i.e. signing of the contract), to General Counsel at GeneralCounsel@capnhq.gov. General Counsel will coordinate with CAP/GC-CM (Contract Manager) and, when necessary, Financial Management. Finally, after the appropriate centralized NHQ coordination, CAP/COO approves and signs the contract. Credit card transactions are not subject to this review.

7-4. Dispute Resolution. Disputes and disagreement that may arise during the review and approval process will be resolved through consultation between the Chief Executive Officer and the Chief Operating Officer. The resultant decision will be final.”

y. Attachment 1 – Glossary of Terms: Insert the following definitions in alphabetical order that read:

“**Defense Logistics Agency Disposition Services (DLADS)** – Defense Logistics Agency organization accountable and responsible for managing re-use and disposal of all DoD-excess property.”

“**Tracked Expendable** – Non-expendable property in the supply category whose initial acquisition cost/depreciated value is below \$500.”

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Commander