Material Returns Program

References: Refer to Enclosure 1.

1. PURPOSE. The purpose of the Materiel Returns Program (MRP) is to maximize use of assets already owned by the Department of Defense (DoD). The DoD philosophy is to reutilize retail materiel to offset or defer procurement at the wholesale level, rather than purchasing new materiel from a contractor. The MRP is also the method used for planned returns resulting from large scale operational projects, major installation deactivations, weapon system phase outs, or fleet decommissioning. It is fully automated using Military Standard Requisitioning and Issue Procedures (MILSTRIP) (see Section 5 for link) transaction(s) for the interfaces required between the activity offering the materiel and the Integrated Materiel Manager (IMM). The accountable transactions, such as prepositioned materiel receipt documents, normal receipt documents and associated inventory documents, are found in the Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP) (see Section 5 for link). Transactions used in the reimbursement for materiel or for costs associated with packing, crating, handling and transportation are documented in the Military Standard Billing System (MILSBILLS) (see Section 5 for link).

The intent of the MRP is to allow customers who purchase materiel which becomes excess to their retention limits, to offer those assets back to the wholesale IMM prior to disposal of those assets. In general, after review of the current stock position, the IMM will either direct the materiel back with credit, direct the materiel back without credit, or disallow the return. The customer has the option of disposing of the disallowed materiel in accordance with their current Service regulations.

2. APPLICABILITY. This Instruction applies to HQ DLA and non-Energy DLA Field Activities.

3. POLICY

A. It is DLA policy that we will receive and process customer offers of materiel in a timely manner. Responses from DLA ICPs must be generated to our customers in no greater than 30 days from receipt of the offer, stating return with credit, return without credit, no return or delay in response, and the destination depot for those directed for return.

B. No materiel must be shipped from the retail customer prior to receiving direction by the IMM to do so. Any materiel received without authorization must be considered unauthorized and the shipper will be held responsible for costs incurred by the receiving activity.
C. All required materiel must be shipped in such a manner to prevent degradation of condition. Upon receipt and inspection of required materiel, the depot will process the appropriate MILSTRAP transaction to put the materiel on the accountable record. This inspection must include, but not be limited to, condition code and quantity. Materiel credit must be denied for any materiel received in a different condition than offered and directed, or for any quantity not offered and directed for return.

D. All credits must be provided in accordance with the signal code in the offer of excess. Credit for packing, crating, handling and transportation must be granted for all directed returns. Rates for credit reimbursement are as follows:

1) The IMM must respond to the activity offering the materiel within 30 days. Notification of delay is considered a valid response. This metric cannot be linked to any of the quadrants of the Balanced Scorecard.

2) The retail owner of materiel must respond to follow-ups by the IMM within 30 days. In addition, materiel must be shipped and received within the following timeframes:

   a. For activities within the continental United States: 120 days;

   b. For activities outside the continental United States: 180 days; and,

   c. The receiving depot must stow the materiel return receipt within 7 days.

4. RESPONSIBILITIES

A. Prepare offer of materiel (customer).

B. Route offer of materiel to IMM.

C. Respond to offer of materiel (IMM).

   1) As a part of the IMM's overall responsibility for management of a given stock number and the visibility of the DoD requirements for stock numbers under their cognizance, it is imperative that the IMM review those requirements and direct return of this materiel, if needed, to prevent retail assets from ending up in disposal concurrent with wholesale purchasing.

   2) These assets are viewed as just one more source of materiel to fill a customer's requirement and to insure readiness.

5. PROCEDURES

A. Respond to customer. Responses from DLA ICPs will be generated to our customers in no greater than 30 days from receipt of the offer, stating return with credit, return without credit, no return, or delay in response, and the destination depot for those directed for return.
B. Ship materiel as directed (customer). No materiel will be shipped from the retail customer prior to receiving direction by the IMM to do so. Requests for verbal disposition instructions are invalid. Any materiel received without authorization will be considered unauthorized and the shipper will be held responsible for costs incurred by the receiving activity. All required materiel will be shipped in such a manner to prevent degradation of condition.

C. Receive shipped Materiel (depot). Upon receipt and inspection of required materiel, the depot will process the appropriate MILSTRAP transaction to put the materiel on the accountable record. This inspection will include but not be limited to, condition code and quantity. Materiel credit will be denied for any materiel received in a different condition than offered and directed, or for any quantity received which was not offered and directed for return.

D. Process customer credits (IMM). All credits will be provided in accordance with the signal code in the offer of excess. Credit for packing, crating, handling and transportation will be granted for all directed returns. Rates for credit reimbursement are as follows:

1) Materiel credit, if appropriate, will be granted at acquisition price.

2) Packing, Crating & Handling credit will be reimbursed at 3.5% of acquisition price.

3) Transportation credit will be reimbursed at 2% of acquisition price.


Director, DLA Enterprise Support

Enclosures

Enclosure 1 – References
Enclosure 1
References

The following links are provided to facilitate MRP processing:


7. Providing Financial Credit For Returned Material Purchased via Customers Credit Card