



# Asset Posture Above Allowance/Repair (APAAR)

*Presented to:*

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*Presented by:*

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# Agenda

- Define APAAR
- Detail its impact and risks
- Examine the key drivers and solutions
- Review Exemption and Examples

## APAAR Team

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# What is APAAR?

- Asset Posture Above Allowance/Repair (APAAR) are Navy Working Capital Fund (NWCF) assets in excess of approved or contracted quantities

## Above Allowance

More Ready-For-Issue (RFI) assets in stock than the approved limit.

## Above Repair

More Not-Ready-For-Issue (NRFI) assets on hand than are contracted for repair.

# Impacts & Risks

## Increased Audit risk:

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- Non-compliance with DoD policies and FIAR guidance regarding contractual coverage and agreements
- Increasing possibility for discrepancies if assets not being counted during annual W2W or confirmation submissions

## Increased financial and resource burden for both the site and NAVSUP

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- Accounting for assets during audits
- Storing assets not on contract
- Potential liability risk if assets are lost, damaged, or destroyed

## Negative impact on Fleet Readiness

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- RFI assets not flowing timely to a DD to fill requisitions
- J condition not returning to ATAC hub for reprocessing to proper repair facility

# APAAR Drivers and Solutions

## Key Driving Factors:

- Contract modifications/expiration
- J condition Misdirected/Misidentified Material
- H condition assets reported as F condition
- A condition not shipping to DD timely

## Solutions:

- Timely and accurate CAV-RP Reporting
  - J condition is exclusively for Misdirected/Misidentified assets, and ship to ATAC hub promptly
  - Move assets to H condition once you receive acknowledgment from NAVSUP Item Manager and provide an estimated physical scrap date
- If a contract mod reduces the quantity of assets being repaired, and additional contract coverage is not expected within 30 days, work with NAVSUP planners/Item managers to return excess assets
- Ship A condition assets to DD within 5-7 business day policy. If anything may prevent this from occurring reach out to NAVSUP item manager/CAV-RP analyst/APAAR team for guidance.

# APAAR Exemptions

The following scenarios are used to exempt or temporarily exclude assets from APAAR return efforts

- **Performance Based Logistic (PBL) NIINs-** A PBL NIIN is exempt from APAAR, however a PBL site can still have APAAR such as J condition assets.
- **PQDR/Warranty asset repairs-** If not inducted yet we may ask for an estimate of when the asset is expected to be inducted.
- **Contract modifications Pending (less than 30 days)-** If the mod is expected to take longer than 30 days the assets will need to be returned to a DD until contract coverage is in place.
- **NIIN upgrades-** If the contract is set up correctly these should automatically be excluded, however let us know if we're asking for a return of a NIIN to be upgraded.
- **Irregular repair contracts (NAVAIR, NAVSEA, etc.)-** Assets repaired on a Non-NAVSUP contract that still need to be tracked in CAV-RP for visibility.
- **Government Furnished Material-** Assets sent to a facility for the sole purpose of being consumed in the repair of another asset. This shows as aged A condition, but can be exempted. We may ask when the repair is expected to take place that will consume these assets.
- **Scrap Assets-** These assets should be moved to H condition once a NAVSUP planner gives the go ahead. We may ask for an estimated physical scrap date.
- **Lost, Damaged, Destroyed assets-** If you are working with DCMA and your CAV-RP analyst on an LDD we can exclude that from our APAAR return efforts.

# Examples

## Contract Modification

**Scenario:** Site has 14 assets on hand (13 in M condition and one in F condition), but only has contract coverage for 13 repairs. NAVSUP Planners, Contracting Officers, and the site are working on a mod for additional units.

**Action:**

A. If the mod is expected to be signed and executed within 30 days let the APAAR team know so we can exempt the assets from return.

B. If the mod will take greater than 30 days the excess asset will need to be returned to a DD until contract coverage is in place.

## Misdirected/Misidentified

**Scenario:** Site has 30 J condition assets on hand for a NIIN they do not have contract coverage for.

**Action:** If the assets are truly misdirected/Misidentified they should be shipped to the nearest ATAC Hub. Otherwise, they should have the condition code updated to better reflect their true scenario.

## Irregular repair contracts

**Scenario:** Assets were repaired on a NAVSUP contract, and are now being upgraded to a new NIIN on a NAVAIR contract. This will show as aged A condition in APAAR.

**Action:** Let the APAAR team know the situation so we can place the assets in an exempt status. We may ask for an estimate of when the upgrade and subsequent shipment is expected to be completed.

# Key Takeaways

- APAAR presents significant financial, readiness, and audit risks.
- Effective communication with NAVSUP Item Managers and CAV-RP analysts is essential to resolve issues before they escalate.
- Timely and accurate CAV-RP reporting is critical for effective APAAR management. Process transactions for J, H, and A condition assets according to policy to mitigate risks.

# Questions

