

CHAPTER 28

ITEM CLOSEOUT

SECTION I - GENERAL

228101 - PURPOSE

To prescribe procedures for:

- a. Processing catalog actions described in this chapter.
- b. Closeout Requirements and Distribution records when items have been deleted or changed in the supply system.

228102 - SCOPE

These procedures are applicable to DSO, ODS, DTO, and are limited to the Requirements and Distribution Subsystems. The Contracting and Financial Subsystems will provide separate documentation for procedures affecting their areas.

228103 - REFERENCES

- a. Chapter 27, Family Number and Interchangeable and Substitutable Items.
- b. Chapter 48, Processing Catalog Changes to the Requirements and Distribution Subsystems.
- c. Chapter 50, Inactive Item Review Program.
- d. DLAM 4130.3, Volumes I and II, SAMMS Technical Operation Procedures Manual.

228104 - POLICY

a. Catalog actions fall into three basic categories, i.e., additions, deletions, and changes. All catalog actions will be furnished the Requirements and Distribution Subsystems by a mechanical generated DIC ZRY transaction from the Catalog Subsystem, 30/180 days in advance of the CED. Logistics Transfers will be furnished by the Technical and Logistics Subsystem initially (120 days in advance of CED) by receipt of FLIS approval. These actions will be identified by the appropriate Type of Change Code as outlined in appendix A-94, NIR Key Codes/Type of Change Codes.

b. Item effecting the closeout of records will be processed as outlined in this chapter and prepared IAW appendix E-413 P.

c. Closeout of records to the Requirements/Distribution Subsystems will occur as a result of the catalog actions listed below (identified by Type of Change Code, appendix A-94) received via a DIC ZRY Catalog Notification (mechanically generated) and/or a mechanically created DIC ZRR for LR (Loss):

<u>TYPE OF CHANGE CODE</u>	<u>REASON</u>
DD	Delete w/o Replacement (Invalid)
DW	Delete w/o Replacement (Inactive) and all users have withdrawn including the DSC
DL	Delete (Superseded By)
DM	Delete w/o Replacement (Supply by Components)
DP	Delete w/o Replacement (Supply Next Higher Assembly)
DQ	Delete w/o Replacement (Fabricate)
RA	Delete and Consolidate With (Duplicate)
RB	Delete and Transfer To (Change in FSC)
RL	Delete Logistics Loss with FSC and possible UI Change
RM	Delete Logistics Loss w/o NSN Change

d. The transfer of data elements and/or requirements techniques for forecasting requirements as a result of entering an item in a requirements family group (outlined in chapter 27) will be effected as Item Closeout.

e. Local arrangements for clearing Requirements/Distribution records will be handled as a mass transfer of items from the management of one DSC to another DSC due to reassignment of FSC responsibility.

228105 - RESPONSIBILITIES

a. The DSO is responsible for:

(1) Reviewing and coordinating catalog actions initiated by the DTO identified in this manual.

(2) Effecting necessary actions to clear the Requirements/Distribution records as a result of catalog changes to permit processing and/or acceptance of closeout actions on the CED.

(3) The following is a list of the various notifications which the IM may receive advising that an item should be considered for cancellation:

(a) Appendix F-167 with Reason for Study Code MR indicates that an SSC 6, Standardization Status Code 3 or E item does not have a recorded Head of the Family in the SCF and exceeds its ROP by 60 days; for NSO items, the NSO quantity plus a quantity of one has been reached. IM should investigate the possibility of cancellation action for the nonpreferred item. Refer to appendices E-307 P and E-171 P for processing instructions.

(b) Appendix F-167 with Reason for Study Code MR/RP indicates that the assets for an SSC 6, nonpreferred, partially substitutable item are less than the ROP. If the nonpreferred item cannot be merged into a family or the family head is replacing the nonpreferred item, the IM should investigate the possible cancellation of the nonpreferred item. Appendices E-307 P and E-171 P provide detailed instruction for processing.

(c) Appendix F-167 with Reason for Study SE/ST indicates an inactive (date of last demand greater than 12 months) nonstandard, Standardization Status Code E or 3 NSN with assets on hand and a replacement. Process IAW appendix E-307 P; chapter 31, Disposal, and appendix E-171 P.

d) Appendix F-283 provides the losing and gaining IM with a list of NSNs which are being deleted and will affect the status of another NSN-managed by the DSC. Refer to appendix F-283 for processing instructions.

(e) Appendix F-167 with Reason for Study Code RP indicates that an SSC 6/FSSC N item without a recorded Requirements Head of the Family merger NIIN has reached its merger point and most probably requires deletion action. Process IAW appendix E-307 P (RP) and appendix E-171 P.

(f) DLA Form 1152 gives the IM notification of a technical determination concerning an item of supply. Process IAW E-171 P.

(4) The ISIS process provides for the automatic update of the SCF with Standardization Status Code 3 or E actions. Chapter 27 and appendix F-212 provides instructions for processing data generated from ISIS.

(5) The Defense Inactive Item Program (DIIP) mechanically selects inactive items for possible cancellation. This process is described in chapter 50.

b. ODS is responsible for:

(1) Processing the DIC ZSL Notification of Logistics Reassignment (Loss), appendix B-93, and the DIC ZRY Catalog Notification action to the Requirements/ Distribution records.

(2) Generating SSCSS as specified herein.

(3) Closing out Requirements/Distribution records.

c. DTO is responsible for:

Preparing the DIC LDU transaction for transmittal to FLIS upon receipt of an IOM from the DSO advising that the DSC will withdraw the DSC as a user.

SECTION II - PROCEDURES

228201 - GENERAL

a. Catalog actions as prescribed herein are limited to catalog actions identified by Type of Change Codes DD, DW, DM, DL, DP, DQ, RA and RB. Type of Change Codes RL and RM (LR) are covered only from an item closeout standpoint.

b. The DIC ZRY Catalog Notification is developed as a result of catalog changes initiated and is passed to the Requirements/Distribution Subsystems, 30/180 days in advance of the effective date. As catalog changes are initiated, they are stored in a Catalog Change Tape where they are held for final processing on the effective date. The Catalog Change Tape is processed monthly; however, actions requiring immediate processing are posted to the applicable files weekly.

(1) For Type of Change Codes CC (involving User Code, SSC, Standardization Code; NG (Logistics Gains) and NN (New NSNs), the DIC ZRY will be processed immediately (120 days in advance of CED) to the Requirements/Distribution Subsystems and pertinent fields of the NIR and SCF will be updated according to this chapter and chapter 48.

(2) The SCF Catalog Change field, will be updated for all delete actions (Type of Change Codes DD, DW, DP, DQ, DM, DL, RA and RB) and Logistics Losses (RL and RM) immediately; however, the NIR is not updated until the CED. The NIRF Key Code, appendix A-94, chapter 48, based on the Type of Catalog Change Code will be posted to the NIRF on the CED.

c. The closeout procedures encompass all catalog actions with Type of Change Codes outlined in subparagraph above.

d. Closeout of Requirements/Distribution records on the CED will not be effected for Type of Change Codes DD, DM, DP, DQ, DW and DL until the record indicates there are zero on-hand/due-in assets and no outstanding creditable returns. For Type of Change Codes RA, and RB, records can be consolidated/reidentified, and closed out on the effective date. For Type of Change Codes RL and RM, assets will be decapitalized and due-out transferred; however, if due-in are recorded, records must remain open until due-in assets are received and decapitalized. This action will close Distribution Files and result in the posting of a closed date to the LR Loss File. Monthly, this file is screened for closed dates and if a closed date is found, a DIC ZRR (LR, Loss) transaction is generated to close Requirements records.

e. DSO will transfer the Item Jacket File to the gaining activity for Type of Change Codes RL and RM; merge the files of the NSNs involved for Type of Change Codes DL, RA and RB, if DSC-managed. For Type of Change Codes DD, DW, DM, DP and DQ, the file will be retained one year and then retired IAW DLAM 5015.1.

228202 - STANDARD SUPPLY CONTROL STUDIES

a. A SSCS, appendix F-167, with appropriate Reason for Study Codes, appendix A-156, will be mechanically generated under the following conditions:

(1) Upon receipt of DIC ZRY Catalog Notification with Type of Change Codes DD, DL, DM, DP, DQ, and DW; Reason for Study Code DD applies.

(2) Upon receipt of DIC ZRY Catalog Notification with Type of Change Code RA, when program change factors are on one NSN and not the other or on both NSNs, but are not the same; Reason for Study Code PF applies.

b. SSCSs will generate as a result of logistic's gains and losses.

c. SSCSs generated as result of processing last user withdrawal are depicted in chapter 50.

d. The SSCSs with Reason for Study Code(s) DD and PF will be processed IAW appendix E-307 P and chapter 34.

228203 - CATALOG ACTION REQUESTS

a. Catalog action requests are initiated by DSO and DTO as a result of the following:

(1) When one NSN has been superseded by another NSN.

(2) When procurement is initiated for one NSN and the manufacturer advises the NSN has been replaced by another NSN and/or the NSN is no longer procurable.

(3) Technical research reveals that the NSN has been classified in the wrong FSC.

(4) Local decision has been made to supply the component; supply next higher assembly; and/or that the NSN can be fabricated.

(5) When it is discovered that the same item of supply has been assigned two different NSNs and/or the same NIIN has been assigned to two different items of supply.

(6) All users have withdrawn.

(7) Invalid NSN has been assigned.

(8) LR.

b. The most important aspect of Catalog Actions is the time element, i.e., at what point in time they should be initiated. Certain conditions warrant immediate initiation of Catalog Action(s) whereas other conditions require consideration as to the effect that such actions would have on supply support of the NSN involved.

c. Catalog action will be initiated immediately by DTO for the following conditions:

<u>CONDITION</u>	<u>TYPE OF CHANGE</u>
When an NSN has been classified in the wrong FSC (Change in FSC).	RB
When the same item of supply has been assigned two different NSNs (Cancel as Duplicate - Consolidate With). This change is normally made by FLIS.	RA
Invalid NSN has been assigned (Cancel Without Replacement - Invalid).	DD
<p>d. Since on-hand assets are disposed of mechanically (except where backorders exist (see chapter 48)) on the effective date of catalog action, care must be exercised in processing delete actions. If a requirement does not exist for the item, outstanding procurements should be cancelled and the catalog action initiated. The following type of catalog changes will be initiated only when on-hand and due-in assets are depleted:</p>	
<p>(1) Delete - Superseded By/Cancel - Use.</p> <p>(a) Upon receipt of DLA Form 1152 in DSO indicating that a replacement for a nonprocurable item has been determined and DTO is initiating cancel - Use action to FLIS, MSO will contact the IM to determine asset availability. Action by DTO to forward cancel - Use action will be suspended until IOM notification is received from MSO that assets are depleted. Upon receipt of IOM, DTO will forward cancel - Use action. Upon receipt of FLIS output, users on the canceled NSN are moved to the replacing NSN. SCS is produced with Reason for Study Code DD on the canceled NSN.</p> <p>(b) When the cancel - Use action is initiated for reasons other than that the item is nonprocureable, DTO will effect coordination with all users. When concurrence is obtained from all users, DTO will forward cancel - Use action to FLIS. Upon receipt of FLIS output, a DIC ZRY notification is passed to Requirements and Distribution Systems - Type Change Code DL. SCS is produced with Reason for Study Code DD on the cancelled NSN. On the CED, all assets are disposed.</p>	
<p>(2) Delete - Supply Next Higher Assembly, Delete - Fabricate and Delete - Supply by Components - Initiate a DIC LCM card, appendix E-413, when all assets on hand and duein are at a zero balance.</p>	
<p>(3) Delete - All Users Withdrawn - If users have withdrawn and the item is not under inactive item review, determine if demands are being received from nonrecorded users. If so, contact users that are not recorded and request that they register as a user immediately. When a decision is made to withdraw the DSC as a user for items not under the inactive item review program, initiate a IOM to the DTO, requesting the DSC be withdrawn.</p>	

228204 - CLOSEOUT OF REQUIREMENTS/DISTRIBUTION RECORDS

a. Closeout of Requirements/Distribution records will occur on or subsequent to CED.

b. Each record may be closed totally or partially dependent upon the existing conditions and the related record involved. Certain sections of a record can be closed whereas other sections must remain open.