

CHAPTER 40

MATERIEL RETURNS PROGRAM

SECTION I - GENERAL

240101 - PURPOSE

This chapter prescribes the policies, responsibilities, criteria, and standard DSC internal procedures for use in processing Customer Excess Reports and related documents and transactions. This chapter also includes provisions for processing all receipt transactions from other than procurement instrument sources, excluding those receipt actions identified as:

- a. Receipts from Removal of Installed Military Service Designated Items, DIC D6Q.
- b. Receipts from Exchanges of Military Service Designated Items, DIC D6R.

240102 - SCOPE

The criteria and procedures contained herein are applicable to the Directorate of Supply Operations (DSO), Directorate of Technical Operations (DTO), Directorate of Installation Services/Surveying Officer, Office of the Comptroller, and the Office of Data Systems (ODS) of Defense Supply Centers (DSCs). The criteria and procedures contained herein cover the:

- a. Processing of Customer Excess Reports and related documents to determine acceptability and creditability of materiel reported and includes the:
 - (1) Establishment and maintenance of a Customer Returns Control File (CRCF), Document Review and Purge File, and Customer Returns History File (CRHF) for each such Report of Customer Excess Materiel received.
 - (2) Establishment and maintenance of those Management Policy Tables, described therein, required for the processing of Reports of Customer Excess Materiel and related documents.
- b. Establishment and maintenance of Due-In record and preparation of Prepositioned Materiel Receipts Documents (PMRDs) and reversals thereto, as required, for due-in assets from other than procurement instrument sources.

c. Processing of Materiel Receipt Documents (MRDs), reversals thereto, and Materiel Adjustment Documents, as required, for receipts of materiel from other than procurement instrument sources.

d. Processing of mechanically generated manual review documents, in a timely manner, to include preparation and processing of appropriate computer reentry documents; and preparation and dispatch of mechanically or manually prepared documents or correspondence for DLA customers or defense depots (distribution activities).

e. Processing of discrepancy reports submitted at the time of receipt and inspection of materiel.

f. Developing data elements for preparation of HQ DLA prescribed reports as follows:

(1) Report of Credit Returns Summary, RCS DLA (M) 225(C).

(2) Materiel Utilization Receipt List (see chapter 45, this volume).

g. Developing data elements for preparation of locally required reports.

240103 - REFERENCES

a. DLAM 4140.2, Volume I, Supply Operations Manual.

b. DLAR 7000.4, Reporting and Return of Excess Materiel to the DLA Distribution System RCS DLA (M) 225(C).

c. Various agreements with non-DoD Agencies regarding the return of materiel to the DLA Distribution System.

d. DoD 4000.25-1-M, MILSTRIP, Chapter 9, Materiel Returns Program.

240104 - BACKGROUND

a. The DLA excess return procedures provide for automatic return of certain categories of items, as well as for the reporting of excesses as a request for disposition instructions and creditability. The use of the automatic return procedure by the customer is optional.

(1) Automatic returns are shipments of materiel from the customer to the DLA Distribution System and are made in advance of credit determination by the DSC.

(a) Use of automatic return procedures is authorized only for those categories of items enumerated in DLAR 7000.4 and are subject to the limitations and special criteria reflected therein.

(b) A Customer Excess Report, appendix B-39, will be forwarded to the appropriate DSC concurrently with shipment of materiel by the customer.

(c) The cost of transportation, packing, handling, and crating for automatic returns will be borne by the customer returning the materiel.

(2) In lieu of the automatic return procedure, the customer can elect to report excesses to and receive disposition instructions from the DSC in advance of shipment. Disposition instructions will also include advice of credit, if appropriate, and shipping destination, when appropriate.

(a) DLAR 7000.4 provides instructions for the reporting of specific DLA commodities and includes limitations on items and categories of items, which may be reported.

(b) The Customer Excess Report, appendix B-39, (DIC FTE), when used as a request for disposition instructions and creditability, will be forwarded to the appropriate DSC by the customer.

(3) Transportation, packing, handling, and crating costs will be borne by the customer returning the materiel under automatic returns procedures and procedures for reporting excess materiel for disposition instructions.

(4) In addition to the automatic return procedures and the procedures for the reporting of excess materiel for disposition instructions, the following special procedures are also authorized:

(a) Planned Returns. Quantities of excess materiel greatly exceeding the normal return rate, created as a result of a large scale operational project, major installation deactivation, phasing out of a weapon system, fleet decommissioning, and so forth, will require negotiation between the customer, HQ DLA, and the affected DSC(s) prior to return of materiel to the DLA Distribution System. Customer Excess Reports representing planned returns will be identified by a Project Code.

(b) Alert or State of Emergency Requirements. Materiel withdrawn by the customers from the DLA Distribution System for alert or state of emergency requirements may be accepted by DSC(s) as automatic returns with full credit, notwithstanding the DLA stock position, when requested by the customer and approved by HQ DLA. Customer Excess Reports submitted under this procedure will be identified by a Project Code assigned by HQ DLA.

b. The procedures for reporting, returning and processing customer excess materiel have been included in MILSTRIP procedures. The accountable transactions, the related PRMDs, MRDs, and Materiel Adjustment Documents are formatted and processed under MILSTRAP procedures.

240105 - POLICY

a. The basic policy cited in the above references states that DLA, as the DoD integrated materiel manager for assigned commodities, is responsible for providing its customers (i.e., Military Services or non-DoD agencies) with prompt disposition instructions for DLA managed items, which become excess to customer requirements. When appropriate, and as authorized by higher authorities, the customer will be granted credit for items returned to the DLA Distribution System.

(1) The customer has the option of reporting materiel excess to current requirements on a Customer Excess Report, as a request for disposition instructions and creditability; or reporting materiel on a

Customer Excess Report, indicating the materiel has been shipped, as a request for creditability only.

(2) Credit will be granted after receipt and classification of return.

(3) In cases where credit has been denied because the receipt document for a customer excess return does not match an existing CRCF, a manual review of records will be made and, if applicable, credit which has been previously authorized and then denied for nonreceipt will be reinstated.

b. Criteria for use in determining whether an item is required, or whether credit is to be granted, are contained in chapter 32, Establishment, Maintenance, and Uses of Quantitative Levels, this volume, and DLAR 7000.4.

c. Customer Excess Reports, DIC FTE, not passing edit validation will be processed through the program, if possible, to reach a decision as to whether the stocks are authorized for return. The customer will then be advised to correct and resubmit the document or to take local disposal action.

240106 - RESPONSIBILITIES

a. The DSO is responsible for:

(1) The timely and complete implementation of this chapter, related appendices and changes thereto, including the establishment and maintenance (monitorship) of such Management Policy Tables as are prescribed herein.

(2) The manual review and processing of:

(a) Mechanically generated manual review documents as outlined in appendix B-036, Processing Materiel Returns Reentry Transactions.

(b) Mechanically generated operational and management review reports and records reflecting the current supply status of the Materiel Returns Program, to include furnishing appropriate comments to the Office of the Comptroller, when requested, for submission with HQ DLA directed reports.

b. The DTO is responsible for the manual review and processing of those manually generated documents requiring technical evaluation, identification, and/or a technical recommendation as to final disposition of discrepant (suspended) materiel, as outlined in the applicable E appendices.

c. The Office of the Comptroller is responsible for:

(1) The manual review and processing of mechanically generated operational and management review reports and records reflecting the current financial status of the Materiel Returns Program.

(2) The timely submission of those HQ DLA directed reports to HQ DLA, with appropriate comments and supporting narrative.

d. The Directorate of Installation Services/Surveying Officer is responsible for the manual review and approval, disapproval, or investi-

gation of those manually generated documents reflecting a loss to the Government, incident to shipment of Government-owned materiel, as outlined in the applicable E appendices.

e. The ODS is responsible for:

(1) The receipt and mechanical processing of documents generated under the Materiel Returns Program and those receipt documents related to receipts from other than procurement instrument sources, as outlined in this chapter, including the control of mechanically generated Materiel Returns Reentry Documents and Uncontrolled Violation Listings.

(2) The mechanical accumulation of data elements for the preparation of operational and management review reports and the mechanical preparation of such reports as prescribed herein.

SECTION II - CUSTOMER EXCESS REPORTS

240201 - GENERAL

a. This section describes the documents employed in the processing of Customer Excess Reports and related documents; the mechanical and manual procedures employed, and the control and processing of mechanically generated manual review documentation.

b. All Materiel Returns Reentry Transactions, DIC ZTX, output for review by the IM will be file-maintained in the CRCF.

c. Materiel Returns Program transactions are recorded in the CRCF until the transaction is completed or the 120/180-day purge date is met.

240202 - INPUT AND OUTPUT DOCUMENTS

a. INPUT DOCUMENTS

(1) Customer Excess Report, appendix B-39, is prepared by the customer and is appropriately coded to show:

(a) An automatic return (DIC FTA)* indicates that shipment of materiel has been made concurrent with the report. This document is a request for credit and will not normally cause the establishment of a Due-In record or the preparation of a PMRD.

(b) A request for disposition instructions (DIC FTE) indicates that shipment of materiel has been withheld by the customer pending receipt of DSC disposition instructions and advice of creditability. This document will cause the establishment of a Due-In record and the preparation of a PMRD for all materiel directed to be returned to the DLA Distribution System whether on a creditable or noncreditable basis.

(2) A Customer Excess Report for Part Number Items (DIC FTG) is prepared by the reporting activity in mechanical format on DD Form 1348m. Part Number Customer Excess Reports are forwarded directly to DAAS. DAAS will validate DIC FTG transactions against the DLSC DIDS files for a potential NSN match.

(a) For Part Number Customer Excess Reports that match an NSN, DAAS will change the DIC FTG to DIC FTE and forward the transaction to

the appropriate ICP/IMM for continued processing. As a result of the DIC change, DAAS will generate a DIC FTQ transaction to the reporting activity with Status Code TZ.

(b) For Part Number Customer Excess Reports that are not matched to an NSN, DAAS will generate a DIC FTQ transaction to the reporting activity with Status Code T9. Nonmatched Part Number Customer Excess Reports will be rejected for processing under intra-Service/Agency procedures.

(3) A Followup for DSC Reply to Customer Excess Report, (DIC FTF), is prepared by the customer to advise the DSC that a reply to a previously submitted Customer Excess Report has not been received. This document will cause a Reply to Customer Excess Report, DIC FTR, or Disposition Instructions, DIC FTD, appendix B-40, to be generated, furnishing status as recorded in the CRCF. If status to be furnished indicates no record of original Customer Excess Report, but a receipt action has been posted to the CRCF under the document number on the followup transaction, the followup document will be converted mechanically to a Customer Excess Report (FTE), automatic return (FTA)*, and processed as a normal Customer Excess Report. All unmatched DIC FTF followup transactions will be converted to DIC FTE documents and processed as initial transactions.

*This DIC has not yet been programmed but will be incorporated after final MILSTRIP coordination.

(4) A Cancellation of Customer Excess Report, (DIC FTC), appendix B-39, is prepared by the customer to cancel a previously submitted Customer Excess Report. Upon receipt of DIC FTC, the DSC will generate a DIC FTZ (Materiel Receipt Status) to the customer with Status Code TP for creditable returns (Status Code TA/TH) or with Status Code TV for noncreditable returns (Status Code TB/TJ). Receipt of DIC FTC will necessitate the amendment of Due-In records and the cancellation of PMRDs, if applicable.

(5) A Report of Materiel Supply Status, (DIC FTL), is prepared by the customer to advise the DSC that materiel previously reported will be shipped on the Supply Status Date. When neither DIC FTL nor DIC FTM has not been received 20 days (Priority 03) or 50 days (Priority 13) after generation of the DIC FTR (Reply to Customer Excess Report), the DSC will generate a DIC FT6 DSC Followup to the customer. When neither DIC FTL nor DIC FTM has been received within 30 days after generation of the DIC FT6 and the materiel has not been totally received, then the Due-In record will be canceled, the PMRD will be canceled, and DIC FTZ (Materiel Receipt Status) will be forwarded to the customer with Status Code TP for creditable returns (Status Code TA/TH) or with Status Code TV for noncreditable returns (Status Code TB/TJ) for any remaining quantities not previously received or canceled.

(6) Shipment Status, (DIC FTM), is prepared by the customer to advise the DSC that materiel previously reported has been shipped on the date cited. When neither DIC FTM nor DIC FTL has not been received 20 days (Priority 03) or 50 days (Priority 13) after generation of the DIC FTR (Reply to Customer Excess Report), the DSC will generate a DIC FT6 DSC Followup to the Customer. When neither DIC FTM nor DIC FTL has been received within 30 days after generation of the DIC FT6 and the materiel has not been totally received, then the Due-In record will be canceled,

the PMRD will be canceled, and DIC FTZ (Materiel Receipt Status) will be

forwarded to the customer with Status Code TP for creditable returns (Status Code TA/TH) or with Status Code TV for noncreditable returns (Status Code TB/TJ) for any remaining quantities not previously received or canceled.

(a) When DIC FTM is received, the computer assigned 120/180 day estimated Due-In is canceled and a new Due-In record is established. The new delivery date is computed at 120/180 days from the DIC FTM reported ship date.

(b) If the delivery date expires without total receipt of reported materiel and a DIC FTM is recorded in the CRCF record, then a DIC FT6 is generated to the customer with Status Code T3, an FT6 Review Date is set at 30 days from the expired delivery date and the Due-In record is canceled.

(c) If a new DIC FTM is received within the 30 day FT6 Review Date timeframe and the reported ship date is later than the original ship date recorded in the CRCF record, then a new Due-In record is established at 120/180 days from the new reported ship date.

(d) If a new DIC FTM is received within the 30 day FT6 Review Date timeframe and the reported ship date is earlier or the same as the original ship date recorded in the CRCF, or if a new DIC FTM is not received, then DIC FTZ is forwarded to the customer with applicable Status Code TP/TV, and a 45-day Purge Date is assigned to the Document Review and Purge Control File.

(7) A Followup for Credit, (DIC FTP), is prepared by the customer to advise the DSC that credit billing has not been received for the applicable materiel return document number. On receipt of the FTP, the DSC will determine if credit has already been granted, or is in progress, and will notify the customer using a DIC FTB (Reply to Followup for Credit Status).

(8) A Followup for DSC Materiel Receipt Status, (DIC FTT), is prepared by the customer when the reported materiel has been shipped, but a DIC FTZ has not been received from the DSC. This document will cause a DSC Materiel Receipt Status (DIC FTZ) to be generated, furnishing status as recorded in the CRCF, or generate a DIC FTR and DIC FT6 to the customer indicating nonreceipt, as applicable.

(9) Materiel Returns Reentry Transactions, DIC ZTX, appendix B-36. These documents are prepared/completed by IMS within the DSO IAW appendix E-036 P. The documents will be reentered with Reentry Code RE. The reentry with blank decision fields (pos. 35-62) will indicate that the computer decision is accepted. Changes to the computer decision will be entered into the applicable field positions or a new transaction will be prepared when more than one Ship-To RIC/priority are involved. Materiel Returns (DIC FTE) Review Reason Codes used in processing Materiel Returns Reentry Transactions are contained in appendix A-36.

(10) Whenever an original DIC FTE document matches an existing record in the CRCF by document number and NSN, the customer will be automati-

cally furnished a duplicate of the previous DIC FTD or FTR status reply. The customer will only be automatically furnished Status Code SG, Duplicate Document, whenever the document numbers match, but the NSNs do not match.

b. OUTPUT DOCUMENTS

(1) A Reply to Customer Excess Report, (DIC FTR), appendix B-40, is prepared by the DSC, mechanically, to advise the customer of the DSC decision regarding the acceptance/rejection of reported excess materiel and whether or not credit is allowed. Status Codes indicating DSC decisions or reason for rejection are as indicated in appendix A-51. Output documents will be mechanically prepared for the Media of Communication indicated in the incoming Customer Excess Report.

(2) A Reply to a Followup for Credit Status, (DIC FTB), is prepared by the DSC to advise the customer of credit bill status as previously furnished, or as currently in progress. DIC FTB documents are furnished as prescribed in MILSBILLS.

(3) Delay Status Disposition Instructions, (DIC FTD), is prepared mechanically by the DSC as a response to a customer followup. This document is prepared upon receipt of a customer followup, DIC FTF, when the CRCF has a record of the original report, DIC FTE, but does not have a record of having provided either a DIC FTD or FTR reply. Status Code TR will be entered in pos. 65-66, and the date that the DSC will provide disposition will be entered in pos. 70-73.

(4) The DSC Followup, (DIC FT6), is prepared by DSC whenever the CRCF indicates that 20 days (Priority 03) or 50 days (Priority 13) or more have passed since the generation of a DIC FTR with return status and neither a customer Supply Status (DIC FTL) nor a customer Shipment Status (DIC FTM) has not been received. A DIC FT6 is also prepared when the Due-In date has expired, a DIC FTM is recorded in the CRCF record and reported materiel has not been totally received.

(5) Materiel Returns Reentry Transactions, DIC ZTX, appendix B-36. This document is computer generated to advise the IM that a Customer Excess Report has been processed to a recommended decision but requires IM review and approval. Manual review criteria which will cause the output of the DIC ZTX is identified by Materiel Returns (FTE) Review Reason Codes contained in appendix A-36. As applicable, an appendix F-37 and a SSCS or an appendix F-191 will accompany the reentry document output. Reentered documents which do not pass validation will be output for correction citing the applicable VRC.

(6) Uncontrolled violations are output in the format of an Uncontrolled Violation Listing, appendix F-117, reflecting a complete image of the rejected input action and the assigned VRC. The uncontrolled violations from the Materiel Returns Program will primarily be associated with data elements involving the DoDAAD.

(7) PMRD, DIC DW_, appendix B-19. This document is prepared by the DSC, mechanically, and forwarded to the distribution activity scheduled to receive materiel. This transaction serves as a notification that materiel is due-in and is used by the distribution activity for the preparation of MRDs and for receiving and storage workload planning. Output document will be mechanically prepared for transceiver

communication, except those documents intended for the storage component of those DSCs having collocated storage facilities.

(a) Prepositioned Materiel Receipt Reversal Documents, identified as an exact replica of the PMRD being canceled, plus an 11 X overpunch in the high order (pos. 25) position of the quantity field, are prepared by the DSC mechanically, whenever it is necessary to cancel a previously furnished PMRD. This situation develops on receipt of a Cancellation of Customer Excess Report (FTC) or for a deletion of an established PMRD by means other than receipt of materiel.

(b) PMRDs may not be amended under MILSTRAP concepts. Whenever it becomes necessary to change any element of control data on a previously furnished PMRD, the original PMRD will be canceled, by reversal action, and a new (corrected) PMRD will be prepared and furnished to the storage facility.

(8) Reports. Periodically the computer will screen the CRCF and will prepare reports for internal DSC management or submission to higher headquarters. These reports are discussed in section IV.

240203 - PROCESSING CUSTOMER EXCESS REPORTS

a. CONCEPT

(1) The general concept of the mechanical processing of Customer Excess Reports is that these documents will be received by transceiver, from data entry services, or from the reentry routines of the CRCF directly into mechanical validation and processing routines. Only those documents which reject or are output for a programmed cause will be handled manually.

(2) The exception to this concept are those occasions where the reporting customer does not have access to transceiver communication facilities and elects to mail data entry documentation directly to the DSC. In these instances, the data entry documentation will be delivered directly to OTIS for entry into mechanical processing. In the event the reporting customer elects to submit the Customer Excess Report by TWX or mail, the recipient (DSO) at the DSC will cause this media to be converted to data entry format prior to delivery for mechanical processing.

(3) Customer Excess Reports will be processed under the criteria indicated in chapter 32, for a decision as to acceptability and/or creditability of reported assets on a total or partial quantity basis. The exception to this mechanical decision process occurs when either return or creditability of materiel is controlled by a Project Code representing an agreement between DLA and a Service. A reply will be generated for each of those Customer Excess Reports representing automatic returns indicating only whether credit is being granted or is not being granted. The reply generated for those Customer Excess Reports representing requests for disposition instructions may indicate that:

(a) All, a portion, or none of the quantity reported is returnable.

(b) Credit will or will not be granted for quantities authorized for return.

(4) In the instances of acceptance of materiel, complete or partial, with or without credit, against customer requests for disposition instructions, the distribution activity to receive the materiel will be determined mechanically. The IM, when preparing reentries of FTE documents indicating total or partial acceptance of materiel, may annotate a new receiving depot RIC to override the computer determined depot. All actions, except invalid NSN or document numbers, whether acceptance, rejection for cause, or programmed output for manual actions will be recorded for control of dues-in, duplicate input and/or in-house manual processing and for replying to customer followup or cancellations in the CRCF.

(5) Mechanically generated replies to Customer Excess Reports and related documentation will normally be prepared for media indicated by the Media of Communication Code in the incoming documentation.

b. DUES-IN

Due-In records and PMRDs are generated only in those instances where materiel is accepted from a Customer Excess Report, coded as a request for disposition instructions. The exceptions are valid Project Code transactions for automatic returns.

c. DOCUMENT VALIDATION

(1) Each Customer Excess Report received is subjected to a mechanical document validation process which ensures that garbled or incomplete documents are not automatically processed. Whenever possible, the computer system will determine whether there are sufficient assets on-hand or due-in above the chapter 32, Retention Limit. If sufficient assets are available and the Customer Excess Report is a DIC FTE transaction, the Status Code TC will be forwarded automatically to the customer. If the quantity can be determined to be valued at \$1000 or more, and an invalid condition exists, the customer will be automatically furnished the applicable SB (garbled), or SH (incorrect UI) Status Code.

(2) It should be noted that:

(a) The Condition Code is validated and further checked to ensure that customers are automatically returning and/or requesting disposition instructions for materiel in the physical conditions authorized by DLA guidance. Since these criteria differ for each DSC, Management Policy Table Number 015 has been developed for this mechanical validation. Appendix F-195, Printout of Table of Excess Returns Acceptable Condition Codes, reflects the contents of this Management Policy Table. Documents reflecting unauthorized condition codes are rejected to the customer on a Reply to Customer Excess Report, DIC FTR. Due to the reduction of reparable items and to preclude the possibility of nonreparable items from being automatically accepted, all unvalidated DIC FTE transactions citing a Condition Code other than a condition which matched a table 015 condition will be manually reviewed by the IM, if the materiel is required. If the materiel is not required, the computer will automatically assign Status Code TC. It should be noted that credit deter-

minations can only be given to automatic returns for Condition Code A or B materiel for stocked items, SSC 1 or A having an ICC 1 or P, replenishment demand unless exempted by the provisions of DLAR 7000.4.

(b) The Media of Communication Code which corresponds to the M&S Codes of MILSTRIP documents is validated IAW appendix A-3, to ensure that the future reply is transmitted by the media desired by the customer. An invalid or missing Media of Communication Code is not justification for rejecting a Customer Excess Report.

(c) The Signal Code is validated IAW appendix A-8, to ensure that the proper address will receive any credit granted.

(d) The RIC FROM on those Customer Excess Reports representing in place transfers of Service/Agency-owned assets (IAW chapter 14) is validated to assure that the distribution activity actually holding the assets is authorized as a stockage point for the processing DSC. Documents reflecting an invalid or unauthorized RIC are rejected for manual review.

(e) The RIC FROM on those Customer Excess Reports representing automatic returns is also validated to ensure that customers are returning materiel to the DLA distribution activities designated by each DSC. This validation is a mechanical comparison based on the Preferred Depot as recorded in Storage Mission Code (SMC) Pattern AA. Use of SMC Table AA is necessary for this validation since the SCF is not online during this portion of the validation process. Automatic return transactions are returned as no credit Status Code TB and will not be manually reviewed when shipment was made to an invalid location.

(f) During the validation of Signal Codes and Activity/Supplementary Address Codes on those Customer Excess Reports representing requests for disposition instructions, a HI-PRI Geographic Area Code (GAC) is picked up from the SAMMS Combined Address File (SCAF). This GAC is matched to the corresponding HI-PRI GAC in the Source Preference Table (SPT). The first nonattrition RIC recorded for this GAC in the SPT will be assigned/retained as the Prime Depot RIC for use in determination of the distribution activity to receive the materiel. If the assigned HI PRI RIC contains Inactive Code I, then access will be made to the first nonattrition location without an I. Inactive Code I indicates that the RIC is a nonattrition location not in the DSCs normal stockage pattern. This Prime Depot RIC is rolled up to the RIC of the Preferred Depot as recorded in the Storage Mission Code pattern for the reported NSN. Exceptions to this process are as follows:

1. When the Preferred Depot is not assigned the repair mission for unserviceable materiel, then the materiel is consigned to the depot with the assigned repair mission.

2. When Service depots, that have the capability to perform all types of depot functions, are authorized to hold in place customer excess materiel in support of Retail Asset Visibility.

a. Service customers that store materiel at designated Service depots are identified by input of Special Customer Code Y to the DoDAAD Activity Address Code (AAC) of the customer. The Routing Identifier Code (RIC) of the Service depot is input to the DoDAAD AAC of the Service customer as the Hold In Place RIC.

b. During SCAF/DoDAAD validation, when the Customer Excess Report pos. 30-35 AAC with Signal Code A, B, C, or D, or the pos. 45-50 AAC with Signal Code J, K, L, or M matches the DoDAAD AAC with Special Customer Code Y, then the Hold In Place RIC of the DoDAAD AAC will be assigned as the RIC TO and will be entered as the Receiving Depot, pos. 54-56, of the Reply to Customer Excess Report, DIC FTR.

NOTE: Designated Service depots and associated Service customers are identified by HQ DLA. The Service depots will be coded as attrition sites in the SPT, and will be the first locations accessed during requisition processing.

3. When the Customer Excess Report contains Project Code SOG in pos. 54-56, then a change of ownership of commingled items from a Service Activity to DLA is to be effected without establishing a Due-In record.

a. If the Signal Code is A, B, C, or D, then the Customer Excess Report is rejected on Reply To Customer Excess Transaction, DIC FTR, with Status Code SJ.

b. If the Signal Code is J, K, L, or M and Project Code SOG does not match to Project Action Code E in Management Policy Table (MPT) 017, then the Customer Excess Report is output as an Uncontrolled Violation to ORC 94 with Violation Reason Code OP.

c. If Project Code SOG does match to MPT 017, then the Routing Identifier Code (RIC), in the SAMMS Combined Address File (SCAF), of the Supplementary Address on the Customer Excess Report is assigned as the Due-In RIC.

d. If the RIC of the Supplementary Address is invalid or missing in the SCAF, then the Customer Excess Report is output as an Uncontrolled Violation to ORC 94 with Violation Reason Code MU.

e. Further SCAF validation and Storage Mission Code (MPT001) validation for selection of the Consignee RIC is bypassed, and the RIC of the Supplementary Address is assigned as the Due In RIC.

f. When a Customer Shipment Status Transaction, DIC FTM, is received for a previously submitted valid Customer Excess Report with Project Action Code SOG, a DIC A0A transaction is prepared and generated to the Asset Management (Distribution) Subsystem with SOG in pos. 57-59 and the Due-In RIC in pos. 67-69.

g. The Asset Management Subsystem prepares an Issue Transaction, DIC D7_, to change the Ownership Code from the Service Activity to DLA. Additionally, a Materiel Receipt Transaction, DIC D6_, is prepared in order to finalize DLA ownership of the assets and to close the Customer Returns Control File record.

(g) The NSN is validated by matching against the NIR, which contains a record of all active and inactive NSNs managed by the DSC. Those documents which do not match the NIR, and for which it is mechani-

cally determined that the NSN has not been officially deleted from the system and has not been officially changed therein, and those documents

bearing NSNs that have been officially deleted from the system are rejected to the customer on a Reply to Customer Excess Report, DIC FTR, Status Code TC. Automatic return transactions are returned as no credit Status Code TB and will not be manually reviewed.

1. When it is determined that the NSN reflected on the Customer Excess Report has been officially changed in the Federal Supply Catalog, (e.g., identified to CMD Phrase Code A - Consolidate With; CMD Phrase Code B - Transfer To (FSC Change); or CMD Phrase Code D - Change To), the NSN will be mechanically converted to the proper NSN, processed, and recorded accordingly.

2. The ultimate Reply to Customer Excess Report, DIC FTR, will reflect the new NSN, and the appropriate Status Code:

- a. Credit authorized, Status Code TH.
- b. Credit not authorized, Status Code TJ.
- c. Disposal authorized, Status Code TK.

NOTE: Throughout this chapter where Status Codes TA, TB, and TC are cited, substitute TH, TJ, and TK respectively, when an NSN or UI change applies.

3. The CRCF, Due-In File, and PMRDs to depots will reflect the new NSN, and UI with corresponding quantity change, when required.

(h) The UI is validated by matching against the NIR. Those documents that do not match the current UI or the old UI, as listed in the NIR, are rejected to the customer on a Reply to Customer Excess Report, DIC FTR, and Status Code SH. Automatic return transactions are returned as no credit Status Code TB and will not be manually reviewed.

1. In the event the UI reflected on an incoming Customer Excess Report does not match the current UI but does correspond to the old UI and a conversion factor is involved, the quantity field on the Customer Excess Report will be mechanically converted by use of the UI Conversion Factor.

2. In this instance, both the UI and the quantity will be adjusted and reflected on the Reply to the Customer Excess Report as well as the appropriate Status Code as stated in subparagraph (g)2 above.

(i) The Type Pack Code on those Customer Excess Reports bearing NSNs for subsistence materiel (i.e., Federal Group 89 less FSC 8965) is validated to ensure that the Type Pack Code is correct. Type Pack Codes 1, 2, and 4 are acceptable for subsistence items. Documents bearing invalid or missing Type Pack Codes are rejected to the customer on a Reply to Customer Excess Report, DIC FTR, and Status Code SB.

(j) A duplication check against current CRCF Records is included in the validation of Customer Excess Reports. Duplicate reports are

rejected to the customer on a Reply to Customer Excess Report, DIC FTR, Status Code SG, unless there is a Manager Review pending or a DAASO Code D in pos. 70.

1. For duplicate documents with a Manager Review pending and a previous FTD furnished, a duplicate FTD, Status Code TR, will be transmitted to the reporting activity. Those duplicate documents with a Manager Review pending but without a previously furnished FTD will reject FTR, Status Code SG, to the reporting activity.

2. For those duplicate documents where the CRCF reflects an FTR reply with status code SC but not either a Manager Review pending or a DAASO Code D in pos. 70, Reject Status Code SG will be forwarded to the customer.

3. Duplicate documents having a DAASO Code D in pos. 70 will be processed as follows:

a. When the FTE NSN matches the NSN in the CRCF Originating Section and the CRCF indicates a previous entry with DASSO Code D in pos. 70, the customer will receive an FTR, Status Code SG, reject.

b. When the FTE NSN does not match the NSN in the CRCF and the CRCF does not indicate a previous entry with DAASO Code D in pos. 70, overlay the input FTE data into the CRCF Originating Section and retain the previous FTR, Status Code SC, to show DAASO identified a different NSN.

c. When the duplicate document FTE NSN matches the CRCF NSN but DAASO Code D and RRC EN are not present, CRCF FTE data will be retained, FTR, Status Code SC, will be retained, a ZTX reflecting RRC EN will be posted to the CRCF Manager Review Section, the previously assigned 45-day purge will be deleted (zero filled), and a CRCF inquiry, DIC ZDT, Action Code NL, will be generated to produce a CRCF printout, appendix F-37, with message NSN CONFLICTS WITH DAAS routed to ORC 94.

(k) SSCs, as reflected in appendix A-50, portray the method of management for any given NSN and are reflected in the Federal Supply Catalog. The policy is to use the Future SSC, when a Future SSC is indicated; otherwise, the current SSC will control all supply decisions. This technique is to ensure that materiel is not accepted for credit, as a stocked item when in fact the item will be coded nonstocked, prior to or shortly after receipt of materiel.

(l) Each DSC, under DLA guidance, has specified those items, by FSC and SSC, which are automatically returnable and/or which are reportable on a request for disposition instructions. Since these requirements differ for each DSC, Management Policy Table Number 016, Materiel Returns Authorized SSCs and Maximum Mechanically Acceptable Levels, contents as indicated in appendix F-197, has been developed to provide for mechanical control of these provisions. Customer Excess Reports representing automatic returns which bear NSNs that are assigned SSCs that are not reportable, are rejected to the customer on a Reply to Customer Excess Report, DIC FTR, and Status Code TB.

(m) Customer Excess Reports reflecting NSNs which have been assigned a Manager Review Code in the NIR (see appendix A-70) will not be processed mechanically to a final decision but will cause the output

of a MRP reentry transaction for review and manual supply decision by

the DSO. The resultant reentry transaction will be accompanied by a SSCS, appendix F-167, reflecting current stock position and requirements and a CRCF, appendix F-37. In the case of SSC/FSSC 2 and 9 items, an appendix F-191, Demand/Return Listing, will be furnished.

NOTE: A Manager Review Code is a one-digit alpha code assigned to an item of supply which requires special supply action deviating from normal procedure. Manager Review Codes R or B are applicable to Customer Excess Reports.

(n) Whenever a stocked item has had no recorded demand for the past 270 days in the Date of Last Demand field, and the quantity is machine determined to be creditable IAW chapter 32 for FTE type transactions, the reentry document will be reviewed by the IM. Whenever the DIC FTE type transaction quantity is machine determined to be within the chapter 32, Returnable Limit, the document will be reviewed by the IM. A SSCS, appendix F-167, with Reason for Study Code CR and a CRCF, appendix F-37, will be output. The IMs analysis should determine if a forecasted QFD or NSO quantity needs to be reduced.

(o) Whenever the Date of Last Disposal is within the past 180 day asset disposal recoupment period for all materiel determined by the machine to be required (i.e., other than TC and TB machine determined Status Codes), the MRP reentry transaction will be reviewed by the IM. This manual review will preclude the simultaneous depot disposal and acceptance of materiel.

(p) Whenever the NSN on an original DIC FTE transaction does not match an existing NSN in the NIR, or when DSC NIR/SCF indicate that the DSC is not the correct ICP/IMM, the document will be rerouted to DAAS as Status Code SC. When DAAS research indicates a FSC change, or that the NSN is managed by the DSC, the document will be returned by DAAS citing Advice Code 3T in pos. 65-66, and Code D in pos. 70. A Code D in pos. 70 indicates that DAAS has reviewed a previously rejected document, and the DSC processing will bypass duplication checks as prescribed in subparagraph (1) above.

1. When the document returned by DAAS contains a corrected FSC/NSN, the document will be processed as a new DIC FTE transaction if DSC search of NIR file records indicates a NSN match.

2. When DSC search of NIR file records does not indicate a match, the DIC FTE transaction will cause the generation of a reentry transaction and an appendix F-37 listing to ORC 94, MSO. MSO research will ensure that DSC, DLSC, and DAAS records are adequately updated to be compatible, if this is the cause of the problem. When the reentry transaction is processed the FTE will be processed as a new transaction.

(q) Whenever the reported NSN reflects a pending catalog change code RA (delete and consolidate with), excess reports will be output for manual review. The IM will determine appropriate disposition instructions based on review of the item reported in conjunction with requirements for the replacing NSN.

(r) Whenever a MRP reentry transaction (DIC ZTX) has not been output to the IM for any other reason, and the total dollar value is equal to or greater than the DLA authorized Management Policy Table (MPT) 016 Maximum Dollar Value, the Customer Excess Report will be output for review by the IM. The Maximum Dollar Value is computed at Standard Unit Price. The IM will accept or reject the credit, no credit, or disposal decision determined by the computer. Automatic returns will not be output since the materiel has already been shipped and has been subjected to a MPT 016, Maximum Materiel Acceptance Level dollar check.

d. DOCUMENT PROCESSING

The actual processing of Customer Excess Reports is a mechanical process which results in the acceptance or rejection of materiel by the DSC and a determination as to whether or not credit will be granted the customer. These supply decisions are rendered within the criteria expressed in chapter 32, Establishment, Maintenance and Uses of Quantitative Levels. The exception to the general criteria is that the computer program will not permit credit to be authorized for the return of an NSN which is coded SSC 6, or which will become SSC 6 within 120 days (regardless of requirements, stock position and/or authorized Project Code). This exception is based on the premise that the purpose of credit authorization is to grant credit to customers when the return of materiel will preclude or reduce a procurement action during the budget cycle.

(1) When it is determined that the customer is to be granted credit on automatic returns and those requests for disposition instructions for which materiel is to be shipped (including those reports controlled by a Project Code), the dollar value of credit using the Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF, in the SAMMS Financial Subsystem is computed. Dollar value of credit to be granted is based on the reported physical condition of the materiel to be returned. Since the criteria are different from each DSC, Management Policy Table Number 015, and contents as indicated in appendix F-195, Printout of Materiel Returns Acceptable Condition Codes has been developed for mechanical utilization.

(2) Reports of Customer Excess, DIC FTE, are subject to Minimum Dollar Value criteria prior to mechanical determination of credibility in the Materiel Returns Program. The Minimum Dollar Value is computed at Materiel Acquisition Unit Cost.

(a) The Minimum Dollar Value applied to all Reports of Customer Excess is contained in MPT 016. HQ DLA is responsible for establishing the dollar amount to be entered in MPT 016 via Management Policy Table transaction, DIC ZTA.

(b) When it is determined that a Report of Customer Excess is equal to or less than the MPT 016 Minimum Dollar Value, then the transaction is assigned Customer Excess Status Code TC and is transmitted to the reporting activity on Reply to Customer Excess Report, DIC FTR.

(c) HQ DLA authorized exceptions to the Minimum Dollar Value criteria are as follows:

1. A Type 1 Backorder recorded on the Backorder File.

2. A Recommended Buy recorded on the Recommended Buy Master File.

3. A Recommended Buy (Type Due-In Code SR_) recorded on the Due In File.

4. A Purchase Request (Type Due-In Code SP_) recorded on the Due In File.

5. A Manager Review Code B or R recorded on the National Inventory Record File.

6. A Diminishing Source (DMS) Item (DMS Item is currently identified by Manager Review Code).

(d) If a Report of Customer Excess is equal to or less than the Minimum Dollar Value and any of the above exception criteria exists, then MRP Review Reason Code MD is assigned to the Customer Returns Control File Record and the transaction is output for manual review on MRP Reentry transaction, DIC ZTX, for determination of disposition and potential cancellation or reduction of procurement actions.

(e) Reports of Customer Excess that contain a valid HQ DLA assigned Project Code (appendix A-95) are not subject to the Minimum Dollar Value criteria.

(3) When it is determined that credit will not be granted (considering both stock position/requirements and the Project Code) against an automatic return, Status Code TB is assigned.

(4) When it is determined that credit will be granted (considering both stock position/requirements and the Project Code) against an automatic return, Status Code TA is assigned.

(5) When it is determined that credit will be granted against an automatic return (with Status Code TA), the document is further examined to ensure that the maximum limitation of \$250 per automatic return is not exceeded. Programming techniques will reduce credit to be granted to that limitation.

(a) Credit being granted based on an authorized Project Code is not subject to the maximum limitation; nor

(b) Are those automatic returns prepared and submitted by Navy SSPs, representing materiel returned from their regularly supported customers; nor

(c) Are those returns of Serum Albumin as provided for in DLAR 7000.4; nor

(d) Are items returned under the Army Bag Item Program.

(6) When it is determined that credit will not be granted (considering both stock position/requirements, the minimum return

criteria and Project Code), but that all materiel reported would be accepted against a request for disposition, Status Code TB will be assigned. This includes all Customer Excess Reports, representing FMS returns, which are acceptable to the DSC.

(7) When it is determined that the total quantity is to be returned, and credit is to be granted on the total quantity reported (considering both stock position/requirements and the Project Code) against a request for disposition instructions, Status Code TA will be assigned.

(8) When it is determined that the total quantity reported is to be returned, but credit is to be granted on a partial quantity against a request for disposition instructions:

(a) Status Code TA will be assigned for the quantity acceptable with credit.

(b) Status Code TB will be assigned for the quantity acceptable without credit.

(9) When it is determined that a portion of the quantity reported is to be returned, with or without credit, against a request for disposition instructions:

(a) Status Code TA will be assigned for quantity acceptable with credit, a Status Code TB for quantity acceptable without credit.

(b) Status Code TC will be assigned for the quantity to be disposed of. The Suffix Code, pos. 44, will be changed to the next available suffix, e.g., if TA or TB is A, TC will be B.

NOTE: When a split action is directed on one document as in either instance above, a Suffix Code, pos. 44, beginning with A will be assigned the first action and incremented to the next code for each succeeding action. Suffix Codes will always be mechanically assigned.

(10) When it is determined that materiel is required by the DSC, and that credit is to be granted (assigned Status Code TA), the dollar value of credit using the Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF, in the SAMMS Financial Subsystem will be checked against Management Policy Table Number 016 (see appendix F-197), Table of Materiel Returns Authorized SSCs and Maximum Mechanically Acceptable Levels. This check is to preclude the computer from granting credit beyond funding limitation established at each DSC. In those instances where credit to be granted exceeds the Maximum Mechanically Acceptable Level (Dollar Limitations), a reentry transaction will be output for manual review and determination of creditability. This reentry card will be accompanied by a SSCS, reflecting current stock position and requirements and a CRCF Printout, appendix F-37. All Customer Excess Reports, where credit is controlled by a Project Action Code, are exempted from this provision.

(11) The NSN, on Customer Excess Reports representing requests for disposition instructions determined to be creditable (assigned Status Code TA) and nonreimbursable returns ordered in from FMS, will be reviewed mechanically for short shelf-life or deteriorative item characteristics. When such characteristics are found, they will be rejected for review by DSO accompanied by an SSCS (with Reason for Study Code CR), reflecting current stock position and a CRCF Printout,

appendix F-37. All Customer Excess Reports where credit is controlled by the Project Code are exempt from the check.

(12) The NSN, on those Customer Excess Reports which are acceptable to the DSC, including all automatic returns, will be mechanically reviewed against the Due-In records to determine whether or not there are any procurement actions in process while customer excess materiel is available. When such open procurement requests are found, the Customer Excess Report will cause the output of a reentry transaction for review and determination of the acceptability of the computer recommendation and a determination as to whether or not the procurement actions are to be terminated. The MRP reentry transaction will be accompanied by a SSCS (with Reason for Study Code CR), reflecting current stock position and coded management data and the CRCF for that document.

NOTE: Those Customer Excess Reports resultant from the non-UADPS Army Bag Item Program at DPSC (S9T) are excluded from the procurement review as are those Reports of Customer Excess Materiel, where credit is controlled by the Project Code.

(13) When the Supply Control File reflects Catalog Change Code LL (Logistics Loss) and the Logistics Reassignment Effective Transfer date is within 60 days of the current date:

(a) If within the limits of the Approved Force Acquisition Objective (AFAO) assets are required, Customer Excess Transaction Code TA DIC FTR reply to Excess Report will be provided for the quantity required.

(b) If the LIM stockage position indicates that disposal action is appropriate, the LIM will furnish the reporting activity with a Reply to Excess Report, DIC FTR, using Excess Status Code SM. This will indicate to the reporting activity that disposal action is appropriate, but the item is in the process of migrating and further action is deferred until ETD.

(c) In the event the total quantity offered exceeds the limits of the AFAO but a portion of these assets is required, DIC FTR will be provided to the customer using Customer Excess Transaction Status Code TA for the quantity required to bring the item to an asset position equal to the AFAO. Customer Excess Transaction Code SM will be furnished for the remaining quantity.

(14) When the NSN is recorded in the Logistics Reassignment Gain File (LRGF), the Logistics Reassignment Effective Transfer Date is within one year prior to the current date, and the Service Code on the request for disposition instructions matches the Losing Inventory Manager (LIM):

(a) If an FTE quantity is recommended for total or partial credit, a DIC ZTX with RRC LG will be generated and forwarded to the ORC of the Gaining Inventory Manager (GIM) for manual review. In the event of multiple Review Reason Codes, the logistics transfer RRC will always supercede other RRCs.

(b) If an FTE quantity is recommended for other than total or partial credit and a previous RRC has been assigned, a DIC ZTX with the assigned RRC and an appendix F-37, CRCF Printout, with the message

LOGISTICS TRANSFER ITEM: WITHOUT CREDIT will be generated and forwarded to the ORC of the GIM for manual review.

(c) If an automatic DIC FTR reply with a Status Code other than TA or TH is made to the LIM, an appendix F-37, CRCF Printout, with the message LOGISTICS TRANSFER ITEM: WITHOUT CREDIT will be generated and forwarded to the ORC of the GIM.

(15) Customer Excess Reports will be converted to a Reply to Customer Excess Report, DIC FTR, citing the applicable Status Code.

(16) DICs for the Due-In transactions and PMRDs required are assigned mechanically based on a cross-reference of Service Codes and information contained in the incoming FMS Customer Excess Reports.

(17) For totally validated documents, the date due-in is 120 days from current date for CONUS Customer Excess Reports or 180 days from current date for overseas Customer Excess Reports. The EDD to be included in the PMRDs furnished consignee depot include this information except it is rounded off to month and year.

(18) PMRDs will not be prepared for those Customer Excess Reports representing in place transfers of Service-owned assets (see chapter 14).

240204 - PROCESSING FOLLOWUPS ON CUSTOMER EXCESS REPORTS

a. CONCEPT

DSCs will make every effort to expedite the processing of Customer Excess Reports and further make every possible effort to forward the reply to the appropriate customer. When a customer has not received disposition instructions, it is the responsibility of the customer to forward a Followup for DSC Reply to Customer Excess Report, DIC FTF, to the DSC no earlier than 30 days after submission of the FTE.

(1) It is accepted that Followups for DSC Reply to Customer Excess Reports, DIC FTF, may be received by the same media as Customer Excess Reports, DIC FTE, and these documents will be handled and processed in the same general concept as indicated in paragraph 240203a.

(2) A reply to a Followup for DSC Reply to Customer Excess Report will be made by the DSC within five working days.

b. DOCUMENT PROCESSING

Processing of a Followup for DSC Reply to Customer Excess Report, DIC FTF, is a mechanical action, utilizing the information contained in the CRCF.

(1) The RIC (To) is validated to ensure that the incoming followup is being processed by the correct DSC. In the event of an error, the NSN reflected on the incoming document is checked to determine if the NSN is the management responsibility of the processing DSC. When it is determined that the RIC on the incoming document does not represent another DSC, the followup will be mechanically screened against the CRCF

records, on the possibility of the original document having been received and rejected.

(2) If no record exists in the CRCF for document number in the DIC FTF followup, the DIC FTF will be converted to a DIC FTE and processed as an original transaction.

(3) When it is determined that the original Customer Excess Report is not recorded in the CRCF, but that a record of receipt of materiel under the same NSN and document number is available, the document will be mechanically converted to an automatic return and processed as an original Customer Excess Report as indicated in paragraph 240203.

(4) When it is determined that the original Customer Excess Report is recorded in the CRCF, but was rejected for manual review, the incoming followup will cause the recreation of the reentry review transaction (DIC ZTX) and supporting outputs.

(5) In all other instances, where it is determined that the original Customer Excess Report is recorded in the CRCF, the Reply to Customer Excess Report, DIC FTR, will be prepared reflecting the original Status Code assigned and recorded by the DSC by Suffix Code, where applicable.

240205 - PROCESSING OF CANCELLATIONS OF CUSTOMER EXCESS REPORTS

a. CONCEPT

(1) Under MILSTRIP, if the quantity available for shipment in the condition originally reported is less than the quantity reported and previously authorized for return with credit, the customer will submit a Cancellation of Customer Excess Report, DIC FTC citing the quantity either not available for shipment, or that will not be returned.

(2) Recognizing the possibility of complete cancellations both against creditable and noncreditable returns, computer techniques have been developed to ensure timely and proper adjustment of the CRCF, the Due-In records, and the PMRDs based on receipt of cancellations regardless of whether or not credit has been authorized.

(3) It is accepted that Cancellations of Customer Excess Reports, DIC FTC, may be received by the same media as Customer Excess Reports, DIC FTE, and these documents will be handled and processed under the general concept indicated in paragraph 240203a.

b. Processing of Cancellations of Customer Excess Reports. Processing of a Cancellation of a Customer Excess Report, DIC FTC, is a mechanical action, utilizing the information contained in the CRCF.

(1) A match for cancellation purposes will be based on the document number in the DIC FTC transaction matching an identical document number in the CRCF. If there is no match, the DIC FTC transaction is not processed further.

(2) When it is determined that the original Customer Excess Report has been canceled, and the incoming document is a duplicate transaction, there will be no further processing or reply to the customer.

(3) When it is determined that the original Customer Excess Materiel Report represented an automatic return for which credit was not granted (Status Code TB), the cancellation will be posted to the CRCF, and no further action taken. The original document did not cause dues-in to be established or PMRDs to be prepared. If the original document was received citing a valid Project Code which required that a due-in be established:

(a) Due-In record will be canceled (reversed).

(b) PMRD will be canceled (reversed) and forwarded to the consignee depot.

(c) In the event of a partial cancellation any quantity remaining due-in will be updated on the original Due-In Record, and a new PMRD for the remaining quantity due-in will be established after the original PMRD record is canceled (reversed).

(4) When it is determined that the original Customer Excess Report represented an automatic return for which credit was granted (Status Code TA), the cancellation will be posted to the CRCF, and subsequent receipt of materiel will not cause the generation of a DSC Materiel Receipt Status, DIC FTZ.

NOTE: In the event the incoming cancellation reflected a quantity greater than the quantity reflected on the original Customer Excess Report or is all zeros, the quantity on the incoming cancellation will be mechanically reduced to equal the recorded quantity and processed as a complete cancellation.

(5) When it is determined that the original Customer Excess Report represented a request for disposition instructions and all materiel returned was creditable (Status Code TA or TH), the following actions will be taken:

(a) Due-In record will be canceled (reversed).

(b) PMRD will be canceled (reversed) and forwarded to the consignee depot.

(c) In the event of a partial cancellation any quantity remaining due-in will be updated on the original Due-In record, and a new PMRD for the remaining quantity due-in will be established after the original PMRD record is canceled (reversed).

(d) Cancellation document will be posted to the CRCF.

(e) DIC FTZ, DSC Materiel Receipt Status will be generated to the customer with Status Code TP.

(6) When it is determined that the original Customer Excess Report represented a request for disposition instructions and that all materiel reported was being returned with partial credit, the actions listed in subparagraph b(5) above will be taken only if an FTC Suffix Code matches

an FTR credit/noncredit Suffix Code. For a credit (Status Code TA or

TH) Suffix match, DIC FTZ with Status Code TP is generated. For a noncredit (Status Code TB or TJ) Suffix match, DIC FTZ with Status Code TV will be generated. An FTC without a suffix code will not cancel either the credit quantity or the noncredit quantity but it will post to the CRCF.

(7) When it is determined that the original Customer Excess Report represented a request for disposition instructions (FTE) and that all materiel reported was being returned without credit (Status Code TB or TJ), the actions listed in subparagraph b(5) above will be taken except that DIC FTZ, DSC Materiel Receipt Status will be generated to the customer with Status Code TV.

240206 - PROCESSING OF CUSTOMER EXCESS REPORT REENTRY DOCUMENT

a. CONCEPT

MRP Reentry processing is outlined in appendix E-036 P, Procedures for Processing Materiel Returns Program Reentry Transactions.

(1) Controlled rejects are output as MRP Reentry Transactions, DIC ZTX, in the format of appendix B-36. They serve as both output and input documents for rejections/corrections and manual decisions. Each DIC ZTX output is recorded in the CRCF with a suspense date established of 15 days. With the output of the MRP Reentry Transaction, an appendix F-37, CRCF and F-167, SCS (or F-191) will be generated. The CRCF will normally reflect the Customer Excess Report and the recommended decision. The DIC ZTX transaction will contain the reason for output in the form of a MRP Review Reason Code as described in appendix A-36.

(2) Uncontrolled rejects are output in the form of an Uncontrolled Violation Printout, appendix F-117. The Uncontrolled Violation Printout is an informational type document, which is not recorded in the CRCF, nor is a manual processing suspense date established mechanically. Reentry of this document requires a complete reproduction, with necessary corrections, of the original input action.

b. REVIEW AND REENTRY

The recommended decision, as reflected on the appendix F-37, will generally be acceptable; however, inasmuch as established controls caused rejection, the decision must be thoroughly reviewed and validated or changed. If the decision is valid the DIC ZTX will be reentered with the Reentry Code (RE) only. Changes will be made by entering the Reentry Code (RE) and the applicable changes in appropriate fields. See appendix E-036 P for detailed processing instructions.

c. DOCUMENT VALIDATION

Each Reentry Transaction, DIC ZTX, received is subjected to a short validation which ensures that the original document number is recorded as open in the CRCF, with a violation pending, and that manually changeable fields are valid. Mechanical validation includes a check to ensure that:

(1) The Reentry Code is RE.

(2) The reentry document matches an open CRCF (on NSN and document number).

(3) The quantity, a manually changeable field, is numeric, other than all zeros. Any leading blanks (blanks to the left of a significant digit) will be mechanically filled with zeros.

(4) Status Codes are compatible.

(5) The RIC To is valid.

(6) When Status Code SM or TR is reflected, the Status Date field, pos. 56-59, is filled with valid (numeric) entries.

(7) The Priority Code is 03 or 13.

d. DOCUMENT PROCESSING

(1) When the reentry transaction contains Reentry Code RE and pos. 35-62 are blank, the suspended computer decision will be submitted to the customer by means of a Reply to Customer Excess Report, DIC FTR.

(2) When the reentry transaction contains Reentry Code RE and includes changes to the suspended computer decision, the reentry will override the suspended decision and will be furnished the customer through a Reply to Customer Excess Report, DIC FTR.

(3) When the reentry transaction contains Reentry Code RE and indicates that the IM decision is being delayed, Status Code SM, the customer will be furnished a Reply to Customer Excess Report, Delay Status, DIC FTR, with the expected reply date from the DIC ZTX reentry card.

(4) When the management decision is to reject the entire quantity reported and furnish special disposition instructions, processing personnel will enter Reentry Code RE and Status Code TD into the reentry document. This will cause a Reply to Customer Excess Report, DIC FTR, with Status Code TD to go to exit and be routed to DSO, IM on the F-52, Requirements Exception List, in the next Requirements Cycle. When the IM receives the F-52 list for the FTR/TD, the IM will send the applicable special instructions for this reply to the customer by mail.

(5) When the management decision includes an upgraded (03) priority based on critical item status, the reentry transaction will reflect this change in pos. 63-64, which will be perpetuated in the output DIC FTR. In rare instances, IM decision may include split priority designations for a single excess report; in this case, a second reentry transaction must be manually prepared. Upgraded priority action may not be initiated without prior approval by both the immediate supervisor and the FTE Monitor, MSO.

(6) In addition to causing the generation of a Reply to Customer Excess Report, the CRCF will be posted and when necessary, Dues-In record and MRDs will be established.

240207 - PROCESSING CUSTOMER EXCESS REPORT STATUS DOCUMENTS

a. CONCEPT

The Materiel Returns Program provides both the customer and the DSC the capability to furnish and/or obtain specific interim information relative to shipment, receipt and credit billing status.

b. VALIDATION/DOCUMENT PROCESSING

Specific mechanical validation checks, document processing, and file maintenance actions are outlined in the following paragraphs.

The Report of Supply Status (DIC FTL) Transaction and the Shipment Status (DIC FTM) Transaction, receives the same checks as DIC FTE documents (reference paragraph 240203c). Whenever an error condition is determined, a DIC FTR reply transaction is prepared with the applicable A-51 Status Code in pos. 65-66 and transmitted to the reporting activity.

(a) Whenever a matching CRCF document number is found; and

1. The initial record was established as a result of a receipt (D6_), the FTL and/or FTM data is posted to the CRCF only, with no further action.

2. The pos. 44 FTL and/or FTM Suffix Code does not match a FTR/ Suffix Code Record in the DSC Decision Record section, Status Code SB will be assigned and forwarded to the submitter via DIC FTR. The CRCF will not be posted.

3. Project Action Code E (in-place transfer action) is recorded in the CRCF POLICY SECTION for this document number and when an FTM is received:

a. If sufficient NIR assets are only partially available, action will be taken to transfer OPC on available assets and CRCF updated.

b. If NIR assets are not available, Status Code SB will be assigned to this transaction and forwarded to the submitting activity via DIC FTR. CRCF will not be updated.

(b) Whenever a matching CRCF record is not found; and

1. The CRHF reflects this document number, FTL, and/or FTM data will posted to the CRHF, with no further action taken.

2. The CRHF does not reflect this document number, DIC FTL will be counted for the appendix F-47 FTL REJ only, with no further action taken.

3. The CRHF does not reflect this document number, DIC FTM will be counted for the appendix F-47 FTM REJ only, with no further action taken.

(c) Whenever the DIC FTP document number does not match a CRCF ORIGINATING SECTION RECORD, a DIC FTR, Status Code SB, will be furnished the submitting activity. CRCF will not be updated.

(d) Whenever the DIC FTP document number does match a CRCF ORIGINATING SECTION RECORD; and

1. FTZ records are reflected in the CRCF, action will be taken to prepare a DIC FTB Reply to Followup for Credit and provide FTZ status (i.e., FTZ zero filled - Status Code TY; FTZ Credit Bill Number reflected - Status Code TX; FTZ dollars posted without bill number - Status Code TW).

2. FTZ records are not reflected in the CRCF, action will be taken to post FTP data to the CRCF with no further action taken.

(e) Whenever the DIC FTT document number does not match a CRCF ORIGINATING SECTION RECORD, a DIC FTR, Status Code SB, will be furnished the submitting activity. CRCF will not be updated.

(f) Whenever the DIC FTT document number does match a CRCF ORIGINATING SECTION RECORD; and

1. CRCF has a record of FTZ data for this suffix code, the submitting activity will be furnished a DIC FTZ duplicating previously furnished status. FTT data will be posted to the CRCF.

2. CRCF does not have a record of FTZ data for this Suffix Code, materiel is not suspended in Condition K, and DIC FTM has not been posted for this document, the submitting activity will be furnished a DIC FTR, Status Code TU, and a DIC FT6, with Status Code TA/TH or TB/TJ from the FTR Suffix Code record for the initial TA/TH or TB/TJ reply quantity minus any partial cancellation quantity. The CRCF will be updated with DIC FTT and FTR Status Code TU. The FTR itself will not post to the CRCF. The FT6 data will also post to the CRCF.

3. CRCF does not have a record of FTZ data for this Suffix Code, and materiel is suspended in Condition K, the submitting activity will be furnished a DIC FTR, Status Code TT. CRCF will be updated with FTT/FTR data (Status Code TT only).

4. CRCF does not have a record of FTZ data for this Suffix Code, materiel is not suspended in Condition K, and DIC FTM is posted for this document number, the submitting activity will be furnished a DIC FTR, Status Code TU, and a DIC FT6, Status Code T3. CRCF will be updated with FTT/FTR data (Status Code TU only) and FT6/T3 data.

240208 - PROCESSING OF CUSTOMER EXCESS REPORTS FOR MATERIEL RECEIPT
STATUS AND FINANCIAL BILLING TRANSACTIONS

a. CONCEPT

(1) At the time of receipt of creditable/noncreditable materiel, the Materiel Returns Program (MRP) provides Receipt Status and the Expected Credit Dollar Value to the customer on Materiel Receipt Status Transaction, DIC FTZ.

(2) Additionally, the MRP passes credit/noncredit notification to the Financial Subsystem via the Report of Credit/Credit Reversal for Customer Returns, DIC ZHK.

b. DOCUMENT PROCESSING

(1) Upon receiving Materiel Receipt Transactions, DIC D6_, from the Asset Management Subsystem, Materiel Receipt Status, DIC FTZ, is generated to the customer for receipt of creditable materiel with Status Code TN (credit) or TM (reduced credit), and the Expected Credit Dollar Value (Credit Quantity x Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF, in the SAMMS Financial Subsystem).

(2) For receipt of noncreditable materiel, Materiel Receipt Status, DIC FTZ, is generated to the customer with Status Code TQ (noncredit) and with the Expected Credit Dollar Value as zero.

(3) The FTZ Review Date in the Document Review and Purge Control File is set at 45 days from the processing date, pending receipt of Financial Billing transactions.

c. FINANCIAL TRANSACTIONS

(1) Upon generation of DIC FTZ credit status to the customer, a Report of Credit/Credit Reversal for Customer Returns (DIC ZHK) is generated to the Financial Subsystem with Type Bill Codes AR (MRP Credit) or DR (TAV MRP Credit) and the Credit Dollar Value (Credit Quantity x Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF, in the SAMMS Financial Subsystem).

(2) For DIC FTZ non-credit customer status, a Report of Credit/Credit Reversal for Customer Returns (DIC ZHK) is generated to the Financial Subsystem with Type Bill Code NR (MRP NON-Credit) and the Credit Dollar Value is zero.

(3) At the time Financial generates Credit Billing to the customer, Financial also passes a Detail Billing Record for Customer Returns to the Requirements Subsystem with the Credit Dollar Value and Credit Bill Number (DIC FD2), the Packing (P), Crating (C), Handling (H) costs (DIC FN2), and the Transportation (T) costs (DIC FQ2).

d. CUSTOMER RETURNS CONTROL FILE (CRCF) ACTIONS

(1) For Customer Returns Control File (CRCF) records with DIC FTZ status TN or TM, the DIC FD2 Credit Dollar Value and Credit Bill Number,

and the DIC FN2 and DIC FQ2 P, C, H, and T costs are posted to the Billings Action Section of the CRCF.

(2) For Customer Returns Control File (CRCF) records with DIC FTZ status TQ, the DIC FN2 and DIC FQ2 P, C, H, and T costs are posted to the Billings Action Section of the CRCF.

(3) The previously established FTZ Review date is reset to zero and the Customer Returns Control File (CRCF) record is reinstated. If all applicable MRP actions are complete for the Customer Excess Report document, then a 45 day Purge Date is set in the Document Review and Purge Control File.

240209 - PROCESSING OF CUSTOMER EXCESS REPORTS FOR INSTALLATION CLOSURE

a. CONCEPT

(1) The Materiel Returns Program provides procedures to direct for return mission essential materiel, and to transfer excess materiel to the local community due to an installation closure.

(2) Items will be reported to the DSC using DIC FTE and Project Code 3QQ in pos. 57-59. The Project Code 3QQ informs the DSC that the item has been placed on the preliminary inventory of related personal property which is designated to be transferred to the local community at the time of installation closure. The DSC will process reports of excess materiel received as a result of installation closure and will not direct return of excess materiel unless the item is required to meet an Approved Force Acquisition Objective (AFAO).

b. DOCUMENT PROCESSING

(1) Processing of a Customer Excess Report, DIC FTE, with Project Code 3QQ is a mechanical action.

(2) Project Code 3QQ is mechanically assigned Project Action Code M within the Materiel Returns Program.

(3) Items that are Item Category Code (ICC) 1 or P (other than SSC/FSSC 6) with Project Action Code M will have a creditable level computed as the AFAO. If assets are below the daily AFAO, Status Code TA is assigned and a Due-In is established based on the Customer Zone Code. If assets are not below the daily AFAO, Status Code TC is assigned and the excess materiel will be transferred to the local community at the time of installation closure.

(4) All items that are not ICC 1 or P (including SSC/FSSC 6) will have Status Code TC assigned and the excess materiel is to be transferred to the local community at the time of installation closure.

240210 PROCESSING OF CUSTOMER EXCESS REPORTS FOR TOTAL ASSET VISIBILITY (TAV)

a. CONCEPT

(1) During monthend processing, stocked items are reviewed to determine if they are within 30-60 days of reaching their Reorder Points

(ROP). If so, notifications (DZE transactions) are transmitted to participating Services under the Total Asset Visibility (TAV) Program.

The Materiel Returns Program (MRP) validates Reports of Customer Excess, DIC FTE, for offers of TAV assets from the participating Military Services in order to determine creditable or nonreturnable status.

(2) Reports of Customer Excess for TAV assets are identified by Project Code RBB in pos. 57-59 of the DIC FTE. Project Code RBB must be entered in MRP Management Policy Table 017 in association with Project Action Code N (appendix A-95).

b. IDENTIFICATION OF TAV ASSETS

(1) During the Monthend Process each item is reviewed to determine if a request for TAV support to offset a future procurement should be generated. The following criteria must all be met:

(a) The Item Category Code (ICC) is 1/P or 2/B.

(b) The Future Supply Status Code (FSSC) is other than 2, 3, 6, or 9 and the current Supply Status Code (SSC) is other than 2, 3, 6, or 9.

(c) The Catalog Change Code is not DD, DL, DM, DP, DQ, DW, RA, RL, RM, CD, CO, or LL.

(d) The ALT and PLT days are other than zero.

(e) The QFD is greater than zero (for Age of Item Code E) or the QFD(New) is greater than zero (for Age of Item Code N).

(f) If the item is Provisioning, the processing date is greater than the Provisioning Support Date in the Supply Control File.

(g) There is either no record in the DZE Suspense File (USDMTAVF) for the NSN or the Procurement Offset Date in an existing DZE Suspense File Record is zero, indicating no outstanding DZE procurement offset inquiries.

(2) If an item meets all of the above criteria, an additional 60 days of recurring requirements is computed. These requirements are computed as two-thirds of the QFD for ICC 1 or P items (plus one-sixth of the 12-month POI requirement for DPSC-T) and one-sixth of the NSO quantity for ICC 2 or B items. These additional requirements are added to the ROP Level and then compared to the ROP Asset Comparison Quantity. If the ROP Level is greater than the Comparison Quantity, a DIC DZE will be generated to the Asset Management Subsystem. Asset Management will update the DZE Suspense File and generate a DZE Request to the participating Services.

(3) The DZE Suspense File record will be reset (available for subsequent DZE inquiries) when the impending recommended buy has actually been produced and processed to completion (causing the ROP Signal Date and DZE Procurement Offset Date to be changed to zero).

(4) In the Daily Process, if a Recommended Buy is being generated, and there is either no record in the DZE Suspense File (USDMTAVF) for

the NSN or the Procurement Offset Date in an existing DZE Suspense File is zero, indicating no outstanding DZE procurement offset inquiries,

then a DIC DZE is generated to the Asset Management Subsystem. Asset Management will update the DZE Suspense File and generated a DZE request to the participating Services.

(5) DSC directed DIC DZE transactions for Procurement Offset may be effected via SAMMSTEL by use of applicable online procedures for Verb SODE.

c. MRP EXCLUSION

(1) The Asset Management Subsystem Backorder Exclusion Table will be utilized for Procurement Offset DIC DZE exclusions by an entry for Materiel Returns. The MRP exclusion criteria will be by Military Service, FSG, FSC, or NSN. Current screen miscellaneous exclusions for Backorder Referral items will not apply for MRP exclusions.

(2) For each Exclusion Table Screen an entry for MRP exclusion will be available.

(a) If a specific Service is required to be excluded from Procurement Offset, then an MRP entry of I (Inactive) will be recorded. If exclusion is not required then an MRP entry of A (Active) will be recorded.

(b) If a specific FSG, FSC, or NSN is required to be excluded from Procurement Offset, then an MRP entry of Y (Yes) will be recorded. If exclusion is not required then an MRP entry of N (No) will be recorded.

(c) A Y entry for a specific FSG/FSC will exclude the entire FSG/FSC from having DIC DZEs generated to participating Active Services. A Y entry for a specific NSN will exclude only that NSN from DIC DZE generation to participating Active Services.

(3) User TAV screen entry procedures are provided in SAMMSTEL documentation, DLAH 4745.2, Volume I, Part 1, Chapter 3.

d. DOCUMENT PROCESSING

(1) Reports of Customer Excess with Project Code RBB will be processed IAW the following Materiel Returns Project Action Code N logic:

(a) For ICC 1 or P items (other than SSC/FSSC 2, 3, 6, or 9), when the FTE quantity is authorized for Credit, MRP Status Code TA/TH is assigned to the Reply to Customer Excess Report, DIC FTR.

(b) For ICC 1 or P items (other than SSC/FSSC 2, 3, 6, or 9), when the FTE quantity is designated for Noncredit and/or Disposal, MRP Status Code TC/TK is assigned to the Reply to Customer Excess Report, DIC FTR.

(c) For ICC 2 or B items (other than SSC/FSSC 2, 3, 6, or 9), an NSO Creditable Level is computed for Project Action Code N (OWRMR + NSO Quantity + 12 months of SPR, Provisioning and other Nonrecurring Requirements). When the FTE quantity is below the NSO Creditable Level,

MRP Status Code TA/TH is assigned to the Reply to Customer Excess Report, otherwise MRP Status Code TC/TK is assigned to the DIC FTR.

(d) A Customer Control File Record, appendix F-037, with the message FTE WITH TAV ASSETS ACCEPTED is output to the ORC of record for Reports of Customer Excess that are assigned MRP Status Code TA/TH.

e. RECEIPT PROCESSING

(1) Upon receipt of materiel with Project Code RBB assigned to the CRCF record, a Materiel Receipt Status transaction, DIC FTZ, is transmitted to the reporting activity with the Credit Dollar Value computed using the Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF, in the SAMMS Financial Subsystem.

(2) Additionally, a Report of Credit for Customer Returns, DIC ZHK, is prepared and generated to the Financial Subsystem with appropriate receipt data including Project Code RBB, Type Bill Code DR, and the Credit Dollar Value computed at the Basis Cost in the Standard Price/Acquisition Cost File.

f. TAV STATISTICS

MRP reporting statistics are kept in order to track the usage of the TAV MRP Recommended Buy offsets. The following designated data for DIC FTE/RBB submissions will be passed to the Asset Management Subsystem during each MRP processing cycle for monthly accumulation and display. This data will be available for viewing on SAMMSTEL screens by using Verb SDCF, and monthly on the Report of Customer Returns, Total Asset Visibility, appendix F-047-C.

(a) For each MRP processing cycle for DIC FTEs, a record is prepared with FTE/RBB identification for each Service (A for Army, F for Air Force, M for Marines, N for Navy, O for others, and Numeric for Fedstrip) submitting FTE/RBB documents with the number of FTE/RBB documents processed for a Service and the total dollar value of the DIC FTE/RBB documents (Quantity x Material Acquisition Unit Cost) for a Service.

(b) For each MRP processing cycle for DIC FTR status replies, a record is prepared with FTR/RBB identification for each Service (using the same Service Codes as in subparagraph 240209d(1)a above) to which a DIC FTR/TA response was generated with the number of FTR/TA responses for a Service and the total dollar value of FTR/TA responses (Quantity x Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF) for a Service.

(c) For each MRP processing cycle for DIC FTR status replies, a record is prepared with FTR/RBB identification for each Service (using the same Service Codes as in subparagraph 240209d(1)a above) to which a DIC FTR/TC response was generated with the number of FTR/TC responses for a Service, and the total dollar of FTR/TC responses (Quantity x Materiel Acquisition Unit Cost) for a Service.

(d) For each MRP processing cycle for DIC ZHK credit transactions, a record is prepared with ZHK/RBB identification for each Service (using the same Service Codes as in paragraph 240209d(1)a above) receiving MRP

Status Code TN/TM credit authorization with the number of ZHK transactions generated for a Service and the total dollar value of ZHK transactions (Quantity x Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF) for a Service.

240211 PROCESSING OF CUSTOMER EXCESS REPORTS FOR PREMIUM SERVICE
SUPPORT ITEMS

a. CONCEPT

Premium Service is a storage, ordering and delivery concept that offers direct service of urgently needed materiel. The objective is to provide delivery of urgently needed materiel in less than 24 hours to CONUS customers and less than 48 hours to OCONUS customers. Located at a Government Owned-Contractor Operated facility in Memphis, Tennessee, it moves high cost, mission critical designated items on a Next Flight Out basis. The facility operates 24 hours, 365 days a year. The concept involves two distinct support methodologies.

b. IDENTIFICATION OF PREMIUM SERVICE SUPPORT ITEMS

(1) Support Method 1 is for a selected set of NSNs and the items will be single sited at Memphis for all customer requirements regardless of supply priority. These items are characterized as high dollar, low weight and high demand. The established variables (which vary by DSC), are as follows: Greater than \$1000 unit price, less than 100 pounds, and greater than 12 annual demands. Items in this group will be reviewed by the DSCs once a year for additions/deletions.

(2) Support Method 2 is for another set of NSNs with high priority requirements (IPG I requisitions with one or more types of Expeditor Code) that will also be supported from Memphis. These NSNs will be finalized by negotiation between the Services and DSCs. The negotiation process will occur once a year. DSC support for IPG II and III requisitions for these NSNs will be assigned via the existing Source Preference Table logic.

c. ROUTING IDENTIFIER CODE (RIC) ASSIGNMENT FOR PREMIUM SERVICE
SUPPORT ITEMS

RIC SEP has been created for Premium Service Support. RIC SEP will be recognized as a preferred or specialized storage location. Support Method 1 requires all requisitions be routed to SEP and all demands be recorded at SEP. For Support Method 2, high priority requisitions must be routed to SEP. Forecasting processes will also recognize SEP as a storage location. Demand recordation and any applicable forecasting involving low priority requisitions will be attributed to the appropriate depot(s) using existing logic.

SECTION III - RECEIPT PROCESSING

240301 - GENERAL

This section describes the documents employed in the processing of Due-In records and receipts from other than procurement instrument sources; the mechanical and manual procedures employed; the control and processing of mechanically detected invalid documents; the control and processing of suspended receipts and the procedures and consideration of

processing discrepancies in receipts and receipt documentation including related materiel adjustment transactions.

240302 - INPUT, OUTPUT, AND OTHER RELATED DOCUMENTS

a. INPUT DOCUMENT

(1) Material Receipt Document (From Other Than Procurement Instrument Sources), DIC D6_. This document is prepared by the DLA distribution activity on DD Form 1486 IAW appendix B-21, to advise the DSC of actual receipts of materiel and the physical condition of such materiel.

(a) Materiel requiring inspection and physical classification reported in Condition K (Suspended - Classification) will be considered as received for receipts processing reports but will require subsequent adjustment to place in a proper condition for stockage and issue.

(b) Materiel reported in Condition H (Salvage) with Management Code M will be considered as received for receipts processing reports and recorded as a receipt and simultaneous issue to PDO.

(c) Materiel received from other than procurement instrument source (already the property of the Government) and suspended for possible litigation with a carrier will remain in the custody of the Transportation Officer and will not be reported to the DSC on a receipt.

(d) Receipts with Management Code L (Missing Receipts), will post to the NIR, THF, and Due-In Files. A DIC D9A for the same quantity as the receipt quantity will be mechanically produced. This document will reduce the NIR on-hand by the receipt quantity. The DIC D6_ and D9_ documents will be output on appendix F-242, Missing Receipt Notice.

(2) Materiel Receipt Reversal Document, DIC D6_. This document is prepared by processing personnel of DSO, on DD Form 1486, IAW appendix B-21, whenever it is necessary to reverse (or cancel) a previously processed receipt action. This document consists of a reproduction of the original receipt, plus an 11 X overpunch in the high order (pos. 25) position of the quantity field.

NOTE: On errors discovered by the distribution activity, the erroneous action and correction required will be reported to the DSC by TWX, telephone, or correspondence. Computer input documentation will be prepared by the DSO IAW appendix E-502 P.

(3) Due-In Transaction (From Other Than Procurement Instrument Source), DIC DF_. This document is prepared, either mechanically as a byproduct of other input actions or manually by operating personnel, in the format of appendix B-42, to establish Due-In records and initiate PMRDs, DIC DW_, appendix B-19. A DIC DF_ and resultant DIC DW_ will not be generated when Project Code SOG is assigned and an S in pos. 30 of the DIC FTE document. A DIC DFX representing Dues-In from Logistics Reassignments-Gains will be prepared by the Losing Inventory Manager (ICP/SCA/DSC) and forwarded on the Effective Transfer Date to the Gaining Inventory Manager to establish Due-In records. DIC DW_ will not be generated for DIC DFXs. See chapter 8 for guidance on the processing and recording of DIC DFX.

(4) Due-In Transaction Document (From Procurement Instrument Source), DIC DDX, representing Due-In from Logistics Reassignment Gains. This document is prepared by the Losing Inventory Manager (ICP/SCA/DSC) and forwarded on the Effective Transfer Date to the Gaining Inventory Manager in the format of appendix B-41, to establish Due-In records. This document will not cause the preparation of PMRDs. See chapter 8 for guidance on the processing and recording of this transaction.

(5) Due-In Reversal Transaction Document, DIC DF_ or DD_. This document is initiated either mechanically as a byproduct of other actions or transactions or manually, whenever it is necessary to cancel previously established Due-In records. This document is a reproduction of a previously processed Due-In Transaction, either appendix B-42 (DIC DF_) or B-41 (DIC DD_), plus an 11 X overpunch in the high order (pos. 25) position of the quantity field.

(6) Materiel Adjustment Document, DIC DAC. This document is initiated by the distribution activity on DD Form 1487 IAW appendix B-22, to advise the DSC that materiel previously received and suspended, under Condition Code K has been inspected and classified into the correct condition category or transferred to the PDO as salvage.

NOTE: This chapter addresses itself to the use of the Materiel Adjustment Transaction, DIC DAC, as a tool to clear receipts from other than procurement instrument sources suspended in Condition Code K only. Receipts from other than procurement instrument sources which are suspended as a result of possible litigation with a carrier, remain in the custody of the Transportation Officer, and are not reported to the DSC (in Condition Code L).

(7) Violation/Suspense Control Reentry Documents, DIC ZLR are prepared or completed by processing personnel of DSO, in the format of appendix B-66, whenever it is necessary to reenter a computer rejected document for continued processing. These documents will reflect manual corrections or decisions as Violation Reentry Codes and dictate specific actions within mechanical processing. Violation Reentry Codes used on this document are defined in appendix A-62. Violations may also be entered online through a SAMMSTEL terminal (see DLAH 4745.2).

b. OUTPUT DOCUMENTS

(1) PMRDs, DIC DW_. This document results from the mechanical or manual input of a Due-In Transaction, DIC DF_, and is in the format prescribed by appendix B-19. This document serves as notification of materiel due-in to the distribution activity and is used for the preparation of receipts and for receiving and storage workload planning.

(2) Controlled Violation Listing, DIC ZLR, appendices B-66 and F-122.

(3) Uncontrolled Violation Listing, appendix F-117.

(4) Discrepancy Report Notice, appendix F-160. This document is prepared as an informational output for use in the control of

discrepancy reports and/or related correspondence required during the processing of receipt documents the distribution depot has classified into Condition Code F, G, or K or has assigned Management Code N, P, Q, or Z. Processing of the Discrepancy Report Notice is outlined in appendix E-303 P and/or E-399 P.

(5) Notification of Condition Discrepancy, appendix F-73. This document is prepared when it is mechanically determined that materiel was received, in a physical condition of less value than the condition due-in, and those receipts with quantities that exceed the quantity due-in. Processing of the Notification of Condition Discrepancy will be as specified in appendix E-309 P.

(6) Receipt Quantity Discrepancy Notice, appendix F-153. This document is prepared when it is mechanically determined that the quantity received from redistribution, DIC D6K, was different (either over or short) from the quantity due-in, that the quantity received from repair/testing, DIC D6M, was overage to the quantity due-in, or that the quantity received from GLP, DIC D6H, was less than quantity due-in. Processing of this appendix will be as specified in chapter 41, this volume.

(7) Custodial Accountability Rejected List, appendix F-192. This document is prepared when it is determined that materiel offered (by a Military Service) for DLA Custodial Accountability (Commingling) is not acceptable to the DSC. This condition is recognizable as a Due-In Transaction, DIC DF_, with a numeric Ownership Code, and Management Code G (Custodial Accountability Rejected). Processing of these appendices will be as specified in chapter 14, this volume.

(8) Logistics Reassignment Delinquent Due-In Assets Listings, appendices F-128A, F-128B, and F-128C are prepared when it is determined that due-in from Logistics Reassignment Gains (identified by Type Due-In Code TDX or TFX) are 30 or more days overdue. Processing of these appendices will be as specified in chapter 8, this volume.

(9) Missing Receipt Notice, appendix F-242. This listing is prepared when a Material Receipt Document (or reversal) is received with a Management Code L. Processing instructions for this appendix are in appendix E-360 P.

(10) Reports. See subparagraph 240202b(5) above and section IV, this chapter.

(11) Customer Returns Control File Printout, appendix F-37.

c. OTHER RELATED DOCUMENTS

(1) Discrepancy Reports (DISREPs) are submitted to DSCs when discrepancies in shipment of materiel are detected that are attributable to either the carrier, vendor, DSC, or shipping activity. When a DISREP is prepared, and submitted by inspection and receiving personnel of:

(2) A DLA distribution activity, the DISREP will be processed IAW appendix E-398 P.

(3) A DLA customer, the DISREP will be processed IAW appendix E-399 P.

240303 - PROCESSING OF MATERIEL RECEIPT DOCUMENTS

a. CONCEPT

(1) The general concept of processing materiel receipts is that the DLA distribution activities will receive, inspect, classify, report receipt of and stow materiel received. The DSCs will process the receipt to supply accountable and financial records.

(a) The document used to report receipt and condition of materiel received will be prepared from the PMRD, previously furnished by the DSC, when available.

(b) When PMRDs are not available, the receiving distribution activity will prepare a receipt from the information furnished on the DoD Single-Line Item Materiel Release/Receipt Document (DD Form 1348-1) or from the Shipping Document for GFM Turn-In (DD Form 1483) if applicable.

(c) For those receipts from other than procurement instrument sources which do not bear document number on shipping/receipt documentation, the distribution activity will assign a 14-digit document number IAW appendix C-2. DIC D6_ will be used and Management Code P will be entered into pos. 72 of the receipt document when document numbers are assigned by the distribution activity.

(2) Material Receipt Documents, DIC D6_, will be received directly into the DSC computer, from transceiver communication, data entry services, the output routines of the VCF and directly from storage facility computer output routines (for those DSCs with collocated storage facilities). Input receipt documents will be subjected to a validation process, processed to the Due-In records and to the on-hand balances of the NIR. Mechanically processed receipt actions will adjust the accountable and financial records.

(3) Invalid receipt documents are rejected to the DSO, Stock Control Division, Receipts and Due-In Section for research, correction and resubmission. Documents rejected under this premise are identified by VRCs and manual processing instructions are contained in appendix E-021 V.

(4) This chapter specifically includes:

(a) Receipts from Customer Excess Returns, DICs D6A, D6B, D6C, D6D, and D6E.

(b) Receipts from Government Furnished Materiel (GFM) and unused repair parts, DIC D6H, submitted under the policies and procedures expressed in chapter 13, this volume.

(c) Receipts from Assembly, Disassembly, Alteration, Conversion, and Modification, DIC D6L, submitted under the policy and procedures expressed in chapter 15, this volume.

(d) Receipts from recoupment, DIC D6J, submitted under the provisions of chapter 12, this volume.

(e) Receipts from DLA Custodial Accountability (commingling), DIC D6_, with an authorized numeric Ownership Code, submitted under the policies expressed in chapter 14, this volume.

(f) Receipts from repair by a Government Facility and Testing/Sampling procedures, DIC D6M, outlined in chapters 16 and 17, respectively, this volume.

(g) Receipts of previously loaned materiel, DIC D6N, submitted under the procedures expressed in chapter 6, this volume.

(h) Receipts from redistribution, DIC D6K, submitted under the procedures outlined in chapter 41, this volume.

(i) Receipts from DMUP, DIC D6U (reimbursable) and DIC D6Z (nonreimbursable) as outlined in chapter 45, this volume.

(j) Receipts from sales returns, DIC D6Z, initiated in coordination with the Financial Subsystem and to be further discussed in a subsequent part of this chapter.

(k) Receipts involving multimanaged items, DIC D6T and D6V, submitted under provisions outlined in chapter 21, this volume.

(5) This chapter does not include any receipts under DIC D6Q or D6R (see paragraph 240101 above) but does provide for processing receipts identified as Logistics Reassignment Gains (TDIC TFX) as adjustment actions (e.g., Increase Logistics Transfer, DIC D8F) rather than reject and delay posting of assets.

b. DOCUMENT VALIDATION

Each receipt document is subjected to a check for duplication prior to mechanical validation. This is accomplished by matching incoming receipt transactions to the Receipts History File. Duplicates are violated and processed IAW appendix E-021 V. The mechanical validation process ensures that garbled or incomplete documents are not automatically processed. This validation includes:

(1) The Receiving Location Code or RIC (From) field (pos. 67-69) is checked to ensure that assets will be posted to a depot location authorized as a storage point for the processing DSC. Documents reflecting invalid data are output to the Violation/Suspense Control process, citing VRC AB.

(2) The Document Number field (pos. 30-43) is validated to assure completion of a mechanical audit trail when assets are subsequently posted to the on-hand balances and to assure that the document number matches due-in records, when available. Invalid documents are output to the Violation/Suspense Control process, citing VRC AI.

(3) The Quantity field (pos. 25-29) of incoming receipts is checked to the extent of ensuring that all entries are numeric, other than all zeros, and that there are no embedded blanks. Leading blanks (blanks to

the left of a significant digit) are zero filled mechanically. An 11 X overpunch in pos. 25, denoting a receipt reversal is permitted. Invalid documents are output to the Violation/Suspense Control process, citing VRC AS.

(4) The Condition Code field (pos. 71) of incoming receipts is checked to ensure that only valid conditions are reported. For this purpose, Condition Code A, B, C, D, E, F, G, H, J, or K are considered valid. (Condition Codes H, J, and K are not valid on D6X, Logistics Reassignment Gains.) (Condition Code J is valid only on DIC D6K documents.) Errors are output to the Violation/Suspense Control process, citing VRC AF.

(5) The Ownership/Purpose Code field (pos. 70) of the incoming receipt document is checked to ensure that only valid codes are entered by distribution activities. Purpose Code A, D, E, F, G, H, or N are considered valid. However, an erroneous Ownership/Purpose Code is not considered cause for rejection and will be mechanically corrected by assignment of Purpose Code A. This mechanical entry may again be corrected during processing against Due-In records.

(6) The Management Code field (pos. 72) is checked to ensure that it contains a valid Management Information Code or is blank. Valid codes on receipts are A, E, G, H, J, M, N, P, Q, R, T, and Z. Additionally, Management Code L (for non-DSS sites) and Management Code Y (for DSS sites) are considered valid. Documents containing an invalid entry in pos. 72 are output to the Violation/Suspense Control process, citing VRC AW.

(7) The Date of Receipt field (pos. 73-75) is checked to ensure a valid entry is available for future effectiveness reporting. An invalid entry in this field will be mechanically corrected by inserting a date seven days prior to the current date.

(8) The NSN (pos. 8-22) listed on receipts is validated by matching against the NIR with a determination as to whether or not the NSN is coded for DSC management. Those documents that do not match the NIR or are not coded for DSC management and for which it is mechanically determined that the NSN has not been officially deleted from the system and has not been officially changed (e.g., identified to CMDN Phrase Code A - Consolidate with; CMDN Phrase Code B - Transfer To (FSC Change); or CMDN Phrase Code D - Change To) are violated to DSO on a controlled violation via the SAMMSTEL Verb SVRR.

(a) Receipts bearing an NSN which has been deleted from the NIR as a logistics loss will pick up the RIC To of the Gaining Inventory Manager (ICP/DSC) in the processing record and processing will be continued.

(b) Receipts bearing an NSN which has been changed (see subparagraph (9) above) in the NIR will be converted to the current NSN and processing will be continued.

(c) Receipts bearing an NSN which has been officially deleted from the system will produce a Recommended Disposal Directive, DIC ZLC, which is processed to produce a DRO which is processed to the Receiving Location Code or RIC from, pos. 67-69, of the receipt document.

(9) Those input receipts bearing NSNs assigned SSC 2, 3 or 9 which cannot be posted to the NIR are output to the Violation/ Suspense Control process, citing VRC RU.

(10) Receipts bearing NSNs that represent subsistence items (i.e., FSG 89 less FSC 8965) are also validated on the Type Pack Code, pos. 22. Type Pack Codes 1, 2, and 4 are acceptable for subsistence items. Invalid documents are output to the Violation/Suspense Control process, citing VRC CK.

(11) The UI, pos. 23-24, listed on a receipt, is also validated by matching against the NIR. Those documents that do not match the current UI or the old UI, as listed in the NIR, are rejected for review and correction under VRC AN. When UI reflected on an incoming receipt does not match the current UI, but does correspond to the old UI and there is a conversion factor involved, the quantity field will be mechanically converted by use of the UI Conversion Factor (UICON) record, for continued processing.

(12) Those input actions identified as returns from GFM or unused repair parts, DIC D6H, or as returns from repair by a Government facility, DIC D6M, are checked to assure that materiel is being received in an authorized condition.

(a) Receipts from GFM, DIC D6H, are acceptable in Condition A or B.

(b) Receipts from repair/test are acceptable in Condition A, B, or C.

(c) Receipts, under both DICs D6H, D6M reflecting Suspended - Classification (Condition K) or Salvage (Condition H) are accepted for subsequent processing.

(d) Unauthorized input actions are output to the Violation/ Suspense Control process, citing VRC AF.

(13) Receipts representing returns of unused Government Furnished Materiel, DIC D6H are further validated to ensure that the document number (pos. 30-31) is UY. Document serial number (pos. 40-41) is GM; the Manufacturing Directive number (pos. 54) is L, M, N, P, Q, 7, or 8 and that the Project Code (pos. 57-59) is 2G7 or 2G8. Invalid documents are rejected to the DSO on a Violation/Suspense Control Reentry Transaction, DIC-ZLR, citing VRC 9R. Returns from Assembly, Disassembly, Modification, or Conversion, DIC D6L; and returns from repair or testing, DIC D6M, are further validated to ensure that the Manufacturing Directive Number, ADCM Directive Number, or the Repair Project Number is constructed IAW current procedure, i.e., pos. 54 (of Distribution Code field) must be 7 or 8. Invalid input documents are output to the Violation/Suspense Control process, citing VRC AL.

(14) Receipts representing returns of materiel from loan, DIC D6N, are mechanically validated to ensure that the Loan Project field, pos.

57-59, is filled. Invalid receipts are output to the Violation/Suspense Control process, citing VRC CN.

(15) Those input actions identified as returns of previously loaned materiel, DIC D6N, are also checked to assure that the distribution activity has classified materiel into a Condition Code category other than K - Suspended - Classification, IAW the instructions contained in DLAM 4140.2, Volume II, Part 1, Chapter 6. Receipts from loan reflecting Condition Code K are output to the Violation/Suspense Control process, citing VRC AF.

c. DOCUMENT PROCESSING

Like document validation the processing of a receipt from other than procurement instrument sources (DIC D6_) is a mechanical process, requiring the use of the Due-In records, the on-hand balance portions of the NIR, the CRCF, and other mechanical files and records.

(1) All valid Materiel Receipt/Receipt Reversal Transactions, DIC D6_, are matched to the Due-In File, by Due-In key (e.g., the NSN in pos. 8-20), Document Number (pos. 30-43), Ownership/Purpose Code (pos. 70), and Condition Code (pos. 71).

(2) Those DIC D6_, (excluding Receipt Reversal actions) which matched a Due-In record are coded as a Receipt Due-In for continued processing.

(3) Those DIC D6_, (excluding Receipt Reversal actions) which did not match a Due-In record because of a difference between the input Ownership/Purpose Code (pos. 70) and the Ownership/Purpose Code recorded in the Due-In record, are mechanically changed to equal the Due-In record. These input actions are also coded as a Receipt Due-In for continued processing.

(4) Those DIC D6_, (excluding Receipt Reversal actions) which did not match the Due-In record because of a difference between the input Condition Code (pos. 71) and the Condition Code on the Due-In record are also coded as Receipts Due-In; however, the input record is not changed and special considerations are indicated when posting the Due-In File, the NIR, and the THF.

(5) Those input actions identified as receipts from redistribution, DIC D6K, which did not match the Due-In record due to a difference between reported condition received and condition due-in are listed out on a Notification of Condition Discrepancy, appendix F-73, for processing under the instructions of chapter 41, this volume. These receipt actions will continue to process.

(6) Further, those input actions identified as receipts from loan, DIC D6N, which did not match the Due-In record due to a difference between reported condition received and condition due-in are output to the Violation Control Process, citing VRC CO. These receipt actions will also continue to process mechanically.

(7) All receipts, except those identified as receipts from redistribution, DIC D6K, and receipts for Custodial Accountability, DIC D6_, with a numeric Ownership Code (pos. 70), which did not match the Due-In

File (for reasons other than a difference between Ownership/Purpose Codes or Condition Codes) are coded as Receipts Not Due-In for further processing.

(8) Receipts from redistribution, DIC D6K, which did not match a Due-In record, for reasons other than a difference in Purpose Code or Condition Code, are output to the Violation/Suspense Control process, citing VRC BT.

(9) Receipts for Commingled Stockage (DLA Custodial Accountability), DIC D6_, with a numeric Ownership Code, which did not match a Due-In record, for reasons other than a difference in Ownership Code or Condition Code, and for which the reported condition is either A or B, are output to the Violation/Suspense Control process, citing VRC BT.

(10) Receipts for Commingled Stockage, DIC D6_, which did not match a Due-In record, for reasons other than a difference in Ownership Code or Condition Code, and for which the reported condition is H, are rejected directly to the owning Service/Agency ICP, citing Management Code M (transferred to DRMO).

(11) Receipts for Commingled Stockage, DIC D6_, which did not match a Due-In record, for reasons other than a difference in Ownership Code or Condition Code, and, for which the reported condition is other than A, B, or H, are rejected to the owning Service/Agency ICP, citing Management Code G (Custodial Accountability Rejected) as advice that the materiel received is not in proper physical condition for commingling.

(12) Those receipts, DIC D6_, which were coded as a Receipt Due-In (matched a Due-In record) are posted to the Quantity Received field of the Due-In record.

(13) In those instances where the quantity received is greater than the quantity due-in (overage quantity) the input action will be split and the overage quantity assigned an appropriate Suffix Code and processed as a Receipt Not Due-In.

(14) In those instances where the quantity received is greater than the quantity due-in and the input action is identified as a receipt from redistribution, DIC D6K (TDIC SFK), or receipt from repair/testing, DIC D6M, the input action will be listed out on a Receipt Quantity Discrepancy Notification, appendix F-153, for review IAW chapter 41, this volume. Mechanical processing of the input action will continue.

(15) In those instances where the quantity received is equal to or greater than the quantity due-in and the input action is identified as a reimbursable receipt from DMUP, DIC D6U, the receipt action will be posted to the Procurement Suspense File, of the Contracting Subsystem to expend funds obligated by the establishment of the Due-In record, TDIC SFU.

(16) In all instances where the quantity received equals or exceeds the quantity due-in, the Due-In record is closed for subsequent removal from the Due-In File.

(17) Dreg-end balances for those records representing dues-in for Custodial Accountability (Commingled Stockage), DIC DF_ (TDIC SF_), with a numeric Ownership Code, are not processed for mechanical cancellation

(reversal) or output for manual review, as a result of a receipt action. Cancellation of such dreg-end dues-in will be initiated manually under the provisions of chapter 14 this volume.

(18) Dreg-end balances for those records representing dues-in from customer excess returns, DICs DFA, DFB, DFC, DFD, DFE, (TDIC SFA, SFB, SFC, SFD, SFE), are not processed for mechanical cancellation (reversal) or output manual review, as a result of processing a receipt action against the Due-In File. Subsequent subparagraphs will outline mechanical preparation of Due-In reversal transactions for dreg-end balances as these input receipts actions are processed against the CRCF.

(19) Dreg-end balances for those records representing dues-in from Sales Returns, DIC DFZ (TDIC SFZ), with a Customer Address Code, pos. 30-35, of the Document Number field, are not processed for mechanical cancellation (reversal) or output for manual review, as a result of processing a receipt action. Mechanical cancellation of these dreg-end dues-in are initiated within the Financial Subsystem on expiration of the authorized EDD by input of a credit reversal action, under DIC YWK, under procedures expressed in DLAM 7000.2.

(20) Those partial receipts from Reimbursable DMUP, DIC D6U, are also posted to the Procurement Suspense File of the Procurement Subsystem to expend obligated funds.

(21) Dreg-end balances representing dues-in from redistribution, DIC DFK (TDIC SFK), will be held open pending additional receipts; cancellation of the redistribution order, DIC A2A, IAW the procedures of chapter 41; or input of a Due-In reversal transaction, DIC DFK, appendix B-42, under the criteria established in chapter 41.

(22) Dreg-end balances representing dues-in from redistribution, DIC DFK (TDIC SFK) remaining after the above process will be resolved through the Materiel Receipt Followup Program as prescribed in appendix E-060 P.

(23) Dreg-end balances representing dues-in from loan, DIC DFN (TDIC SFN), are not cleared mechanically. Cancellation (or reversal) of these dreg-end dues-in, and billing action for losses while on loan, will be initiated by input of a manually prepared Loan Issue Transaction, DIC ZDM, appendix B-158, IAW chapter 6. Due-In reversal action only may be initiated by preparation and input of a Due-In reversal trans-action, DIC DFN, appendix B-42, prepared under the instructions of chapter 6.

(24) DIC D6N, will be examined to determine whether or not the materiel was returned in the same condition as which was due-in (loaned). In the event of a difference in Condition Code, the original condition of the loaned materiel will be picked up in the processing record for subsequent use in adjusting Purpose Code L assets in the NIR.

(25) Dreg-end balances representing dues-in from loan, DIC DFN, (TDIC SFN) which are five or more days overdue (beyond the EDD) are listed out on an Uncontrolled Violation Printout, appendix F-117, citing VRC CR. The input receipt will continue to process mechanically.

(26) DIC D6_, bearing NSNs which are assigned SSC 6 (Terminal Item) and which are not active in the NIR (e.g., have recorded assets, backorders, requirements, or demands) are rejected on an Uncontrolled

Violation Printout, appendix F-117, citing VRC DC. Input actions bearing SSC 6 coded NSNs which are active in the NIR (e.g., the terminal status is known to materiel management personnel) continue to process.

(27) DIC D6_, with an NSN coded in NIR as being under inventory (identified by type of Physical Inventory Codes in appendix A-18) and:

(a) The receipt contains Management Code M in pos. 72.

(b) Or, the inventory cutoff date has not passed.

(c) Or, the date received in the receipt is equal to or less than the inventory cutoff date. The receipt is posted to the inventory cutoff balance in the NIR.

(28) Valid receipts, DIC D6_, including those mechanically generated split actions are posted to the on-hand balances of the NIR, by location (depot), Ownership/Purpose Code and Condition Code.

(29) DIC D6X, identified as dues-in as a result of Logistics Reassignments (TDIC TFX) will be posted to the memorandum Due-In File only as specified in chapter 8.

(30) DIC D6_ (not D6X) cause a record to be prepared and forwarded to the Financial Subsystem to update the General Ledger Account(s) as receipt actions.

(31) DIC D6_ (not D6X) are posted to the THF. Those input records coded as a Receipt Due-In offset the previously established due-in entry.

(32) DIC D6N, representing returns from loans, cause the generation of an Inventory Adjustment - Decrease - Purpose Transfer, DIC D9D, from Purpose Code L and the original Condition Code of the loaned materiel (see subparagraph c(24) above) which will be posted to the NIR, THF and financial records IAW chapter 5, this volume.

(33) Receipts of materiel previously identified as being involved in a Logistics Reassignment - Loss (see subparagraph b(9)(a) above) and for which a Logistics Loss Indicator (indicating that a corresponding Due-In transaction card, DIC DFX, has been furnished the Gaining Inventory Manager (DSC/ICP)) will cause the preparation of a Due-In reversal transaction, DIC DFX, with an 11 overpunch in pos. 25, for dispatch to the gaining DSC/ICP. These receipts are also subject to follow on Decapitalization action IAW chapter 8, this volume.

(a) In the event the materiel was received in a Condition Code other than A or B (excepting Condition Code H, to be discussed in subsequent subparagraphs) or in a lower valued condition than was due-in, an offsetting Materiel Receipt Reversal Transaction, DIC D6_, will be prepared for the quantity received. This offsetting reversal action will be posted to the NIR, the THF and to the appropriate General Ledger Account(s) of the Financial Subsystem, in order to establish an audit trail for materiel received and rejected from Custodial Accountability.

(b) In addition, the owning Service/Agency ICP will be advised of rejection of materiel for Custodial Accountability, by preparation of a DIC D6_, citing Management Code G (Rejected).

(c) The input record, DIC D6_, will continue processing for accumulation of required receipts processing statistics.

(34) Receipts of materiel from other than procurement instrument sources, DIC D6_, with Condition Code H and Management Code E, J, M, or T cause the generation of an Issue Transaction, DIC D7J, which when processed will reduce (offset) the on-hand balance by location, Ownership/Purpose Code, and Condition Code.

(a) The Issue (to DRMO) Transaction will post to THF and to the General Ledger Account(s) of the Financial Subsystem, to establish an audit trail for materiel reported received. This internally created issue transaction will not create a DRO, DIC A5J, nor will it post as an issue in the RCSF, or GFMCF if DIC is D6H with Condition Code H.

(b) If a DIC D6_ receipt is received with a Management Code other than E, J, M, or T (a blank Management Code is valid), the receipt will post to the NIR, THF, and the Financial Subsystem. It will also cause the generation of a Recommended Disposal Transaction (DIC ZLC).

(c) Receipts of materiel from other than procurement instrument sources, DIC D6A through D6E, with Condition Code D and Management Code Q will cause the generation of a Recommended Disposal Document (DIC ZLC).

(d) Receipts from redistribution, DIC D6K, classified into Condition Code H, with a Management Code M, will be listed out on a Notification of Condition Discrepancy, appendix F-73, for processing IAW chapter 41 this volume.

(e) The input record, DIC D6_, will continue processing for accumulation of required receipts processing statistics.

(35) DIC D6_, reflecting materiel received in Condition Code F, G, or K, will be output on a Discrepancy Report Notice, appendix F-160, for use in the control of distribution activity prepared discrepancy reports.

(36) DIC D6_, with Management Code L are output on Missing Receipt Notice, appendix F-242. The Accountable Officer will use this output to audit materiel that has been received at a depot, but cannot be located.

(37) DIC D6_, reflecting Management Code N, P, Q, R, or Z, will also be output on a Discrepancy Report Notice, appendix F-160, for use in the control of distribution activity prepared discrepancy reports and/or determination of credit authorizations.

(38) DIC D6_, reflecting Condition Code A with Management Code R will be authorized credit at 85%. Management Code R will be entered on discrepant customer excess receipts for any of the following reasons: Missing supply documentation; over/duplicate/short shipments; wrong item; inferior/unacceptable packaging.

(39) Processed receipts representing returns from loan, DIC D6N, will be listed out as an Uncontrolled Violation Printout, appendix F-117, citing VRC CM for use of the Loan Project Monitor in auditing materiel loaned/returned.

NOTE: All processed MRDs, DIC D6_, requiring informational type outputs (per subparagraphs 240303c(36), (37), (38), for accumulation of required receipts processing statistics.

After posting materiel received to the on-hand balances of the NIR and adjusting the Due-In records based on a reported receipt, further mechanical processing is required for those receipts against Customer Excess Returns, DICs D6A, D6B, D6C, D6D, and D6E, to lift any remaining due-in suspense actions (reversal of dreg-end balances) and notify Financial Subsystem to furnish Credit to Customer, if applicable.

(1) All processed materiel receipt actions under DIC D6A, D6B, D6C, D6D, or D6E with alphabetic Purpose Code are screened against the CRCF and when it is found that there is no matching CRCF in file; a CRCF is established with a 45-day suspense, awaiting the Customer Excess Report, DIC FTE. When the Customer Excess Report is received within the established 45-day suspense, the CRCF will be closed and no credit will be granted.

(2) Receipts for materiel reported on Customer Excess Reports, which were rejected by the DSC, are posted to the CRCF, in the condition indicated, as receipts not due-in and without further consideration of credit authorization. Any DLA Distribution System excesses, generated as a result of this action, will be reviewed during subsequent requirements determination processes.

(3) Those receipts, DIC D6A, D6B, D6C, D6D, or D6E with an alphabetic Purpose Code, which match a CRCF, are examined to assure that the materiel was received at the same distribution activity that was recorded as expected consignee. In the event that the materiel was received at a different distribution activity, a Due-In reversal transaction DIC DFA, DFB, DFC, DFD, or DFE will be prepared in the format of appendix B-42, for the original consignee depot. This mechanical record will be coded that PMRDs, DIC DW_, are not to be prepared; to cancel dreg-end Due-In records.

NOTE: The monthly purge of PMRDs overdue by 60 days or more, will delete the no longer valid PMRD from the original consignee depot's Prepositioned Materiel Receipt File.

(4) When the quantity reported received is less than the quantity originally reported and accepted by the DSC, it will be determined whether or not the MRD, DIC D6A, D6B, D6C, D6D, or D6E is a final receipt. Those documents that are final receipts will be mechanically processed to determine quantity of dues-in previously established, which is to be reversed (canceled) based on nonreceipt. In this instance, a Due-In reversal transaction, DIC DFA, DFB, DFC, DFD, or DFE will be prepared in the format of appendix B-42, for the quantity not received. This mechanical record will be coded to indicate that a PMRD, DIC DW_, will not be prepared; to cancel dreg-end Due-In records.

(5) When the physical condition of materiel reported received differs from the Condition Code reported by the customer and authorized (by the DSC) for credit on the original Customer Excess Report, DIC FTE, it will be mechanically determined as to whether or not the materiel received is acceptable for credit, in lieu of condition reported. This determination is based on Management Policy Table Number 015, Table of

Excess Returns Acceptable Condition Codes, appendix F-195, established by each DSC.

(6) Final receipt of materiel or a partial receipt equal to or greater than the quantity originally reported (and accepted) on the Customer Excess Report, DIC FTE, will close the CRCF, for reporting and subsequent retirement.

e. Processing Materiel Receipt Reversal Documents.

Occasionally, it becomes necessary for processing personnel to reverse a previously, but erroneously, reported materiel receipt action. Reversal action is accomplished with a Materiel Receipt Reversal Document, which is a reproduction of the initial receipt plus an 11 X overpunch in the high order (pos. 25) position of the quantity field. Validation of a Materiel Receipt Reversal Document is accomplished as outlined in subparagraph 240303b above.

(1) After validation, Materiel Receipt Reversal Documents, DIC D6_, appendix B-21, are matched to the on-hand balances of the NIR, by location, Ownership/Purpose Code, and Condition Code.

(2) DIC D6_, which match an on-hand balance equal to or greater than the input quantity cause the on-hand balance to be reduced by the amount of the input quantity.

(3) Processed Materiel Receipt Reversals are recorded in the THF.

(4) DIC D6_, which match an on-hand balance less than the input quantity cause the on-hand balance to be reduced to zero.

(5) DIC D6_, which represent reversals of customer returns (other than those input with a numeric Ownership Code for Custodial Accountability) are matched to the CRCF and when a matching materiel receipt record is found therein, cause the reduction of recorded receipts.

(6) On DIC D6_ reversals where the NSN is under inventory, the reversal quantity will be subtracted from the inventory cutoff balance if the date of receipt is equal to or less than the inventory cutoff date.

(7) On DIC D6_ reversals where the NSN was involved in Logistics Reassignment - Loss, a corresponding D6X reversal will be forwarded to the Gaining Inventory Manager.

240304 - PROCESSING OF REENTRY DOCUMENTS REPRESENTING MATERIEL RECEIPT DOCUMENTS

The technique employed for the processing of reentry documents for receipts is as outlined in chapter 49 and appendix E-021 V.

240305 - PROCESSING MATERIEL ADJUSTMENT DOCUMENTS

a. CONCEPT

Materiel may be received and posted into Condition K - Suspended, pending classification, or as a result of a requirement for activities

testing. The reclassification will take place within 10 calendar days after submission of the original receipt. Class V materiel may be retained in Supply Condition Code K up to 45 calendar days. When the

materiel is classified to its proper condition the storage activity will submit a DAC, Inventory Adjustment transaction to the DSC. The transaction will be prepared as outlined in appendix B-22, citing the document number of the original receipt in pos. 30-43, Condition Code K pos. 71, with the new condition code in pos. 66. Distribution activities are also authorized to use Condition K when inspection is delayed due to lack of technical information. When technical information is required the receipt will contain a Management Code Z. Additional time may be needed to classify materiel transferred into Condition Code K. The materiel will be monitored by using the Non-Ready for Issue Printout, appendix F-64, see appendix E-369 P.

b. Processing Materiel Adjustment Documents. Materiel Adjustment Documents, DIC DAC, prepared in the format of appendix B-22, will be received directly into the DSC computer, from transceiver communications, data entry services, the output routines (for those DSCs with collocated storage facilities). Input Materiel Adjustment Documents will be subjected to a validation process, similar to receipt documents, and processed to the on-hand balance portions of the NIR, the THF, and General Ledger Account(s) of the Financial Subsystem IAW chapter 5.

c. Processing Materiel Adjustments against Receipts From Customer Excess Reports.

Chapter 5 requires that those input Materiel Adjustment Documents, DIC DAC, appendix B-22, reflecting a Condition Code K (Suspended Classification) in the Condition From field (pos. 71) be matched to the CRCF and:

(1) Those documents that match the CRCF (on NSN and document number) are posted to the CRCF and the recorded Condition K suspense is lifted.

(2) When it is found that the physical condition reported received, after final classification (inspection), differs from the condition reported and accepted (by the DSC) on the original Customer Excess Report, it will be determined whether or not the materiel received is acceptable for credit, in lieu of the condition of materiel reported. Refer to subparagraph 240303d(5) above.

(3) Materiel Adjustment Documents, DIC DAC, representing a receipt equal to or greater than the quantity originally reported (and accepted) on the Customer Excess Report, DIC FTE, will close the CRCF for reporting and subsequent retirement.

(4) Materiel Adjustment Documents, DIC DAC, representing final classification of customer excess returns previously suspended in Condition Code K will be processed IAW chapter 52.

240306 - PROCESSING REENTRY DOCUMENTS REPRESENTING MATERIEL ADJUSTMENT DOCUMENTS

The technique employed for the processing of reentry documents representing Materiel Adjustment Documents is as outlined in chapter 49 and appendix E-022 V, Materiel Adjustment Document Violations.

240307 - PROCESSING DISTRIBUTION ACTIVITY REJECTED PREPOSITIONED
MATERIEL RECEIPT DOCUMENTS

a. PMRDs, DIC DW_, are prepared mechanically as a result of establishing dues-in in DSC records and are forwarded to the consignee distribution activity. The distribution activity validates the PMRDs and those determined to be valid are established in a mechanical PMRD File.

b. Invalid PMRDs detected at the distribution activity are processed manually IAW the E appendices of DLAM 4140.2, Volume III.

240308 - ESTABLISHMENT OF DUE-IN RECORDS FROM OTHER THAN PROCUREMENT
INSTRUMENT SOURCES

a. CONCEPT

Due-In records and resultant PMRDs for materiel due-in from other than procurement instrument sources are established as a mechanical byproduct of processing other documents (e.g., dues-in from customer excess returns are established as a result of processing Customer Excess Reports as indicated in paragraph 240302 above); or are established based on manually prepared input actions, using documents like the Shipping Documents for GFM Turn-In, DD Form 1483, or the Materiel Receipt Document, DD Form 1486, as the data entry source documents. A Due-In Reversal Transaction, a replica of an established Due-In record, plus an 11 X overpunch in the high order position (pos. 25) of the quantity field, may also be initiated mechanically or manually.

b. Source of Due-In Transactions/Due-In Reversal Transactions.

(1) DIC DFH, appendix B-42, representing dues-in from GFM and unused repair parts, and reversals thereto, are manually prepared IAW chapter 13. Dues-in from GLP are mechanically generated as a result of processing an issue for GLP with a recognizable Project Code, IAW chapter 13. Adjustment of Due-In records, DIC ZNJ, appendix B-205, and Due-In reversal transactions, DIC DFH, appendix B-42, with an X overpunch in pos. 25, are manually generated under the instructions of that chapter.

(2) DIC DFL, appendix B-42, representing dues-in from Assembly, Disassembly, and Alteration, Conversion, and Modification, and reversals thereto, are manually prepared IAW chapter 15 procedures.

(3) DIC DFJ, appendix B-42, representing dues-in from recoupment (e.g., PDO) and reversals thereto are manually prepared IAW chapter 12. The DIC DFJ also represents dues-in mechanically established on a non-reimbursable basis under DMUP IAW the criteria outlined in chapter 45 and appendix E-516 P. Due-In reversal transactions are mechanically generated as a result of processing DRMS denials and cancellations (DIC JDD and DIC JDG with Advice Codes A, C, J, or N). Due-In reversal transactions are also mechanically processed during the DMUP Monthly Purge Process.

(4) DIC DFX, appendix B-42, and DIC DDX, appendix B-41, representing dues-in from Logistic Reassignments (Gains) and reversals thereto are received from the losing ICP/DSC and processed under the criteria expressed in chapter 8.

(5) DIC DF_, appendix B-42, representing due-in assets for Com-mingled Stockage (DLA Custodial Accountability) and reversals thereto are received from the owning Service/Agency ICP and processed under the criteria expressed in chapter 14. These input actions may be recognized by the presence of a numeric Ownership Code in pos. 70.

(6) DIC DFM, appendix B-42, representing due-in assets from Repair by Government Facility are mechanically generated as a result of processing an issue to repair action with a recognizable Project Order Number, IAW chapter 17. Due-In reversal transactions, DIC DFM, appendix B-42, with an X overpunch in pos. 25, are manually generated under the instructions of that chapter.

(7) DIC DFM, appendix B-42, representing due-in assets from Testing/Sampling are mechanically generated as a result of processing an issue for testing/sampling, with a recognizable Project Code, in accordance with chapter 16. Due-In reversal transactions, DIC DFM, appendix B-42, with an X overpunch in pos. 25, are manually generated under the instructions of that chapter.

(8) DICs DFA, DFB, DFC, DFD, and DFE, appendix B-42, representing due-in assets from customers reported excess are mechanically generated as a result of processing a Customer Excess Report, DIC FTE. Due-In reversal transactions, under these DICs, also in the format of appendix B-42, with an X overpunch in pos. 25, are also mechanically generated as a result of processing a Cancellation of Customer Excess Report, DIC FTC. Due-In reversal transactions, under these DICs, may also be generated as a result of processing a DIC D6A, D6B, D6C, D6D, or D6E, or as a result of month ending review of the Customer Excess Control Records.

(9) DIC DFN, appendix B-42, representing due-in assets of Loaned Materiel, are manually generated 15 days prior to date actual receipts are expected as a result of processing shipping documentation/instructions, with an assigned Loan Project Number, IAW chapter 6, this volume. Due-In reversal transactions, DIC DFN, appendix B-42, with an X overpunch in pos. 25, may be mechanically generated as a result of processing an expenditure while on loan, DIC ZDM, under this instructions of that chapter. This PDC presupposes that appropriate receipt and simultaneous inventory loss transactions have the adjusted the NIR, IAW the instructions contained in chapter 6. Due-In reversal transactions, DIC DFN, may also be generated manually IAW instructions contained in chapter 6. However, in this instance, separate action is taken, IAW chapter 6, to adjust Purpose Code L assets.

(10) DIC DFK, appendix B-42, representing due-in from redistribution are mechanically generated as a result of processing a Redistribution Order, DIC A2A, IAW chapter 41. Due-In reversal transactions, DIC DFK, with an X overpunch in pos. 25, are also mechanically generated as a

result of processing of Warehouse Denials, DIC A6A, IAW chapter 41.
Due-In reversal transactions, DIC DFK, may also be generated manually,
when specified by chapter 41.

(11) DIC DFZ, appendix B-42, representing due-in assets from Sales Returns, and reversals thereof are mechanically prepared by the Financial Subsystem as a result of processing a credit or credit reversal document under DIC FAR or YWK, as appropriate. These documents may be recognized by a Customer Address Code, in pos. 30-35, of the document number field.

(12) DIC DFU, appendix B-42, initiated manually under the procedures expressed in chapter 45, for the procurement of materiel under the Defense Materiel Utilization Program (DMUP), must establish records in the Due-In File and in the Procurement Suspense File for simultaneous commitment and obligation of funds. Due-In reversal transactions, DIC DFU, also initiated manually, must also update both files.

(13) DIC DFT and DFV, appendix B-42, representing due-in for Multimanaged Items are initiated manually IAW the criteria expressed in chapter 21.

NOTE: This chapter does not cover the processing of Due-In transactions under DIC DFQ or DFR, at this time. Should requirements develop for these input actions, within DLA, this chapter will be modified accordingly.

c. Processing Due-In/Due-In Reversal Transactions.

(1) The following subparagraphs, outline the actions/decisions in the mechanical Due-In/Due-In reversal transaction process appendix B-42.

(2) Mechanically generated input actions, DIC DF_, bypass validation criteria, on the premise that the original input action was validated sufficiently to ensure that invalid data/records are not entered into mechanical files.

(3) Manually prepared input actions, DIC DF_ and DD_, are routed for a validation process, as outlined in subsequent subparagraphs.

(4) The consignee RIC field (pos. 67-69) must represent a distribution activity authorized to receive materiel for the processing DSC, IAW Supplement Number 1, MILSTRIP, DoD 4000.25-1-M. Invalid input actions will be violated in the format of a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AB.

(5) Those input records representing due-in from Logistics Reassignments (Gains), and further representing due-in assets from procurement instrument sources (being monitored by the losing DSC/ICP), with DIC DDX, in pos. 1-3, must have the RIC of a valid Stock Control Activity (SCA) (DSC/ICP) in the submitting SCA field pos. 51-53. Validation will be based on Supplement Number 1, MILSTRIP, DoD 4000.25-1-M. Invalid input actions will be violated in the format of a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC UA. DIC DD_, other than DDX, must not have a RIC in the submitting SCA field pos. 51-53. Those that do will be violated in the format of a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC BE.

(6) Input records under DIC DF_, pos. 1-3, must have a valid or blank submitting SCA field, pos. 76-78. Those input actions representing Logistics Reassignment Gains, DIC DFX, or due-in assets for commingled stockage will have a submitting SCA entry, which may be validated IAW Supplement Number 1, MILSTRIP, DoD 4000.25-1-M. Invalid records will be violated in the format of a Violation/Suspense Control Reentry Transaction, DIC ZLR, appendix B-66, citing VRC UA. DICs DFXs and DF_ with an authorized numeric Ownership Code (commingling) are the only DIC DF_ documents which may have a submitting SCA entry in pos. 76-78. Invalid records will be violated in the format of a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC BE.

(7) The quantity field, pos. 25-29, must be numeric, other than all zeros. An X overpunch in pos. 25, denoting a reversal action is acceptable, and leading blanks (blanks to the left of a significant digit) will be zero filled mechanically. Invalid input actions will be rejected in the format of a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AS.

(8) The document number field, pos. 30-43, must contain data. These input actions may reflect a MILSTRIP type document number when the DIC, pos. 1-3, is DF_ or the DIC, pos. 1-3, is DIC DD_ may reflect either a Procurement Instrument Identification Number (PIIN) or a Military Service Military Interdepartmental Purchase Request (MIPR) Number. A DIC DDX may reflect a Purchase Request (PR) number in pos. 30-43. Input actions with a blank field will be rejected in the format of a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AI.

(9) The Ownership/Purpose Code field, pos. 70, must contain a valid (and authorized Ownership Code IAW appendix A-14, or a valid (and authorized) Purpose Code IAW appendix A-15. Authorized Purpose Codes for this purpose are A, D, E, F, G, H, or N. Invalid input actions will be rejected in the format of a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AI.

(10) The Estimated Delivery Date (EDD) field, pos. 73-75, must contain a numerical year and month configurated due-in date. Invalid input actions are rejected in the format of an Uncontrolled Violation Listing, appendix F-117, citing VRC HP.

(11) The Condition Code field, pos. 71, must contain a valid (and authorized) Condition Code IAW appendix A-16. The authorized code for this purpose are A, B, C, D, E, F, or G. Invalid input actions will be violated in the format of a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AF.

(12) The Condition Code field, pos. 71, on those input transactions representing due-in from GFM or unused repair parts, DIC DFH, or representing returns from repair by a Government facility, DIC DFM, is limited to Condition Code A. These input actions with an unauthorized Condition Code are also violated on a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AF. It is noted that

receipts under these circumstances will be accepted in conditions other than A.

(13) The Condition Code field, pos. 71, on input transactions representing dues-in for commingled stockage, identified by a numeric Ownership Code in pos. 70, is limited to Condition Codes A or B. In the event of an unauthorized Condition Code on these input actions, Management Code G (indicating rejection of Custodial Accountability; e.g., authority to commingle stocks) is assigned mechanically to pos. 72.

(a) In these instances the submitting SCA, RIC in pos. 76-78, is furnished a Due-In In Transaction Card, DIC DF_, in the format of appendix B-42, citing Management Code G.

(b) DSO is furnished a Custodial Accountability Rejected List, in the format of appendix F-192, for review as required by chapter 14.

(14) Those input actions representing dues-in from Logistics Reassignment Gains, and further representing due-in from procurement instrument sources (being monitored by the losing DSC/ICP) with DIC DDX, in pos. 1-3, and those dues-in from Commercial repair, DIC DDM, must reflect a valid Management Code in pos. 72. An invalid Management Code field will be mechanically assigned Management Code F.

(15) Those input actions representing due-in assets for Commingled Stockage, identified by DIC DF_, in pos. 1-3, with a numeric Ownership Code, in pos. 70, must cite VRC AW.

(a) Those input actions representing due-in for Commingled Stockage, which cite Management Code G, in pos. 72, cause the submitting SCA, RIC in pos. 76-78, to be furnished a Due-In Transaction Document, DIC DF_, appendix B-42, perpetuating the Management Code G, indicating that custodial accountability has been rejected.

(b) These input transactions will also be reflected on the Custodial Accountability Rejected List, appendix F-192, for further action as required by chapter 14.

(16) All other input transactions, reflecting DIC DF_, pos. 1-3, will be mechanically assigned a blank Management Code field, pos. 72.

(17) Those input actions identified as returns from GFM or unused repair parts (DIC DFH), due-ins from ADCM (DIC DFL) and returns from repair/testing or sampling (DIC DFM) will be checked to assure that pos. 54 is numeric. Position 54 contains the first position of the Manufacturing Directive Number; the ADCM Directive Number or the Repair/Test Project Number, which are assigned IAW chapter 2. Invalid input actions are rejected on a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AL.

(18) The Loan Project Number field, pos. 57-59, in those input actions identified as due-in from loans, DIC DFN, pos. 1-3, is checked to ensure that the field is filled. Due-In Transactions, DIC DFN, with a blank loan Project Number field are violated on a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC CN.

(19) All input actions are checked to ensure that the NSN is valid and current in the NIR.

(a) In the event the NSN is coded as an official stock number change, the input NSN will be converted to the current NSN and processing will continue.

(b) Input actions bearing invalid NSNs will be violated on a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AY.

(20) Those input actions representing due-in assets for Commingled Stockage, identified by the numeric Ownership Code in pos. 70, will be checked to ensure that the NSN represents a SSC 1 item. Input actions bearing an NSN that is coded as other than SSC 1 will be rejected on a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66 citing VRC PJ.

(21) All input actions are checked to ensure that the input UI, pos. 23-24, matches the NIR (valid and current).

(a) In the event the input UI does not match the current UI recorded in the NIR, but does match the reference UI, recorded therein both the UI and quantity field, pos. 25-29, are converted and processing is continued.

(b) Input documents reflecting an invalid or blank UI field, pos. 23-24, will be rejected on a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC AN.

(22) After validation of the manually generated input actions, all Due-In Transactions are matched to the random access Due-In File. The Due-In key (or NSN field) pos. 8-20; Document Number, pos. 30-43; Ownership/Purpose Codes, pos. 70; and the Condition Code, pos. 71, are used for matching purposes.

(23) Input actions representing Due-In reversal transactions, identified by an X overpunch in pos. 25, which do not match a Due-In record are violated on a Violation/Suspense Control Reentry Document, DIC ZLR, appendix B-66, citing VRC BT.

(24) Input actions, other than Due-In reversal transactions, which do not match a Due-In record are assigned a Type Due-In Code (TDIC), IAW appendix A-107.

(25) Those input actions assigned a TDIC are established in the Due-In File, in Due-Key sequence.

(26) Those input actions representing due-in from Logistics Reassignment Gains, identified as TDICs TDX and TFX; and those due-in for commingled stockage, identified as TDIC SF_, with a numeric Ownership Code, cause the submitting SCA (RIC in pos. 51-53 TDIC TDX; RIC in pos. 76-78, TDIC TFX/SF_) to be placed in the ADMIN LOC field of the Due-In record, for ready reference.

(27) All valid Due-In documents are posted to the THF.

(28) All valid Due-In Documents, except those due-in from Logistics Reassignment Gains, identified as TDIC TDX or TFX, result in the preparation and dispatch of a Prepositioned Materiel Receipt Document (PMRD), DIC DW_, in the format of appendix B-19.

(29) The PMRDs representing due-in assets from redistribution, TDIC SFK, will reflect an EDD computed based on the date in the document number field, pos. 36-39, which is the same as the previously processed Redistribution Order, as outlined in chapter 41. Basically, the due-in date will be established based on Priority as follows:

<u>PRIORITY</u>		<u>DOCUMENT DATE</u>
1-3	+	5 days
4-8	+	8 days
9-15	+	20 days

The computed due-in date, placed in the Due-In record, will be rounded off to year and month configuration for inclusion in outgoing PMRDs, DIC DWK.

(30) Due-In records representing due-in for Commingled Stockage, identified by the numeric Ownership Code in pos. 70, will be excluded from DLA requirements computations by mechanical methods. The owning Service/Agency ICP, pos. 76-78, of input document will be advised of acceptance of materiel for Custodial Accountability (commingling in stock) by preparation and dispatch of a Due-In Transaction Document, DIC DF_, appendix B-42, citing Management Code A, in pos. 72.

(31) Input actions representing reimbursable due-in from the Defense Materiel Utilization Program (DMUP). TDIC SFU cause a record to be posted to the Procurement Suspense File of the Contracting Subsystem reflecting commitment/obligation of funds.

(32) Due-In records representing Logistics Reassignment (Gains), TDICs TDX and TFX, are screened monthly during the processing of Due-In transactions and any record which is delinquent by 30 days or more (30 days beyond the recorded EDD) are listed out on a Logistics Reassignment Delinquent Due-In Listings appendices F-128A, F-128B, F-128C processing IAW chapter 8, this volume.

(33) Due-In records representing due-in assets from Logistics Reassignment Gains, TDIC TFX, which are determined to be 180 days or more delinquent (180 days beyond the recorded EDD) during the daily screening of these records are deleted from the Due-In File. Such deletion actions are reflected as Due-In reversal transactions in the THF.

(34) Due-In Transaction Documents, DIC DD_ or DF_, which did match a Due-In record (see subparagraph 3b(22) above), and do not represent Due-In reversal transactions, identified by an X overpunch in pos. 25, are mechanically compared to the Due-In record (80 position comparison) and any input representing an exact duplicate action is mechanically destroyed.

(35) Those matched Due-In Transaction Documents, DIC DD_ and DF_, which do not represent attempted duplicate input actions, are added to the existing Due-In record and recorded in the THF.

(36) With the exception of those Due-In transactions representing due-in assets from Logistics Reassignment, TDIC TDX and TFX, all additions to a Due-In record cause the preparation of a PMRD reversal, DIC DW_, in the format of appendix B-19, reflecting the old quantity due-in; a new PMRD, DIC DW_, appendix B-19, reflecting the revised quantity due-in; and the forwarding of both documents to the consignee distribution depot.

(37) Due-In transactions representing due-in for Commingled Stockage, TDIC SF_, with a numeric Ownership Code in pos. 70, cause the preparation of a notification of acceptance of Custodial Accountability, in the format of a Due-In Transaction Document, DIC DF_, appendix B-42, with Management Code A in pos. 72, for dispatch to the owning Service/ Agency ICP.

(38) Due-In Reversal Transaction Documents, which matched a Due-In record (see subparagraph 3b(22) above) are mechanically subtracted from the quantity in the Due-In record. Negative balances are processed as zero.

(39) Processed Due-In reversal transactions are posted to the THF.

(40) Due-In reversal transactions representing cancellation of procurement actions (TDIC SFU, reimbursable DMUP) are posted to the Procurement Suspense File for the deobligation of previously obligated funds.

(41) Due-In Reversal Transaction Documents, with the exception of those pertaining to Logistics Reassignments Gains, TDIC TDX or TFX, for which PMRDs were not prepared, and those representing returns from customer reported excesses, TDIC SFA, SFB, SFC, SFD, SFE, which will be purged from distribution activity PMRD Files, 60 days subsequent to the EDD, which resulted in a complete cancellation of a Due-In record, cause the preparation and dispatch of a PMRD Reversal, DIC DW_, appendix B-19.

(42) Due-In reversal transactions, involving other than TDICs TDX, TFX, SFA, SFB, SFC, SFD, or SFE, which resulted in a partial cancellation of a Due-In record, cause the preparation and dispatch of a PMRD Reversal, DIC DW_, appendix B-19, reflecting the old quantity due-in and a PMRD DIC DW_, appendix B-19, reflecting the revised quantity (remaining) due-in.

240309 - PROCESSING OF REENTRY DOCUMENTS REPRESENTING DUE-IN TRANSACTIONS

a. The technique employed for the processing of reentry documents for Due-In/Due-In reversal transactions is as outlined in chapter 49 and appendix E-042 V, Due-In Transaction Document (Procurement and other than Procurement Source) Violations.

NOTE: Monthly, due-in records that are 60 days overdue as of the EDD will be mechanically reviewed by the DSCs. Based on purification of Due-In records, the distribution activity will be furnished new PMRDs containing revised EDDs for only those dues-in that are still valid.

b. VRCs are defined in appendix A-82 and Violation Reentry Codes used are listed in appendix A-62.

SECTION IV - CUSTOMER RETURNS CONTROL FILE RECORDS

240401 - GENERAL

a. The CRCF is a separate disk file and consists of a record of each active Customer Excess Report received by the DSC. Additionally, each applicable follow-on and followup document related to the original report and the status of assets when the DSC decision as to acceptability and/or creditability was made is recorded. The CRCF includes a record of receipt of materiel from the customer with related follow-on documents, including Materiel Adjustment Documents, associated to the original Customer Excess Report, whenever possible. It also includes a record of each MRP Reentry Document (DIC ZTX) output for manual review.

b. These records are used for the mechanical processing of customer followups; customer cancellations; for the control of credits authorized pending receipt and final classification of materiel; for the control of duplicate and resubmission (of corrected) Customer Excess Reports; for the control of due-in materiel in conjunction with the Due-In records; and for the preparation of periodic reports required for DSC operation and review and those required by higher management echelons.

c. The establishment and updating of the CRCF and CRHF are accomplished as an integral part of routine processing of Customer Excess Reports, receipts from customer excess, and follow-on documents related to each of these transactions.

240402 - MAINTENANCE OF CRCF

Weekly, each transaction (document number recorded in the CRCF) is examined mechanically to ensure that it is valid, meaningful and required.

a. Established criteria provide that each recorded Customer Excess Report must also include a record of reply (DIC FTR) and that the entire initial quantity reported must be accounted for (i.e., accepted, rejected, or suspended for manual processing under a Review Reason Code) at all times.

b. Since the CRCF includes records of receipts from Customer Excess Reports (DICs D6A, D6B, D6C, D6D, and D6E), in addition to Customer Excess Reports, receipts may be received and processed without a corresponding Customer Excess Report. In these instances, the CRCF will be retired after 45 days from date of processing. At that time, it is assumed that the customer will not submit a request for credit.

c. All validated DIC FTE documentation will be retained at least for 120 days from date of receipt overall and 180 days for overseas documents. Additional purge is based on closeout as indicated in the following subparagraph relative to the 45-day rule. DIC FTF documents will be processed against the Customer Returns History File in addition to the CRCF and required answers generated.

d. During the daily Requirement Subsystem cycle, each CRCF is examined to determine whether or not all actions have been completed. At such times as a transaction has been completed for 45 days, that transaction will be retired from the active CRCF and transferred to the Customer Returns History File for appendix F-37 use for one year for

audit purposes. FMS type transactions will remain on the CRHF for five years for audit purposes. A transaction is considered complete when the quantity reported on a Customer Excess Report minus the quantity canceled (either on a Cancellation of Customer Excess Report (DIC FTC) or canceled by the DSC for nonreceipt) minus the quantity rejected on a Reply to Customer Excess Report (DIC FTR), minus the quantity reported received on DIC D6_ is equal to zero. The exception is when materiel is reported received in Condition K which requires a Materiel Adjustment Card, DIC DAC, to remove the record (and materiel) from suspension and record a proper materiel receipt.

240403 - CREDIT SUSPENSE CONTROL OF THE CRCF

a. During the daily Requirements Subsystem cycle, each transaction (document number) recorded in the CRCF is examined, to determine whether or not authorized processing timeframes for customer returns, both automatic and directed, have expired. Authorized processing timeframes are defined as 120 days from acceptance of materiel from domestic (CONUS) customer and/or 180 days from acceptance of materiel from overseas customers. Date of acceptance of materiel is qualified as the date the Reply to Customer Excess Report (DIC FTR) is prepared.

b. On expiration of authorized timeframes, the credit authorized will be canceled and the CRCF will be closed for retirement in the Customer Return History File.

240404 - INQUIRY INTO CRCF

a. It is often necessary to manually review and explain a specific action or transaction affected by manual or mechanical methods; therefore, inquiry into CRCF provides the capability of obtaining sufficient information to analyze any question or problem area that arises.

b. CRCF Inquiry Documents, DIC ZDT/ZRC, prepared in the format of appendix B-63, are processed mechanically into the CRCF. Action Codes, assigned IAW appendix A-42, specify level of information or type of report desired.

(1) Action Code NJ, inquiry by FSC, generates a Detail Report of Customer Returns, appendix F-35. Action Code NK, inquiry by NSN, generates a Customer Returns Active/History File Printout - System Inquiry, appendix F-36. Action Code NL, inquiry by Document Number, generates a CRCF Printout, F-37. These reports provide minute detail for a small number of lines.

(2) Action Codes NM, inquiry by Activity Address Code; NN, inquiry by Supplementary Address Code; NO, inquiry by Project Code; NP, inquiry by Receiving Depot RIC; NQ, inquiry by Basic Service Code; and NR, inquiry by Service/Country Code, generate F-36 Reports providing less detail for a larger number of lines. Due to the extensive amount of time required to prepare the F-36 listing, only three inquiries of each type (i.e., AAC, Project Code, RIC, or FSC) are permitted during any one Requirements process, and only one inquiry per ORC will be processed in

any one cycle. All unprocessed inquiries for the F-36 will recycle until a later date.

(3) Inquiry documents with invalid Action Codes will cause the preparation of an Uncontrolled Violation Printout, appendix F-117, citing VRC CF.

(4) Inquiry documents for which the data requested is not available in the CRCF will cause the preparation of an Uncontrolled Violation Printout, appendix F-117, citing VRC HQ.

240405 - REPORT PREPARATION FROM CRCF

a. Monthly, on a month ending schedule, each transaction (document number) recorded in the CRCF is examined to determine whether the action recorded is to be reported for review of the Customer Excess Returns Program on DSC or HQ DLA level.

b. Customer Excess Returns Report Preparation outlines the collection and correlation of CRCF for the preparation of appendix F-47, Report of Customer Returns, plus the appendix F-157, Area Returns Listing.

(1) Appendix F-47 produces a summary of data elements required for the Credits and Returns Report, RCS DLA(M)225(C), prepared in FSC sequence.

(2) Appendix F-157 is a management listing in a format similar to appendix F-47 indicating credits and returns by Service in a selected area. Data to be included on each individual Area Returns Report are identified by DoDAAD AAC in Management Policy Table 023 (appendix F-156).

c. In addition, a record is prepared of Customer Returns Receipts indicating dollar value and tonnage, for use in the preparation of appendix F-51, Materiel Receipt Processing Analysis Report, prescribed by chapter 44 this volume.

d. A review is conducted for document numbers recorded in the CRCF which have been output for manual review and remain open in one of the following categories: 15-30 days old or over 30 days old. For each open document number, a F-37 CRCF Printout will be forwarded to ORC 94 in order that action to effect a decision may be initiated.

e. The individual mechanical record used for preparation of the reports listed in subparagraph b above is retained for a period of 30 days, and is available for inquiry by FSC/NSN, to obtain detail data for use in report justification or backup.

240406 - INQUIRY IN CRCF REPORT DETAIL DATA

a. It is often necessary to manually review and explain specified elements of reported information; therefore, inquiry into the CRCF Report Detail Data, for a period of 30 days subsequent to mechanical preparation of the report provides the capability of obtaining required detail data.

b. CRCF Report Detail Data inquiry documents, DIC ZRC, appendix B-63, are prepared IAW appendix E-063 P. Action Codes specify level of information desired.

c. Action Code NJ specifies inquiry for a complete FSC; Action Code NK specifies inquiry for a single NSN. Either Action Code will cause a printout in the format of appendix F-35.

d. Inquiry documents with an invalid Action Code will be rejected as an Uncontrolled Violation Printout, citing VRC CF.

e. Inquiry documents for which data requested is not available in file, will cause preparation of an Uncontrolled Violation Printout, citing VRC HQ.

SECTION V - MANAGEMENT POLICY TABLES

240501 - GENERAL

This section describes the purpose, contents, method of establishment, and maintenance of Management Policy Tables required for the processing of Customer Excess Reports and related Materiel Returns Program transactions. It further describes data entry input and listing outputs available from the Management Policy Tables involved.

240502 - PURPOSE OF MANAGEMENT POLICY TABLES

a. Each DSC has established, with HQ DLA concurrence, certain variable criteria and/or conditions, based on commodity management precepts, for use in processing Customer Excess Reports.

b. Programming for each of these conditions or criteria would be an enormous undertaking, therefore, several Management Policy Tables, for use in this chapter, have been developed. Each DSC will establish and maintain these tables within local programming.

240503 - CONTENTS OF MANAGEMENT POLICY TABLES USED IN PROCESSING CUSTOMER EXCESS REPORTS

a. The Management Policy Tables included in this chapter are assigned to the Materiel Support Branch, MSO, DSO, each DSC, for establishment and maintenance. The personnel, within the Materiel Support Branch, assigned this task are responsible for the manual review and correction of any Violation/Suspense Control Reentry Document, appendix B-66, or any Uncontrolled Violation Printouts, resulting from the input of Management Policy Table Document, DIC ZTA, appendix B-70.

b. Management Policy Table Number 015, Materiel Returns Acceptable Condition Code Table.

This table is graphically shown by appendix F-195 and includes a line for each type of Customer Excess Report and provisions for up to seven acceptable Condition Codes and their authorized percentages of the Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF, in the SAMMS Financial Subsystem for credit computation.

c. Management Policy Table Number 016, Materiel Returns Authorized Supply Status Code and Maximum Mechanically Acceptable Level Table.

(1) This table is graphically shown by appendix F-197, and is used in the processing of Customer Excess Reports to ensure that customers are automatically returning and/or reporting for disposition instruction, that materiel as authorized by DLA policy.

(2) This table includes one line for each FSC managed by a DSC with provisions to reflect those SSCs which may be reported on a request for disposition instructions and those SSCs that are returnable automatically.

(3) Each table record (by FSC) includes a Maximum Mechanically Acceptable Level (dollar value) which is used to limit dollar value of credit, using the Basis Cost in the Standard Price/Acquisition Cost File, USFMSPAF, in the SAMMS Financial Subsystem, that can be authorized mechanically without manual review.

(4) Table 016 contains a Minimum Dollar Value for FSC 9999 which is used to ensure that Reports of Customer Excess that are equal to or less than the DLA authorized Minimum Dollar Value are not processed mechanically in the MRP. Reports of Customer Excess that meet specific exception criteria are output for Item Manager review with MRP Review Reason Code MD. All others are generated back to the customer with MRP disposal Status Code TC. An FSC 9999 record reflects all FSCs at the DSC.

(5) Table 016 contains a Maximum Dollar Value for FSC 9999 which is used to ensure that Reports of Customer Excess that are equal to or greater than the DLA authorized Maximum Dollar Value are not processed mechanically with an MRP credit, noncredit and/or disposal status generated to the customer. Reports of Customer Excess that exceed the Maximum Dollar Value are output for Item Manager review with MRP Review Reason Code UC. Reports of Customer Excess that contain an applicable Project Code are output for Item Manager review with MRP Review Reason Code DM. An FSC 9999 record reflects all FSCs at the DSC.

d. Management Policy Table Number 017, Materiel Returns Project Code Control table.

(1) Materiel Returns Project Code Control Table contains Project Codes which have been designated by DLA as representative of specific DLA/Service agreements.

(2) The table contains the Military Services/DoD Agencies authorized to use each code. It also contains a Project Action Code for each Project Code for use in program decision making. The Materiel Returns Project Code Control Table is portrayed by appendix F-199.

e. Management Policy Table Number 023, Area Returns Table.

(1) The Area Returns Table portrayed by appendix F-156, is used to mechanically select those DoDAAD Activity Address Codes for which data is required to be reported by major geographic location.

(2) Each major geographic location is identified with table 023 as an Area Segment. Each Area Segment consists of 81 AACs and there are provisions for 25 individual locations (Area Segments) in this table. Each Area Segment will result in an Area Returns Listing, appendix F-157.

240504 - ESTABLISHMENT AND MAINTENANCE OF MANAGEMENT POLICY TABLES

Management Policy Tables for use in processing customer excess returns are established and maintained mechanically, based on preparation and input of a Management Policy Table Change/Inquiry Transaction, DIC ZTA, in the format of appendix B-70, IAW procedures prescribed in appendix E-070 P.

240505 - INQUIRY INTO THE MANAGEMENT POLICY TABLES

It is sometimes necessary to manually review and explain specific actions or transactions effected by manual or mechanical methods, therefore, inquiry into the Management Policy Tables provide the capability of obtaining the required information. Procedures for inquiry are contained in appendix E-070 P.

SECTION VI - SPECIAL PROCEDURES

240601 - GENERAL

This section describes the procedures and considerations involved in the processing of customer initiated requests for billing adjustment/allowance, generically called sales returns.

240602 - PROCESSING REQUESTS FOR BILLING ADJUSTMENTS/ALLOWANCES (SALES RETURNS)

a. Background.

(1) The processing of customer initiated requests for billing adjustments/allowances (sales returns), including the receipt, control, mechanical processing and reply, is a responsibility of the Office of the Comptroller, as billing office of a DSC. These actions are performed under the policies and procedures expressed in DLAM 7000.2, Volume I, Part 1, Chapter 5, Section IV. In the performance of the Comptroller's determinations that billing adjustments/allowances (credits) are authorized, it is often necessary for the DSO/DTO to determine whether or not documentation supporting or substantiating customer requests is available, or to determine whether or not materiel (e.g., overshipments, unacceptable substitutes, and the like) is to be returned to a DLA distribution activity; or to be disposed of locally under customer (Military Service or non-DoD Agency) procedures.

(2) Customer initiated requests for billing adjustments/allowances will be received by the Office of the Comptroller (i.e., Financial Subsystem, mechanically) in the format of a Customer Request for Billing Adjustments/Allowances, DIC FAE, DLAM 7000.2, Volume I, Part 2, Appendix B-5-1. DIC FAE, bearing an advice code specifying reason for request, are mechanically validated within the Financial Subsystem of SAMMS and output for manual. Specific instructions for processing billing adjustments/allowances may be found in DLAM 7000.2, Volume I, Part 2, Appendix E-5-8. The following procedures addresses the primary reason for billing adjustments/allowances.

b. Procedures.

(1) The Office of the Comptroller receives the DIC FAE, Request for Billing Adjustments/Allowance with prepositioned (partially completed) DIC FAR document and RCSF Printouts. The Office of the Comptroller determines, under the procedures expressed in DLAM 7000.2, Volume I, Part 2, Appendix E-5, whether or not billing adjustments/allowances are authorized and/or whether additional information and/or a recommendation is required from the DSO. When billing adjustments/allowances are not authorized, under the criteria expressed in DLAM 7000.2, Volume I, Part 2, Appendix E-5, the Office of the Comptroller effect reply to the customer request and the DSO is not involved. When it is determined that the requested billing adjustments/allowances are authorized and a decision regarding the return or disposal of materiel is required or information/documentation to support a loss/shortage is required, the DIC FAE, is forwarded to the DSO outlining the information, action, or supply decision required. The prepositioned (partially completed) Reply to Customer Request for Billing Adjustments/Allowances, DIC FAR, is retained in the Office of Comptroller as a Suspense File.

(2) When the DIC FAE Advice Code is 11 the Office of Comptroller has determined that a duplicate shipment of materiel, not caused by duplicative requisition documents, has been made; that the customer is entitled to credit and requires a supply decision, based on current system requirements and assets, as to whether or not materiel involved is to be returned to a DLA distribution activity.

(a) When return of materiel is desired, the DSO will annotate DIC FAE, single item entry form, with Status Code BB (credit granted; return shipment to activity designated in pos. 4-6) and the RIC of the DLA distribution activity to receive the materiel. This document is to be returned to the Office of Comptroller, for mechanical processing (through the Financial Subsystem) which will cause the establishment of a Due-In record, DIC DFZ (TDIC SFZ), with a Customer Address Code in pos. 30-35.

(b) When return of materiel is not desired (excess to system requirements; transportation costs exceed value of materiel), the DSO will annotate the DIC FAE, with the Status Code BA (credit granted; materiel shipped on duplicate billing action to be disposed of locally). This document is to be returned to the Office of Comptroller, for mechanical processing (through the Financial Subsystem).

(3) When the FAE Advice Code is 15, the Office of Comptroller has determined that an unauthorized over-shipment has been made, in violation of a customer assigned Advice Code (requisition) 2D; or in excess of authorized unit pack adjustment; that the customer is entitled to credit and requires a supply decision, based on current system requirements and assets, as to whether or not materiel involved is to be returned to a DLA distribution activity.

(a) When return of materiel is desired, the DSO will annotate DIC FAE, with Status Code BB (credit granted; return shipment to activity designated in pos. 4-6) and the RIC of the DLA distribution activity to receive the materiel. This document is to be returned to the Office of Comptroller for mechanical processing (through the Financial Subsystem), which will cause the establishment of a Due-In record, DIC DFZ (TDIC SFZ), with Customer Address Code in pos. 30-35.

(b) When return of materiel is not desired (excess to system requirements; cost of transportation exceeds the value of materiel), the DSO will annotate the DIC FAE, with Status Code BA (credit granted; shipment to be disposed of locally). This document is to be returned to the Office of Comptroller for mechanical processing (through the Financial Subsystem).

(5) When the DIC FAE Advice Code is 25 - Unaccepted Duplicate Shipment - The Office of Comptroller has determined that a duplicate shipment, not caused by a duplicative customer requisition, is recorded in the RCSF and requires that current system requirements and assets be reviewed and a determination made as to whether or not return of the unaccepted materiel to a DLA distribution activity is desired. This document, DIC FAE, will be processed, annotated with the Status Code BA or BB, as applicable, and returned to the Office of Comptroller, IAW preceding subparagraph b(3)(a) or (b).

(6) When the DIC FAE Advice Code is 14 - Bill for an Item Designated as Nonreimbursable Issue - The Office of Comptroller has determined that there was no programmed reason for the issue to be coded as nonreimbursable (i.e., no alpha J in pos. 40: no Signal Code M on MRO (DMUP)) and requires a determination as to whether or not the DSO has entered into a one-time agreement to supply a particular item (or requisition) on a nonreimbursable basis for an authorized cause.

(a) When DSO determines that a nonreimbursable issue was in fact negotiated and consummated, the DIC FAE will be annotated with the Status CA (credit granted; materiel should have been issued on a non-reimbursable basis). This document is to be returned to the Office of Comptroller, by return endorsement to the basic IOM, citing full particulars and justification for the nonreimbursable issue for mechanical processing (through the Financial Subsystem).

(b) When DSO determines that no basis for a nonreimbursable issue existed the DIC FAE, will be annotated with the Status Code AD (credit denied: Nonreimbursable issue not authorized) and returned to the Office of Comptroller, by return endorsement to the basic IOM, for mechanical processing (through the Financial Subsystem).

(c) If investigation, by DSO, reveals that the item involved had been offered as a free issue by a Service, prior to capitalization to the DSC, DIC FAE will be annotated with the Status Code DI (CREDIT DENIED: LETTER OF EXPLANATION FOLLOWS) and returned to the Office of Comptroller, citing full particulars of prior free issue status (on which the Comptroller may base a reply), for mechanical processing (through the Financial Subsystem).

(7) When the DIC FAE Advice Code is 21 - Short or Damaged Shipment - the Office of Comptroller has ascertained that the dollar value of the Shortage or Damage is \$100 or more and requires a determination as to whether or not documentation is available in the DSO (accountability element) to support or substantiate the loss.

(a) When DSO determines by review of documentation supporting the Accountable Records, i.e., discrepancy reports, Reports of Over, Short or Damaged Freight Data, Report of Packaging and Handling Deficiencies, that the customer should be credited for the loss, DIC FAE, will be annotated with the Status Code CA (request granted; carrier/shipper liable for shortage or damage) and returned to the Office of Comptroller, citing full particulars of supporting/substantiating documentation for mechanical processing (through the Financial Subsystem).

(b) When DSO determines, by review of documentation available that the customers request is not substantiated, DIC FAE, will be annotated with the Status Code DI (request denied; letter of explanation follows) and returned to the Office of Comptroller, furnishing full particulars of any supporting documentation (on which the Comptroller may base a reply), for mechanical processing (through the Financial Subsystem).

(c) When DSO ascertains that there is no record of documentation supporting the shortage or damage, DIC FAE, will be annotated with the Status Code EI (request denied; claim for shortage or damaged materiel must be supported by appropriate documentation) and returned to the Office of Comptroller, for mechanical processing (through the Financial Subsystem).

(9) When the DIC FAE Advice Code is 23 - Lost Shipment - The Office of the Comptroller has ascertained that the dollar value of the lost shipment claim is \$100 or more and requires a determination as to whether or not documentation is available in the DSO (accountability element) to support the loss.

(a) When the DSO determines, by review of documentation supporting the Accountable Records, i.e., discrepancy reports, that the customer should be credited for the loss, the DIC FAE will be annotated with the Status Code CA (request granted; carrier/shipper liable for lost shipment) and returned to the Office of Comptroller, citing full particulars of supporting documentation for mechanical processing (through the Financial Subsystem).

(b) When the DSO determines, by review of documentation available, that the customers request is not substantiated, the DIC FAE will be annotated with the Status Code DI (request denied; letter of explanation follows) and returned to the Office of the Comptroller furnishing full particulars of supporting documentation (on which the Comptroller may base a reply) for mechanical processing (through the Financial Subsystem).

c. Related Follow-on Actions:

(1) On receipt of the annotated DIC FAE, the Office of Comptroller will prepare a DIC FAR, using the suspended prepositioned Reply to Customer Request for Adjustments/Allowances, DIC FAR, previously suspended within the Office of Comptroller.

(2) Those computer input actions, DIC FAR, which request the return of materiel to a DLA distribution activity, i.e., citing Status Code BA or BB cause the establishment of a Due-In record, DIC DFZ (TDIC SFZ). This input action also causes the preparation and dispatch of a Reply to a Customer Request for Bill Adjustments/Allowances.

(3) Due-In records established as a result of this action will remain in the Due-In File, pending receipt of materiel, until canceled by mechanical methods initiated within the Financial Subsystem.

240603 - PROCESSING REQUESTS FOR REINSTATEMENT OF CUSTOMER CREDIT

a. Background.

(1) DSCs process Customer Excess Reports representing both requests for disposition instructions and automatic returns on a daily basis IAW criteria expressed in this chapter and in DLAM 7000.2, Volume I, Part 2, Appendix E-5-8. The Requirements Subsystem determines acceptability and creditability of reported assets on a total or partial quantity basis. The customer is notified of credit authorization on the Reply to Customer Excess Report, DIC FTR, with Status Code TA or TH.

(2) DICs D6A, B, C, D, and E, appendix B-21 which process to mechanical records and match a creditable record in the Customer Return Control File (CRCF) cause the generation of a DSC Materiel Receipt Status, DIC FTZ, appendix B-58. The DIC FTZ is sent to the customer to advise that credit in the amount cited will appear on the next billing and citing Status Code TN.

(3) If the input DIC D6_, reflects a condition code of less value than the condition of materiel authorized by the DSC for credit and the condition code is not K, the customer will be notified by DIC FTZ and credit will not be granted. This is accomplished by entering the condition code of the materiel actually received and zero filling the expected credit field, pos. 72-80, to indicate no credit is to be granted and citing Status Code TM.

(4) Daily, each transaction recorded in the CRCF is mechanically examined to determine whether or not the authorized processing time-frames for customer returns have expired. When neither DIC FTL nor DIC FTM has been received within 30 days after generation of DIC FT6 and the materiel has not been received or when there are no receipts recorded (total nonreceipt) within the processing times of 120 days for CONUS Customers and 180 days for oversea customers, the customer is notified that credit will not be allowed due to nonreceipt of materiel within the suspense period. This is accomplished by mechanically preparing and forwarding a DSC Materiel Receipt Status, DIC FTZ, with zero filled

quantity field, pos. 25-29, zero filled Expected Credit field, pos.
72-80 and citing Status Code TP.

(5) If the input receipt document, DIC D6_, reflects a NSN other than that authorized by the DSC for credit, and the NIR Key Code is other than DR (duplicate item), the customer will be notified by DIC FTZ that credit will not be granted, with Status Code TL.

(6) On receipt of a DSC Materiel Receipt Status, DIC FTZ, appendix B-58, the customer, after examining his records, and in disagreement with the DSC decision, may request reinstatement of credit authorization. This may be accomplished by telephone, teletype or letter.

(7) By mechanical file configuration, it is impossible to post a materiel receipt/adjustment action to an existing CRCF unless both the NSN and Document Number on the Materiel Receipt/Adjustment Transaction match the NSN and Document Number on a recorded Customer Excess Report, DIC FTE. It is possible to post a receipt action (DIC D6A, D6B, D6C, D6D, or D6E) to the CRCF without a corresponding Customer Excess Report being recorded. Therefore, it is possible to have knowledge of a receipt under an NSN and Document Number different (by intent or by typo-graphical error) from the NSN and Document Number for which credit is being/has been denied.

(8) Receipt documents, DIC D6A, D6B, D6C, D6D, or D6E, posted to the CRCF without a corresponding Customer Excess Report, will be retained on that record for 45 days subsequent to date of posting, pending receipt of the related Customer Excess Report for research purposes. Customer Excess Reports will be retired to the Customer Returns History File during the month when the date closed has been posted. For this purpose, the date closed is defined as the date a final receipt action completes the record or the date of expiration of the processing timeframes (i.e., 120/180 days from date of Reply to Customer Excess Report, DIC FTR, whichever is applicable).

b. Procedures:

(1) The Inventory Accounting Branch, Stock Control Division, DSO, will receive the customers request for reinstatement of credit authorization by letter, teletype or telephone (telephone calls are to be completely documented IAW local DSC procedures) citing full particulars/reasons reinstatement of credit authorization is requested; and when applicable citing proof of shipment of materiel. Those requests that require other than routine processing should be referred to the MSO, and subsequently elevated to DSO for review and decision when appropriate.

NOTE: The customer is responsible for (and may be requested to) furnishing proof of shipment of materiel but not proof of delivery. Proof of shipment consists of advice as to date of shipment, Transportation Control Number (if applicable), mode of shipment, depot to which shipped, and document number of DD Form 1348-1 constituting the shipment.

(2) Processing personnel will obtain (as necessary) via online inquiry or hard copy printout the following:

(a) A CRCF Printout, appendix F-37, under the NSN(s) or Document Number(s) involved.

(b) A Due-In File Printout, appendix F-184, under the NSN(s) involved.

(c) An SSCS, appendix F-167, under the NSN(s) involved.

(d) A Transaction History File Printout, appendix F-110, under the NSN(s) involved.

(3) The above printouts may be obtained by preparation and input of the following File Inquiry Forms:

(a) CRCF Printout, appendix F-36, by CRCF Inquiry Form, appendix B-63, DIC ZDT, with Action Code NK (NSN).

(b) Due-In File Printout, appendix B-117, DIC ZCJ, with Action Code KI (Due-In key-NSN).

(c) Transaction History File Printout, appendix F-110, by THF Inquiry Form, appendix B-104, DIC ZCB, with Action Code HH (THF Printout, all receipts, DIC D4_/D6_). Coordination with the IPC must be obtained prior to input.

(4) Processing personnel, by review of available records, will determine:

(a) Whether or not materiel in question has actually been received under the NSN originally reported by the customer or a different NSN, which could be an acceptable member of a family (as a result of classification and inspection) or a typographical error in the NSN or Document Number field(s) of the receipt.

(b) When materiel has been received, whether or not originally granted, but denied credit authorization should be reinstated/granted.

(5) When processing personnel determine that the materiel in question has not been reported received by a distribution activity and the document numbers, furnished as proof of shipment by the customer, are valid; the distribution activity will be requested by letter or TWX to:

(a) Determine whether or not shipment under the cited B/L number has been received and when affirmative, furnish a duplicate receipt, by mail, with an explanation of prior actions taken.

(b) Effect tracer action IAW DLAR 4500.3, paragraphs 220009 and 220011, and advise DSC of action taken.

(c) The DSC (DSO) will continue research on receipt of distribution activity reply.

(d) Prepare a Reinstatement of Customer Credit Document in the format of appendix B-229, with the NSN, document number, and Condition Code of the materiel actually reported.

(6) When DSO determines that the materiel in question, for which credit was previously granted, has been received on a receipt, DIC D6_, with a typographical error (through a valid NSN) in stock number field, action will be taken to:

(a) Reverse the erroneously reported receipt by preparation and submission of a Materiel Receipt Reversal Document, DIC D6_, appendix B-21, with a 11 X overpunch in pos. 25, under the incorrect NSN.

(b) Prepare a Reinstatement of Customer Credit Document in the format of appendix B-229 with the NSN and document number of the materiel actually received.

NOTE: Appendix B-229 is a modification of a Customer Excess Report tailored specifically for the reinstatement of previously authorized but denied credit. Mechanical reinstatement of previously authorized but previously denied credit, based on the presence of Project Code 999, has been assigned for DSCs use in the reinstatement of credit and may not be used for any other purpose. This Project Code must appear in the Management Policy Table of Project Codes established by each DSC.

(c) Forward all three documents to IPC, for mechanical validation and processing.

(d) Advise customer (by letter, telephone, or teletype) that the discrepancy has been resolved and that credit will be furnished (reinstated) in a future Billing List.

(e) Forward one copy of the customers request for credit reinstatement and the reply (approval) by IOM to the Office of Comptroller for use in supporting future Billing Lists.

(7) When DSO determines that the materiel in question for which credit was previously authorized has been received on a receipt, DIC D6_, with a typographical error in the Document Number field, action will be taken to:

(a) Prepare a Reinstatement of Customer Credit Document, appendix B-229, with the NSN, and correct document number.

(b) Forward this document to IPC for mechanical validation and processing.

(c) Advise customer (by letter, telephone, or teletype) that the discrepancy has been resolved and that credit will be furnished in a future Billing List.

(d) Forward one copy of the customer request for credit reinstatement and the reply (approval) by IOM to the Office of the Comptroller, for use in supporting future Billing Lists.

(8) When DSO determines that the materiel actually received, is/was properly reported/stocked under an NSN (item of supply) different from the NSN reported, on a Customer Excess Report, and accepted by the DSC, is acceptable for credit, action will be taken IAW subparagraph b(7) above.

NOTE: This situation can develop when a preferred standard item in a family or Procurement Group is reported by the customer and accepted by a DSC for credit and inspection (on receipt at a distribution activity) reveals that a related standard member of a family or Procurement Group was actually received; and the item received is acceptable for credit.

(9) When DSO determines that the materiel actually received, is/was properly reported/stocked under an NSN (item of supply) different from the NSN reported on a Customer Excess Report and accepted by the DSC, is not acceptable for credit: The customer will be advised that the request for reinstatement of credit is denied (by letter, telephone, or teletype) citing full particulars of the results of investigation.

(10) When DSO determines that the credit denial was based on receipt of materiel in a physical condition of lower value than the condition reported on the Customer Excess Report, DIC FTE, and was not acceptable for continuance of credit and the CRCF does or does not contain a record of forwarding a DIC FTZ with Status Code TM, actions will be taken to:

Review the documentation supporting the Accountable Records, i.e., discrepancy reports, Reports of Over, Short, or Damaged Freight Data, Reports of Packaging and Handling Deficiencies, to determine if the lower condition code reported received is attributed to damage inflicted by the carrier and if affirmative whether or not costs are being recovered from the carrier.

(a) When it is determined that the lower condition of materiel received is attributable to damage by the carrier and costs are being recovered from the carrier, and that the customer is properly entitled to credit previously authorized, action will be taken IAW subparagraph b(7) above.

(b) When it is determined that there is no evidence of damage, which resulted in the receipt of the lower valued materiel, which is attributable to the carrier; the customer will be advised that the request for reinstatement of credit is denied (by letter, telephone or teletype) citing full particulars of the results of investigation.

c. Mechanical Processing of Reinstatement of Customer Credit Document.

(1) The Reinstatement of Customer Credit Document, appendix B-229, citing DIC FTZ and Project Code 999, patterned on the Customer Excess Report, appendix B-39, is accepted for mechanical processing direct from data entry services or the output routines of the Violation Control Suspense File (chapter 49). Each input action is mechanically validated and processed, as outlined in the following subparagraphs.

(2) All input documents, DIC FTZ, with Project Code 999, are routed for a validation process. Input documents without Project Code 999 are processed as initial input.

(3) The NSN field, pos. 8-22, is validated to ensure that the field is filled and all numeric. An invalid NSN is ejected on a violation citing VRC AY.

(4) The UI field, pos. 23-24, is checked to ensure that the field is filled and contains alpha characters. Input documents reflecting an invalid or blank UI will be ejected on a violation citing VRC AN.

(5) The Quantity field, pos. 25-29, is validated to ensure that the field is filled and contains all numerics. All zeros are acceptable if the Return Information Code in pos. 75 is B or D. Blanks to the left of a significant digit will be zero filled mechanically. Input documents reflecting an invalid quantity field that cannot be corrected as indicated above will be ejected on a violation citing VRC AS.

(6) The Document Number field, pos. 30-43, must be constructed IAW appendix C-2. Invalid documents are ejected on a violation citing VRC AI.

(7) The Condition Code field, pos. 44, must contain A, B, C, D, E, F, G, or H. Unauthorized input actions are ejected on a violation citing VRC AF.

(8) The Signal Code field, pos. 51, must contain A, B, C, J, K, or L. Invalid documents are ejected on a violation citing VRC AU.

(9) If the Signal Code, pos. 51, is B, J, K, or L, the Supplementary Address, pos. 45-50, is checked against the DoDAAD for validity. Invalid documents are ejected on a violation citing VRC FU.

(10) The Fund Code field, pos. 52-53, is checked to ensure that the field is filled and does not contain blanks. Invalid documents are ejected on a violation citing VRC AT.

(11) The expected Credit field, pos. 72-80, is checked to ensure that the field contains all numerics and no blanks. Leading blanks (blanks to the left of a significant digit) are zero filled mechanically. Invalid documents are ejected on a violation citing VRC DJ.

(12) The Project Action Code, pos. 57-59, must contain 999. Invalid documents are ejected on a violation citing VRC QQ.

(13) Valid input documents are posted to the CRCF immediately and transferred to the Customer Return History File, closed.

(14) Valid input documents are forwarded to the Financial Subsystem for preparation of Detail Billing (Adjustment) Transactions - Materiel Return - Credit Allowed, DIC FD2. The mechanical record used to initiate the Detail Billing (Adjustment) Transaction is formatted as indicated in DLAM 7000.2, Volume I, Part 2, Appendix B-3-19, DIC ZHK,

and will reflect the Return Information Code A, B, C, or D, extracted from the input action and defined by DLAM 7000.2, Volume I, Part 2, Appendix A-3-10.