



OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

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COMPTROLLER

MEMORANDUM FOR ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, MISSILE DEFENSE AGENCY
DEPUTY CHIEF MANAGEMENT OFFICER
CHIEF FINANCIAL OFFICER/COMPTROLLER, SPECIAL
OPERATIONS COMMAND

SUBJECT: Completion of the Transition of Military Equipment Reporting to the Components

As outlined in the memorandum "Transition of Military Equipment Reporting," dated September 4, 2009, each Component is responsible for determining and implementing their alternative reporting solutions for military equipment beginning in Fiscal Year (FY) 2011. These alternative reporting solutions will be effective until military equipment reporting functionality is operational within the Component's enterprise resource planning system.

To facilitate the implementation of the above memorandum, the Office of the Under Secretary of Defense For Acquisition, Technology, and Logistics, (OUSD (AT&L)) Property and Equipment Policy Office (P&EPO), was designated as the program management office for the Capital Asset Management System – Military Equipment (CAMS-ME). In that capacity, P&EPO was responsible for the operation, sustainment, and shut-down activities of CAMS-ME during FY 2010 and for providing guidance to the Components regarding this transition. The P&EPO completed the FY 2010 year-end close-out and provided the final reporting data sets to the Components for financial statement reporting and historical archiving.

This memorandum is a reminder that, effective with this transition in FY 2011, each Component is now responsible for the financial reporting of their military equipment. Component responsibilities include: valuing assets reported on financial statements; maintaining asset depreciation and useful life estimates; maintaining accurate and complete asset records, including the recording of additions and disposals, to satisfy existence and completeness assertions; maintaining supporting documentation for all reporting transactions for audit purposes; maintaining overall integrity and control of data recorded in the alternative reporting solution; and preparing and submitting military equipment values for quarterly and annual financial statement reporting.

While not a priority in the Department's financial improvement and audit readiness strategy, Component responsibilities do include valuing military equipment reported on financial statements. The P&EPO continues to be available to the Components for policy guidance on the valuation and reporting of military equipment and for other General Property, Plant and Equipment accountability improvement and audit readiness strategy and execution support. Future guidance related to valuation of military equipment may be impacted by the current



business case analysis, underway to examine the cost and benefits of alternative approaches for obtaining auditable values for the Department's mission critical assets, as required by the Senate Defense Authorization Committee Report for the *National Defense Authorization Act for Fiscal Year 2011*.

Questions concerning the transition, requests for policy guidance, or support should be directed to Mr. Steve Tkac, Acting Deputy Director, P&EPO. He may be reached by phone at (703) 699-0153 or by email at Steve.Tkac@osd.mil. Questions concerning financial reporting requirements can be directed to Ms. Victoria Crouse, Financial Reporting and Analysis Directorate. She may be reached at (703) 614-7532 or by email at Victoria.Crouse@osd.mil.



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