

Financial Liability Investigations of Property Loss - General

1. **PURPOSE.** To provide commanders guidance concerning the Financial Liability Investigation of Property Loss system.

2. **FACTS.**

a. The Financial Liability Investigation of Property Loss (FLIPL) system is designed to establish an authorized method for relief from property accountability and responsibility. Chapter 13 of AR 735-5 sets forth the rules for investigating the loss, damage or destruction of government property.

b. A FLIPL is required to account for lost, damaged or destroyed government property any time negligence or misconduct is suspected and liability is not admitted. Negligence is the failure to exercise the degree of care that a reasonably prudent person would have exercised under similar circumstances. In addition, to assess financial liability, a Soldier's negligence must be shown to be the "proximate cause" of the loss. Proximate cause is that cause which in a natural and continuous sequence (unbroken by a new cause) produces the loss, damage or destruction, and without which the loss, damage or destruction would not have occurred.

c. FLIPL are normally initiated by the commander, accountable officer, or hand receipt holder of the property in question. The FLIPL is then forwarded to the appointing authority in the chain of command of the person responsible for the property.

d. The appointing authority will determine if the circumstances warrant appointment of a financial liability officer. Financial liability officers should be senior in rank to any soldier who could be held pecuniarily liable for the loss.

e. Unit commanders may be held pecuniarily liable for loss or damage to government property entrusted to their care. Commanders must take adequate steps to ensure that proper accountability is maintained. Pecuniary liability may be assessed against more than one individual. Liability is generally limited to one month's basic pay. One important exception is the loss of personal arms or equipment.

f. A FLIPL recommending pecuniary liability must be reviewed by a Judge Advocate. One error commonly noted is a conclusion of negligence not supported by the evidence in the FLIPL. Such a FLIPL must be returned to the financial liability officer for further investigation.