



DEFENSE LOGISTICS MANAGEMENT SYSTEM  
(DLMS)

**VOLUME 4**

**ACQUISITION**

DEFENSE LOGISTICS MANAGEMENT STANDARDS OFFICE  
(DLMSO)



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# C1. CHAPTER 1

## INTRODUCTION

### C1.1 GENERAL

C1.1.1 Purpose. This volume provides DoD standard procedures and electronic data interchange (EDI) conventions for the interchange of post award contract data using American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 transactions. In the future, this volume may also provide the standard procedures and EDI convention standards for various phases of the acquisition process from solicitation through contract reporting and contractor history.

C1.1.2 Defense Logistics Management System Volume (DLMS) Access. Use of this volume requires simultaneous access to the main DLMS volume. The DLMS volume contains the full Table of Contents for the manual; the only listings of Acronyms and Abbreviations, Definitions, and References for the manual; instructions for acquiring access to the DLMS standards data base; specific guidance that applies to all implementation conventions; and both functional and technical information that is relatively stable and applies to the DLMS as a whole.

C1.2 POLICY. The FAR and the DoD Federal Acquisition Regulation (FAR) Supplement (DFARS) provide the DoD policies governing procedures in this volume.

C1.3 APPLICABILITY. These procedures apply to the Office of the Secretary of Defense; the Military Services (Army, Navy, Air Force, and Marine Corps, including their National Guard and Reserve components and including the U.S. Coast Guard (USCG), both when it is and when it is not operating as a Military Service in the Navy); the Chairman, Joint Chiefs of Staff (CJCS) and Joint Staff; the Unified and Specified Commands and the Defense Agencies, hereafter referred to collectively as the DoD Components.

C1.4 ACQUISITION PROCESS REVIEW COMMITTEE. The Acquisition Process Review Committee (PRC) is the forum through which the DoD Components and other participating organizations may participate in the development, expansion, improvement, maintenance, and administration of acquisition requirements for the DLMS. The chairman, Acquisition PRC, in coordination with the Acquisition PRC representatives, is responsible for the contents of this volume of the DLMS. Representatives to the Acquisition PRC are identified in appendix 1. Refer to volume 1, chapter 1, for a discussion of DLMS PRC functions and responsibilities.

C1.5 NONCOMPLIANCE. If reasonable attempts to obtain compliance with prescribed procedures or if resolutions to related problems are unsatisfactory, the activity having the problem should request assistance from its Service/Agency Acquisition PRC member. To the extent possible, the request should include information and copies of all correspondence pertinent to the problem; including the contract number, the number and date of the transaction involved, and identification of the other office. The PRC member will take the necessary actions to resolve the issue or problem. These actions may include requesting assistance from the Acquisition PRC chairman.

## **C2. CHAPTER 2**

### **ABSTRACTS OF CONTRACTS**

#### **C2.1 GENERAL**

C2.1.1 Purpose. This chapter provides uniform procedures for the preparation and use of contract abstracts including the individual data elements, codes, data segments, and the transaction set.

C2.1.2 Scope. The basic contract abstract contains the essential data from the contract that is required to establish the data base to manage the contract. It is comprised of a series of data segments in DLMS supplement (DS) to Federal implementation convention (IC) 561, Contract Abstract. The abstract contains key elements of administrative, line item, and delivery data extracted from contractual documents into an electronically processable format.

C2.1.3 Transaction. The DS 561, Contract Abstract, permits a uniform interchange of data between and among the DoD Components, thereby producing greater accuracy of data in contract files and more reliable management products. This procedure will not be used for electronic (i.e., paperless) awards.

#### **C2.2 ABSTRACT OBJECTIVE AND USES**

C2.2.1 Contract Generation. Ideally, the contract abstract is system-generated from the contract data in the data base. Simultaneously with the preparation of the contractual document, the computer prepares the abstract.

C2.2.2 Data Processing. The abstract data are processed electronically and are used by the purchasing office (PO) or inventory manager (IM) in support of due-in assets systems; procurement status and history files; supply status reporting; the supply advanced receipt information system; finance and accounting records; and management statistics.

C2.2.3 Central Accounts Offices (CAOs). CAOs use the abstract data in support of master contract file records; suspense for receipt of hard copy documents; work assignments in property administration, production, quality assurance, and transportation; and management statistics. The DFAS uses the abstract data in the examination of vouchers.

## C2.3 INCLUSIONS AND EXCLUSIONS

C2.3.1 Inclusions. The procurement instruments to be abstracted are contracts, purchase orders, delivery orders, and calls. (The term "contract" is used throughout this chapter to convey this all inclusiveness.) Exhibits related to any of the aforementioned are also referenced in the abstract.

C2.3.2 Exclusions. Those contractual procurement instruments excluded from the abstracting process are basic ordering agreements, blanket purchase agreements, and indefinite delivery contracts. Information from these instruments required for internal systems may be extracted locally, as necessary.

C2.4 CONTRACTUAL DOCUMENTS. The contractual documents about which elements of data are abstracted include the DoD form ([DD Form 1155](#), Order for Supplies or Services; standard form ([SF 26](#), Award/Contract; [SF 33](#), Solicitation, Offer, and Award (when used as an award); Optional Form ([OF 336](#), Continuation Sheet; and [SF 30](#), Amendment of Solicitation/Modification of Contract, as applicable.

## C2.5 INITIATION AND DISTRIBUTION OF CONTRACTS AND ABSTRACTS

C2.5.1 Preparation. The PO will prepare contracts in accordance with the FAR and the DFARS instructions and will provide copies thereof to the CAO in accordance with distribution instructions in the FAR, section 4.2, and DFARS, section 204.2.

C2.5.2 Issuing Office. The office issuing the hard copy contract is responsible for preparing, validating, and transmitting the abstract to the contract abstract recipient automatic data processing (ADP) point. For contracts issued by a PO, the contract abstract recipient is always the primary CAO activity reflected in the "Administered By" block, as modified, of the basic contract. When authority has been assigned to the CAO to issue calls or orders, the abstract recipient is the activity (PO, IM, or project manager (PM)) which authorized the CAO to issue the contract. The office responsible for delegating PO responsibility to a CAO (i.e., authorizing the CAO to issue calls/orders) will indicate in the letter of delegation both the abstract recipient and the PO, IM, or PM who is to receive the DLMS delivery transactions.

C2.5.3 Timeframe. Abstracts will be forwarded within 2 workdays after contract execution without awaiting the reproduction and distribution of the hard copy.

C2.5.4 Classified Data. When the contract contains abstract data elements that are classified, these data elements will not be abstracted. Only the unclassified data will be transmitted in the abstract. A Transaction Status Indicator code will indicate "partial abstract - see contract." The contract containing the classified data will be forwarded in

accordance with existing security regulations. STRUCTURE OF THE CONTRACT  
ABSTRACT

C2.5.5 Details. The details of the initial abstract of the contract, DS 561, Contract Abstract, are available from hyperlinks at DLMS appendix 6.

C2.5.6 Loops. The DS 561, Contract Abstract, consists of loops within loops representing three levels of contract data in table 2. An HL data segment identifies each loop as described below:

C2.5.6.1 First Loop. The first HL loop carries administrative data, i.e., data that applies to the entire contract. This loop may also carry other data that is common to the contract.

C2.5.6.2 Accounting Lines. One HL loop for each accounting line carries the accounting classification data applicable to the contract. Each of these loops relates back to the administrative data loop for that contract.

C2.5.6.2.1 Accounting Classification Reference Number. The accounting classification reference number (ACRN) is a two-position alphanumeric control code assigned (in accordance with DFARS, section 204.7107) to each accounting classification used in a single contract. The ACRN appears as a detached prefix to the accounting classification on the contract. The ACRN associates the accounting classification data with the line and schedule data to which it applies. The control fields for accounting classification data are ACRN within procurement instrument identification number (PIIN). All dollar figures are in U.S. dollars.

C2.5.6.2.2 Identification of Long Line Accounting Data. When the paying office requires identification of long line accounting data that is not related to a contract line identification number (CLIN) or an exhibit line item number (ELIN), this data must be furnished in a separate HL loop. If the contract authorizes contingent services for which the contractor may be reimbursed and no CLIN/ELIN is established, a Special Reimbursable Provision code will be included. If an amount has been obligated for these contingencies (i.e., not a variance), it will be included with the amount for the line-item also chargeable to the accounting classification.

C2.5.6.3 Line-Item Data. Line-item data is specific data that applies to an individual line or subline in the contract. There will be a separate HL loop for each line or subline. The data applicable to a specific line or subline will be carried in an individual HL loop that is related back to the HL loop carrying the long line accounting data for that line. Supplies and services lines are treated the same and are distinguishable by the data contained in the loop. When the line or subline includes a schedule of deliveries, the schedule data is nested in loops at the end of the line loop.

C2.5.6.3.1 Supplies-Line Loop. A supplies line loop includes, as applicable, the line item number, the ACRN, the quantity, unit price and total amount of the line/subline, variation in quantity, stock number and/or the requisition number, description of the services, place of inspection and acceptance, and the ship-to and mark-for. The control fields for a supplies line are procurement item identification number (PIIN), call/order number, and CLIN/ELIN.

C2.5.6.3.2 Services-Line Loop. A services line loop includes a description of the services and a completion date. The control fields for a services line-item are PIIN, call/order number, CLIN/ELIN, ACRN, and the services completion date.

C2.5.6.3.2.1 Examples. Some examples of a services line item are engineering services; research and development services; training services; [DD Form 1423](#), Contract Data Requirements List, data items; and testing services.

C2.5.6.3.2.2 Purpose. Services line-items normally cover one lot of services at one location (delivery destination) and are to be paid for as one lot.

C2.5.6.3.2.3 Location of Data. When the services being procured are to be accomplished at several locations and/or payment is on the basis of the level of effort (e.g., hours expended per month), such information is carried in nested loops of schedule data at the end of the line for each unit of services against which payments are to be made.

C2.5.6.3.3 Non-CLIN Data. An HL loop also carries non-CLIN data and relates it back to the HL loop carrying the funding data for that line.

C2.5.6.3.4 Reference Line-Items. For those contract line items that do nothing more than reference an exhibit in the contract, only limited line-item data is furnished.

C2.5.6.3.5 Sublines. For those CLINs or ELINs which do contain sublines, the following applies.

C2.5.6.3.5.1 Purpose. Contract and exhibit subline items that reflect a numeric suffix are for informational purposes only and are not included in the abstract.

C2.5.6.3.5.2 Subline Items. Contract and exhibit subline items that bear an alphabetic suffix are for separate reporting; therefore, when the contract contains CLIN or ELIN sublines, the applicable HL loop is at the subline level. The associated contract or exhibit line serves only as a common denominator for the accumulation of management data by the procuring activity. No data is transmitted for this associated contract or exhibit line item.

C2.5.6.3.6 DD Form 1423. For exhibit line and subline items on DD Form 1423, data is created only if the DD Form 1423 indicated that a [DD Form 250](#) is required.

## C2.6 PREPARATION OF THE CONTRACT ABSTRACT TRANSACTION

C2.6.1 Initial Abstracts. Use DS 561, Contract Abstract for initial contract abstracts.

C2.6.2 Scope. The term "contract abstract" as used here includes an abstract of an original contract, an abstract of a contract modification, and an error correction transaction. Each of these can be identified by the inclusion, or exclusion when appropriate, of a Transaction Status Indicator code.

C2.6.3 Combining Abstracts. Any number of contract abstracts, going to the same ADP point may be included in the same transaction set.

C2.6.4 Transaction Set Tables. The transaction set contains three tables.

C2.6.4.1 Table 1. Table 1 identifies the CAO, the PO, and usually the recipient ADP point in iterations of data segment N1.

C2.6.4.2 Table 2. Table 2 identifies the contract data in HL loops. Multiple contracts may be included in the same transaction set.

C2.6.4.2.1 Transaction Status. The absence of a Transaction Status Indicator code in this transaction distinguishes it from other types of abstracts and identifies it as an initial contract abstract.

C2.6.4.2.2 Contract Loop. There is a contract HL loop for the administrative data that applies to the whole contract. This loop includes the contract number, discount terms, paying office, common codes, etc.

C2.6.4.2.3 Billing Agreement. There is a billing agreement HL loop for each funding line in the contract. This loop includes the ACRN, the long line accounting data, the dollar amount chargeable to that accounting data, the special reimbursable codes, etc. The HL data segment includes a reference back to the contract HL loop.

C2.6.4.2.4 Item Loop. There is an item HL loop for each line or subline in the contract. While in most cases this loop identifies data pertinent to the line item, in some cases there may be an item HL loop with non-CLIN data. The HL data segment includes a reference back to the billing agreement HL loop to which the line is related.

C2.6.4.2.5 Line and Subline Data. When the line or subline data is further subdivided, i.e., when there is a schedule of more than one ship-to, mark-for, delivery date, or requisitioner number, the subquantities and related data are nested in iterations of the schedule loop at the end of the item loop. The quantities for the various schedule iterations should add up to the quantity for the line.

C2.6.4.3 Table 3. Table 3 is the usual transaction set trailer.

## C2.7 ACKNOWLEDGEMENTS

C2.7.1 Acknowledgment Response. Both a contract abstract and a contract abstract cancellation require an acknowledgment response. When the abstract recipient receives a contract abstract or an abstract cancellation, it must return an acknowledgment transaction to the initiator of the abstract. The acknowledgment is a 561, Contract Abstract, with the appropriate Transaction Status Indicator code. The acknowledgment serves to confirm receipt of the contract abstract or receipt of the abstract cancellation by the recipient and must be transmitted within 5 workdays from abstract or cancellation submission date. Confirmations not received within 7 workdays may be subject to follow-up via message, advising that the acknowledgment has not been received for the specified contract number.

C2.7.2 Cancellation Acknowledgment. The CAO must ensure that the contract data has been cancelled from its data base before it issues a cancellation acknowledgment. The PO must receive the cancellation acknowledgment before it issues a new abstract.

## C2.8 PREPARATION OF ACKNOWLEDGMENT TRANSACTION

C2.8.1 Purpose. Use DS 561, Contract Abstract, for acknowledgments.

C2.8.2 Acknowledgments. Acknowledgments may be included in table 2 of the same transaction set with other abstracts going to the same ADP point. The Transaction Status Indicator code in the contract data loop identifies an abstract or a cancellation acknowledgment.

C2.8.3 Layout. The transaction set contains three tables.

C2.8.3.1 Table 1. Table 1 identifies the CAO, the PO, and the recipient ADP point in data segment N1.

C2.8.3.2 Table 2. Table 2 identifies the acknowledgment data in an HL loop. There is an HL loop for each contract. The loop identifies the contract number and, with a Transaction Status Indicator code, the type of acknowledgment.

C2.8.3.3 Table 3. Table 3 is the usual transaction set trailer.

## C2.9 CANCELLATIONS

C2.9.1 Previous Submissions. A previously submitted abstract may be cancelled either when the contract is cancelled or when the data entries are erroneous to the extent that the abstract originator desires to start over. When an abstract is to be cancelled, the abstract initiator sends a 561, Contract Abstract, with a Transaction Status Indicator code to identify the cancellation.

C2.9.2 Modifications. This method does not apply to contract modifications and can be initiated only by the originator of the abstract.

C2.9.3 Internal Procedures. Internal procedures will be used to back the related abstract data out of the applicable internal systems.

C2.9.4 Receipt. The recipient of the request for canceling an abstract will acknowledge receipt of the cancellation, as described in C2.8 above, after the original abstract has been deleted from their files. The abstract initiator must receive the cancellation acknowledgment before issuing a new abstract.

## C2.10 PREPARATION OF THE CANCELLATION TRANSACTION

C2.10.1 Purpose. Use DS 561, Contract Abstract for cancellations.

C2.10.2 Combining Cancellations. Cancellations may be included in table 2 of the same transaction set with other abstracts going to the same ADP point. The Transaction Status Indicator code in the contract level HL loop identifies that it is a cancellation abstract.

C2.10.3 Layout. The transaction set contains three tables.

C2.10.3.1 Table 1. Table 1 identifies the CAO, the PO, and the recipient ADP point in data segment N1.

C2.10.3.2 Table 2. Table 2 identifies the cancellation data in an HL loop. There is an HL loop for each contract. The loop identifies the contract number and, with a Transaction Status Indicator code, that it is a cancellation.

C2.10.3.3 Table 3. Table 3 is the usual transaction set trailer.

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# C3. CHAPTER 3

## ABSTRACTS OF MODIFICATIONS

### C3.1 GENERAL

C3.1.1 Purpose. This chapter prescribes procedures for abstracting modifications (provisioned item orders (PIOs) are treated and numbered as modifications) to a contract. Contract modification is defined in FAR, section 43.1, as "... any written change in the terms of the contract." This definition includes changes to the specification, delivery point, rate of delivery, contract period, price, quantity, or other contract provisions of an existing contract whether accomplished by unilateral action in accordance with a contract provision, or by mutual action of the parties to the contract. It includes both bilateral actions, such as supplemental agreements, and unilateral actions, such as change orders, orders for provisioned items, administrative changes, notices of termination, and notices of the exercise of a contract option.

C3.1.2 Applicability. The above definition covers all additions, deletions, or changes to the contract involving elements of data found in the contract abstract. This includes amending or supplementing instructions and agreements such as initial (follow-on) shipping instructions, amended shipping instructions, exhibits to contracts, and modifications to provisioning orders. Contract modifications will be numbered in accordance with the provisions of DFARS, section 204.7004.

C3.2 SOURCE DOCUMENTS. [SF 30](#), Amendment of Solicitation/Modification of Contract, is the form authorized for use in modifying contracts (including purchase and delivery orders entered on [DoD Form 1155](#)). [OF 336](#), Continuation Sheet, is authorized for use with the SF 30.

C3.3 VALIDATION AND DISTRIBUTION. The office issuing the hard copy contract modification is responsible for initiating and transmitting the abstract to the modification abstract recipient ADP point. The modification abstract originator is responsible for validating the abstract data before issuance. For contract modifications issued by the purchasing office, the modification abstract recipient is always the CAO activity reflected in the "Administered By" block, as modified, of the basic contract. For contract modifications issued by the CAO the modification abstract recipient varies.

C3.3.1 CAO Calls and Orders. For calls and orders issued by the CAO, if the CAO issues a modification, the abstract recipient will be the same as the recipient of the call/order abstract; however, if another office modifies the call/order, then the abstract recipient will be the CAO.

C3.3.2 CAO Modifications. For modifications issued by the CAO, the recipient of the modification abstract is the office who initiated the original contract abstract unless the requirement(s) for the modification was initiated by another activity, in which case the other activity becomes the abstract recipient for that particular modification abstract. This means that for supplemental agreements definitizing PIOs, the abstract recipient is the activity which has been assigned item-management responsibility for the items of supply being procured. Further, a supplemental agreement or other modification issued by the CAO and which relates to a PIO cannot encompass PIOs issued by more than one activity.

#### C3.4 STRUCTURE OF THE MODIFICATION ABSTRACT

C3.4.1 Details. The details of the modification abstract, DS to Federal IC 561, Contract Abstract are found in DLMS appendix 6.

C3.4.2 Structure. The modification abstract uses the delete and replace method for changing control data and the overlay method for adding or changing noncontrol data. Also, like the basic contract abstract, the modification abstract uses 561 - Contract Abstract, with loops within loops in supplement Table 2. The modification abstract is identified by a Transaction Status Indicator code in the contract HL loop of Table 2; for delete and replace, the delete transaction set contains a code K (cancellation) and is sent a day before the replace transaction set which contains code M (modification).

C3.4.2.1 Administrative Data. Modification administrative data, i.e., that found in the header portion of the SF 30, applies to the entire modification and will be carried in the contract loop. For continuity and control purposes, this modification administrative data will be furnished between the PO and primary CAO and the disbursing office designated in the contract, if different, for all modifications whether or not the change affects the abstract.

C3.4.2.2 Transfer of Contract Between Purchasing Offices. When a contract modification reflects a transfer of a contract between POs, table 1 will identify the PO transferring the contract and the contract loop in table 2 will identify the PO being assigned to the contract. In addition, a Kind of Modification code D will indicate a transfer of the PO function to the PO in table 2.

C3.4.2.3 Transfer of Contact Between Contract Administration Offices. When a contract modification reflects a transfer of a contract between CAOs, table 1 will identify the CAO transferring the contract and the contract loop in table 2 will identify the CAO being assigned to the contract. In addition, a Kind of Modification Code E will indicate a transfer of the CAO assignment to the CAO identified in table 2. The transfer of supporting records between CAO activities will be negotiated at the time of each transfer.

C3.4.2.4 Correction of Hard-Copy Error. When a contract modification reflects the correction of a hard-copy documentation error that was detected by the initiator prior to abstract transmission, the initial contract abstract will be revised to reflect the correction made by the hard-copy modification; the abstract will identify the modification number in

the contract data loop; and will be transmitted to the recipient ADP point. A Kind of Modification code F will indicate the correction of a hard-copy error.

C3.4.2.5 Partial Contract Termination. When a contract modification reflects a partial termination of the contract, the contract data loop will include a Kind of Modification Code P or Q and the affected data will be provided in the abstract.

C3.4.2.6 Complete Contract Termination. When a contract modification reflects a complete termination of the contract, the contract data loop will include a Kind of Modification Code T or X. No other records are required until the termination notice processing has been completed and an SF 30, Amendment of Solicitation/Modification of Contract, has been issued. The resulting modification abstract will include a contract data loop with a Kind of Modification Code U to identify the termination settlement.

C3.4.2.7 Obligation Adjustments. When a contract modification reflects obligation adjustments subsequent to physical completion of a contract in accordance with contract closing, the contract data loop will contain a Kind of Modification code R to represent repricing, recosting, renegotiation, etc. When the contract data loop contains this code, only the applicable subordinate loops are required. The code enables supporting systems to allow for an unmatched condition and set up new obligation positions.

C3.4.2.8 Other. For modifications other than those described above, a series of applicable HL loops will be used as described in chapter 2. The contract data HL loop will contain the supplementary procurement item identification number (SPIIN) modification number, the control fields listed below, and the changed, added, or deleted information prescribed in the basic contract abstract.

C3.5 CONTROL DATA. Control data in the modification abstract are as follows:

- In the contract HL loop: PIIN and SPIIN
- In the business arrangement HL loop: ACRN
- In the supplies item HL loop: CLIN and ACRN
- In the supplies schedule loop:
  - Ship-To
  - Mark-For
  - Contract Delivery Date
  - Requisition Number
  - Transportation Priority
- In the services item HL loop: CLIN and ACRN

- In the services schedule loop: Service Completion Date

### C3.6 CHANGING CONTROL DATA

C3.6.1 Applicability. On the infrequent occasions when a modification changes the PIIN, SPIIN, or CLIN/ELIN, a message will indicate the PIIN of the modification and information relative to the following situation, as applicable:

C3.6.1.1 New PIIN/SPIIN. The old PIIN and/or SPIIN changed to a new PIIN and/or SPIIN.

C3.6.1.2 New CLIN/ELIN The current PIIN and/or SPIIN and old CLIN/ELIN changed to a new CLIN/ELIN.

C3.6.1.3 New PIIN and/or SPIIN and CLIN/ELIN. The old PIIN and/or SPIIN and CLIN/ELIN changed to a new PIIN and/or SPIIN and CLIN/ELIN.

C3.6.2 Changing Control Data. Where control data other than PIIN, SPIIN, or CLIN/ELIN (such as to update a delivery schedule with shipping information, or to amend a schedule to change destination and add requisition number data) is to be changed, it will be done by delete and add.

C3.6.2.1 Modification Abstract. The modification abstract in table 2 will duplicate the entire applicable HL loop of the original abstract that contained the old control data, and include an LQ data segment with a Transaction Status Indicator code K for cancellation. This will serve to delete the record with the old control data.

C3.6.2.2 New Modification Abstract Preparation. Prepare a new modification abstract with the new control data, consisting of the HL loops that provide all of the required data to complete the record, and utilizing the technique for addition of data records, i.e., a Transaction Status Indicator code C for corrected transaction. This will establish the new record with the new control data.

### C3.7 NONCONTROL DATA

C3.7.1 Definition. Noncontrol data is all of the abstract data that is not identified in section 3.4, above.

C3.7.2 Technique. Noncontrol data uses the overlay technique (i.e., the new data is carried in the modification abstract and simply replaces the old data in the data base.)

### C3.8 CHANGING NONCONTROL DATA

C3.8.1 Multiple Field Changes. When one or more fields of the previous abstract are to be changed, enter the applicable control data listed in C3.5 above and the new noncontrol data in their proper loops. If it is desired to delete (blank) a field containing significant data, fill the field to be blanked with the minimum number of "Xs" (for alpha numeric fields) and "0s" (for numeric fields) and include Transaction Status Indicator Code K for cancellation. The format of the modification abstract is the same as that of the basic contract abstract.

C3.8.2 Overlay Technique. This method of abstracting noncontrol data changes permits the use of the overlay technique for updating master contract records whereby a given record is located through comparison of control elements and the new information replaces the old information while the remainder of the data remains unchanged.

C3.8.3 Changing Noncontrol Data. The overlay technique described above will be used for changing all noncontrol data except for increasing or decreasing quantities and amounts (not unit price) on modification abstracts. When quantities and amounts are being changed, the net increase or decrease in each affected record will be transmitted.

### C3.9 ADDING AND DELETING DATA

C3.9.1 Adding New Records. A contract modification requiring the addition of a new record to the abstract or deletion of an existing record without further replacement, will use the same procedures as prescribed in C3.5, above, for deleting and adding data.

C3.9.2 Deleting Records. This method will be used for deleting specific records in an abstract and will not be used to delete entire contract abstract.

C3.10 UNSOLICITED SUBMISSION OF OMITTED AND/OR CORRECTION OF ERRONEOUS DATA. When the contract is correct, but the abstract initiator, after transmission, discovers that data in the abstract is incorrect or has been omitted, an error/correction abstract should be issued. This transaction is only different from a modification abstract in that there is no applicable contract modification. Both use the delete and replace method for control data and the overlay method for noncontrol data. An error/correction abstract is also issued in other cases, such as stock list changes, i.e., going from a non-national stock number (NSN) to an NSN (if FAR or DFARS does not require a contract modification).

C3.10.1 Identification. The error/correction abstract is identified in the contract HL loop by a Transaction Status Indicator code.

C3.10.2 Correction Message. All errors, whether control data or noncontrol data, associated with abstracts containing PIIN/SPIIN/CLIN/ELIN control errors will be corrected by message form. Messages correcting PIIN/SPIIN and CLIN/ELIN errors will cite the old PIIN/SPIIN and CLIN/ELIN (if CLIN/ELIN changes). The PIIN/SPIIN/CLIN/ELIN will be a one-line **from** and one-line **to** change which will be applicable to all contract abstract records in error. Whenever both PIIN/SPIIN/CLIN/ELIN and other errors occur together. The error/correction abstract will contain the corrected PIIN/SPIIN/CLIN/ELIN.

C3.10.3 Unsolicited Control Data Error/Correction. Unsolicited error/correction transactions involving control data will be corrected by delete and replace. To delete, prepare an exact duplicate of control elements contained in the original record and include a Transaction Status Indicator Code K (cancellation). To replace, prepare a transaction with the correct control data and include a Transaction Status Indicator code U (error/correction abstract, i.e., add new data).

C3.10.4 Unsolicited Other Control Data Error/Correction. Unsolicited error/correction transactions involving other than control data must contain all of the required control elements. Only the noncontrol data elements being changed must be filled and (except for quantity and amount) these fields establish, replace, or overlay their respective fields. Quantity and amount (excluding unit price) are net increase/decrease, plus or minus (see C3.7, above). The net increase/decrease is the difference between the source document (the contract or modification) and the previously submitted transaction.

C3.11 PREPARATION OF MODIFICATION AND ERROR/CORRECTION ABSTRACT TRANSACTIONS. Use DS 561, Contract Abstract, for a modification or an error/correction abstract.

C3.11.1 Definition. The term "contract abstract" as used here includes an abstract of an original contract, an abstract of a contract modification, and an error/correction transaction. Each of these can be identified by the inclusion, or exclusion when appropriate, of a Transaction Status Indicator code.

C3.11.2 Combining Corrections. Any number of modification or error correction abstracts, going to the same ADP point, may be included with other abstracts in the same transaction set.

C3.11.3 Construction. The transaction set contains three tables.

C3.11.3.1 Table 1. Table 1 identifies the CAO, the PO, and usually the recipient ADP point in iterations of data segment N1.

C3.11.3.2 Table 2. Table 2 identifies the modification or error/correction data in HL loops. Multiple contracts may be included in the same transaction set.

C3.11.3.3 Contract Loop. There is a contract HL loop for the administrative data that applies to the whole contract as modified by this abstract. This loop always includes the contract number or the call/order number. In addition it will include any contract level data that is changed as a result of the modification or correction, such as, discount terms, paying office, common codes, etc. The Transaction Status Indicator code will distinguish between a modification and an error/correction.

C3.11.3.4 Billing Agreement Loop. There is a billing agreement HL loop for each funding line that is affected by the abstract. This loop includes data, such as, the ACRN, the long line accounting data, the dollar amount chargeable to that accounting data, the special reimbursable codes, etc. The HL data segment includes a reference back to the contract HL loop.

C3.11.3.5 Item Loop. There is an item HL loop for each line or subline that is affected by the abstract. While in most cases this loop identifies data pertinent to the line item, in some cases there may be an item HL loop with nonCLIN data. The HL data segment includes a reference back to the billing agreement HL loop to which the line is related.

C3.11.3.6 Line and Subline Quantity. When the line or subline quantity is further subdivided, i.e., when there is a schedule of more than one ship-to, mark-for, delivery date, or requisition number, the subquantities and related data are nested in iterations of the schedule loop at the end of the item loop. The quantities for the various schedule iterations should add up to the quantity for the line.

C3.11.4 Transaction Trailer. Table 3 is the usual transaction set trailer.

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# C4. CHAPTER 4

## SHIPMENT PERFORMANCE NOTIFICATION

C4.1 GENERAL. This chapter prescribes standard procedures for the CAO and other parties to report the shipment of supplies and the performance of services. These reports are identified as DS to Federal IC, 856P, Shipment Performance Notice (SPN) ([DLMS appendix 6](#)). The SPN provides the purchasing office (PO), IM/integrated material manager (IMM), or PM with timely information in automated form to post the local data base automatically and to reduce the number of copies of the [DD Form 250](#), Material Inspection and Receiving Report, required for reporting shipments and performance.

C4.2 FLOW AND DISTRIBUTION. The SPN flows from the CAO or other party to the IM/IMM or PM (or designated ADP point), as indicated in the contract for the line-item number. If the contract does not identify a manager, the SPN is sent to the PO that issued the contract or order under the contract. The CAO will not send the SPN to more than one point for the same line-item number. The Service/Agency may accomplish further distribution internally.

### C4.3 SHIPMENT PERFORMANCE NOTICE

C4.3.1 Purpose. The SPN is the means for providing timely notification of the shipment of material, or the completion of services, by a contractor. The SPN provides information for updating due-in assets, in-transit accounting, shipment status, billing customers on direct delivery, and major item control. Appendix F of DFARS contains the instructions applicable to preparation and distribution of the DD Form 250.

C4.3.2 Date/Time Qualifier. The date/time qualifier field, DTM01, specifically identifies shipment and performance dates, whether actual or estimated. For a shipment of material the SPN will use code 011, for the shipment date, and 139, for the estimated shipment date; for performance of services the SPN will use code 198, for the services completion date, and 245, for the estimated completion date.

C4.3.3 Timeframe. The CAO will transmit the DS 856P, SPN, within 1 working day after receipt of the hard copy (DD Form 250 or [DD Form 1155](#)) or the electronic (856P, SPN) information.

C4.3.4 Structure. A DS 856P, SPN can include various shipment and performance records, from the same or from different contracts. The HL data segment has three hierarchical levels. The first level is an address loop (identifying the sender and the

receiver of the transaction), followed by one or more second level shipment number loops (which also carry the contract number), each of which may have one or more third level line-item loops.

C4.3.5 Control Elements. The following fields are control elements for discretely identifying one shipment or performance report from another:

- PIIN
- Call/Order Number
- ELIN or CLIN
- Ship-To Identity or Performed-At Identity
- Contractor Shipment Number
- Contractor Shipment Number Suffix
- Suffix Code (when applicable)

C4.4 USE OF THE SPN FOR BULK PETROLEUM CONTRACTOR SHIPMENTS. The Defense Fuel Region (DFR), contractor, or quality assurance representative (QAR), as appropriate, must report contractor shipment of DLA-owned bulk petroleum to DFSC as documented on DD Form 250 and [DD Form 250-1](#), Tanker/Barge-Material Inspection and Receiving Report. This will be accomplished using the DS 856P, SPN, application, as prescribed by DoD 4140.25-M and the ICs shown at DLMS appendix 6. DFRs may report corrections using Transaction Status Indicator Code C and reversals using Transaction Status Indicator Code K, for cancellation. Other status and advice codes addressed in this chapter do not have specific bulk petroleum applications.

#### C4.5 INCOMPLETE ITEMS

C4.5.1 Missing Components. Items may be shipped with components missing. When this occurs, DS 856P, SPN will contain Contract Shipment Advice code A. This advice code indicates that the items are incomplete.

C4.5.2 Completing Incomplete Shipments. When components are shipped to complete items previously shipped incomplete, DS 856P, SPN will contain Contract Shipment Advice code. This code indicates that the shipment is not an additional quantity of the line item, but the components required to complete previously shipped items.

C4.6 QUANTITATIVE DISCREPANCIES. Acceptance At Destination. On acceptance at destination shipments, the recipient reports discrepancies between the quantity documented as shipped and the quantity accepted to the CAO. Upon receipt of DS to Federal IC 861 indicating a quantitative discrepancy, the CAO will prepare an additional DS 856P, SPN, as follows:

C4.6.1 Quantity Greater Than Shipped. When the quantity accepted is greater than the quantity documented as shipped, create a DS 856P, SPN, reflecting the difference. This transaction will cite Contract Shipment Advice Code C and will reflect the increase in the quantity shipped.

C4.6.2 Quantity Less Than Shipped. When the quantity accepted is less than the quantity documented as shipped, create a DS 856P, SPN, reflecting the difference. This transaction will cite Contract Shipment Advice Code D and will reflect the decrease in the quantity shipped.

C4.7 REPLACEMENT SHIPMENTS. When a shipment consists of replacements for supplies previously shipped and subsequently reported as damaged, nonconforming, or missing (quantitative discrepancies) at destination, the SPN will contain Contract Shipment Advice Code E. The SPN will reflect the contractor shipment number of the initial shipment with an alphabetic serial suffix to indicate the replacement shipment.

C4.8 CANCELLATIONS. Conditions may arise that necessitate the cancellation of an SPN. Transaction Status Indicator code K identifies a cancellation SPN. Send a cancellation SPN at least 1 day before its replacement SPN.

C4.9 DATA DISCREPANCIES. At times, some of the information in the SPN will not agree with information that the CAO has on the contract. The CAO knows that the shipment information does not agree with the contract information and cannot resolve the difference. In these situations, the CAO will issue the SPN with the appropriate Transaction Status Indicator code.

C4.10 EXEMPTIONS. For Army, Navy, and DLA fast-pay contracts of \$25,000 or less, the CAO will not provide the DS 856P, SPN, to the PO. Army will use DS to Federal IC 567C, Contract Completion Status (DLMS appendix 6), to indicate both final shipment and contract completion.

C4.11 PREPARATION OF THE TRANSACTION. Use DS 856P, SPN, to report both shipment of supplies and completion of services.

C4.11.1 Multiple Reports. Any number of SPN reports, going to the same addressee, can be included in the same transaction set.

C4.11.2 Supplies and Services. The 856P, SPN, includes both the shipment of supplies and the performance of services. The code in LIN02 distinguishes services from supplies; code SV identifies services, the other three codes identify supplies.

C4.11.3 Supplementary Procurement Instrument. The SPIIN used in these transactions, is the four-position call/order number; use the data field, PRF02, only when a

call/order number applies. The SPIIN does not include a modification number or a provisioning item order number.

C4.11.4 Contractor Use. The CAO may authorize the contractor to use this transaction set to submit shipping or performance information, in lieu of, or in addition to the DD Form 250. In this situation, the address loop would identify the contractor and the CAO.

C4.11.5 Table Structure. This transaction set contains three tables.

C4.11.5.1 Table 1. Table 1 identifies the transaction as an SPN. BSN03 carries the transaction date and is applicable to all reports.

C4.11.5.2 Table 2. Table 2 is controlled by HL loops. Multiple records are included by multiple iterations of the HL loop.

C4.11.5.3 Table 3. Table 3 is the usual transaction set trailer.

C4.11.6 HL Table. The HL loop in table 2 contains three levels of data:

- The first or highest level is the address loop; the second level is the shipment loop; and the third level is the line-item loop.
- There will be one address loop; it will identify the code FR (from the CAO) and the transportation officer (TO) (to the IM/IMM, PM, or PO) location codes in the transaction set.
- There will be one shipment loop for each shipment number in the transaction set.

C4.11.6.1 Contract Line-Item Loop. There will be one line-item loop for each CLIN/ELIN in the shipment. As in a contract, the CLIN or sub-CLIN may be further subdivided by Ship-To or requisition number, each needing its own line-item loop.

C4.11.6.2 Supply Shipments. For supply shipments against Navy or DLA contracts, include the NSN or local stock number for the item in LIN03; for supply shipments against Army or Air Force contracts, include the requisition number in LIN03.

C4.11.6.3 Shipment Date. A shipment date may be actual or estimated.

C4.11.6.4 Canceled Transaction. A cancelled 856P, SPN, will contain a Transaction Status Indicator code K in an LQ data segment.

C4.11.6.5 Zero Quantity. There are occasions when an SPN has a zero quantity. An example would be subassembly parts that are not counted as deliverable items. When the final deliverable is made, the higher assembly is then counted. Because this transaction set requires a shipment quantity, in this situation a zero will be passed in data field SN102.

C4.11.6.6 Purchase Unit History. Purchase unit information historically has been omitted from SPN data. However, it is included in this transaction set and is available if needed.

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# C5. CHAPTER 5

## DESTINATION ACCEPTANCE REPORTING

### C5.1 GENERAL

C5.1.1 Purpose. This chapter provides standard procedures for the receiving activity to report acceptance of material at destination. The procedure does not apply to contracts specifying acceptance at origin.

C5.1.2 Applicability. The provisions of this chapter apply only to those Department of Defense (DoD) contracts that are assigned to the Defense Contract Management Agency (DCMA) for administration and/or to the DFAS for payment. All elements of DoD are encouraged to use this procedure even when contracts are not assigned for field administration or payment.

C5.1.3 Scope. Activities performing acceptance at destination will prepare and transmit an acceptance report (AR) using DS to Federal IC 861A, AR (DLMS appendix 6), whenever a DFAS office is indicated in the "Payment Will Be Made By" block of the [DD Form 250](#) or the [DD Form 1155](#).

C5.1.4 Acceptance Alerts. This procedure also provides for DFAS to send the acceptance alerts (including any subsequent follow-up alert), DS to Federal IC 856A, Acceptance Alert (AA) ([DLMS appendix 6](#)), to the consignee. The capability to receive the AA from the DFAS facilitates the preparation of the AR.

C5.1.5 Purchase Orders. Purchase orders that contain fast pay provisions (see FAR, subpart 13.3) are exempt from the destination acceptance reporting provisions of this chapter. Neither inspection nor acceptance documentation is required to support payment of invoices under fast pay procedures.

C5.2 FLOW OF DOCUMENTS. The DS 856A, AA, flows from the DFAS to the Defense Automatic Addressing System (DAAS) for further routing to the consignee when acceptance is at other than the origin. The DS 856A, AR, flows from the acceptance activity to the DAAS for further routing to the DFAS.

### C5.3 DELIVERY DATE

C5.3.1 Delivery Date. The DS 856A, AR, contains a field for reporting the date of delivery. This date will be used in determining the contractor's performance under the contract. The date in this field is the date that the supplies are physically delivered to the

consignee (the address of the ship-to identity code) shown in the contract delivery schedule.

C5.3.2 Actual Delivery. When supplies are offered for delivery and the consignee is unable to receive them on the day offered, the accepting activity will consider the supplies to have been delivered on the day offered if they are found to be acceptable when received. The accepting activity will report the date offered as the date delivered. This does not apply when supplies are offered for delivery in advance of the contract delivery schedule and the contract prohibits acceleration of deliveries by the contractor.

C5.3.3 Acceptance Reports. When supplies are documented as a single shipment on the DD Form 250 or the DD Form 1155 and are delivered as partial transportation units, the accepting activity will prepare an acceptance report when each transportation unit of the line shipped is delivered. The date of delivery will be the date that each transportation unit is delivered.

#### C5.4 ACCEPTANCE ALERT

C5.4.1 Purpose. The acceptance alert is a means by which the DFAS notifies the consignee of material requiring acceptance at destination. The DS 856A, AA, facilitates preparation of the DS 861A, AR. The DS 856A, AA will also be used as a follow-up on a delinquent acceptance report or as a request for retransmission of a report. An AA will not be sent to the destination by the DFAS if an AR has already been received by the DFAS.

C5.4.1.1 Liquidated Damages Clause. The alert will contain a Special Contract Provisions code A to indicate the presence of the liquidated damages clause in a contract. Priority will be given to acceptance of deliveries under such contracts because of the urgent need for the supplies.

C5.4.1.2 Cash Discounts. The alert will contain a Cash Discount Stipulation code D to indicate the provisions for cash discounts in a contract. Priority will be given to inspection and/or acceptance of deliveries under such contracts to preclude the loss of discounts.

C5.4.1.3 Quality Assurance. The alert will contain Quality Assurance code D, for quality assurance to be performed at destination, or code S, when quality assurance was performed at source. With code D it is the responsibility of the accepting activity to ensure that inspection is performed prior to acceptance.

C5.4.1.4 Direct Delivery. When the alert is sent to a consignee that is not a stock point or depot, it will contain the applicable requisition number to be used by those direct delivery activities that need it.

C5.4.1.5 Time Standards. DFAS will forward an alert to the ship-to addressee within 1 workday after receipt of the DD Form 250 or the DD Form 1155 by the CAO. In no

case, however, will an alert be generated when the shipment date is more than 30 days past. In such cases, a written document (letter, teletype message, or facsimile) must be used.

C5.4.1.6 Preparation of Acceptance Alerts. Each CLIN/ELIN requires a separate alert. However, the DFAS may include more than one alert report in a 856A - AA.

C5.4.1.7 Control Elements. The following fields represent control elements for relating AAs and ARs, and for discretely identifying one AA from another:

- PIIN
- Call/Order Number
- Ship-To Identity
- Contractor Shipment Number
- Contractor Shipment Number Suffix
- ELIN or CLIN

C5.5 ACCEPTANCE REPORT. The DS 856A, AR, is the means by which the receiving activity notifies the DFAS disbursing officer that acceptance has been accomplished at destination and of the quantities accepted.

C5.5.1 Inspection a Prerequisite to Acceptance. When the receiving activity forwards an AR to DFAS it indicates that inspection has been accomplished, either at source or at destination. The acceptance report replaces the acceptance copy of the DD Form 250 or DD Form 1155 for the DFAS disbursing officer. The receiving activity will not mail a signed copy of the acceptance document to the DFAS office.

C5.5.2 Retention of Acceptance Documents. No routine external distribution of the DD Form 250 or the DD Form 1155 will be made by the accepting activity. A signed copy of the acceptance document will be retained in the files of the accepting activity. These documents will be retained in support of the acceptance report in accordance with contract records' retention plans currently employed by each Service/Agency.

C5.5.3 Internal Control Requirements. To ensure that it does not issue a fraudulent acceptance report, the accepting activity is responsible for ensuring that its data system complies with the internal control requirements of chapter 14 of the DoD Financial Management Regulation. These requirements apply to electronic data systems that are used in lieu of signed hard-copy documents.

C5.5.4 Nonreceipt or Late Receipt of Acceptance Alert. In the event that supplies are received and accepted prior to the receipt of the alert, the accepting activity will prepare the DS 856A, AR, using code "A" in data field BRA04. The accepting activity will not hold the AR pending receipt of an alert. If an acceptance alert is received after an acceptance alert has already been transmitted, no action is required.

C5.5.5 Quantity Discrepancies. The acceptance report provides for reporting both the quantity documented on the DD Form 250 or the DD Form 1155 as shipped, and the quantity that the Government representative accepted. As information for the CAO, the major reason for the difference is included in the AR using the appropriate Shipment Acceptance Discrepancy Explanation Code citing the specific reason code.

C5.5.6 Interim Acceptance Report. Interim reports are submitted under the following conditions:

C5.5.6.1 Acceptance Delayed. In the event that inspection and/or acceptance at destination requires extensive testing or other prolonged processes, the accepting activity will forward an interim report with an estimated date of acceptance. The quantity accepted field will be zero. To indicate that this is an interim report include Transaction Status Indicator code D. The normal AR will be forwarded upon completion of the acceptance.

C5.5.6.2 Undelivered Shipment. Upon receipt of a follow-up request prior to the material being delivered, the accepting activity will forward an interim report. Include a Shipment Acceptance Discrepancy Explanation code U to indicate that the material is undelivered. Also include a Transaction Status Indicator code D to indicate that it is an interim report. The normal report will be forwarded upon completion of the acceptance.

C5.5.7 Time Standards. The receiving activity will forward the acceptance report within 5 workdays after date of delivery. An acceptance report will be prepared for each line item on the shipping document (DD Form 250 or DD Form 1155) as discussed in C5.8, below.

C5.5.8 Preparation of Acceptance Reports. Each line item requires an individual acceptance. However, a receiving activity may report more than one acceptance in a DS 856, AR.

C5.5.9 Control Elements. The following fields represent control elements for relating individual alerts and reports, and for discretely identifying one report from another:

- PIIN
- Call/Order Number
- Ship-To Identity

- Contractor Shipment Number
- Contractor Shipment Number Suffix
- ELIN or CLIN

C5.6 FOLLOW-UP. The DFAS will forward a follow-up to the consignee when an AR has not been received within a reasonable length of time.

C5.6.1 Follow-Up Request. A reasonable length of time will be determined by adding to the date of shipment, the normal delivery time to the destination, by the mode of transportation, and 7 workdays for accepting the material and forwarding the AR. A follow-up AA will include a Transaction Status Indicator Code 1 for the first follow-up or 2 for the second follow-up. If a subsequent follow-up is necessary, it will be in the form of a narrative teletype message or facsimile transmitted from the DFAS to the designated acceptance activity. The message will cite the basic information contained in the initial AA record and, in addition, will contain a short narrative in regard to the acceptance responsibility.

C5.6.2 Follow-Up Reply. When an AR is submitted subsequent to the receipt of a follow-up, the report will include a Transaction Status Indicator code A or D, as follows:

- If the reply is an interim AR, enter code D.
- If the reply is not interim but acceptance has been reported previously or is being reported initially, enter code A.

## C5.7 CANCELLATIONS AND CORRECTIONS

C5.7.1 Acceptance Reporting. Conditions may arise that necessitate the cancellation of an acceptance report. When cancellation is necessary, the accepting activity will prepare the report and include a Transaction Status Indicator code K to indicate that it is a cancellation. Incorrect AAs will not be cancelled.

C5.7.2 Corrected Reports. The accepting activity will prepare a corrected acceptance report in the appropriate format and will include a Transaction Status Indicator Code C to indicate that it is a corrected report.

C5.7.3 DFAS Retransmission Request. The DFAS may request retransmission of an acceptance report by preparing an AA to include a Transaction Status Indicator code E. The receiving activity will prepare a new acceptance report from the source document and forward it to the DFAS. This report will contain a Transaction Status Indicator code C to indicate a corrected report. If a further question exists, the DFAS will communicate by message or telephone to resolve the issue.

C5.8 EXEMPTIONS AND EXCLUSIONS. The Air Force acceptance activities using AMIS, are exempted from receipt of DS 856A, AA, and follow-on preparation of DS 856A, AA Report. The DFAS sends a teletype message to the Air Force receiving activities and the Air Force sends an acceptance DD Form 250 to the DFAS.

## C5.9 PREPARATION OF THE TRANSACTIONS

C5.9.1 Multiple Acceptance Alert Transmission. Any number of either alert or acceptance notices, going to the same addressee, may be included in the same transaction set.

C5.9.2 Supplemental Procurement Instrument. The SPIIN used in these transactions is the four-position call/order number; the data field, PRF02, will only be used when a call/order number applies. The SPIIN does not include a modification number or a provisioning item order number.

C5.9.3 Preparation. Prepare DS 856A, AA.

C5.9.3.1 Structure. This transaction set contains three tables.

C5.9.3.1.1 Table 1. Table 1 identifies the transaction as an AA and contains the transaction date. The transaction date is carried in BSN03 and will apply to all reports.

C5.9.3.1.2 Table 2. Table 2 is controlled by HL loops. Multiple records are included by multiple iterations of the HL loop.

C5.9.3.1.3 Table 3. Table 3 is the usual transaction set trailer.

C5.9.3.2 HL Loop. The HL loop in table 2 contains three levels of data.

C5.9.3.2.1 Loops. The first or highest level is the address loop; the second level is the shipment loop; and the third level is the line-item loop.

C5.9.3.2.2 Address Loop. There will be one address loop; it will identify code FR (from the DFAS) and TO (to the consignee) location codes in the transaction set.

C5.9.3.2.3 Shipment Loop. There will be one shipment loop for each shipment number in the transaction set.

C5.9.3.2.4 Line-Item Loop. There will be one line-item loop for each CLIN/ELIN in the shipment. As in a contract, the CLIN or sub CLIN may be further subdivided by ship-to or requisition number, each needing its own line-item loop.

C5.9.3.2.4.1 Identifying Items in the AA. Generally, an item in the AA is identified by an NSN. When the NSN is not available, a local stock number should be used. When neither stock number is available use the manufacturer's part number (this requires two iterations, one for the part number and another for the commercial and

government entity (CAGE). When none of the above information is available use code ZZ and follow the LIN02 note.

C5.9.3.2.4.2 Shipment Date. A shipment date may be actual or estimated.

C5.9.3.2.4.3 Cash Discount. The inclusion of a Cash Discount Stipulation code D advises the consignee that acceptance should be expedited.

C5.9.3.2.4.4 Quality Assurance. When quality assurance is to be performed at destination, use Quality Assurance Code D; otherwise, use Quality Assurance code S.

C5.9.3.2.4.5 Liquidated Damages. The inclusion of the Liquidated Damages Clause, i.e., Special Contract Provisions Code A, advises the consignee that acceptance should be expedited.

C5.9.4 Acceptance Report. Prepare DS 861, AA.

C5.9.4.1 Structure. This transaction set contains three tables. Data segments REF, DTM, PRF, LM, and LQ are contained in both table 1 and table 2. These segments are used in table 1 when table 2 data is common to all or most of the reports in Table 2, with override of the exception data within the applicable loop.

C5.9.4.1.1 Table 1. Table 1 contains common data (e.g., the activity sending the acceptance report, the DFAS office receiving the report, and other common data).

C5.9.4.1.2 Table 2. Table 2 contains the individual acceptance reports, one loop for each report.

C5.9.4.1.3 Table 3. Table 3 is the usual transaction set trailer.

C5.9.4.2 Status Codes. The acceptance report will not usually include a Transaction Status Indicator code in an LQ data segment. However, a reply to a previous request will use Transaction Status Indicator Code A; a corrected acceptance report will contain a Transaction Status Indicator Code C; an interim reply will contain a Transaction Status Indicator Code D; and a cancelled acceptance report will contain a Transaction Status Indicator Code K.

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## **C6. CHAPTER 6**

### **REVISED DELIVERY FORECAST**

C6.1 GENERAL. This chapter prescribes procedures for the CAO to report anticipated or actual deviations from the contract delivery schedule. The revised delivery forecast (RDF) report is to provide the purchasing office PO with timely information concerning any delay in the contract delivery schedule. The report should provide the major cause of deviation and a revised delivery date. These procedures will not be used for services line items or when progress reports are required by the contract. In the case of requisitions, the RDF report provides the information required for the preparation of supply status.

C6.2 FLOW AND DISTRIBUTION. The RDF flows from the CAO to the PO that issued the contract or order under the contract. In those cases where the CAO issued the order, the RDF flows to the office that authorized the CAO to issue the order. In no case will the CAO send the RDF to more than one point for the same line item. Further distribution may be accomplished internally within the Service/Agency.

C6.3 FORECAST AND DELIVERY DATE. The forecast and delivery date (FDD) is the CAO's best estimate as to when the quantity of a line item, that is scheduled under the contract delivery date (CDD) and the Ship-To, will be delivered to the free on board (FOB) point. When the FOB point is at destination, the transportation time from the contractor to the destination must be considered in determining the delay and in forecasting a revised delivery date. For the RDF to be effectively used, the FDD must be as accurate as possible. The FDD is memorandum information and does not replace or revise the CDD which can only be changed by a contract modification.

C6.4 REASON FOR REVISION. Each RDF report will include codes in an LQ data segment, that identify who and what caused the delay. The purpose of these codes is to explain the difference between the scheduled CDD and the FDD. In those instances when the revision is based upon more than one factor, the major or most significant reason will be indicated.

C6.5 RECOMMENDED ACTION. When delivery is delayed or is anticipated to be delayed, the Recommendations Regarding Delayed Deliveries code of the RDF report serves as a notice of action that the CAO is taking or is recommending to the PO. When appropriate, the CAO will provide by correspondence, such as [DD Form 375](#), Production Progress Report, detailed information for the PO to determine the proper course of action.

C6.6 URGENCY OF PROCUREMENT. The PO usually assigns a Criticality Designator (see code 5 of the Code List Qualifier Codes discussed in Volume 1) code to the contract. This code is perpetuated in the DS to Federal IC, 561A Contract Abstract ([DLMS appendix 6](#)) in an LQ data segment. For contracts with Criticality Designator code A or B, the RDF will be issued no later than the CDD (or FDD, if applicable); for Criticality Designator C, the RDF will be issued within 30 workdays of the CDD (or FDD, if applicable).

C6.7 REVISED DELIVERY FORECAST. Prepare DS to Federal IC 870R, Revised Delivery Forecast, in accordance with DLMS appendix 6. The following items should be considered in the development of an RDF:

C6.7.1 Initiation of an RDF Report. For each deliverable item that requires a [DD Form 250](#), the CAO will prepare an RDF report and forward it to the PO when a delivery delay beyond the CDD (or FDD, if applicable) either exists or is anticipated.

C6.7.2 Time Standard. The CAO must issue the RDF within 2 workdays after determination that there will be a delivery delay.

C6.7.3 Preparation of an RDF Report. The CAO will prepare a separate report for each affected Ship-To address within the timeframes specified in C6.5, above. Stock numbered RDF reports (for Navy and Defense Logistics Agency (DLA)) will use Status Report Code 10; requisition numbered RDF reports (for Army and Air Force) will use Status Report code 11.

C6.7.4 Control Elements. The following fields represent control elements to discretely identify one RDF report from another:

- PIIN
- Call/Order Number
- CLIN or ELIN
- Ship-To Identity
- Delivery Schedule Date
- Transaction Reference Number (i.e., the requisition number)
- Transaction Date

## C6.8 CHANGES, CORRECTIONS, AND CANCELLATIONS

C6.8.1 Change or Correction Report. A change or correction to an RDF report is prepared in the same manner as the original report with a new transaction date to reflect the latest status.

C6.8.2 No Cancellation Transaction. There is no cancellation transaction for an RDF report. An incorrect FDD will be revised to reflect the correct FDD. When no FDD is applicable, the correction report will post the CDD to the FDD field.

## C6.9 TRANSACTION STATUS INDICATOR CODES

C6.9.1 Final Reply. When the RDF report is a final reply in response to a request from the PO, it will contain a Transaction Status Indicator code A.

C6.9.2 Correction of Previous Report. When the RDF report is a correction of a previous report, it will contain a Transaction Status Indicator Code C. As described in C6.7, above, this would occur without cancellation of the previous report.

C6.9.3 Interim Reply. When the RDF report is an interim reply in response to a request from the PO, it will contain a Transaction Status Indicator Code D.

C6.10 PREPARATION OF THE TRANSACTION. Prepare DS 870R, Revised Delivery Forecast.

C6.10.1 Multiple Reports. Any number of RDF reports, going to the same addressee, can be included in the same transaction set

C6.10.2 Transaction Reference Number. RDF reports for Army and Air Force contain the transaction reference number (the requisition number) in an REF data segment. RDF reports for Navy and DLA contain a national or a local stock number in a PO1 data segment.

C6.10.3 Structure. The transaction set contains three tables. Multiple RDF reports are included by multiple iterations of some of the data segments in table 2.

C6.10.3.1 Table 1. Table 1 identifies:

- That the transaction set includes RDF reports that are either stock numbered or requisition numbered, in BSR01; and
- The code FR (from the CAO) and the code TO (to the PO) at 1/N1/050.

C6.10.3.2 Table 2. Table 2 is controlled by HL loops.

C6.10.3.2.1 Multiple Records. Multiple records are included by multiple iterations of the HL loop.

C6.10.3.2.2 Contract Number Loop. There is one HL loop for each contract number; the CS data segment identifies the contract number.

C6.10.3.2.3 Line-Item Loop. There will be one HL loop for each line-item or deliverable in that contract. The line-item HL loop will include HL03 to relate back to the applicable contract loop. The line-item loop will also include a PO1 data segment for the CLIN (and NSN when needed); ISR for the FDD; QTY for the quantity.

C6.10.3.2.4 Data Segments. Some data may be at either level. When the data is constant for all the line items it will be carried in the contract level HL loop; when the data is not constant it will be carried in each line-item loop. Data segments that may be at either level are: REF for the requisition number, PER for the point of contact (POC), DTM for the CDD, NI at 2/N1/090 for the ship-to, and LQ for applicable codes.

C6.10.3.3 Table 3. Table 3 is the usual transaction set trailer.

C6.11 PCO REPLY TO THE RDF. The DS to Federal IC 870P, Purchasing Contract Officer (PCO) Reply to RDF (DLMS appendix 6), is an electronic version of the PCO Instructions (blocks 13 and 15) of the [DD Form 375-2](#), Delay In Delivery. While this transaction set has not been affirmed by the acquisition community, it has been developed and is presented here for future implementation.

C6.12 FLOW AND DISTRIBUTION. This transaction set flows from the PO to the CAO that issued the original RDF. Further distribution of this information may be accomplished internally within the Service/Agency.

C6.13 PCO INSTRUCTION. The PO may use this transaction set to acknowledge receipt of the RDF and to issue instructions to the CAO. Each Reply report will include an LQ data segment that will identify the PCO instruction.

#### C6.14 CHANGES, CORRECTIONS, AND CANCELLATIONS

C6.14.1 Change or Correction of Reply. A change or correction to a Reply report is prepared in the same manner as the original report with a new transaction date to reflect the latest status.

C6.14.2 No Cancellation Transaction. There is no cancellation transaction for a Reply report. An incorrect instruction will be revised to reflect the correct instruction.

C6.15 PREPARATION OF THE TRANSACTION. The DS 870P, PCO Reply To RDF will be prepared as shown in DLMS appendix 6.

C6.15.1 Multiple Reports. Any number of Reply reports, going to the same addressee, can be included in the same transaction set.

C6.15.2 Transaction Reference Number. Reply reports may contain the transaction reference number (the requisition number) in an REF data segment when such information is pertinent to identifying the delayed quantity.

C6.15.3 Structure. The transaction set contains three tables. Multiple Reply reports are included by multiple HL loops in Table 2.

C6.15.3.1 Table 1. Table 1 identifies:

- That the reports in the transaction set are PCO responses to RDF, in BSR01; and
- The FR (from the PO) and the TO (to the CAO) at 1/N1/050.

C6.15.3.2 Table 2. Table 2 is controlled by HL loops.

C6.15.3.2.1 Multiple Records. Multiple records are included by multiple iterations of the HL loop.

C6.15.3.2.2 Contract Loop. There is one HL loop for each contract number; the CS data segment identifies the contract number.

C6.15.3.2.3 Line-Item Loop. There will be one HL loop for each line item or deliverable in that contract. The line-item HL loop will include HL03 to relate back to the applicable contract loop. The line-item loop will also include a PO1 data segment for the CLIN (and NSN when needed); ISR for the FDD; QTY for the quantity.

C6.15.3.2.4 Data Segment. Some data may be at either level. When the data is constant for all the line items it will be carried in the contract level HL loop; when the data is not constant it will be carried in each line-item loop. Data segments that may be at either level are: REF for the requisition number, PER for the POC, NI at 2/N1/090 for the ship-to, and LQ for applicable codes.

C6.15.3.3 Table 3. Table 3 is the usual transaction set trailer.

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# C7. CHAPTER 7

## CONTRACT PAYMENT AND COLLECTION NOTIFICATION

C7.1 GENERAL. This chapter prescribes procedures for the preparation of detail payment/collection data (pertaining to funds cited on contracts) and the transmission of that data from the DFAS to an accountable activity specified by the DoD Components. All dollar figures are U.S. dollars.

### C7.2 CONTRACT PAYMENT MANAGEMENT REPORT

C7.2.1 General. The DS to Federal IC 568P, Contract Payment Management Report, is available via hyperlink in [DLMS appendix 6](#). Table 1 of this report is header data that applies to all of the Contract Payment Notices (CPN) reports contained in Table 2. Each transaction set of CPN reports will contain a batch serial number to be assigned consecutively by the DFAS, beginning at the number one on October 1 each year for each different accounting point to which CPNs are sent.

C7.2.2 Last Transmission of the Month. The last monthly transmission of CPN reports is identified as an end of month transaction by entry of Transaction Status Indicator Code F in the first CPN report. Each activity that received a CPN report during the month will receive an end of month transaction. When the end of month transaction set does not contain CPN reports, it will omit table 2 and, therefore, there will be no transaction status code.

C7.2.3 Duplicate/Missing Reports. When duplicate or missing CPN reports from a previously transmitted batch are sent, table 1 will contain the batch serial number of the original batch. These will not be combined with other CPN reports in current daily batches.

C7.3 CONTRACT PAYMENT NOTICE REPORT. The CPN report is used by the disbursing element of the DFAS reports contract payment and collection data corresponds with the designated accountable activity of the DoD Components listed in C7.12, below. As payments and collections are made on public vouchers, a separate CPN report will be generated for each contract and accounting classification cited on the voucher. The DFAS also sends an end of month report (see C7.1, above) to each accountable activity that received a CPN report during the month. The individual CPN reports are conveyed in DS 568P, Contract Payment Management Report.

## C7.4 PAYMENT/COLLECTION DATA

C7.4.1 Content. Each CPN report will consist of one large CS loop in table 2. The detail information about the payment or collection that is to be included in the individual CPN report requires loops of data segments within loops of data segments. The CS loop includes:

- Data Segments CS, N9, and DTM;
- An LM loop (with Data Segments LM and LQ) that apply to the entire payment;
- A REF loop (with Data Segments REF and AT, and LX, LM, and N1 loops);
  - the LX loop (with Data Segments LX, N9, and AMT);
  - the LM loop (with Data Segments LM and LQ);
  - the N1 loop (with Data Segments N1 and N9).

C7.4.2 CS Loop. The CS loop has three optional data segments: in the CS loop date and the gross amount collected or disbursed for one CPN (calculated from the item details).

- Data Segment CS will identify the contract number, the call/order number when applicable, and the voucher number;
- Data Segment N9 will identify the original voucher number when applicable; and
- Data Segment DTM will identify the current voucher amount.

C7.4.3 Other Loops. Within the CS loop there may be an LM loop for codes that are common to that report. Also, within each CS loop, there will be an REF loop for the applicable ACRN and long line accounting data.

C7.4.3.1 Collection/Disbursement. Within each REF loop there will be at least one LX loop to identify the details of the collection or disbursement.

C7.4.3.2 Payment/Collection. The initial LX loop will include, as applicable, details about the payment or collection:

- Data Segment N9 to identify the ELIN, CLIN, or non-CLIN;
- Data Segment AMT to identify the applicable amounts;
- There will always be either a collected amount or a disbursed amount;
  - There will be a gross amount and a net paid or net collected amount;
  - There may be a deduction amount;
  - There may be a variance amount; and
  - There may be an item gross amount.

- Data Segment QTY is used with item gross amount to identify the item quantity;
- An LM loop with an LQ code for each applicable amount:
  - A collection amount requires a type of collection code;
  - A disbursed amount requires a contract payment type code;
  - A gross amount requires a contract fund reporting transaction code;
  - A deduction amount requires a contract payment type of deduction code;
  - A net amount variance requires a contract obligation variance code; and
  - An item gross amount requires a contract line-item status code.
- An N1 loop with an N1 data segment to identify the ship-to and an N9 data segment for the shipment number. This data is furnished only when item gross amount is furnished.

C7.4.3.3 Line Item Data. The line-item data (i.e., the item gross amount, the contract line-item status, the expenditure quantity, the ship-to, and the shipment number) are used to report on CLINs and ELINs, and to identify deliveries as advance and progress payments are recouped. Line-item data is not used on cost type contracts nor on advance or progress payments.

C7.4.3.4 Multiple Deductions to the Same Line. When more than one deduction or variation applies to the same line, put the second occurrence in another LX loop. When line-item data applies to both, it is carried in the first loop.

C7.4.4 Control Elements. The following fields are control elements for discretely identifying one CPN report from another:

- PIIN
- Call/Order Number
- ACRN
- Voucher Number

C7.5 ACCOUNTING CLASSIFICATION DATA. The accounting classification data is carried in the REF loop within the CS loop in table 2. It consists of the ACRN (in REF01/REF02) and the related long line accounting data (in AT02 and AT09) that is applicable to the payment and as cited in the contract. This data is also required in a collection transaction (see C7.9, below). Although the RDF loop does not apply to a

dummy end of month report (see C7.12.2, below) it is mandatory in all other CPN reports of collected or disbursed funds.

**C7.6 DETAIL DATA.** Within each REF loop there will be one or more LX loops. Each LX loop begins with a control number and furnishes detail data about the disbursement or collection. The first LX loop carries the bulk of the data pertinent to the payment or collection. A second loop, and additional loops if necessary, are used when there is more than one deduction, variance, or line item.

**C7.7 DISBURSEMENT/COLLECTION DATA.** As discussed above, the LX loop will carry the disbursement/collection data. Separate LX loops will report the gross and net amounts applicable to a payment and are mandatory in each CPN. The LM loop will contain specific collection data (see C7.9, below). The Contract Payment Type Code distinguishes between an advance payment, a progress payment, a non-CLIN payment, or a delivery payment. Two or more disbursement/collections will be furnished when payment made for CLINs and non-CLINs is disbursed on the same voucher.

**C7.8 DEDUCTION DATA.** Deduction data will be included in LM loops within the line or non-CLIN LX loop. The LM loop will include each allowance applied against the gross amount to arrive at the net amount paid or identify amounts previously deducted. This data will be included as part of the CPN when the net amount paid is different from the gross amount because of discounts taken, trade-in allowance, etc. (all minus amounts), or refunds (plus amounts) of previous deductions from gross amounts now being paid. Each deduction or refund will be identified by a type of contract deduction code. If applicable, the deduction will cite the exhibit or contract line/subline. Different types of deductions and/or refunds may be reported in multiple LM loops within the applicable line item loop. Use as many deduction loops as needed. Collections of advance and progress payments will be in separate LM loops in accordance with C7.9. Use this deduction data when reversing a previous disbursement.

### C7.9 VARIANCE DATA

**C7.9.1 Contract Obligation Variance.** A contract obligation variance occurs when the gross and contract amounts (as shown in the disbursement/collection loop) differ. The reason for the difference is explained in the variation loop.

**C7.9.2 Variance Data.** Variance data, i.e., variance between the gross amount of the CPN (as shown in the CS data segment) and the comparable contract amount, will be included in an LX loop. This data will be included as part of the CPN only when such gross and contract amounts differ because of quantity variances (overrun and under-run); unit price variances; added charges for transportation, packing, and handling; reusable containers charges; state and local taxes; royalty payments; and minimum guaranteed payments. Price and quantity variances will be reported at the line-item level and may

be combined in one LX loop. Transportation, packing and handling, reusable containers charges, state and local taxes, royalty payments, and minimum guaranteed payments will be reported as separate LM loops within a non-CLIN LX loop. Additional variance loops will be used to report the variance types of payments as necessary.

#### C7.10 LINE-ITEM REPORT DATA

C7.10.1 Purpose. Line-item data will be reported in an LX loop and will include the gross amount for the exhibit or contract line/subline and contractor shipment number to which the CPN applies. Citation of the six-digit line-item number, when applicable, permits correlation of the payment to obligation and allotment accounting records maintained by the Army, Navy, Air Force, and DLA.

C7.10.2 Contractor Shipment Data. The contractor shipment number will be as shown on the [DD Form 250](#), or the [DD Form 1155](#) (when used in lieu of DD Form 250), and is provided to enable correlation of the payment notice document with the related delivery. Line-item data will not be provided on cost type payments or on initial advance and progress payments. The line-item data will, however, be furnished as subsequent deliveries are made and previous advance and progress payments are recouped.

#### C7.11 COLLECTION TRANSACTIONS

C7.11.1 Advance/Progress Payments/Refunds, Etc. Collections of advance/progress payments, refunds, correction of payment errors involving the appropriation, etc., require notification to the designated DoD Component accounting points.

C7.11.2 Overpayment. A collection of the overpayment of an advance or progress payment, whether deducted from the disbursement voucher or processed as a separate voucher, will be shown in an LM loop as a collection.

C7.11.3 Reversing Previous Disbursement. A deduction LM loop may be received as part of a collection transaction when reversing a previous disbursement. When collections cannot be identified to the line item, e.g., voluntary refunds or lack of capability, they will be included in a non-CLIN L loop.

#### C7.12 END OF MONTH NOTICE

C7.12.1 Amount Data. When DFAS prepares the last transmission of CPN reports for the accounting month, the transaction set will include an amount data segment in table 1 with code MP to indicate that this is the end of month report.

C7.12.2 Dummy Report. For those accounting stations that are not receiving CPN reports on the last transmission, but have received CPN reports during the accounting month, the DFAS will prepare and transmit a "dummy" end of month report with their last day's traffic. This "dummy" report will include, the last batch serial number that was transmitted to that particular CPN recipient. Because there is no voucher in the "dummy" end of month report, table 2 will be omitted.

C7.13 RECIPIENTS OF PAYMENT NOTICES

C7.13.1 Applicability. Transmission of payment data by the DFAS to activities other than those shown below is not sanctioned. It is the responsibility of the designated accounting point to supply such data to those activities having a valid requirement.

C7.13.2 Authorized Recipient Listing. DFAS will send CPNs to the following addresses based on the department identity codes in the appropriation that was expended:

**Appropriation**

| <u>Department Identity</u>   | <u>Transmit to</u>  |
|--|---|
| Code 21, and any code 97 bearing limitation/subhead 0100 or 1301         | Accounting station shown in contract or abstract  |
| Code 17, and any code 97 bearing limitation/subhead 0400 or 0500 or 1304 | The activity responsible for keeping the accounting record as indicated in the contract |
| Any code 97 bearing limitation/subhead in the 5100 series (DLA)          | Accounting station shown in contract or abstract  |

C7.14 PREPARATION OF THE TRANSACTION

C7.14.1 Contract Payment Management Report. Use DS 568P, Contract Payment Management Report, as shown in DLMS appendix 6. Any number of payments, going to the same addressee, may be included in the same transaction set.

C7.14.2 Structure. The transaction set contains three tables.

C7.14.2.1 Table 1. Table 1 identifies:

- In Data Segment BGN, that it is a contract payment management report and the unique batch serial number (except for the dummy end of month report which uses the last report number). Batch serial numbers are assigned consecutively beginning with number 1 on October 1 each year for each different accounting point to which CPNs are sent.

- In Data Segment N1, the code FR (from the paying office), the code TO (to the accountable activity), and code KV for the disbursing officer;
- In Data Segment AMT code MP with zero dollars.

C7.14.2.2 Table 2. Is not included in dummy end of month report transactions.

C7.14.2.2.1 CS Loops. Table 2 consists of one or more large CS loops.

C7.14.2.2.2 Multiple Payments. Multiple payments are included by multiple iterations of the CS loop.

C7.14.2.2.3 Contract Number. Included in the beginning of the CS loop is the contract number, the voucher number, and voucher date.

C7.14.2.2.4 Long Line of Accounting Loop. Nested within the CS loop is a REF loop for each ACRN with the long line accounting data that applies to that ACRN and payment.

C7.14.2.2.5 Contract Line-Item Number Loop. Also nested within the CS loop is an L loop which gives pertinent details about the CLIN and the amount applicable to it. Each L loop begins with a counter for unique identification and may include CLIN, ACRN, ship-to, shipment number, item gross amount, and applicable LQ codes, dollar amount, and quantity.

C7.14.2.2.6 Collection/Disbursement Loop. The coded details of the collection or disbursement are carried in LM loops within the L loop.

C7.14.2.2.7 Ship-For Loop. An N1 loop is nested within the L loop to identify the ship-to for the line item.

C7.14.2.3 Table 3. Table 3 is the usual transaction set trailer.

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# C8. CHAPTER 8

## CONTRACT COMPLETION STATUS REPORTING

### C8.1 GENERAL

C8.1.1 Purpose. This chapter prescribes standard procedures for reporting:

- The status of unclosed contracts subsequent to physical completion,
- Major events leading to the closing of the contract files by the CAO,
- The extension of the contract closeout period by the CAO, and
- The extension of contract closeout period by the PO.

C8.1.2 Scope. These reports are identified as DS to Federal IC 567C, Contract Completion Status ([DLMS Appendix 6](#)), and primarily provide information to the PO for closing and retiring its contract files.

C8.1.3 Computer Formats. These procedures complement those in FAR, section 4.804-1 and DFARS section 204.804-1, -4, and -5, and provide computer process able formats in lieu of hard-copy documents.

C8.1.4 Multiple Contract Completion Statements. The CAO-issued DS 567C can include one or more contract completion statements and/or unclosed contract statuses, or cancellations. The PO-issued DS 567C can include one or more contract closeout extensions.

### C8.2 BASIS FOR CONTRACT CLOSING

C8.2.1 Contract Face Value. The basis for closing contract files depends upon the face value of the contract and the extent of administration accorded to it.

C8.2.2 Closeout Code. The CAO uses the conditions set forth in the Contract Closeout Group codes to group the contracts for follow-on closing actions.

C8.3 STANDARD TIMES FOR CONTRACT CLOSING. The FAR, Section 4.804-1 prescribes the time standards for closing contracts. These standards are based on the date that the contract is physically completed and on the pricing provisions. When the CAO closes the contract within the time standards it reports the closure under the procedures in C8.4, below. When the CAO does not close the contract within the time

standards it reports the status under the procedures in C8.5, below, until it closes the contract and finally reports it under C8.4, below.

**C8.4 CONTRACT PAYMENT.** When an office other than the office with primary contract administration responsibility performs the payment function on a contract, the disbursing office will notify the primary CAO when final payment has been made and the disbursing office file closed. The CAO will forward the status within 5 workdays after expiration of the standard closing period.

### **C8.5 CONTRACT COMPLETION STATEMENT**

**C8.5.1 Purpose.** The contract completion statement is the DFARS-authorized electronic version of the [DD Form 1594](#), Contract Completion Statement. It is the means by which the CAO informs the PO (or designated ADP) of the major events of physical completion, final payment, and/or that the CAO contract file is closed. For all contracts, a final contract completion statement is the basis for the PO to closeout its contract file.

**C8.5.2 Small Purchase Contracts.** Small purchase contracts are Contract Closeout Group Code A and usually do not require payment reporting for contract completion or file closeout. For these contracts the final contract completion statement will normally include only the physical completion date.

**C8.5.3 Contract Completion Definition.** A contract is physically completed when,

- For supplies and services contracts:
  - The contractor has completed the required deliveries of supplies and the Government has inspected and accepted such supplies, and
  - The contractor has performed all services and the Government has accepted such services, or
  - A notice of complete contract termination has been given to the contractor by the Government;
- For facilities contracts and rental, use, and storage agreements, a notice of complete termination has been issued or the contract period has expired.

**C8.5.4 Physical Completion of Large-Purchase Contract.** When a large-purchase contract, i.e., Contract Closeout Group code B, C, or D, is physically completed (i.e., delivered complete and the material or service accepted), the CAO with the primary contract administration responsibility will forward an interim contract completion statement to the PO to report physical completion.

**C8.5.5 Final Payment for Large-Purchase Contract.** For a large-purchase contract, Contract Closeout Group code B, C, or D, when final payment is made and other actions

completed, the CAO with primary contract administration responsibility will forward a final contract completion statement to the PO based upon physical completion, final payment, and completion of all administrative actions.

**C8.5.6 Unliquidated Amount.** The unliquidated amount is money that was obligated on the contract but not spent. In all cases, the final contract completion statement must include any unliquidated amount that remains on the contract or order after final payment has been made. The unliquidated amount is the remainder of the accumulated amounts paid, as netted by all collections, subtracted from the amount obligated on the contract by any contract modifications, and adjusted by deductions and all variance codes. The unliquidated amount will be carried in the AMT data segment of the CS loop and will only appear when an unliquidated amount remains on the contract. The accountable activity must reclaim this money before the PO closes the contract.

**C8.5.7 Receipt of Contract Extension Report.** When the CAO has received a contract completion extension report from the PO, and if the CAO had to perform an additional contract administration function, the CAO will issue a final contract closeout statement report within 5 workdays after the extended closeout date. If the CAO did not have to perform additional contract administration functions after the extension transaction was issued, the contract file will be closed and the last issued final contract completion statement will apply.

**C8.6 UNCLOSED CONTRACT STATUS.** The CAO will furnish an unclosed contract status report to the PO (or designated ADP point) for each contract that will not be closed within the timeframe established in FAR, Section 4.804-1.

**C8.6.1.1 Reason for Delay.** The status report will include the reasons for delay and the target date which has been set for closing.

**C8.6.1.2 Revised Unclosed Status Report.** If the contract is not closed by the target date, a revised unclosed contract status report will be forwarded with the new target date and reasons for further delay.

**C8.6.1.3 Timeframe.** A CAO with primary contract administration responsibility will forward the unclosed contract status report to the PO. The FAR, Section 4.804 requires the CAO to forward the status report within 15 workdays after the expiration of the standard closing period.

## **C8.7 CONTRACT CLOSEOUT EXTENSION**

**C8.7.1 Purpose.** The PO will use the contract completed date in the contract completion statement as the closeout date for file purposes. When completion of any pending significant PO action extends beyond this closeout date, the PO will send a

contract closeout extension notice to the CAO (or designated ADP point) advising of the extended closeout date.

C8.7.2 Timeframe. The PO must forward the extension to the CAO within 5 workdays after receipt of the completion statement.

C8.7.3 Status. The CAO will then hold the contract open until the extended closeout date.

C8.7.4 Revision of Closeout Extension. The PO must ensure that when the extended closeout date is to be revised, another extension notice, with a new extended closeout date, is sent to the CAO.

C8.7.5 Closure. The CAO will close the contract file after the extended closeout date is passed. If the CAO performed an additional contract administrative function, it will issue another contract completion statement report; otherwise, the previous statement report will remain in effect.

C8.8 CANCELLATIONS. Conditions may arise that necessitate the cancellation of a Contract Completion Status transaction. Cancellation is accomplished by transmitting the PIIN, SPIIN (when applicable), CAO, and PO of the original transaction and a Transaction Status Indicator code K.

C8.9 FAST PAY CONTRACTS. Normally, a PO receives both a shipment notice transaction and a contract completion statement transaction on each contract. On fast-pay contracts which do not exceed \$25,000, however, shipment information is not required by the Army, Navy, or DLA. The Army will use the contract completion statement, both to show performance and to close the contract. The Air Force still requires and receives the shipment information and a contract completion statement on fast-pay contracts.

C8.10 PREPARATION OF THE TRANSACTION. Prepare DS 567C, Contract Completion Status, per DLMS appendix 6.

C8.10.1 Multiple Reports. Any number of contract completion status reports and/or cancellations, going to the same addressee, can be included in the same transaction set.

C8.10.2 Structure. This transaction set contains only one table. Multiple records are included by multiple iterations of the 1/CS/050 loop.

C8.10.3 Uses. As discussed in C8.4, C8.5, and C8.6, there are five uses of the Contract Completion Status transaction set. Each use is identified by a code in data field CS05.

C8.10.3.1 CAO Issuance. Those issued by the CAO:

- The unclosed contract status (code D);
- The final contract completion statement for a small purchase (code A);
- The interim contract completion statement for a large purchase (code B); and
- The final contract completion statement for a large purchase (code C).

C8.10.3.2 PO Issuance. The one issued by the PO is the contract closeout extension (code E).

C8.10.4 Name/Place Data. There are two N1 data segments for names and places.

C8.10.4.1 To/From Code. The 1/N1/030 segment precedes the 1/CS/050 loop, and with two iterations, carries the code FR (from) and the code TO (to); these will be the appropriate PO and CAO which will be common to all records in a given transaction set.

C8.10.4.2 Paying Office. The 1/N1/120 segment in the 1/CS/050 loop will identify a paying office or a contractor when one applies to the record.

C8.10.4.3 Transaction Status Code. Each applicable Transaction Status Indicator code is carried in an iteration of the 1/LQ/110 data segment. Only codes F, J, and K may be used in this transaction set.

C8.10.4.4 Cancellation Report. A cancellation report is identified by the Transaction Status Indicator code K in an 1/LQ/110 data segment. A cancellation report must be sent at least 1 day before its replacement report. A cancellation report requires the To, the From, the procurement instrument identification number, the supplementary procurement instrument identification number if applicable, the code for the type transaction, and the cancellation code.

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**AP1. APPENDIX 1**  
**DEFENSE LOGISTICS MANAGEMENT STANDARDS**  
**PROCESS REVIEW COMMITTEE MEMBERS**

**ACQUISITION**

| <b><u>SERVICE/AGENCY</u></b> | <b><u>ADDRESS</u></b>  |
|------------------------------|--|
| DLMSO                        | ATTN DLMSO<br>DEFENSE LOGISTICS MANAGEMENT STANDARDS OFFICE<br>8425 JOHN J KINGMAN ROAD SUITE 2533<br>FORT BELVOIR VA 22060-6221 |
| USA                          | ATTN AMCAQ I<br>COMMANDER<br>UNITED STATES ARMY MATERIAL COMMAND<br>5001 EISENHOWER AVENUE<br>ALEXANDRIA VA 22333-0001           |
| USN                          | ATTN SUP 22A<br>COMMANDER<br>NAVAL SUPPLY SYSTEMS COMMAND<br>1931 JEFFERSON DAVIS HIGHWAY<br>ARLINGTON VA 22241-5360             |
| USAF                         | ATTN SAF AQCP<br>COMMANDER<br>HEADQUARTERS AIR FORCE<br>THE PENTAGON ROOM 4C251<br>WASHINGTON DC 20330-5040                      |
| USMC                         | ATTN HQMC<br>COMMANDANT OF THE MARINE CORPS<br>WASHINGTON DC 20380-0001  |
| COAST GUARD                  | ATTN USCG G-AT<br>COMMANDANT<br>UNITED STATES COAST GUARD<br>WASHINGTON DC 20376-5001  |

| <b><u>SERVICE/AGENCY</u></b> | <b><u>ADDRESS</u></b>   |
|------------------------------|---|
| GSA                          | ATTN GSA FCSD<br>GENERAL SERVICES ADMINISTRATION<br>FEDERAL SUPPLY SERVICE<br>1941 JEFFERSON DAVIS HIGHWAY<br>ARLINGTON VA 22202-4502 |
| DFAS                         | ATTN DFAS FCC<br>DEPUTY DIRECTOR FOR POLICY<br>DEFENSE FINANCE AND ACCOUNTING SERVICE<br>WASHINGTON DC 20376-5001                     |
| DAASC                        | ATTN DSDC SS<br>DLA SYSTEM DESIGN CENTER<br>OFFICE OF SYSTEMS SUPPORT DAASC<br>DAYTON OH 45444-5320                                   |
| DLA                          | ATTN MMPRS<br>DEFENSE LOGISTICS AGENCY<br>8725 JOHN J KINGMAN ROAD SUITE 2533<br>FORT BELVOIR VA 22060-6221                           |
| FAA                          | ATTN ASU 210 A<br>ADMINISTRATOR<br>FEDERAL AVIATION AGENCY<br>800 INDEPENDENCE AVENUE SW<br>WASHINGTON DC 20591                       |