FINANCIAL LIABILITY INVESTIGATION OF PROPERTY LOSS (FLIPL)

Soldiers and Civilian employees may be liable for lost, damaged, or destroyed property. Financial Liability Investigation of Property Loss (FLIPL) is the administrative tool used by the Army to establish liability.

STATEMENT OF CHARGES VERSUS FLIPL

If the loss is less than one month's base pay, the command may ask the responsible individual to sign a DD Form 362, Statement of Charges/Cash Collection Voucher. Essentially, this is an admission of liability for the lost or damaged property and an agreement to pay. The command cannot force or coerce anyone to sign the statement; it must be voluntary. A FLIPL is used in situations when responsibility for the loss is in question or the amount charged is in dispute.

PROCEDURES

The FLIPL process begins when the Appointing Authority, typically a Lieutenant Colonel or above, appoints a Financial Liability Officer (FLO) to investigate the facts surrounding the loss. The FLO will be a commissioned or warrant officer, noncommissioned officer in the rank of Sergeant First Class or above, or a civilian employee GS-7 or above. The FLO must be senior in grade to the individual subject to potential liability, unless war or military exigency requires otherwise.

The FLO investigates and makes initial findings as to what happened. A copy of the findings is then given to the individual who is subject to potential liability. The individual will have 7 calendar days (or 15 calender days if mailed) to prepare and submit a rebuttal to the FLO. The FLO will consider the rebuttal, along with the findings, and make a recommendation to the Appointing Authority about who should be held liable and in what amount.

The Appointing Authority reviews the FLIPL and actions taken by the FLO. They will either request further investigation or concur with the FLO's findings. The Appointing Authority then forwards the FLIPL to the Approving Authority, who is usually a Colonel or above (most often a Brigade or Regiment Commander, or a division or installation Chief of Staff). The Approving Authority approves or disapproves the FLO's recommendation. Before making their decision, the Approving Authority receives a legal opinion that the findings are sufficient and the FLIPL was completed in accordance with AR 735-5.

To assess liability, the Approving Authority must find that 1) the person to be held liable had a duty or responsibility to take care of the property, 2) the person failed to carry out that duty (negligence), and 3) the person's failure led to the loss (proximate cause). The Approving Authority will notify the person to be charged that financial liability has been assessed. The notification will be in memorandum format and inform the person that they have the right to request reconsideration (i.e., appeal) of the approving authority's decision.

RECONSIDERATION (APPEAL LIABILITY)

A person held liable has 30 days to request reconsideration of the Approving Authority's decision to assess liability. The request returns to the Approving Authority (the FLO and the Appointing Authority are not involved). If the Approving Authority decides to continue liability, he or she will forward the request to the Appeal Authority. The Appeal Authority, usually a general officer, is the next higher commander in the chain of command. The Appeal Authority will examine all of the facts and the recommendations again. The decision of the Appeal Authority is final.

GOVERNMENT VEHICLE ACCIDENTS - WAIVER OF LIABILITY

Army Regulation 735-5 authorizes the waiver of financial liability for Government vehicle accidents caused by "simple negligence." The chain of command can use the process to document the loss and justify repairing the vehicle without taking money from the Soldier or Civilian employee involved. The waiver provision recognizes that accidents happen, and personnel should not lose pay for simple fender-benders. Personnel should ask for the waiver in their rebuttal or request for reconsideration.

POST-INVESTIGATION OPTIONS

Once the Approving Authority renders a decision, the person to be held liable still has several options to avoid losing pay. These options include the right to request remission or cancellation of the debt (enlisted personnel only), request a hearing (civilian personnel only), request an extension of the collection, or petition the Army Board for the Correction of Military Records (ABCMR) to reverse the chain of command's action.

Before a FLO can recommend financial liability to the Appointing Authority, they must determine that you were negligent (i.e., acted unreasonably or improperly) and your action caused the loss or damage to property.

LEGAL ASSISTANCE

Legal Assistance Attorneys can help you prepare your rebuttal and request for reconsideration. Before scheduling an appointment, you must have a copy of the FLIPL packet to provide to the legal office for review. You will need to prepare a draft of your rebuttal statement prior to your appointment. The Legal Assistance Office (LAO) can provide a template to ensure proper formatting; a copy of your draft should be sent to the LAO prior to your appointment. Be mindful of the deadline for submitting your rebuttal or request for reconsideration, and **allow 5 to 7 working days to adequately prepare your matters**. If this will put you beyond the suspense to submit your rebuttal or request for reconsideration, you must request an extension from the FLO.

Office of the Staff Judge Advocate
Legal Assistance Office
2600 Liberty Division Road
Fort Jackson, SC 29207
803-751-4287
usarmy.jackson.army-tng-ctr.mbx.legal-assistance@army.mil

FLIPL Preparation Sheet

Instructions

Prior to your appointment:

(1) Ensure you have read through your packet, including all the attachments. To properly rebut the FLIPL, you must know why liability is being assessed against you. In order to hold you liable, the investigating officer must have found that you willfully or negligently caused the property in question to be lost or damaged. Take note of the evidence being used to support the investigating officer's determination.

(2) Gather any documents, photos, statements, or evidence that support your position. You will need to provide a copy of all relevant documentation for scheduling. If additional information is needed, you can discuss this with the attorney during your appointment.

(3) Prepare a draft of your rebuttal using the provided template. You will need to email an editable Word document in AR 25-50 format for review prior to your appointment. Your draft rebuttal should provide answers to the following:

a. Please explain the facts regarding the property.

b. What responsibility did you have toward the property?

c. Does anyone else have responsibility for the property?

d. Have you noticed any errors in the FLIPL packet? For example, was everyone interviewed who had responsibility for the property? Was the Investigating Officer (IO) higher in grade than you? Did the IO have any responsibility toward the property?

(4) You may request an extension directly through the IO; please let us know if you are granted an extension and your new suspense date. If we are unable to schedule an appointment within the required timeline and you have difficulty obtaining an extension, please let us know for assistance. Keep in mind that:

a. Extensions CANNOT be requested for Servicemembers who choose to request an appointment the day before or day of their suspense date.

(5) You will submit your rebuttal matters to the point of contact listed in your notification memorandum. Our office does not submit matters on behalf of a client.

Office of the Staff Judge Advocate
Legal Assistance Office
2600 Liberty Division Road
Fort Jackson, SC 29207
803-751-4287