DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

August 02, 2017

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) AND JOINT
PHYSICAL INVENTORY WORKING GROUP (JPIWG) MEMBERS

SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1242,
           Administrative Update to MILSTRAP Appendix 3.4, Inventory Adjustment –
           Increase or Decrease Format Use for DIC D8/D9, and Code Appendices 2.15 and
           2.16 (Supply/MILSTRAP)

        We are forwarding the attached approved administrative change to DLM 4000.25-2,
Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) for
implementation effective immediately.

        Addressees may direct questions to Mr. Rafael Gonzalez, e-mail:
Rafael.Gonzalez@dla.mil. Others may direct questions to their Service or Agency designated
Supply PRC and Joint Physical Inventory Coordinating Group representative available at
http://www.dla.mil/HQ/InformationOperations/DLMS/committees/.

                                        HEIDI M. DAVEREDE
                                        Program Manager
                                        Enterprise Business Standards Office

Attachment
As stated

cc:
ODASD (SCI)

ATTACHMENT TO ADC 1242
Administrative Update to MILSTRAP Appendix 3.4, Inventory Adjustment – Increase or Decrease Format Use for DIC D8/D9 Inventory Adjustment, and Code Appendices 2.15 and 2.16 (Supply/MILSTRAP)

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

    a. Office: Defense Logistics Management Standards (DLMS) Program Office

    b. Functional POC: Mr. Rafael Gonzalez, DLMS, email: Rafael.Gonzalez@dla.mil, (717) 770-6817; DSN 771-6817

2. FUNCTIONAL AREA: Supply, MILSTRAP

3. REFERENCES:
    a. Defense Logistics Manual (DLM) 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP)

    b. Approved Defense Logistics Management System (DLMS) Change (ADC) 414, Revisions to DLMS and MILSTRAP Procedures to Address Owner/Manager Research of Inventory Adjustments (Accounting Error) (MILSTRAP D8B/D9B, DLMS 947I), March 28, 2011

4. REQUESTED CHANGE(S):

    a. Brief Overview of Change: Administrative update to revise MILSTRAP (Reference 3.a.) D8_, D9_ Inventory Adjustment - Increase or Decrease Appendix 3.4 and add instructions to the appropriate Inventory Adjustment Error Classification Code Appendix for Increase or Decrease Legacy format Document Identifier Code (DIC) D8B/D9B. Additionally, provides administrative updates to MILSTRAP Appendices 2.15 Inventory Adjustment - Physical Inventory Error Classification Codes and 2.16 Inventory Adjustment - Accounting Error Classification Codes.

    b. Background:

        (1) ADC 414 (Reference 3.b.) published MILSTRAP Appendix 2.16, Inventory Adjustment – Accounting Error Classification Codes, for use with Inventory Adjustment (Accounting Error) transactions, legacy DIC D8B and D9B, in record positions (rp) 63-65. However, the ADC did not make the corresponding update to Appendix 3.4, Inventory Adjustment – Increase or Decrease (D8_/D9_). rp 63-65 to address the new appendix 2.16 for use with D8B/D9B.

        (2) The corresponding DLMS 947I Inventory Adjustment Accounting Error, 947I with 2/W1901/0200 Quantity or Status Adjustment Reason Code AB, does reflect the use of Inventory Adjustment - Accounting Error Classification Codes at 2/LQ01/1000 code ACC. Accordingly, the DLMS 947I requires no update.

        (3) ADC 414 also neglected to update Appendix 2.15, Inventory Adjustment – Physical Inventory Error Classification Codes, to remove reference to DIC D8B/D9B, which is now addressed by Appendix 2.16.

(4) This change also makes administrative updates to Appendix 2.16, Inventory Adjustment – Accounting Error Classification Codes.

    c. <u>Requested Change in Detail</u>:

        (1) Revise MILSTRAP Appendix 3.4 Inventory Adjustment Increase or Decrease, rp. 63-65, to cite the use of Appendix 2.16 accounting error classification codes with DIC D8B/D9B.

        (2) Revise MILSTRAP Appendix 2.15 Inventory Adjustment - Physical Inventory Error Classification Codes to delete erroneous mention of DIC D8B/D9B.

        (3) Revise MILSTRAP Appendix 2.16 Inventory Adjustment - Accounting Error Classification Codes to align with the corresponding DLMS transactions.

    d. <u>Revisions to DLM 4000.25 Manuals</u>:

        (1) Revise MILSTRAP Appendix 3.4, Inventory Adjustment – Increase or Decrease, as shown.

FIELD LEGEND	RECORD POSITION(S)	ENTRY AND INSTRUCTIONS
Dual Use	63-65	
Error Classification	(63-64)	For DIC D8A and D9A, enter appropriate DoD assigned ***physical inventory*** error classification code from Appendix ~~AP~~2.15, otherwise, leave blank. ***For DIC D8B and D9B enter appropriate DoD assigned accounting error classification code from Appendix 2.16, otherwise, leave blank.***
	(65)	For DIC D8A~~/and~~D9A ***and D8B/D9B***, in accordance with Appendices 2.15 and 2.16, Components use to enter their Component assigned code amplifying the DoD error classification code, for their internal use; otherwise, leave blank.
Or		
Multiuse	(63-65)	For intra-Component use with DIC other than D8A/D9A ***or D8B/D9B***, enter data prescribed by Component. For inter-Component use except for DIC D8A/D9A ***or D8B/D9B***, leave blank.

        (2) Revise MILSTRAP Appendices 2.15 and 2.16 as shown in the enclosure.

e. **Alternatives:** None.

5. REASON FOR CHANGE: This administrative change corrects Appendix 3.4, Inventory Adjustment, due to an oversight in ADC 414 which neglected to update Appendix 3.4 as part of the changes to DLM 4000.25-2. This change also provides administrative updates to Appendices 2.15 and 2.16.

6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Aligns appendixes with appropriate language based on ADC 414.

b. **Disadvantages:** None.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Effective immediately upon release of ADC.

8. IMPACT:

a. **New/Change DLMS Data Elements:** No DLMS data elements changes.

b. **Automated Information Systems (AIS):** None.

c. **Transaction Services:** There are no changes to current transaction flows and mappings through DAAS.

d. **Non-DLM 4000.25 Series Publications:** None identified. Components must review their publication(s) and ensure they reflect the correct information.

Enclosure,

a. Revise MILSTRAP Appendices 2.15 Inventory Adjustment - Physical Inventory Error Classification Codes as shown.

AP2.15, APPENDIX 2.15

INVENTORY ADJUSTMENT - PHYSICAL INVENTORY ERROR CLASSIFICATION CODES

NUMBER OF CHARACTERS:	Three
TYPE OF CODE:	Alpha/Numeric
EXPLANATION:	Provides processing activities a means of mechanically identifying the causes for errors which resulted in potential/actual inventory adjustments *(physical inventory) transactions* and the processing operations in which they occurred
~~DLSS~~*LEGACY* RECORD POSITION (rp.):	63-65
LEGACY MILSTRAP DOCUMENT IDENTIFIER CODE (DIC):	*D8A, D9A*
DLMS IMPLEMENTATION CONVENTION (IC):	*947I with 2/W1901/0200 Quantity or Status Adjustment Reason Code 'AA-Physical Count'*
DLMS SEGMENT/QUALIFIER:	LQ segment, LQ01 qualifier 'EL *– Error Classification Code*'

AP2.15.1. PURPOSE

　　AP2.15.1.1. The physical inventory program error classification codes provide a standard means for Components to classify the causes of actual/potential inventory adjustments *(physical inventory)* for subsequent analysis, evaluation, and corrective action.

　　AP2.15.1.2. The error classification code is a required entry on MILSTRAP*/DLMS* documentation for use in preparing reports and for providing evaluation data to higher authority in standard error classification categories.

b. Revise 2.16 Inventory Adjustment - Accounting Error Classification Codes to align with the corresponding DLMS transactions as shown.

APPENDIX 2.16

INVENTORY ADJUSTMENT - ACCOUNTING ERROR CLASSIFICATION CODES

NUMBER OF CHARACTERS:	Three
TYPE OF CODE:	Alpha/Numeric
EXPLANATION:	Provides processing activities a means of mechanically identifying the causes for errors which resulted in potential/actual inventory adjustment (accounting error) transactions,[1] and the processing operations in which they occurred
~~DLSS~~*LEGACY* RECORD POSITION (rp.):	63-65
LEGACY MILSTRAP DOCUMENT IDENTIFIER CODE (DIC):	*D8B/D9B*
DLMS IMPLEMENTATION CONVENTION (IC):	*947I with W19 segment, W1901 Quantity or Status Adjustment Reason Code 'AB-Accounting Error'*
DLMS SEGMENT/QUALIFIER:	LQ segment, LQ01 qualifier 'ACC *– Accounting Error Classification Code*' ~~used with W19 segment, W1901 Quantity or Status Adjustment Reason Code 'AB-Accounting Error'~~

AP2.16.1 <u>PURPOSE</u>

AP2.16.1.1 The physical inventory program error classification codes for accounting error inventory adjustments ~~(Document Identifier Code (DIC) D8B/B9B)~~ provide a standard means for DoD Components to classify the causes of actual/potential accounting error inventory adjustments for subsequent analysis, evaluation, and corrective action.

AP2.16.1.2 The error classification code is a required entry on MILSTRAP*/DLMS* documentation for use in preparing reports and for providing evaluation data to higher authority in standard error classification categories.

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[1] The owner/manager may use the Inventory Adjustment –Accounting Error Classification Codes ~~in rp 63-65 in DIC D8B/D9B~~ Inventory Adjustment Transactions (Accounting Errors) pending the establishment of single shared asset balances (see chapter 7).

AP2.16.2 <u>CODE STRUCTURE</u>

AP2.16.2.1 <u>First Position</u>. The first character shall be numeric or alphabetic and shall identify the type of transaction during which the error occurred. Code assignment for the first character is controlled by DoD and may not be assigned by the DoD Components. The following operation codes are assigned as the first character in the error classification code:

<u>CODE</u>	<u>OPERATION</u>	<u>CODE</u>	<u>OPERATION</u>
0	Not assigned; reserved for future assignment by DoD	6	Condition Code Transfer (*947I/DIC* DAC)
1	Receipt (*527R Transaction Type Code D4/DIC* D4_/D6_)	7	Not Assigned
2	Issue (*867I/DIC* D7_), Materiel Release *(940R/DIC* A5_)	8	Other
3	Physical Inventory (*947I/DIC* D8A/D9A)	9	Not assigned; reserved for future assignment by DoD
4	Cataloging Changes	A-Z	Not assigned; reserved for future assignment by DoD
5	Logistics Reassignments		