



# Department of Defense INSTRUCTION

NUMBER 1200.18

June 7, 2012

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USD(P&R)

SUBJECT: The United States Property and Fiscal Officer (USPFO) Program

References: See Enclosure 1

1. PURPOSE. This Instruction:

a. Establishes policy and assigns responsibilities for the conduct and management of the USPFO program in accordance with:

(1) The authority in DoD Directive 5124.02 (Reference (a)).

(2) Section 708 of title 32, United States Code (U.S.C.) (Reference (b)), which prescribes the position of a Property and Fiscal Officer, and section 710 of Reference (b), which describes Army and Air Force regulations and policies regarding the accountability of property issued to the National Guard.

(3) Section 10503 of title 10, U.S.C. (Reference (c)), which directs the Secretary of Defense to prescribe a charter for the National Guard Bureau that includes the following Chief, National Guard Bureau (CNGB) duties:

(a) To supervise the acquisition, supply, and accountability of the States for Federal property issued to the National Guard through the USPFOs.

(b) To plan and administer the budget for the Army National Guard of the United States and the Air National Guard of the United States, and allocate Federal funds for the training of the Army National Guard and the Air National Guard.

b. Establishes training requirements of USPFOs. Encourages USPFOs to continue their professional development by obtaining relevant financial management certifications.

c. Closes gaps and resolves shortfalls in the National Guard USPFO program and reinforces its fraud prevention program.

2. APPLICABILITY. This Instruction applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities and all other organizational entities within the DoD.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

a. Each USPFO will be ordered to Active Duty pursuant to section 708 of Reference (b).

b. Each USPFO, as the title 10 official with pecuniary liability for all Federal property and funding in the possession of the State National Guard with which the USPFO is serving, shall be provided adequate resources and staffing necessary to effectively perform all statutory duties and responsibilities.

c. Each USPFO by statute retains the authority and responsibility for receipt, accountability, and proper Federal fund utilization by the State National Guard with which the USPFO is serving. Federal funds shall be issued directly to the USPFO.

d. As agents of the Secretaries of the Army and Air Force, through the CNGB, USPFOs receive and account for all Federal funds and property of the United States in the possession of the State National Guard with which the USPFO is serving and ensure that Federal funds are obligated and expended in compliance with applicable statutes and regulations.

e. USPFO duties and responsibilities shall be carried out by full-time staff assigned directly under the USPFO's daily supervision, and by Assistant USPFOs who shall be primarily accountable to the USPFO for fiscal, property, and real property matters. These Federal duties and responsibilities supersede inconsistent State laws, regulations, or local operating agreements or arrangements. The USPFO shall be included in the rating or evaluation chain for all Assistant USPFOs.

f. The Office of the USPFO within all States, territories, and the District of Columbia, shall be provided resources and manpower staffing at a level not less than the respective State's average Joint Force Headquarters (JFHQ) manning levels and, at a minimum, necessary to effectively perform all statutory duties and responsibilities.

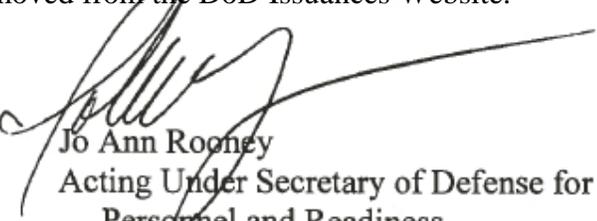
5. RESPONSIBILITIES. See Enclosure 2.

6. RELEASABILITY. UNLIMITED. This Instruction is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

7. EFFECTIVE DATE

a. This Instruction is effective June 7, 2012.

b. This Instruction must be reissued, cancelled, or certified current within 5 years of its publication in accordance with DoD Instruction 5025.01 (Reference (d)). If not, this Instruction will expire effective June 7, 2022 and be removed from the DoD Issuances Website.



Jo Ann Rooney  
Acting Under Secretary of Defense for  
Personnel and Readiness

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ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, "Under Secretary of Defense For Personnel and Readiness (USD(P&R))," June 23, 2008
- (b) Sections 708 and 710 of title 32, United States Code
- (c) Section 10503 of title 10, United States Code
- (d) DoD Instruction 5025.01, "DoD Directives Program," October 28, 2007
- (e) DoD Directive 5125.01, "Assistant Secretary of Defense for Reserve Affairs (ASD(RA))," December 27, 2006
- (f) DoD Directive 5105.77, "National Guard Bureau (NGB)," May 21, 2008
- (g) Comptroller General of the United States standards, "Generally Accepted Government Audit Standards," current edition
- (h) DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMRs)," current edition
- (i) DoD 5500.7-R, "Joint Ethics Regulation (JER)," August 1, 1993
- (j) DoD Instruction 5000.64, "Accountability and Management of DoD Equipment and Other Accountable Property," May 19, 2011

ENCLOSURE 2

RESPONSIBILITIES

1. ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS (ASD(RA)). The ASD(RA), under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, shall, pursuant to Reference (a) and DoD Directive 5125.01 (Reference (e)), and in consultation with the Secretaries of the Army and the Air Force and the CNGB, oversee National Guard affairs to ensure the effective oversight of Federal resources through the USPFO program.

2. SECRETARIES OF THE ARMY AND AIR FORCE. The Secretaries of the Army and Air Force shall:

a. Exercise authority, direction, and control over the CNGB for matters covered by this Instruction.

b. Monitor and validate manning levels of USPFO offices, to include internal review sections, necessary to maintain statutory oversight of Federal resources. Where appropriate, title 5 personnel should be used to ensure staffing levels are maintained.

c. Inform the Deputy Secretary of Defense through the ASD(RA) and USD(P&R) if accountability of Federal resources is compromised, including as a result of the failure of a State to maintain the minimum manning levels established in paragraph 4.f. above the signature of this Instruction.

d. Ensure the CNGB orders all USPFOs to Active Duty in accordance with section 708 of Reference (b).

3. CNGB. The CNGB, under the authority, direction, and control of the Secretaries of the Army and Air Force, shall:

a. Ensure supervision of the acquisition and supply of, and accountability of the States for, Federal property and funds issued to the National Guard through the USPFOs, as directed by DoD Directive 5105.77 (Reference (f)).

b. Ensure periodic assessments, to include audits and investigations in accordance with Generally Accepted Government Audit Standards (Reference (g)) issued by the Comptroller General of the United States, are conducted by appropriate DoD entities. These assessments shall ensure internal controls in place at each USPFO office are sufficient for the accountability

of Federal funds and property in accordance with DoD 7000.14-R (Reference (h)), DoD 5500.7-R (Reference (i)), and DoD Instruction 5000.64 (Reference (j)).

c. Establish USPFO core competencies and training requirements in the areas of logistics, auditing, fiscal management, and acquisition. Encourage USPFOs to continue their professional development in these core competencies by obtaining relevant certifications. Training shall include relevant material from Defense Acquisition University, and DoD Financial Management Workforce training and certification as promulgated by the Under Secretary of Defense (Comptroller). Professional certifications in financial management can be found on the FM Online website: <https://fmonline.ousdc.osd.mil/FMCerts.aspx>

d. Ensure the Office of the Chief Counsel, National Guard Bureau, and full-time judge advocate assets in the States, are available to the USPFOs to ensure proper utilization of Federal resources.

e. Ensure manning levels of USPFO offices established under paragraph 4.f. above the signature of this Instruction.

f. Inform the Secretaries of the Army and Air Force if accountability of Federal resources is compromised, including as a result of the failure of a State to maintain the minimum manning levels established in paragraph 4.f. above the signature of this Instruction.

g. Publish implementing guidance for the USPFO program in accordance with this Instruction.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

ASD(RA)	Assistant Secretary of Defense for Reserve Affairs
CNGB	Chief, National Guard Bureau
JFHQ	Joint Force Headquarters
U.S.C.	United States Code
USPFO	United States Property and Fiscal Officer

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this Instruction.

State. Includes, in addition to the several States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the United States Virgin Islands.

USPFO. The title 10 officer serving with a particular State's National Guard responsible for proper oversight and accounting of Federal funds and property of the United States in the possession of the National Guard.