

DLMSO

May 5, 1998

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Request for a Revised Implementation Date for Approved MILSTRAP Change Letter (AMCL) 13, Partial Reversal of Selected MILSTRAP Transactions

The attached change to DoD 4000.25-2-M, MILSTRAP, is forwarded for your evaluation and submission of the earliest coordinated Service/Agency date that the change can be implemented.

This change is one of approximately 26 MILSTRIP and MILSTRAP approved changes which the Components were unable to implement on schedule as resources were shifted to support the Corporate Information Management (CIM) single standard system effort. With the demise of that effort, the Defense Logistics Management Standards Office (DLMSO), in conjunction with the DoD Supply PRC, has agreed to establish revised implementation dates. AMCL 13 was initially published as an approved change on June 27, 1991 with an implementation date of November 1, 1994. Submission of AMCL 13 for a revised implementation date was discussed and agreed to at the March 23-25, 1998 DoD Supply Process Review Committee (PRC) meeting. We will use the dates provided in response to this request to establish a mutually satisfactory revised implementation date.

Procedures associated with this approved change have been incorporated in the DoD 4000.25-M, DLMS, Volume 2.

Please review the attached change and provide your earliest implementation date to DLMSO no later than 60 days from the date of this memorandum. Addressees may direct questions to the DLMSO point of contact, Ms. Mary Jane Johnson at 703-275-5266 DSN 235-5266, or e-mail: maryjane_johnson@hq.dla.mil. Others must contact their Service or Agency's designated representative.

-----SIGNED-----

JAMES A. JOHNSON
Director
Defense Logistics Management
Standards Office

Attachment

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**ATTACHMENT TO REQUEST FOR REVISED IMPLEMENTATION DATE (RFRID)
FOR MILSTRAP AMCL 13
PARTIAL REVERSAL OF SELECTED MILSTRAP TRANSACTIONS**

1. References:

- a. DoD 4000.25-2-M, 1 May 1987, Military Standard Transaction Reporting and Accounting Procedures, as amended
- b. AMCSM-PDA letter, 14 January 1987, subject: Request for Proposed MILSTRAP Change: MILSTRAP Partial Reversals for Ammunitions (NOTAL)

2. Change Concept/Rationale:

- a. **Concept.** Allow partial reversal (i.e. reversal of less than the original quantity) of selected MILSTRAP (reference 1a) transactions. The proposed procedures:
 - (1) Provide for partial reversal of selected MILSTRAP transactions.
 - (2) Require edits be established to assure that:
 - (a) The document number of the reversal transaction matches the document number of the original transaction.
 - (b) The cumulative total of all reversal transaction quantities for a given document number do not exceed the original transaction quantity. This provision requires that a record of the original quantity and the quantity of all reversal transactions (total and partial) be maintained.
- b. **Rationale:**
 - (1) Reversals can result from errors on the original transactions. Total reversals (same quantity as the original transaction) are not always required to correct the error. For example:
 - (a) If a physical inventory dictated that the accountable record be increased by 3 each, but the transaction was input with a quantity of 30 each, current procedures require a total reversal of the original transaction for 30 each and input of a new transaction for 3 each. If partial reversals were authorized, the error could be corrected by reversing a quantity of 27 each.
 - (b) During a Logistics Reassignment (LR), the gaining item manager (GIM) balance must be corrected when the losing item manager (LIM) storage activity has fewer assets available for reidentification to the GIM's ownership than the LIM actually transferred. Present MILSTRAP procedures require the total reversal of the original

transfer transaction (DI Code DEE or DEF) and submission of a new one. If the GIM has issued any assets since the effective transfer date, the total reversal would cause a negative balance, which some systems cannot accept. A partial reversal would correct the GIM's balance using one transaction instead of two and eliminate the negative balance situation.

- (2) Satisfies the Army proposal (reference 1b), initiated by the Joint Ordnance Commanders Munitions Supply Subgroup, that partial reversals be authorized for MILSTRAP transactions related to ammunition inventory.
- (3) Legitimizes the processing of partial physical inventory adjustment reversals, which has existed in the ammunition and general supplies community for years, and expands the concept to other MILSTRAP transactions.

3. Advantages/Disadvantages:

- a. **Advantages.** Permits correction of errors with minimum number of transactions, thereby saving resources and reducing the chance for further errors.
- b. **Disadvantages.**
 - (1) Increases the opportunity to circumvent procedures, unless edits/controls are enforced.
 - (2) Requires revision of Service/Agency systems and procedures to allow for processing of partial reversals, to include establishing the required edits.

4. Interface/Impact:

- a. **Interface:** Requires interface of supply and financial systems to assure compatible adjustment of supply accountability and financial accounting records.
- b. **Impact:** Requires revision of Service/Agency systems and procedures to allow for processing of partial reversals, to include establishing the required edits.

5. Procedures. Revise DoD 4000.25-2-M (MILSTRAP) as follows (changes are identified by ***bold italic*** print):

- a. **Chapter 7, Section E.** Replace the section E lead-in paragraph with the following:

"E. REVERSAL OF INVENTORY ADJUSTMENTS

Reversal (*total or partial*) of inventory adjustments, DI Code D8A and D9A, is a required capability which must be implemented with proper controls and supported by proper documentation. See Appendix C, *Introduction, paragraph 3.b., and chapter 9, section C, for transaction reversal processing and control requirements. In addition to the controls required by chapter 9,* procedures for reversing adjustments will contain, as a minimum, the following control features:"

- b. Chapter 9. Change the title of Chapter 9 to read: **REJECTION, ROUTING, AND REVERSAL OF TRANSACTIONS**
- c. Chapter 9. Add the following as a new section:

"C. REVERSAL OF TRANSACTIONS

1. *Processing activities may totally or partially reverse selected MILSTRAP transactions. Reversal of a quantity equal to the original transaction quantity is a total reversal. Reversal of a quantity less than the original transaction quantity is a partial reversal. Appendix C indicates which transactions are eligible for reversal. As a minimum, activities shall apply transaction reversal edits and controls to assure that:*

- a. *The original transaction document number is used on all reversal transactions. Activities shall not process a transaction reversal if the document number does not match an established file record document number. If such a transaction is received, reject it back to the originator in accordance with section A, paragraph 3.*
 - b. *The cumulative total of all reversal transaction quantities for the document number does not exceed the original transaction quantity. If the cumulative total of all reversal transaction quantities exceeds the original transaction quantity, reject the transaction(s), causing the total quantity to exceed the original quantity, back to the submitter in accordance with section A, paragraph 3.*
- 2. *See chapter 7, section E, for additional controls required when reversing physical inventory adjustments, DI Code D8A/D9A. See chapter 7, section H, for quality control requirements.*
 - 3. *See chapter 11, section F, paragraph 4, for additional controls required when reversing logistics transfer/decapitalization*

transactions, DI Codes DEE/DEF."

- d. Chapter 11, Section E, Paragraph 4. Revise to read as follows:

"4. The GIM will accept and process DI Code DEE/DEF **transaction reversals (see Appendix C, Introduction, paragraph 3.b) and** adjust the **inventory and financial records accordingly [text deleted]**. **If** the DI Code DEE/DEF transaction reversals are received with an incorrect **reversal indicator**, the GIM may elect to contact the LIM to verify that reversal action is appropriate, correct the transaction and continue to process, or reject the transaction using the DI Code DZG Transaction Reject document with Reject Advice Code AE (Rejected - Quantity field invalid)."

- e. Chapter 11, Section F, Paragraph 4. Revise to read as follows:

"4. Upon receipt of the DI Code DZD (LR Storage Information Reply), the LIM will review the quantity. When the **transfer** quantity in the **DI Code DZD** is greater than the **transfer** quantity reflected in the DI Code DZC (LR Storage Information transaction) the LIM will take action to transfer/**decapitalize** the additional quantity to the GIM on a new **DI Code DEE/DEF** transaction. When the **transfer** quantity in the DI Code DZD is less than the **transfer** quantity in the **DI Code DZC**, the LIM shall: (1) within 24 hours **of receipt of the DI Code DZD transaction**, initiate action to reverse the **DI Code DEE/DEF [text deleted]** transaction, previously submitted for that location **and condition, by the difference between the DI Code DZD and DZC transfer quantities (see chapter 9, section C, and appendix C, Introduction, paragraph 3.b, for controls required when processing transaction reversals)**, (2) conduct research and/or request a special inventory when deemed appropriate, **and** (3) determine **whether** the quantity reported by the LIM's storage activity is correct (based on the best data available after research/inventory) **[text deleted]**. **If research reveals that the quantity reported by the LIM storage activity was not correct the LIM will process a partial reversal, or transfer/decapitalization transaction and DI Code DZC, as needed. The LIM shall** complete these actions within 30 **calendar** days after the ETD to prevent a long time lag between the ETD and corrective action. **If** extenuating circumstances prevent a LIM from accomplishing this task within 30 **calendar** days, the LIM **shall** notify the GIM of the problem and expected date when the problem should be resolved (not to exceed 60 **calendar** days past the ETD). If the DI Code DZD transaction contains a transferable quantity **on** an item for which the LIM provided a DI Code DEE/DEF transaction with a zero balance, **the LIM shall provide a DI Code DZC to the storage activity** and a new DI Code DEE/DEF to the GIM reflecting the appropriate quantity, condition, and location; **in this situation, the LIM will not prepare a DI Code DEE/DEF reversal.**

- f. Appendix C, Formats Introduction, Paragraph 3.b. Revise to read:

"b. To effect total or partial reversal (or cancellation) of the original transaction, enter a reversal indicator in record position 25. (See chapter 9, section C, for controls required when reversing transactions). In punched-card transactions, the reversal indicator is an eleven-zone overpunch of the quantity digit in record position 25 of the quantity to be reversed. In nonpunched-card transactions, the reversal indicator is the EBCDIC or ASCII equivalent of the punched-card entry, which is also entered in record position 25 of the reversal quantity. The EBCDIC reversal indicators are a minus sign for a blank entry, a } (closing brace) for an entry of zero, or an alphabetic J through R for an entry of 1 through 9 respectively. Since significant digits are to be preceded by zeros, the blank and minus sign indicators in record position 25 are actually invalid entries and are mentioned only to cover all possibilities. The punched card and EBCDIC reversal indicators are as follows:

QUANTITY ENTRY	RECORD POSITION 25 PUNCHED-CARD TRANSACTION ENTRY	RECORD POSITION 25 EBCDIC REVERSAL	EBCDIC REVERSAL QUANTITY ENTRY
1	11-zone and blank	- (MINUS)	- 1
00001	11-zone and 0 (zero)	}	}0001
10001	11-zone and 1	J	J0001
20001	11-zone and 2	K	K0001
39999	11-zone and 3	L	L9999
42180	11-zone and 4	M	M2180
57832	11-zone and 5	N	N7832
60000	11-zone and 6	O	O0000
78364	11-zone and 7	P	P8364
80000	11-zone and 8	Q	Q0000
99999	11-zone and 9	R	R9999

For ammunition, an M-modifier may be entered in record position 29 of the quantity field to denote thousands. In such cases, the quantity and reversal indicators would appear as shown in the following example for a reversal quantity of 800000:

QUANTITY ENTRY	RECORD POSITION 25 PUNCHED-CARD TRANSACTION ENTRY	RECORD POSITION 25 EBCDIC REVERSAL CHARACTER	EBCDIC REVERSAL QUANTITY ENTRY
0800M	11-zone and 0 (zero)	}	}800M

- g. Throughout the manual: Revise references to "11-zone punch/overpunch", "X punch", etc. (for example, in chapter 4, paragraphs C.4 and I.2(3) and in chapter 11, paragraph D.6) to read "**reversal indicator (see Appendix C, Introduction, paragraph 3.b.)**".
- h. Appendix B9. Revise Appendix B9, Reject Advice Codes, to add new codes as follows:

CODE	DEFINITION
AL	Rejected. Cumulative total of all reversals exceeds the original transaction quantity.
AN	Rejected. No record of original transaction with document number matching the attempted reversal transaction."