



ASSISTANT SECRETARY OF WAR
3400 DEFENSE PENTAGON
WASHINGTON, DC 20301-3400

ENERGY, INSTALLATIONS,
AND ENVIRONMENT

January 23, 2026

MEMORANDUM FOR:

COMMANDER, UNITED STATES ARMY CORPS OF ENGINEERS
NAVAL FACILITIES ENGINEERING SYSTEMS COMMAND
(NAVFAC) PLANNING
DESIGN AND CONSTRUCTION (PDC)
AIR FORCE CIVIL ENGINEER CENTER FACILITY ENGINEERING
DIRECTORATE (CF)
ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS
(FINANCIAL OPERATIONS)
ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS
(ENERGY, INSTALLATIONS & ENVIRONMENT)
WASHINGTON HEADQUARTERS SERVICES
DEFENSE AGENCY AND DOD FIELD ACTIVITY, CHIEF FINANCIAL
EXECUTIVES
DEFENSE AGENCY AND DOD FIELD ACTIVITY, DIRECTORS OF
FACILITIES

SUBJECT: Transfer and Acceptance of Real Property and Relief of Construction-in-Progress Funds

Joint memorandum *Real Property Construction-in-Progress Accounting Policy (FPM23-05) and Asset Documentation Timeliness* dated January 22, 2024, from the Deputy Assistant Secretary of Defense for Infrastructure Modernization and Resilience (DASD(IM&R)) and the Deputy Chief Financial Officer, Office of the Undersecretary of Defense (Comptroller), mandates specific timeframes for the transfer and acceptance of Real Property and the relief of Construction in Progress (CIP) funds. Analysis by my office indicates current practices are not consistently meeting these established timeframes, and in some cases not ever being completed. Without addressing these critical execution gaps, DoD will be unable to achieve the clean audit opinion mandated by the Secretary of Defense memorandum *Achieving a 2028 Unmodified Financial Statement Audit Opinion*, dated June 16, 2025.

Effective immediately, beneficial occupancy may not be granted without a completed interim or final DD Form 1354 "Transfer and Acceptance of DoD Real Property." This applies to all real property assets currently under construction or already constructed but not yet recognized and recorded in the Real Property Accountable Property System of Record (APSR). At a minimum, the DD Form 1354 must be documented with a Real Property Unique Identifier and monetary expenditure data supporting CIP relief and APSR recording.

Strict adherence to these procedures is critical to ensure accurate and timely financial reporting, supporting the DoD's audit readiness efforts. Failure to comply with these requirements may result in delayed project completion, inaccurate financial reporting, and

potential audit findings. My point of contact is Angel Rosario, Director, Real Property Accountability, Office of the DASD (IM&R) at angel.j.rosario.civ@mail.mil or 202-604-1009.

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