



Ministry of Defence

JSP 886 DEFENCE LOGISTICS SUPPORT CHAIN MANUAL

VOLUME 4 MATERIEL ACCOUNTING

PART 5 MATERIEL ACCOUNT CLOSURE

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

**FOR TECHNICAL REASONS, EXTERNAL LINKS ON THIS
INTERNET VERSION HAVE BEEN REMOVED.**

VERSION RECORD		
Version Number	Version Date	Details of Amendment
1.0	01 Feb 05	Initial Publication
1.1	21 Feb 12	Changes to POCs and Section 2 Paragraph 18: Closure Progress and Final Report Distribution.
1.2	24 Mar 12	Changes to POCs
2.0	08 Nov 12	Major Revision
2.1	22 Jul 13	Minor Changes to Content.

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

Contents

Contents	2
CHAPTER 1: INTRODUCTION	3
PURPOSE	3
POINTS OF CONTACT	3
GLOSSARY	3
LINKED PUBLICATIONS	3
SUPERSEDED DOCUMENTS	4
CHAPTER 2: POLICY	5
INTRODUCTION	5
POLICY	5
RESPONSIBILITIES	5
Materiel Account Owner	5
Account Closure Team (ACT)	6
Account Closure Custodian (ACC)	6
Inventory Owner	6
Other stakeholders	6
DISPENSATION	6
CHAPTER 3: PROCESS	7
MATERIEL ACCOUNT OWNER ACTIONS PRIOR TO CLOSURE	7
MATERIEL ACCOUNTING UP TO CLOSEDOWN	7
AUDIT TRAILS	8
CLOSURE RECORDS	8
PROGRESS AND FINAL REPORTS	8
LOST, MISSING OR INCOMPLETE ACCOUNTS	8
Lost or Missing Accounts	8
Account Reconstruction	9
Failure to Reconstruct an Account	9
Incomplete Accounts	9
Abandoned Accounts	9
DISCREPANCIES	10
DISPOSALS AND GIFTING	10
MOD Guidelines	10
Disposal of Assets	10
Disposal of Non-Inventory Items	10
Gifting	11
CHAPTER 4: PROCEDURES	12
ACCOUNT CLOSURE TIMETABLE	12
Twelve Month Point	12
Six Month Point	12
Three Month Point	13
Closure	13
DOCUMENTATION TO BE RETAINED FOR AUDIT	14
CANCELLATION OF UIN	14
ANNEX A: ACCOUNT CLOSURE TEAM (ACT) TERMS OF REFERENCE (TOR)	15
ANNEX B: MINIMUM REQUIREMENTS OF THE MATERIEL ACCOUNT CLOSURE PLAN (MACP)	16
ANNEX C: ACCOUNT CLOSURE CERTIFICATE	17
ANNEX D: ACCOUNT CLOSURE CHECK LIST	18

CHAPTER 1: INTRODUCTION

PURPOSE

1. The purpose of this instruction is to describe the policy, process and procedure to be followed when unit accounts are closed. It also provides a guide to the action to be taken to achieve a satisfactory standard of supply support throughout the period of drawdown.

Specific aspects covered are:

- a. The formation of an Accounts Closure Team (ACT).
- b. A programmed closure plan.
- c. The efficient and timely disposal of all stocks and in-use materiel.
- d. Maintenance of accountable and traceable audit trails.

POINTS OF CONTACT

2. Enquiries are to be addressed to:

- a. Regarding the content to the policy Sponsor:

DES JSC SCM SCO MatAcctg1
Tel: Mil: 9679 81441. Civ: 030 679 81441
Email: [DES JSC SCM-SCO-MatAcctg1](mailto:DES_JSC_SCM-SCO-MatAcctg1)

- b. Regarding the accessibility of the document:

ACDS LOGOPS Def Log Pol JSP886
Tel: Mil 9679 80953. Civ 030 679 80953
Email: [ACDS LOGOPS-Def Log Pol-JSP886](mailto:ACDS_LOGOPS-Def_Log_Pol-JSP886)

GLOSSARY

3. A glossary of Joint Support Chain terms are found at JSP 886, Volume 1, Part 1A Glossary.

LINKED PUBLICATIONS

4. The following publications are linked to this instruction:

- a. [JSP 886 Volume 3, Part 2: Contractor Logistic Support.](#)
- b. [JSP 886 Volume 3, Part 13: The Return of Materiel and Equipment.](#)
- c. [JSP 886 Volume 3, Part 15: Supply Chain Transactions](#)
- d. [JSP 886 Volume 3, Part 16: Unit Disposal.](#)
- e. [JSP 886 Volume 4, Part 2: Defence Stocktaking Policy.](#)
- f. [JSP 886 Volume 4, Part 6: Losses.](#)
- g. [JSP 886 Volume 4, Part 9: Gifting of MOD Materiel.](#)

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

- h. [JSP 886 Volume 4, Part 10: Discrepancies.](#)
- i. [JSP 329 Information Coherence for Defence.](#)
- j. [JSP 440 Defence Manual of Security.](#)

SUPERSEDED DOCUMENTS

- 5. The following publication is superseded and cancelled by this instruction.
 - a. JSP 886: Volume 4 Part 5, Version 2.0 dated 08 Nov 12

CHAPTER 2: POLICY

INTRODUCTION

1. Unit closures are usually preceded by a drawdown phase, after the announcement by MOD of the final closure date. During this phase in which the unit's technical facilities are re-deployed, disbanded, or otherwise disposed of, it remains incumbent upon the Materiel Account Owner¹, whilst supported by logistics staffs, to ensure timely and relevant action is taken to transfer or dispose of stock and in-use materiel.
2. The success of a materiel account closure will depend largely on the effectiveness of the disposals programme for materiel as well as the timely execution of a well-conceived Materiel Account Closure Plan (MACP). The plan for the disposal of materiel in stock and in-use should include carefully selected milestones to provide all levels of management with adequate advice on progress and to assist in preventing unforeseen delays.
3. Disposals planning will be affected by a number of factors which are explained in more detail in the following paragraphs; many of the policy decisions on which these factors are based will in turn depend upon central or local management directives.

POLICY

4. The closure of the unit will be as directed by the relevant Front Line Command (FLC)/Organisational Authority, but it is the responsibility of the Materiel Account Owner to manage the day-to-day closure activities. The Disposals Plan should be sufficiently flexible to take account of changes in the implementation time-scales.
5. If anything is likely to inhibit the completion of the disposals task by the final closure date, the matter must be drawn to the attention of the relevant FLC/Organisational Authority without delay. All account closure activities are to be closely monitored and any problems that may affect or delay the programme closure date are to be reported to the relevant FLC/Organisational Authority as appropriate.
6. Normal accounting standards are to be maintained during the drawdown and final closure of a unit. All accounting documents are to be progressed to completion and retained at a known location until the expiry of the retention periods specified in JSP 886, Volume 4, Part 1: Fundamentals of Materiel Accounting.
7. This policy applies to all materiel accounts held by MOD Accounting Units including assets and equipment currently held on MOD Asset Management systems.

RESPONSIBILITIES

Materiel Account Owner

8. The Materiel Account Owner (in conjunction with the Commanding Officer/Head of Accounting Unit if applicable) is responsible for ensuring full compliance with this instruction and any other relevant materiel accounting requirements as promulgated in JSP 886 Volume 4. They are specifically required to:

¹ It is expected that the Materiel Account Owner will be the Commanding Officer (CO)/Head of Accounting Unit, however, there may be occasions when this is not the case. In these instances the CO/Head Accounting Unit is to ensure that the Materiel Account Owner is fully supported by the unit logistics staff.

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

- a. Convene an Account Closure Team (ACT); a suggested team composition is given at Annex A.
- b. Task the ACT with producing a MACP. The minimum requirements of the MACP are detailed at Annex B.
- c. Agree the MACP with all relevant stakeholders.
- d. Nominate an Account Closure Custodian (ACC).
- e. Monitor progress against the MACP and provide regular feedback to stakeholders.
- f. Produce a final closure report including a Lessons Identified paper.

Account Closure Team (ACT)²

9. The ACT is to consist of key personnel from across the accounting unit's materiel accounting specialism. The ACT should be delegated the necessary authority to enable them to co-ordinate the end to end process and to complete the relevant documentation in accordance with materiel accounting policy.

Account Closure Custodian (ACC)

10. The ACC is a core member of the ACT and will act as the focal point throughout the drawdown and closure process. With day-to-day responsibility for overseeing the materiel accounting activities the ACC should have the necessary level of expertise and delegated authority to be able to deal with any issues relating to the closure process and be able to provide timely and accurate input on progress to the MACP.

Inventory Owner

11. It is the responsibility of the Inventory Owner to ensure that Materiel Account Owners are aware of the requirements contained in this instruction by including the requirement for compliance within Joint Business Agreements (JBAs), Tasking Statements, Contracts, Command Instructions and any other similar agreements between the Inventory Owner and Materiel Account Owner.

Other stakeholders

12. The closure of materiel accounting responsibilities will involve a number of stakeholders, which will vary depending on the volume and value of inventory involved. A list of stakeholders who should be involved is included at Annex A (although the list is not exhaustive); the level of representation should be determined to meet the needs of each project.

DISPENSATION

13. Where full compliance with this policy is not possible or not considered practicable a request for dispensation is to be submitted to DES JSC SCM-SCO MattAcctg for consideration. The dispensation is to be a formal application submitted via the appropriate Chain of Command and must include details of shortfalls and proposed corrective measures or checks.

² Formerly know as an Eliminating Accounts Section (EAS).

CHAPTER 3: PROCESS

MATERIEL ACCOUNT OWNER ACTIONS PRIOR TO CLOSURE

1. The Materiel Account Owner is to:
 - a. Convene the ACT and formally task them with:
 - (1) Producing the transfer and closure MACP and monitoring progress/performance against it.
 - (2) Preparing the relevant account closure and/or handover certificates as appropriate, at Annex C.
 - (3) Requesting technical procedures for the relevant Log IS from Log NEC.
 - (4) Advising inventory owners of any potential or proven losses.
 - (5) Arranging the handover and retention in accordance with JSP 886 of all account documentation on completion of the task.
 - (6) Producing the final closure report and Lessons Identified paper.
 - b. Nominate an ACC who will act as the focal point throughout the drawdown and closure process and formally task them with:
 - (1) Managing the processes required to achieve efficient, timely and accurate account drawdown and closure. See Annex B.
 - (2) Ensuring a 100% stocktake is undertaken and producing the appropriate documentation as detailed in JSP 886, Volume 4, Part 2: Defence Stocktaking.
 - (3) Ensuring balances of any stock being transferred to another accounting unit³ are accurate and all discrepancies have been resolved before the account is closed.
 - (4) Ensuring all dues-in and dues-out are cancelled.
 - (5) Ensuring materiel accounts are accurately maintained throughout the process.
 - (6) Ensuring all materiel account holdings and Articles in Use (AinU) are reduced to zero and all discrepancies and write-offs are cleared.
 - (7) Ensuring all loans are surrendered and records cleared.
 - (8) Prepare documentation to facilitate UIN closure.

MATERIEL ACCOUNTING UP TO CLOSEDOWN

2. It is recognised that Materiel Account Holders will face a significant number of challenges during the drawdown period particularly whilst maintaining support to given dependencies, however, it is essential that full accounting practices continue. The ACT

³ For the purpose of this instruction this term also applies to transfers to a third party logistics provider (3PL).

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

may seek dispensation for materiel accounting relaxation or concessions, however, these dispensations must be supported by detailed applications submitted through the appropriate Chain of Command in accordance with Chapter 2 paragraph 13.

AUDIT TRAILS

3. **Record Retention.** In accordance with JSP 886 Volume 4, Part 1: Fundamentals of Materiel Accounting, all closure documentation and associated records are to be progressed to completion and retained at a location agreed by the FLC and MOD Organisational Authority, after which time the requirement is to be reviewed by the relevant FLC focal point.

4. **Log IS.** The appropriate Command HQ/Organisation Authority is to provide direction on the retention of Log IS hardware and software with advice and assistance provided by LogNEC. Log IS records are to be retained in accordance with JSP 886 Volume 4, Part 1: Fundamentals of Materiel Accounting, however, the method of their retention (e.g. on CDs or on a server) is to be at the direction of LogNEC.

CLOSURE RECORDS

5. In order to record accurately the activities involved in drawdown and final closure, the following must be included:

- a. A full narrative report, compiled by the Materiel Account Owner through the ACT, on transfers and closures. This is to include an expanded list of problems, their solutions, assumptions adopted, lessons identified and areas of best practice established.
- b. All transfer, closure and handover certificates.
- c. A list of all IS and manual accounts subject to transfer and closure.
- d. All accounting systems documentation, to include custodial account and asset registers, write off, losses records, loan accounts. AinU registers and a closure certificate in accordance with Annex C. This statement is to provide assurances that accounting policy processes and procedures have been complied with, full audit trails have been maintained and auditable documentation has been retained.

PROGRESS AND FINAL REPORTS

6. Copies of Progress and Final Reports are to be forwarded to ACT members, accounting records custodians, SCM SCO Materiel Accounting and the appropriate FLC/Organisational Authority focal point. The Stocktaking figures are to be included in the interim and annual Stocktaking report to SCM SCO Materiel Accounting

LOST, MISSING OR INCOMPLETE ACCOUNTS

Lost or Missing Accounts

7. Where there is a loss of materiel accounting records, whether due to accidental or deliberate causes, the following action must be taken:-

- a. A full report is to be made by the ACT and submitted through the relevant chain of command for endorsement. The report is to contain the following details:

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

- (1) Description of the account.
- (2) The period covered by the account.
- (3) The circumstances of the loss.
- (4) If lost in transit details of despatch and tracing action.
- (5) State of the account at the time of loss.
- (6) Current state of the Account.

Account Reconstruction

8. An attempt is to be made to reconstruct the account from such information as may be available. This is to include details of the current state of the account and the state of the account at the time the loss occurred. A full stocktake of all the items held on the account is to be arranged immediately and the results of this are to be used as the basis for continuing the account. The account should be reconciled and any discrepancies resolved before any transfers or account closures are undertaken.

Failure to Reconstruct an Account

9. If reconstruction efforts fail to produce a full accounting record, the account must be dealt with as an Abandoned Account.

Incomplete Accounts

10. If a failure to maintain an account is discovered, the following action must be taken immediately:

- a. The account is to be brought up to date using the transaction records available.
- b. A stocktake of the full range of items in the account is to be undertaken.
- c. If the reconciliation of the account and the stocktaking results reveal serious discrepancies which are considered to be due to incomplete records or unrecorded transactions rather than errors in accounting, the account is to be dealt with as an Abandoned Account.

Abandoned Accounts

11. Proposals for the abandonment of an account are to be made to SCM SCO Materiel Accounting through the ACT and the relevant Chain of Command. The following details are to be included:

- a. A description of the account.
- b. Details of the accounting records lost.
- c. The period covered by the proposed abandonment.
- d. The circumstances of the loss and details of any investigation and reconstruction action taken.

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

- e. The reasons for concluding that abandonment is necessary.
- f. Confirmation that the current account accurately reflects the inventory held.
- g. A copy of the proposal is to be submitted to the appropriate Defence Internal Audit (DIA) centre so that technical advice on the state of the account can be given.

DISCREPANCIES

12. Discrepancies are to be progressed and actioned in accordance with JSP 886, Volume 4, Part 10: Supply Chain Transactions, however, if a Discrepancy Report (DR) is received after the disbandment of the ACT, the DR should be investigated as fully as possible. If clearance details cannot be provided, the DR is to be annotated to that effect and MOD Form 445 returned to the consignee, for loss action to be taken by the consignee in accordance with JSP 886 Volume 4 Part 6: Losses.

13. A MOD Form 2260 should then be raised to write-off the missing consignment, cross-referred to MOD Form 445 and annotated "Liability not admitted. Write-off action taken after closure of consignor unit". The MOD Form 2260 should then be linked with the second copy of the MOD Form 445 and retained for audit.

DISPOSALS AND GIFTING

MOD Guidelines

14. It is likely that MOD will issue early generalised disposals guidelines to assist units in the overall planning for materiel dispersal. These guidelines will provide units with a broad guide to the preparation of ranges for listing, (e.g. in-use Ground Equipment) and give guidance on the ranges and categories for local disposal, thereby enabling much preliminary disposal action to take place without further reference to the FLC.

Disposal of Assets⁴

15. Inventory owners are to be consulted by the ACT to identify any item requiring disposal. When disposal has been agreed guidance on the method of disposal is to be promulgated by the head of the project team. Assets that are not required to be transferred to another materiel account or accounting unit are to be listed, accounted for and disposal instructions sought in accordance with JSP 886 Volume 3 Part 16: Unit Disposal. If necessary, the advice of the Disposal Services Authority (DSA) should be sought via the project team and the appropriate Chain of Command.

Disposal of Non-Inventory Items

16. A comprehensive listing must be compiled, by category of item, with a unique serial number for each separate item if appropriate. The list is to distinguish between public funded items and those presented to the unit as gifts which should be accounted for on non-public accounts systems and the advice of the DSA is to be sought for disposal instructions.

⁴ All items currently managed on the Supply Central Computer System (SCCS) are to be disposed through Project HERCULES, until JSP 886 Volume 3, Part 16 is updated the instructions detailed on DIN2011DIN04-136 are to be followed.

Gifting

17. Detailed regulations on gifting contained in JSP 886 Volume 4, Part 9: Gifting of MOD Materiel, are to be followed. Any items gifted are to be issued from the relevant account and the details included in the closure or transfer report.

CHAPTER 4: PROCEDURES

ACCOUNT CLOSURE TIMETABLE

1. The time scales shown below are for guidance to enable stocks and materiel accounts to be drawdown to appropriate levels and, where necessary, transferred in an orderly manner. The principles set out herein should be modified to relate to changing conditions and the actions may need to be completed within a shorter time scale. A checklist is given at Annex A to assist with identification of closure activities.

Twelve Month Point

2. Following the announcement of the final closure date, the Materiel Account Owner should initiate preparation for the final closure. The following key factors are to be completed:

- a. Establishing the ACT.
- b. Production of the MACP.
- c. Consider applying for dispensation for a relaxation of materiel accounting policy.
- d. Ensure a 100% stocktake is undertaken before account closure.
- e. Ensure all AinU are mustered before account closure.
- f. Requesting any additional instructions from FLC/Organisational Authority on procedures to be followed for stocktaking and AinU musters for the drawdown period.
- g. Ensure adequate and valid delegations are in place to cover the entire drawdown period.
- h. Promulgation of technical procedures (see paragraph 6).
- i. Promulgation of local instructions to review all stores and equipment holdings in view of the drawdown programme.
- j. Issue of a written notice to inventory owners on the closure of the Unit to enable early identification of surpluses and associated disposal instructions.
- k. Demand any additional packaging that may be required to facilitate transfer/disposal of stock.

Six Month Point

3. Drawdown procedures should be in place, however the following are to be actioned by the ACC no later than 6 months before closure:

- a. Investigate and resolve discrepancies revealed during the period of drawdown.
- b. Ensure there are no overdue planned repair dues-in, including outstanding CLS repairable items.
- c. Ensure there are no overdue planned loans dues-in.

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

- d. Initiate agreed disposals programme.
- e. Review progress against the MACP.
- f. Review progress against Log IS technical procedures.
- g. Inform FLC/Organisational Authority of any issues that may impact on the Unit's ability to meet the planned closure date.
- h. Agree a location to store the closure report and records with relevant parties in accordance with Chapter 3, Paragraph 3 and a custodian nominated.

Three Month Point

4. Drawdown procedures should now be well advanced. The following actions are to be taken without delay to facilitate a timely closure:
- a. Demands are to be restricted to essential requirements only with Log IS support to limit demand redirection.
 - b. Outstanding demands for items no longer required are to be cancelled.
 - c. Where possible loan registers and associated dues are to be cleared.
 - d. Dues in to Base Inventory accounts are to be cancelled or redirected by the Inventory Owner.

Closure

5. The ACT Leader is to ensure that all accounting activities have been progressed and completed in accordance with the MACP, in particular:
- a. A final check is to ensure that balances on stock and AinU accounts have been reduced to zero. Any discrepancies and Loss action is to be included in the closure stocktaking report.
 - b. The final stocktaking report has been submitted to the relevant FLC/Organisational Authority.
 - c. Log IS technical procedures have been followed and transaction histories extracted and archived as appropriate.
 - d. The closure report has been submitted along with the closure certificate.
 - e. Materiel accounting records and files to be retained for audit purpose have been transferred to the nominated recipient.

Log IS TECHNICAL PROCEDURES

6. Exact details will vary depending on the version of Log IS in use, however the following represents the generic details that need to be included in the guidance:
- a. Documentary evidence, extracted to electronic media, to support that all stock balances, AiU balances, dues and associated records are reduced to zero with

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

complete transaction histories (including details of serial numbers and batch numbers where appropriate).

- b. Controls to prevent any future user logging on to the account and thereby create uncontrolled transactions post certification of closure.
- c. Controls to prevent a user at any other unit from creating a transaction that would raise a due-in on the closed account.
- d. Identification of all dues-in held by other units, resulting from issues from the closing unit, to ensure that they are receipted and/or any discrepancies resolved prior to finalisation of the closure.
- e. Process for obtaining bulk data extracts and for ensuring that any anomalies in the data can be resolved promptly.

DOCUMENTATION TO BE RETAINED FOR AUDIT

7. The ACT is to assemble, and pass, the following to the nominated recipient:
 - a. Vouchers and records audited by ACT and required for retention pending destruction. These records are to be clearly identified by unit, period of accounts and the date due for destruction.
 - b. Uncleared vouchers and records, including records which have been filed awaiting audit. These should be fully indexed and contained in cardboard boxes.
 - c. Voucher registers including prints of electronic registers where appropriate, certified at last entry, together with a list of any outstanding vouchers. Registers are to be checked against vouchers held to ensure that all vouchers are presented and that accounting copies of outstanding vouchers are held.
 - d. Write-offs, DRs and related correspondence.
 - e. Stocktaking documents.
 - f. Hand Over/Take Over Certificates.
 - g. Disposal records.
 - h. Log IS Account Transaction Records.
 - i. A copy of the Final Closure Report.

CANCELLATION OF UIN

8. Procedures on closing down a UIN are detailed in JSP 329: Information Coherence for Defence, Chapter 7: Defence Unit Identity Number - Policy and Management.

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

ANNEX A: ACCOUNT CLOSURE TEAM (ACT) TERMS OF REFERENCE (TOR)

(Introduced at Chapter 2, Paragraph 8a)

1. An Account Closure Team (ACT) is to be convened for each unit closure. The level of representation on the ACT is to be decided in accordance with individual unit structures, however, where possible, it is recommended that this should be at OF3/OF4 level. As a minimum each ACT is to include the core members detailed in the following TOR template.

Account Closure Team Terms of Reference

(Unit name)(UIN)is to close by(date). All materiel, associated accounts and supporting documentation to be cleared prior to closure. The administrative closure of the Unit may not be regarded as complete while any accounting issues remain outstanding.

In accordance with JSP 886, Volume 4, Part 5: Materiel Account Closure the task of progressing the account closure activities is undertaken by the ACT, formed on..... (date).

Stakeholders/Membership

1. Core stakeholders/members:
 - a. Materiel Account Owner or representative (Note 1) (Closure Team Leader).
 - b. Materiel Account Holder.
 - c. Account Closure Custodian.
 - d. Appropriate Logistics Staff.
 - e. JSC Log NEC (technical guidance)
2. Additional stakeholders/ members (Note 2).
 - a. Front Line Command (Supply Chain issues).
 - b. SCM SCO (Materiel Accounting and associated policy issues).
 - c. TLB Finance staff (finance related policy issues).
 - d. Disposal Services Authority (DSA) (Disposals, Sales or Gifting issues).
 - e. Contractor.
 - f. Inventory Owner(s).

Objectives

3. Produce Materiel Account Closure Plan (MACP).
4. Facilitate timely closure of account and all associated accounting activities:
 - a. Ensure all account holdings are reduced to zero (Note 3).
 - b. Preparation, progression and recording of accounting records.
 - c. Ensure all discrepancies and write-offs are cleared.
 - d. Destruction of any vouchers and/or records that have exceeded the required retention period.
 - e. Identification of recipient of accounting records and files post unit closure (Note 4).
 - f. Provide progress reports to stakeholders.
 - g. Identify risks and issues and report to FLC/Organisational Authority accordingly.
 - h. Produce closure certificate.
 - i. Produce final closure report.

Notes:

1. Any nominated representative must be in possession of the necessary authority and delegations to fulfil their duties.
2. The list is not exhaustive and whilst it may be impractical to have representation from each of these organisations it is expected that their advice will be sought before decisions are taken in any of their specific areas.
3. This is to include all dues in/dues out and any items held on repair accounts, Fixed Asset Registers and/or MERLIN or MAESTRO.
4. Utilising the MOD/TNT Pan Government Archiving Contract.

ANNEX B: MINIMUM REQUIREMENTS OF THE MATERIEL ACCOUNT CLOSURE PLAN (MACP)

(Introduced at Chapter 2, Paragraph 8b)

1. An MACP is to be produced by the ACT and endorsed by the relevant FLC for all closures of a MOD accounting unit. Detailed below are the minimum requirements to be included.
2. The MACP is to include **all** of the following:
 - a. Details of processes put in place to maintain full materiel accounting activity during drawdown period and to ensure efficient, timely and accurate closure.
 - b. Membership of the ACT (including contact details).
 - c. Dispensations required/requested/approved for the relaxation of materiel accounting processes during drawdown and closure.
 - d. Details of all accounts to be closed i.e. main stock account, articles in use etc. and all loans that are to be surrendered.
 - e. Details of technical procedures to be followed to ensure that Log IS accounts are properly archived and that controls are in place to prevent potential mis-use of the account.
 - f. Recipient of accounting records and transaction histories for audit purpose.
 - g. Programme for submitting final returns.
 - h. Key milestones and target dates:
 - (1) Closure date.
 - (2) Date for inventory to be transferred/disposed.
 - (3) Date for producing technical procedures for relevant Log IS.
 - (4) Date for producing progress reports for stakeholders.
 - (5) Date for transferring accounting records to nominated recipient.
 - (6) Date for producing closure certificates and closure report.
 - (7) Date of UIN closure.
 - i. Disposals programme.
 - j. Full audit trails in accordance with JSP 886 Volume 4 Part 1: Fundamentals of Materiel Accounting.
 - k. Risks and mitigating factors.

The MACP is to be agreed by all stakeholders and it is the responsibility of the ACT Leader to monitor progress and report to the FLC/Organisational Authority accordingly.

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

ANNEX C: ACCOUNT CLOSURE CERTIFICATE

(Introduced at Chapter 3, Paragraph 1a (2))

ACCOUNT CLOSURE CERTIFICATE	
Accounting Unit Name:	
UIN:	
Account Details (to include main stock account, Articles in Use and Loans):	
<p>This is to certify that the above materiel accounts have been closed/transferred to in accordance with JSP 886 Volume 4, Part 5: Materiel Account Closure.</p> <p>All accounts have been reduced to zero and all discrepancies fully investigated and resolved. Where appropriate loss action has been taken and the details are included in the loss register.</p> <p>Full audit trails have been preserved and documentation is available for scrutiny as necessary. This information is located at:</p>	
Materiel Account Owner	
Signed: Rank/Grade:	
Name (Block Letters): Date:	
Distribution:	
FLC (for retention) SCM-SCO Materiel Accounting	

ANNEX D: ACCOUNT CLOSURE CHECK LIST

(Introduced at Chapter 4, Paragraph 1)

Closure Activities

1. Materiel Accounts:

- a. Record and observe the final date for account reconciliations and resolution of discrepancies.
- b. Record and observe the final date for the investigation and reporting of losses.
- c. Promulgate technical procedures for relevant Log IS and ensure data extracts are completed.
- d. Produce records of stocktaking and managerial examination of materiel accounts (not less than two years).
- e. Identify responsibility, including security arrangements, for classified material as required by JSP 440: Defence Manual of Security.
- f. Produce pre-closure inspection reports.
- g. Produce loss registers and details of any outstanding applications for write-off.
- h. Produce all vouchers (boxed). Boxes to be numbered and captioned and accompanied by a list detailing box numbers and contents.
- i. Obtain disposal instructions for:
 - (1) Inventory.
 - (2) Articles in Use.
 - (3) Storage media used by facility.
 - (4) Defence Accommodation Stores.
 - (5) Warehouse Equipment, including Jigs Tools and Test Equipment (JTTE).
 - (6) Fixed Assets.
 - (7) MT/MHE.
 - (8) Non-inventory items.
 - (9) Non-publically funded and/or gifted items.
 - (10) MOD IT equipment and Log IS.
 - (11) Accountable documents.
 - (12) Classified documents.

INTERNET VERSION – MASTER IS ON THE DEFENCE INTRANET

(13) Vouchers linked and filed.

j. Ensure the following:

- (1) Diversion of receipts.
- (2) Amendment cancellation of dues-in.
- (3) Resolution of all outstanding discrepancies.
- (4) Cancellation/redirection of dues-out.
- (5) Returns records are cleared.

k. Turn off auto restock.

l. Return of any Loan items.

m. All transfers to be properly vouchered.

n. All materiel accounts are to be reduced to zero.

o. List any uncleared Issue Vouchers, Issue Transaction Summary (MOD Form 458) and any other relevant documentation.

p. Identify date(s) for change of status or cancellation of UIN(s).

2. **Closure Report.** The ACT is to produce a final closure report consisting of:

a. List of accounts closed, and supporting documentation.

b. A copy of the stocktaking Count Complete Report in accordance with JSP 886 Volume 4, Part2: Stocktaking.

c. A covering narrative report.

3. **Guidance.** The above list is not exhaustive and ACTs are to seek guidance from the relevant FLC/Organisational Authority.