

# AR 735-5 Property Accountability Policies Practice Test (Sample)

## Study Guide



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**SAMPLE**

## **Questions**

- 1. What must an FLO do if financial liability is not recommended?**
  - A. Forward DD Form 200 to the appointing authority**
  - B. Notify the involved parties of their financial liability**
  - C. Keep all records confidential**
  - D. Conduct a follow-up investigation**
- 2. What should not occur according to property accountability policies?**
  - A. Inventorying property once a year**
  - B. Hiring personnel without property management training**
  - C. Giving or accepting documents for missing items**
  - D. Loaning equipment with proper forms**
- 3. Which of the following is not a consequence of poor property accountability?**
  - A. Disciplinary action**
  - B. Financial gain**
  - C. Mission readiness issues**
  - D. Financial loss**
- 4. What does the memorandum of intent for charges relate to?**
  - A. Assessment of financial liability**
  - B. Introducing new regulations**
  - C. Terminating employment contracts**
  - D. Documentation of property audits**
- 5. Who is primarily responsible for ensuring compliance with AR 735-5?**
  - A. The unit commander**
  - B. Every soldier in the unit**
  - C. The property book officer**
  - D. The supply sergeant**

- 6. What is the main goal of property accountability?**
- A. To eliminate theft**
  - B. To ensure records are kept accurately**
  - C. To guarantee proper use and care of Government property**
  - D. To simplify financial audits**
- 7. What type of information should be regularly updated in property records?**
- A. Only financial data related to the property**
  - B. Inventory levels, condition reports, and location updates**
  - C. Customer feedback about the property**
  - D. External market trends that affect property value**
- 8. How is responsibility defined in the context of Government property?**
- A. The obligation to report missing items**
  - B. The obligation to ensure proper custody and use of property**
  - C. The obligation to provide training about property**
  - D. The obligation to maintain financial records**
- 9. How should discrepancies in property records be handled?**
- A. They can be ignored if they are minor**
  - B. They must be investigated, documented, and corrected accordingly**
  - C. They should be reported but not necessarily corrected**
  - D. They are fixed during the next annual audit**
- 10. How often should property inventories be conducted?**
- A. Once a month**
  - B. At least annually, or as required by the unit's policies**
  - C. Only during the annual training cycle**
  - D. There is no set schedule for inventory**

## **Answers**

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1. A
2. C
3. B
4. A
5. A
6. C
7. B
8. B
9. B
10. B

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## **Explanations**

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**1. What must an FLO do if financial liability is not recommended?**

- A. Forward DD Form 200 to the appointing authority**
- B. Notify the involved parties of their financial liability**
- C. Keep all records confidential**
- D. Conduct a follow-up investigation**

The correct response involves the procedure that must be followed when financial liability is not recommended, which entails forwarding the DD Form 200 to the appointing authority. This form is a crucial document in the financial liability investigation of property loss. If the determination is that financial liability is not warranted, it is critical to formally communicate this finding to the appointing authority for proper record-keeping and resolution of the case. By forwarding the DD Form 200, the FLO ensures that the investigation's results and recommendations are captured in an official manner, allowing for appropriate actions to be taken regarding the involved parties and their accountability. This step is necessary to maintain transparency and uphold proper accountability standards within the property management process. The other choices relate to actions that would not be appropriate or necessary if financial liability is not recommended. For instance, notifying involved parties of their financial liability is irrelevant if liability is indeed not recommended. Keeping all records confidential does not align with the requirements for documenting findings appropriately, and conducting a follow-up investigation is unnecessary if the initial investigation has already concluded with the finding that no financial liability should be assigned.

**2. What should not occur according to property accountability policies?**

- A. Inventorying property once a year**
- B. Hiring personnel without property management training**
- C. Giving or accepting documents for missing items**
- D. Loaning equipment with proper forms**

The acceptance or granting of documents for missing items goes against property accountability policies because this practice undermines the integrity of asset management and accountability. When items are reported as missing, it is essential to conduct thorough investigations rather than simply documenting the loss without following proper protocols. Accepting documents that acknowledge missing items can create accountability issues, obscuring the true status of property, and can lead to further discrepancies in inventory. Proper accountability requires that all property is tracked and reported accurately, ensuring that there are no losses that go unaddressed. This not only helps maintain accurate records but also reinforces responsibility among personnel managing the property. The policies are designed to help maintain financial integrity and operational effectiveness, which is compromised when wrong practices, such as accepting documents for missing items, are followed.

**3. Which of the following is not a consequence of poor property accountability?**

- A. Disciplinary action**
- B. Financial gain**
- C. Mission readiness issues**
- D. Financial loss**

The option indicating "financial gain" is the correct choice because poor property accountability typically leads to negative consequences rather than positive outcomes. When accountability is lacking, it can result in significant financial losses due to untracked or improperly managed assets. These financial losses can manifest as the need for replacements, unplanned expenditures, or increased operational costs that arise from inefficiencies. Additionally, poor accountability can lead to disciplinary action against responsible personnel, as it reflects a failure to adhere to required standards and procedures. This can negatively impact mission readiness, as the unavailability of necessary property or equipment can hinder the ability to fulfill operational requirements. In summary, while poor property accountability has serious repercussions, including financial loss, disciplinary actions, and threats to mission readiness, gaining financially as a result is not a realistic outcome.

**4. What does the memorandum of intent for charges relate to?**

- A. Assessment of financial liability**
- B. Introducing new regulations**
- C. Terminating employment contracts**
- D. Documentation of property audits**

The memorandum of intent for charges specifically relates to the assessment of financial liability. This document serves as a formal notification to an individual regarding the potential financial responsibility they may incur due to negligence, mishandling, or loss of government property. It is part of the process to ensure that accountability measures are in place and that individuals understand the implications of their actions regarding property management. In the context of property accountability, this memorandum outlines the basis for the claim of financial liability, allowing the affected parties an opportunity to respond or present their case. This is essential in upholding accountability standards and ensuring that service members or employees are aware of their obligations toward government assets. The other options do not align with the primary purpose of the memorandum. For instance, introducing new regulations pertains to policy updates, which is separate from matters of individual financial responsibility. Terminating employment contracts relates to human resource management rather than property accountability. Documentation of property audits involves record-keeping and assessment processes but does not specifically address the financial implications for individuals, which is the focus of the memorandum of intent for charges.

**5. Who is primarily responsible for ensuring compliance with AR 735-5?**

- A. The unit commander**
- B. Every soldier in the unit**
- C. The property book officer**
- D. The supply sergeant**

The correct choice reflects that the unit commander holds the primary responsibility for ensuring compliance with AR 735-5, which governs property accountability policies within the Army. The role of the unit commander encompasses overall leadership and operational effectiveness, making them accountable for the management of unit property. This includes ensuring that all personnel adhere to property accountability standards, maintaining accurate records, and conducting regular inventories. The unit commander is responsible for establishing a culture of accountability and readiness, which is crucial for mission success. They must ensure that policies are implemented effectively and that all personnel understand their responsibilities regarding military property. While other roles, such as the property book officer and supply sergeant, have specific responsibilities related to the management and oversight of property, it is ultimately the unit commander who is accountable for maintaining compliance with regulations like AR 735-5.

**6. What is the main goal of property accountability?**

- A. To eliminate theft**
- B. To ensure records are kept accurately**
- C. To guarantee proper use and care of Government property**
- D. To simplify financial audits**

The primary goal of property accountability is to ensure the proper use and care of Government property. This encompasses not only safeguarding the property against misuse and deterioration but also ensuring that it is utilized effectively to support mission requirements. Proper use and care involve maintaining an accurate understanding of what property is available, its condition, and how it is being utilized in operations. While eliminating theft, accurate record-keeping, and simplifying audits are important aspects of property management, they are not the overarching goal of accountability itself. Rather, they support the broader objective of ensuring the appropriate stewardship and functional utilization of property. Focusing on the proper use and care solidifies the foundation of accountability, as it ultimately ties back to the responsible management of taxpayer resources and sustaining operational readiness.

**7. What type of information should be regularly updated in property records?**

- A. Only financial data related to the property**
- B. Inventory levels, condition reports, and location updates**
- C. Customer feedback about the property**
- D. External market trends that affect property value**

Keeping property records regularly updated is crucial for maintaining accurate accountability and management of assets. Regular updates should include inventory levels, condition reports, and location updates to ensure that the records reflect the current status of each item. Inventory levels provide insight into what is available and what may need replenishing, which is essential for effective management and planning. Condition reports offer an assessment of the physical state of the property, which is vital for determining maintenance needs and ensuring that all assets remain in good working order. Location updates keep track of where each item is physically stored or in use, allowing for efficient retrieval and usage. While financial data, customer feedback, and external market trends are important in their own contexts, they do not constitute the core elements necessary for day-to-day property accountability. Financial data, while relevant, does not provide real-time insight into the physical status or location of property. Customer feedback, while potentially beneficial for service improvement, does not directly impact the tracking and management of property accountability. Similarly, external market trends can impact financial strategies but are not critical for the records needed to track and manage property effectively.

**8. How is responsibility defined in the context of Government property?**

- A. The obligation to report missing items**
- B. The obligation to ensure proper custody and use of property**
- C. The obligation to provide training about property**
- D. The obligation to maintain financial records**

Responsibility in the context of Government property is defined as the obligation to ensure proper custody and use of property. This definition encompasses the idea that individuals or entities assigned responsibility for Government property must take necessary actions to maintain, safeguard, and utilize the property effectively. This includes overseeing that the property is stored correctly, used for its intended purpose, and protected against loss, damage, or misuse. Proper custody implies a physical and managerial aspect, where responsible parties are accountable not just for the property itself but also for the actions of those who may have access to it. This is vital for maintaining the integrity and functionality of Government property, ensuring that it serves its intended purpose and is available for official use. In contrast, the other options speak to various important aspects of property management but do not encapsulate the broader definition of responsibility. Reporting missing items focuses on accountability after a loss occurs rather than proactive custody. Providing training about property addresses education and protocol but does not inherently define responsibility for custody and use. Maintaining financial records is essential for tracking and accountability but is a separate function from the direct management and safeguarding of the property itself.

## 9. How should discrepancies in property records be handled?

- A. They can be ignored if they are minor
- B. They must be investigated, documented, and corrected accordingly**
- C. They should be reported but not necessarily corrected
- D. They are fixed during the next annual audit

When discrepancies in property records arise, they must be thoroughly investigated, documented, and corrected accordingly. This approach is essential to maintain accurate property accountability and ensure compliance with AR 735-5 guidelines. Investigating discrepancies allows for identifying the root cause of the issue, which may involve determining whether the discrepancy arises from clerical errors, misplacement of items, or theft. Documenting these discrepancies is crucial as it provides a clear record of the findings and actions taken, which is important for auditing trails and organizational accountability. Correcting the discrepancies ensures that the property records reflect the true status of assets, thereby supporting proper resource management and fiscal responsibility. Handling these issues appropriately reinforces the integrity of the property management system and minimizes potential risks associated with unaccounted or mismanaged property. In contrast, ignoring discrepancies, merely reporting them, or deferring fixes until the next annual audit can lead to significant oversights, potential legal issues, and a lack of accountability, which undermines the effectiveness of property management practices within the organization.

## 10. How often should property inventories be conducted?

- A. Once a month
- B. At least annually, or as required by the unit's policies**
- C. Only during the annual training cycle
- D. There is no set schedule for inventory

Conducting property inventories at least annually, or as dictated by the unit's policies, is essential for maintaining accurate records and ensuring accountability of government property. This requirement aligns with the principles outlined in AR 735-5, which emphasizes the importance of regular checks to prevent loss, misappropriation, or theft of property. Annual inventories help organizations track their assets effectively and confirm that all items are accounted for. This practice not only aids in routine management but also plays a critical role during audits and inspections where verifying the existence and condition of property is necessary. The unit's policies may dictate a more frequent inventory schedule depending on the type of property or operational needs, which reinforces the flexibility built into this requirement to adapt to specific circumstances. The other options suggest methods that either do not align with the established guidelines or lack the necessary regularity to ensure effective property management. Therefore, the best approach is to adhere to an annual inventory schedule as a standard practice, while remaining open to more frequent assessments as warranted by specific situational needs.