



MINISTRY OF DEFENCE

# THE DEFENCE LOGISTICS SUPPORT CHAIN MANUAL JSP 886

## VOLUME 4 MATERIEL ACCOUNTING

### PART 109 SEA ARTICLES IN USE

**THE MASTER VERSION OF JSP 886 IS PUBLISHED ON  
THE DEFENCE INTRANET.**

**FOR TECHNICAL REASONS, EXTERNAL LINKS ON THIS  
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# INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

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## **CHAPTER 1: POLICY**

### **SUMMARY**

1. This chapter details accounting procedures for Sea Articles-in- Use (A-in-U).

### **OWNERSHIP AND POINTS OF CONTACT**

2. The policy, processes and procedures described in the Defence Logistics Support Chain Manual (JSP 886) is owned by Director Joint Support Chain (D-JSC). Head Supply Chain Management (SCM-Hd) is responsible for the management of JSC policy on behalf of D JSC.

3. This instruction is sponsored by DES JSC SCM (Pol Dev) who should be approached in case of technical enquiries about the content:

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### **DEFINITION**

5. Articles-in-Use are items issued in aid of the activity or function of offices, stores, workshops, or other work areas within Establishments/Naval Bases/Head Office, which are deemed to be of a sufficiently high value or importance to require further accounting.

6. The inventory of Articles-in-Use is to include the following:

- a. All permanent items
- b. Consumable items with a unit value of £50 or above within the following categories:

(1) General office machinery and equipment.

(2) Equipment, machinery or fixtures which are valued below the fixed asset capitation rate, and are not the subject of any other method of accounting record.

Note: Lower valued goods that are attractive may be included at Management discretion.

(3) Any item where loss would give access to financial spend, e.g. mobile telephones.

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(4) *Objets d'art* that have been acquired by Establishments and Head Office, such as museum and library exhibits, brass instruments, early weapons, paintings, ships figureheads and militaria, models, Role of Honour Boards, Senior Officer Name Boards (including those from closed Depots), and any other artefacts of either intrinsic or historical value.

7. The following items are not considered to be Articles-in-Use:
  - a. Office furniture, e.g. desks, chairs, cabinets, clocks etc, supplied by the RAF as single-Service suppliers
  - b. Items recorded on the Fixed Asset account, e.g. mainframe computer equipment, vehicles and buildings
  - c. Computers and Associated Hardware/Software

### **PURPOSE**

8. The purpose of accounting for Articles-in-Use is to:
  - a. Record assets that are in day to day use, and to confirm their continued availability and serviceability.
  - b. Deter and detect theft, fraud and misappropriation.

### **CONTROL**

9. Naval Base Commanders/Heads of Establishment/Head Office Branches are responsible for the efficient operation and integrity of the Articles-in-Use account. The Articles-in-Use Control Officer nominated by Naval Base Commanders/Heads of Establishment/Head Office Branches will exercise control of the account. The account is to be maintained by a dual ledger system that records all receipts, issues, disposals and loans. The account will be verified jointly by the Control Officer and the Inventory Holder responsible for the physical custody of the items on an annual basis.

10. The Articles-in-Use Control Officer cannot serve as an Inventory Holder.

### **METHODS OF RECORDING**

11. Items of Articles-in-Use are accounted for using either the D3017 Inventory Account sheet or Computer based. D3017's are to be raised in duplicate for each item held, and collated into manageable sized ledgers. One copy of the ledger is to be held by the Inventory Holder, and the other by the Control Officer. Ideally, a separate ledger will be compiled for each administrative sub-area. Each ledger or Computer printout must also contain a covering D3018 muster certificate. If, the inventory is maintained using a computer facility, the format and procedures must be approved by SAR102.

12. Where more than one of an item is held in the same location, the ledger page can be used for multiple quantities. The pages are to include the following information:
  - a. Establishment.
  - b. Head Office Branch/Department/Section.

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- c. Item name and short description.
- d. Unique serial number.
- e. NATO Stock Number (NSN) (if applicable).
- f. Issue voucher number and date (if applicable).
- g. Classification (e.g. UID, Security Classified).
- h. Stowage location

13. The D3017/Computer record is to be used/amended to record item movements, e.g. receipts, issues etc.

14. When it is necessary to create a new inventory for an administrative sub-area, the Articles-in-Use Control Officer is to approve.

15. When an existing inventory ledger is broken down, the Articles-in-Use Control Officer is to arrange a full muster and comparison of records before authorising transfer. Each ledger page is to be closed, and a new one issued for the receiving inventory. No return or issue vouchers are necessary; instead, the new ledger pages are to be endorsed 'First Charge', with the transferred quantity, and the date of transfer as the first line entry.

16. When the total quantity of an item has been either returned or transferred, the ledger pages in both the master copy and the Inventory Holder's copy are to be closed with a diagonal line, and endorsed 'Closed'.

17. Closed pages are to be moved to a separate 'closed' section at the back of the ledger, and archived at a later date. The pages are auditable documents, and must be retained for **2 years** after the end of the financial year in which they were closed, after which time they should be destroyed.

### **RESPONSIBILITIES**

18. Naval Base Commanders/Heads of Establishment/Head Office Branches are to nominate an Articles-in-Use Control Officer, who will be responsible for ensuring the account is properly maintained.

19. The appointment of the local Information Technology (IT) manager as a second Control Officer, covering IT items and software is acceptable where it can be justified by the volume of IT equipment held. In these circumstances, the IT manager must fulfil the full responsibilities of an Articles-in-Use Control Officer.

20. The responsibilities of an Articles-in-Use Control Officer are as follows:

- a. To authorise the allocation of new inventories.
- b. The correct and up to date maintenance of the master copies of the Articles-in-Use inventory.
- c. At 12 monthly intervals to instruct Inventory Holders to complete a muster.

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- d. On completion of a muster by the Inventory Holder, to undertake a comparison of records, and to annotate both copies of the D3018 certificate/computer print accordingly.
- e. To use the Articles-in-Use inventory record to maintain a master list of Naval Base/Establishment/Branch historical items and memorabilia.
- f. To encourage the breakdown of ledgers into small manageable units.
- g. The production of a local instruction advising Inventory Holders as to their task, and cross referring to this chapter as necessary.
- h. To undertake random management snap checks.
- i. To appoint Inventory Holders for items of Articles-in-Use which are located in non staffed locations, e.g. corridors, for which their Naval Base Commanders/Heads of Establishment or Branches are the custodians.
- j. To investigate discrepancies, both surpluses and deficiencies.

21. The Inventory Holder is the officer responsible for the physical custody of the Articles-in-Use, and should not be below the grade of the first line supervisor.

22. The responsibilities of an Inventory Holder are:

- a. The correct and up to date maintenance of the inventory record, paying particular attention to recording movement of items. The Inventory Holder must notify the Control Officer of receipts, transfers, returns or disposals as the changes occur.
- b. The review of holdings is to ensure that no items surplus to requirements are held. Such items are to be returned to store in accordance with local procedures, and the Control Officer notified immediately.
- c. To account for the items recorded as Articles-in-Use. This includes making sure all reasonable precautions are taken to ensure the safeguarding and serviceability of items.
- d. To routinely muster the inventory every 12 months.
- e. To be familiar with local procedures and be aware of the regulations contained in BR 1029(3).
- f. Undertake a handover Articles-in-Use muster when changing job with the new incumbent.

### **MUSTERING OF INVENTORIES**

23. All items held on the Articles-in-Use inventory are to be mustered by the Inventory Holder every 12 months. This is known as a Type A muster. Additionally, on change of Inventory Holder, a muster of all items must take place; this is called a Type B muster.

24. To undertake a muster, items must be sighted by the Inventory Holder. After inventories are mustered, a comparison is to be made between the master copy of the D3017 or Computer based copy, held by the Articles-in-Use Control Officer, and the

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duplicate copy held by the Inventory Holder. Any discrepancies highlighted by the Inventory Holder's physical muster or the ledger comparison must be investigated.

25. On completion of the comparison of inventory records and muster, the following certificates must be completed:

- a. D3017 (CS) (Reverse) Muster Section/ or Computer based copy to be signed and dated by the Inventory Holder on the duplicate copy only.
- b. D3018 (Reverse) or Computer based copy, to be signed and dated by the Articles-in-Use Control Officer and the Inventory Holder on both copies.
- c. Where a computer record of the account is used, the manual insertion of the following statement is necessary by the Inventory Holder underneath the last line applicable to the inventory:

'Comparison of Inventory Records and muster type

Signature

Date'

26. The inventory sheets (D3018/D3017(CS) and/or computer prints) annotated with a certificate of muster are to be retained for a minimum period of 2 years.

27. The Control Officer is to notify the Inventory Holder's line manager if musters fail to be undertaken in the required timeframe. The Inventory Holder's line manager is responsible for ensuring the Articles-in-Use Inventory Holder task is then undertaken.

### **DISCREPANCIES**

28. Any discrepancies identified are to be investigated promptly, and those remaining unresolved are to be dealt with in accordance with Chapter 24. Once the loss (or surplus) has been approved, the inventory is to be formally adjusted by the processing of appropriate accounting vouchers. Where a loss is found to be due to culpable action or neglect, the case is to be referred to the appropriate authority for consideration of disciplinary action.

### **LOANS**

29. Loans of items to other inventory holders is a practice which should be discouraged. Consideration should always be given to permanent transfer of the item. When a loan is essential, this must be recorded on the D3017 or computer based printout with a signature provided by the borrowing officer and the Inventory Holder signing the item back in on its return.

### **FIXED ASSETS**

30. Assets valued higher than the prescribed capitalisation level promulgated annually are to be recorded in the Fixed Assets Inventory. This financial limit is the distinguishing factor between Articles-in-Use and Fixed Assets.

31. Mainframe computer systems are accounted for as Fixed Assets.

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32. The Fixed Assets Inventory Account consists of a computer record of assets, and is administered by Naval Bases, Establishments and Head Office management accounting sections.

### **OWN USE DEMANDING FROM MAIN STORE STOCKS**

33. Naval Bases, Establishments and Head Office Branches must ensure that items demanded from Main Store stocks for own use are relevant to the task, and reasonable in quantity, also that items that meet the criteria in paragraph 20.3 are included within the Articles-in-Use account. To this end, local independent checks must be in place, i.e. to obtain periodic reports by each internal UIN for scrutiny by a nominated officer who is not in the immediate chain of command.

### **GOVERNMENT PROCUREMENT CARD (GPC)**

34. The Naval Bases, Establishments or Head Office Branches GPC Manager must ensure that items demanded as categorised in paragraph 20.3 above are included within the Articles-in-Use account.