



ACQUISITION
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-3000

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MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL OPERATIONS)
DIRECTOR, OFFICE OF FINANCIAL MANAGEMENT
OPERATIONS, DON
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL OPERATIONS)
USSCOM, DIRECTOR OF SORR – J-8

SUBJECT: Military Equipment Valuation Program Policy Implementation Guidance –
Composite or Group Methodology and Baseline Valuation Methodology for Modifications

The Deputy Chief Financial Officer and Director, Acquisition Resources and Analysis established a set of principle-based business rules to be followed in order to value military equipment. These rules have been issued in a jointly signed memorandum, subject: Military Equipment Valuation Project Business Rules, dated June 8, 2005. Because the business rules are principle-based, they do not provide guidance for every specific question regarding valuation. Accordingly, the Property and Equipment (P&E) Policy Office, from time-to-time, will issue implementation guidance that is arrived at by consensus with the Military Departments and reviewed by the Director, Accounting and Finance Policy and Analysis and the office of the DoD Inspector General.

The P&E Policy Office has prepared just such guidance for “Accounting for Military Equipment Acquisitions Under A Composite or Group Methodology” and “Baseline Valuation Methodology Position Paper: Modifications, Modernizations, Upgrades, and Improvements”. This guidance is attached for your information and use. It is also posted on the military equipment valuation website at www.acq.osd.mil/me.

If you have any questions or need additional information, please contact Mr. Harry Chelpon at 703-604-6350 ext 125 or by e-mail at harry.chelpon@osd.mil.

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Attachments:
As stated

