BY ORDER OF THE
SECRETARY OF THE AIR FORCE

AIR FORCE MANUAL 17-1203

18 MAY 2018

Communications and Information

INFORMATION TECHNOLOGY (IT) ASSET MANAGEMENT (ITAM)

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

ACCESSIBILITY: Publications and forms are available on the e-Publishing website at **www.e-publishing.af.mil** for downloading or ordering.

RELEASABILITY: There are no releasability restrictions on this publication.

OPR: SAF/CIO A6SE

Certified by: SAF/CIO A6S
(Col Michael S. Strunk)

Supersedes: AFMAN17-1203, 19 March 2014

Pages: 36

This Air Force Manual (AFMAN) implements Executive Order (E.O.) 13103, *Computer Software Piracy and Air Force Policy Directives* (AFPD) 17-1, *Information Dominance Governance and Management* and supports AFPD 17-2, *Cyberspace Operations*, and AFPD 10-6, *Capabilities Requirements Development*. This AFMAN provides the overarching guidance and direction for managing IT hardware and software. The hardware management guidance identifies responsibilities for supporting Air Force (AF) IT hardware (IT assets). The software management guidance identifies responsibilities for management of commercial off-the-shelf (COTS) software. This AFMAN applies to the Air National Guard (ANG) and the Air Force Reserve (AFR) unless indicated otherwise. One or more paragraphs of this AFMAN may not apply to non-AF-managed joint service systems. These paragraphs are marked as follows: (NOT APPLICABLE TO NON-AF-MANAGED JOINT SERVICE SYSTEMS). The authorities to waive wing/unit level requirements in this publication are identified with a Tier ("T-0, T-1, T-2, and T-3") number following the compliance statement. See AFI 33-360, *Publications and Forms Management*, Table 1.1., for a description of the authorities associated with the Tier numbers. Submit requests for waivers through the chain of command to the appropriate Tier waiver approval authority, or for non-tiered compliance items, the local commander. Send recommended changes or comments, through appropriate command channels, to Enterprise IT Integration Division (SAF/CIO A6SE) using AF Form 847, *Recommendation for Change of Publication*. Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with AFMAN 33-363, *Management of Records*, and the Air Force Records Information Management System (AFRIMS) Records Disposition Schedule (RDS). The use of the name or mark of any specific manufacturer, commercial product, commodity, or service in this publication does not imply endorsement by the Air Force. See Attachment 1 for a glossary of references and supporting information.

SUMMARY OF CHANGES

This document has been substantially revised and needs to be completely reviewed. Major changes include adjustment to the Roles and Responsibilities, inclusion of the Host Commander as responsible for appointing a Host Accountable Property Officer (APO), removal of the Property Custodian and Client Systems Administrator roles, adjustment to accountability determination for Information Technology (IT), removal of guidance addressed in other publications, removal of specific verbiage related to acquisition of IT hardware and software, an update to software policy to include Internal Use Software (IUS), and the deletion of Chapter 4, NETCENTS-2.

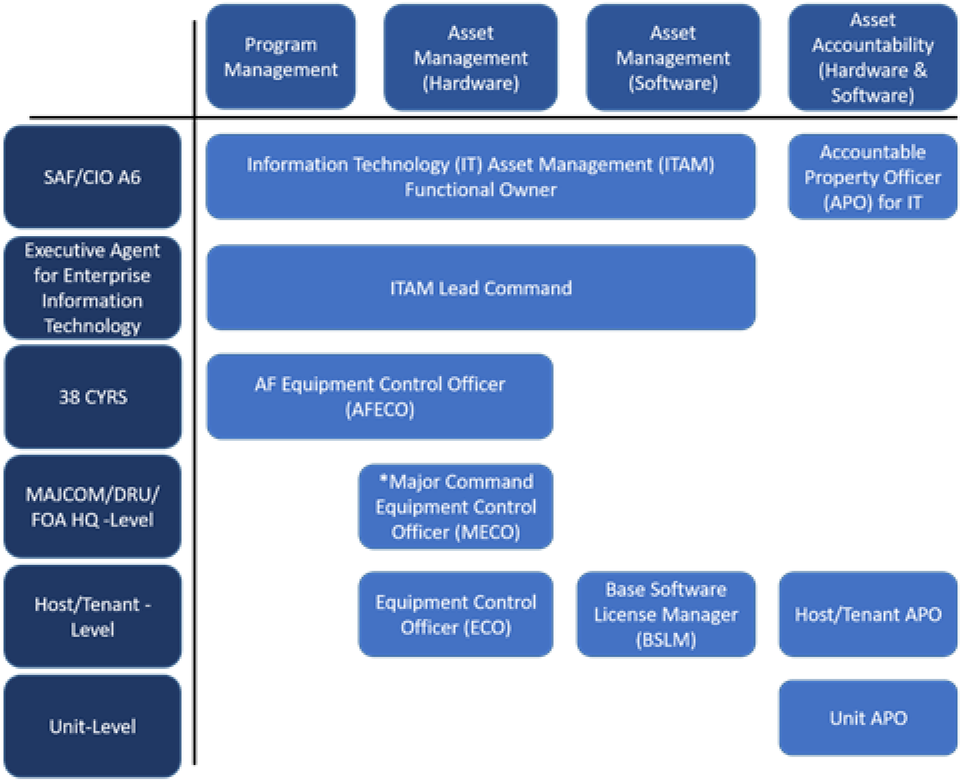
Chapter 1

IT ASSET MANAGEMENT

1.1. Overview. This manual provides guidance and direction for operational management of IT hardware and software. Hardware management guidance identifies responsibilities for supporting AF IT hardware assets including maintaining physical accountability of Personal Wireless Communications Systems (PWCS). Refer to AFI 17-210, Radio Management, for overall PWCS management guidance. Software management guidance identifies responsibilities for operational management of COTS and AF-unique software acquired or developed by the AF (other than software internal to a weapon system). Refer to AFI 63-101/20-101, Integrated Life Cycle Management, for guidelines, policies, and procedures for AF personnel who develop, review, approve, or manage systems, subsystems, end-items, and services. Technologies and techniques for continuous network monitoring and automatic tracking of hardware and software assets will be used to the maximum extent possible in place of manual physical inventories. Manual inventories and procedures must continue to be followed for hardware or software that cannot be accounted for with automated tracking techniques due to assets not installed, not configurable as discoverable, or not connected to a monitored network, (T-1).

1.2. Roles and Responsibilities. **Figure 1.1** below represents an overview of those Information Technology Asset Management (ITAM) roles and responsibilities from the AF to the organizational level.

Figure 1.1. Information Technology Asset Management Roles and Responsibilities Overview.


Program Management
Asset Management (Hardware)
Asset Management (Software)
Asset Accountability (Hardware & Software)
SAF/CIO A6
Information Technology (IT) Asset Management (ITAM) Functional Owner
Accountable Property Officer (APO) for IT
Executive Agent for Enterprise Information Technology
ITAM Lead Command
38 CYRS
AF Equipment Control Officer (AFECO)
MAJCOM/DRU/ FOA HQ -Level
*Major Command Equipment Control Officer (MECO)
Host/Tenant - Level
Equipment Control Officer (ECO)
Base Software License Manager (BSLM)
Host/Tenant APO
Unit-Level
Unit APO

* = may not reside at the MAJCOM/DRU/FOA HQ

1.2.1. **Secretary of the Air Force, Chief, Information Dominance & Chief Information Officer (SAF/CIO A6).**

1.2.1.1. Develops strategy, policy, and guidance for Information Technology (IT) Asset Management (ITAM) of IT hardware and software.

1.2.1.2. Resolves management issues and policy disagreements between Major Commands (MAJCOMs), functional managers, and non-AF agencies for IT hardware and software assets.

1.2.1.3. Identifies, reviews, approves, and forwards formal ITAM training requirements to Headquarters Air Education and Training Command.

1.2.1.4. As the Functional Manager, designates the Accountable Property System of Record (APSR) to support ITAM accountability according to Attachment 2.

1.2.1.5. Ensures primary Accountable Property Officers (APO) are appointed as needed.

1.2.1.6. Requires APOs to be appointed in writing at appropriate level.

1.2.1.7. Surveys, consolidates, validates, and tracks all MAJCOM, Field Operating Agency (FOA), and Direct Reporting Unit (DRU) requirements for potential AF enterprise software licenses for COTS software.

1.2.1.8. Recommends candidate software products for potential AF-wide or Department of Defense (DoD)-wide licensing to the Air Force Materiel Command (AFMC) product center designated with the responsibility for procurement of enterprise licenses as the purchasing agent.

1.2.1.9. Serves as the AF software license manager to review and consolidate the AF software license inventory in coordination with the Executive Agent for Enterprise Information Technology. MAJCOM and base inventories include locally-owned software and software not yet transferred to an enterprise software license agreement.

1.2.1.10. In coordination with AFMC, designates a product center as the Office of Primary Responsibility (OPR) for managing the AF Enterprise Software License Program and, when designated, acts as executive agent for establishing DoD-wide enterprise software license agreements.

1.2.1.11. Ensures warfighting systems software compliance with Department of Defense Instruction (DoDI) 8320.02, *Sharing Data, Information, and Information Technology (IT) Services in the Department of Defense,* (T-0).

1.2.2. **Director, Security, Counterintelligence, and Special Program Oversight (SAF/AAZ).**

1.2.2.1. Special Access Programs (SAP) Information Technology (IT) hardware assets will be tracked in the designated APSR or another approved APSR. The Director will evaluate all security issues and concerns and render a determination in writing as to which assets will be tracked.

1.2.2.2. IT hardware assets which cannot be tracked using an approved APSR will be tracked separately within the SAP configuration control project databases, (T-0).

1.2.3. **Deputy Chief of Staff, Intelligence, Surveillance, and Reconnaissance, (AF/A2).**

1.2.3.1. The AF/A2 is the AF Lead for systems in AF Sensitive Compartmented Information Facilities (SCIFs), AF Sensitive Compartmented Information (SCI) systems, and national-level intelligence, surveillance and reconnaissance systems IAW DoDI 5200.01, *DoD Information Security Program and Protection of Sensitive Compartmented Information (SCI)*, AFPD 17-2, *Cyberspace Operations*, and AFI 17-130, *Cybersecurity Program Management*.

1.2.3.2. AF IT hardware assets under the control of AF/A2 will be tracked in the designated Accountable Property System of Record (APSR), or other approved accountable systems of record for accountability of hardware, (T-0). The designated security authority representative will evaluate all security issues and concerns before rendering a determination as to where and which assets will be tracked. AF/A2 or designated representative will provide guidance for meeting regulatory compliance for IT hardware assets not tracked in the designated APSR.

1.2.4. **Executive Agent for Enterprise Information Technology:**

1.2.4.1. Serves as lead for implementation of Information Technology Asset Management (ITAM).

1.2.4.2. Publishes software entitlements, implementation and ITAM account inventory metrics.

1.2.4.3. Manages the AF Evaluated Products List (AF EPL) and publishes to the AF Portal the certified COTS Software Products for use on AF networks.

1.2.4.4. Coordinates with SAF/CIO A6, AFMC and MAJCOMs for software license requirements and consolidates non-enterprise software agreements.

1.2.4.5. Identifies and forwards formal ITAM training requirements to SAF/CIO A6.

1.2.5. **Air Force Equipment Control Officer (AFECO):**

1.2.5.1. The 38th Cyberspace Readiness Squadron (38 CYRS) serves as the AFECO for all AF IT hardware assets within the designated APSR.

1.2.5.2. Provides guidance and support to MAJCOMs, FOAs, and DRUs in managing Information Technology (IT) hardware assets.

1.2.5.3. Reviews, evaluates, and interprets issues and problems as the ITAM subject matter expert and makes recommendations on ITAM policy changes to SAF/CIO A6.

1.2.5.4. Coordinates with SAF/CIO A6 to propose changes, upgrades, and/or modifications to the designated APSR.

1.2.5.4.1. Manages the designated APSR accounts for ECOs, to include approving new account requests.

1.2.5.5. Approves appointment of Major Command Equipment Control Officers (MECOs) and performs responsibilities described in this AFMAN as required by MAJCOM Memorandum of Agreements (MOA) governing the transfer of A6 workload responsibilities to Executive Agent for Enterprise Information Technology.

1.2.5.5.1. Maintains the list of designated MECOs and Equipment Control Officers (ECOs).

1.2.5.6. Manages the implementation of DoD and AF policy on Serialized Item Management (SIM) and Item Unique Identification (IUID) according to AFI 63-101/20-101, *Integrated Life Cycle Management*, for all IT hardware assets managed in the designated Accountable Property System of Record (APSR) as applicable.

1.2.5.7. Monitors appointment of APOs and notifies SAF/CIO A6 of required appointments.

1.2.5.8. Has authority to freeze a Primary Asset Account for failure to comply with requirements described in this manual.

1.2.6. **Air Force Materiel Command (AFMC)** :

1.2.6.1. Designates a product center as purchasing agent for software licenses to support consolidated and programmatic AF requirements.

1.2.6.2. Designates the Managed Services Office (MSO) for managing the commoditized purchase of AF infrastructure and platform service components. The Managed Services Office (MSO) establishes AF enterprise commoditized purchase and provisioning of infrastructure ensuring the management of IT assets within the infrastructure.

1.2.7. **Air Education and Training Command (AETC):**

1.2.7.1. Supports and develops Information Technology Asset Management (ITAM) training plans and materials.

1.2.8. **MAJCOM, DRU, FOA, or Equivalent:**

1.2.8.1. Appoints a Major Command Equipment Control Officer (MECO), when this role is not designated by a previous MOA, documents acknowledgement of duties with handwritten or digital signatures, and provides a copy to the AFECO, (T-1).

1.2.8.2. Notifies 38 CYRS/SCM via email at **AFECO@us.af.mil** when the MECO changes.

1.2.8.3. Ensures all commercial off-the-shelf (COTS) license requirements are purchased using approved DoD/AF Enterprise Licenses Agreements (ELAs), DoD ESI or approved DoD/AF contract vehicles, (T-1).

1.2.9. **Major Command Equipment Control Officer (MECO).** The MECO will:

1.2.9.1. Serve as the Command liaison between the AFECO and ECO.

1.2.9.1.1. Not be the ECO in the same command according to DoD *Financial Management Regulation* (DoDFMR) 7000.14-R, Volume 3, Chapter 8, *Federal Financial Management Improvement Act Compliance* and AFI 65-201, *Managers' Internal Control Program Procedures*, (T-0).

1.2.9.2. Maintain the list of designated ECOs.

1.2.9.3. Ensure compliance with this AFMAN across their portfolio.

1.2.9.4. Resolve compliance issues when resolution is unable to be performed at the Host/Tenant APO level.

1.2.9.5. Provide reports to Host APO, MAJCOM A6 or MAJCOM Inspection Teams, upon request.

1.2.9.6. Complete additional training as directed by the AFECO.

1.2.10. **Host Installation Commander, Wing Commander (or equivalent).**

1.2.10.1. Appoints the Host APO, (T-1).

1.2.10.2. Appoint Tenant APOs in the Host Tenant Support Agreement (HTSA), as necessary.

1.2.11. **Host/Tenant Accountable Property Officer (APO).** Each Host/Tenant APO will:

1.2.11.1. Be appointed by the Host Installation Commander, Wing Commander (or equivalent), (T-1).

1.2.11.2. Serve as the accountable officer for all IT hardware and software on their installation, (T-1).

1.2.11.2.1. Appoint at least one primary and one alternate ECO, document acknowledgement of duties with handwritten or digital signatures, and provide a copy to the MECO, (T-1).

1.2.11.2.2. Ensure the designated APSR inventory provides accountability of all IT hardware assets, IAW **Chapter 2**, (T-1).

1.2.11.2.3. The Host APO is accountable for all IT assets on their installation, unless otherwise delegated in an HTSA, (T-1).

1.2.11.2.4. Ensure assets are accounted for throughout their lifecycle, (T-1).

1.2.11.2.5. Ensure an access controlled space is provided for the storage of non-issued assets (i.e. locking cabinet(s), locking room/closet, access-controlled segregated warehouse space, etc.), (T-1).

1.2.11.3. Designate primary and alternate Base Software License Managers (BSLM) (or equivalents) to manage the wing and/or base software license programs (to include applicable tenants) and inform their MAJCOM/A6 and Executive Agent for Enterprise Information Technology, (T-1).

1.2.11.3.1. Annually certify and document a software inventory was accomplished and the provisions of this AFMAN have been met. Provide a copy of the inventory to their MAJCOM/A6 and Executive Agent for Enterprise Information Technology, (T-1).

1.2.12. **Equipment Control Officer (ECO):**

1.2.12.1. Is appointed as primary or alternate by the Host/Tenant APO, (T-1).

1.2.12.1.1. Will be, at a minimum, the rank of E-5 or civilian equivalent, (T-3). There is not a rank/grade minimum for an alternate ECO.

1.2.12.1.2. Cannot be appointed Resource Advisor (RA) within the same unit in which they are performing duties as ECO, (T-1).

1.2.12.2. Will process the receipt, transfer and disposition of all Information Technology (IT) assets and complete necessary documentation to establish custodial responsibility, (T-1).

1.2.12.2.1. Assists Unit APOs in determining the ownership, reassignment or disposition of all Found-on-Base (FOB) IT assets.

1.2.12.2.2. Directs Unit APOs to conduct inventories in accordance with Attachment 3, *Information Technology (IT) Hardware Enterprise Inventory Plan*, (T-1).

1.2.12.2.3. Provides Unit APOs with asset labels.

1.2.12.2.4. Monitors AFECO collaboration sites for additional guidance and support.

1.2.12.3. Completes additional training as directed by the MECO.

1.2.12.4. Provides inventory assistance IAW Attachment 3, *Information Technology (IT) Hardware Enterprise Inventory Plan*.

1.2.13. **Base Software License Managers (BSLM).** Each BSLM will:

1.2.13.1. Ensure annual inventories are conducted for all non-enterprise software licenses for all organizations under BSLM purview, (T-0).

1.2.13.2. Collect an annual baseline of an inventory for all non-enterprise software licenses, (T-1).

1.2.13.3. Provide annual inventories to higher headquarters as required or requested.

1.2.14. **Unit APO.** Commanders (or their equivalent) are responsible for providing guidance and procedures to ensure adequate protection and oversight is afforded to IT assets under their control. Examples of a "commander equivalent" include a Director of Staff, a civilian director of an organization, or a commandant of a school organization. See AFI 38-101, *Air Force Organization*, for further guidance. Organization Commanders (or equivalent) will:

1.2.14.1. Serve as the Property Custodian IAW DoDI 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property,* section 3.2, paragraph f, (T-1).

1.2.14.2. Be responsible for the accountability of all IT hardware and software assets assigned to their unit, (T-1).

1.2.14.3. Ensure IT hardware and software assets are inventoried according to Attachment 3, *Information Technology (IT) Hardware Enterprise Inventory Plan*, (T-1).

1.2.14.4. Perform out-of-cycle inventories as directed, (T-1).

1.2.14.5. Monitor the acquisition, storage, utilization, and disposition of property within his or her assigned accountable area. Identify underutilized, impaired, or obsolete property and take appropriate actions to increase utilization or ensure disposition, (T-1).

1.2.14.6. Develop physical inventory plans and procedures, schedule physical inventories, and assist in their completion in accordance with DoDI 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property*, (T-1).

1.2.14.7. Manage all software licenses owned by the organization in support of the base software license management program, (T-1).

1.2.14.7.1. Annually certify and document to the BSLM a software inventory was accomplished, (T-1).

1.2.14.7.2. Ensure unused or underutilized software licenses are identified to the BSLM (or equivalents) for redistribution, reutilization, or disposition to comply with Executive Order 13589, *Promoting Efficient Spending,* (T-0).

1.2.14.7.3. Identify locally-owned software that does not have associated licenses, assemble proofs-of-purchase, and request replacement licenses from publishers, as needed. Develop plan of action to obtain compliance within 120 days, (T-1).

1.2.14.8. With the support of BSLM (or equivalents), ensure applicable training is conducted for users in support of unique software purchased or developed by organizations, (T-3).

1.2.14.9. Identify enterprise software license requirements and any management training requirements not covered in existing courses to the BSLM (or equivalents) for annual consolidation, (T-3).

Chapter 2

HARDWARE ASSET MANAGEMENT

2.1. Accountability of Information Technology (IT) Hardware Assets. Accountability and responsibility of IT hardware assets resides with the Commander, described in this manual as the Host/Tenant Accountable Property Officer (APO), and the Unit APO. Accountability takes place throughout the lifecycle of the asset.

2.1.1. **Accountability Determination.** In accordance with DoDI 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property*, Section 4, Air Force IT Property/Equipment will be accounted for using one of the three following processes based on the listed criteria applied to the asset/item.

2.1.1.1. **Accountable Property Record (APR) Process.**

2.1.1.1.1. An Information Technology (IT) asset/item will be accounted for using the APR process if any of the following criteria apply:

2.1.1.1.1.1. The asset/item has a unit acquisition cost of greater than or equal to $5,000, (T-0).

2.1.1.1.1.2. The asset/item was obtained via a capital lease, as defined in DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment*, (T-0).

2.1.1.1.1.3. The asset/item is classified as defined in DoDI 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property*, (T-0).

2.1.1.1.1.4. The asset/item qualifies as a sensitive asset/item as defined in DoDI 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property*, (T-0).

2.1.1.1.1.5. The asset/item qualifies as pilferable as determined by SAF/CIO A6, (T-0).

2.1.1.1.1.6. The asset/item is categorized as Government Furnished Property (GFP) as defined in AFI 23-119, *Exchange, Sale, or Temporary Custody of Non-excess Personal Property,* (T-0).

2.1.1.1.2. Any IT asset/item meeting the criteria for this category will be managed using the designated Accountable Property System of Record (APSR), (T-0).

2.1.1.2. **Accountability Record (AR) Process.**

2.1.1.2.1. An Information Technology (IT) asset/item will be accounted for using the AR process if any of the following criteria apply:

2.1.1.2.1.1. The asset/item has a unit acquisition cost of less than $5,000 but is controlled or managed at the asset/item level IAW DoDI 4151.19, *Serialized Item Management (SIM) for Life-Cycle Management of Materiel*, (T-0).

2.1.1.2.1.2. The asset/item has the potential to store personally identifiable information (PII), (T-0).

2.1.1.2.1.3. The asset/item was obtained via an operating lease, as defined in DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment*, (T-0).

2.1.1.2.1.4. Network and data management infrastructure whose unit cost is less than $5,000, (T-1).

2.1.1.2.2. Any IT asset/item meeting the criteria for this category can be managed using the designated APSR, or in a managerial system which has been designated by SAF/CIO A6, (T-0).

2.1.1.3. **Accounting for Information Technology (IT) Property/Equipment that does not meet the criteria for the APR or AR processes.**

2.1.1.3.1. For an IT asset/item that does not meet any of the criteria described in sections 2.1.1.1. or 2.1.1.2., the AF does not require accountability and tracking, and does not preclude an organization from doing so.

2.1.1.4. **Information Technology (IT) Components of a Weapon System or other Similar Capability.**

2.1.1.4.1. IT assets that are components of a Weapon System or other similar capability will be managed by this policy if both of the following apply:

2.1.1.4.1.1. The weapon system is not being managed in another APSR, per AFI 23-111, *Management of Government Property in Possession of the Air Force*, and AFI 21-103, *Equipment Inventory, Status and Utilization Reporting* (T-1), and

2.1.1.4.1.2. The IT components meet the requirements of paragraph 2.1.1.1. or paragraph 2.1.1.2. of this manual, (T-1).

2.2. Procurement of Information Technology (IT) Hardware Assets.

2.2.1. All AF IT hardware (including PWCS) will be procured using applicable AF Information Technology Commodity Council (ITCC) enterprise buying programs via AFWay at **https://www.afway.af.mil**, (e.g. Client Computing Solutions Quantum Enterprise Buy [CCS QEB], Digital Printing & Imaging [DPI], Cellular Services & Devices BPAs). All AF IT hardware not purchased through ITCC buying programs (CCS, DPI, & CSD BPAs), are mandated to use the NETCENTS-2 contracts, which enable delivery of products, services and solutions that adhere to the AF Enterprise Architecture, (T-1).

2.2.1.1. All requests for servers must comply with current National Defense Authorization Act as depicted in AFI 33-150. A DOD unique identifying number must accompany the acquisition.

2.2.1.2. The MAJCOM/A6s (or equivalents) may approve a QEB or DPI waiver via AFWay process, however MAJCOMs and Program Offices must use either AFWay-approved vendors or a NETCENTS-2 contract to meet their mission requirements, (T-1).

2.2.2. Ensure complete information is provided for shipping labels for ordered equipment. Obtain confirmation that procurement officials specify, as a contractual requirement, that "Ship To" and "Mark For" information is detailed on the shipping labels. This will alleviate problems with the receipt and acceptance processing of new hardware assets.

2.2.2.1. "Mark For" information will contain; Contract Number, Purchase Order Number, Address, Phone Number, E-mail Address, Resource Manager Name, and Unit APO (when applicable).

2.2.2.2. "Ship To" information will contain the complete delivery address. This includes the ECO name. This will correspond to the DoD Activity Address Code (DoDAAC) and the system of record for real property (ACES-RP).

2.2.2.3. Accountable IT hardware assets purchased through Government Purchase Card (GPC) must be added to the Accountable Property System of Record (APSR). ECOs must ensure the correct MAJCOM code is entered into the APSR for all asset(s) in their Primary Asset Account. The MAJCOM code must correctly identify the owning command, which may differ from the host base's command, (T-2).

2.2.2.4. End user devices shall be refreshed IAW recommended frequency outlined in Table 2.1.

Table 2.1. End User Device Refresh Rate.

Device Type	Recommended
Desktop	5 years
Laptop	4 years
Tablet	4 years
Cell Phone	2 years
Printer: Stand-alone	5 years
Printer: Multi-Functional Device	5 years

*Based on average warranties

2.3. Receipt and Acceptance of Information Technology (IT) Hardware Assets.

2.3.1. IT asset accountability must be established by formal receipt and acceptance in an accountable property system of record according to DoDI 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property*. AF IT asset accountability will be established in a timely manner by the following:

2.3.1.1. Receive and secure any assets until proper accountability via the Accountable Property System of Record (APSR) is established, (T-0).

2.3.1.1.1. The ECO or supporting personnel will enter newly received IT assets into the designated APSR. When received by anyone other than the ECO, the ECO will be notified of the asset(s) delivery. The asset will be secured and the asset(s) key supporting documentation (KSD) will be provided for inclusion to the APSR within 7 working days of receipt and acceptance. Capital assets must be recorded by the end of the month or within 7 calendar days, whichever is sooner, (T-0). Prior ECO approval is required when deviating from the standard ECO asset(s) delivery process.

2.3.1.2. Ensure unique asset identification is established for each item according to Serialized Item Management (SIM) and Item Unique Identification (IUID) guidance in AFI 63-101/20-101, *Integrated Life Cycle Management,* (T-0).

2.4. Sustainment of Information Technology (IT) Hardware Assets.

2.4.1. **Inventory.**

2.4.1.1. **Inventory Purpose.** The purpose of an inventory is to ensure that all assets in an asset account exist and can be readily located, as well as to ensure that any assets that are in the possession of the Air Force are being accounted for in accordance with applicable property and financial management policies.

2.4.2. **Inventory Frequency.**

2.4.2.1. Assets/items meeting the accountability criteria stated in section 2.1.1.1. will be inventoried annually, (T-0).

2.4.2.2. Assets/items meeting the accountability criteria stated in section 2.1.1.2. will be inventoried every three years, (T-0).

2.4.2.3. Assets/items meeting the accountability criteria in section 2.1.1.3. have no prescribed inventory frequency.

2.4.3. **Inventory Requirements.** Specific guidance on the minimum requirements applicable to all units in the Air Force for the inventory of IT Property/Equipment can be found in Attachment 3, *Information Technology (IT) Hardware Enterprise Inventory Plan*.

2.4.4. **Reports of Survey.**

2.4.4.1. Required if the lost, damaged, stolen or destroyed asset met the criteria for an accountable property record (APR), (T-0).

2.4.4.2. Required for any piece of property where it has been determined the loss, damage theft or destruction event constitutes a pattern of gross negligence, (T-0).

2.4.4.3. **Managing Capital Assets.** *The Chief Financial Officers (CFO) Act of 1990, 31 U.S.C. §§901-903*, specifies financial reporting and acquisition cost depreciation is required for equipment meeting the capitalization threshold as stated in DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment*, (T-0).

2.4.4.3.1. Acquisition cost, which is what depreciation is based on, includes all costs incurred to bring the asset to a form and location suitable for its intended use (e.g., amounts paid to vendors, transportation to point of initial use, handling and storage costs, interest costs paid, and direct and indirect production costs).

2.4.4.4. **Contractor Guidance.**

2.4.4.4.1. Establish the extent of contractor liability in the provisions of the applicable contract’s government property clause according to AFI 23-111, *Management of Government Property in Possession of the Air Force*.

2.5. Disposition of Information Technology (IT) Hardware Assets.

2.5.1. **Transfer.**

2.5.1.1. When transferring equipment, all documentation applicable to the lifecycle of that asset (i.e. acquisition documentation, invoices, etc.) must be transferred along with that asset to the gaining organization, whether internal or external to the Air Force, (T-0).

2.5.2. **Disposal.**

2.5.2.1. A memorandum of agreement (MOA) between the Host installation and their regional DLADS facility will be formalized to document the processes and procedures for how that installation will interact with DLADS for the disposal of IT hardware assets.

2.5.2.2. Elements of this MOA may be incorporated into the HTSA.

2.5.2.3. Prior to disposal, the asset will have:

2.5.2.4. Met all IT hardware sanitization requirements, (T-0).

2.5.2.5. All applicable documentation related to the disposal process completed and signed, (T-0).

Chapter 3

SOFTWARE ASSET MANAGEMENT

3.1. Software Assets General Guidance and Procedures.

3.1.1. All software will be accounted for, (T-0). The intent of this chapter is to outline the requirements for software management, to include Internal Use Software (IUS).

3.1.2. All software will be accounted for by the acquiring or accountable organization, (T-0).

3.1.3. This chapter has been divided into 3 sections:

3.1.3.1. Management of Non-Enterprise Software, intended to provide requirements for what is expected from organizations purchasing software that is not already managed as a component of an Enterprise License Agreement or provided from the Air Force Standard Desktop Configuration (SDC).

3.1.3.2. Management of Enterprise Software, intended to provide the minimum set of requirements for how Enterprise-provided software should be managed and accounted for.

3.1.3.3. IUS Accountability, intended to provide the minimum set of requirements for what should be managed as IUS and the expectations associated with that management.

3.2. General Guidelines for Acquisition of Software.

3.2.1. All AF software will be procured using applicable buying programs (in order of precedence):

3.2.1.1. AF Enterprise License Agreements (ELA), (T-1).

3.2.1.2. DoD/Joint Enterprise License Agreements (JELA), (T-1).

3.2.1.3. DoD Enterprise Software Initiative (ESI) blanket purchase agreements, (T-1).

3.2.1.4. General Services Administration (GSA) schedules, (T-1).

3.2.1.5. Other vendor-authorized sources, (T-1).

3.2.2. To ensure that proper accountability can be performed on the purchased license(s), documentation verifying the acquisition cost of the license(s) must be retained by the acquiring or accountable organization, (T-0).

3.2.2.1. Documentation may include, but is not limited to; GPC receipts, Purchase Orders, Contract Agreements, etc.

3.2.2.2. Documentation verifying the acquisition cost of the software must be maintained in a readily available location during the applicable retention period, as described in DoD FMR 7000.14-R, Vol 1, Chapter 9, *Financial Records Retention*, to permit the validation of information pertaining to the asset, such as the purchase cost, purchase date, and cost of enhancements, (T-0).

3.3. Management of Non-Enterprise Commercial Software.

3.3.1. **Receipt and Acceptance.**

3.3.1.1. Proof of software purchase (i.e. purchase order, receipt, shipping order, etc.) will be kept on file with the BSLM as a component of the asset record, (T-0).

3.3.1.2. Proof of government ownership of software (End User License Agreement, contract clauses, etc.) will be kept on file with the BSLM as a component of the asset record, (T-0).

3.3.1.3. Proof of software purchase and proof of government rights to the software will be retained regardless of dollar value of the purchase, (T-0).

3.3.1.4. The asset record will be created in the designated management system or Accountable Property System of Record (APSR) within 7 working days of receipt and acceptance by the government or by the end of the calendar month, whichever is shorter, (T-0).

3.3.2. **General Management of Use.**

3.3.2.1. The BSLM will ensure licenses no longer needed by the intended user are removed from their system and retained for future use/deployment (i.e. transfer of the user to new program, no longer a validated need, etc.), (T-1).

3.3.3. **Inventory of Non-Enterprise Software.**

3.3.3.1. Organizations will inventory all licensed software annually and, if available utilize auto-discovery tools, to track and report implemented software and license information, (T-0).

3.3.3.2. The Unit APO will certify the annual inventory with a handwritten or digital signature indicating completion of the inventory and submit to the BSLM (or equivalents), (T-0).

3.3.4. **Management of Legal Use.**

3.3.4.1. Organizations will audit all systems to ensure no illegal or unauthorized copies of software are installed. Sampling procedures may be used if active inventorying/auto discovery systems are available, (T-0).

3.3.4.2. Automated tools should be used to the maximum extent possible for tracking software installed on the base network where applicable.

3.3.5. **Managing Software Reuse.**

3.3.5.1. Redistribution of excess or superseded software may occur if it:

3.3.5.1.1. Is permitted under the license agreement or upgrade policy for that software.

3.3.5.1.2. Is not classified.

3.3.5.1.3. Did not provide direct security protection to systems that processed classified information.

3.3.5.1.4. Is not directly related to or associated with a weapon system, intelligence system, command and control system, communications system, or tactical system.

3.3.5.1.5. Still operates as intended.

3.3.5.2. The asset record, and all documentation associated with it, must be transferred to the gaining organization along with the asset, (T-0).

3.3.6. **Managing Software Disposal.**

3.3.6.1. Dispose of excess or superseded software not redistributed by one of the following methods and according to license agreements:

3.3.6.1.1. Return the software package (distribution media, manuals, etc.) to the company that developed the software.

3.3.6.1.2. Destroy the software and license keys according to the provisions of the licensing agreement.

3.3.6.2. Document the method of destruction to establish an audit trail, (T-0).

3.4. Management of Enterprise Software.

3.4.1. At a minimum:

3.4.1.1. Legal use of enterprise licenses will be monitored by the Base Software License Manager (BSLM) to ensure usage does not exceed quantities purchased, (T-0).

3.4.1.2. The BSLM will perform and annual inventory of Enterprise software licenses reconcile them against contract information to maintain accountability of what the government has purchased as well as to ensure adherence to legal use per contract terms, (T-1).

3.5. Internal Use Software (IUS) Accountability.

3.5.1. **Description.**

3.5.1.1. IUS is:

3.5.1.1.1. Acquired or developed to meet internal or operational needs.

3.5.1.1.2. A stand-alone application, or the combined software components of an Information Technology (IT) system that can consist of multiple applications, modules, or other software components integrated and used to fulfill internal or operational need.

3.5.1.1.3. Used to operate the programs (e.g. financial and administrative software).

3.5.1.1.4. Used to produce goods and provide services (e.g. maintenance work order management).

3.5.1.1.5. Developed to or obtained for internal use and subsequently provided to other federal entities with or without reimbursement.

3.5.1.2. IUS is not:

3.5.1.2.1. Software that is integrated into and necessary to operate equipment rather than perform an application (i.e., an operating system).

3.5.2. **General Accountability.** Accountability of Internal Use Software (IUS) will be:

3.5.2.1. Established and maintained:

3.5.2.1.1. At the end of the development phase for government- or contractor-developed IUS, (T-0).

3.5.2.1.2. Upon government acceptance of commercial off-the-shelf (COTS) IUS, (T-0).

3.5.2.1.3. Upon the completed transfer to another unit/organization within the Air Force, (T-0).

3.5.2.1.4. By the acquiring organization in accordance with DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment,* (T-0).

3.5.2.2. Established for capitalized IUS in the designated APSR, (T-0).

3.5.2.3. Established for IUS which does not meet the criteria for capitalization in the designated APSR or designated managerial system, (T-0).

3.5.2.4. Established for IUS in development in accordance with section 3.5.4., (T-0).

3.5.2.5. Enabled through unique identification (UID) standards, in accordance with DoDI 8320.03, *Unique Identification (UID) Standards for Supporting the DoD Information Enterprise,* (T-0).

3.5.2.6. Maintained by the accountable organization until formal relief of accountability through authorized means, such as transfer or disposal, (T-0).

3.5.3. **Accountable Records.**

3.5.3.1. The accountable organization will establish accountable records in the designated Accountable Property System of Record (APSR) for all capitalized Internal Use Software (IUS), (T-0).

3.5.3.1.1. A single record will be established for each IUS purchase or acquisition and all costs incorporated in accordance with the DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment*, guidance, (T-0).

3.5.3.1.2. A single record will be established for each stand-alone COTS license with a unit cost that exceeds the capitalization threshold and is not a component of a developed system, (T-0).

3.5.3.1.3. A single record will be established for each distinct manufacturer part number on each purchase order for a bulk license purchase for COTS software, (T-0).

3.5.3.2. The accountable organization will maintain accountable records for non-capital IUS in the designated APSR or designated managerial system, (T-0).

3.5.3.3. The accountable organization will maintain accountable records for the life of the asset and will retain the records:

3.5.3.3.1. For 7 years after the end of the operational life of the developed IUS, (T-1).

3.5.3.3.2. For 7 years following the end of legal use for capitalized COTS, (T-1).

3.5.4. **Accountability of Software-in-Development.**

3.5.4.1. No formal property accountability (i.e., accountable property record) is established until Internal Use Software (IUS) development is completed, in accordance with section 3.5.2., (T-0).

3.5.4.2. Accountability is established in the APSR at the end of the development phase after the IUS developed has been final tested to verify that it meets specifications, (T-0).

3.5.4.2.1. The end of the development phase for major automated information systems will be the Full Deployment Decision (FDD), as described in DoDI 5000.02, *Operation of the Defense Acquisition System*, (T-0).

3.5.4.2.2. The end of the development phase for IUS that is not designated as major automated information systems will be the date that initial operating capability is established, (T-0).

3.5.4.2.3. IUS accountability also applies to National Security Systems, in accordance with DoDD 8000.01, *Management of the Department of Defense Information Enterprise (DoD IE)*, (T-0).

3.5.4.3. APSR records must be updated to reflect the physical changes made to the IUS and the associated costs when IUS enhancements, improvements, or other modifications occur, (T-0).

3.5.5. **Accountability of Commercial Internal Use Software (IUS) Licenses.**

3.5.5.1. Property accountability is required for commercial off-the-shelf (COTS) software licenses that meet all of the following criteria:

3.5.5.1.1. The COTS licenses are purchased for deployment to end user personal computing devices or computer servers, (T-0).

3.5.5.1.2. The COTS is purchased through a financial transaction or received as an IUS asset transfer from another entity, (T-0).

3.5.5.2. The IUS asset for a COTS license is the license agreement and record of ownership, such as the purchase order, contract, or assignment of licenses documentation for a transfer, (T-0).

3.5.5.3. The accountable organization will establish accountability for COTS IUS licenses:

3.5.5.3.1. Upon acceptance of the software order by the receiving organization for software licenses procured directly by the government, (T-0).

3.5.5.3.2. Upon the date the transfer occurs for commercial off-the-shelf (COTS) licenses received by the Air Force as an asset transfer from another entity, (T-0).

3.5.5.4. For bulk purchased software, units will record and track bulk license purchases as follows:, (T-0).

3.5.5.4.1. If the cost is below the capitalization threshold, the bulk license purchase should be expensed, (T-0).

3.5.5.4.2. For any purchase order or license transfer for which the total value of the COTS software licenses exceeds the capitalization threshold, the bulk license purchase should be capitalized, (T-0).

3.5.5.4.3. For COTS licenses procured through a bulk purchase and intended for use in or integration into developed Internal Use Software (IUS), the software licenses are accountable as part of the bulk license purchase and should not be allocated or otherwise associated with any developed IUS, (T-0).

3.5.5.5. COTS software licenses purchased for use in or integration with developed IUS will be included with the developed IUS, unless the licenses are procured through a bulk license purchase, in which case the provisions for bulk license purchases apply. Individual license accountability is not applicable, (T-0).

3.5.5.5.1. For bulk COTS software costs that will be capitalized, capitalized costs should include the amount paid to the vendor for the software and material internal costs incurred to implement the COTS software and otherwise make it ready for use. License maintenance, conversion costs, or upgrade purchases should be treated according to the DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment*, and are typically expensed, (T-0).

3.5.5.6. Accountability for commercial off-the-shelf (COTS) licenses ceases when:

3.5.5.6.1. The final term expires and the license owner has complied with the publisher terms and conditions for terminating the license for term license agreements, (T-0).

3.5.5.6.2. A perpetual license is removed from inventory (e.g., uninstalled from computer(s) or upon the appropriate disposal of the hard drive(s) to which the software was installed) and when the disposal of the license is made in accordance with the license terms and the conditions for terminating, transferring, or otherwise retiring the license are completed, (T-0).

3.5.5.6.3. The accountable organization will ensure that documentary evidence is recorded and maintained in accordance with Air Force records management requirements, (T-0).

3.5.6. **Accountability of Internal Use Software (IUS) Delivered As A Service.**

3.5.6.1. Any license provided to Air Force users as a service (i.e. cloud computing, software as a service, or other “as a service” software subscriptions) will only be considered accountable IUS assets if an Air Force organization is designated as the licensee and the license owner retains the right to take control of the license independent of the hosting arrangement, (T-0).

3.5.6.2. Any license that is provided to AF users on an AF computer or on a computer owned by a third party and is not licensed to the AF will not be accountable as a DoD IUS asset, (T-0).

3.5.6.3. COTS IUS that is provided to the AF as a service that meets the requirement for accountability as an IUS asset, in accordance with section 3.5.1., will be accountable using the provisions for accountability for COTS licenses in section 3.5.5., (T-0).

3.5.7. **Internal Use Software (IUS) Inventory.**

3.5.7.1. All accountable organizations must maintain up-to-date inventory records of IUS for which they are accountable, (T-0).

3.5.7.2. In order to support maintenance of an up-to-date inventory of IUS and meet financial reporting requirements, accountable organizations must process all inventory changes (i.e., receipts of IUS, transfers between DoD Components, or disposition) within 7 calendar days or the end of the month in which the financial event occurs, whichever is sooner, (T-0).

3.5.7.3. The accountable organization must take an inventory of accountable Internal Use Software (IUS) no less than annually by fiscal year end to assess the accuracy of IUS asset records, update IUS asset records, assess any IUS property loss experienced, and provide the status of verified assets for fiduciary reporting purposes, (T-0).

3.5.7.4. A minimum 98 percent inventory accuracy rate will be achieved and maintained for capitalized IUS asset records, (T-0).

3.5.7.5. Any property loss discovered during the inventory should be reported and an inventory adjustment should be performed in accordance with record adjustment procedures, (T-0).

3.5.7.6. An annual "true-up" of licenses is sufficient for inventory validation of affected IUS licenses. The true-up may be utilized in place of the 98 percent accuracy rate with only those impacted, non-capital IUS assets, (T-0).

3.5.7.7. Accountable organizations will retain details of the result of their most current annual inventory, (T-0).

3.5.8. **Disposal.**

3.5.8.1. To properly transfer, dispose of, donate, or reuse commercial Internal Use Software (IUS), accountable organizations must adhere to product licensing agreements to avoid potential fines or litigation, (T-0).

3.5.8.1.1. Before the accountable organization disposes of commercial IUS, legal counsel should review all IUS licenses for any limitations or potential liability, (T-0).

3.5.8.1.2. Accountable organizations must consult all relevant parties before any IUS disposition activity, (T-0).

3.5.8.2. The IUS disposal process involves turn-in to the Defense Logistics Agency Disposition Services and, in some cases, destruction, (T-0).

3.5.8.2.1. The disposal process should be executed in accordance with DoD Manual 4160.21, *Defense Materiel Disposition*, unless there is a conflict with the terms and conditions of the software license agreements or contracts, in which case the software license agreement and contract will take precedence, (T-0).

3.5.8.3. When Internal Use Software (IUS) is transferred, reassigned, exchanged, or sold to government or non-government organizations, the original documentation and media disks for the IUS must accompany it if the IUS was acquired commercially, (T-0).

3.5.8.3.1. In these instances, the original owner of the IUS must execute proper license transfer documentation with the manufacturer, (T-0).

3.5.8.4. Disposal is not complete unless all copies of the targeted IUS are uninstalled from the accountable organization's network through uninstall procedures or proper disposition of the computer hardware or hard drive upon which the software is installed, (T-0).

3.5.8.5. The accountable organization will document the destruction, or vendor return, of IUS and report it to an adjunct APO. This will include a statement verifying that all media, licenses, and documentation have been destroyed or returned to the vendor, (T-0).

3.5.9. **Valuation.**

3.5.9.1. Valuation is required for Capital Internal Use Software (IUS), (T-0).

3.5.9.1.1. All IUS will be capitalized when meeting the following criteria:

3.5.9.1.1.1. Total acquisition cost is greater than or equal to $250,000, (T-0).

3.5.9.1.2. Useful life of the IUS is greater than or equal to 2 years, (T-0).

3.5.9.2. IUS will be capitalized at full cost, which is comprised of the acquisition cost and other associated costs as outlined in Table 3.1., (T-0).

Table 3.1. Internal Use Software (IUS) Capitalization Cost Determination.

Project Phase	Task	Treatment
Preliminary Design: Conceptual Planning/Planning & Requirements	Project Evaluation or Need Determination	Expense
	Concept Formulation and Testing	Expense
	Evaluation and Testing of Alternatives	Expense
	Project Approval	Expense
Software Development: Design/Development & Testing/Implementation	Design, Including Software Configuration and Software Interfaces	Capitalize
	Coding	Capitalize
	Installation to Hardware	Capitalize
	Project Personnel Costs	Capitalize
	Testing, Including Parallel Processing	Capitalize
	Quality Assurance Testing	Capitalize
	Technical Documentation, Including User Manuals	Capitalize
	Data Conversion Software	Expense
	General and Admin Costs	Expense

Operational Software: Operations & Maintenance / Disposition	Enhancements	Capitalization Criteria Dependent
	Training	Expense
	Data Conversion, Includes Cleansing, Deleting, and Repackaging of Data	Expense
	Help desk	Expense
	Application Maintenance/Bug Fix	Expense

3.5.9.3. When acquisition cost is unknown, reasonable estimates of the historical acquisition cost may be used, (T-0).

3.5.10. Additional Resources. For additional detail on IUS Accountability, refer to DoDI 5000.76, *Accountability and Management of Internal Use Software (IUS)*.

BRADFORD J. SHWEDO, Lt Gen, USAF
Chief, Information Dominance and
Chief Information Officer

Attachment 1

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

Executive Order 13103, *Computer Software Piracy*, 30 September 1998

Executive Order 13589, *Promoting Efficient Spending*, 9 November 2011

The Copyright Act of 1976

The Chief Financial Officers (CFO) Act of 1990, 31 U.S.C. §§901-903

FAR, Subpart 7.5, *Inherently Governmental Functions*, FAC 2005-97, 13 January 2017

DFARS, Subpart 217.70, *Exchange of Personal Property,* 28 December 2017

DoDFMR, 7000.14-R, Vol 1, Chapter 9, *Financial Records Retention*, February 2016

DoDFMR 7000.14-R, Volume 3, Chapter 8, *Standards for Recording and Reviewing Commitments and Obligations*, February 2016

DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment,* June 2009

DoDD 8000.01, *Management of the Department of Defense Information Enterprise (DoD IE)*, 17 March 2016

DoDD 8100.02, *Use of Commercial Wireless Devices, Services, and Technologies in the Department of Defense (DoD) Global Information Grid (GIG*), 14 April 2004

DoDI 4151.19, *Serialized Item Management (SIM) for Life-Cycle Management of Materiel*, 9 January 2014

DoDI 5000.02, *Operation of the Defense Acquisition System*, 7 January 2015

DoDI 5000.64, *Accountability and Management of DoD Equipment and Other Accountable Property,* 27 April 2017

DoDI 5000.76, *Accountability and Management of Internal Use Software (IUS),* 2 March 2017

DoDI 5200.01, *DoD Information Security Program and Protection of Sensitive Compartmented Information (SCI),* 21 April 2016

DoDI 8320.02, *Sharing Data, Information, and Information Technology (IT) Services in the Department of Defense*, 5 August 2013

DoDI 8320.03, *Unique Identification (UID) Standards for Supporting the DoD Information Enterprise*, 4 November 2015

DoDI 8330.01, *Interoperability of Information Technology (IT) Including National Security Systems (NSS)*, 21 May 2014

DoDI 8500.01, *Cybersecurity*, 14 March 2014

DoD Manual 4160.21, *Defense Materiel Disposition*, 22 October 2015

DoDM 5400.-7-R_AFMAN33-302, *Freedom of Information Act Program*, 21 October 2010

ISO/IEC 19770, *Software Asset Management (SAM)*

ISO/IEC 20000, *Information Technology - Service Management*

AFPD 10-6, *Capabilities Requirements Development*, 6 November 2013

AFPD 17-1, *Information Dominance Governance and Management*, 12 April 2016

AFPD 17-2, *Cyberspace Operations*, 12 April 2016

AFI 16-201, *Air Force Foreign Disclosure and Technology Transfer Program,* 2 June 2015

AFI 17-101, *Risk Management Framework (RMF) for Air Force Information Technology (IT),* 2 February 2017

AFI 17-110, *Air Force Information Technology Portfolio Management and IT Investment Review*, 23 December 2008

AFI 17-130, *Cybersecurity Program Management,* 31 August 2015

AFI 17-210, *Radio Management,* 26 May 2016

AFI 21-103, *Equipment Inventory, Status and Utilization Reporting,* 16 December 2016

AFI 23-111, *Management of Government Property in Possession of the Air Force,* 29 October 2013

AFI 23-119, *Exchange, Sale, or Temporary Custody of Non-excess Personal Property*, 5 June 2001

AFI 38-101, *Air Force Organization*, 31 January 2017

AFI 63-101/20-101, *Integrated Life Cycle Management*, 9 May 2017

AFI 65-201, *Managers' Internal Control Program Procedures*, 9 February 2016

AFI 90-201, *The Air Force Inspection System*, 21 April 2015

AFMAN 17-1301, *Computer Security (COMPUSEC),* 10 February 2017

AFMAN 17-1402, *Air Force Clinger-Cohen Act (CCA) Compliance Guide*, 24 October 2012

AFMAN 23-220, *Reports of Survey for Air Force Property*, 1 July 1996

AFMAN 33-363, *Management of Records*, 1 March 2008

Prescribed Forms

No forms are prescribed by this publication

Adopted Forms

DD Form 200, *Financial Liability Investigation of Property Loss*

DD Form 250, *Material Inspection and Receiving Report*

DD Form 1149*, Requisition and Invoice/Shipping Document*

DD Form 1348-1A, *Issue Release/Receipt Document*

AF Form 847, *Recommendation for Change of Publication*

AF Form 2519, *All Purpose Checklist*

Abbreviations and Acronyms

AF—Air Force

AFECO—Air Force Equipment Control Officer

AFEMS—Air Force Equipment Management System

AFI—Air Force Instruction

AFMAN—Air Force Manual

AFMC—Air Force Materiel Command

AFPD—Air Force Policy Directive

AFPSC—Air Force Space Command

AFWay—Air Force Way

AIM—Asset Inventory Management

APSR—Accountable Property System of Record

BSLM—Base Software License Manager

C4—Command, Control, Communications, and Computers

CAGE—Commercial and Government Entity code

CIO—Chief Information Officer

COTS—Commercial Off-the-Shelf

CS—Communications Squadron

DoD—Department of Defense

DoDD—Department of Defense Directive

DoDFMR—Department of Defense Financial Management Regulation

DoDI—Department of Defense Instruction

DRU—Direct Reporting Unit

ECO—Equipment Control Officer

ELA—Enterprise License Agreement

E.O—Executive Order

ESI—Enterprise Software Initiative

FAR—Federal Acquisition Regulation

FOA—Field Operating Agency

IT—Information Technology

ITAM—Information Technology (IT) Asset Management

IUS—Internal Use Software

MAJCOM—Major Command

MECO—Major Command Equipment Control Officer

MOA—Memorandum of Agreement

OPR—Office of Primary Responsibility

PWCS—Personal Wireless Communications Systems

SAF—Secretary of the Air Force

SPI—Software Process Improvement

Terms

Acceptance — A formal certification that the goods or services have been received and that they conform to the terms of the contract. See Federal Acquisition Regulation Part 46 for contractual requirements and procedures that constitute acceptance.

Accountability — The obligation imposed by law, lawful order, or regulation, accepted by an organization or person for keeping accurate records and to ensure control of property, documents or funds, with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest; however, it does not necessarily impose personal liability upon an organization or person.

Accountable Officer — An individual appointed by proper authority who maintains items and/or financial records in connection with government property, irrespective of whether the property is in his or her possession for use or storage, or is in the possession of others to whom it has been officially entrusted for use or care and safekeeping. In all cases, the accountable officer is responsible for establishing and maintaining financial property control records, controlling the processing of supporting documentation, and maintaining supporting document files. The primary accountable officers under the Air Force ROS System include: chief of supply, medical supply officer, munitions officer, fuels officer, communications and information systems officer, civil engineer, etc.

Accountable Property Officer (APO) — An individual who, based on his or her training, knowledge, and experience in property management, accountability, and control procedures, is appointed in writing through the DoD Component procedures to establish and maintain an organization's accountable property records, systems, or financial records, in connection with government property, irrespective of whether the property is in the individual's possession.

Accountable Property Record — The record contained within the APSR.

Accountable Property System of Record (APSR) — The government system used to control and manage accountable property records. A subset of existing organizational processes related to the lifecycle management of property; the system that is integrated with the core financial system. The APSR may also control and manage accountability records as described in Paragraph 2.1.

Accountability Record — A record maintained for managerial rather than financial reporting purposes. Accountability records should be used when the property does not meet the accountable property record requirements (Paragraph 2.1) but does require active management based on other than financial criteria.

Acquisition — Acquiring hardware, supplies, or services: Through purchase, lease, or other means, including transfer or fabrication, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated; or by contract with appropriated funds of supplies or services.

Acquisition Cost — The amount, net of both trade and cash discounts, paid for the property, plus transportation costs and other ancillary costs. See "full cost."

Automated Inventory Tool (AIT) — The family of technologies that improves the accuracy, efficiency, and timeliness of material identification and data collection. AIT media and devices include, but are not limited to, linear and two-dimensional bar code symbols and their readers; magnetic stripe cards; integrated cards, (i.e., smart cards; optical memory cards); radio frequency identification (active and passive); contact memory-button devices; and magnetic storage media.

Capital Asset — An asset that meets or exceeds the capitalization threshold found in DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment,* for the DoD Component**.**

Capital Lease — Leases that transfer substantially all the benefits and risks of ownership to the lessee. If at its inception, a lease meets one or more of the following criteria, the lease is considered a capital lease: 1) the lease transfers ownership of the property to the lessee by the end of the lease term, 2) the lease contains an option to purchase the leased property at a bargain price, 3) the lease term (non-cancelable portion, plus all periods, if any, representing renewals or extensions that can reasonably be expected to be taken) is equal to or greater than 75 percent of the estimated economic life of the leased property, and 4) the present value of rental and other minimum lease payments, excluding that portion of the payments representing executory cost, equals or exceeds 90 percent of the fair value of the leased property. See DoDFMR 7000.14-R, Volume 4, Chapter 6, *Property, Plant, and Equipment,* for procedures and additional information.

Command, Control, Communications, and Computer (C4) Systems — Integrated systems of doctrine, procedures, organizational structures, personnel, equipment, facilities, and communications designed to support a commander's exercise of command and control, across the range of military operations. Also called "communications and information systems."

Commercial Off—the-Shelf (COTS) Software - Software developed, tested, and sold by commercial companies to the general public. This software meets operational requirements without modification or alteration to perform on a DOD network or computer. Examples include word processors, databases, application generation, drawing, compiler, graphics, communications, and training software.

Computer System — A functional unit, consisting of one or more computers and associated software, that (1) uses common storage for all or part of a program and also for all or part of the data necessary for the execution of the program; (2) executes user-written or user-designated programs; and (3) performs user-designated data manipulation, including arithmetic and logic operations. Note: A computer system is a stand-alone system or may consist of several interconnected systems. Personal computers, microcomputers, minicomputers, multi-user systems, all standard multi-user small computer requirements contract systems, text processors, word processors, intelligent typewriters, and workstations are examples of computer systems.

Contract — Any enforceable agreement, including rental and lease agreements and purchase orders, between an agency and a business concern for the acquisition of property or services.

Documentation — Records required to plan, develop, operate, maintain, and use electronic records and software. Included are systems specifications, file specifications, code books, record layouts, user guides, and output specifications.

End User Devices— Desktops, notebooks, tablets, accessories, mobile devices (e.g., blackberry, smart phones, pagers), phones (e.g., desk phones), that are used by end users.

Enterprise License — Allows the purchasing organization to use multiple copies of a specific commercial off-the-shelf (COTS) software program, usually up to a specified number, across the organization for a set price as a more cost-effective acquisition strategy than purchase of individual copies.

Equipment — Personal property that is functionally complete for its intended purpose, durable, and nonexpendable. Equipment generally has an expected service life of two years or more; is not intended for sale; does not ordinarily lose its identity or become a component part of another article when put into use; has been acquired or constructed with the intention of being used.

Equipment Control Officer (ECO) — An individual appointed by the applicable Host/Tenant APO to manage and control Information Technology (IT) assets for an installation.

Found—on-Base (FOB) - Any IT hardware equipment found in the Unit APO-owned area that is not on the current inventory listing.

Full cost — A baseline value that includes all material costs incurred to acquire and bring the property to a form and location suitable for its intended use and, as applicable, depreciated over its useful life.

Hardware — (1) The generic term dealing with physical items as distinguished from its capability or function such as equipment, tools, implements, instruments, devices, sets, fittings, trimmings, assemblies, subassemblies, components, and parts. The term is often used in regard to the stage of development, as in the passage of a device or component from the design stage into the hardware stage as the finished object. (2) In data automation, the physical equipment or devices forming an IT system and peripheral components. See also software.

Host APO — Accountable property officer appointed by the Installation Commander to manage the Information Technology Asset Management (ITAM) program for the Installation.

Information Technology (IT) — Any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the DoD component. For the purposes of the preceding sentence, equipment is used by a DoD component if the equipment is used directly or is used by a contractor under a contract with the DoD component that (1) requires the use of such equipment; or (2), requires the use to a significant extent, of such equipment in the performance of a service or the furnishing of a product. The term Information Technology includes computers, ancillary equipment, software, firmware, and similar procedures, services (including support services) and related resources. Notwithstanding the above, the term information technology does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract (DoDD 8000.01, *Management of the Department of Defense Information Enterprise (DoD IE*).

Key Supporting Documents — Documentation needed by transaction type to support the relevant financial statement assertion. Examples include purchase invoices, contracts, DD Forms 1149, 1348-1A, 200, etc.

License Agreements — Contracts between the software publisher and the user that instructs and limits the software use. When purchasing software, the buyer only acquires a license to use it. The publisher retains the full rights to the software and has the sole right to its further distribution and reproduction.

Life Cycle Management — (1) The management of a system or item, starting with the planning process and continuing through successive management processes and associated life-cycle management phases and associated milestones, until a system is terminated. (2) A management process, applied throughout the life of an automated information system that bases all programmatic decisions on the anticipated mission-related and economic benefits derived over the life of the automated information system.

Maintenance — (1) All action taken to retain materiel in or to restore it to a specified condition. It includes: inspection, testing, servicing, classification as to serviceability, repair, rebuilding, and reclamation. (2) All supply and repair action taken to keep a force in condition to carry out its mission. (3) The routine recurring work required to keep a facility (plant, building, structure, ground facility, utility system, or other real property) in such condition that it is continuously utilized, at its original or designed capacity and efficiency, for its intended purpose. (4) The function of keeping C4 items of equipment in, or restoring them to, serviceable condition. Maintenance is not intended to increase the value, capabilities, or expected life of a system. Equipment maintenance includes servicing, repair, modification, modernization, overhaul, inspection, condition determination, corrosion control, and initial provisioning of support items. Maintenance includes both preventive and corrective actions. Software maintenance includes anticipating, detecting, and eliminating errors.

Major Command Equipment Control Officer (MECO) — The individual appointed by the MAJCOM, FOA, and DRU, or equivalent that oversees the management and control of IT assets within their area of responsibility.

Network — Two or more computers connected to each other through a multi-user system or by other electronic means to exchange information or share computer hardware or software.

Personally Identifiable Information — Any information about an individual maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and information which can be used to distinguish or trace an individual's identity, such as their name, social security number, date and place of birth, mother’s maiden name, biometric records, etc., including any other personal information which is linked or linkable to an individual.

Physical Inventory— The verification of property existence, accountable property record completion, location, and quantity. The process may also involve verifying additional information, performing reconciliations, and modifying the accountable property records. Also see ASTM International E-2135-10ae1 for voluntary consensus standards on conducting a physical inventory.

Pilferable Items — Property that has a ready resale value or application to personal possession, and that are therefore especially subject to theft.

Property — Equipment, weapon systems, and other accountable property (e.g., administrative property, special tools, special test equipment). Other types of personal property, such as supplies, material, and records, are not included in this definition unless expressly stated as being included.

Receipt — A transmission or other acknowledgment made by a receiving entity to indicate that a message, good, or service has been satisfactorily received. Receipt is often denoted by signing a situation specific form, such as DD Forms 250, 1149, "Requisition and Invoice/Shipping Document," or 1348-1A, "Issue Release/Receipt Document."

Reconciliation — The process of aligning the physical count with the quantity posted to the accountable property records, researching discrepancies, and determining inventory accuracy, i.e., calculation of loss or overage rates.

Requirement — A need for a new or improved information processing capability that, when satisfied, increases the probability of operational mission success or decreases the cost of mission support.

Reuse— The process of developing or supporting a software-intensive system using existing software assets.

Software — (1) A set of Information Technology (IT) assets programs, procedures, and associated documentation concerned with the operation of an IT system (i.e., compilers, library routines, manuals, circuit diagrams). (2) The programs, procedures, rules, and any associated documentation pertaining to the operation of data processing systems.

System— A set of IT components and their external peripherals and software interconnected with another set. Typical systems include notebook computers, desktop PCs, networked and distributed systems (e.g., servers, workstations, data management processors, etc.), mainframe and midsize computers and associated peripherals.

Tenant APO —Accountable property officer of a tenant organization for which the installation does not support Information Technology Asset Management (ITAM) for the tenant organization as stipulated in the Host Tenant Support Agreement.

Unit APO — The commander of an organization which has custodial responsibility for information technology assets.

Attachment 2

DESIGNATED ACCOUNTABLE PROPERTY SYSTEM OF RECORD (APSR) GUIDANCE

A2.1. Purpose and Scope. This attachment provides guidance for use of the designated APSR. SAF/CIO A6 has designated AFEMS-AIM as the Accountable Property System of Record for Information Technology (IT) hardware assets. The Air Force Medical Operations Agency (AFMOA) has designated the Defense Medical Logistics Standard Support (DMLSS) system as the medical War Reserve Material (WRM) IT hardware asset accountability system.

A2.2. AFEMS-AIM Roles and Responsibilities.

A2.2.1. **Primary and Alternate Major Command Equipment Control Officer (MECO).**

A2.2.1.1. Provides guidance and procedural policy to the ECOs regarding management of IT/Personal Wireless Communications Systems (PWCS) assets.

A2.2.1.2. Approves or rejects transfer of IT/PWCS assets between losing and gaining commands, (T-1).

A2.2.1.3. Reviews finalized excess reports completed by applicable ECOs and ensures appropriate action is accomplished.

A2.2.1.4. Coordinates on the establishment of a new Primary Asset Account and the IT/PWCS data system connectivity, as required.

A2.2.1.5. Manages the IT/PWCS Primary ECO user roles.

A2.2.1.6. Establishes accountability for IT/PWCS assets acquired through joint services PMs, as required.

A2.3.1. **Primary and Alternate Equipment Control Officer (ECO).**

A2.3.1.1. Loads all Information Technology (IT) and Personal Wireless Communications Systems (PWCS) asset records, (T-1).

A2.3.1.2. Ensures correct MAJCOM code is entered into AFEMS-AIM for all IT/PWCS assets in their respective DRA. Ensures the IT/PWCS asset status code(s) in AFEMS-AIM is updated as required.

A2.3.1.3. Reviews the IT asset status codes periodically to ensure the codes reflect the current status.

A2.3.1.4. Creates all new accounts within their DRA and modifies the applicable Primary and Alternate Equipment Custodians (EC), (T-1).

A2.3.1.5. Processes receipt, transfer, and disposition of Information Technology (IT) assets in AFEMS-AIM, (T-1).

A2.3.1.6. Assists the EC in determining the ownership of all Found on Base (FOB) assets, (T-2).

A2.3.1.7. Directs Unit APOs to conduct complete inventories of all assets assigned to the Unit APO (ECOs have the authority to lock Unit APO accounts until the inventories are completed), (T-1).

A2.3.1.8. Ensures all assets are labeled with CAGE Code, Part Number, and Serial Number, (T-1).

A2.3.1.8.1. If manufacturer labels do not contain proper identification, produces AFEMS-AIM-generated standard product (bar code) labels for the Unit APO, (T-1).

A2.3.1.8.2. If AFEMS-AIM-generated standard product labels cannot be produced, establishes local labels that contain proper identification and provide them to the Unit APO, (T-1).

A2.3.1.9. Adjusts inventories once loss/gain discrepancies have been reconciled, (T-2).

A2.3.1.10. Codes deployable IT/PWCS assets in the AFEMS-AIM database, (T-1).

A2.3.1.11. Prepares the necessary shipping documents for items that are excess and required by other services, (T-3).

A2.4.1. **Auditor - Requires AFECO approval.**

A2.4.1.1. Provides the capability to view AFEMS-AIM data and to produce Discoverer reports.

A2.5.1. **AFEMS-AIM User Guide.** For specific instructions on how to perform AFEMS-AIM functions, utilize the AFEMS-AIM User Guide link located on the AFECO Collaboration Site.

Attachment 3

INFORMATION TECHNOLOGY (IT) HARDWARE ENTERPRISE INVENTORY PLAN

A3.1. Purpose and Scope. The intent of this plan is to articulate the minimum requirements for performing asset/item inventories for IT hardware assets. Additional requirements that may be levied onto units by their parent MAJCOM/DRU/FOA organization will be articulated in a MAJCOM/DRU/FOA-specific Inventory Plan.

A3.2. Inventory Frequency.

A3.2.1. Assets meeting the criteria stated in paragraph 2.1.1.1. will be inventoried annually.

A3.2.2. Assets meeting the criteria stated in paragraph 2.1.1.2. will be inventoried every three years.

A3.3. Preparing for Inventory.

A3.3.1. To prepare for an asset inventory, a baseline of the asset account will be produced by the ECO and provided to the Unit APO.

A3.3.2. To assist in this process, the account owner can use a combination of asset discovery/automated inventory tools and manual identification of assets.

A3.3.2.1. The account owner can utilize enterprise asset discovery tools to perform a network scan to "discover" assets on the network that are within their account.

A3.3.3. This discovery cannot be done any earlier than one month prior to the inventory due date.

A3.3.4. One month of scanning will produce a list of assets that have been on the network at various times over that scanning period and this list can be included as a component of the inventory of a complete account.

A3.4. Performing the Inventory. To perform an asset inventory, the Unit APO:

A3.4.1. Will ensure that all assets in their account(s) have been identified.

A3.4.2. Will ensure that gains/losses against the inventory baseline are documented and reconciled.

A3.4.3. If using Automated Inventory Tool (AIT), the physical inventory can be performed only on those assets not identified using the AIT.

A3.5. Completing the Inventory. To complete an asset inventory, the Unit APO:

A3.5.1. Will ensure that the individual performing the inventory has signed, indicating that the inventory is complete and accurate.

A3.5.2. Will endorse the signed inventory with signature, accepting responsibility for the results.

A3.5.3. Will provide the completed, signed, and endorsed inventory in an electronic format to the installation ECO for record.

A3.6. Finalizing the Inventory. To finalize an asset inventory, the ECO will reconcile all gain/loss annotations in the designated Accountable Property System of Record (APSR).

A3.7. Random Sampling. Random sampling of the Information Technology (IT) asset enterprise will be performed by the AFECO to ensure that inventory requirements are being adhered to.