

VOLUME 12, CHAPTER 25: “DISPOSITION OF NON-DOD PERSONAL PROPERTY”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [November 2019](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Administrative updates in accordance with the Department of Defense (DoD) Financial Management Regulation Revision Standard Operating Procedures.	Revision

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CHAPTER 25

DISPOSITION OF NON-DOD PERSONAL PROPERTY

1.0 GENERAL

1.1 Purpose

This chapter prescribes the policy for the disposition of lost, abandoned, or unclaimed non-Department of Defense (DoD) personal property and the personal property of deceased members of the Armed Forces. This policy applies when disposing of non-DoD personal property under the jurisdiction of a Military Department, or the Department of Homeland Security as prescribed in Title 10, United States Code, section 2575 ([10 U.S.C. § 2575](#)).

1.2 Authoritative Guidance

The financial management policy and related requirements prescribed by this chapter are in accordance with the applicable provisions of:

1.2.1. 10 U.S.C. § 2575, “Disposition of unclaimed property”;

1.2.2. [10 U.S.C. § 7712](#), “Disposition of effects of deceased persons by summary court – martial”;

1.2.3. [10 U.S.C. § 8392](#), “Disposition of effects”; and

1.2.4. [10 U.S.C. § 9712](#), “Disposition of effects of deceased persons by summary court – martial.”

2.0 DISPOSITION OF UNCLAIMED PROPERTY

2.1 General Policy

2.1.1. The Secretary of any Military Department, and the Secretary of Homeland Security, under such regulations as they may respectively prescribe, may each by public or private sale or otherwise, dispose of all lost, abandoned, or unclaimed personal property that comes into the custody or control of the Secretary’s department, other than property subject to 10 U.S.C. §§ 7712, 8392, or 9712. Property subject to paragraph 2.3 is exempted from the requirements. Requirements for the disposition of personal property of deceased members of the Army and Air Force are in section 3.0 Requirements for the disposition of personal property of deceased members of the Navy and Marine Corps are in section 4.0.

2.1.2. Property may not be disposed of until a diligent effort has been made to find the owner (or the heirs, next of kin, or legal representative of the owner). A diligent effort to find the owner (or the heirs, next of kin, or legal representative of the owner) must begin, to the maximum extent practicable, not later than 7 days after the date on which the property comes into the custody

or control of the Secretary having immediate jurisdiction. The period for which that effort is continued must not exceed 45 days.

2.1.3. Notice of the time and place of the intended sale or other disposition must be sent by certified or registered mail to the applicable owner (or heirs, next of kin, or legal representative of the owner) at their last known address. If the owner (or the heirs, next of kin, or legal representative of the owner) is determined but not found, the property may not be disposed of until the expiration of 45 days after the date the notice is sent to the owner (or the heirs, next of kin, or legal representative of the owner).

2.1.4. When a diligent effort to determine the owner (or heirs, next of kin, or legal representative of the owner) is unsuccessful, the property may be disposed of without delay. If the property has a fair market value of more than \$300, it may not be disposed of until 45 days after the date it is received at the point of storage designated by the Secretary.

2.2 Distribution of Proceeds

The proceeds from the sale of lost, abandoned, or unclaimed personal property found on a military installation, must be credited to the operation and maintenance account that funds the operations of that installation and be used to reimburse the installation for any costs incurred during the collection, transportation, storage, protection, or selling of the property. Any proceeds which remain after the reimbursement of installation expenses must be utilized to support morale, welfare, and recreation activities under the jurisdiction of the armed forces that are conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the armed forces at such installation. The net proceeds from the sale of other property under paragraph 2.1 must be deposited into the U.S. Department of the Treasury (Treasury) as miscellaneous receipts.

2.3 Restrictions

No property covered by this section may be delivered to the Armed Forces Retirement Home by the Secretary of a Military Department, except papers of value, sabers, insignia, decorations, medals, watches, trinkets, manuscripts, and other articles valuable chiefly as keepsakes.

2.4 Claims for Proceeds

The owner (or heirs, next of kin, or legal representative of the owner) of personal property whose proceeds were credited to a military installation may file a claim with the Secretary of Defense for an amount equal to the proceeds less costs referred to in paragraph 2.2. Amounts to pay the claim must be drawn from the morale, welfare, and recreation account for the installation that received the proceeds. The owner (or heirs, next of kin, or legal representative of the owner) may file a claim with the Secretary of Defense for proceeds deposited at Treasury as well. Unless a claim is filed under this section within 5 years after the date of the disposal of the property to which the claim relates, the claim may not be considered by either the Secretary of Defense or a court. The responsibility of the Secretary of Defense to consider such claims has been delegated to the Under Secretary of Defense (Personnel and Readiness).

3.0 ARMY AND AIR FORCE DISPOSITION OF PERSONAL PROPERTY OF DECEASED MEMBERS

3.1 General Policy

Upon the death of a person subject to military law and under the jurisdiction of the Army or Air Force, or upon the death of a resident of the Armed Forces Retirement Home; the commanding officer must permit the legal representative or the surviving spouse of the deceased, if present, to take possession of the effects of the deceased that are then in camp, air base, or quarters. If there is no legal representative or surviving spouse present, the commanding officer must direct a summary court-martial to collect the effects of the deceased that are then in camp, air base, or quarters. The summary court-martial may collect debts due the decedent by local debtors and pay undisputed local creditors of the deceased (to the extent permitted by the monetary assets of the deceased in the court's possession). Receipts for payments made from the estate of the deceased must be filed with the court's final report to the Department of the Army or Air Force.

3.2 Distribution of Personal Property

As soon as practicable after the collection of the personal effects and monetary assets of the deceased, the summary court-martial must, at the expense of the United States, send the personal effects and monetary assets to one of the living persons, in the order of precedence shown on the following list, who is found by the court:

- 3.2.1. The surviving spouse or legal representative.
- 3.2.2. A child of the deceased.
- 3.2.3. A parent of the deceased.
- 3.2.4. A brother or sister of the deceased.
- 3.2.5. The closest next of kin of the deceased.
- 3.2.6. The beneficiary named in the will of the deceased.

3.3 Time Limits

If the summary court-martial cannot dispose of the effects as stated in paragraph 3.2 because there are no persons in any of the categories listed, or because the addresses of such persons are not known or are not available, the court may convert the effects of the deceased into cash by public or private sale. However, the sale may not occur until 30 days after the date of death of the deceased. Items listed in paragraph 2.3 may not be sold.

3.4 Final Disposition of Personal Effects

As soon as practicable after the effects have been converted into cash, the summary court-martial must relinquish custody of all cash and all receipts relating to cash transactions to the executive part of the Department of the Army or Air Force. Wills or other papers of value, an inventory of personal effects, and articles whose sale is not permissible also must be placed under the jurisdiction of the executive part of the Service of which the deceased was a member. All items received by the executive part of the Army or Air Force must be delivered to the Armed Forces Retirement Home.

4.0 NAVY AND MARINE CORPS DISPOSITION OF PERSONAL PROPERTY OF DECEASED MEMBERS

4.1 General Policy

The Secretary of the Navy must retain custody of money or other personal property of a deceased member of the Naval Service and make a diligent effort to determine and locate the heirs or next of kin of the deceased member. Property remaining unclaimed 2 years after the death of the member must be sold, and the proceeds, together with any other monetary assets of the member held in custody, must be deposited into the Treasury as miscellaneous receipts.

4.2 Recoupment

Within 5 years after the date the money and proceeds are deposited into the Treasury, any claim that is presented, and supported by competent proof, must be certified to Congress for consideration. **After** the 5-year period, claims may not be accepted, and the requestor must be notified that the time limit for submitting a claim has expired.