



DEFENSE LOGISTICS MANAGEMENT SYSTEM
(DLMS)

VOLUME 2

**SUPPLY STANDARDS
AND PROCEDURES**

DEFENSE LOGISTICS MANAGEMENT STANDARDS OFFICE
(DLMSO)



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C1. CHAPTER 1

INTRODUCTION

C1.1 GENERAL

C1.1.1 Purpose. This volume provides Department of Defense (DoD) standard procedures and electronic data interchange (EDI) conventions to effect supply actions using American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 transactions.

C1.1.2 Use. Use of this volume requires simultaneous access to DLMS Manual Volume 1 “front matter”: the full Table of Contents; the only listings of acronyms and abbreviations, definitions, and references; instructions for acquiring access to the DLMS standards data base; Defense Logistics Management System (DLMS) to Defense Logistics Standard SystemDLSS cross-references and conversion guides; 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. DoD Directive 4140.1 and DoD 4140.1-R provide the DoD policies and governing procedures in this volume.

C1.3 APPLICABILITY. This manual applies 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 and, by agreement with the Department of Transportation, when it is operating as a Military Service of that Department); the Chairman of the 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. Additionally, the manual applies, by agreement, to other external organizational entities conducting logistics business operations with DoD including (a) non-Government organizations, both commercial and nonprofit; (b) Federal agencies of the U.S. Government other than DoD; (c) foreign national governments; and (d) international government organizations.

C1.4 SUPPLY PROCESS REVIEW COMMITTEE. The Supply 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 supply requirements for the DLMS. The Supply PRC chairperson, in coordination with the Supply PRC representatives, is responsible for the contents of this

volume of the DLMS. Representatives to the Supply 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 resolution of DLMS supply-related problems are unsatisfactory, the activity having the problem will request assistance from their DLMS Supply PRC representative. The request will include information and copies of all correspondence pertinent to the problem; including the transaction set number, the transaction number and the date of the transaction involved. The representative will take the necessary actions to resolve the issue or problem. The actions may include requesting assistance from the Supply PRC chairperson.

C1.6 TRANSACTION REVERSAL. Processing activities may totally or partially reverse selected transactions. As a minimum, activities shall apply transaction reversal edits and controls to assure that:

C1.6.1 Original Controlling Number. The original controlling number (transaction number or contract number) is used on all reversal transactions. Activities shall not process a transaction reversal if the transaction or contract number does not match an established file record transaction or contract number. If such a transaction is received, reject it back to the originator using a 824 Federal Implementation Convention (IC), Application Advice, available at: <http://snad.ncsl.nist.gov/dartg/edi/fededi.html>.

C1.6.2 Cumulative Total Reversals. The cumulative total of all reversal transaction quantities for the transaction or contract number does not exceed the original transaction quantity. If the cumulative total of all reversal transaction quantities exceeds the original transaction quantity, reject the transaction(s), causing the total quantity to exceed the original quantity, back to the submitter using an 824 IC.

C1.6.3 Quality Control. See chapter 6 for quality control requirements and for additional controls required when reversing physical inventory adjustments. See Chapter 9 for additional controls required when reversing logistics transfer/decapitalization transactions.

C2. CHAPTER 2

SPECIAL PROGRAM REQUIREMENTS

C2.1 GENERAL

C2.1.1 Purpose. This chapter provides procedures for forecasting requirements for items required to support special programs or projects which are of a nonrepetitive nature and cannot be forecast by the inventory control point (ICP) based on demand data, and which have the greatest probability of materializing and resulting in the eventual submission of requisitions.

C2.1.2 Special Program Requirements Requests (SPRs). Forecasting activities may submit SPR requests, using DLMS supplement (DS) to 830R Federal IC, Special Program Requirements (DLMS appendix 6), for requirements meeting one or more of the following criteria:

- One-time training exercises or maneuvers.
- Repair or rebuild programs which are either nonrecurring or which are seldom or irregularly programmed.
- New constructions (ships, buildings, etc.).
- One-time alterations, modifications, or conversion programs.
- Initial issue of existing items (i.e., outfittings, activations, and changes in authorized allowances).
- Initial requirements for special operational projects.
- Requirements for initial testing.
- Requirements for Government-furnished property.
- Requirements for infrequently planned support operations such as Arctic and Antarctic resupply missions.
- Special situations of a nonrepetitive nature when required in support of authorized Security Assistance Program requirements (e.g., initial pipeline stockage requirements in support of approved Cooperative Logistics Supply Support Arrangement (CLSSA), etc.).

C2.1.3 Excluded Requirements. The following types of requirements are excluded from identification as SPRs:

- Provisioning, recurring type.

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- War Material Requirements.
- Requirements for which the DoD Component has a recurring demand.
- Subsistence, all categories

C2.2 SPECIAL PROGRAM REQUIREMENTS SUBMISSION AND ROUTING

C2.2.1 Submission Timeframe. The time window for submission of SPRs is between 90 calendar days and 5 years prior to the support date (the first day of the month in which it is anticipated that material will be requisitioned for the program). When procurement is necessary, delivery for an early support date may not be possible since the procurement lead time for most items will be greater than 90 calendar days. Therefore, forecasting activities should submit SPRs to ICPs as far in advance of the support date as practical.

C2.2.2 Forecasting. Forecasting activities will prepare a DS 830R to transmit SPR data to the ICP. When the requirement for an item is such that material will be required in phases (e.g., 100 each per month; 100 per quarter, etc.), the forecasting activity will stratify the forecast quantity by the support date as allowed by DS 830R.

C2.3 DEFENSE AUTOMATIC ADDRESSING SYSTEM CENTER PROCESSING.

DAASC will pass or route SPR inquiries as follows:

C2.3.1 Correct Source of Supply. If the transaction is directed to the correct source of supply (SOS), DAASC will pass the transaction to that activity.

C2.3.2 Incorrect Source of Supply. If the inquiry is directed to an incorrect SOS, and the correct SOS is not the General Services Administration (GSA), the DoD Automatic Addressing System Center (DAASC) will reroute the transaction to the correct SOS and transmit DS 870L Federal IC, SPR/Logistics Asset Support Estimate Status (LASE) (DLMS appendix 6), to the submitter citing Status Code BM. Recipients of Status Code BM will update their records to reflect the correct SOS.

C2.3.3 GSA Directed Transactions. If the inquiry is directed to a correct GSA SOS or to an incorrect SOS, but GSA is the correct SOS, DAASC will reject the transaction to the submitter with an 824 Federal IC, Application Advice (DLMS appendix 2), citing Reject Advice Code AB.

C2.4 INTEGRATED MATERIAL MANAGER (IMM) VALIDATION AND REJECTION.

IMMs will reject or provide status for SPR inquiries citing the appropriate reject or status code as follows:

C2.4.1 Obsolete Items. Reject inquiries received for an obsolete/inactive National Stock Number (NSN) which the IMM cannot support with an 824 IC.

C2.4.2 Non-Centrally Managed Items. Reject inquiries received for an item that is not centrally managed and stocked.

C2.4.3 Federal Stock Classification (FSC)/National Item Identification Number (NIIN) Compatibility. When the IMM receives an SPR inquiry with an incompatible FSC and NIIN, the IMM will research to determine if the FSC matches a previously assigned FSC for the NIIN.

C2.4.3.1 Matching FSC. If the submitted FSC matches the previous assigned FSC, change the FSC to the current (correct) FSC, continue processing the inquiry, and furnish the submitter with a DS 870L status, citing Status Code BG. Recipients of Status Code BG will update their records to reflect the correct FSC.

C2.4.3.2 Non-Matching FSC. If the FSC does not match, reject the inquiry to the submitter with 824 IC, citing Status Code CG.

C2.5 INTEGRATED MATERIAL MANAGER PROCESSING OF SPECIAL PROGRAM REQUIREMENTS REQUESTS

C2.5.1 Source of Supply Risk. The IMM measures the size of the requirement being forecasted to determine its acceptability in terms of the risk of long supply being generated. This measurement requires consideration of the size of the forecasted quantity in relation to the normal demand estimated for the item being forecasted, the value (cost) of this quantity, the supply status of the item being forecasted, funding capability of the IMM, accuracy of past forecasts, and the degree of assurance that requisitions will follow.

C2.5.2 SPR Status Transaction. The IMM will determine action to be taken on the SPR and within 15 calendar days after receipt of the request will provide appropriate status using the DS 870L. SPR status transactions will advise the forecasting activity of acceptance, rejection (other than for correction and resubmission), or other action required on the SPR. When an IMM receives an SPR request which cannot be processed due to erroneous or missing data, the IMM will reject the request for correction and resubmission.

C2.6 FOLLOW-UP ON SPECIAL PROGRAM REQUIREMENTS REQUESTS. When the forecasting activity has not received a DS 870L status transaction or a 824 IC within 21 calendar days from the DS 830R submission date, the forecasting activity may submit an SPR inquiry to the ICP using the DS 830R.

C2.7 INVENTORY CONTROL POINT ACTION ON SPECIAL PROGRAM REQUIREMENTS FOLLOW-UP

C2.7.1 No Record of Receipt. When there is no record of receipt of the original SPR request, the IMM will process the SPR inquiry as an original SPR request.

C2.7.2 Replies to SPRs. IMM will prepare replies to SPR inquiries, as specified in C2.5 above.

C2.8 MODIFICATION OF SPECIAL PROGRAM REQUIREMENTS REQUESTS. The forecasting activity will use the DS 830R to submit changes for a previously submitted SPR request to replace data in the original request. Submit SPR modifiers only to change the quantity, the project code, the coast designator, the support date, the ship-to address, and/or the initiator of the SPR requirement. If the originator of the SPR modifier differs from the originator of the original SPR, maintain a record of the revised originator.

C2.9 RESPONSE TO SPECIAL PROGRAM REQUIREMENTS MODIFIER. The ICP will prepare replies to SPR modifiers, as specified in C2.5, above.

C2.10 CANCELLATION OF SPECIAL PROGRAM REQUIREMENTS REQUESTS. The forecasting activity will use the DS 830R to submit an SPR cancellation for a previously submitted SPR request. Cancellations must be for the total quantity applicable to the SPR.

C2.11 RESPONSE TO SPECIAL PROGRAM REQUIREMENTS CANCELLATION. The ICP will reply to DS 830R cancellations with DS 870L status citing SPR Status Code PD indicating that the cancellation was accepted.

C2.12 ACCEPTANCE/REJECTION OF SUBSTITUTE ITEM. Forecasting activities in receipt of SPR responses offering a substitute item will transmit a DS 830R indicating rejection or acceptance of substitute material.

C2.13 RESPONSE TO SUBSTITUTE ITEM REJECTION. The IMM will initiate action on the item originally requested. The IMM will prepare status responses, as specified in C2.5, above.

C2.14 RETENTION OF SPECIAL PROGRAM REQUIREMENTS REQUESTS. The ICP will retain SPR requests until:

- The support date of those requirements for which SPR Status Code PA was furnished or until a requisition is received which can be identified to all or a portion of a particular SPR quantity.

- One procurement lead time/assembly time away from the support date when procurement/assembly is required in support of those requirements for which SPR Status Code PB was furnished.
- Assembly time prior to support date when extra time is required for assembly in support of those requirements for which SPR Status Code PC was furnished.

C2.15 FOLLOW-ON STATUS. The IMM will provide revised DS 870L when the situation changes (e.g., change in procurement lead time, procurement is required for material originally anticipated to be available from stock, etc.). Generally, these situation changes are unusual in nature, are not programmed for, and require off-line processing. IMM will provide the status, as specified in C2.5, above.

C2.16 PREPARATION OF SPECIAL PROGRAM REQUIREMENTS SHIPMENTS

C2.16.1 Response Timeframe. When a DS 870L citing SPR Status Code PA is received, requisitions citing Demand Code P should be submitted for the SPR related requirements in time to allow for delivery within the appropriate time standard prescribed by Uniform Material Movement and Issue Priority System. Demand Code P indicates to the ICP that the requisition is for material previously forecasted as an SPR. This enables the ICP to control and apply the appropriate logic for the demand generated by the requisition.

C2.16.2 Establishing Audit Trail. Requisitions submitted as a result of an SPR will include the transaction number from the original SPR to establish an audit trail between the SPR and the subsequent requisitions. This audit trail provides a means to determine whether follow-on requisitions are submitted for requirements forecasted through SPRs.

C2.16.3 Item Deletion. When a DS 870L is received citing SPR Status Code PR, the SPR is being deleted and the item is a procurement lead time/assembly time away from the support date. If the requirement is still valid, the requiring activity must immediately submit a DS 511R Federal IC, Requisition (DLMS appendix 6), citing Demand Code O.

C2.17 LOGISTICS REASSIGNMENTS

C2.17.1 Logistics Loss. When an item is involved in a logistics loss to an IMM of another Service/Agency, the losing inventory manager (LIM) will transmit a DS 870L to the forecasting activity. This status will indicate that the item has been involved in an logistics reassignment and a new DS 830R must be submitted to the gaining inventory manager (GIM).

C2.17.2 Logistics Loss within Same Service/Agency. When the logistics loss is to an IMM within the same Service/Agency, the LIM will forward the record of the DS 830R to the GIM. No status need be furnished the forecasting activity.

C3. CHAPTER 3

WAR MATERIAL REQUIREMENTS AND SIMULATED MOBILIZATION EXERCISES

C3.1 GENERAL. This chapter prescribes procedures and responsibilities for:

- Submission of DS to 830W Federal IC, war material requirements (WMR) (DLMS appendix 6), application from the DoD Components to the IMM of the Military Departments, the Defense Logistics Agency (DLA), and GSA.
- Edit and validation of DS 830W data by IMM and rejection of incomplete or invalid input.
- Providing output from the LIM to the GIM upon logistical reassignment of an item.
- Guidelines that affect simulated mobilization exercises.

C3.2 WAR MATERIAL REQUIREMENTS

C3.2.1 DoD Policy. DoD policy for management and development of WMR is contained in DoD Directive 3110.6.

C3.2.2 Data Transmission. DoD Components will transmit DS 830W data to reach IMM by 15 February of each year and will submit corrections and/or changes as required. Do not submit zero quantity requirements.

C3.2.3 DoD Component Input. The IMM will control each DoD Component's input WMR data transactions, edit the DS 830W, and validate the edited transactions for adequacy and accuracy of data. The IMM will consider validated requirements in the annual computation of the Balance War Reserve, and in any recomputation of these requirements upon receipt of corrected or revised input. When a DS 830W contains an invalid NSN, unit of issue, quantity or date, process an 824 Federal IC, Application Advice (reject) (DMLS appendix 2). However, when the transaction is invalid for any other reason, manually reject the entire submission to the submitting DoD Component. Include all rejects on a listing reflecting an image of the input transaction and a code identifying the reason for the reject. Mail the listing together with a letter explaining the reject code and action (s) required by the submitter.

C3.2.4 Reassigned Items. When items are logistically reassigned, the LIM will furnish the GIM a listing of WMR data with a supporting DS 830W, as prescribed by C9.4.6.

C3.3 SIMULATED MOBILIZATION EXERCISES. When establishing plans that require simulated mobilization exercises, identify the associated transactions as simulated mobilization exercise transactions as provided for in the applicable implementation convention. Do not process simulated mobilization transactions in the supply distribution system(s) as action documents which affect accountable/unit records. Service/Agency activities responsible for initiating these exercises must use extreme caution to ensure procedures are explicit and that complete coordination with all participants is accomplished.

C4. CHAPTER 4

REQUISITIONING

C4.1 GENERAL. This chapter prescribes procedures for the preparation and submission of requisitions with specific requisitioning requirements involving Government furnished material (GFM), Security Assistance (SA), Not-Mission-Capable Supply (NMCS), Anticipated NMCS (ANMCS), Pre-Positioned War Reserve Material Stock (PWRMS), conventional ammunition, subsistence, and GSA nonmailable items. This chapter also provides procedures for requisition cancellations, modifications, and inquires. In addition, this chapter prescribes the supply source processing procedures of the aforementioned transactions including the preparation and processing of the material release and material release advice transactions.

C4.2 PREPARATIONS OF REQUISITIONS. Requisitioning organizations must use the DS to 511R Federal IC, Requisition (DLMS appendix 6), to submit requisitions for all material requirements.

C4.2.1 Transaction Reference Number

C4.2.1.1 General. The transaction reference number identifies each requisition within the supply system as follows:

C4.2.1.1.1 Identification Code. This consists of the first six positions of the transaction reference number and is a six-position constructed code for identification purposes. Use the applicable DoD Activity Address Code (DoDAAC) (AAC for Federal Civil Agencies) or International Logistics Control Office (ILCO) assigned identification code for SA requisitioners not assigned a DoDAAC. For Military Assistance Program (MAP)/Grant Aid (GA), the Service/Agency code identifies the U.S. Service or Agency responsible for administering the program line in the first position, the country or international organization code in the second and third positions, the customer-within-country code in the fourth position, a zero in the fifth position, and the type of assistance and financing code in the sixth position. For Foreign Military Sales (FMS), the Service assignment code identifies the U.S. Service responsible for administering the case in the first position, the country or international organization code in the second and third positions, the customer-within-country code in the fourth position, the delivery term code in the fifth position, and the type of assistance and financing code in the sixth position. (NOTE: Shipments to Canada identify the customer-within-country code as a two-position code in the fourth and fifth positions.)

C4.2.1.1.2 Transaction Control Date. This is a four-position ordinal date (one position year of century and three-position day of year) (seventh through tenth positions) to identify the requisition preparation date.

C4.2.1.1.3 Serial Number. This is the assigned four-position line item code (eleventh through fourteenth positions) for each requisition within the transaction set. Use the Utilization Code in the LQ segment to identify the purpose of the requisition.

C4.2.1.2 Priority Designators and Required Delivery Dates

C4.2.1.2.1 Assignment of Priority Designator. The Priority Designator (PD) is based upon a combination of factors that relate the relative importance of the requisitioner's mission, expressed by its Force or Activity Designator (F/AD)(a Roman numeral) and the urgency of need of the end use expressed by the Urgency of Need Designator (UND). The F/AD is assigned by the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, or a DoD Component authorized by the CJCS, to assign F/ADs for their respective forces, activities, programs, or projects. The criteria for assignment of an appropriate F/AD is in DoD 4140.1-R. The requisitioning activity determines the UND (an alphabetic character).

C4.2.1.2.2 Commanding Officer Responsibilities. Commanding officers of requisitioning installations are responsible for the accurate assignment of PDs consistent with the F/AD and UND, and the validity of required delivery dates (RDDs) when assigned to requisitions. Similarly, commanding officers of ILCOs, receiving requisitions from SA requisitioners, are responsible for review of assigned PDs and delivery dates. Commanding offices must also accomplish the following reviews prior to transmitting requisitions to the supply source:

C4.2.1.2.2.1 Commander Requirements Review. Commanders (or acting commanders during absences) will personally review all requirements based on UND A to certify an inability to perform the mission.

C4.2.1.2.2.2 Designation of Reviewers. Commanders will designate, in writing, specific personnel who will personally review all requirements based on UND B to certify that the urgency has been accurately determined.

C4.2.1.2.3 Determining Urgency of Need Designator. Determine the appropriate UND as follows:

C4.2.1.2.3.1 Using UND A. Use UND A in requisitioning material:

- Required for immediate end-use and without which the force or activity is unable to perform its assigned operational mission or without which the force or activity will be unable to perform its assigned operational mission within 15 calendar days (20

calendar days if the force or activity is located outside continental United States (OCONUS)).¹

- Required for immediate installation on, or repair of, mission-essential material and without which the force or activity is unable to perform its assigned operational mission.
- Required for immediate end-use for installation on, or repair of, direct support equipment (such as ground support and fire fighting) necessary for the operation of mission-essential material.²
- Required for immediate end-use in the replacement or repair of mission-essential training material and without which the force or activity is unable to perform its assigned training missions.
- Required for immediate end-use to effect the replacement or repair of the essential physical facilities of an industrial or production activity and without which that activity is unable to perform its assigned missions.
- Required for immediate end-use to eliminate an existing work stoppage at an industrial or production activity that is engaged in manufacturing, modifying, or maintaining mission-essential material.
- Required for immediate end-use to eliminate an existing work stoppage on a production line that is performing repair and maintenance of unserviceable items having a Military Mission Essentiality Code of 1 or 2.

C4.2.1.2.3.2 Using UND B. Use UND B in requisitioning material:

- Required for immediate end-use and without which the capability of the force or activity to perform its assigned operational mission is impaired.
- Required for immediate installation on, or repair of, mission-essential material and without which the capability of the force or activity to perform its assigned operational missions is impaired.³

C4.1 _____

¹Material requirements of this nature affect the readiness of mission-essential material and actually result in a report of casualty in accordance with equipment readiness information systems authorized by the Office of the Secretary of Defense (OSD), the CJCS, or DoD Component headquarters.

²See Footnote 1.

³See Footnote 1 on page C4-2.

- Required for immediate end-use for installation on, or repair of, auxiliary equipment. Auxiliary equipment is defined as equipment which supplements mission-essential material or takes the place of such material should it become inoperative.
- Required for immediate end-use in the replacement or repair of mission-essential or auxiliary training equipment and without which the capability of the force or activity to perform its assigned missions is impaired.
- Required for immediate end-use to effect replacement or repair of the essential physical facilities of an industrial or production activity and without which the capability of that activity to perform its assigned missions is impaired.
- Required to preclude an anticipated work stoppage at an industrial or production activity that is engaged in manufacturing, modifying, or maintaining mission-essential material.
- Required to preclude an anticipated work stoppage on a production line performing repair and maintenance of unserviceable intensive management or critical items.
- Required for the immediate replacement of the safety level quantity of mission-essential items on allowance and load lists (such as, prescribed load lists, spares kits, station sets, or coordinated shipboard allowance lists) when the last item has already been issued.
- Required for immediate stock replenishment at OCONUS forward area supply activities when a customer's mission-essential stock level goes below the safety level and stock due in is not anticipated to arrive prior to stock on hand reaching a zero balance. The quantity ordered should be the minimum amount sufficient to ensure the maintenance of a positive stock balance until material that is due in actually arrives.

C4.2.1.2.3.3 Using UND C. Use UND C in requisitioning material:

- Required for on-schedule repair, maintenance, manufacture, or replacement of all equipment.
- Required for replenishment of stock to meet authorized stockage objectives.
- Required for purposes not specifically covered by any other UND.

C4.2.1.2.4 Deriving Priority Designators. The requisitioning activity determines the appropriate PD to use in the requisition based on the assigned F/AD and the UND.

Table 1 indicates the appropriate Arabic number PD derived from a combination of a given Roman numeral F/AD with one of the alphabetical UNDs. Note that each force or activity normally can choose from only three PDs.

**Table 4-1. DERIVATION OF PRIORITY DESIGNATORS
(Relating F/AD to UND)**

<u>FORCE ACTIVITY OR DESIGNATOR</u>	<u>URGENCY OF NEED DESIGNATOR</u>		
	<u>A</u>	<u>B</u>	<u>C</u>
I	01	04	11
II	02	05	12
III	03	06	13
IV	07	09	14
V	08	10	15

C4.2.1.2.5 Validation of Force/Activity Designator Activities. By direction of the Office of the Secretary of Defense, the DAASC/DLA Systems Design Center (DSDC) will validate F/AD I usage through the requisitioning process. DAASC will maintain an edit table consisting of authorized F/AD I activities. To preserve accuracy and timely update, the JCS will forward to DAASC all Secretary of Defense approved assignments of FAD I immediately upon approval. Telephonic or electronic communication, to include online update, with DAASC is authorized for time-sensitive updates; however formal documentation shall be forwarded to DAASC to support inclusion of all F/AD I authorized activities. In order to maintain unclassified communication, JCS contact points are advised to identify authorized activities by DoDAAC only (no clear-text activity names) and make no reference to the associated F/AD. F/AD I requisitions (DS 511R or DS to 511M Federal IC, Modification (DLMS Appendix 6), Transaction Type Codes A0, BM, BN, AM) which do not identify an authorized activity in the transaction reference number, ship-to, bill-to, or mark-for fields will be identified for investigation without interruption on normal requisition processing. In addition, DAASC will assess the validity of transactions which bypass the F/AD I validation process as a result of alternative requisition submission, e.g., Defense Supply Expert System (DESEX) input, using the requisition image transaction. Suspected abuse will be output to the Unauthorized Priority Designator Assignment Report.

C4.2.1.2.5.1 Security Assistance Requisitions. Security Assistance requisitions (identified by Service Code B, D, K, P, or T) will be reviewed for appropriate PD assignment by the ILCO prior to release. Specific procedures to accomplish this may be deferred until implementation of the Defense Security Assistance Management System

(DSAMS). Security Assistance requisitions will not be revalidated by DAASC against the established edit table. However, any SA requisitions with PD 01, 04, or 11 will be displayed as suspected abuse in the above report under the appropriate DoD Component heading with no activity name.

C4.2.1.2.5.2 Participating DoD Component Points of Contact Responsibilities. DoD 4140.1-R, appendix 9, requires DoD Components to designate a single office of primary responsibility to act as focal point for Uniform Material Movement and Issue Priority System (UMMIPS) matters. To provide clear visibility of such points of contact, the JCS, the Military Services, the DLA (if needed), and the GSA, will provide contact information to DLMSO for publication in the aforementioned appendix 9. Contact information shall include office name/symbol and communications numbers (individual names are optional). Primary and alternate information should be included. DoD Component responsibilities for monitoring F/AD assignments and conducting annual reviews are delineated in DoD 4140.1-R.

C4.2.1.2.5.3 DoD Component Points Of Contact: Refer to the DLMSO Home Page for list of contacts at: <http://www.dla.mil/j-6/dlmso/servicepoints/default.htm>.

C4.2.1.2.6 Special Circumstance Precedence. In the following special circumstances, use the stated PD, irrespective of F/AD, but do not use for the routine replenishment of stocks to meet authorized stockage objectives:

C4.2.1.2.6.1 Emergency Medical/Disaster Supplies. Use PD 03 for medical or disaster-relief supplies or related items of equipment that are required immediately for:

- Prolonging life, relieving avoidable suffering, or expediting recovery in case of injury, illness, or disease.
- Avoiding or reducing the impact of epidemics or similar potential mass illnesses or diseases when in the opinion of medical professionals the probability of epidemics or similar potential mass illnesses is imminent.

C4.2.1.2.6.2 Emergency Civil Disturbance Equipment. Use PD 03 for emergency supplies or items of equipment that are required immediately for controlling a civil disturbance, civil disorder, or rioting.

C4.2.1.2.6.3 Individual Emergency Supplies Precedence. Use PD 06 for emergency supplies of individual and organizational clothing required immediately to provide a minimum of essential clothing to active duty military personnel who are actually without their required clothing.

C4.2.1.2.7 Specific End-Use Requisitions. If local stocks are exhausted and the local supply activity must requisition a specific immediate end-use requirement for a

supported activity with a higher F/AD, the supply activity may assign a PD, commensurate with the F/AD of the supported unit, to the specific requirement. Do not use this authority for the routine replenishment requirements of the supported unit.

C4.2.1.2.8 Commercial Contractor GFM Requisitions. Whenever a DoD Component executes a contract that provides that a commercial contractor will requisition GFM from the DoD distribution system, the DoD contracting officer will advise the contractor of the PDs to use in such contractor-prepared requisitions. The advice will take cognizance of the F/AD of the national priority program, force, or activity for which the contract is executed, and the potential urgencies of need.

C4.2.1.2.9 Issue Priority Groups. PDs are grouped into Issue Priority Groups (IPGs) as follows:

- PDs 01, 02, and 03 form IPG I
- PDs 04, 05, 06, 07, and 08 form IPG II
- PDs 09, 10, 11, 12, 13, 14, and 15 form IPG III.

C4.2.1.2.10 Required Delivery Dates

C4.2.1.2.10.1 Response Time Requirements. Requisitioning activities, after determining the appropriate PD applicable to requisitions, will determine the supply transportation system response-time requirements by the designation or nondesignation of an RDD. The response times (UMMIPS time standards) are displayed in DoD 4140.1-R.

C4.2.1.2.10.2 Nonstandard Delivery Times. When an RDD shorter than the UMMIPS time standards is assigned, the appropriate PD, consistent with the activity's F/AD and UND, will be cited in the requisition.

C4.2.1.2.10.3 Customer Unspecified Delivery Date. If the customer does not specify a delivery date, the customer should expect the total time from order placement to delivery to be within the total order and ship time specified by the UMMIPS time standards.

C4.2.1.2.10.4 Ensuring Delivery. For subsistence, the RDD is mandatory in all requisitions, with the assigned PD prescribing the precedence of internal supply processing actions for requisitions reflecting identical RDDs. To ensure delivery on the RDD, the ICP/depot may bank the requisitions until the correct processing date, computed by subtracting the number of days needed for depot processing and transit time from the RDD. Submit all requisitions using schedules established by the ICP.

C4.2.1.2.10.5 Collocated Customers. If the customer is collocated with the supply depot issuing the material or has, through local negotiations, obtained collocated customer status and does not require the fastest possible service of the supply and transportation system, the customer should cite Shipment Release Code (SRC) G in the LQ segment and not indicate an RDD.

C4.2.1.2.11 Expedited Handling and Expedited Transportation

C4.2.1.2.11.1 Using SRC 777. Requisitioners may request expedited handling and transportation by citing SRC 777.

C4.2.1.2.11.2 CLSSA Requisitions. For SA, use of this code is restricted to approved CLSSA requisitions with Type of Assistance Code U or V.

C4.2.1.3 Nonreimbursable Material. Use the no-charge indicator in non-excess personal property requisitions to identify the requisitions for nonreimbursable material. Use the utilization code in requisitions to the Defense Reutilization and Marketing Service for excess personal property requisitions to denote free issue. See chapter 17 for reutilization and marketing requisitioning procedures.

C4.2.1.4 Exception Data. Requisitioners must limit repetitive exception data to aid the timely supply source processing of requisitions to meet IPG processing times, standard delivery dates (SDDs), or RDDs, particularly those which satisfy high priority requirements. Use available requisitioning capabilities to ensure maximum utilization of automated processes. Processing exception data requisitions is resource intensive, prone to errors, and generally delays required support. The supply sources will disregard all unnecessary exception data (such as ship by commercial air, do not use postal system, ship by fastest traceable means, or ship overnight delivery) and continue processing. Supply sources will process all requisitions under UMMIPS (see DoD 4140-1-R). Within the UMMIPS time segment for transporting the material, it is the shipper's prerogative to select the mode of shipment based on time, distance, item characteristics, and economic factors. The repetitive use of the same exception ship-to address is an uneconomical way of doing business for all concerned. A separate DoDAAC assignment for this type of ship-to address should be made or the Transportation Account Code (TAC) 2 address of the involved activity should be changed and the resulting DoDAAC(s) used on applicable requisitions. Activities having multiple locations should assign a separate DoDAAC to each receiving location. It is incumbent upon the requisitioner to work with the applicable Service focal point to develop procedures to automatically process requisitions.

C4.2.1.5 Limitation on Use of Exception Data

C4.2.1.5.1 Applicability. Exception data will normally be limited to the conditions listed below. Commanders will approve, or delegate in writing to specific personnel to approve, the submission of exception-data requisitions.

C4.2.1.5.2 Authorized Conditions. Authorized conditions for use of exception ship-to addresses are listed below. Requisitions containing exception ship-to addresses other than those listed will be rejected with Status Code D6.

- Sales/donations/issues of material to qualifying Federal, state, or civil organizations or individuals approved by the Service Secretaries.

- Issues of nuclear assets as directed by Defense Threat Reduction Agency to Department of Energy contractors.
- Material in Supply Condition Code (SCC) L to contractors.
- Issues required by national emergency or natural disasters.
- Shipments to contractors for special testing.
- Requisitions from deployed naval units with an R or V in the first position of the transaction reference number; Utilization Code E, G, or W; PD 01, 02, or 03; and SRC 999.

C4.2.1.5.3 Exception Data. Exception data will normally be limited to the following:

- Non-NSN lumber products identified and ordered by description only or other commodities which require additional descriptive information.
- Authorization/identification for items when such requirement is imposed by the ICP, or by the parent Service, or the requisitioning activity.
- NSN requirements needing additional identifying information; for example, requisitions initially rejected with CG or CJ status.
- Requisitions for LEVEL 1/SUBSAFE and nuclear reactor plant material.
- NSN items for chemicals for boiler water and feed water analysis.
- Requisitions used to establish a registered user with the ICP in a Primary Inventory Control Activity (PICA)/Secondary Inventory Control Activity (SICA) situation.
- Requisitions for Marine Corps Pre-Positioned War Reserve (PWR) or Pre-Positioning Ships Program.

C4.2.1.6 Special Program Requirements. Requisitions resulting from SPRs must cite the associated SPR transaction number to establish an audit trail between the draw-down requisition and the SPR against which the requirement was established.

C4.2.1.7 Nonstandard Material. The requisitioner may cite an estimated unit price to advise the supply source of a reasonable expectation of the cost of the item. The supply source may contact the requisitioner, if in its estimation, the price incongruity between estimated price and quoted price warrant further clarification relative to the item being ordered. Requisitioners should use the last price paid as their estimate if they have previously ordered the item or use the price of a similar item ordered if they have not previously ordered the item.

C4.2.1.8 Contract Information. All GFM requisitions for or by contractors must identify appropriate contract data.

C4.2.2 Government-Furnished Material Requisitions

C4.2.2.1 General

C4.2.2.1.1 Purpose. This section prescribes policies and procedures for requisitioning GFM by or for contractors from the DoD Supply System. These procedures establish guidelines for requisitioners, authorized contractors, and DoD Components to obtain GFM from DoD inventories in support of contract requirements.

C4.2.2.1.2 DoDAAC Assignment. The DoD Components will assign a DoDAAC to each management control activity (MCA). Requisitioners, authorized contractors, and DoD Components will transmit all requisitions for GFM to the appropriate MCA for validation.

C4.2.2.1.3 Violations. Any attempt to circumvent GFM validation requirements is sufficient cause to refer the violation to the appropriate criminal investigating activity to determine possible fraud, waste, and abuse. The sponsoring Service or monitoring activity will refer all violations to the criminal investigators based on reports of rejected transactions or violations discovered during the post-validation process.

C4.2.2.1.4 Applicability. These procedures apply to all requisitions for GFM from DoD supply sources for or by contractors. The production of ammunition is excluded from GFM control.

C4.2.2.2 Preparation of Requisitions for Government-Furnished Material For Contractors

C4.2.2.2.1 Initiation. The responsible DoD Component, subject to the terms of the contract, or contractors may initiate requisitions for GFM.

C4.2.2.2.2 Supply Source Processing. Supply sources will process requisitions containing DoD Component codes designated for contractors under GFM controls and restrictions except when the issue is for contractor reimbursement by other than an Army contractor. Supply sources will process all Army contractor requisitions and associated transactions under GFM controls.

C4.2.2.2.3 Required Information. All GFM requisitions must include GFM-related information as follows:

- MCA monitoring the contract.
- DoDAAC of the contractor requesting and/or receiving the material.
- Indication when issue is without reimbursement.
- Identification of the manufacturing directive number (MDN) or contract number.
- Identification of the call or order number, when applicable.

C4.2.2.3 Submissions of Government-Furnished-Material Requisitions

C4.2.2.3.1 Applicability. Requisitioners, control offices, and monitoring activities must submit all requisitions and associated transactions for GFM, regardless of origin (such as contractor-or DoD Component-initiated), to the appropriate DoD Component MCA.

C4.2.2.3.2 Forwarding. After validating the GFM requisitions, the DoD Component MCA will forward the validated requisitions to the supply source. The DoD Component MCA may pass validated transactions internally where the MCA and supply source are collocated. The DoD Component MCA will transmit the validated transactions via DAASC when the MCA and supply source are not collocated.

C4.2.2.4 Management Control Activity Processing of Government-Furnished Material Requisitions

C4.2.2.4.1 MCA Actions. The MCA will receive and validate the data in the GFM requisitions based on the criteria furnished by the procurement and/or contracting offices. The MCA will make changes, reject, or continue the processing action. The MCA will:

C4.2.2.4.1.1 Item Verification. Verify the item requisitioned against a valid contract to determine authority for issue to the contractor. If blank, incorrect, or not authorized, reject with DN status.

C4.2.2.4.1.2 Contract Authorization. Determine if the item ordered is authorized by contract, verify the quantity. If blank or invalid, reject with CD status.

C4.2.2.4.1.3 Unit of Issue Validation. Validate the unit of issue in conjunction with the quantity to ensure that the quantity requisitioned does not exceed the authorized quantity. (NOTE: If a change of unit pack has occurred, appropriate adjustment should be made for the quantity authorized.). If the requisitioned quantity exceeds the remaining quantity authorized, reject the quantity which exceeds the authorized quantity with DJ status. If the authorized quantity has been exhausted by previous requisition(s), reject the total quantity requisitioned with DQ status.

C4.2.2.4.1.4 Contractor DoDAAC Validation. Determine if the contractor DoDAAC is valid, and if incorrect or not authorized, reject with DN status.

C4.2.2.4.1.5 Contract Number Validation. Determine if the MCN or contract number is valid and if invalid, reject with DB status.

C4.2.2.4.2 History Files. The MCA will maintain a requisition history file to serve as an auditable record of each GFM transaction. In addition, the MCA will generate reports required by DoD 4140.1-R.

C4.2.2.4.3 Telephonic Requisitions. Under emergency conditions, such as a potential contract work stoppage, the MCA may receive telephonic requisitions, PDs 01-08, for GFM. When this occurs, the MCA may telephone the requisitions to the appropriate supply source and validate the requirements afterward. If the post validation process reveals the requisitioner is not authorized GFM, the MCA will:

- Submit cancellation requests to the appropriate supply source and
- Advise the appropriate criminal investigating agency for determination of fraud, waste, and abuse.

C4.2.2.4.4 Forwarding. Upon completion of the validation process, the MCA will identify itself as the FROM organization in the transaction and forward the transactions, or internal transactions (optional only when the MCA and supply source are collocated in the same distribution system), to the applicable supply source via DAASC.

C4.2.2.5 Management Control Activity Processing of Government-Furnished Material Validation Requests. MCAs in receipt of a GFM validation request (DS to 517G Federal IC, GFM Validation [DLMS appendix 6]) will validate the data by the response due date indicated in the validation request and forward a GFM validation response (DS 517G) to the applicable supply source as follows:

- If the requisition has been previously validated, cite Advice Code 2M.
- If the requisition has not been previously validated and the call order number/procurement instrument identification number (PIIN) (or manufacturing directive number (MDN)) is not present, cite Advice Code 2U.
- If the requisition has not been previously validated and the call order number/PIIN (or MDN) is present, validate the stock number, unit of issue/quantity, and contractor and generate the GFM Validation response as follows:
- If the validation process reveals that the contract is not valid, respond with Advice Code 2U.
- If the validation process reveals that the requested quantity exceeds the contract authorized quantity, respond with Advice Code 2R and indicate the quantity approved for issue in the QTY segment.
- If the validation process reveals that the requested quantity totally exceeds the contract authorized quantity, respond with Advice Code 2Q and indicate the total quantity is disapproved for issue in the QTY segment.
- If the validation process reveals that the requested item, or contractor is not authorized GFM under a valid contract, respond with Advice Code 2V.

- If the validation process reveals that the requested item is authorized, respond with Advice Code 2M.
- Note: Conversion between DLSS and DLMS material obligation validation (MOV) transactions is not available. MCAs and supply sources must transmit MOV transactions in accordance with the method of transmission employed by the receiver.

C4.2.2.6 Supply Source Processing of Government-Furnished Material Requisitions

C4.2.2.6.1 General. Supply sources receiving GFM requisitions, modifiers, inquiries, and cancellations, regardless of the method of transmission, will process such transactions under these procedures. Supply sources receiving GFM requisitions for items not managed by their activity will reject the requisitions with CH status. Supply sources will edit the GFM transactions for the prescribed data elements and codes and correct, continue the processing actions, or provide the appropriate reject status.

C4.2.2.6.2 Validation. Supply sources will validate all GFM transactions. Supply sources will perform the supply source/MCA validation process. The supply source/MCA validation process is not required when an internal requisition transaction is received from a collocated MCA in the same distribution system. However, supply sources must have safeguards in place to ensure that only internal transactions generated by the collocated MCA are accepted/processed.

C4.2.2.6.3 Telephonic Requisitions. Under emergency conditions, supply sources may receive telephonic (PD 01-08) requisitions from the MCA or requisitioner. The supply source may process these requisitions for immediate supply action and complete the GFM validation process later. If the validation process reveals the activity is not authorized GFM, refer the incident to the appropriate criminal investigating agency.

C4.2.2.7 Supply Source Government-Furnished Material Validation Process. For each GFM requisition, the supply source will employ one of the following options:

- Create and forward a validation request (DS 517G) to the MCA identified in the requisitioner's transaction. If the MCA is invalid or missing, reject with CL status.
- Create and forward a GFM validation request to DAASC even if an MCA is contained in the requisitioner's transaction. The DAASC will perform edits regarding the validity of the MCA data under C4.2.2.7.
- Use a combination of the above options: one for intra-Service transactions and one for inter-Service transactions.
- Suspend further supply support action on the requisitioner's transaction pending receipt of the GFM validation response.

- If the GFM validation response is not received by the response due date indicated in the GFM validation request, reject the requisitioner's transaction with Status Code DR.
- Upon receipt of the GFM validation response, the supply source will process the suspended transaction using instructions provided by the advice/status code.
- If Advice Code 2U, reject with DB status.
- If Advice Code 2R, process for the approved quantity indicated in the GFM validation response. Reject the quantity difference between the suspended transaction and the GFM validation response with DJ status.
- If Advice Code 2Q, reject with DQ status.
- If Status Code CL, reject with CL status.
- If Advice Code 2V, reject with DN status.
- If Advice Code 2M, process under applicable supply source procedures.
- If the advice/status code is invalid or an advice/status code is not indicated, reject with DR status.
- If a GFM validation response is received and there is a record of the requisition but a GFM validation request has not been submitted, discard the GFM validation response and generate a GFM validation request.
- If a GFM validation response is received and there is no record of the requisition, provide BF status.

C4.2.2.8 Defense Automatic Addressing System (DAAS) Processing Of Government Furnished Material Transactions. DAAS will pass the following:

- All GFM transactions to the identified MCA. If the MCA is not a valid MCA, reject with CL status.
- All GFM validation requests to the identified MCA. If the MCA is invalid, generate a GFM validation response with Status Code CL to the supply source.
- All GFM validation responses to the identified supply source.

C4.2.3 Security Assistance Requisitions

C4.2.3.1 General

C4.2.3.1.1 Requisitions. Security assistance countries and security assistance organizations will prepare and transmit requisitions to the applicable U.S. Service ILCO. The ILCO will transmit the SA requisitions to the appropriate supply source for processing.

C4.2.3.1.2 Requisition Status Determination. The ILCOs must identify the programmed or nonprogrammed status of a requisition to the supply source by using the appropriate cooperative logistics program support code (CLPSC). The supply source will process SA requisitions without a CLPSC as unprogrammed requirements.

C4.2.3.1.3 Restrictions. Certain SA requisitions will be subject to a restriction in quantity when it is determined that the total requirement for an item will result in more than 25 shipment units. This constraint is employed to preclude the assignment of nonconforming transportation control numbers (TCNs) that occur when the number of shipment units exceeds 25 and which causes a loss of identity to the shipment. The Services will specify those items of equipment to which the quantity restriction applies. Generally, these items will be equipment such as wheeled/tracked vehicles or other items when a unit of issue of one each will constitute a single shipment unit.

C4.2.3.2 Requisition Identification Code. All SA requisitions will contain a unique six-position identification code consisting of a combination of codes which identifies the requisitioning country or international organization and which provides specific requisitioning and shipping instructions for the supply source and shipping activities. This identification code is the first six positions of the transaction reference number. The DoD 4000.25-8-M, DoD 5105.38-M, and the DoD 7290.3-M, in combination, provide the interpretation of these codes. See C4.2.1 above, for specifics on the actual code construction.

C4.2.3.3 Required Availability Dates

C4.2.3.3.1 Identification. Always identify the effective required availability dates (RADs) in SA requisitions for major weapons systems, end items, and concurrent spares. In FMS cases, compute the RAD by adding the lead time stated on the U.S. Letter of Offer and Acceptance to the date of receipt of the completed, funded, U.S. Letter of Offer and Acceptance. For MAP/GA, compute the RAD by adding the ICP determined lead time to the date of the MAP order.

C4.2.3.3.2 RAD Identification. The DoD Components identify the RAD in the requisitions for major items and associated support equipment and the initial issue parts for MAP/GA, as soon as practicable, but not later than 120 calendar days after receiving an approved funded order.

C4.2.3.3.2.1 Start Point. RAD time begins with the date of the requisition.

C4.2.3.3.2.2 RAD Modification. Requisitioners will modify RADs when contract-forecasted delivery dates indicate a change in the availability of the items. Requisitioners will use BB, BV, or B3 status to reflect the true RAD. The

ILCO/requisitioner will adjust all records to cite the new RAD information. When unable to meet the established RAD, the supply source will use B3 supply status to notify the ILCO of the RAD slippage.

C4.2.4 Not-Mission-Capable Supply and Anticipated Not-Mission-Capable Supply Requisitions

C4.2.4.1 General

C4.2.4.1.1 Definition. NMCS is a material condition indicating that systems and equipment are not capable of performing any of their assigned missions because of maintenance work stoppage due to a supply shortage. (See DoD Instruction 3110.5.)

C4.2.4.1.2 Approval Authority. Commanders will approve, or delegate in writing to specific personnel the authority to approve, all NMCS/ANMCS requisitions and submit the requisitions by the most expeditious means. Commanders of the Service ILCOs will approve, or delegate in writing to specific personnel, the authority to approve all FMS CLSSA requisitions applicable to NMCS or ANMCS conditions.

C4.2.4.1.3 Security Assistance Use. For SA, only approved CLSSA requisitions with Type of Assistance Code U or V are authorized use of SRC N or E.

C4.2.4.1.4 Priority Requirements. Submit NMCS and ANMCS requisitions only for material in the quantities needed to return the mission-essential system or equipment to mission capable/operationally ready status or when items are not available in ready-for-issue condition at the supporting post, camp, station, or OCONUS theater. Use overnight or next day delivery service for NMCS and ANMCS shipments whenever possible.

C4.2.4.2 Not-Mission-Capable Supply Conditions Meeting Special Requirements Code 999

C4.2.4.2.1 Use. Use Special Requirements Code 999 in PD 01-03 requisitions for material which will cause an NMCS condition to occur in mission-essential systems and equipment. Special requirements code 999 will identify transactions related to the critical items as requiring expedited handling. Any special requirements code used in the requisition will appear in the material release order (MRO) and the shipping documentation. This procedure applies only to NMCS material shipped to U.S. Forces OCONUS or to Forces alerted for deployment within 30 calendar days of the date of the NMCS requisition. SRC 999 does not apply to SA.

C4.2.4.2.2 Purpose. Special Requirements Code 999 identifies the need for expedited handling of the NMCS material when meeting the specific conditions listed below. (The commanding officer of the requisitioning activity will either personally review, or delegate in writing to specific personnel the authority to review, all requisitions identified for expedited handling to certify compliance with the prescribed criteria.)

- The requisitioning unit must possess F/AD I, II, or III, and,
- The items or equipment required are causing mission-essential systems or equipment to be incapable of performing any of their assigned missions (NMCS) or,
- The items or equipment required have been identified during maintenance or testing as necessary to prevent mission-essential systems or equipment from being unable to perform assigned operational missions or tasks within 5 calendar days of the date of the requisition.

C4.2.4.3 Not-Mission-Capable Supply Conditions Meeting Special Requirements Other Than Code 999. Apply the following to requisitions for NMCS conditions other than Special Requirements Code A originating from activities where Forces in CONUS are not alerted for deployment:

- Use PDs 01-08 only.
- Cite SRC N. Note: FMS, CLSSA requisitions applicable to NMCS conditions will cite Special Requirements Code N, which will identify transactions related to critical items and requiring expedited handling.
- Indicate short RDDs.
- Use the PD to process these requisitions.

C4.2.4.4 Anticipated Not-Mission-Capable Supply Conditions

C4.2.4.4.1 Definition. ANMCS is a condition which is anticipated to occur within 15 calendar days in the CONUS or 20 calendar days OCONUS; such as, equipment becoming deadlined for parts, engines going out of commission for parts, aircraft going out of commission for parts, or a ships' capability being impaired for parts. Prepare requisitions for material to prevent degradation of the mission capability of such systems/equipment as follows:

- Use PDs 01-08 only.
- Cite SRC EC. Note: FMS CLSSA requisitions applicable to ANMCS conditions will cite SRC E, which will identify transactions related to critical items and requiring expedited handling.
- Indicate short RDDs.

C4.2.4.4.2 Use. Use the PD to process these requisitions.

C4.2.5 Pre-Positioned War Reserve Material Stock Requisitions

C4.2.5.1 Initial Fill. Use Demand Code O and Project Code 3AA to identify requisitions for the initial fill of PWRMS consumable item requirements. Use Project Code

3PR in PWRMS replenishment requisitions. DoD organizations cannot submit nonreimbursable requisitions to the GSA.

C4.2.5.2 Reimbursements. Use the appropriate treasury symbol number and fund purpose code in all reimbursable requisitions for PWRMS requirements. Only use PDs 11-15 in reimbursable requisitions for PWRMS requirements; however, if overriding or operational situations justify immediate supply support, use PDs 01-03.

C4.2.5.3 New Material Requirements. Use one of Advice Codes 3C thru 3H, and 3J, as appropriate, to indicate the requirement for newest material and when this material must have at least 75 percent of its shelf life remaining. These advice codes are for Defense Personnel Support Center (DPSC) medical items and apply to requisitions for PWRR, PMSR, and other requirements authorized and approved by the DoD Components. Procedures for requesting and approving the use of these codes and the authorized approving DoD Component organization are as follows:

C4.2.5.3.1 Submission. Activities will submit their requests to use Advice Codes 3C thru 3H and 3J using internal DoD Component guidance, to the authorized approving DoD Component organization.

C4.2.5.3.2 Required Data. The authorized approving DoD Component organization will submit all approved requests to the DPSC with the following data: (1) DoDAAC of the approved organization, and (2) justification for the use of the new codes. Authorized DoD Component approving organizations are as follows:

Army	Commander U.S. Army Medical Material Agency ATTN: SGMMA-RMM Fort Detrick Frederick, MD 21701-5000
Navy	Chief of Naval Operations Navy Department ATTN: OP-41C Washington, DC 20350-2000
Air Force	Air Materiel Command ATTN: AFMLO/FOR-O Frederick, MD 21701-5000
Marine Corps	Commandant of the Marine Corps Headquarters United States Marine Corps ATTN: LPP-2 Washington, DC 20380-0001

Coast Guard	Commandant U.S. Coast Guard ATTN: G-ELM-2 2100 Second Street, SW Washington, DC 20593-0001
NSA	Director National Security Agency ATTN: L1111 9705 Samford Road Fort George G. Meade, MD 20755-6000
DLA	Defense Supply Center Philadelphia ATTN: DSCP-M 2800 S. 20th Street Philadelphia, PA 19145-5099

C4.2.5.3.3 Approval/Disapproval. The DPSC will provide approval/disapproval to the authorized approving DoD Component organization with an effective date for submission of requisitions.

C4.2.6 Conventional Ammunition Requisitions

C4.2.6.1 Granting Issue Authority. Service owners of single manager for conventional ammunition (SMCA) managed items may grant authority to the SMCA ICP to issue assets below established stock reservation levels. The Service owner must convey this authority to the SMCA ICP by using Advice Code 2S in the DS 511R.

C4.2.6.2 Use. Use Advice Code 3Q, 3V, 3W, 3X, 3Y, or 3Z, as applicable, when usable SCC E (defined pg 10) material is acceptable.

C4.2.7 Subsistence Requisitions

C4.2.7.1 Applicability. Always include the applicable subsistence type of pack code and the RDD in requisitions for perishable and nonperishable subsistence items.

C4.2.7.2 Use. Use the appropriate DPSC assigned subsistence identification number (or applicable unit price code (UPC)) to identify brand name resale items as follows:

- Positions 1-4 identify the FSC.
- Positions 5-6 indicate the National Codification Bureau code; such as, 00 or 01.

- Position 7 contains alphabetic characters to distinguish brand name resale items from NSN items as follows:
- Code A identifies brand name resale items in the 10-500 series of DLA supply bulletins.
- Code B identifies items in the 10-600 bulletins.
- Codes S and J identify certain brand name items announced in the DPSC monthly bulletins. These items do not appear in the 500 and 600 series bulletins.
- Positions 8-10 cite the supply bulletin number which identifies the brand name supplier; for example, SB 10-500-161. The numeric 161 identify a specific supplier by brand name listed in that bulletin.
- Positions 11-13 cite the numerical sequence of items listed in the specific bulletin (0 thru 999); such as, the line-item number in the bulletin.

C4.2.7.3 Requisition Advice. Always use Advice Code 2C in brand name resale subsistence material requisitioned by/for OCONUS activities to advise the supply source to fill or kill any unfilled quantity which the vendor cannot ship for arrival to the OCONUS destination within 30 calendar days after the RDD. If the transshipping depot does not receive the material by the contract delivery date plus 15 calendar days, the supply source will contact the vendor to determine the status of the shipment. If the vendor has not shipped the material, the supply source will initiate procurement or requisition cancellation action and notify the customer with appropriate supply status. If the vendor has shipped the material and the procurement cancellation cannot be effected, the transshipping depot must put the material in stock to fill future requirements. This only applies to shipments which cannot be shipped to arrive at the OCONUS destination within 30 calendar days after the RDD. The supply source will furnish appropriate rejection status to the customer.

C4.2.8 Special GSA Procedures on Nonmailable Items

C4.2.8.1 Advice Code 2A Processing. GSA will process requisitions received with Advice Code 2A (item not available locally) regardless of the possible excessive transportation costs.

C4.2.8.2 Low Item Value. GSA will cancel requisitions (with CW status) when received without Advice Code 2A for an item valued at \$25 or less if, at the time of shipment, transportation costs incurred for shipping that order is in excess of 50 percent of the item value. GSA will notify the ordering activity when this condition exists and the requisitioner should attempt to procure the item locally. If local procurement cannot be effected, submit a new requisition with Advice Code 2A. In response, GSA will supply the item regardless of the transportation costs.

C4.2.8.3 Non-Applicability. These procedures do not apply to SA requisitions.

C4.2.9 Timeframes and Submission of Requisitions

C4.2.9.1 Frequency. The frequency of submitting requisitions is the sole prerogative of the requisitioner and, except for subsistence items, the distribution systems will not prescribe scheduling. Submit requisitions when necessary to meet requirements for stock or to meet specific requirements for immediate use. In order to make the system more efficient and cost-effective, activities should consider consolidating requirements to reduce the submission of low-value requisitions.

C4.2.9.2 Effective Time Period. The requisition submission time period extends from the date of the requisition to the date of receipt by the initial wholesale supply source; for example, the ICP or stock point which maintains any asset availability records for the purpose of filling material demands or ordering other supply action.

C4.2.9.2.1 Requisition Date. The date of requisition will indicate the actual date of transmittal from the requisitioner to the initial supply source. Do not predate requisitions to facilitate local processing. The transaction set process will reflect the true date of transmittal.

C4.2.9.2.2 Approval Time. Time consumed by review/approval of control offices which are intermediary between the requisitioner and the initial supply source is counted in the time standard for this segment.

C4.2.10 Maintenance of Requisition History and Due-In Files

C4.2.10.1 Requirement. All DoD Components must maintain a requisition history and due-in file for each transaction processed.

C4.2.10.2 Expeditious Processing. Requisitioners must expeditiously process transaction status and material receipts to requisition and due-in files to preclude the unnecessary generation of follow-ups.

C4.3 RETRANSMITTED REQUISITIONS. Use the FROM-address in the requisition to identify the activity passing and/or referring the requisition and TO-address to identify the activity to receive the requisition. In addition, indicate the applicable suffix code of the retransmitted requisition if the quantity is less than the original requisition quantity and the appropriate demand code. Indicate the date of receipt of the demand as recorded by the initial supply source when retransmitting requisitions to another supply source. Use Special Requirements Code 888 to identify retransmitted requisitions generated from backorder releases submitted only to the SMCA.

C4.4 REQUISITION CANCELLATIONS

C4.4.1 General

C4.4.1.1 Requests. The requisitioner, monitoring activity, S/A headquarters, and authorized command elements may request cancellation of previously submitted requisitions by using the DS to 869C Federal IC, Cancellation (DLMS appendix 6). The activity initiating the cancellation action, if other than the requisitioner, must advise other interested activities of the cancellation action. Send single line-item cancellations to the last known supply source holding the applicable requisitions. Under normal circumstances, cancellation requests represent a discontinued need of specific items and quantities. Do not deobligate funds or update individual due-in records until you receive status from the supply source confirming cancellation.

C4.4.1.2 Receipt from Contractor. Do not submit single line item cancellations when a CONUS activity has received notice of shipment for material from a contractor's facility or a depot.

C4.4.1.3 Minimum Value Item. Do not submit single line-item cancellations when an OCONUS activity has received shipment status and the line-item value of the cancellation is less than \$200, or the material was shipped by air mail, or parcel post, or the material was shipped more than 10 calendar days by air shipment to an aerial port of embarkation (APOE), or 45 calendar days by surface shipment to a water port of embarkation (WPOE).

C4.4.1.4 Conditions Not Excluded. Submit cancellations for conditions not excluded when there is no longer a need for a requisitioned quantity regardless of line item dollar value or status. Such submissions will authorize the supply source to properly adjust demands, when appropriate, and initiate cancellation action, when feasible.

C4.4.1.5 Status Code BV. Supply sources may initiate billings to requisitioning activities for transportation charges and/or contract termination costs even though the supply source is able to effect cancellation/diversion if requisitions are assigned Status Code BV. The consignee, the appropriate commander, or Service headquarters is responsible for the utilization or disposition of material that cannot be canceled or diverted to an alternate consignee.

C4.4.1.6 Material Shortages. Requisitioning activities must submit a new requisition with a new transaction reference number, citing appropriate issue priority designators (PDs), whenever shortages occur for material previously canceled or rejected. Do not submit requests to reinstate previously canceled or rejected requisitions to supply sources.

C4.4.2 Mass or Universal Cancellation of Requests

C4.4.2.1 General. Base closures, termination of special projects, ship and unit inactivations, termination of agreements, or termination of vessel outfitting, or construction, are events which can necessitate the requirement for a mass or universal cancellation of multiple lines. Although these events may ultimately require mass or universal cancellation

action, they are normally known to the affected activities well in advance of the effective date of such closures or termination action. In these instances, every effort will be made by the requisitioning activity to minimize the continued processing of requisitions by the supply sources, and the subsequent entry of unwanted shipments into the Defense Transportation System (DTS), through initiation of single line-item cancellations. When DoD Component headquarters are aware that a total project (or total requirement for a single base) is no longer required and should be canceled, the DoD Component may initiate a mass or universal cancellation request of multiple lines by indicating a date range for the applicable requisition transaction number dates, appropriate project code(s) and/or various organizations.

C4.4.2.1.1 Mass Cancellation. A mass cancellation permits continued transaction and shipment processing for selected requisitions.

C4.4.2.1.2 Universal Cancellation. A universal cancellation serves to terminate all such processing, even requisitions previously identified for continued transaction and shipment processing under mass cancellation situations.

C4.4.2.2 Requirements for Continued Shipment. Requisitions for which transaction and shipment processing must be continued under mass cancellation situations will be indicated by the requiring activity at the earliest date through submission of requisition modifiers, DS to 511M Federal IC, Modification (DLMS appendix 6), containing SRC 555 in the LQ segment. For SA, use of this code is restricted to approved CLSSA requisitions with Type of Assistance Code U or V. Supply sources will not cancel requisitions which have been modified to contain SRC 555 during a mass cancellation process.

C4.4.2.2.1 Requisition Changes. The requisition may not be changed to contain SRC 555 by means of a requisition modification submitted after the effective date of the requested mass cancellation.

C4.4.2.2.2 Applicability. Requisitions, which fall within the scope of the announced mass cancellation criteria, submitted after the effective date of the mass cancellation action, will contain SRC 555.

C4.4.2.3 Initiation of Requests. Requests for mass or universal cancellation of requisitions will be initiated by the DoD Component headquarters, or by an authorized command element. The DoD Component contact points established for issuance and receipt of requests for mass and universal cancellation are listed in figure 5-1. Inter-DoD Component dissemination of requests for mass or universal cancellation will be made by the contact points designated in column 1 to the designated contact points identified in column 2 of figure 5-1. The mass or universal cancellation request will be accomplished by preparation of the DS 869C.

C4.4.2.4 Dissemination of Intra-DoD Component S/A Requests. Intra-DoD Component dissemination of requests for mass or universal cancellations will be accomplished by the DoD Component contact point designated in column 2 of figure 5-1.

Intra-DoD Component dissemination will include all Component supply sources, storage sites, and other activities within the DoD Component processing supply transactions or shipments with capability to cancel requisitions or divert shipments. In addition, the designated DoD Component contact points will ensure that the appropriate overseas theater, force, logistics, or type commanders are cognizant of mass or universal cancellation actions affecting their areas of responsibility.

C4.4.2.5 Required Information. Requests for mass or universal cancellation action, DS to Federal IC 869C, Cancellation (DLMS appendix 6), will be submitted to the DoD Component designated contact point(s) for cancellation of all open requisitions applicable to specific projects, or bases (as identified by AACs). The request for mass or universal cancellations will contain identification of the activity having submitted the request, the effective date, and the required codes for identification of one of the following, for which cancellation of all applicable requisitions is requested:

- Project code and ship-to address.
- No project code and ship-to address.
- One project code and various addresses.
- No project code and various addresses.
- Various project codes and one address.

C4.4.2.6 Continuing High Priority Demands. A need may exist to continue the processing of certain requisitions and shipments during mass cancellations such as high priority demands to satisfy NMCS conditions (identified by SRC 999 or N in the requisition). In addition, a need may exist to allow continued processing on requisitions for material required to effect base closure. In these instances, submit a requisition–modification, containing SRC 555 in the LQ segment and one of the following selective criteria, to applicable supply sources prior to the submission of the mass cancellation request:

- Project code(s) when associated with the ship-to address being canceled.
- SRC 999 or NB when associated with the ship-to address being canceled.
- Specific PD when associated with the ship-to address being canceled.
- Required delivery period (RDP) when associated with the ship-to address being canceled - conventional ammunition only.

C4.4.2.7 Identifying Continued Processing Requests. Upon receipt of the requisition modification containing SRC E in the LQ segment and one of the above selective criteria, supply sources will review all affected requisition(s) and all associated transactions/records to identify those for which continued processing has been requested. In the case of items scheduled for direct delivery, the supply source will forward requisition

modifications to procurement sources. Supply sources and procurement sources will annotate the affected requisition(s) and all associated transactions/records with SRC 555 in the LQ segment.

C4.4.2.8 Defense Transportation System Processing. DTS will continue movement of material to which an SRC 555 has been applied except when a universal cancellation has been announced.

C4.4.2.9 Diverting OCONUS Shipments. When OCONUS shipments have already departed from CONUS ports, the responsibility for diversion or disposition is that of the consignee or the appropriate theater, force, logistics, or type commander. Notice to the latter will be the transportation lift data provided by the DTS clearance authority. (See also C4.7.20.)

C4.4.2.10 Diverting CONUS Shipments. No attempt will be made to divert material destined to CONUS customer activities beyond the point of shipment.

C4.4.2.11 Designated Storage Points. All shipping DoD Components will designate storage points within their distribution system to receive shipments redirected as a result of mass or universal cancellation. Fund citations for government bill of lading (GBL) preparation will also be provided. These designated points and fund citations will be provided to Air Mobility Command (AMC), Military Traffic Management Command (MTMC), or theater commanders and will serve as predesignated consignees for any announced mass or universal cancellation. If more than one storage point is designated, instructions will be furnished to specify on a geographical basis the storage point designation in relation to each range of water and aerial ports (such as, the west, gulf, and east coasts). In addition, canceling DoD Components will designate a contact point(s) to provide disposition instructions on material which does not meet the automatic diversion conditions specified in C4.7.20. Designated contact points will provide requested disposition instructions to DTS within 24 hours on material located at air terminals and within 48 hours on material located at water terminals.

C4.4.2.12 Single Line-Item Cancellation. Customers retain the authority to submit single line-item cancellation requests via DS 869C at any time before the effective date of the mass cancellation.

C4.5 REQUISITION MODIFICATIONS

C4.5.1 Requesting Modifications. The requisitioner, control office, or monitoring activity may request the modification of previously submitted requisitions using the 511M - Modification. Any activity initiating a requisition modification will notify other interested parties of such action, especially if the activity initiating the modification is other than the requisitioner. Transmit the requisition modification to the last known supply source. Limit modifications to changes in the following:

- Non-GFM Requisitions:
- Ship-To and/or Bill-To Address(es)
 - FMS Offer and Release Option Code
 - FMS Freight Forwarder
 - Treasury Symbol Number/Fund Purpose Code
 - Project Code
 - SRC
 - PD
 - RDD or RDP
 - Advice Code
 - Ultimate Recipient Code
 - Transportation Priority Code
 - GFM Requisitions

C4.5.2 Identifying Applicable Supply Actions. Identify requisitions for which supply action must be continued during mass cancellation situations and submit modifications with SRC 555 to the supply source at the earliest possible date to ensure the continued processing of the requisitions.

C4.5.3 Pertinent Modification Data. Only the data on the modification transaction will be changed. All other data will remain as stated on the original requisition.

C4.6 REQUISITION INQUIRIES/REQUESTS FOR SUPPLY ASSISTANCE

C4.6.1 General. Use the DS to 869A Federal IC, Requisition Inquiry/Supply Assistance (DLMS appendix 6), to follow-up or request supply assistance to improve ESDs over the dates indicated in the latest supply status transaction on previously submitted requisitions. Use either DS 869A or DS to 869F Federal IC, Requisition Follow-Up (DLMS appendix 6), to follow up the latest supply transaction on previously submitted requisitions. The follow-up request may result in shipment tracing action. The request for supply assistance may result in supply action for interchangeability and sustainability (I&S) items or items of a higher assembly. (See DoD 4500.9-R for shipment tracing procedures.)

C4.6.2 Follow-Ups. Submit follow-ups to obtain the latest status for a previously submitted requisition.

C4.6.2.1 Follow-Up Format. Requisition follow-ups can be accommodated in two formats. The DS 869A provides a streamlined requisition follow-up. The DS 869F requisition follow-up offers the additional capability of conveying all information provided on the original requisition (with the exception of quantity stratification by weapon system) so that the follow-up may act as a requisition if the inquiry is unmatched to the IMM's data base.

C4.6.2.2 Follow-Up Submission Criteria

C4.6.2.2.1 Delay Status Not On Hand. Submit follow-ups when status data is not on hand to indicate a delay in receipt of material beyond the SDD or RDD or when the UMMIPS order and shipping time standard for receipt of material has elapsed.

C4.6.2.2.2 Receipt Status Not Received. Submit follow-ups to the supply source where you transmitted the requisition if you have not received status indicating another activity is responsible for the demand. When supply status has been received, direct the follow-up to the activity indicated as currently processing the requisition; for example, the last known supply source. The supply source may follow up to a shipping activity on open MROs.

C4.6.2.2.3 Material Not Received. Do not submit follow-ups after receiving shipment status evidencing completion of shipment unless you do not receive the material within normal transit time based on the date of the shipment as cited in the shipment status transaction.

C4.6.2.3 Follow-Up Submission Timeframes

C4.6.2.3.1 PD 01-08. For PD 01-08 demands, submit follow-ups only after expiration of at least 3 days from the date of the requisition or transaction date of the latest supply status.

C4.6.2.3.2 PD 09-15. For PD 09-15 demands, submit follow-ups only after expiration of at least 7 days from date of the requisition or transaction date of the latest supply status.

C4.6.3 Request for Supply Assistance

C4.6.3.1 Initiation. Requisitioners may initiate requests for supply assistance only for PD 01-08 requisitions after receipt of supply status indicating an unacceptable delivery date. Requests for supply assistance include, but are not limited to, I&S items or items of an higher assembly. Do not generate requests for supply assistance prior to the receipt of supply status indicating open status.

C4.6.3.2 Submission. Forward requests for supply assistance on previously submitted PD 01-08 requisitions to the supply source processing the requirement. Indicate an appropriate mission impact statement code in the request for supply assistance to

indicate to the supply source the extent of the mission degradation which is created by the absence of the required material.

C4.7 REQUISITION PROCESSING AND RELATED ACTIONS. Supply sources receiving requisitions, follow-ups, modifications, cancellations, and/or supply assistance requests will process such transactions using these procedures.

C4.7.1 General

C4.7.1.1 Verification. Supply sources will review the unit of issue and enter correct unit of issue or reject. If rejected, provide the correct unit of issue in the DS to 870S Federal IC, Supply Status (DLMS appendix 6).

C4.7.1.2 Batch Processing. When supply sources and storage activities utilize the sequential (or batch) method of processing and do not possess real time processing capability, such processing is to be performed as frequently as necessary in order to meet UMMIPS time standards, or specific RDD for subsistence requisitions as applicable. In every such cycle, cancellation requests (including automatic cancellation initiated by the supply source) and MOV reconciliation requests will be processed prior to backorder releases and new requisitions. Demands will be sequenced as follows:

- PD
- OSD/CJCS project codes. Requisitions with OSD/CJCS project codes will be ranked above all other requisitions within the same PD.
- SRC 999 and PD 01, 02, or 03.
- SRC N, E, 777 or 555 and PD 01-08.
- RDD/RAD, if earlier than the computed SDD.
- RDP, if later than the computed SDD--conventional ammunition only.

C4.7.1.3 Backorders. Backordered requirements will be merged (in the above sequence) with all new transactions in any requisition processing cycle in which additional assets become available; for example, receipts of material and debit on-hand adjustments.

C4.7.1.4 Receipt Processing. Processing points will record the date of receipt of each requisition received. The date of receipt will enable supply sources to compute the requisition submission time. The computation will be made by subtracting the date in the demand transaction from the date received. The submission time will provide a basis for the ICPs to measure the first cycle segment of supply effectiveness.

C4.7.1.5 Reference Numbering. The transaction reference number, and a suffix when applicable, will be used as a basis for determining duplicate transactions. The recipient will disregard all duplicate transactions.

C4.7.2 Effect of Priority Designator on Requisition Processing

C4.7.2.1 Assigning Priority Designators. Each requisition will contain a PD assigned by the requisitioning activity, which will not be changed by processing points except in the following conditions:

- SRC A is present but the PD is not 01, 02, or 03, the supply source will enter PD 03.
- SRC N or E is present, but the PD is not 01 - 15, the supply source will enter PD 08.
- SRC 777 is present but the PD is not 01 - 15, the supply source will enter PD 08.
- An OSD/CJCS project code is present, but the PD is not 01-15, the supply source will cite PD 03.
- Service Code is B, D, K, P, or T and SRC is N, E, 555, or 777 and Type of Assistance is not U or V, the supply source will blank the SRC and process using the priority. Type of Assistance is identified as the sixth position of the SA identification data portion of the transaction reference number or separately in the LQ segment.
- For all other conditions, if the PD is not 01 - 15, the supply source will enter PD 15.

C4.7.2.2 Time Standards. The assigned PD dictates the precedence of internal supply processing actions (such as, from the receipt of a transaction until release to transportation) and determines the SDD. The mandatory time standards for the processing of transactions are as indicated in UMMIPS. All time standards are expressed in calendar days from the time of receipt of requisitions at the initial supply source. For subsistence requisitions, the assigned RDD is the primary processing criteria, while the assigned PD dictates the precedence of internal supply processing action for requisitions reflecting identical RDDs. Time standards indicated in UMMIPS do not apply to subsistence requisitions.

C4.7.2.3 Integrated Material Manager Control Levels. On occasion, available assets will be insufficient to satisfy all current demands and backorders for specific items. The IMM will reserve assets of such critical items through the use of item control levels and criteria which will restrict issue to specific categories of requirements only, i.e., those within designated ranges of PDs, CJCS approved projects, or firm commitments for delivery of material to SA recipients. Control levels will be established for IMM to reserve stocks for issue only for PD 01-03. These requirements will be satisfied by issue to zero stock balance of serviceable stocks. Control levels may be established at the discretion of the IMM to reserve a greater level of stocks which may not be issued for PD 09-15 requirements.

C4.7.2.4 Supply Source Control Levels. Control levels will also be established by the supply source to restrict issues against requisitions for the initial fill of PWRMS consumable item requirements to ensure that:

C4.7.2.4.1 Availability Below Approved Force Acquisition Objective. Assets available below the approved force acquisition objective (AFAO) are not issued against requisitions for nonreimbursable PWRMS requirements regardless of the PD.

C4.7.2.4.2 Availability Below Reorder Point. Assets available below the reorder point (ROP) are not issued against requisitions for nonreimbursable PWRMS requirements which contain a PD of 11-15 during initial processing of the requisition. Subsequent processing of such requisitions is prescribed in C4.6.4.

C4.7.2.5 OSD/CJCS Project Priority. OSD/CJCS projects, when so designated, and PD 01-03 requisitions containing SRC 999, will be ranked above all other requisitions with the same PDs for processing purposes. SRC 999 requisitions and related transactions will receive special attention to provide for expedited processing actions.

C4.7.2.6 Releasing Demands with OSD/CJCS Priority. When system-wide inventory levels do not permit positive supply action on all requisitions within a given PD, supply procedures will provide for a release of demands containing the specifically designated OSD/JCS project codes and SRC 999 as the respective most urgent. PD 01-08 requisitions, including FMS CLSSA requisitions, assigned SRC 777 or 555, and other requisitions/material obligations, will be processed for release as described in this chapter.

C4.7.3 Supply Source Processing of Requisitions with Advice Code 2D, 27, or 29. Supply sources will edit all requisitions containing Advice Codes 2D, 27, and 29 to determine if an increase in the requisition quantity to the quantity unit pack is less or more than \$5. If less than \$5, the supply source will disregard the advice code in the requisition. If \$5 or more, the supply source will honor the advice code and process the requisition for the exact quantity requested. When a quantity adjustment is made using the above criteria, the supply source will use BJ status to notify the customer of the quantity adjustment.

C4.7.4 Supply Source Processing of Requisitions for Quantities that Exceed the Normal Demand. The supply source may request verification of requisitions that reflect quantities which exceed normal demands or quantities that appear to be excessive or in error before taking positive supply action. When the supply source determines that the requisitioned quantity needs to be verified, the supply source will generate a DS to 517M Federal IC, Material Obligation Validation (DLMS appendix 6), to request verification of the quantity. The supply source will indicate a response due date in the quantity verification inquiry, normally 30 calendar days for U.S. Forces and 75 calendar days for SA customers. The organization verifying the requisitioned quantity will provide a response to the supply source by the response due date indicated in the quantity verification inquiry; otherwise, the

supply source will automatically cancel the requisition with Status Code D3. The quantity in the response will be the actual quantity required. If the quantity is less than the original requisitioned quantity, the difference will be canceled with BQ status. If the quantity field contains zero, the entire requisition will be canceled with BQ status. Quantity increases are not authorized.

C4.7.5 Supply Source Processing of Pre-Positioned War Reserve Material Stock Requisitions

C4.7.5.1 General. Supply sources, except GSA, will process funded and unfunded requisitions for the initial fill of PWRMS consumable item requirements using the criteria established below. The GSA will process only funded requisitions for PWRMS requirements and does not differentiate between those requisitions and others.

C4.7.5.2 Processing Criteria. Upon receipt of PWRMS requisitions for the initial fill of consumable item requirements (Demand Code O and Project Code 3AA), the supply source will determine asset availability in excess of the AFAO and :

C4.7.5.2.1 Sufficient Assets Available. If sufficient assets are available in excess of the AFAO to satisfy the total requisition quantity, the total requisition will be processed as free issue.

C4.7.5.2.2 Excess Assets. If the assets available in excess of the AFAO are not sufficient to satisfy the total requisition quantity, then the portion of the requisition quantity equal to the quantity of assets available in excess of the AFAO will be processed as free issue and the balance of the requisition quantity will be processed as follows:

C4.7.5.2.2.1 Assets Not Available. When the supply source determines that assets are not available in excess of the AFAO, the basis of unit price code in the PO1 segment of the PWRMS requisition for the initial fill of consumable item requirements (Demand Code O and Project Code 3AA) will be checked and:

C4.7.5.2.2.2 Code NC. If code NC, the unfilled quantity on the requisition will be rejected. The rejection will be accomplished under Status Code CB since all unfunded PWRMS requisitions will be processed as fill or kill.

C4.7.5.2.2.3 Basis of Unit Price Not Identified. If a basis of unit price code is not identified, the PWRMS requisitions will be processed as containing Advice Code 2L and the PD will be checked to determine further processing routines.

C4.7.5.2.3 PD 01-03 PWRMS Requisitions. Except for subsistence, PWRMS requisitions with PD 01-03 will be processed for issue using UMMIPS supply source processing standards. Subsistence requisitions will be processed to meet a specific RDD.

C4.7.5.2.4 PD 11-15 PWRMS Requisitions. Except for subsistence, PWRMS requisitions with PDs 11-15 will be issued from assets available above the ROP or equivalent. When assets above the ROP or equivalent are not available to satisfy the requisitioned quantity, the unfilled quantity will be placed on backorder and the appropriate supply status will be provided with an estimated shipping date (ESD) equal to one procurement lead time. Backordered PWRMS requisitions with PDs 11-15 will be released from backorder at the end of the procurement lead time or when sufficient stocks are available above the ROP. (PWRMS requisitions with PDs 04-10, when received, will be processed in the same manner as PD 11-15 requisitions.)

C4.7.6 Supply Source Processing of Required Delivery Period Requisitions (Conventional Ammunition Only)

C4.7.6.1 Earliest Delivery Date within Standard UMMIPS Timeframe. Requisitions with an RDP that has an earliest delivery date, that is, within the standard UMMIPS timeframes for the PD will be, processed using the time period established for that PD.

C4.7.6.2 Earliest Delivery Date Outside Standard UMMIPS Timeframe. Requisitions with an RDP that has an earliest delivery date, that is, longer than the standard UMMIPS timeframes for the PD, will not be placed on backorder. If stock is not available, the requisition will be referred or rejected back to the customer. If stock is available, an MRO will be issued to the storage facility. The shipping activity will establish necessary control mechanisms to provide timely shipment to the customer.

C4.7.6.3 Rejecting Late Requisitions. Requisitions that cannot be delivered within the RDP will be rejected with CB status.

C4.7.6.4 Security Assistance Deliveries. RDP procedures do not apply to SA requisitions.

C4.7.7 Supply Source Processing of Requisitions for Nonconsumable Items From a Nonregistered User. Process nonconsumable items from nonregistered user according to the following criteria:

C4.7.7.1 PD 01-08. If the PD is 01-08, process the requisition for issue and provide DS status to the requisitioner.

C4.7.7.2 PD 09-15. If the PD is 09-15 and assets are available above the ROP, process the requisition for issue and provide DS status to the requisitioner.

C4.7.7.3 Assets Not Available. If the PD is 09-15 and assets are not available above the ROP, reject the requisition with CC or CN status, as appropriate.

C4.7.8 Supply Source Processing of Subsistence Requisitions. Do not backorder subsistence requisitions. Process subsistence requisitions to meet the specific RDD.

C4.7.9 Maintenance of Requisition History Records. Supply sources will retain accessible requisition history records for a minimum period of 6 months after the closing of requisition records by cancellation, rejection, or shipment to provide for responsive replies to requisition inquiries.

C4.7.10 Rejection of Requisitions. Supply sources will provide supply status to requisitioning and status organizations, identified in the requisition or follow on transactions, as notices of requisition rejection with the reason for such action indicated by an appropriate status code.

C4.7.11 Release of Material Obligations. A material obligation is that quantity of an item requisitioned which is not immediately available for issue, but which is recorded as a stock commitment for future issue. Supply sources will establish procedures for the partial release of the material obligation when assets are insufficient to satisfy the entire demand consistent with the PD and delivery requirements of the requisition involved.

C4.7.12 Preparing Material Release Orders

C4.7.12.1 Originator. MROs, DS to 940R Federal IC, Material Release (DLMS appendix 6), are prepared by the supply source as a result of processing requisitions against inventory records and determination that material is available. MROs are used as a directive for release and shipment of material from stock.

C4.7.12.2 Advice Code 2T. Requisitions or MROs which contain Advice Code 2T and do not contain an RDD will be processed under the assigned PD without regard to the advice code.

C4.7.13 Material Release Confirmation (MRC)

C4.7.13.1 Purpose. The MRC (DS to 945A Federal IC, Material Release Advice (DLMS appendix 6)) serves as advice from a storage site to the supply source which initiated the MRO of supply action taken.

C4.7.13.2 Supply Source Follow-Up. Supply sources will follow up on storage facilities at least once every 30 days for unconfirmed MROs which are 7 days old for PDs 01-08 and 15 days old for PDs 09-15.

C4.7.14 Defense Automatic Addressing System Processing of Release Confirmations. DAAS will use the data in MRC, DS 945A, with Transaction Type Code NJ in the WO6 segment, to create shipment status transactions (DS to 856S Federal IC, Shipment Status (DLMS appendix 6)). Upon completion of this process, DAAS will transmit the MRC to the appropriate organization(s) as indicated in the N1 segment and the shipment status to authorized status receiving organizations.

C4.7.15 Storage Activity Denial or Rejection of Material Releases

C4.7.15.1 Preparation. MRDs, DS 945A, are prepared by storage sites and transmitted to the supply source which initiated the MRO as notification of negative action on the MRO and will show the quantity denied and the appropriate management code.

C4.7.15.2 Delivery Status. If the storage activity cannot meet the delivery timeframe specified by the RDP, the storage activity will use the material release advice to provide CB status to the supply source. The supply source will provide this status advice to the eligible status recipients (applies to conventional ammunition requisitions only).

C4.7.16 Retransmitting Requisitions to Another Supply Source

C4.7.16.1 Continued Supply Action. The supply source may retransmit requisitions to another source for continued supply action. The supply source will always identify the date of receipt of the original requisition in the PO1 Loop, G62 segment, in the retransmitted requisition. The supply source will always include SRC 888 in retransmitted requisitions submitted to the SMCA that are backorder releases from the DoD Component ICPs.

C4.7.16.2 Nonconsumable Items. When an SICA receives a requisition for a nonconsumable item from a SICA activity, the SICA may initiate supply action if stocks are normally held for this purpose, or the SICA may forward the requirement to the PICA. If forwarded to the PICA, the SICA must record the requisition as received from the SICA requisitioning activity and recode the requirement, as necessary, with status addressees, treasury symbol number/fund purpose code, and/or project code which will ensure PICA output of status, billing, MOV requests, and consignment instructions consistent with the SICA Service's NIP implementing instructions. If the PICA is only to provide status to the SICA, the SICA will not provide BM status to the requisitioning activity. The SICA will provide the SICA requisitioning activity with status received from the PICA based on the data elements and coding contained in the original requisition.

C4.7.17 Processing Follow-Ups

C4.7.17.1 Time Standards. Process the DS 869A or DS 869F to determine the current status of requisitions. Time standards for dispatching status in reply to follow ups established for the distribution system are as follows:

C4.7.17.1.1 PD 01-08. For PD 01-08, dispatch status within 2 calendar days from the date of receipt of the follow-up.

C4.7.17.1.2 PD 09-15. For PD 09-15, dispatch status within 5 calendar days from the date of receipt of the follow-up.

C4.7.17.2 Providing Shipment Confirmation. A storage activity, in response to a follow-up initiated by a supply source, will use the DS 945A to provide shipment confirmation, denial, or supply status information, as appropriate.

C4.7.17.3 Storage Activity Processing. Storage activities will provide Status Code BE if there is a record of the MRO but no record of having taken action in response to the MRO. Supply sources in receipt of this status will validate the original requirement with the requisitioner or, for GFM requisitions, with the MCA. The MCA is responsible for taking the necessary action to validate GFM requirements with the requisitioner and the supply source. If the requested material has not been received, and the requisitioner's or the MCA's response indicates a continued valid requirement, the processing point will generate an MRO modifier transaction, which contains the same data as the original MRO. Storage activities in receipt of MRO modifiers will process them using C4.7.19.

C4.7.17.4 Storage Activity Response with Record Receipt. Storage activities will provide BE status in response to supply source inquiries if the storage activity has a record of the MRO but does not have a record of responding to the MRO.

C4.7.17.5 Generation of Pseudoshipment Status. Supply sources, in receipt of BE status or after 60 calendar days have passed from the MRO generation date without confirmation or receipt of an MRA, will generate a pseudo shipment status DS 856S with Transaction Type Code NC, to the requisitioning. Pseudo shipment status for SA requisitions will be forwarded to the applicable ILCO. This shipment status will not cite a TCN or the mode of shipment. DoD Components will establish a management evaluation program which monitors storage activities providing BE status. Goals should be established and the performance attained be a rating element of the activity commander.

C4.7.17.6 Storage Activity Response with no Record Receipt. Storage activities responding to a follow-up initiated by a supply source on an MRO for which no record is held at the storage activity will provide BF supply status.

C4.7.17.7 Supply Source Follow-Up Response. Supply sources in receipt of storage activity responses to follow-ups will furnish appropriate status to eligible recipients using chapter 6.

C4.7.17.8 Request for Supply Assistance. Requests for supply assistance require management decisions relative to supply requirements which are not normally programmed in a manner to permit mechanical processing. Therefore, these transactions should be manually reviewed to permit a determination as to whether the ESDs can be improved. Receipt of requests for supply assistance serves as notification of the need for the concerned material to be received by consignees on dates earlier than those which would result from the shipments accomplished using the supply source ESDs. The actual date of the requirement need is the prerogative of the requisitioning activity. Any advancement of the ESDs, including a single day, will be considered by supply sources as an improvement. Management decisions, designed to improve ESDs, should include one

or more of the following, and/or any other additional actions which will cause improvement in ESDs:

- Cannibalization of existing equipment.
- Acceleration of repair programs.
- Offers of I & S (page 4-9) items.
- Diversion of material shipments.
- Supply from reserve assets.
- Supply from known station or depot excess stocks.
- Supply resulting from screening of material held pending classification.

C4.7.17.8.1 ESD Improvement Considerations. During the course of actions taken to improve ESDs, follow-up inquiries will not be construed by supply sources as authority to override any requirements of equal and/or higher priority. Consideration will not be given to diversion of any assets required to satisfy requirements of equal and/or higher priority.

C4.7.17.8.2 Improving ESD. When determination is made that requested improvement in ESDs can be accomplished, the revised ESDs will be transmitted to status recipients. When actions taken by management do not result in improved ESDs, status recipients will be provided with the latest status applicable to the requisitions concerned.

C4.7.17.8.3 Supply Source Status. Supply sources, in receipt of follow-ups on requisitions for which MROs were created directing lateral redistribution of retail stock, will provide applicable status as follows:

C4.7.17.8.3.1 If the current status is BA and the ESD or the UMMIPS timeframes, whichever applies, has not passed, provide BA status with the appropriate ESD to the requisitioner.

C4.7.17.8.3.2 If the current status is BA and the ESD or the UMMIPS timeframes has passed, provide B5 status to the requisitioner and generate 940R – Material Release, with Transaction Type Code NB to the retail reporting activity. Supply sources in receipt of responses to follow-ups will furnish appropriate status to eligible recipients using chapter 6.

C4.7.17.8.3.3 If the current status is positive shipping status, provide DS 856S with Transaction Type Code AS.

C4.7.17.8.4 Retransmitting Inquiries. Processing points retransmitting requisition inquiries to another supply source for continued action will cite their DoDAAC as the FROM-address. Processing points receiving such retransmitted transactions will not automatically retransmit such transactions back to the processing point from which the transaction was received without obtaining the prior agreement of that activity.

C4.7.18 Force-Closed Material Release Confirmations. Subsequent to generating pseudoshipment status transactions for unconfirmed MROs under C4.7.16, above, supply sources will hold the MRO record open pending an MRA response (under chapter 14). If an MRA response is received, use it to close the record. For shipments to SA recipients, the supply source may elect to use the MRA data or generate a DS 940R with Transaction Type Code NA and action code CL, indicating the mode of shipment and date shipped from the MRA, to interface with billing. If an MRA response is not received within the initial and follow-up timeframes, the supply source may force-close the MRO using DS 940R with Transaction Type Code NA and Action Code CL. For shipment to SA recipients, supply sources will ensure that proper inventory accounting and billing procedures are applied. In response to a material receipt acknowledgement (DS to 527R Federal IC, Receipt, Inquiry, Response, and Material Receipt Acknowledgement (MRA) (DLMS appendix 6) indicating nonreceipt, the supply source may force-close the open MRO and bill for the material, or reprocess (ship) the material based upon established dollar thresholds.

C4.7.19 Processing Redistribution Orders

C4.7.19.1 Origination. RDOs are originated by an ICP/IMM to direct release of material from a supply distribution activity to another within the same distribution system.

C4.7.19.2 Preparation. Prepare RDOs using the DS 940R format.

C4.7.20 Processing Requisition and Material Release Order Modifiers

C4.7.20.1 Supply Source Processing. Supply sources will process a DS 511M requisition modifier transaction to provide for modification of requisitions on backorder or for which MROs have not been processed to storage or retail activities. The corresponding original requisitions in process, and material obligations, will be recycled under DoD Component policy and normal processing actions will be continued to accommodate the modified PD, SRC, or RDD/RDP.

C4.7.20.1.1 Modification. Modification of MROs is at the discretion of the DoD Components. However, modifications will not be processed against requisitions for which MROs of retail assets have been generated.

C4.7.20.1.2 Direct Delivery Modification. Modification of requisitions which have been submitted to procurement sources for direct delivery is not required, except for requisition modifier transactions which contain:

- A revised country FMS offer/release option code and/or FF code.
- SRC 555.
- Changes to the SHIP-TO address.

C4.7.20.1.3 Modifiers. The application of modifiers on requisitions for which split actions have been taken by the supply source is at the option of the S/As.

C4.7.20.1.4 Supply Source Status. Supply sources will provide status (DS 870S) after processing requisition modifier transactions as follows:

C4.7.20.1.4.1 Invalid Transaction Entries. When the modifier transaction contains invalid entries for data elements listed in section C4.5, the modifier request will be rejected by means of D7 status.

C4.7.20.1.4.2 Requisition Modifier Transaction Not Honored. When the requisition modifier transaction is not honored because the requested modifications cannot be made, supply sources will provide B2 status to the activities designated on the unmodified requisition.

C4.7.20.1.4.3 Modifications Successfully Processed. When the requested modifications have been successfully processed, BK status will be provided.

C4.7.20.1.5 Supply Source Status Reporting. In addition, when modifier transactions are processed, supply sources will provide the latest supply or shipment status to all parties identified in the original or modified requisition transaction.

C4.7.20.1.6 Supply Source Processing. Supply sources will process requested modifications only when all data fields can be modified, as requested. If this cannot be done, reject the modifier with DS 870S with B2 status.

C4.7.20.2 Submitting Modifier Transactions to Storage Activities. When S/As modify MROs, submit a modifier transaction (DS 940R) to the applicable storage activity. Prepare the DS 940R modifier transaction as a result of processing the requisition modification.

C4.7.20.2.1 MRO Modification. Storage activities, upon receipt of MRO modifier transactions, will modify the original MRO whenever the modifier is received prior to the actual printing of the DD Form 1348-1A. This will be accomplished by matching the transaction reference numbers of modifier transactions with transaction reference numbers of MROs having been previously received, including a match of suffix codes.

C4.7.20.2.2 Normal Processing. These modified transactions will be processed in the normal manner prescribed for MROs.

C4.7.20.2.3 Processing MRO Modifiers without Original MRO. When storage activities receive MRO modifier transactions for which they have no record of the original MRO, they will process the modifier transactions as new MROs.

C4.7.20.2.4 Modification Advice. Storage activities will provide DS 945A with B2 or BK status to advise supply sources when requested modifications are or are not accomplished.

C4.7.20.3 Referring Activity Processing. When requisition modifications are referred to another supply source, the referring activity will identify the activity to which the

requisition was referred as well as their own activity in the transaction and retransmit. Processing points receiving such passed transactions will not automatically pass such transactions back to the processing point from which the transaction was received [seems unnecessary] without obtaining the prior agreement of that activity.

C4.7.21 Processing Single Line-Item Cancellation Requests. Supply sources, procurement, storage, and reporting activities will process single line-item cancellations, as prescribed herein.

C4.7.21.1 Preventing Shipment of Unwanted Material. Supply sources, procurement, and storage, and reporting activities are responsible for exercising the fullest practical resourcefulness in preventing the issue and shipment of unwanted material. The practical considerations involved in processing cancellation requests include such factors as time, related packing and handling costs, the dollar value, and location of material for which cancellation is requested.

C4.7.21.2 General Rules. General rules for the disposition and diversion of material which has been shipped are as follows:

C4.7.21.2.1 Supply Source Responsibility. Supply sources are responsible for providing diversion and/or disposition instructions for all items under their cognizance destined for OCONUS which have progressed to the point where procurement actions cannot be terminated or shipment into the DTS has not occurred. When OCONUS shipments have been lifted from CONUS terminals, the responsibility for diversion or disposition is that of the consignee, the appropriate commander, or Component headquarters.

C4.7.21.2.2 Diversion. Supply sources may request diversion or disposition instructions from DoD Component contact points designated in Column 1 of Figure 5-1 for both nonstocked and non-NSN items. However, supply sources may, based on their stock position, divert material to depot stock.

C4.7.21.2.3 Alternate Consignment. DoD Components may predetermine and designate alternate consignees so that the DoDAAC of these activities may be inserted in subsequent supply and/or transportation transactions. These predetermined destinations will be based on considerations as stated above, and may vary by NSN, (Page 4-21) FSC, or Federal Supply Group (FSG).

C4.7.21.2.4 Diverting OCONUS Shipments. When OCONUS shipments cannot be diverted or held for disposition, storage and procurement activities will advise supply sources when elements of the DTS were unable to accomplish the desired shipment diversion or hold. The supply source will provide DS 856S to all eligible recipients of status. These transactions will contain a date, as provided by the clearance authorities, on which the shipment was lifted from the terminal for delivery OCONUS.

C4.7.21.2.5 CONUS Diversion by DTS. When diversion of OCONUS shipments is accomplished by the DTS, supply sources will furnish DS 870S with B6 status to all authorized status organizations. The advice of actions taken by the DTS will be provided under volume 3, Transportation.

C4.7.21.2.6 Cancellation Action. Supply sources will automatically initiate cancellation action for unfilled quantities of material obligations or open requisitions upon deletion of a DoDAAC. Applicable supply and shipment status will be furnished to authorized recipients and, in the event DAASC does not have a recorded DoDAAC, the status will be disposed of.

C4.7.21.2.7 Cancellation Cost. Costs incurred in cancellations/diversion will be billed as provided in C5.7.23, below.

C4.7.21.2.8 Stopping Consignment. No attempt will be made to stop or divert shipments to CONUS (domestic) consignees once released for shipment, regardless of the mode of shipment.

C4.7.22 Processing Mass or Universal Cancellation Requests

C4.7.22.1 General. Supply sources are responsible for assuring that requisition processing, procurement, and storage activities exercise the fullest practical resourcefulness in preventing the issue and shipment of unwanted material. The practical considerations involved in the processing of cancellation requests include such factors as time, packing and handling, related costs, and the location of material for which cancellation is requested.

C4.7.22.2 Providing Supply Status. Supply sources in receipt of mass or universal cancellation requests will cancel quantities for which MROs, and/or purchase requests have not been submitted to storage or procurement activities. Provide DS 870S - Supply Status with BQ or B4 status, as appropriate, as notice of accomplished cancellations to all authorized status organizations under chapter 6 within the timeframe for furnishing status.

C4.7.22.3 Supply Status Timeframes. Supply sources will furnish DS 870S with B9 status to all authorized status organizations under chapter 6 within the timeframes for furnishing status for:

- Unconfirmed MROs and open procurement actions.
- MRCs that indicate that shipment to OCONUS activities has been accomplished within 45 calendar days of the effective date of the mass cancellation.

C4.7.22.4 Individual Item Status Notification. Provide DS 870C BQ, B4, or B6 status as notification for each line-item actually canceled or diverted and B8 status for each line-item not canceled or diverted.

C4.7.22.5 Storage Activity Notification. Supply sources will provide storage activities cancellation requests, DS 940R, for all unconfirmed MROs and MRCs which indicate that shipment to OCONUS activities has been made within 45 days of the effective date of the mass or universal cancellation.

C4.7.22.6 Procurement Activity Notification. Supply sources will provide procurement activities cancellation requests, DS 869C, for all open procurement actions.

C4.7.22.7 Exceptions to Notification. Supply sources will not provide storage and procurement activities with cancellation requests when:

- In receipt of MRCs which evidence that shipment has been accomplished by parcel post.
- In receipt of MRCs which evidence that shipment to CONUS activities has been accomplished.
- In receipt of MRCs which evidence that shipment to OCONUS customers was accomplished more than 45 calendar days prior to the receipt of the mass or universal cancellation request.

C4.7.22.8 Rules for Shipments from Storage. The following rules apply to mass or universal cancellation of shipments from storage:

C4.7.22.8.1 Identifying Affected MROs. Upon receipt of the mass or universal cancellation DS 869C pending the receipt of single line-item cancellation requests DS 940R from the supply source, the storage activity will identify all affected MROs where the items have not been released to a carrier for delivery to the consignee.

C4.7.22.8.2 Suspension of Processing. For universal cancellation, the storage activity will suspend further processing of all MROs, including any containing SRC 555.

C4.7.22.8.3 Receipt within 45 Calendar Days of Cancellation. For those OCONUS shipments which meet the mass or universal cancellation criteria and which have entered the DTS within 45 calendar days of the date of the mass or universal cancellation request, the storage activity will generate a DS 945A with Transaction Type Code NR in the WO6 segment and Status Code DW in the LQ segment.

C4.7.22.8.4 Transaction Code ND. Storage activities will accomplish cancellation for all items for which single line-item cancellation requests DS 940R with Transaction Type Code ND are received from the supply source and the items have not been released to a carrier for delivery to the consignee.

C4.7.22.8.5 Advice of Actions Taken. Storage activities will advise the supply source of their actions taken in response to cancellation requests. When a shipment has not been released to the carrier for delivery to consignee and cancellation is accomplished, DS 945A will be prepared and submitted to the supply source with BQ status.

C4.7.22.8.6 Furnishing Cancellation Status. When storage activities do not accomplish cancellation, the supply source will be furnished DS 945R reflecting Status Code B8.

C4.7.22.8.7 Shipment Diversion Transactions. Storage activities in receipt of transportation confirmation of shipment diversion transactions will generate to the appropriate supply source a material release advice with Status Code BQ, for the requisitions contained within the shipment unit. The material release advice in this instance will contain, in addition to the normal data elements, the identification of the new consignee.

C4.7.22.8.8 Transportation Denial of Shipment. Storage activities in receipt of transportation denial of shipment diversion transactions will generate to the appropriate supply source a material release advice with Status Code B8.

C4.7.22.9 Exceptions to Single Line-Item Cancellation. All rules governing the single line-item cancellation of shipments from procurement also apply to requests for mass or universal cancellation, except as modified herein:

C4.7.22.9.1 Supply Source Initiation. The supply source will initiate cancellation requests for all items scheduled for direct delivery, and for which purchase requests have been submitted, regardless of material costs.

C4.7.22.9.2 Procurement Activity Action. Procurement activities will not initiate actions with the DTS to cause diversion of shipments at terminals.

C4.7.22.9.3 OCONUS Shipments in the DTS. For those OCONUS shipments which have entered the DTS within 45 calendar days of the date of the mass or universal cancellation request, or from the date of receipt of the DS 869C from the supply source, the procurement activity will generate a DS 945A with Action Code AW in the W06 segment to the DAASC.

C4.7.22.9.4 Material Receipt Advice. Procurement activities in receipt of confirmation of shipment diversion transactions will generate to the appropriate supply source a DS 945A with Status Code BQ for the requisitions contained within the shipment unit. The DS 945A in this instance will contain, in addition to the normal data elements, the DoDAAC of the new consignee.

C4.7.22.9.5 Material Denial Advice. Procurement activities in receipt of denial of shipment diversion transactions will generate, to the appropriate supply source, DS 945A with Status Code B8.

C4.7.22.10 Disposition of Frustrated Shipments and/or Material From Mass/Universal Cancellation Actions

C4.7.22.10.1 Disposition Categories. The disposition of frustrated shipments at WPOEs/APOEs that are the result of mass or universal cancellation action will be as follows:

C4.7.22.10.1.1 Diversion to Predesignated Storage Point. Shipments from DoD storage points, or from commercial vendors acting under the direction of a DoD procuring activity, will be diverted to the predesignated storage sites of the shipping/procuring DoD Component.

C4.7.22.10.1.2 Shipment from GSA Storage Points. Shipments from GSA storage points, or from commercial vendors acting under the direction of a GSA-procuring activity, will be diverted to predesignated GSA material returns facilities.

C4.7.22.10.1.3 DTS Diversions. DTS attempts to divert/frustrate shipments will terminate 45 days from the effective date of the mass or universal cancellation message.

C4.7.22.10.2 Considerations. It is recognized that certain strategic and tactical operations or political considerations may dictate that all shipments for a given consignee be stopped or diverted. In these most restrictive of shipment diversion situations and economic considerations, such as, the comparison of accessorial cost of stopping, holding, and returning the material to depots/storage activities, the value of the canceled material and the costs of the receiving activity to perform the necessary processing or reprocessing of the material are not controlling factors. In most situations, however, the strategic, tactical, or political environment is such that complete disregard of these economic considerations is not warranted.

C4.7.22.10.3 Transportation Diversion Procedures. Transportation diversion procedures are established to permit diversion only if the material being shipped can be identified and located by TCN.

C4.7.22.10.3.1 Unconsolidated Shipment Units Eligible for Cancellation. Shipment units eligible for cancellation that have not been consolidated into a container with other shipments will be stopped and diverted by the POE up to the point of lift. Diversion of cancellation eligible shipments at or beyond the POD will be the responsibility of the appropriate theater, force, logistics, or type commander.

C4.7.22.10.3.2 Maintaining Consolidated Shipments. Individual line-items will not be removed from multiple-line shipment units (consolidated packs), nor will a shipment unit container be removed from a multi-container shipment (SEAVAN) (commercial/Government-owned/leased shipping container) type device. Shipment units cannot be diverted in the DTS if stuffed or loaded with other shipment units or on multiple shipment unit devices; such as, SEAVANS, container express (CONEX), MILVANS (Military Van), and AIRCRAFT PALLETS.

C4.7.22.10.4 DTS Action. For those mass or universal cancellation requests which specify FSC, FSG, NSN, or part number data, the DTS will stop and frustrate, for DoD Component review, all shipments of the canceling DoD Component for the affected consignees. Disposition of cancellation eligible shipments at or beyond the POD will be the responsibility of the appropriate theater, force, logistics, or type commander.

C4.7.22.10.5 DTS Documentation. The DTS will generate specified documentation for the following categories of shipments:

C4.7.22.10.5.1 Diverted Shipment Transactions. For all shipments which are diverted, as a result of mass or universal cancellation, the DTS will generate a confirmation of shipment diversion transaction to the DAAS. The confirmation of shipment diversion will contain complete transportation movement and control document (TCMD) data for each shipment unit and, if available, the contract number. In addition:

C4.7.22.10.5.1.1 Generate GBL to New Consignee. For shipments which are diverted under pre-positioned instructions, the DTS will generate a GBL to the new consignee.

C4.7.22.10.5.1.2 Generate Request for Disposition Instructions from DAASC. For shipment units which are frustrated but are not diverted to a specific site, the DTS will generate a request for disposition instructions to the DAASC, which will route the transactions to the appropriate DoD Component contact points. In situations where the designated DoD Component contact point is a collocated liaison office, the request for disposition instruction transactions will be listed and provided to the contact point directly. After receipt of disposition instructions for such frustrated shipments, the DTS will prepare a GBL or other appropriate transaction for the new consignee.

C4.7.22.10.5.1.3 Request Disposition Instructions for Intransit Shipments. . For shipments in transit to, at, or between the POD and the OCONUS consignee, the OCONUS DTS activity will request disposition instructions from the appropriate theater, force, logistics, or type commander's designated contact point.

C4.7.22.10.5.2 Shipments In Transit Between WPOS/APOE. For shipments which have been in transit between the WPOE/APOE and the OCONUS consignee less than 30 calendar days, the DTS will:

C4.7.22.10.5.2.1 Generate Listing of Shipment Data. Generate a listing of the manifest shipment unit data, vessel/aircraft identification, and departure date, water port of debarkation (WPOD)/aerial port of debarkation (APOD), and estimated time of arrival (ETA). This listing will be disseminated to the affected OCONUS command component, the appropriate WPOD/APOD, and to the designated contact point, if requested.

C4.7.22.10.5.2.2 Generate Denial/Diversion Transactions. Generate denial or shipment diversion transactions for each individual shipment unit to the DAAS.

C4.7.22.10.6 Storage Site Reporting. Storage sites in receipt of diverted shipments will report the receipt to the appropriate supply source under chapter 13. Reconsignment/disposition will be as directed.

C4.7.22.10.7 Security Assistance Charges. The DoD Component initiating the cancellation requests applicable to U.S. Forces requisitions will be charged with: (1) transportation and terminal costs associated with holding, stopping, and returning material to depots/storage, (2) procurement termination costs when it is determined that termination is in the best interest of the Government, and (3) excess transportation costs that may be incurred when moving the cargo unaffected by the mass or universal cancellation action. Specific instructions concerning material transportation charges and credit allowances are contained in the DoD 7420.13-R, DoD 4140.1-R, FPMR 101-26.311, and FPMR 101-27.505.

C4.7.23 Processing of Mass or Universal Cancellation Transactions by the Defense Automatic Addressing System

C4.7.23.1 Establishing Documentation Correlation File. Upon receipt of the mass or universal cancellation request, DAASC will begin the establishment of a transportation to supply documentation correlation (TSDC) file. DAASC will add to the TSDC file a copy of each DS 945A that has Transaction Type Code NR in the WO6 segment and Status Code DW in the LQ segment.

C4.7.23.2 Confirmation of Shipment Diversion Transactions. When a confirmation of shipment diversion transaction is received from the DTS, the DAAS will match the TCN with the TCN in all applicable DS 945A transactions in the TSDC file. The DAAS will generate DS 870S with B6 status to the applicable supply source for each material release advice transaction matched. In this instance, the supply status transaction will contain the DoDAAC of the new consignee.

C4.7.23.3 Denial of Shipment Transactions. When a denial of shipment diversion transaction is received from the DTS, the DAAS will match the TCN with the TCN in all applicable material release advice transactions in the TSDC file. The DAAS will generate DS 870S with B8 supply status to the applicable supply source for each material release advice matched.

C4.7.23.4 Request for Disposition Instructions. When a request for disposition instructions is received from the DTS, the DAAS will match the TCN with the TCN in all applicable material release advice transactions in the TSDC file. The DAAS will generate a narrative message to the designated canceling DoD Component contact point which provides the contact point with the TCMD transaction data, plus all supporting material release advice transactions which comprise the shipment.

C4.7.23.5 Material Advice Transactions. For those material release advice transactions on which confirmation/denial shipment diversion, or request for disposition

instruction transactions are not received within 21 calendar days of the date of the mass or universal cancellation request, the DAAS will initiate a shipment tracer action under DoD 4500.9-R to the APOE/WPOE indicated in the material release advice.

C4.7.23.6 Confirmation/Denial of Diversion Transactions. When confirmation/denial of diversion or request for disposition instruction transactions are received from the transportation clearance authorities, and the DAAS does not find a corresponding material release advice record within the TSDC file, the DAAS will forward the transactions DS 870S to the shipping activity identified in the transportation mass/universal cancellation status transactions.

C4.7.24 Supply Source Processing of Single Line-Item Cancellation Requests. Process cancellation requests DS 869C, as follows:

- First, against backorders in the following order of assigned status: BB, BC, BD, BZ, and BV.
- Second, against unconfirmed shipments (BA status).
- Third, confirmed OCONUS shipments DS 945A, when shipped (to surface/aerial POEs and SEAVAN assembly points) prior to ICP receipt of cancellation requests in less than 45 calendar days for surface mode and 10 calendar days for air mode.
- Fourth, against all other status.

C4.7.25 Processing Point Procedures. Processing points receiving passed cancellation transactions will not automatically pass such transactions back to the processing point from which the transaction was received without obtaining the prior agreement of that activity.

C4.7.25.1 Initiating. Initiate/accomplish cancellation actions against the quantity in the cancellation request received.

C4.7.25.2 Editing. Edit cancellations processed to preclude duplicate cancellations. As a minimum, this edit will compare quantity, transaction reference number, suffix, and the preparation date. Discard duplicates. Process all other cancellations as received.

C4.7.25.3 Processing. Process cancellation requests, regardless of dollar value or quantity, to immediately cancel quantities for which MROs and purchase requests have not been submitted to the depot/storage, reporting or procurement activities.

C4.7.25.4 Quantity Limits. If the quantity in the cancellation request is equal to or less than the backorder quantity at the supply source (Status Code BB, BC, or BD), effect cancellation immediately and provide DS 870S with BQ supply status to all authorized status organizations. Since cancellation action cannot be effected immediately on

requisitions in Status Code BV, provide DS 870S with B9 supply status to all authorized status organizations.

C4.7.25.5 Diversions. When cancellation requests are against released shipments or direct vendor delivery with BV status, the supply source will consider diversion of the material to depot stock or to fill other demands/backorders, or contract termination, as appropriate. The foregoing also applies to nonstocked and non-NSN material at S/A option, when there is a foreseeable demand for the item.

C4.7.25.6 Status. In the event the above actions are taken, use DS 870S with B4 status to indicate that the organization identified in the canceled requisition may be billed as follows:

- Transportation costs for returning the material to depot/storage and/or procurement termination costs when it is determined that termination is in the best interest of the Government.
- Specific instructions concerning material, transportation charges, and credit allowances are contained in volume 5, Finance.

C4.7.25.6.1 Rebuilding Costs and Other Expenses. In addition to the above costs, when applicable, the supply source will bill rebuilding costs and other expenses incurred in canceling SA requisitions under DoD 5105.38-M.

C4.7.25.6.2 Transportation Charges. Charge for transportation (such as terminal costs associated with stopping, holding, and returning material to depots or storage) and procurement termination costs incident to actual diversion/cancellation of FMS requisitions under DoD 5105.38-M.

C4.7.25.7 Reversals. Reverse the demand data previously recorded by the quantity actually canceled or diverted into the storage activity based on a cancellation request.

C4.7.25.8 Notification. Provide notice of the success or failure of cancellation or diversion actions to all authorized status organizations under chapter 6. Use the supply or shipment status to provide this notice as follows:

- DS 870S with B4, B6, BQ, BR, or BS status to indicate cancellations/diversions accomplished.
- DS 870S with B9 status to indicate cancellation/diversion action being attempted.
- DS 856S with shipment status to indicate cancellation/diversion not accomplished.
- DS 870S with B8 status to indicate cancellation not accomplished as a follow-up to the previously furnished B9 status.

- DS 870S with BF status to indicate no record of the transaction reference number for the cancellation request submitted.
- DS 870S with an appropriate B_, C_, or D_ series status code for those transactions showing a record of a previous cancellation or rejection.

C4.7.26 Supply Source Submission of Single Line-Item Cancellation/Diversion Requests to Procurement

C4.7.26.1 Using DS 869C. Use DS 869C to prepare cancellation requests. Cite the appropriate contract data when submitting cancellation requests to procurement. Identification of the contract data or procurement/purchase request number (PRN) will be dependent upon whether a number is assigned to a contract and is known to the supply source at the time of receipt of the cancellation request. When the PRN is used, indicate the DoDAAC of the consignee to which to divert the shipment. When the supply source does not desire diversion, do not indicate a diversion address.

C4.7.26.2 Required Information. All requests for cancellation/diversion submitted to the procurement activity will contain the following minimum information:

- Notification that the transaction is a request for cancellation or diversion.
- Identification of the supply source submitting the request.
- The stock or part number or description of the item involved.
- The quantity of the item to be canceled/diverted.
- The original requisition document number and the suffix code, if applicable.
- Identification of the ship-to and mark-for addresses, as contained in the applicable purchase request.
- All contract data, if known; otherwise, the PRN and date of the purchase request.
- Diversion or hold instructions to include coded and in-the-clear, ship-to, and mark-for addresses for shipment if diversion is to be accomplished.

C4.7.26.3 Cancellation/Diversion Requests. Submit cancellation/diversion requests to procurement activities:

- Regardless of dollar value and/or quantity, when the purchase requests have been submitted but the contracts have not been awarded. This applies to items and/or quantities assigned BZ status.
- For items and/or quantities on awarded contracts and/or purchase agreements and the dollar value of the cancellation/diversion action exceeds \$200.

C4.7.26.4 Supply Source Responsibilities. Supply sources will decide whether to suspend or continue the cancellation, diversion, or hold actions. Decisions to continue cancellations or diversions will be provided to procurement activities by cancellation request documents prepared in the manual format and containing the notation: SUPPLY SOURCE DECISION FOR CANCELLATION OR DIVERSION. Supply sources will advise the ILCO of contractual agreements which will result in cost conditions if cancellations, diversions, or holding are accomplished. The ILCO will decide whether the cancellation, diversion, or hold actions will be suspended or continued. Decisions to continue cancellations or diversions will be provided the supply source by narrative message containing the notation: ILCO DECISION FOR CANCELLATION OR DIVERSION.

C4.7.26.5 Exceptions to Cancellation/Diversion Requests. Do not submit cancellation/diversion requests or requests for determination as to whether cancellation is in the best interest of the Government to procurement activities when:

- The dollar value of the request is less than \$200.⁴
- [DD Form 250](#), Material Inspection and Receiving Report, shipment performance notice (SPN), vendor shipment notice, or equivalent is on record indicating:
 - Shipments to CONUS consignees were released to carriers regardless of dollar value.
 - Shipments to OCONUS consignees were previously released to carriers, and the number of days prescribed above have elapsed (10 calendar days air/45 calendar days surface).
 - Shipment/delivery by air mail or parcel post. In this case, shipment status will be furnished in response to cancellations received.

C4.7.26.6 Providing Notice of Cancellation/Diversion Actions. Provide notice of the success or failure of cancellation or diversion actions to authorized status organizations under the procedures of chapter 6. Use the supply and/or shipment status to provide this notice as follows:

- DS 870S with B4, B6, BQ, or BS status applies to cancellations/diversions accomplished.
- DS 870S with B9 status indicates cancellation/diversion action being attempted.
- DS 856S with Shipment status indicates cancellation/diversion not accomplished.

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⁴As an exception for intra-Service/Agency use only, cancellation/diversion may be submitted to procurement regardless of dollar value when critical/short supply items are affected.

- DS 870S with B8 status indicates cancellation not accomplished when B9 status previously furnished.

C4.7.27 Procurement Activity Processing of Single Line-Item Cancellation and/or Diversion Requests to Procurement

C4.7.27.1 Processing Sequence. DS 869C and manual cancellation/diversion requests will be processed in the sequence of PDs.

C4.7.27.2 Immediate Cancellation. Immediate cancellation action will be taken when contracts have not been awarded and/or firm orders have not been issued/placed.

C4.7.27.3 Procurement Activity Responsibilities. Procurement activities will advise the supply source of contractual agreements which may result in unfavorable cost conditions if cancellation, diversion, or holding actions are accomplished. Supply sources will decide whether the cancellation, diversion, or hold actions will be suspended or continued. Decisions to continue cancellation or diversion will be provided to procurement activities by cancellation request documents prepared in the manual format and containing the notation: SUPPLY SOURCE DECISION FOR CANCELLATION OR DIVERSION.

C4.7.27.4 Cost of Diversion. The cost of diversion or shipment hold actions will be provided to the supply source for appropriate billing. Costs incurred in contract termination and diversion will also be furnished to supply sources to permit appropriate billing.

C4.7.27.5 Procurement Actions with Clearance Authorities. Procurement activities are required to initiate actions with clearance authorities to cause diversion of shipments at terminals. Procurement activities requiring diversion instructions in the instances when a new consignee is not provided, will request these instructions from the supply source. Such requests will be accomplished by telephone or message.

C4.7.27.6 Actions Not in Government's Best Interest. When the above cancellation/termination or diversion/hold actions would not be in the best interest of the Government, the supply source will be so advised and requested to furnish a decision by a specified date.

C4.7.27.7 Initiating Contract Actions. Actions to cancel, divert, or terminate contracts will be initiated within 1 working day from the receipt of cancellation requests. These actions will be completed as expeditiously as possible, but will not exceed 5 working days for PD 01-08 requests and 10 working days for PD 09-15 requests. When multiple cancellation requests are received on the same day, consideration will be given to the priority of the requests, OCONUS destination, the dollar value of the material, and the status of the contract involved.

C4.7.27.8 Supply Source Notification. The procurement activity will advise the supply source that the attempted stop/diversion action has/has not been accomplished by

the DTS within two working days of receiving the confirmation/denial notification from the DTS.

C4.7.28 Supply Source Processing of Cancellation Requests for Material Release Orders of Retail Assets

C4.7.28.1 Requirements. Supply source cancellation requests, DS 940R, will be submitted to reporting activities regardless of dollar value and quantity when Status Code BA is recorded, but shipment status has not been received. The supply source will provide DS 870S with Status Code B9 to all eligible recipients. If shipment status has been received, provide this status to all eligible recipients.

C4.7.28.2 Status Reporting. Supply sources in receipt of responses to cancellation requests will furnish appropriate status to all eligible recipients.

C4.7.29 Supply Source Submission of Single Line-Item Cancellation and/or Diversion Requests to Storage Activities

C4.7.29.1 Requirements. Supply source cancellation requests or follow-ups on cancellation requests, DS 940R, will be submitted to storage activities:

- Regardless of dollar value and quantity when Status Code BA is recorded, but an MRC has not been received; this applies to PD 01-15 requisitions/MROs for U.S. Forces, CONUS and OCONUS, and SA.
- When the MRC is recorded on an OCONUS shipment which was released to carrier for shipment to POE, less than 45 calendar days by surface mode or less than 10 calendar days by air mode, and the dollar value of the shipment exceeds \$200.

C4.7.29.2 Diversions. The DS 940R will identify the DoDAAC of the activity to which shipments will be diverted when shipment has already been released. When the supply source does not desire or cannot provide diversion to a specific activity, do not indicate a diversion address. In the latter case, the supply source will obtain and provide alternate destinations, if requested, by storage activities.

C4.7.29.2.1 Attempted Diversions. In the case of an attempted diversion, the supply source will provide DS 870S with B9 status to authorized status organizations.

C4.7.29.2.2 Exceptions. Supply sources will not provide storage activities with requests for cancellation/diversion when:

- In receipt of the MRC at the time of receipt of a cancellation request and the item requested for cancellation has a line-item value of less than \$200 and is for an OCONUS shipment.

- Receipt of an MRC and OCONUS shipment has been accomplished by parcel post, air mail, or UPS.
- When the MRC is recorded on an OCONUS shipment which was released to the carrier for shipment more than 45 calendar days by surface mode or 10 calendar days by air mode prior to the receipt of the cancellation request.
- Receipt of the MRC and shipment to a CONUS activity was accomplished prior to the receipt of the cancellation request.

C4.7.29.2.3 Shipment Status Reporting. In the instances described above, furnish DS 856S to authorized status organizations.

C4.7.30 Storage Activity Processing of Single Line-Item Cancellation and/or Diversion Requests

C4.7.30.1 Processing Cancellations. Process cancellations using DS 940R in the sequence prescribed in C4.7.23.

C4.7.30.2 Maintaining Records. Maintain records to allow a determination as to whether line items shipped were in single line or multi-line shipment units and the respective dollar value of each. This allows identification of shipment units which are susceptible to cancellation and determination as to whether cancellation actions should be continued under the following policies and procedures.

C4.7.30.3 DoD Component Data Processing. To the extent that processing capability is available, the DoD Components will develop and maintain data to:

C4.7.30.3.1 Depot Work Area Identification. Allow identification of the depot work area to which shipment processing should have progressed. Work areas for consideration are as follows:

<u>COMPUTER</u>	<u>STORAGE</u>	<u>SHIPMENT PREPARATION</u>	<u>SHIPPING</u>
Mechanized processing of TS 940 IC - Material Releases and output of DD Forms 1348-1A and stop shipment notices	Bin Area Bulk Area	Preservation Packaging Packing Consolidation Parcel Post	Consolidation Air Freight Motor (Truck) Freight Rail Freight

C4.7.30.3.2 Processing Time. Include the maximum time experienced in processing [DD Form 1348-1A](#) or [1348-2](#) shipments in each of the above work areas (within total time allowed by DoD 4140.1-R from receipt of MRO to release to transportation). Such data would provide a basis for determining the work areas where stop shipment action could most likely be taken on receipt of a supply source cancellation

request to the storage activity. Also, consider the transaction priority as it affects processing time in hours versus days.

C4.7.30.4 Routing. The storage activity, upon receipt of a cancellation request DS 940R from the supply source, will determine the appropriate work area(s) to which the stop shipment notices would be sent when cancellation of an in process DD Form 1348-1A shipment is required. The stop shipment notices will include pertinent line-item/transaction identification, priority, and information as to whether a single-or multilane-shipment unit, is involved. A separate stop shipment notice will be issued to the current work area and every other work area through which the shipment would subsequently be processed.

C4.7.30.5 Cancellation. Accomplish cancellation for all items/quantities for which a DD Form 1348-1A has not been released to storage work areas.

C4.7.30.6 Release to Storage Work Area. Attempt cancellation for all items/quantities for which a DD Form 1348-1A has been released to storage work areas and there is no record of transportation release to a carrier, unless:

- The dollar value is less than \$25 for a single line-item shipment unit.
- The dollar value of a single line-item packed in a consolidated shipment unit is less than \$200.

C4.7.30.7 Source Notification. The storage activity will advise the supply source and, if applicable, all authorized status organizations of actions taken in response to cancellation requests. Provide this notice as follows:

- When the storage activity has no record of the MRO receipt, provide BF status using a DS 945A.
- When the items have not left the depot and cancellation action is accomplished, respond only to the supply source with a DS 945A Advice with BQ status.
- When cancellation is not attempted under the less than \$25/\$200 criteria, the storage activity will furnish the supply source a DS 945 with B8 status.
- When the items have been released to a carrier in shipments destined to a CONUS customer, take no action to stop/divert the material beyond the point of shipment. Provide the supply source a DS 945A with B8 status (Transaction Type Code NJ in the WO6 segment) and pertinent shipping information in the applicable segments.
- When the items have been released to a carrier in shipments destined for an OCONUS consignee, the storage activity will initiate actions under DoD 4500.9-M to stop or divert shipments within the DTS. Provide B9 status to the supply source via a DS 945A.

- The storage activity will not initiate action to stop or divert OCONUS shipments within the DTS when:
 - The items are consolidated in a multi-line shipment unit.
 - The items were in OCONUS shipments released to carriers for shipment more than 45 calendar days by surface or more than 10 calendar days by air prior to receipt of the cancellation request.
 - The items were shipped to OCONUS customers by air mail, parcel post, or United Parcel Service (UPS).
 - A single line-item shipment has a total dollar value of less than \$200.
 - The single line-item shipment unit has a total dollar value of less than \$1,000 and was shipped in consolidation with other shipment units in larger containers, such as, CONEX and SEAVAN.

C4.7.30.8 Status Notification. Following receipt of confirmation that shipment stop or diversion action has been accomplished by the DTS, the storage activity will provide B6 status to the supply source.

C4.7.30.9 Stop/Diversion Non-Initiated. When the storage activity does not initiate stop or diversion action with the DTS because of one of the conditions identified above or, when notified that a requested stop or diversion action has not been accomplished by the DTS, the storage activity will provide to the supply source a DS 945A with B8 status (Transaction Type Code NJ in the WO6 segment) and pertinent shipping information in the applicable segments.

C4.7.30.10 Notification Requests. Storage activities requiring diversion instructions when applicable information is not included in the cancellation request will request such instructions from the supply source by telephone or message.

C4.7.30.11 Processing Time. Storage activities will complete the above actions in 2 working days for PDs 01-08 and 5 working days for PDs 09-15.

C4.7.30.12 Status of Stop/Diversion Request. The storage activity will advise the supply source that the attempted stop or diversion action has or has not been accomplished by the DTS within 2 working days of receiving the confirmation or denial notification from the DTS.

C4.7.31 Reporting Activity Processing Cancellation Requests for MROs of Retail Assets

C4.7.31.1 Cancellation. Reporting activities will attempt cancellation to the maximum extent possible.

C4.7.31.2 No MRO Record. When the reporting activity has no record of the MRO receipt, provide the supply source a DS 945A with BF status.

C4.7.31.3 Cancellation not Possible. When cancellation cannot be accomplished, provide the supply source a DS 945A with B8 status.

C4.7.31.4 Successful Cancellation. When cancellation can be accomplished, provide the supply source a DS 945A with BQ status.

C4.7.31.5 Diversion. The reporting activity will not attempt diversion of materiel confirmed shipped.

C4.7.32 Direct Vendor Delivery of Requisitions

C4.7.32.1 Supply Activity Interface. In instances where requisitions are accomplished by DVD, an interface is required between supply and the purchasing operations. This interface will result in an interchange of specific information and documentation between supply sources and procurement activities to ensure:

- Transmission of status to designated recipients in an orderly and timely fashion.
- Proper marking of shipment containers.
- Delivery of material using priorities or RDDs.

C4.7.32.2 Purchase Requests. Purchase requests will contain specific in-the-clear and coded data as specified below, which will be perpetuated on procurement instruments and related transactions:

- The original requisition number, including suffixes when assigned.
- In-the-clear, ship-to address of the ultimate consignee and mark-for address, when applicable.
- Project code and project name, if applicable.
- Schedule of deliveries using RDDs or RADs, whichever is applicable. List items on procurement requests in descending sequence of delivery or availability dates. (A separate requisition number is required for each delivery date, consignee, and priority.) This sequence would provide for listing items with earliest dates first and will result in the required schedule of deliveries.
- Identification and address of the organization to receive the notice or evidence of shipment made by contractors as required by DoD FAR Supplement, appendix I-401, table 2.

C4.7.32.3 DVD Requisitions. Identify requisitions to be supplied by DVD sources separately from stock replenishment buys on purchase requests using Table 4-2.

Table 4-2 Service and Agency Mass and Universal Cancellation Contact Point List		
	COLUMN 1 ADDRESS <u>AUTHORIZED TO ISSUE</u>	COLUMN 2 ADDRESS <u>AUTHORIZED TO RECEIVE</u>
USA	Executive Director USAMC Logistics Support Activity ATTN: AMXLSL Redstone Arsenal, AL 35898-7466 Commander U.S. Army Security Assistance Center New Cumberland, PA 17070-5000	(same as column 1)

Table 4-2 Service and Agency Mass and Universal Cancellation Contact Point List		
USN	<p>Commander Naval Supply Systems Command ATTN: SUP 4113A 1931 Jefferson Davis Highway Arlington, VA 22241-5360</p> <p>Commander Naval Supply Systems Command ATTN: SUP 0731 1931 Jefferson Davis Highway Arlington, VA 22241-5360 (For ILP Requisitions)</p>	(same as column 1)
USAF	<p>Commander HQ Air Force Materiel Command ATTN: AMC/LGMI 4375 Chidlaw Road, Suite 6 Wright-Patterson AFB, OH 45433-5006</p>	(same as column 1)
USMC	<p>Commandant of the Marine Corps Headquarters, U.S. Marine Corps ATTN: LPS-1 Washington, D.C. 20380-0001</p>	<p>Commanding General Marine Corps Logistics Base ATTN: Code P820 Albany, GA 31704-5000</p>
USCG	<p>Commanding Officer U.S. Coast Guard Supply Center Baltimore Baltimore, MD 21226-1792</p>	<p>(same as column 1)</p> <p>Commanding Officer U.S. Coast Guard Supply Center Curtis Bay 2401 Hawkins Point Road Baltimore, MD 21226-1792</p>
GSA	(not applicable)	<p>General Services Administration Federal Supply Service ATTN: FCSI (CMB4, Room 702) Washington, DC 20406</p>

Table 4-2 Service and Agency Mass and Universal Cancellation Contact Point List		
Cont.		
DTRA	Commander Defense Threat Reduction Agency ATTN: FCPNM Kirtland AFB, NM 87115-5000	(same as column 1)
DLA	(not applicable)	Defense Logistics Agency ATTN: J-3 8725 John J. Kingman Road Fort Belvoir, VA 22060-6217
MTMC	(not applicable)	Commander Eastern Area, Military Traffic Management Command ATTN: MTE-ITD Bayonne, NJ 07002-5000 Commander Western Area, Military Traffic Management Command ATTN: MTW-ITX Oakland, CA 94626-5000
AMC	(not applicable)	Commander AMC/TROC Scott AFB, IL 62225-5001
DAASC		Defense Automatic Addressing System Center 5250 Pearson Road Area C, Bldg 207 Wright-Patterson AFB, OH 45433- 5328

C5. CHAPTER 5

ASSET STATUS REPORTING

C5.1 IN STORAGE ASSETS. This chapter prescribes procedures for the interchange of asset status information between DoD Component wholesale and below wholesale distribution systems and owners/managers. Assets within the wholesale distribution system are reported in accordance with this volume. Assets below the wholesale distribution system shall be reported when requested by the owner/manager. Use the DS to 846I Federal IC, Asset Status Inquiry/Report (DLMS appendix 6), with the appropriate asset status code to request, change, or discontinue asset status reporting from the below wholesale distribution system.

C5.2 SUPPLY AND SHIPMENT STATUS - GENERAL

C5.2.1 Status Data. Status data is either supply status or shipment status. Supply sources prepare status transactions using the applicable appendices described under C5.2.2 and C5.2.3, below. Status data may be informational or require additional action by organizations based on the assigned status code. (Status recipients include, but are not limited to, requisitioners, control offices, and/or monitoring activities.) For SA shipment status, the control office or monitoring activity receives the status from the supply source and provides it to the appropriate country status recipient. (For foreign military sales (FMS) customers, the status goes to the Military Assistance Program Address Directory (MAPAD) Type of Assistance Code (TAC) 4 country status recipient. For MAP/GA customers, the status goes to the MAPAD TAC 3 country/in-country security assistance organization (SAO) status recipient.)

C5.2.1.1 Action-Taken Status. Supply status informs organizations of action taken or being taken on material requisitioned but not shipped, shipment consignment instructions, or disposition instructions for material offered under the Material Returns Program (MRP). See DLMS appendix 3.

C5.2.1.2 Shipment Status. Shipment status informs organizations of the actual shipping dates (such as the date released to the carrier), the release criteria for shipments, or shipment delay notifications. It also provides for an interface with transportation and for shipment tracing by organizations under DoD 4500.9-M. See DSs to 856 Federal ICs, DLMS appendix 6.

C5.2.2 Types of Supply Status

C5.2.2.1 Supply Status. Use DLMS supplement to 870S Federal IC, Supply Status (DLMS appendix 6).

C5.2.2.1.1 Response to Requisition

C5.2.2.1.1.1 Processing Government-Furnished Material. Supply sources (or management control activities (MCAs) processing Government-furnished material (GFM) transactions) use the DS 870S with appropriate status codes to convey advice to organizations as notice of action taken or being taken on requisitions and requisition-related transactions; such as, retransmitted requisitions, cancellations, modifications, and requisition inquiries (follow-ups and/or requests for supply assistance). Organizations must identify additional status addressees in the original requisition and/or requisition-related transactions, as applicable. The DAASC generates supply status in selected situations resulting from item identification edits but will indicate their DoDAAC as the MESSAGE FROM address in the supply status.

C5.2.2.1.1.2 Reporting Status Decisions. Supply sources or MCAs use the response to requisition to advise organizations of the following action decisions (as indicated), alone or in combination. This includes status upon processing a requisition inquiry (follow-up and request for supply assistance) or a cancellation request and rejection status when rejecting transactions.

- Backorder.
- Partial issue or partial other action.
- Material substitution.
- Unit of issue changes.
- Retransmitted (rerouted) requisitions.
- Cancellation, modification, or inquiry.
- Any circumstance which predicts that issue may not be made within the timeframes established for the assigned priority designator (PD).

C5.2.2.1.2 Notice of Response to Direct Vendor Delivery. Supply sources use the notice of response to direct vendor delivery (DVD) to advise organizations that material is being supplied by DVD from procurement. The supply (procurement) source generates this notice for each requisition that is procured for DVD to a consignee. The DVD DS 870S notice provides a cross-reference between the requisition transaction reference number and the contract information. Organizations may also use the information in this notice to report the nonreceipt of material.

C5.2.2.1.3 Notice of Response to Supply Assistance. Supply sources use the notice of response to supply assistance to advise organizations of action taken to expedite the shipment of the requested material.

C5.2.2.2 Notice of Availability Reply. Use DS to 870N Federal IC, Notice of Availability Reply (DLMS appendix 6).

C5.2.2.2.1 Consignment. FMS country representatives (CRs)/freight forwarders (FFs) use the response to the notice of availability (NOA) to provide shipment consignment instructions to shipping activities for material reported available for shipment.

C5.2.2.2.2 Response to NOA. The CR/FF uses the response to the NOA to respond to the key NOA specifying shipment consignment instructions, if any, and must coordinate these or other shipment or delivery instructions with the MTMC releasing authority. The CR/FF must indicate in the response to the NOA the date when separate shipment instructions, if required, were mailed.

C5.2.2.2.3 Shipment Release Instructions. Shipment release instructions must provide for shipment or delivery of material to a single destination by shipment unit. Shipping activities must not split shipment units identified by shipment unit numbers to accommodate shipments or deliveries to multiple points. Specify the need for coordinated instructions in instructions to the CRs/FFs regarding replies to NOAs when an export release is required and include provisions for the following minimum data in the replies to the other NOAs:

- The complete name and address of the consignee except when the CR/FF will pick up the material.
- The date the material is to be shipped or the date when the CR/FF will pick up the material.
- The complete name and telephone number(s) of the individual(s) who will be available and authorized to receive on behalf of the purchasing country, for the specific classified shipment covered by the NOA advising of the availability of a classified shipment.

C5.2.2.2.4 Protection/Control Not Required. In instances where the shipment does not require an export release or the shipping activity has determined that there is no requirement for a high degree of protection or control and Country FMS Offer/Release Option Y is indicated for the material, release the shipment to the CR/FF on the 15th calendar day after the NOA date, unless alternate shipping instructions are received. When an export release is required, the shipment will be held pending receipt of releasing and shipping instructions from the MTMC releasing authority, and if such instructions are not received within 15 calendar days after the NOA date, follow-up only to MTMC instead of transmitting a duplicate NOA.

C5.2.2.2.5 Protection/Control Required. In instances where the shipping activity has determined a need for a high degree of protection of control or Country FMS Offer/Release Option Z is indicated for the material, the shipment will be held pending receipt of releasing and shipping instructions from the CR/FF. Should such instructions not be received within 15 calendar days after the NOA date, transmit a duplicate of the NOA to the designated notice recipient, with the same shipment unit number assigned. This duplicate NOA indicates that the shipment delay is caused by the CR/FF's failure to furnish releasing and shipping instructions.

C5.2.2.3 Material Returns Supply Status. Organizations and supply sources use the DS to 870M Federal IC, Material Returns Supply Status (DLMS appendix 6), to convey advice to one another as notice of action taken or being taken on the Offer of Material Reports (OMRs) and OMR-related transactions. Organizations use the DS 870M to provide status to the ICPs/integrated managers IMMs. The ICPs/IMMs use the DS 870M to provide status or disposition instructions for material to organizations, including disposition instructions related to discrepant material reported under Chapter 18. Use chapter 12 to determine the processing procedures for and the prescribed usage of this status.

C5.2.2.3.1 Unsolicited Report. Customer organizations use the unsolicited report DS 870M to provide status to the supply source on open OMRs for unshipped material.

C5.2.2.3.2 Response to Material Returns. Supply sources use the DS 870M to provide informational status or disposition instructions to organizations for material reported under the MRP.

C5.2.3 Types of Shipment Status

C5.2.3.1 Shipment Status. Supply sources use DS to Federal IC 856S, Shipment Status (DLMS appendix 6) to provide shipment status information related to requisitions.

C5.2.3.2 Notice of Availability

C5.2.3.2.1 Ready for Shipment. The U.S. shipping organization uses the DLMS supplement to 856N Federal IC, Notice of Availability (DLMS Appendix 6) to notify the designated CR/FF that material is ready for shipment. All classified shipments and certain unclassified shipments for those countries specifically requesting NOAs, such as the Federal Republic of Germany, must have NOAs. Each NOA has an assigned FMS notice number which is the control number assigned to the shipment.

C5.2.3.2.2 Reject – Duplicate Shipment. When a country replies to a NOA by DS 870N and rejects the shipment because the shipment unit contains material which constitutes a duplicate shipment, the U.S. shipping organization must withdraw the rejected material from the shipment and prepare a new NOA.

C5.2.3.2.3 Delayed. Use DS 870N to indicate that all of the referenced shipments are delayed.

C5.2.3.2.4 Export Release Not Required. Use DS 870N to indicate that all of the referenced shipments do not require export release instructions.

C5.2.3.2.5 Export Release Required. Use DS 870N to indicate that all of the referenced shipments require export release instructions.

C5.2.3.3 Shipment Status Material Returns. Use DS to 856R Federal IC, Shipment Status Material Returns (DLMS appendix 6), to indicate the shipment of OMR material.

C5.2.4 Requesting Status

C5.2.4.1 Purpose. Organizations use the DS to 511R Federal IC, Requisition (DLMS appendix 6), to request status on a previously submitted requisition.

C5.2.4.2 Organizations Receiving Status. To assure that supply sources will automatically provide status data to all of the organizations required to receive supply and/or shipment status, identify all of the additional organizations to receive status in the initial requisition or in requisition-related transactions.

C5.2.5 Use of Status Received. Organizations receiving status must promptly record all the status information received (automatically and/or in response to requisition inquiries) to applicable due-in records and/or requisition history (status) files, and, in the case of the Derense Reutilization and Marketing Service (DRMS), the disposal suspense file. Status recipients will use the supply status data to establish or update the due-in record to monitor for material receipts under chapter 13. In addition, status recipients must:

C5.2.5.1 Date. Give particular attention to the transaction date in the supply status received to ensure that records/files are updated in the proper chronological order/date sequence.

C5.2.5.2 Additional Action Required. Review the DLMS supplement to DS 870S received for additional action required by the status code, if any. If a requisition has been rejected with a rejection status code, and the material is still required, submit the requirement as a new requisition with a new transaction reference number and a current transaction date.

C5.2.5.3 Receipt Timeframe. Anticipate receipt of material within the prescribed UMMIPS timeframe for the assigned PD, or the RDD cited in the requisition, upon receipt of supply status without an ESD.

C5.2.5.4 Previous Status. Evaluate the status already received prior to submitting requisition inquires to follow-up for additional status.

C5.2.6 Furnishing Status - General

C5.2.6.1 Requirements. Supply sources must automatically furnish DS 870S when processing requisitions, redistribution orders (RDOs), cancellations, modifications, and requisition inquiries (follow-ups and requests for supply assistance). MCAs must furnish reject status for requisitions they process. Supply sources must maintain and furnish current supply status as provided below. For these purposes, MCAs and supply sources must maintain accessible requisition history records for a minimum of 6 months after completing a shipment of material or canceling a requisition, to provide for timely status responses. MCAs must maintain requisition history records until contract termination.

C5.2.6.2 Associated Transaction Status. Supply source initiated requisition status includes all status transactions (supply and shipment) generated during supply source

processing that is not produced in response to requisition inquiries or cancellation requests.

C5.2.6.3 Normal Requisitioning Processing. Supply sources must provide supply status based on normal requisition processing, including additional supply status due to changes in requisition processing, such as, cancellation actions, modifications, item substitutions, DVD actions, changes in ESDs (when retransmitting requisitions to another supply source), and requisition inquiries (follow-ups and requests for supply assistance). MCAs must furnish reject status for requisitions they process. For the purpose of furnishing status and providing a timely response to requisition inquiries, MCAs and supply sources must maintain accessible requisition history records for a minimum of 6 months after completing a shipment or canceling a requisition. MCAs must maintain requisition history records until contract termination. In addition, supply sources must furnish:

C5.2.6.3.1 BB Status. DS 870S with BB supply status (citing the scheduled ESD for release of material from stock to the customer) when backordering a requisition against a due-in to stock. The supply source will always furnish additional BB status to organizations with a revised ESD when adjusting shipping dates.

C5.2.6.3.2 BZ Status. DS 870S with BZ supply status with an ESD after deciding to process the requirement as a DVD shipment. The supply sources must furnish BV status after effecting contracts or procurement actions and establishing an agreed-to contract shipping date. This BV status must contain the contract shipping date and also the contract data that provides organizations with a cross-reference to the original requisition.

C5.2.6.3.3 BV Status. DS 870S with additional BV status with a revised ESD to organizations when adjusting contract shipping dates on items scheduled for DVD.

C5.2.6.4 Manual Requests. The supply source may reject a requisition or initiate a manual off-line request to obtain the additional information necessary to continue processing when in receipt of a requisition that contains insufficient information to allow processing actions or to complete processing actions. Use the STATUS TO organization identified in the requisition as the action addressee on all requests for additional information. Treat the other organizations identified in the requisition which are not designated as STATUS TO organizations as information addressees on requests for additional information. When such an inquiry for additional information is made, the supply source will provide DS 870S with BD status to all designated STATUS TO organizations. Supply sources will suspend further action on requisitions awaiting additional information until a response is received or until 30 days have elapsed from the date the inquiry was made, whichever occurs first. Upon receipt of the requested additional information, the supply source will continue normal processing. If the organization does not provide the needed additional information after the 30-day cutoff, the supply source will reject the requisition DS 870S with D3 status.

C5.2.6.5 Status Frequency. For each reinstated requisition, retransmitted (rerouted) requisition, requisition modifier, and MRO processed, supply sources will automatically furnish supply and/or shipment status, as appropriate.

C5.2.6.6 Turn-In Document Status. For each shipment on a defense turn-in document (DTID), the shipping organization must provide a DS to 945A Federal IC, Material Release Advice (DLMS appendix 6), or a D to 856S Federal IC, Shipment Status (DLMS appendix 6), with appropriate in-transit control coding as specified under the chapter 16 procedures for the material being shipped to the DRMS.

C5.2.6.7 Due-In to Stock. Supply sources will provide DS870S BB status when a requisition or a reinstated requisition is backordered against a due-in to stock. This status will contain the ESD for release of material from stock to the customer. When shipping dates are adjusted, the supply source will furnish additional BB status with the revised ESD.

C5.2.6.8 Exception Status. Supply sources will furnish DS 870S exception supply status when the intent to process for DVD is known. This exception status will contain Status Code BZ and the ESD. When contracts or procurement actions have been effected and an agreed-to contract shipping date is established, supply sources will furnish additional BV status indicating the contract shipping date.

C5.2.6.9 Shipping Date Adjustment. When contract shipping dates are adjusted on items scheduled for DVD, the supply source will provide DS 870S with additional BV status to indicate the revised shipping date. Supply sources use the DVD notice DS 870S - Supply Status to notify organizations of material being supplied by DVD. This notice provides a cross-reference between the transaction reference number and the contract data. When delivery dates are established for DVD shipments, the supply source will provide the DVD notice in addition to the supply status.

C5.2.6.10 Mandatory Status Reporting. The use of supply and shipment status is mandatory for all supply source initiated requisition status. Supply source initiated requisition status includes all status generated during supply source processing that is not produced in response to follow-ups or cancellation requests.

C5.2.6.11 Preparation of Status

C5.2.6.11.1 Late Delivery. All supply status transactions evidencing that material will be released for shipment later than the SDD or RDD/RDP will contain an ESD. Such supply status is applicable to material obligations including procurement for DVD. Conversely, the supply source will reject requisitions that contain Advice Code 2C, 2J, 2T, or 2W with CB status when items are not available for immediate release or cannot be supplied by the SDD/RDD/RDP with a DS 870S.

C5.2.6.11.2 Estimated Shipment. ESDs are also mandatory entries for those transactions reporting adjusted ESDs and any circumstance which predicts that issue may not be made within the timeframes established for the PD. Storage facilities in receipt of requisition inquiries on requirements which are in the process of being filled will use the

supply status to provide ESDs to the requesting supply source. Status transactions providing advice of such events as changes in stock numbers, unit of issue changes, rejections, and shipments will not contain an ESD.

C5.2.6.11.3 Rejecting Requisitions. Supply sources must use DS 870S with status codes in the C and D series when rejecting requisitions and RDOs.

C5.2.6.11.4 Requisition Inquiry. Status furnished by DS 870S in response to a DS to 869A Federal IC, Requisition Inquiry (DLMS appendix 6), will contain the most current information available regarding the status of the requisition. Supply status in response to a requisition inquiry must contain a changed/new ESD, when applicable, and a transaction date that corresponds to the date of the reply. DS 856S in response to a requisition inquiry must contain the shipping data for the material shipped.

C5.2.6.11.5 Narrative Explanation. The CA and TD status are the only status conditions to which the supply source will provide a narrative explanation (in a free-form format) identifying the reason for rejection.

C5.2.6.11.6 Cancellation Request. DS 870S with BF status furnished in response to cancellation requests with a transaction reference number not matching supply source records preclude supply source processing of subsequently received transactions for this same transaction reference number. When providing BF status in response to a cancellation request, also provide BF status in response to all other transactions received that contain the same transaction reference number. Supply sources do no other processing of these transactions. Supply sources retain accessible history records of BF status generated from processing no-record cancellation requests for a minimum of 6 months following the generation of the BF status.

C5.2.6.11.7 Material Returns Status. Use chapter 11 procedures for providing material returns supply status (MRSS) transactions resulting from processing OMRs and OMR-related transactions.

C5.2.6.12 Time Standards for Providing Status Transactions. When required, supply sources will dispatch applicable status on requisitions, retransmitted requisitions, reinstated requisitions, and responses to requisition inquiries within the times prescribed below:

C5.2.6.12.1 Supply Status:

- Two days from receipt of PD 01-08 transactions.
- Five days from receipt of PD 09-15 transactions.
- Twenty-four hours after release of MOV requests.

C5.2.6.12.2 Shipment Status:

- Twenty-four hours after shipment (or release to carrier) for PD 01-03 transactions.
- Forty-eight hours after shipment for PD 04-08 transactions.

- Three working days after shipment for PD 09-15 transactions.
- Twenty-four hours from receipt of PD 01-03 requisition inquiries.
- Forty-eight hours from receipt of PD 04-08 requisition inquiries.
- Three working days from receipt of PD 09-15 requisition inquiries.

C5.2.7 Distribution of Status

C5.2.7.1 Requisition Cancellations. Supply sources must automatically provide supply and/or shipment status in response requisition cancellations, including mass and universal cancellations. In addition to status furnished to organizations, the DAASC will provide shipment status to storage/procurement activities and/or the supply source (when DVD actions with BV status are applicable) on all affected shipments that have entered the DTS during mass or universal cancellation situations. Supply sources must furnish the status of cancellation actions within five days of receipt of the requisition cancellations. Supply sources must revise this status as further actions are taken on the cancellation request.

C5.2.7.2 Procedures. The supply source must address supply and shipment status furnished in response to requisition cancellations as follows:

- When there is no record of the requisition cancellation, address the status transaction to the requisitioner.
- When there is a record of the requisition cancellation, address the status transaction to the organization(s) identified in the cancellation request, including any additional status organizations.

C5.3 LOGISTICS ASSET SUPPORT ESTIMATE

C5.3.1 General. This section prescribes a standard procedure for authorized activities of the Military Services/DLA to determine the ability of the IMMs to support contingency or operational plans, projects, and other important programs. This program is not intended for routine supply status inquiries as described in chapter 5. Rather, this program is to obtain a general estimate of the type of supply support which might be anticipated when a specific requisition is not pertinent to the inquiry. Personnel responsible for scheduling, planning, or reporting on the overall supply support status of major equipment or systems, will initiate LASE inquiries in conjunction with particular programs or projects.

C5.3.2 Applicability. The provisions of this section are applicable to Headquarters DLA, Defense Supply Centers (DSCs) except the Defense Fuel Supply Center, Service ICPs functioning as IMMs, and selected activities of the Army, Navy, Air Force, Marine Corps, and Coast Guard.

C5.3.3 Effecting LASE. Use DS to 846L Federal IC, Logistics Asset Support (DLMS appendix 6), to effect LASE procedures as follows:

- Forecasting activities use to submit LASE inquiries to the IMM.
- IMMs use to respond to the forecasting activity inquiry.

C5.3.4 Asset Support Inquiries

C5.3.4.1 Authorized Activities. Only the authorized activities listed in C5.3.6 may submit LASE inquiries to IMMs. IMMs will validate the DoDAAC of incoming requests and reject those with invalid or unauthorized entries as prescribed in C5.3.5.

C5.3.4.2 Data Requirement Determination. Authorized activities will determine the type of logistic data required and will submit LASE inquiries using the DS 846L citing the request code applicable to the type of asset information required. The request code will determine if asset data will be for issuable on-hand and due-in assets, backorder, or both asset and backorder availability.

C5.3.5 IMM Asset Support Response. IMMs will provide the following in response to LASE inquiries:

- Prepare LASE responses using DS 846L containing the data specified by the submitting activity.
- Normally respond to LASE inquiries within 5 working days after receipt and, in all instances, must respond within 10 working days.
- When receiving a LASE inquiry on a non-preference item, the IMM may provide data for the replacing preferred item. When this option is exercised, the LASE response will cite the replacing preferred item.
- Use data contained in each LASE response for review and control. IMMs will retain this data for at least 90 days.
- Reject LASE inquiries when necessary in accordance with C6.3.4.1.

C5.3.6 Nonresponse to LASE Inquiries. When the authorized activity has not received a response to LASE inquiry within 15 calendar days from the submission date, the authorized activity may submit a new LASE inquiry to the appropriate IMM, in accordance with C6.3.1.

C5.3.7 DAASC Processing. DAASC will pass or route LASE inquiries as follows:

- If the inquiry is directed to the correct SOS, DAASC will pass the transaction to that activity.
- If the inquiry is directed to an incorrect SOS, and the correct SOS is not GSA, DAASC will reroute the transaction to the correct SOS and transmit a DS 870L to the submitter citing Status Code BM. Recipients of Status Code BM will update their records to reflect the correct SOS.

- If the inquiry is directed to a correct GSA SOS, or to an incorrect SOS but GSA is the correct SOS, DAASC will reject the transaction to the submitter using 824 IC Code AY.

C5.3.8 IMM Validation and Rejection. IMM will reject or provide status for LASE inquiries citing the appropriate reject or status code as follows:

- Transmit a 824 IC for LASE inquiries submitted by DoDAACs not authorized in C5.3.9 citing Reject Advice Code AV.
- Transmit a 824 IC for LASE inquiries received for an obsolete/inactive NSN which the IMM cannot support citing Reject Advice Code CJ.
- Transmit a 824 IC for LASE inquiries received for an item that is not centrally managed and stocked citing Reject Advice Code AU.
- FSC/NIIN Compatibility. When the IMM receives a LASE inquiry with an incompatible FSC and NIIN, the IMM will research to determine if the FSC matches a previously assigned FSC for the NIIN and take action as follows:
 - Matching FSC. If the FSC matches, change the FSC to the correct FSC, continue processing the inquiry, and furnish the submitter with a DS 870L citing Status Code BG. Recipients of Status Code BG will update their records to reflect the correct FSC.
 - Unmatched FSC. If the FSC does not match, reject the inquiry to the submitter using 824 IC, citing Status Code CG.

C5.3.9 Activities Authorized to Submit Asset Support Requests¹

Table 5-1. Activities Authorized to Submit Asset Support Requests

ARMY			
Authorized Activity DoDAAC	Authorized Activity DoDAAC	Authorized Activity DoDAAC	Authorized Activity DoDAAC
W15GK8	W23MWR	W45G18	W67G22
W15P61	W23RYX	W45N7V	W73HYT
W15P62	W25G1Q	W52G2J	W80KQR
W15P66	W25GIV	W52H09	W80KTY
W15P7U	W25LMQ	W56HZV	W80SLL
W15P86	W25PO2	W56KXS	W80TBO

¹Service/Agency supply PRC representatives are responsible for ensuring that information listed is maintained in current status by submitting changes to the supply PRC chair as they occur.

W15QPC
W16G1A
W22G1F
W22L11

W25PVR
W31G1Y
W31G3H

W58HZ1
W58WOZ
W62G2W

W80YBX
W80YBY
WK4NP7

NAVY

Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>
N00019	N00102	N00164	N00207
N00023	N00104	N00181	N00221
N00024	N00109	N00189	N00228
N00025	N00146	N00191	N00244
N00030	N00151	N00197	N00249
N00039	N00163	N00204	N00251
N00253	N00612	N65584	N65923
N00311	N0708A	N65885	N68860
N00367	N60258	N65886	V53825
N00383	N60478	N65887	V57016
N00406	N60701	N65888	
N00446	N65580	N65889	

Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>
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AIR FORCE

FA2303	FA4826	FB2039	FB7000
FA2833	FA5000	FB2049	FD2020
FA2500	FA5260	FB2059	FD2030
FA2812	FA5612	FB2065	FD2040
FA3012	FA6600	FB2180	FD2050
FA3115	FA7037	FB2300	FD2060
FA3300	FB2006	FB2373	FD2388
FA4413	FB2008	FB5270	
FA4502	FB2029	FB6251	

**Authorized
Activity
DoDAAC**

**Authorized
Activity
DoDAAC**

**Authorized
Activity
DoDAAC**

**Authorized
Activity
DoDAAC**

MARINE CORPS

M93728

MMC100

MMR100

R57081

M98820

MML100

R57079

V57080

DEFENSE LOGISTICS AGENCY

SC0100

SC0400

SC0700

SL4703

SC0200

SC0500

SC0900

COAST GUARD

ZZ0001

ZZ0002

ZZ0003

C6. CHAPTER 6

PHYSICAL INVENTORY CONTROL

C6.1 GENERAL. This chapter provides procedures, performance objectives, and reporting requirements for maintaining accurate records of the physical inventory, conducting physical inventory counts, and reconciling record variance for material within the supply system of the DoD.

C6.1.1 Basic Elements. Basic elements of the physical inventory control program prescribed by this chapter apply to the DoD Components, and establish:

- Uniform procedures on existing DoD policy, for maintaining accurate records, conducting physical inventories, and location surveys/ reconciliations, researching inventory discrepancies, and causes for adjustments, performance assessment, and for quality control of work processes prescribed by the DoD Physical Inventory Control Program.
- Management control of all DoD wholesale supply system material to include:
 - principal items
 - packaged petroleum, oil, and lubricants
 - secondary items regardless of whether assets are purchased with stock fund or procurement appropriations
 - ammunition
 - forms and publications
 - subsistence
- Management data and performance standards necessary to measure the effectiveness of physical inventory control in the DoD supply system.

C6.1.2 Exclusions

C6.1.2.1 Applicability. These procedures are not applicable to bulk petroleum; complete ships, aircraft, ballistic missiles, nuclear weapons, space vehicles; assets located at contractor-owned and/or contractor-operated facilities which are not maintained on the DoD wholesale property accountability records; Industrial Plant Equipment reportable to the Defense Distribution Depot Richmond Virginia (DDRV); National Security Agency (NSA)/Central Security Service assets; and National Defense Stock Pile assets. Loaned material and material in-transit will be accounted for in accordance with chapter 13 and DoD Component procedures.

C6.1.2.2 Physical Inventory Control. Physical inventory control procedures for bulk petroleum are contained in DoD 4140.25-M.

C6.1.2.3 Nuclear Weapons. Nuclear weapons for which DoD has custodial responsibility. Inventories are in accordance with JCS Pub 6, Volume II, Joint Reports; part 4, Nuclear Weapons Reports; section 5, Stockpile Inventories and Inventory Reports.

C6.2 POLICY. DoD policy is contained in DoD 4140.1-R.

C6.2.1 Purpose. The purpose of the DoD physical inventory control process is to:

- Ensure material accountability is properly executed within DoD;
- Ensure accurate property accountability records for the physical inventory are maintained in support of customer requirements and readiness by performing physical inventories and location surveys/reconciliations;
- Identify and help resolve problems in supply system work processes affecting property accountability records by performing quality control of the work processes; and
- Identify repetitive processing errors and maintain accurate records for supply system transactions generated within the supply system by researching and reconciling property accountability record imbalances and potential discrepancies.

C6.2.2 Philosophy

C6.2.2.1 Physical Inventory Control. The dynamic nature of the physical inventory control function and the cost of counting and reconciling records require that the approach be more selective than the "100 percent wall-to-wall total item count" concept. Available inventory resources must be directed towards those potential and actual discrepancies, controlled inventory items, and weapon system critical items for which the maximum returns will be derived from the resources which are applied.

C6.2.2.2 Inventory Integrity. A fundamental requirement of inventory integrity is to implement the technical capability that provides for the total item property record which includes a single shared asset balance maintained by the storage activity.

C6.2.3 Security of Material. Security of material is the first line of defense for physical inventory control; therefore, DoD Components shall pay special attention to safeguarding of inventory items. This shall include analysis of loss rates through inventories, financial liability investigation of property loss (DD Form 200) reports, and criminal incident reports to establish whether repetitive losses indicate criminal or negligent activity. Physical security procedures for supply system material are contained in DoD 5200.8-R.

C6.2.4 Asset Management. A single total item property record shall be shared to provide material asset information. The total item property record shall, as a minimum, include material that is due-in, in-transit, in organic maintenance facilities, in a contractor's custody, on loan, on-hand in distribution centers, reported on-hand at retail activities, and for reported assets in the custody of users. The record on record set shall identify the quantity, condition, and value of the item asset for each organizational entity having physical custody of these assets.

C6.2.5 Maintaining Property Accountability/Responsibility. The property accountability responsibility for segments of the total item property record may be delegated to, but not shared by, one or more organizational entities. However, asset balance information for a particular segment (such as storage activity balance for an item) will be shared; duplicative records will not be maintained.

C6.2.5.1 Storage Activity Responsibility. The storage activity maintains the property accountability record for all material in storage and is responsible, as a minimum, for material custody, care, receipt, storage, and issue; safeguarding and re-warehousing materials; physical inventory and research; location survey/reconciliation; quality control checks; supply discrepancy report initiation, research and resolution; investigating and assessing financial liability for loss, damage, and destruction of Government property; and appropriate actions necessary to ensure that the physical on-hand quantity and the total item property record quantity are in agreement.

C6.2.5.2 Owning Service/Agency. The owning Service or Agency shall assume or assign the accountability for material not in the physical custody of a storage activity, including material inducted for organic repair, test assembly/disassembly, conversion, modification, or reclamation; material in a contractor's hands (in accordance with provisions of the Federal Acquisition Regulations); material in-transit; material on loan, etc.

C6.2.5.3 Integrated Material Manager Responsibility. The IMM is responsible for initiating and directing the conduct of physical inventories; discrepancy research and reports; resolving discrepancies, investigating, and assessing liability for loss, damage, and destruction of Government property; and take appropriate actions necessary to ensure that the on-hand quantity and the total item property record quantity are in agreement for all DoD material that is not in the physical custody of DoD activities.

C6.2.6 End of the Day Processing. (Use the following end of the day processing procedures pending the establishment of single shared asset balances.) End-of-the day-processing shall be accomplished as follows:

C6.2.6.1 Owner/Manager and Storage Activity Responsibility. Owners/ managers and storage activities shall daily match all active record (i.e., stock numbers which had any transaction affecting record balances) on-hand balances. The storage activity shall submit the daily closing balance to each affected owner/manager using DS to 846R Federal IC,

Location Reconciliation (DLMS appendix 6) with Code List Qualifier Code FH citing code 1 (End of the Day Processing).

C6.2.6.2 Preparing Asset Status. Storage activities shall prepare asset status transactions by line-item (stock number + supply condition code = line item), type of pack, and date packed/expiration date for subsistence, for each record transaction affecting the balance (including zero balance), and for no physical inventory adjustment required (DS 947I to Federal IC, Inventory Adjustment (DLMS appendix 6), with zero quantity).

C6.2.6.3 Asset Status/Record Reconciliation

C6.2.6.3.1 Requirements. Owners shall match the storage activity asset status to the affected records. Imbalances will be programmatically researched to assure consideration of in-float documents, delayed transactions, and duplicate transactions. For unresolved mismatched quantities, the owner/manager will update the affected record on-hand balance with the storage activity's closing on-hand balance. The mismatched quantity (gains and losses) shall be adjusted with the DS 947I with Quantity or Status Adjustment Reason Code AB (Accounting Error Inventory Adjustment Increase/ Decrease).

C6.2.6.3.2 Request for Assistance. Owners/Managers will request assistance from the storage activity to isolate causes of record imbalances to maintain transaction level integrity. The storage activity assistance should focus on data transmission, e.g., lost transactions, etc.

C6.2.7 Reconciling Total Item Property Records with Financial Records. Owing DoD Components shall reconcile total item property records and financial records as prescribed by DoD 7000.14-R to ensure compatibility of the total inventory value reflected by these records and associated reports.

C6.2.8 Item Management/Control. DoD material is managed and controlled by stock number, supply condition code, and by type of pack and date packed/ expiration date for subsistence; therefore, physical inventories shall be conducted and the results reported to owners/managers by: stock number and supply condition code, and by type of pack and date packed/expiration date for subsistence.

C6.2.9 Storage Activity Record Keeping. Storage activities shall maintain quantitative balance records for all material on hand regardless of ownership. Storage activities shall maintain transaction histories to support the balance records. Maintenance of these records shall provide the capability to detect theft or diversion of material and improve the ability to determine the cause of inventory variances for corrective action.

C6.2.10 Inventory Prioritization. DoD Components shall select and prioritize items for inventory for which they are accountable as follows:

C6.2.10.1 Inventory Sampling. A stratified, hierarchal inventory sample will be accomplished at least once annually for the purpose of validating the accuracy of the accountable record. The results of the sample will be reported in accordance with the stratification and tolerances cited in table 1.

C6.2.10.2 Items Designated for Complete Inventories. Complete inventories shall be accomplished as follows:

C6.2.10.2.1 Controlled Inventory Items. The following controlled inventory items (identified in DoD 4100.39-M) require complete physical inventory and do not qualify for use of a random statistical sampling approach:

- Top Secret
- Narcotics, drug abuse items, and alcohol
- Category I non-nuclear missiles and rockets (semiannually in accordance with DoD 5100.76-M)
- Precious metals
- Small arms
- Radioactive items
- Inert nuclear ordnance materiel
- Other items that may be designated by DoD or the DoD Components

C6.2.10.2.2 Ammunition or Subsistence. If ammunition or subsistence is subjected to complete inventory, physical inventory and location survey may be conducted concurrently.

C6.2.10.2.3 Exceptions. Controlled inventory items not subject to annual complete physical inventory must be subjected to annual random statistical sampling. Acceptable statistical sampling techniques are widely prescribed and may be used so long as every item included in the population has an equal probability of being selected in the sample. The statistical sampling technique must provide reasonable assurance (as a minimum) that the property accountability records are accurate with a 95 percent level of confidence, accuracy level of 85 percent, and a maximum margin of error of 2 percent. If the sample inventory results do not satisfy the above criteria, complete physical inventory of the population from which the sample was selected will be performed.

C6.2.10.3 Items Not Designated for Complete Inventories. Inventories for items not designated for complete inventory under C6.2.10.2 shall be accomplished as a result of:

- Total or partial material release denials (spot inventory--see C6.3.4.1 and Type of Physical Inventory/Transaction History Code E).
- Location reconciliation variances

- Location survey errors
- Owner/manager request (special inventory); or
- Owners may select items for inventory based on their physical inventory prioritization methodology or model, which considers characteristics identified by each DoD Component based on DoD Component priorities, readiness drivers; etc. The owner and depot would negotiate projected workload at least once annually (prior to each Fiscal Year). The owner would provide the prioritization methodology/model results to the distribution depot annually by submission of DS 846P with Type Physical Inventory/Transaction History Code I.¹ Items selected for inventory based on owner priority selection systems shall not be given priority over inventory sampling, complete inventories, total or partial denial inventories, locations reconciliation variances, and location survey errors inventories.

C6.2.11 Potential Discrepancies. Potential discrepancies between the actual physical count of material and the property accountability record on hand balance shall be researched and resolved in accordance with figure 6-1 either by:

- Correctly posting supply transactions (e.g., receipts, issues, adjustments, etc.) discovered during the research process that were previously incorrect or un-posted in the record imbalance; and/or
- Posting an inventory adjustment to correct the imbalance

C6.2.12 Accuracy and Performance Goals. The acceptable DoD accuracy and performance goals are as follows:

- Material Denial Goal: Not greater than 1 percent
- Receipt Processing Performance Goal: 90 percent stored and posted within time standards (see chapter 13, C13.1)
- Location Audit Program Goal:
 - Location Survey Accuracy:
 - 97 percent - General Supplies
 - 98 percent - Ammunition
 - Location Reconciliation Accuracy:

C6.1 _____

¹ The Distribution Standard System is capable of accepting DS 846P with Type Physical Inventory /Transaction History Code I; however the DoD Components have not implemented this capability. Component Supply PRC representatives must provide DLMSO with an implementation date, if implementing this capability, per Approved DLMS Change (ADC) 33 (available at <http://www.dla.mil/j-6/dlmsocchanges>).

- 97 percent - General Supplies
- 98 percent - Ammunition
- Ammunition Property Accountability Record Accuracy Goal: 95 percent
- General Supplies Record Accuracy Goals²

Table 6-1 GENERAL SUPPLIES RECORD ACCURACY GOALS STRATIFICATION SUBPOPULATIONS AND ASSOCIATED GOALS AND TOLERANCE LEVELS			
CATEGORY	SUB-POPULATION	GOAL	TOLERANCE
A	UNIT PRICE \geq \$1,000	99%	0%
B	UNITS OF ISSUE WHICH MAY BE NON-DEFINITIVE OR DIFFICULT TO MEASURE ³ OR (ON-HAND BAL > 50 AND EXTENDED VALUE < \$50,000) OR NSN ACTIVITY (# transactions affecting balance in one year) > 50	95%	10%
C	DATE OF LAST INVENTORY > 24 MONTHS AND ON-HAND BALANCE < 50	95%	5%
D	ALL OTHER MATERIEL NOT MEETING ABOVE CRITERIA	95%	0%
95% Confidence Level ±4% Bound applicable to each category.			

C6.3 PHYSICAL INVENTORY PROCEDURES

C6.3.1 Inventory Program Accomplishment. Storage activities will monitor program accomplishment throughout the fiscal year to ensure that the requirements of C6.2.10 are met.

C6.1 _____

² Within 30 days after the end of the 4th quarter each fiscal year, DoD Components must submit record accuracy goal information to ADUSD (L&MR/SCI), via electronic mail. Submit to: debra.bennett@osd.mil. Data may be obtained throughout the year.

³ Applicable Units of Issue: AT, AY, BF, BK, CD, CF, CZ, DZ, FY, FT, FV, GP, GR, HD, KT, LB, MR, OZ, OT, PG, PR, SE, SF, SO, SP, SY, TD, TE, TF, TN, TO, TS, MC, MX, YD

C6.3.2 Pre-Inventory Planning. The potential for count inaccuracies will be reduced by conducting preinventory planning to include:

- Actions to ensure location integrity by correcting such situations as un-binned/ loose material; questionable identity of material in location; and single locations containing multiple supply condition codes or stock numbers, inadequately labeled shelf-life items (date of manufacture/assembly/pack or date of expiration/inspection/test, as appropriate); and/or material lots stored in a single location.
- Document cleanup to ensure to the extent possible that receipts, adjustments, transaction reversals, and other transactions are posted to the property accountability record and that in-process receipts are stored in location prior to the established physical inventory cutoff date.

C6.3.3 Scheduled Inventories

C6.3.3.1 Item Characteristics. Storage activities will initiate all scheduled inventories based on item characteristics, specifically, the controlled inventory item code and any other category codes designated by DoD Components that require physical inventory not less than once each fiscal year, with the DS 846P, Physical Inventory/Transaction History, using Type of Physical Inventory/Transaction History Code G.

C6.3.3.2 Selection and Prioritization Model. Storage activities will initiate all scheduled inventories based on selection and prioritization model criteria with the DS 846P, Physical Inventory/Transaction History, using Type of Physical Inventory/Transaction History Code I.

C6.3.3.3 Random Statistical Inventories

C6.3.3.3.1 Scheduled Inventory Sampling. Storage activities will initiate the scheduled random statistical sample inventory to meet the Departments requirements to validate the accuracy of the supply records with DS 846P, Physical Inventory/Transaction History, using Physical Inventory/Transaction History Code N.

C6.3.3.3.2 Scheduled Sampling of Owned Items. Owners may initiate a scheduled random statistical sample inventory of lined items owned to determine the overall accuracy of their records with the DS 846P, Physical Inventory/Transaction History, using Type of Physical Inventory/Transaction History Code L. Storage activities may also initiate a scheduled random statistical sample inventory of line items in storage to determine the overall accuracy of their records with DS 846, Physical Inventory/Transaction History, using Type of Physical Inventory/Transaction History Code P.

C6.3.3.4 Locator/Property Accountability On-Hand Balance Mismatches. Storage activities may initiate schedules inventories as a result of on-hand balance mismatches between the locator and property accountability records with DS 846P, Physical Inventory/Transaction History, using Type of Physical Inventory/Transaction History Code M.

C6.3.4 Unscheduled Inventories

C6.3.4.1 Special Inventory. Owners, accountable offices, and storage activities will initiate special inventories using the DS 846P, Physical Inventory/Transaction History. If an inventory has not been taken within the past 90 calendar days, cite Type of Physical Inventory/Transaction History Code C, J, or K. If an inventory has been taken within the past 90 calendar days, an effort will be made to construct a transaction history and from it determine what the item balance should be or what discrepancy may have caused the imbalance. Only when these efforts fail to produce satisfactory results will special inventories be generated. In this case, cite Type of Physical Inventory/Transaction History Code H in the DS 846P, Physical Inventory/Transaction History. The procedure for restricting special inventories may be waived when the inventory manager has recorded backorders for the item involved.

C6.3.4.2 Spot Inventory. Storage activities will initiate spot inventories as a result of total or partial material denial on classified and sensitive items regardless of value, pilferable items when the value of the variance is greater than \$100, and for noncontrolled items variances greater \$5,000. The DS 846P requests will cite Type of Physical Inventory/Transaction History Code E. Storage activities shall accomplish all requests for spot inventories.

C6.3.5 Canceling Inventories

C6.3.5.1 General. When conditions exist which preclude accurate completion of an inventory which has been established, the inventory will be canceled by the storage activity or the owner/manager. Conditions which may require cancellation include, but are not limited to, catalog changes, rewarehousing of material under inventory, insufficient resources, insufficient time to meet established inventory timeframes to notify other affected owners/managers, and acts of God.

C6.3.5.2 Owner/Manager Cancellation. When an owner/manager cancels an inventory, the owner/manager will notify all affected storage activities using the DS 846P with Type of Physical Inventory/Transaction History Code N.

C6.3.5.3 Storage Activity Cancellation. When a storage activity cancels an inventory, or when an owner/manager requests cancellation of an inventory, the storage activity will notify the requesting owner/manager using DS 846P, Physical Inventory/Transaction History, with Management Code N. When a canceled inventory is required to meet annual inventory schedule requirements, it must be rescheduled by the storage activity within the current fiscal year. When a spot inventory (Type of Physical Inventory/Transaction History Code E) is canceled, it must be rescheduled within 15 calendar days.

C6.3.6 Conducting, Recording, and Reporting the Inventory

C6.3.6.1 General. Physical inventory procedures at storage activities will provide the required asset-to-record accuracy with positive control of material and documentation which are in-float, including material release orders, receipts, condition transfers, catalog and other data changes, etc.

C6.3.6.2 In-Float Document Control. The storage activity may reduce the volume of in-float accountable documents, during the period required for an item count, by suspending the issue of low priority material release transactions from undergoing inventory. However, material will be released for items undergoing inventory when such release is necessary to meet the order/ship timeframes of DoD 4140.1-R, to include the recognition of the required delivery date. The distribution may also reduce the volume of in-float accountable documents by deferring routine supply condition code changes, providing the chapter 7 control requirements are complied with.

C6.3.6.3 Physical Inventory Timeframe. Storage activities will complete physical inventories and transmit the appropriate DS 947I, Inventory Adjustment, to the owner/manager within 30 calendar days subsequent to the physical inventory cutoff data (PICD) for scheduled inventories and within 15 calendar days subsequent to the PICD for unscheduled inventories.

C6.3.6.4 Potential Variance. The storage activity will compare the adjusted count with the balance maintained by the distribution to determine the potential variance and initiate post count validation and preadjustment research as required under section C6.4. Immediately upon completion of post count validation and pre-adjustment research, the storage activity will record the count and date of last inventory on the storage activity quantitative balance record.

C6.3.6.5 Adjustments. When no adjustment is required, the storage activity will update the storage activity record with the date of last inventory and transmit a DS 947I adjustment transaction with zero quantity for each line item to the owner/manager to indicate completion of the inventory. The owner/manager will update the date of last inventory using the DS 947I adjustment transaction date.

C6.3.6.6 Prorating Adjustment. When the storage activity record reflects more than one owner for commingled material, the storage activity will apply all gains and losses to the wholesale manager. The storage activity will prorate any losses that cannot be applied to the wholesale manager among all owners having balances. Storage activities will not consider foreign owner balances in the prorating process. Foreign owner and Special Defense Acquisition Fund balances will not be altered unless they are the only remaining balances for reporting a loss. Resolution of these losses will be in accordance with DoD Security Assistance Program policy.

C6.3.6.7 Processing Physical Inventory Adjustments. The storage activity will process DS 947I Inventory Adjustment transaction, with 2/W1901/020, code AA, by line-

item, and by each date packed/expiration date and type of pack for subsistence, to update the storage activity quantitative balance record and each owner/manager record.

C6.3.7 Reconciling Manual Records for Controlled Items. When manual records are maintained for control of assets in secured storage, the storage activity, as a minimum, will reconcile these records at the time of inventory with the corresponding storage activity records and physical counts of materiel.

C6.3.8 Unscheduled Physical Inventory Follow-Up

C6.3.8.1 Requested Inventory. When the owner/manager has requested an unscheduled inventory and no adjustment or completion transaction has been received within 40 calendar days of the date of the request, the owner/manager will initiate a follow-up using DS 846P, which cites Management Code X and duplicates the remaining data from the DS 846P that established the inventory.

C6.3.8.2 Adjustment Follow-Up. The storage activity will respond to the owner/manager follow-up within five calendar days by providing the appropriate adjustment, completion, or cancellation transaction. If an adjustment or completion transaction was previously submitted and a follow-up is received, the storage activity will reply submitting a DS 846P, Physical Inventory/Transaction History, with Management Code Y to the owner/manager. The storage activity will also submit DS 947I, Inventory Adjustment, reflecting the actual physical inventory adjustment, and identified as submission of historical information by 1/W1506/020, code W1.

C6.3.8.3 Use of DS 846P. If the storage activity does not have a record of the owner/manager original DS 846P, Physical Inventory/Transaction History request, the storage activity shall process the DS 846P with Management Code X as an original request for physical inventory.

C6.4 RESEARCH OF POTENTIAL OR ACTUAL PHYSICAL INVENTORY ADJUSTMENTS

C6.4.1 Policy. DoD Components will ensure that potential or actual adjustments are researched in accordance with the value of the adjustment and type of item involved. The DoD criteria for this research are set forth in figure 6-1 and will be used as the basis for selective research for supply system material. A reduction of the volume of erroneous adjustments can only be achieved by conducting specified degrees of research before posting the adjustment transaction. More stringent research requirements may be imposed by DoD Components based upon the limits of resources available and upon specific asset control problems. However, in no case will adjustments be processed against items without required preadjustment research having been performed (see figure 6-1).

C6.4.2 Objectives. Analysis of inventory adjustments is vital in order to:

- Identify failures in the control systems so improvements can be made.
- Reduce discrepancies in the future.
- Ensure that proper adjustment was made.
- Evaluate indicators of trends or system problems for corrective action.
- Detect negligence, abuse, or theft of material. Known or suspected negligence, abuse, or theft will be researched in accordance with DoD 7200.10-M and figure 6-1.

C6.4.3 Timeliness of Research. Timely completion of the research of potential adjustments is essential. Delay only increases the complexities of adequate research and reduces the probability of conclusive findings.

C6.4.3.1 Preadjustment Research. Storage activity preadjustment research must be completed and the physical inventory adjustment/completion action posted to the owner/manager record within 30 calendar days from the PICD for scheduled inventories and 15 calendar days from the PICD for unscheduled inventories.

C6.4.3.2 Mandatory Causative Research. The storage activity must complete mandatory causative research within 45 calendar days from the date the adjustment transaction was posted. Sample causative research must be completed within 45 calendar days from the date the sample causative research listing is created.

C6.4.4 Transaction History. For intra-DoD Component (or inter-DoD Component, based on agreement of the DoD Components involved) reconciliation, the owner/manager may request transaction history for analyzing inventory discrepancies.

C6.4.4.1 Transaction History Request. The owner/manager will request the history using the DS 846R citing the appropriate type of physical inventory/transaction history code. Transaction history will consist of all transactions affecting the balance for the requested timeframe.

C6.4.4.2 Transaction History Data. The storage activity will provide the transaction history data using the DS 846R, Physical Inventory/Transaction History.

C6.4.5 Error Classification Coding. Causes of potential/actual inventory adjustment are determined by research. Causes will be classified, analyzed, and evaluated so action may be taken to correct situations that are causing errors. Error classification codes will

be entered in the DS 9471 for physical inventory adjustments (2/W1901/020, Code AA)⁴. For analysis and evaluation, error conditions will be identified to the operation in which they occurred (e.g., receiving, issues, etc.) and classified by type within each operation. For reporting purposes, each operation and each error type have been identified by an alphabetic or numeric code. The error classification system is structured to provide the Components the latitude to amplify the DoD defined error classifications; however, DoD Components will summarize internally defined error classifications to the appropriate DoD classification for all reports provided to higher authorities, auditors, etc.

C6.4.6 Error Causing Feedback and Correction

C6.4.6.1 Causative History Summary. The storage activity will provide a quarterly summary of the causative research results -- by the error cause code -- and provide feedback to the commander of the storage activity concerned. As a minimum, the activity will include a summary of the number and value of adjustments by error cause codes.

C6.4.6.2 Error Correction. Storage activities will use this information in conjunction with local indicators to identify and correct recurring errors in their operations (e.g., though initiation of training, increased frequency of quality control checks, and other action as required).

C6.4.7 Controlled Inventory Item Adjustments. Unresolved physical inventory adjustments for all classified and sensitive items regardless of value, and for pilferable items when the adjustment is in excess of \$2,500, as prescribed by DoD 7200.10-M, will be referred to security officials of the storage activity at which the adjustment occurred to determine whether there is culpability or when fraud, waste, or abuse is suspected (see figure 6-1).

C6.4.8 Material Release Denials

C6.4.8.1 Document Formats. Chapter 5 prescribes DoD standard document formats, data codes, and criteria for the preparation and processing of material release denial at storage activities and by owners/managers.

C6.4.8.2 Storage Activity Action. Upon initiation of a material release denial citing Management Code 1, 2, 3 (applies to subsistence only) or 4 (applies to subsistence and ammunition only), storage activities:

- Reverse the issue, adjust the storage activity record on-hand quantitative balance to zero, and transmit a DS 9471 for the adjusted quantity to the

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⁴ The Integrated Materiel Manager may use the error classification codes in DS 9471 for Accounting Error inventory adjustments (2/W1901/020, code AB) pending the establishment of single shared asset balances (see paragraphs C6.2.2 and C6.2.4).

owner/manager citing Management Code 1, 2, 3, or 4, and a DS 947I to any other owners affected by the denial loss, citing denial Management Code Q.

- Initiate a spot inventory as required under C6.3.4.2.

C6.4.9 Accomplishing the Inventory. If an inventory can be accomplished without delaying the processing of the MRO beyond the prescribed UMMIPS timeframes (see DoD 4140.1-R), it may be conducted prior to processing the denial transaction.

C6.5 REVERSAL OF INVENTORY ADJUSTMENTS. Reversal of physical inventory adjustment transactions (DS 947I, 2/W1901/020, code AA) is a required capability which must be implemented with proper controls and supported by proper documentation. Procedures for reversing adjustments will contain, as a minimum, the following control features:

C6.5.1 Posted/Un-Posted Source Documents. Reversals required to correct inventory records when previously un-posted or incorrectly posted supply transactions (e.g., receipts, issues, etc.), regardless of age, are limited to those transactions that can be properly documented to reference the specific transaction document number(s) that will be processed to offset the reversal.

C6.5.2 Inventory Adjustments and Corrections. Reversals required to correct physical inventory adjustments which were based on incorrect/incomplete information are limited to 2 years from the date of the original adjustment unless the requirements of C6.5.1 are met. All reversals must be properly documented.

C6.5.3 Limitations. Reversals will not be processed solely on the basis of a previous offsetting physical inventory adjustment.

C6.5.4 Performance Assessment. Reversals against transactions processed within the adjustment period will be separated and identified as follows:

- Gross adjustment during the current period.
- Reversal of prior quarters' adjustment transactions,
- Reversals of current quarters' adjustment transactions, and
- Total value of net adjustments during the current period (i.e., value of net gains added to value of net losses).

C6.6 LOCATION AUDIT PROGRAM. Each DoD Component will implement a location audit program which will consist of both a location survey and a location reconciliation.⁵ The DoD acceptable accuracy goals are provided in C6.2.11. The DoD Components may impose more stringent standards internally. The location audit program is subject to the quality control checks delineated in C6.8. Errors will be subject to validation and research before they are counted as an error. DoD Components will collect and analyze all Type III errors (see C6.6.1.2.3 and C6.2.2.3) by element.

C6.6.1 Location Survey. Location survey requires a physical verification, other than actual count, between assets and recorded location data to ensure that all assets are properly recorded. When a discrepancy is identified during the location survey program (Type I or Type II error (see C6.6.1.2.1 and C6.6.1.2.2)), the storage activity will conduct prompt research and determine the need for a special inventory DS 846P with Type of Physical Inventory/Transaction History Code K). In some instances, location survey and physical inventory will be conducted concurrently for ammunition and subsistence.

C6.6.1.1 Requirements

C6.6.1.1.1 Timing. Location survey will be accomplished at each storage activity not less than once each fiscal year by (1) performing complete location survey of all locations; (2) using a statistical sampling methodology that ensures all locations are included in the population and each has a probability of selection; or (3) a combination of complete and statistical sampling.

C6.6.1.1.2 Rewarehousing. A location survey will be conducted in both the gaining and losing storage areas following the accomplishment of re-warehousing projects. A location survey conducted as a result of re-warehousing projects may be considered to have satisfied the annual survey requirement for the area surveyed.

C6.6.1.1.3 Asset Comparison. The proper sequence of operating a location survey requires the comparing of assets in storage locations with locator records. This sequence of operation is important to detect assets in unrecorded locations. As an objective, it is desirable to identify items to location survey lots or segments. Lots/segments will be of a manageable size (number of items) to permit location survey in a minimum time period, to ensure maximum uninterrupted service to customers, and to obtain the greatest degree of accuracy for the location survey.

C6.6.1.1.4 Items within Lot/Segment. Items within a lot/segment which have been subject to a complete item inventory will be considered to have satisfied the annual survey requirement when the entire lot/segment is located in a clearly designated,

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⁵ The location reconciliation process will not be required with the establishment of single shared-asset balances (see C6.2.2 and C6.2.4).

conterminous warehouse space. These inventories lots/segments may be excluded from the complete survey for the fiscal year in which they were counted.

C6.6.1.1.5 Permanent Item Locations. When permanent locations are reserved for items, unoccupied recorded locations will be identified and/or verified during the location survey.

C6.6.1.2 Accuracy Measurement. To measure the accuracy of the results of the location survey, discrepancies will be classified in one of the three categories listed below. Only one error per stock number per location is charged when locator delete, locator establish, or locator record correction is required for the same location. When the stock number and actual assets differ, the discrepancy will be classified as a locator establish action only.

C6.6.1.2.1 Locator Record Deleted. The removal or change of a locator record when there is a recorded location but there are no physical assets--unless the location is being held open for new receipts. (Type I location survey error.)

C6.6.1.2.2 Locator Error Established. The recording of locations when assets are physically found in storage and no locator records exist, or when the recorded stock number disagrees with the Material in the location. (Type II location survey error.)

C6.6.1.2.3 Locator Record Corrected. Changes to the locator record when physical Material characteristics differ from any of the following data elements (Type III location survey error):

- Unit of issue.
- Supply condition code.
- Controlled inventory item code (see DoD 4100.39-M, volume 10, table 61). Verification of the code will consist of ensuring that assets are stored in areas providing the degree of security commensurate with the assigned code.
- Type of pack code (for subsidence only). (See chapter 4.)
- Lot number or unique item identifier (for ammunition only).
- Completeness and accuracy of magazine data card (for ammunition only).

C6.6.1.3 Special Inventory. To ensure accuracy of property accountability records, special inventories should be performed when assets are found in an erroneous or unrecorded location, or when there are mismatches in the unit of issue that may result in a quantity variance.

C6.6.2 Location Reconciliation.⁶ Storage activities will use the DS 888I, Storage Item Correction, to update stock records, item locator records and bin tags.

C6.6.2.1 Requirements. Location reconciliation requires a match between storage activity records and owner/manager records, in order to identify and to correct situations when there is: (1) an owner/manager record with no corresponding storage activity record, (2) a storage activity record with no corresponding owner/manager record, (3) common elements of data that do not match, and (4) quantity discrepancies. Mismatches will be researched and special inventories conducted when required to effect corrective action.

C6.6.2.2 Accuracy Measurement. To measure the accuracy of the results of the location reconciliation program, discrepancies will be classified in one of the four categories listed below (report only one error per location reconciliation error).

C6.6.2.2.1 Owner/Manager Record. Reflects balance for storage activity; no location reconciliation transaction received. (Type I location reconciliation error.)

C6.6.2.2.2 Location Reconciliation Transaction. Received from storage activity; no corresponding owner/manager record (Type II location reconciliation error.)

C6.6.2.2.3 Mismatch of Data Elements. Mismatch of any of the following (Type III location reconciliation error):

- Unit of issue
- Ownership/manager identifier.
- Controlled inventory item code (see DoD 4100.39-M, volume 10, table 61).
- Type of pack code (subsistence only).
- Shelf-life code.
- Date packed/expiration date (subsistence only).

C6.6.2.2.4 Quantity Discrepancy (Type IV Reconciliation Error)

C6.6.2.3 Guidance. Location reconciliation will be accomplished by DoD Components in accordance with the following guidance:

C6.6.2.3.1 Reconciliation. Owners/managers and storage activities will reconcile all records annually. The annual reconciliation will be accomplished at the close of business on the second Tuesday of the month

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⁶ The location reconciliation process will not be required with the establishment of single shared-asset balances (see C6.2.2 and C6.2.4).

C6.6.2.3.2 Transaction Listing. Storage activities will prepare location reconciliation request transactions by line-item, and by type of pack and date packed/expiration date for subsistence, for each stock number regardless of the balance (including zero balances). Storage activities will use DS 846R, Location Reconciliation, citing Code List Qualifier Code FH, code value 2 (Annual Location Reconciliation Request).

C6.6.2.3.3 Activity Records. All owner/manager and storage activity records (active and inactive records, including zero balances) will be reconciled not less than once each fiscal year. Location reconciliation requests will be prepared on the second Tuesday of the month indicated in the following schedule and transmitted prior to the 15th day of the scheduled month.

<u>SERVICE OR AGENCY</u>	<u>PREPARATION DATE</u>	<u>TRANSMISSION DATE</u>
Army	2nd Tues - Jan	15 Jan
Navy	2nd Tues - Jan	15 Mar
Marine Corps	2nd Tues - May	15 May
Air Force	2nd Tues - Jul	5 Jul
Defense Logistics Agency	2nd Tues - Sep	15 Sep

C6.6.2.4 Processing Location Reconciliation Request. In processing location reconciliation requests, owners/managers will match the requests to the owner/managers records. When a mismatch is programmatically unresolved, 947I - for inventory adjustment for accounting error (2/W1901/code AB), will be processed to adjust the owner/manager records. All Type I, II, III, and IV mismatches meeting the criteria for causative research (see table 6-2) will be resolved as follows:

- Research of owner/manager active and historical records.
- Research of storage activity active/historical record DS 846P, Physical Inventory/Transaction History, with Type of Physical Inventory or Transaction History Code X.
- Request physical inventory DS 846P with Type of Physical Inventory or Transaction History Code J.
- If the above actions fail to resolve the mismatch, the DS 947I for accounting error inventory adjustment (2/W1901/code AB), will remain on the owner/manager records.

C6.6.2.5 Exceptions. A physical inventory is not required under the following conditions, except when the mismatch involves classified or sensitive items, or pilferable items when the extended dollar value of the variance is greater than \$100.

C6.6.2.6 Record Adjustment Value \$5000 or Less. The owner/manager record may be adjusted without special inventory when the extended value of the variance is \$5,000 or less than 10 percent or less of the beginning value of the variant owner/manager record for Type IV, errors (see C6.6.2.2.4).

C6.6.2.7 Record Adjustment Value \$5000 or Less for Type I/II. The owner/manager record may be adjusted without special inventory when the extended value of the variance is \$5,000 or less for Type I and Type II errors (see C6.6.2.2.1 and C6.6.2.2.2).

C6.6.2.8 Discrepancies. When a discrepancy is identified during the location reconciliation, transmit the following transaction sets, as appropriate, to the submitting activity:

- 824 - Reject, as prescribed in volume 1, chapter 6.
- 888I - Storage Item Correction application, as prescribed in this chapter.

C6.7 RETENTION OF ACCOUNTABLE DOCUMENTATION. Audit capability is required for a period of time following the processing of documents and data and completion of the research effort. The following retention criteria will apply:

C6.7.1 Source Documents. Retain original source documents or facsimiles, i.e., microform (microfilm, microfiche), Compact Disk-Read-Only Memory (CD-ROM), etc., for at least 2 years. Where source documents are produced, these include only accountability change documents such as receipts, issues, shipments, transfers, supply condition code changes, and inventory and financial adjustments. Retain source documents providing evidence of shipment to Foreign Military Sales recipients for 2 years from date of material shipment.

C6.7.2 Transaction History. Retain registers, records, files, tapes, and data for at least 2 years in a format useful for audit trail purposes. Automated inventory control systems will be designed to facilitate the printout of transaction histories which indicate the date the last physical inventory was conducted for each item.

C6.7.3 Adjustment Research. Retain backup documentation that directly pertains to individual cases of physical inventory adjustment research efforts for at least 2 years.

C6.7.4 Annual Statistical Inventory. Retain the annual statistical sample inventory line-item detail data for at least two years.

C6.8 QUALITY CONTROL

C6.8.1 Goals and Objectives. DoD Components will establish a quality control program at each owner/manager and storage activity which encompasses the objectives

of DoD Directive 5010.38, and the physical inventory objectives contained in DoD 4140.1-R. Portions of the program can be accomplished during ongoing practices within inventory processes. Quality control results will assist management in identifying those human, procedural, or system errors which adversely affect record accuracy and in achieving better control over physical material warehousing practices. Within the scope of this quality control program, those work processes directly related to the control of physical material will be monitored for attained quality levels and performance evaluated on improvements, not numerical goals. Accordingly, all quality control programs will include reviews to assess the accuracy/quality of the following work processes:

- Warehousing practices -- to include checks of storage practices, stock rotation, shelf-life management, identification of material in store, mixed stock, location accuracy and re-warehousing projects.
- Receiving practices -- to include checks of documentation, material identity, quantity, and supply condition code; checks for processing timeliness; and verification of daily input data to the location system.
- Issuing practices -- to include checks of legibility of issue documents; accuracy of stock selection as to identity, quantity, unit of issue, shelf life, supply condition code, and type of pack (subsistence only); marking of outgoing shipments; and release to carriers.
- Validity of automated date -- to include checks of receipt, issue, and adjustment transaction data entries against input documentation.
- Inventory practices -- to include checks of inventory counts, location surveys, location reconciliation corrective actions, causative research, and adjustments at both the owner/manager and storage activity.
- Catalog practices -- to include checks of catalog change processing, accuracy, and timeliness, using the affected recorded locations as the universe.
- Locator file updates -- to include checking the accuracy of changes to the locator file (e.g., all additions, deletions, and changes of unit of issue, supply condition code, shelf life, etc.).
- Report of discrepancy processing -- to include checks for processing timeliness and checking the accuracy of the supply discrepancy report initiation, follow up and reply, investigation research including identification and correction of supply errors, adjustment of accountable and financial records, and preparation of financial liability investigation of property loss report ([DD Form 200](#)).
- Logistics reassignment processing -- checks to determine if the logistic reassignment action were completed; e.g., LIM/GIM records were changed to reflect decapitalization/transfer, LIM directed the storage activity to change the decapitalized/transferred assets to GIM ownership, the storage activity effected

and advised the LIM of the change, and the LIM initiated action to resolve any quantity variances.

- Suspended asset processing -- to include checks of the timeliness in reclassifying suspended (Supply Condition Codes J, K, L, Q, and R) material.

C6.8.2 Assignment of Responsibility. Whenever possible, quality control checks of these work processes will include identification of the individual performing the tasks. This will facilitate the placement of responsibility for appraising and improving quality with each manager within the chain of command.

C6.8.3 Command Emphasis. Continued command management emphasis and review of performance are essential for the success of the quality control program. Command managers must ensure effective organizational interrelationships among the functional element concerned with the physical inventory control program such as: comptroller, data systems, transportation, warehousing, maintenance, quality control, and supply management. The quality control program will include provisions for initiation of corrective action when acceptable quality levels are not met.

C6.9 PHYSICAL INVENTORY CONTROL PROGRAM PERFORMANCE ASSESSMENT. Each DoD Component will collect and maintain performance standards and management data prescribed in C.9.1 and C.9.2 for all material for which the DoD Component maintains the property accountability record. This includes all DoD wholesale supply system assets of principal and secondary items, including package fuels, less all material exclusions listed in DoD 4140.1-R; Report Control Symbol: DD-P&L(Q) 935 applies when a DoD Component is required to report this information to higher authorities. [DD Form 2338-1](#) (Inventory Control Effectiveness Report Ammunition) and [DD Form 2338-2](#) (Inventory Control Effectiveness Report General Supplies) are available for intra-Component use when required by the DoD Component.

C6.9.1 General Supplies Performance Standards and Data. (The information in this section corresponds to information reflected on DD Form 2338-2.)

C6.9.1.1 Performance

C6.9.1.1.1 Material Denials⁷:

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C6.1.1.1.1 ⁷ Performance data maintained by DLA for material stored at DSS locations regardless of ownership. Maintained by Service for material stored at Service depots.

- Lines Directed for shipment. The total number of line items directed for shipment (MROs, referral orders, redistribution orders (DS 940R Material Release)).
- Total Material Denials. The total material denials (sum of total and partial denials, and warehouse refusals DS 945A Federal IC, Material Release Advice. Include denial transactions classified by denial Management Codes 1, 2, 3 (subsistence only), 4, 5, 6, and 7 in the total
- Material Denial Rate. Compute this figure by dividing total denials by the line items directed for shipment and multiplying by 100. The DoD performance goal for the material release denial rate is not greater than 1 percent.

C6.9.1.1.2 Receipt Processing Performance⁸:

- Receipts Posted and Stored. The total number of line-item receipts posted and stored to the total item property record.
- Receipts Posted and Stored on Time. The total number of line-item receipts which were effectively posted and stored within the timeframes. Both storing and posting actions are considered complete when the item is in the storage location or available for issue, and the quantity is posted to the total item property record.
- On-Time Receipt Rate. Compute this figure by dividing the total number of receipts posted and stored on time by the total number of receipts and multiplying by 100. The DoD performance goal for posting and storing receipts on time is 90 percent.

C6.9.1.1.3 Location Audit Program. Reflects the results of the location survey (ratio of accurate storage activity locator records to storage activity locations surveyed) and the location reconciliation⁹ (ratio of valid storage activity records to owner/manager records):

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⁸ Performance data maintained by DLA for material stored at Distribution Standard System (DSS) locations regardless of ownership. Maintained by Service for material stored at Service depots.

⁹ The location reconciliation process will not be required with the establishment of single shared asset balances (see C6.2.2 and C6.2.4).

- Locations Surveyed¹⁰. The number of storage activity locations surveyed.
- Survey Errors. The total number of location discrepancies as defined in C6.6.1.2.3 (report only one error per stock number per location).
- Survey Accuracy. Compute this figure by dividing the locations with discrepancies by the total locations surveyed multiplying by 100, and subtracting the result from 100 percent. The DoD goal for location survey accuracy is 97 percent.
- Locations Reconciled¹¹. The total number of location records reconciled (i.e., the sum of line items on the owner's/manager's record and line-items which were not on the owner's/manager's record but were on the storage activities' records).
- Reconciliation Errors. The total number of discrepant location records as defined in C6.6.2.2.3 and C6.6.2.2.4 (count one error per location reconciliation request (line item) or unmatched owner's/manager's record).
- Reconciliation Accuracy. Compute this figure by dividing the number of discrepancies by the number of records reconciled, multiplying by 100, and subtracting the result from 100 percent. The DoD goal for location reconciliation is 97 percent.

C6.9.1.2 Physical Inventory Adjustments

C6.9.1.2.1 Physical Inventories:

- Number of Scheduled and Unscheduled Inventories Completed. The total number of line-items inventoried (scheduled and unscheduled). Each supply condition code for a stock number at each storage activity is a line-item.
- Number of Inventories with Variances. The total number of line-items inventoried (scheduled and unscheduled) which had an inventory variance.
- Inventory Variance Rate. Reflects the percent of line-items inventoried which had an inventory variance. Compute this figure by dividing the lines with inventory variances by the total line-items inventoried and multiplying by 100.

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¹⁰ Performance data maintained by DLA for locations surveyed at DSS locations regardless of ownership. Maintained by Service for locations surveyed at Service depots.

¹¹ Performance data maintained by owner/manager regardless where material is stored.

- Number of Inventories with Major Variances. The total number of line-items inventoried (scheduled and unscheduled) which had a major inventory variance (overages or shortages exceeding \$5,000) and all variances on controlled items.
- Major Variance Rate. Reflects the percent of line-items inventoried which had major inventory variances. Compute this figure by dividing the lines with a major inventory variance by the total line-items inventoried and multiplying by 100.

C6.9.1.2.2 Number of Adjustments from other than Physical Inventories¹²

- Number of Location Reconciliation Adjustments. The number of location reconciliation adjustments (DS 947I, Inventory Adjustment, with 2/W1901/020, code AB).
- Number of End of the Day Processing Adjustments. The number of end of the day processing adjustments (DS 947I Inventory Adjustment with 2/W1901/020, code AB).
- Total. Absolute total of adjustments from other than physical inventories.

C6.9.1.2.3 Total Adjustments. The sum of number of inventories with variances and the number of adjustments from other than physical inventories.

C6.9.1.2.4 Number of Reversals of Inventory Adjustments

- Number of Gain Reversals. The number of gain reversals of inventory adjustments.
- Number of Loss Reversals. The number of loss reversals of inventory adjustments
- Total. Absolute total of inventory reversals (gains and losses).

C6.9.1.2.5 Monetary Value

C6.9.1.2.5.1 Average Value of Inventory. The average value of on-hand assets as reflected on financial records for the 12 months prior to the report cutoff date (i.e., current quarter plus last three quarters).

C6.9.1.2.5.2 Record Value of Items Inventoried. The extended value prior to actual inventory of line-items inventoried (scheduled and unscheduled) during the reporting period.

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¹² The end of day process and location reconciliation process will not be required with the establishment of single shared asset balances (see C6.2.2 and C6.2.4).

C6.9.1.2.5.3 Value of Inventory Adjustments

C6.9.1.2.5.3.1 Physical Inventory Adjustments:

- Gains. Monetary value of gains resulting from inventory less the monetary value of gain reversals (from current and prior quarters) processed during the report period.
- Losses. Monetary value of losses resulting from inventory less the monetary value of loss reversals (from current and prior quarters) processed during the report period.
- Gross Adjustments

C6.9.1.2.5.3.2 Reversals--Current Quarter

- Gains. The total monetary value of decreases to the record balances as a result of reversing gain adjustments processed during the reporting period. Compute the fiscal year (FY) to Date value for reversals of current quarter gains by adding the Quarter Ending value for reversal of current quarter gains to the prior quarter FY to Date value of reversal of current quarter gains.
- Losses. The total monetary value of increases to the record balances as a result of reversing loss adjustments processed during the reporting period. Compute the FY to Date value for reversal of current quarter losses by adding the Quarter Ending value for reversal of current quarter losses to the prior quarter FY to Date value for reversal of current quarter losses.
- Total. Absolute total of reversals of current quarter gains and losses.

C6.9.1.2.5.3.3 Reversal--Prior Quarters

- Gains. The total monetary value of decreases to record balances as a result of reversing gain adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarters gains by adding the quarter ending value of reversal of current quarter gains to the prior quarter gains.
- Losses. The total monetary value of increases to record balances as a result of reversing loss adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarters losses to the prior quarter FY to Date value for reversal of prior quarters losses.
- Total. Absolute total of reversals of prior quarter gains and losses.

C6.9.1.2.5.3.4 Total Reversals. The total of reversals of current quarter and prior quarter gains and losses.

C6.9.1.2.5.3.5 Total Record Imbalances. The total of gross adjustments and total reversals.

C6.9.1.2.6 Gross Adjustments as a Percent of

- Average Value of Inventory. Divide the total value of gross adjustments by the average value of inventory and multiply by 100.
- Value of Items Inventoried. Divide the total value of gross adjustments by the record value of items inventoried and multiply by 100

C6.9.1.2.7 Total Record Imbalances as a Percent of

- Average Value of Inventory. Divide the value of the total record imbalances by the average value of inventory.
- Value of Items Inventoried. Divide the total value of gross adjustments by the record value of items inventoried and multiply by 100.

C6.9.1.2.8 Monetary Value of Location Reconciliation:

- Value of Line Items Reconciled. The extended value of line-items reconciled during the reporting period.
- Gains. The monetary value of gains resulting from reconciliation during the period.
- Losses. The monetary value of losses resulting from reconciliation during the period.
- Total. Absolute total of location reconciliation gains and losses.

C6.9.1.2.9 Monetary Value of End of the Day Processing

- Gains. Enter the value of gains resulting from end of the day processing.
- Losses. Enter the value of losses resulting from end of the day processing.
- Total. Absolute total of end of the day processing gains and losses.

C6.9.2 Ammunition Performance Standards and Data. (The information in this section corresponds to information reflected on DD Form 2338-1.)

C6.9.2.1 Performance

C6.9.2.1.1 Material Denials. Complete as described in C6.9.1.1.1. For ammunition, include denial transactions classified by denial Management Codes 1, 2, 5, 6, and 7 in the total. Components will identify denials separately for high-risk and low-risk items.

C6.9.2.1.2 Receipt Processing Performance. Complete as described in C6.9.1.1.2. The DoD goal for posting and storing ammunition receipt on-time is 90 percent.

C6.9.2.1.3 Location Audit Program. Complete as described in C6.9.1.1.3. The DoD goals for location survey and location reconciliation for ammunition are 98 percent¹³.

C6.9.2.2 Physical Inventory Adjustments

C6.9.2.2.1 Physical Inventories

- Number of Scheduled and Unscheduled Inventories Completed. The total number of line-items inventoried (scheduled and unscheduled). Each supply condition code for a stock number at each storage activity is a line-item.
- Number of Inventories with Variances. The total number of line-items inventoried (scheduled and unscheduled) which had an inventory variance.
- Inventory Record Accuracy. Reflects the percent of lines inventoried without an inventory variance. Compute this figure by dividing the lines with an inventory variance by the total lines inventoried and multiplying by 100, and subtracting the result from 100 percent. The DoD inventory record accuracy goal for ammunition is 95 percent.

C6.9.2.2.2 Number of Inventory Adjustments from other than Physical Inventories. Complete same as C6.9.1.2.2.

C6.9.2.2.3 Total Inventory Adjustments. Complete same as C6.9.1.2.3

C6.9.2.2.4 Number of Reversals of Inventory Adjustments. Complete same as C6.9.1.2.4.

C6.9.2.2.5 Monetary Value. Complete same as C6.9.1.2.5.

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¹³ The location reconciliation process will not be required with the establishment of a single shared asset balances (see C6.2.2 and C6.2.4)

C6.9.2.2.6 Gross Adjustments as a Percent of. Complete same as section C6.9.1.2.6.

C6.9.2.2.7 Total Record Imbalances as a Percent of. Complete same as C6.9.1.2.7.

C6.9.2.2.8 Monetary Value of Location Reconciliation. Complete same as C6.9.12.8.

C6.9.2.2.9 Monetary Value of End of the Day Processing. Complete same as C6.9.1.2.9.

C6.10 STORAGE ITEM CORRECTION. This section provides standard procedures required by ICPs to provide for the correction and/or updating of storage activity records when:

- Reported transactions indicate that the ICP and storage activity records are inconsistent.
- A catalog/stock list change is processed against an ICP record which will affect stock control data maintained at the storage activities.

C6.10.1 Item Correction/Change Notification. Use the DS 888I Federal IC, Storage Item Correction (DLMS appendix 6) to provide storage facilities with data record changes on items of supply. The code entered in the LQO1 segment of this transaction serves to provide information on the nature of the change, and actions to be taken.

C6.10.2 Storage Activity Action. Storage activities will use the DS 888I to update stock records, item locator records, and bin tags.

C6.10.3 Logistics Reassignments. When an LR occurs, process DS 846S, LR Storage Transfer Order/Reply, in accordance with chapter 9.

Table 6-2

MINIMUM RESEARCH REQUIREMENTS

FOR POTENTIAL OR ACTUAL PHYSICAL INVENTORY ADJUSTMENTS

CONDITION OF DISCREPANCY	REQUIRED RESEARCH		
	Post Count Validation	Preadjustment Research	Causative Research
1. # \$1,000	NO	NO	NO
2. > \$1,000 but ≤ \$5,000	YES	NO	YES

and \leq 10 percent unit variance			
3. > \$1,000 but \leq \$5,000 and > 10 percent unit variance	YES	YES	YES
4. > \$1,000 but \leq \$5,000 and > 10 percent unit variance	YES	YES	SAMPLE
5. > \$5,000 but \leq \$16,000 and > 25 percent unit variance	YES	YES	YES
6. > \$16,000	YES	YES	YES
7. Controlled Inventory Item	YES	YES	YES
8. Suspected Fraud, Waste, or Abuse	YES	YES	YES
9. Annual Statistical Sample for variances > \$100	YES	YES	YES

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C7. CHAPTER 7

ADJUSTMENT TRANSACTIONS

C7.1 GENERAL

C7.1.1 Adjustment/Change Procedures. This chapter provides procedures relating to the following types of adjustment and change actions:

- Adjustments caused by catalog change actions.
- Reidentification of improperly identified material.
- Offsetting changes and adjustments to purpose and supply condition codes.
- Discrepancies disclosed by physical inventory.
- Inventory gains and losses due to capitalization and decapitalization.
- Ownership changes and adjustments applicable to Single Manger for Conventional Ammunition (SMCA).
- Condition changes, identity changes, and inventory adjustments applicable to Defense Fuel Automated Management System (DFAMS) reporting of DLA-owned bulk petroleum (see C7.9, below).

C7.1.2 Asset Reclassification Procedures. This chapter also provides procedures for use of the DS to 846A Federal IC , Asset Reclassification (DLMS appendix 6), as follows:

- Owners use to request that distribution depots effect asset reclassification of material to and from suspended SCCs, to inquire about the status of previous asset reclassification requests, and to respond to depot requests for asset reclassification extensions.
- Distribution depots use to request asset reclassification extensions and to respond negatively to asset reclassification requests.

C7.1.3 DLMS Supplement 947I - Inventory Adjustment. The DS to 947I Federal IC, Inventory Adjustment (DLMS appendix 6), is designed for use as either a change and/or adjustment transaction.

- The first method accommodates those processing techniques which employ individual increase or decrease adjustment actions against the property accountability inventory records including ownership adjustments by the Single Manager for Conventional Ammunition (SMCA).

- The second method provides for offsetting adjustments to condition or purpose code and ownership changes.

C7.1.4 Ownership/Purpose Code Changes. Changes between ownership codes, from purpose code to ownership code, or from ownership code to purpose code, will not be made by an adjustment action. Appropriate issue and receipt transactions will be processed to make the necessary accounting actions. An exception to this rule is the use of the ownership change and inventory adjustment increase/decrease transaction to effect ownership gain/loss under the SMCA concept (see C7.3 below).

C7.1.5 Project Code Changes. Adjustments to project codes will be accomplished with the DS 947I using Quantity or Status Adjustment Reason Code AH (Other).

C7.1.6 Clerical/Mechanical Accounting Errors. The DS 947I with Quantity or Status Adjustment Reason Code AB (Accounting Error) will be used to correct inventory adjustments resulting from clerical or mechanical accounting errors which cannot be corrected by reversing the original transaction.

C7.1.7 Nonspecific Inventory Adjustments. The DS 947I with Quantity or Status Adjustment Reason Code AH (Other) will be used to support inventory adjustments when a quantity or status adjustment reason code is not otherwise provided. (DoD Components will maintain detailed backup information as to the use and requirement for the transaction.)

C7.1.8 Specific Inventory Adjustments. The DS 947I with Quantity or Status Adjustment Reason Code AJ (Survey) will be used to report inventory adjustments for losses resulting from shrinkage, theft, contamination, deterioration, and expired shelf-life (including subsistence items). Losses resulting from major disasters, fire, enemy action, acts of God, etc., will be identified by Quantity or Status Adjustment Report Code AI (Disaster).

C7.2 CHANGES IN CONDITION OF MATERIAL

C7.2.1 Condition O Reclassification of Assets in Storage

C7.2.1.1 Reporting Classification Variance to Owners. When inspection of stocks on hand reveals that a condition reclassification is required, distribution depots will report the variance to the owner within three calendar days using the DS 947I with Quantity or Status Adjustment Reason Code AC (Condition Change) and Inventory Transaction Type Code AD (Inventory Adjustment - Decrease) and AJ (Inventory Adjustment - Increase) for the affected condition codes.

C7.2.1.2 Changing Condition Code to J. When immediate reclassification of suspect stocks is beyond current capabilities, change the material to SCC J. The DS 947I

must contain both the new and old SCC of the material and the offsetting inventory adjustments.

C7.2.1.2.1 Timing. With the exception of ammunition, complete the material reclassification within 90 calendar days after reporting the change to the owner. Complete the reclassification of ammunition within 270 calendar days after reporting the change.

C7.2.1.2.2 Reporting. When the reclassification is complete, report the change to the owner using the DS 947I change and adjustment transaction. Use the same transaction reference number used to report the material in SCC J.

C7.2.2 Reclassification of Condition L Receipts

C7.2.2.1 Distribution Depot Reporting. Distribution depots will report discrepant receipts from procurement and material held pending resolution of a transportation discrepancy in SCC L as prescribed by the chapter 13, Receipt and Material Receipt Acknowledgement. When directed by the owner (see C7.2.7, below), distribution depots will also change material to SCC L and report the action using the inventory adjustment transaction following the C7.2.1 procedures.

C7.2.2.2 Material Owner Responsibilities. Owners are responsible for monitoring material suspended in SCC L and directing change of the material to its correct condition when litigation or other action to resolve the discrepancy is completed using DS to 846I Federal IC, Asset Reclassification (DLMS appendix 6), request in accordance with C7.2.9. If inspection or technical/engineering analysis confirms that a product quality deficiency prohibits further use of the material within DoD, the owner shall direct transfer of the material to SCC Q.

C7.2.2.3 Reclassification Procedures. When directed by the owner, distribution depots will, within e3 calendar days from receipt of an asset reclassification request, reclassify the suspended material to its correct SCC. Report completion of the action with DS 947I using the same transaction reference number originally used to record the material in SCC L (i.e., the transaction reference number of the original receipt or inventory adjustment transaction). See C7.2.9 for asset distribution depot reclassification denial procedures when the requested reclassification action cannot be accomplished.

C7.2.3 Reclassification of Condition Q Product Quality Deficiency Related Material

C7.2.3.1 Distribution Depot Reporting. Distribution depots will report discrepant receipts in SCC Q as prescribed in chapter 13. When directed by the owner, distribution depots will also change stored, including suspended, material to SCC Q and report the action using the DS 947I.

C7.2.3.2 Consideration for other DoD Use of Material. When inspection or technical/engineering analysis of material confirms a product quality deficiency,

possibilities for other use of the material within DoD, as well as public health/safety and national security interests, must be considered. Owners will determine if the further use of the item can be made within DoD.

C7.2.3.3 When Litigation is Required. When inspection or technical/engineering analysis of material indicates that litigation action is required, the owner will direct transfer of the material to SCC L.

C7.2.3.4 Reidentification of Supply Condition Code For Minor Defects. If the deficiency does not prohibit further DoD use (e.g., the defect is minor or the item meets specifications for another NSN, owners will direct distribution depots to reidentify and/or change the suspended SCC Q material to the appropriate SCC. Distribution depots will, within 3 calendar days from receipt of the owner's direction, reclassify the SCC Q material to the appropriate condition.

C7.2.3.5 Transfer to DRMS. If the deficiency prohibits further DoD use, the material will remain in SCC Q and owners will direct transfer of the material to the DRMS.

C7.2.4 Reclassification of Condition K and R Receipts

C7.2.4.1 Suspension of Material. In accordance with the chapter 13, Receipt and Material Receipt Acknowledgement, distribution depots may suspend material in SCC K upon receipt for SCC determination. Distribution depots may also receive material identified as SCC R (suspended) from reclamation activities which do not have the capability to determine the material condition.

C7.2.4.2 Distribution Depot Actions. Distribution depots will reclassify these suspended receipts to their correct condition within the timeframes prescribed in the following subparagraphs. When material has been reclassified to its correct condition, submit the DS 947I to the owner using the same transaction reference number cited in the original receipt transaction.

C7.2.4.2.1 Reclassification of Material. With the exception of ammunition, reclassify material reported in SCC K within 10 calendar days after reporting the receipt; reclassify ammunition within 45 calendar days after reporting the receipt.

C7.2.4.2.2 Material Received from Reclamation. When material identified as SCC R is received from reclamation activities, reclassify the material within 180 calendar days after reporting the receipt or prior to induction into maintenance facilities for repair/modification, whichever is sooner.

C7.2.4.2.2.1 No Asset Test Capability. When the capability to test/check SCC R assets for actual condition does not exist, the material may be forwarded to a maintenance facility for condition determination.

C7.2.4.2.2.2 Property Accountability Records. The actual condition of the assets must be recorded on the property accountability record before the assets may be included in a scheduled maintenance program.

C7.2.5 Reclassification of Condition W Receipts

C7.2.5.1 Procedures. Distribution Depots will report discrepant receipts in SCC W as prescribed by the chapter 13 receipt processing procedures. When directed by the owner, distribution depots will also change material to SCC W.

C7.2.5.2 Litigation Code Assignment. When litigation action is initiated for SCC W material, the owner will direct the distribution depot to reclassify the assets to SCC I.

C7.2.5.3 Reclassification Timeframe. When directed by the owner, distribution depots will, within 3 calendar days from the receipt of the direction, reclassify SCC W material to SCC L.

C7.2.6 Automatic Disposal of Reclassified Stock

C7.2.6.1 Distribution Depot Action. When material is reclassified to SCC H, distribution depots may also, based on criteria promulgated by the DoD Components, automatically turn condemned and expired shelf-life material into DRMS or take other authorized automatic disposal action.

C7.2.6.2 Advising Material Owners. Advise the owner of such simultaneous reclassification and automatic disposal action by entering Management Code M (material condemned--excludes expired shelf-life material) or Management Code T (material condemned--expired shelf-life material) in the inventory adjustment transaction.

C7.2.7 Exceptions to Prescribed Timeframes for Condition Reclassification – Request for Reclassification Extension

C7.2.7.1 Requesting Extensions to Suspenses. When additional time is required to reclassify material held in SCC J, K, or R, because of large quantities, lack of facilities, nonavailability of personnel and/or test equipment, or other circumstances considered justified by the distribution depot commander, the distribution depot will forward a DS 846A, Asset Reclassification, extension request to the owner.

C7.2.7.1.1 Approval of Extension Requests. When appropriate, the owner will approve the extension request, and submit DS 846A, Asset Reclassification, extension response to notify the distribution depot specifying the revised date by which the distribution depot must complete the reclassification action. The owner will establish a suspense to ensure that classification action is taken within the specified timeframe.

C7.2.7.1.2 Extension Response Transaction. If the owner does not approve the request for extension, the owner will submit DS 846A extension response transaction with

the applicable negative code, the distribution depot will then make every effort to comply with the established timeframe.

C7.2.7.2 Using DS 846A. Owners may submit DS 846A transaction in accordance with the C7.2.9 procedures to request expedited reclassification of SCC J, K, and R assets whenever it is deemed necessary based on their stock position and overall management responsibility.

C7.2.8 Monitoring Assets Recorded in Suspended Supply Condition Codes

C7.2.8.1 Condition J, K, and R. Owners will review property accountability records for all material suspended in SCC J, K, and R at least monthly and ensure that distribution depots accomplish reclassification actions within prescribed timeframes.

C7.2.8.2 Condition L. Although there is no prescribed timeframe for changing suspended material from SCC L, owners will review all records for material suspended in SCC L at least quarterly and will take necessary action to ensure expeditious litigation/negotiation with contractors or common carriers.

C7.2.8.3 Condition W. Although there is no prescribed timeframe for transferring material from SCC W, owners will review all SCC W material at least monthly to assure warranty action is executed before the warranty expires.

C7.2.8.4 Condition Q. Although there is no prescribed timeframe for transferring suspended material from SCC Q, owners will review all records for material suspended in SCC Q at least monthly. Owners will take necessary action to ensure expeditious inspection or technical/engineering analysis of suspect assets.

C7.2.9 Asset Reclassification Request, Inquiry, and Response

C7.2.9.1 DS 846A Procedures. This section prescribes standard procedures for use of DS 846A for asset reclassification request, inquiry and denial transactions. Procedures for using DS 846A for extension request and response transactions are addressed in C7.2.7.

C7.2.9.2 Owner Responsibilities. As discussed in C7.2.4 and C7.2.6, owners are responsible for monitoring assets in suspended SCCs. Owners use DS 846A to request that the distribution depot effects reclassification of assets to and from suspended SCCs. Reasons for making a reclassification request include: a requirement to expedite reclassification action; resolution of a suspension (e.g., completion of litigation or technical inspection); and that the timeframe for reclassification action has expired and the owner did not receive a corresponding adjustment, reclassification denial, or request for an extension transaction from the depot.

C7.2.9.3 Distribution Depot Actions. In response to a reclassification request, the distribution depot will take action to reclassify the material in the timeframe specified and

provide a DS 947I transaction to the owner. If the distribution depot is not able to effect the reclassification action, the depot will submit a DS 846A denial citing the appropriate management code to explain the reason for the denial. If the reclassification action cannot be accomplished in the timeframe specified, the depot will request an extension in accordance with C7.2.7.

C7.2.9.4 Owner Use of DS 846A. Owners use the DS 846A inquiry to the depot for the status of a previously submitted reclassification request when the owner did not receive a corresponding DS 947I transaction or DS 846A denial. In response to an inquiry when the corresponding adjustment transaction was previously provided, the depot will resubmit the DS 947I citing Management Code 3P.

C7.3 OWNERSHIP GAINS AND LOSSES

C7.3.1 Change of Ownership. The DS 947I is used to meet the requirements of change in ownership for the SMCA and the Services (authorized by DoD Directive 5160.65) and permits:

- Retaining the integrity of the document number from the requisitioner's original demand throughout total processing, when payback actions are necessary.
- On-line recording and reconciliation of material debit and credit balances of the SMCA and affected Services.
- The Services to have an audit trail when their accountable/financial records are affected.

C7.3.2 Payback of SMCA Items. The DS 947I will effect paybacks of SMCA items from one owning Service to another Service, in accordance with DoD policy and inter-Service agreements. The SMCA initiates DS 947I for processing internal adjustments to property accountability records and for notification of SMCA distribution depots.

C7.4 PURPOSE OF TRANSFERS. Based on authorized programs, material may be reserved for specific purposes and retained on property accountability records until requisitioned. To effect the change of assets between purpose codes, the DS 947I will be processed against the property accountability records.

C7.5 INVENTORY GAINS AND LOSSES. Procedures concerned with adjustments due to physical inventory losses or gains are contained in chapter 6.

C7.6 CONDITION CHANGES FOR ITEM UNDER REPAIR

C7.6.1 Action for Repairing Other DoD Component Items. When one DoD Component is repairing items for another DoD Component, the repairing DoD Component

may, by mutual agreement, notify the owner of the other DoD Component of condition changes upon:

C7.6.2 Induction of Items into Repair. The owner will be provided with a DS 947I to indicate change of items from SCC F or SCC W (Unserviceable - Repairable) to SCC M (Suspended (In Work)).

C7.6.3 Completion of Repair Action. The owner will be provided with a DS 947I to indicate change of items from SCC M (Suspended (In Work)) to the appropriate, ready for issue, condition.

C7.6.4 Maintenance Facility Repair Actions. When items are being repaired at a maintenance facility, reporting of induction into and return from repair will be accomplished in the following manner:

- Reporting of induction into repair will be accomplished by DS 947I changing the items from SCC F or SCC W (Unserviceable - Repairable) to SCC M (Suspended (In Work)).
- Return of items from repair will be accomplished by DS 947I changing the items from SCC M (Suspended (In Work)) to a ready for issue condition.

C7.7 REIDENTIFICATION OF STOCK, STOCK NUMBER CHANGES, AND UNIT OF ISSUE CHANGES

C7.7.1 Reidentification of Stock

C7.7.1.1 Reporting Misidentification. When inspection reveals that an item in stock has been misidentified, distribution depots will transmit DS 947I to the owner. The transaction will contain the misidentified stock number, the quantity misidentified (Quantity or Status Adjustment Reason Code AE (Reidentification)), and Suffix Code A.

C7.7.1.2 New Stock Number Reporting. When one new stock number is picked up due to reidentification, the DS 947I will contain the same transaction reference number as the original transaction, the identified stock number, the quantity of the identified stock number using (Quantity or Status Adjustment Reason Code AE (Reidentification)), and Suffix Code B.

C7.7.1.3 Adjusting Inventory. When more than one new stock number is picked up due to reidentification, an additional DS 947I for each newly identified stock number will be prepared and transmitted. The additional inventory adjustment transaction(s) will be prepared in the same manner as the second transaction except that the suffix codes will progress to C, D, etc., as each transaction is prepared. The suffix codes in the second and ensuing transactions will serve to correlate the transactions to the misidentified stock number.

C7.7.1.4 Owner Processing. The owner will process the DS 947I against property accountable records to effect the decrease under the incorrectly identified stock number and increase(s) against the correct stock number(s).

C7.7.2 Stock Number and/or Unit of Issue Changes

C7.7.2.1 Stock Number Change Only. When only a stock number change occurs, owners will prepare and process the DS 947I containing the old and new stock numbers (Quantity or Status Adjustment Reason Code AF (Stock Number Change)) and the associated inventory adjustment increase and decrease.

C7.7.2.2 Unit of Issue Change Only. When only a unit of issue change occurs, owners will prepare and process the DS 947I containing the old and new units of issue (Quantity or Status Adjustment Reason Code AN (Unit of Issue Change)) and the associated inventory adjustment increase and decrease.

C7.7.2.3 Simultaneous Change. When a simultaneous stock number and unit of issue change occurs, owners will prepare and process the DS 947I containing the old and new stock numbers and units of issue (Quantity or Status Adjustment Reason Code AF and AN), and the associated inventory adjustment increase and decrease.

C7.8 CONDITION CHANGES FOR ITEMS REPORTED/TURNED IN TO REUTILIZATION AND MARKETING ACTIVITIES

C7.8.1 Material Turn-In. When material is not identified by an NSN and is actually scrap, DoD Components may prescribe that it be classified in SCC S for turn in to Defense Reutilization and Marketing Offices (DRMOs). Otherwise, only material recorded on property accountability records in SCC A through H and SCC Q will be reported or turned in to the DRMO.

C7.8.2 Excess Material. When excess, serviceable, or unserviceable material is classified in SCC J, K, L, M, N, P, Q, R, or W, DoD Components must initiate action to reclassify the material to an acceptable supply condition code (A through H, S, or Q) before preparing the turn-in documentation. The turn-in document must also contain the reason for disposal code. C7.2 contains the material reclassification procedures.

C7.8.3 Improper Condition Code. DoD Components not reporting or turning in material to DRMOs in an appropriate supply condition code will risk having the material rejected/returned by the DRMO for proper classification.

C7.8.4 DRMO Actions. The DRMOs will use the disposal condition codes to accurately describe the physical condition of the material based on its inspection at time of receipt. The DRMOs will record the SCC, the disposal condition code, and reason for disposal code for the material and will reflect the codes as management data for

reutilization program screening and review. Within the DRMO process, Disposal Condition Code S is assigned for "material that has no value except for its basic material content." Consequently, Disposal Condition Code S may be assigned by DRMOs to material with or without NSN identification.

C7.9 BULK PETROLEUM PHYSICAL INVENTORY ADJUSTMENTS

C7.9.1 Mandatory Requirements. It is mandatory that Defense Energy Support Points (DESPs) or other authorized parties report adjustments involving gains, losses, condition changes, and identity changes of DLA-owned product to Defense Energy Support Center (DESC). In turn, DFSC will advise DFSPs of generated adjustments to book inventory resulting from the monthly reconciliation process. These functions will be accomplished using DS 947I as prescribed by DoD 4140.25-M.

C7.9.2 Physical Inventory Adjustment Reporting. Report the following types of physical inventory adjustments as increases or decreases (not dual adjustments):

- Book Adjustment Decrease. Use for DFSC, i.e., owner-generated, operating loss reconciliation adjustment.
- Book Adjustment Increase. Use for DFSC, i.e., owner-generated, operating gain reconciliation adjustment.
- Operating Variance. Use to report DFSP operating gain or loss due to temperature and handling.
- Nonrecoverable. Use to report DFSP losses due to nonrecoverable tank bottoms.
- Warehousing Damage. Use to report DFSP spills, line breaks, or similar circumstance.
- Disaster. Use to report DFSP loss due to major disaster, fire, enemy action, act of God, or similar circumstance.
- Recoup/Rework of Damaged Product. Use to report DFSP reclamation loss.
- Product Dumped or Destroyed. Use to report abandonment of DFSP inventory.
- Slop Fuel. Use to report gain or loss of slop fuel. Use with NSN for slop fuel.
- Replacement. Use to report a DFSP gain from a previous spill/line break, e.g., replacement of line break loss at no cost to DLA per U.S./foreign government treaty. Use same transaction reference number as loss. Loss indicates suffix A; gain indicates suffix B.
- Tariff Deduction. Use to report a determinable loss tariff deduction reflecting the change in volume after receipt of product via a pipeline operation as covered in a tariff agreement.

- Capitalization. Use to report a DFSP increase due to capitalization of retail inventory.
- Decapitalization. Use to report a DFSP decrease due to decapitalization of wholesale inventory.

C7.9.3 Identity Change Reporting. Report the following types of identity changes as balancing increases and decreases to inventory (not dual adjustments). Identify the old stock number with the associated decreased quantity and the new stock number with the associated increased quantity.

- Downgrade. Use to report DFSP inventory is approved for use at a lower grade of the same or similar product.
- Regrade. Use to report DFSP inventory is redesignated from one grade to another within the specifications it meets.
- Additive Injection. Use to report addition of additive, e.g., icing inhibitor, into DFSP inventory. Identify the additive as the old stock number and the type of fuel as the new stock number.

C7.9.4 Condition Change Reporting. Report condition changes as dual adjustments. Cite both the original and the new condition of the inventory to be effected by a single quantity in offsetting adjustments.

- Condition Change. Use to report changes in supply condition of DFSP inventory.

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C8. CHAPTER 8

MATERIAL OBLIGATION VALIDATION

DLMS users are advised that the Material Obligation Validation (MOV) procedures described below are independent from the DLSS MOV procedures and no conversion between the two is available. Communications between the supply source and the requisitioning activity must be initiated in a format acceptable to both sender and receiver. The basic processes are compatible; however, the DLSS requirement for controlling batches of individual transactions is not accommodated under the DLMS.

C8.1 SUPPORT OF UNITED STATES FORCES

C8.1.1 General

C8.1.1.1 Purpose. This chapter prescribes policies and procedures for the validation by organizations of the continuing need for overage requisitioned requirements and for the reconciliation of supply source material/obligation records with the due-in records of requisitioning activities. The MOV process is twofold: (1) validation of need; and (2) reconciliation of records.

C8.1.1.2 Material Obligation Definition. A material obligation is that unfilled portion of a requisition (for a stocked or nonstocked item) that is not immediately available for issue but is recorded as a commitment for future issue, either by direct vendor delivery (DVD) or backordered from stock. This includes both NSN and non-NSN items. MOV pertains to those requisitioned items assigned BB, BC, BD, BV, and BZ status. These procedures exclude DVD requisitions assigned BV and BZ status from the automatic MOV cancellation process; however, organizations must submit requisition cancellations for material no longer required. See chapter 4 for the requisition cancellation procedures.

C8.1.1.3 Use of DS 517M. Supply sources use the DS to 517M Federal IC, Material Obligation Validation (DLMS appendix 6), to generate MOV requests to organizations for a comparison and validation of the continued requirement of outstanding requisitions held as material obligations by the supply source with those carried as due-in by the organization.

C8.1.1.3.1 MOV Response. Organizations use the DS 517M to generate MOV responses to advise the supply source: (1) to hold a material obligation until supplied, or (2) to cancel all or a portion of a material obligation.

C8.1.1.3.2 MOV Notification. Supply sources must provide an MOV notification of non-response to organizations for each nonresponse to an MOV cycle for requisitions assigned BZ status. The organization must conduct an item-by-item review and respond with a requisition cancellation if the material is not required. Organizations are advised

that procurement action is in process and that the material will be shipped and billed unless a requisition cancellation is submitted.

C8.1.1.4 Supply Source Definition. A supply source is defined as any DoD Component organization that maintains material obligation records, and includes, but is not limited to, those organizations commonly referred to as ICPs, IMMs, requisition processing points, and stock points.

C8.1.1.5 Organization Definition. An organization is defined as a requisitioner, control office, and/or monitoring activity having the responsibility to validate and/or reconcile material obligation records between the requisitioning activity and the supply source requesting the validation.

C8.1.2 Material Obligation Reinstatement Request. This is a request by an organization to reinstate requisition(s) previously canceled due to that organization's nonresponse to an MOV request. Use the DS 517M to reinstate previously canceled requisition(s).

C8.1.3 Exclusions from Chapter 7

C8.1.3.1 Applicability. The procedures in Section I, chapter 7 of DoD 4000.28-1-M exclude SA transactions; however, the Services should reconcile SA material obligation records at the supply source with those of the organizations required to maintain FMS case control. See C8.2, below, for MOV procedures for GA transactions.

C8.1.3.2 Exclusions by OSD. The OSD may exclude specific project codes and DoDAACs from the MOV process.

C8.1.3.3 Exclusion of Civil Agencies. These procedures exclude civil agencies from the MOV process unless covered by interagency agreements.

C8.1.4 Material Obligation Age Criteria

C8.1.4.1 Timeframe. Consider material obligations overaged and subject to this procedure when PD 01-08 requisitions have aged 30 days past the requisition date or PD 09-15 requisitions have aged 75 calendar days past the requisition date.

C8.1.4.2 Special Validations. Supply sources may order special validations without regard to the age of the material obligations involved.

C8.1.4.3 Long Production Lead Time. These procedures also apply to long production lead time items since requirements for such items may also change as a result of unit/force movements, deactivation, and other population changes; however, only item managers may elect to establish longer intervals for the validation of long production lead time items.

C8.1.5 Schedule for Cyclic Validation of Material Obligations

C8.1.5.1 Annual Schedule. See table 8-1 for the annual schedule of cyclic validations in support of U.S. Forces and the prescribed MOV response times.

CYCLE NUMBER	CUTOFF OF SUPPLY SOURCES TO PREPARE AND FORWARD VALIDATION REQUESTS	CUTOFF OF SUPPLY SOURCES TO PREPARE AND FORWARD VALIDATION REQUESTS
1	20 JAN	5 MAR
2	20 APR	5 JUN
3	20 JUL	5 SEPT
4	20 OCT	5 DEC

Table 8-1 Cyclic Schedule for Material Obligation Validation (Excludes Support of the Military Assistance Program/Grant Aid)

C8.1.5.2 Response Not Within Scheduled Timeframe. Deployed units, afloat units, and CONUS)/CONUS locations which are unable to respond by the prescribed date, may request the DAASC to provide responses to MOV requests. Use DS 517M with Transaction Type Code AN and Action Code 9 to notify the DAASC of the organizations authorized for the MOV exemption. The theater/fleet commander or major command must approve the MOV exemption request before it is transmitted. The exemption request is only authorized for the current MOV cycle. The DAASC will not generate MOV responses for any subsequent MOV cycle unless a separate exemption request is received.

C8.1.5.3 Quarterly Reporting. Each DoD Component headquarters must provide a quarterly consolidated report to the Assistant Deputy Under Secretary of Defense for Supply Chain Integration (ADUSD SCI) using the appendix 5 format. Submit this report within 30 days after the close of each MOV cycle. The RCS for this report is DD-P&L(Q)1064. The supply source will review the history file, prior to preparing the report, for those transactions in which the quantity response was different from the quantity requested. This review will determine if the quantity difference resulted from a shipment, a cancellation, or if the requisitioner actually requested cancellation of the obligation. Only cancellations actually requested by the requisitioner using the MOV response will be included in the MOV report. Do not report a difference in quantity resulting from any other cause and/or process.

C8.1.5.4 Special Integrated Material Manager Requests. The IMM may initiate a special validation request. For example, the IMM may need to validate requirements for high dollar value, critical items, or for those NSNs which have the largest number of material obligations on record or account for certain percentages of the total material

obligations. These special validations should be selective in approach and may be made regardless of whether the material obligations were previously validated. The IMM may determine and define critical items as those essential items which are in short supply or expected to be in short supply for an extended period.

C8.1.6 Preparation of Special Validation Requests

C8.1.6.1 Purpose. Use the DS 517M to request a special MOV at times other than the normal MOV cycles indicated in table 8-1, above. Organizations will validate the special MOV and use the DS 517M format in response to the special MOV request.

C8.1.6.2 Transaction Reference Number. The MOV request must identify the transaction reference number of the demand which is held as a material obligation, the unfilled quantity, and a response due date which is always 15 calendar days from the date of the MOV request.

C8.1.6.3 Urgent Requests. Due to the urgency of demands for critical items, IMMs may determine that supply of current demands should be accomplished from stocks due-in, against which there are material obligations of lesser or equal priorities. In these instances, the IMMs would initiate a special MOV request.

C8.1.7 Performance of the Validation and Reconciliation

C8.1.7.1 Mandatory Request. It is mandatory that the recipient of validation requests (either scheduled or special) conduct an item-by-item review with the user to determine the continued need for each item, the quantity involved, and the PD of the requirement. A perfunctory review, or a routine response that all material obligations are still required, is a waste of time and effort on the part of all organizations. Such cursory reviews do not improve supply support. Items that are identified in the requests but are not contained on the records of the recipient of the request will also be furnished to the user for validation. Items that are contained on the records of recipients of the validation requests and which meet the overage criteria but are not covered by a request will, likewise, be validated with the user.

C8.1.7.2 Recipient Response. The recipient of validation requests will match the items recorded as material obligations at the supply source with the records of unfilled demands to determine and take action to bring the two records into agreement.

C8.1.7.3 Status Request. Organizations may request status of any outstanding items, having met the age criteria, and not included with the scheduled validation requests. When such status is desired, the organization will submit DS to 869A Federal IC, Requisition Inquiry/Supply Assistance (DLMS appendix 6), to the supply source. (See chapter 4 for the requisition inquiry procedures.)

C8.1.8 Responses to Material Obligation Requests

C8.1.8.1 General

C8.1.8.1.1 Purpose. Use the DS 517M format to respond to special MOV requests. The MOV responses will contain the transaction reference number of the demand as contained in the MOV request, the quantity required for continuation as a material obligation, and the suffix, if applicable. The MOV responses will serve to advise the supply source whether material obligations should be canceled or requirements still exist (and the item should be continued as a material obligation). Respond to the special MOV requests in time to meet the requested MOV response due date.

C8.1.8.1.2 Response to Requests for MOV. Upon completing the validation/reconciliation process, organizations must provide an MOV response for each MOV request received to the supply source which submitted the MOV request. Submit the MOV response by the MOV response due date cited in the MOV request. Use the MOV response to advise the supply source of the quantity still required for supply action. If total cancellation is desired, do not include the quantity segment in the MOV response.

C8.1.8.1.3 Revised Delivery Date. Whenever a requirement is to be retained as a material obligation and the PD or RDD)RDP changes due to reassessment of requirements, submit a DS 511M requisition modifier to indicate the revised PD/RDD/RDP. (See chapter 5 for the requisition modifier procedures.)

C8.1.8.2 Defense Automatic Addressing System Initiated Responses

C8.1.8.2.1 Exempted Activities. DAAS uses the DS 517M to provide MOV responses for authorized activities exempted from participating in an MOV cycle.

C8.1.8.2.2 DAASC Response. The DAAS provides appropriate MOV responses to the respective supply source for each MOV exemption received. The DAAS will transmit the MOV response no earlier than 7 calendar days after receipt of the MOV exemption, but no later than the last day of the cycle.

C8.1.8.2.3 MOV History File. The DAAS uses the MOV history file to generate appropriate MOV responses for the activity(ies) identified in the MOV exemption.

C8.1.8.3 Receipt of Confirmed Cancellations. Organizations in receipt of confirmed cancellations may request reinstatement of their canceled requisitions for a period not to exceed 60 calendar days after the BS status transaction date. Use the DS 517M to request the reinstatement of canceled requisitions and indicate the quantity required. The quantity reinstated may be equal to or less than the quantity canceled; however, the quantity reinstated shall not exceed the quantity canceled.

C8.1.9 Supply Source Cancellation of Material Obligations

C8.1.9.1 Procedures to Stop Cancellation Actions. Supply sources must use the Chapter 4 procedures to initiate efforts to stop storage and transportation actions when accomplishing cancellations resulting from the MOV program.

C8.1.9.2 Cancellation Criteria. Supply sources will cancel material obligations when an organization has not responded to the scheduled MOV request by the MOV response due date, except for requisitions in BV or BZ status. Requisitions being filled by DVD (BV and BZ status) are excluded from automatic cancellation of the MOV process. When a response to an MOV request has not been received by the response cutoff date for a requisition in BZ status, the supply source will generate a DS 517M Transaction Type Code AN and Action Code 9 to the validating organization. The organization must validate the requirement and respond with a requisition cancellation if the material is not required. See chapter 5 for the requisition cancellation procedures.

C8.1.9.3 Cancellation upon Request. Supply sources will cancel material obligations upon receipt of requisition cancellation requests from organizations. When there is no record of the item as a material obligation, match the MOV response with the requisition history file (RHF) to determine the current status of the item. If the item is in an in process state, take effective action to stop the flow of the unneeded material. All supply sources will strive to attain the DoD objective of taking all feasible action to preclude shipment from the depot, the port of embarkation, or the vendor (in the instance of purchase actions). Based on action taken, the supply source will provide the requisitioning organization with appropriate supply or shipment status.

C8.1.9.4 Cancellation Status. Supply sources will furnish DS to Federal IC 870S, Supply Status (DLMS appendix 6) with BR or BS status to the organizations for which MOV requests were submitted for each item canceled as a result of the validation actions.

C8.1.9.5 Verification from Requisitioner. Supply sources may contact requisitioning organizations to determine desired actions applicable to erroneous response transactions, if time permits. Should time not permit the supply source to contact the requisitioning activities, the items concerned with the erroneous transactions will be retained as a material obligation until clarification is obtained.

C8.1.9.6 DoD Component Response. The DoD Component of the organization initiating a cancellation request or failing to respond to MOV requests will be charged with (1) transportation costs for returning the material to depot storage and (2) procurement and termination costs when it is determined that termination is in the best interest of the Government. Specific instructions concerning material transportation charges are contained in volume 3, Transportation, and credit allowances are contained in volume 5, Finance.

C8.1.10 Supply Source Material Obligation Reinstatement

C8.1.10.1 Timeframe. Supply sources will reinstate supply action on requisition(s) when organizations submit MOV reinstatement requests within 60 calendar days of requisition cancellation with BS status. Reinstatement the requisition for the quantity equal to or less than the original canceled quantity. If the reinstatement quantity is greater than the quantity canceled by the BS status, only reinstate the quantity in the BS status. Reject the quantity exceeding the BS quantity. Use the BS status to prepare the MOV reinstatement request to ensure identification of the correct suffix.

C8.1.10.2 Supply Source Codes. Supply sources will use DK, DL, and DM status to reject MOV reinstatement requests received over 60 calendar days after the BS status transaction date when there is no record of the BS status or when the MOV reinstatement request is for a quantity larger than the canceled quantity.

C8.2 MILITARY ASSISTANCE PROGRAM/GRANT AID

C8.2.1 General

C8.2.1.1 Policies and Procedures. Section two prescribes policies and procedures for the validation of ICP material obligation records with the records of Service International Logistics Control Office (ILCO) maintaining SAO program control and for the validation of the continuing need at the MAP/GA country level for overage demands. The purpose is twofold: (1) the reconciliation of records and (2) the validation of need.

C8.2.1.2 Annual Validation Schedule. The annual schedule of cyclic validation in support of MAP/GA (defined on page 2) material obligations is shown in table 8-2.

CYCLE NUMBER	CUTOFF OF SUPPLY SOURCES TO PREPARE AND FORWARD VALIDATION REQUESTS	CUTOFF OF SUPPLY SOURCES TO PREPARE AND FORWARD VALIDATION REQUESTS
1	31 JAN	31 MAY
2	31 JUL	30 NOV

Table 8-2 Cyclic Schedule for Material Obligation Validation in Support of the Military Assistance Program/Grant Aid

C8.2.1.3 Aged Material Obligation Requests. Supply sources will provide the ILCO with MOV requests applicable to aged material obligations for MAP/GA requirements. The MOV requests will be provided to the ILCO by the supply sources using schedules for validating aged MAP/GA material obligations established by the Deputy Under Secretary of Defense (Logistics & Materiel Readiness)[DUSD(L&MR)].

C8.2.1.4 Material Obligation Definition. Material obligations are defined as that portion of the quantity requisitioned which is not immediately available for issue to the requisitioners and/or is recorded as a commitment for future issue of stocked items. This includes commitments for DVDs. The supply source will produce MOV requests from their records of material obligations for which the requisition transaction reference number dates are aged to 180 calendar days or more at the time of the established validation cutoff. Material obligations selected for validation meeting the 180-day age criterion are those assigned BB, BC, BD, and BV status. The quantities identified in the MOV requests reflect the unfilled quantities only of items maintained as material obligations at the supply sources. Use DS 517M to prepare MOV requests.

C8.2.1.5 Supply Source Request Timeframe. Supply sources will transmit the scheduled MOV requests not later than 10 calendar days after the established cutoff date.

C8.2.2 Accomplishing Material Obligation Validation by the Army and Air Force International Logistics Control Offices

C8.2.2.1 Item/Request Matching. The ILCO receiving the MOV requests will match the items indicated as being on record at the supply source with its records of unfilled demands and provide the MOV requests to the SAOs which represent quantities/items as follows:

- In the MOV requests received from the supply source. (The ILCO will not attempt to adjust quantity differences between the ILCO record and the supply source record.)
- On the ILCO record, having reached the validation age criterion and not included with MOV requests furnished by the supply source. The ILCO will adjust their records based upon the MOV responses received from the SAOs.

C8.2.2.2 Program Originator Codes. The Services may elect to have their ILCO identify the program originator code in the MOV requests transmitted to SAOs for validation. The identification of this code will enable the SAO to determine the specific section to which to direct the MOV requests. In these instances, use the following codes:

CODE	PROGRAM ORIGINATOR
B	SAO (Army)
P	SAO (Navy)
D	SAO (Air Force)
K	SAO (Marine Corps)

(Do not include these codes in MOV responses which are transmitted to the supply source.)

C8.2.2.3 Transmitting Requests. Transmit the MOV requests to the appropriate SAO not later than 45 calendar days after the scheduled cutoff date. The time between the cutoff date and the 45 calendar days for transmitting the MOV requests to the SAOs allows:

- Transmission of the MOV requests from the supply source to the ILCO.
- The ILCO establishment of suspense records of the supply source request quantities and preparation of MOV requests for transmission to the SAOs. The SAOs will provide MOV response to the ILCO within 90 calendar days after the cutoff date for the validation cycle.

C8.2.3 Accomplishing Material Obligation Validation by the Navy International Logistics Control Offices

C8.2.3.1 Item/Record Matching. The Navy ICP (NAVICP) will match the items indicated as being on record at the supply source with its records of unfilled demands and effect a file reconciliation. The NAVICP will transmit MOV responses for each MOV request received to the supply source having submitted the validation requests. The supply source will use the MOV response to determine whether the items should be canceled or requirements still exist and the items should be continued as material obligations

C8.2.3.2 Response Timeframe. Provide MOV responses to validation requests to supply sources by 15 March for the first cycle and 15 September for the second cycle. Indicate the quantity still required in the MOV response. If total cancellation is desired, do not include the quantity segment in the MOV response.

C8.2.3.3 Inquiries. Submit a requisition inquiry for items outstanding on NAVICP records for which no MOV reconciliation request was received from the supply source. See chapter 4 for the requisition inquiry procedures.

C8.2.4 Navy International Logistics Control Office Initiation of Reconciliation and/or Validation with Security Assistance Organizations

C8.2.4.1 Annual Request Submission. Annually, on 16 September, the NAVICP will prepare MOV reconciliation requests which represent unfilled requisitions with dates of 31 July or earlier.

C8.2.4.2 Program Identification. The NAVICP will identify the program originator code in the MOV reconciliation requests transmitted to SAOs for validation. The SAO will use this code to determine the specific section to which to direct the requests. Refer to the subsection listing the program originator codes.

C8.2.4.3 MOV Transmission. The NAVICP will transmit the MOV reconciliation requests to the appropriate SAO not later than 26 September and indicate 31 October as the response due date.

C8.2.5 Validation of Requirements by the Security Assistance Organizations

C8.2.5.1 Verifying Existing Requirements. The SAOs receiving the MOV requests will determine whether requirements for the items and quantities still exist. The SAOs will also determine whether requirements exist for items/quantities, having reached the age criteria and not included with the MOV requests. Once the validation of requirements is completed, the SAOs will adjust their records to reflect the need of the country for the items/quantities.

C8.2.5.2 Item Status Request. The SAO will request status of any items which are outstanding, having met the age criteria and not included in the MOV requests. When such status is required, the SAO will submit a requisition inquiry to the appropriate ILCO. See chapter 4 for the requisition inquiry procedures.

C8.2.5.3 Response for Each Reconciliation Request. The SAO will provide an MOV response for each MOV reconciliation request, as appropriate, to indicate the remaining quantity of each item still required. The SAO will transmit MOV responses to the appropriate ILCO. For the U.S. Army Security Assistance Command and the Air Force Security Assistance Center, transmit these responses to arrive no later than the date specified in the transmittal, which is 35 calendar days prior to the response due date contained in the requests. For NAVICP, these responses must be received no later than 31 October.

C8.2.6 Response to Material Obligation Validation Requests by the Army and Air Force International Logistics Control Offices

C8.2.6.1 Record Adjustment. Upon receipt of the responses from the SAOs, the ILCO will adjust its records to agree with the country's requirements indicated by the MOV responses. The ILCO will then transmit MOV responses for each MOV request received from the supply source having submitted the validation requests. The supply source will use the MOV response to determine whether the items should be canceled or requirements still exist, and the items should be continued as material obligations. Provide MOV responses to the supply source by the response due date indicated in the MOV requests. The response due date is established as the 125th calendar day following the cutoff date for validation. The MOV requests will indicate the cutoff date.

C8.2.6.2 Quantity Remaining Required. The ILCO will indicate the quantity still required in the MOV response. If total cancellation is desired, do not include the quantity segment in the MOV response.

C8.2.6.3 Outstanding Items. The ILCO will submit a requisition inquiry for items outstanding on the ILCO records, indicated as required by the SAO, and for which no MOV request was received from the supply source. See chapter 4 for the requisition inquiry procedures.

C8.2.7 Navy International Logistics Control Office Action on Security Assistance Organization Responses

C8.2.7.1 Record Adjustment. Upon receipt of the responses from the SAOs, the NAVICP will adjust its records to agree with country's requirements as indicated by the MOV responses. The NAVICP will submit requisition cancellations to the supply source on those unshipped lines for which the SAO indicated a reduced quantity requirement. The NAVICP will initiate action to resolve the unreconciled lines for which the SAO indicated a requirement. The NAVICP will provide the appropriate supply and shipment status to the SAOs.

C8.2.7.2 Requisition Cancellation. By 30 November, the NAVICP will prepare and transmit a requisition cancellation to the last known source processing the corresponding requisition. See chapter 4 for the requisition cancellation procedures.

C8.2.7.3 Record of Confirmed Cancellations. The NAVICP will maintain a record of confirmed cancellations received in response to requisition cancellations submitted as a result of reduced quantity requirements indicated by SAOs.

C8.2.7.4 Quantity Reduction Reconciliation. The NAVICP will prepare a report of the number of lines reconciled with the SAO, the number and value of SAO requested quantity reductions, and the number and value of confirmations received as of 31 December. NAVICP will submit two copies of this report to the appropriate Service headquarters for review and submission to Office of the Assistant Secretary of Defense.

C8.2.8 International Logistics Control Office Cancellation of Material Obligations

C8.2.8.1 Supply Source Action. The supply source will cancel material obligation items upon receipt of requisition cancellations or the indication of need for lesser quantities from the ILCO. (When there is no record of the item at time of receipt of the MOV responses, the MOV response will be matched with the RHF to determine the latest status of the item or action taken to accomplish cancellation action. The supply source will provide the ILCO with supply or shipment status as appropriate.) In the event procurement, rebuild, or other expense has been incurred and must be billed to MAP/GA for an individual item being canceled, the supplying Service or Agency will take action under DoD 5105.38-M.

C8.2.8.2 Validation of Cancellations. The supply source will furnish to the ILCO, for which validation requests were submitted, BR status for each item and/or quantity canceled as a result of the validation actions. The ILCO should not consider any quantity as canceled before receiving the confirming BR status.

C8.2.8.3 When no Response has been Received. The supply source will not automatically cancel items for which material obligations were established when no MOV response has been received relative to specific items submitted for validation.

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C9. CHAPTER 9

LOGISTICS REASSIGNMENT

C9.1 GENERAL

C9.1.1 Purpose. This chapter provides procedures designed to ensure successful logistics reassignment (LR) of both consumable and nonconsumable items, provide adequate management control of items in a transitional situation, and assure uninterrupted supply support of items during the transition period.

C9.1.2 Logistics Reassignment Process. To facilitate the comprehension of this chapter, the LR process has been divided into three periods of time based upon the effective transfer date (ETD). These periods are identified as pre-ETD, ETD, and post-ETD. The pre-ETD period commences on the date the GIM assignment/ETD is disseminated to the GIM/losing item manager (LIM) and terminates at ETD. The ETD is the date of the LR. Although the ETD is a specific point in time, for the purpose of this manual, any actions involving data requirements that reflect conditions as of the ETD will be discussed as if such actions took place on the ETD, even though they may have been taken immediately before or after the actual ETD. The post-ETD period begins immediately following the ETD and includes all actions that do not specifically involve data requirements that reflect conditions as of the ETD. The specific events required to take place during the LR are delineated under the appropriate period.

C9.1.2.1 Losing Item Manager. The LIM will use DS to 536L Federal IC, LR Management Data ([DLMS appendix 6](#)), to provide the GIM with general management information, backorder and demand data, on hand data, due-in data, contract history data, and product quality deficiency report (PQDR) history data for consumable assets being logistically reassigned.

C9.1.2.2 Item Reassignment Notification. The LIM will use the DS to 846D Federal IC, LR Transfer/Decapitalization ([DLMS appendix 6](#)), to notify the GIM of the transfer and decapitalization quantities for the item being logistically reassigned. The GIM will use the DS 846D, LR Transfer/Decapitalization, to inquire for LR transfer/decapitalization quantities when none was received.

C9.1.2.3 Transfer Order Notification to Depot. The LIM will use the DS to 846S Federal IC, LR Storage Ownership Transfer Order/Reply ([DLMS appendix 6](#)), to issue an LR storage ownership transfer order to the distribution depot to notify them to transfer ownership of wholesale stocks to the GIM and of the quantity which the LIM is retaining. Distribution depots send the DS 846S to the LIM to notify the LIM of the quantities actually transferred to GIM ownership and those retained in LIM ownership.

DoD 4000.25-M

C9.2 POLICY. DoD policy for LR of consumable items is contained in DoD 4140.26-M. DoD policy for LR of nonconsumable items is contained in AMC-R 700-99 et. al.

C9.3 REQUIREMENTS

C9.3.1 Responsibilities. The LIM, GIM, and distribution depots will effect the actions required by this manual to reassign asset management to the GIM in a timely manner to assure uninterrupted supply support. Resolution of problems affecting supply operation requires direct communication, coordination and assistance.

C9.3.2 Gaining Item Manager. The GIM will accept, as of the ETD, those items and book balances submitted by the LIM. (The following policy covering transfer of assets for LR is implemented from DoD 4140.26-M and AMC-R 700-99 et al., respectively.) The LIM will transfer all on-hand wholesale balances, in place, except:

- Assets committed to the support of special projects, programs, and/or plans including the International Logistics Program (ILP), e.g., staged shipments, packaged shipments. On hand wholesale assets in support of the ILP will not be transferred to the GIM nor will any ongoing procurement action in support of the ILP be terminated.
- Consumable assets in SCCs F, H, J, K, L, M, P, Q, R, S, and W. (See DoD 4140.26-M for complete criteria.)
- Nonconsumable assets in SCCs G, H, J, K, L, M, P, Q, and W. SCCs H and P material will never be decapitalized. (See AMC-R 700-99 et al., for complete criteria.)

C9.3.3 Losing Item Manager. On an expedited basis the LIM will decapitalize to the GIM wholesale assets, other than the SCCs shown above, generated during the first year subsequent to the ETD. The LIM will report assets generated after 1 year of ETD under the chapter material returns program procedures. Except for the decapitalization of procurement receipts, the GIM will reject assets decapitalized more than 1 year after the ETD using Reject Advice Code AW.

C9.4 PRE-ETD ACTIONS

C9.4.1 General

C9.4.1.1 Losing Item Manager Procurement Office. The LIM procurement office will provide the GIM with contractual status on contracts either retained by the LIM or assigned to Defense Contract Management Agency (DCMA) for contract administration. Contract status includes, but is not limited to, delivery status, acceleration of delivery, follow-up status requests, contract warranty provisions, and executing appropriate modifications to basic contracts.

C9.4.1.2 Required Item Listings. For nonconsumable items, the LIM will furnish the GIM listings of all purchase requests (procurement actions that have not reached the award stage) throughout the pre-ETD period. For consumable items, the LIM will furnish listings of all purchase requests to the GIM 45 days prior to the ETD in the format established by DoD 4140.26-M. The GIM will, within 15 calendar days subsequent to the receipt of the purchase request listing from the LIM, annotate required changes, and return one copy to the LIM.

C9.4.1.3 Reclassifying Assets. The LIM will reclassify consumable assets, in SCCs Q and R, to the appropriate SCC before the LIM provides the GIM DS 536L.

C9.4.1.4 Supply Condition H. For assets in Supply Condition Code H, the LIM will either forward the assets to DRMO or reclassify the item to its true condition as authorized by chapter 7.

C9.4.2 One Hundred and Fifty Days Prior to ETD. One hundred and fifty days prior to ETD or upon notification if less than 150 days the LIM will take the following actions:

- Advise the GIM of assets being held for litigation action.
- Perform physical inventories under the chapter 6 procedures, as stated in DoD 4140.26-M for consumable items, and AMC-R 700-99 et al., for nonconsumable items, as follows:
 - For consumables, inventory stock on hand for wholesale assets designated as classified or sensitive.
 - For nonconsumables, inventory on hand wholesale assets.

C9.4.3 One Hundred and Twenty Days Prior to ETD. One hundred and twenty days prior to ETD or upon notification if less than 120 days, for consumable items being transferred, the LIM will furnish the GIM with DS 536L containing backorder and demand data, on-hand data, due-in data, and contract history data. Do not provide PQDR history data at this time.

C9.4.4 Sixty Days Prior to ETD. The LIM will process excess reports received for LR items for which DRMO action is appropriate, in accordance with the chapter 11 procedures.

C9.4.5 Forty-Five Days Prior to ETD

C9.4.5.1 Amending Existing Contracts. By mutual agreement between the GIM and the LIM, the LIM will initiate action to amend existing LR item contracts/purchase orders that are not reassigned to the GIM to provide for diversion of stock by quantities into distribution depots of the GIM. The GIM will provide addresses of the shipping destinations to the LIM, as appropriate. The LIM will retain the due-in.

DoD 4000.25-M

C9.4.5.2 Consumable Items. For consumable items, the LIM will furnish listings of all purchase requests in accordance with the guidance in DoD 4140.26-M.

C9.4.6 Thirty Days Prior to ETD. The LIM will take the following actions:

- Mail the GIM a WMR data listing sequenced by NSN and DoD Component (and DoDAAC within DoD Component when the requirements have been allocated), major to minor, reflecting the current computed data.
 - Include the quantity and value of the forecasted reparable return data, if applicable; PWR; Balance War Reserves; dollar value subtotals for FSC, DoDAAC if allocated, and DoD Component; and grand total dollar value.
 - Additionally, transmit a DS to 830W Federal IC, War Resource Material (WMR) (DLMS appendix 6) to the GIM to reflect the original input from which the WMR computed data as generated. The GIM will process 830W to recompute the WMR data as described in chapter 3, C3.2
- For consumable items, furnish the GIM updated DS 536L containing backorder and demand data, on-hand data, due-in data, and contract history data. Do not provide PQDR history data at this time.
- Furnish the GIM the latest status of assets being held for litigation action.

C9.5 ETD PERIOD ACTION. The LIM will accomplish the following actions at ETD:

C9.5.1 Use of DS 846S. Provide a DS 846S to the distribution depots which serves as a notification that wholesale stocks stored are now under the ownership of the GIM.

C9.5.2 Use of DS 947I. Process inventory adjustments to decrease the inventory control record using DS 947I.

C9.5.3 Use of DS 846D. Prepare and transmit to the GIM a DS 846D by SCC and location. Telephone communication between the GIM and LIM is authorized to resolve transactions that reject from the validation process. To preclude inquiries when there are no on-hand assets available for transfer, the LIM will submit a DS 846D to the GIM for a zero quantity as either a transfer or a decapitalization, based on the following:

- LR transfers are used for permanent transfers, without reimbursement of cost, of inventory within the same fund division (the LIM has a transfer-out and the GIM has a corresponding transfer-in).
- LR decapitalizations are used for permanent transfers, without reimbursement of cost, of inventory between different fund divisions, or chartered subdivisions within the fund (the LIM has a decapitalization and the GIM has a corresponding capitalization).

C9.5.4 Due-In Memorandum. Furnish memorandum due-in information to the GIM and ARI to the distribution depot in accordance with chapter 12.

C9.5.5 Use of DS 536L. For consumable items, furnish the GIM DS 536L containing PQDR history data. Furnish data for completed PQDRs only and include all PQDRs completed up to 3 years prior to the ETD. Do not provide backorder and demand data, on hand data, due-in data, or contract history data at this time

C9.5.6 Funded Backorders. Transfer funded backorders to the GIM in accordance with DoD 4140.26-M.

C9.5.7 Use of DS 870L. For items with SPR, prepare and transmit DS 870L to Federal IC, SPR LASE Status (DLMS appendix 6), to the forecasting activity as outlined in chapter 3.

C9.5.8 Asset Availability. Advise the GIM of the latest data available on assets being held for litigation action.

C9.6 POST-ETD ACTIONS

C9.6.1 Distribution Depot Action. The distribution depot will prepare a DS 846S within 5 working days of receipt of the DS 846S advising the LIM of the quantity transferred to the GIM ownership. In the event the distribution depot does not receive an LR storage ownership Transfer Order, the distribution depot will prepare and transmit to the LIM a DS 846S reflecting each balance by SCC.

C9.6.2 Gaining Item Manager Actions

C9.6.2.1 Inventory Adjustment. The GIM will convert valid DS 846D received from the LIM to inventory adjustments using the DS 947I application, to establish or increase the inventory balances. (This action is not required upon receipt of an LR transfer/decapitalization with a zero quantity.) The GIM may automatically reject invalid LR transfer/decapitalization transactions. Telephone communication between the GIM and LIM is authorized to resolve LR transfer/decapitalization transactions that reject from the validation process.

C9.6.2.2 Memorandum Transactions. The GIM will process valid memorandum due-in transactions, received from the LIM in accordance with chapter 12 procedures.

C9.6.2.3 Transaction Rejections. If the GIM receives a DS 846D or memorandum due-in for an item not involved in an LR, the GIM shall reject the incorrectly reported transactions back to the initiator using Federal IC 824, Reject (DLMS appendix 6) citing Reject Advice Code AY.

DoD 4000.25-M

C9.6.2.4 Reconsignment Instructions. The GIM, when appropriate, will furnish reconsignment instructions to the LIM for items due-in from undelivered contracts of the LIM. Reporting of receipts from these contracts subsequent to the ETD will be in accordance with chapter 13.

C9.6.2.5 Ending Asset Adjustments. The GIM will accept and process reversals of DS 846D, adjust their management and financial records, and discontinue processing any other transactions against the LR assets until the GIM processes new LR transfer/decapitalization transactions from the LIM.

C9.6.3 Losing Item Manager Actions

C9.6.3.1 General

C9.6.3.1.1 Updating Due-Ins. The LIM will update the memorandum due-in and ARI in accordance with chapter 13 procedures, as necessary, to include the following:

- The LIM takes action to change the destination of undelivered purchases upon request of the GIM.
- The LIM makes an award for an unawarded purchase request.

C9.6.3.1.2 Litigation Procedures. The LIM will enter litigation proceedings on all items in SCC L which are either on hand at ETD or subsequently received by either the GIM or LIM on LIM negotiated contracts. The LIM will notify the GIM of actions being taken to resolve the litigation actions.

C9.6.3.2 LIM Processing of DS 846D – LR Storage/Transfer Order Reply. Upon receipt of the LR storage transfer reply, the LIM will review the quantity. When the transfer quantity in the reply is greater than the transfer quantity reflected in the order the LIM will take action to transfer/decapitalize the additional quantity to the GIM on a new LR transfer/decapitalization transaction. When the transfer quantity in the reply is less than the transfer quantity in the order, the LIM shall:

- Within 24 hours of receipt of the reply, initiate action to reverse the DS 846D, previously submitted for that location and SCC, by the difference between the LR storage transfer order and reply transfer quantities.
- Conduct research, and/or request a special inventory when deemed appropriate.
- Determine whether the quantity reported by the distribution depot is correct (based on the best data available after research/inventory). If research reveals that the quantity reported was not correct the LIM will process a partial reversal, or DS 846D transaction and DS 846S, as needed.

- Complete these actions within 30 calendar days after the ETD to prevent a long time lag between the ETD and corrective action. If extenuating circumstances prevent an LIM from accomplishing this task within 30 calendar days, notify the GIM of the problem and expected date when the problem should be resolved (not to exceed 60 calendar days past the ETD).
- If the DS 846S contains a transferable quantity on an item for which the LIM provided a LR Transfer/Decapitalization transaction with a zero balance, the LIM shall provide a DS 846R to the distribution depot and a new DS 846L to the GIM reflecting the appropriate quantity, SCC, and location; in this situation, the LIM will not prepare a DS 846L reversal.

C9.6.3.3 Ninety Days after ETD. For consumable items, the LIM will furnish the GIM updated DS 536L containing contract history and PQDR history data. Furnish data for PQDRs completed between the ETD and the ETD plus 90 days only. Do not provide backorder and demand, on hand, or due-in data at this time.

C9.6.3.4 One Hundred and Eighty Days after ETD. For consumable items, the LIM will furnish the GIM updated DS 536L containing PQDR history data. Furnish data for PQDRs completed between the ETD plus 90 days and the ETD plus 180 days only. Do not provide backorder and demand, on hand, due-in, or contract history data at this time.

C9.6.3.5 Two-Hundred and Seventy Days after ETD. For consumable items, the LIM will furnish the GIM updated DS 536L containing contract history and PQDR history data. Furnish data for PQDRs completed between the ETD plus 180 days and the ETD plus 270 days only. Do not provide backorder and demand, on-hand, or due-in data at this time.

C9.7 RECEIPT PROCESSING AFTER ETD. Distribution depots will process receipts after the ETD in accordance with the procedures in chapter 13.

C9.7.1 Losing Item Manager Processing of Receipts after ETD. When the LIM receives a receipt transaction from the distribution depot for an item that was logistically reassigned, the LIM will:

- Process the receipt to reduce the due-in record, record the assets on the LIM owner record.
- Decrease the LIM owner record using the DS to 947I Federal IC, Inventory Adjustment (DLMS appendix 6) in accordance with chapter 7.
- Transmit a DS 846D - LR Transfer/Decapitalization to the GIM in accordance with section C9.5 and include in it the transaction number or contract number (and related data: Contract Line Item Number (CLIN), Exhibit Line Item Number (ELIN),

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and call or order number) from the associated receipt transaction to establish an audit trail between the receipt and its subsequent transfer/decapitalization.

- Transmit a DS 846S - LR Storage Transfer Order/Reply to the distribution depot in accordance with C9.5.
- Process receipts for which litigation is required in accordance with chapter 13, C13.2.7

C9.7.2 Gaining Item Manager Processing of Receipts after ETD. The GIM will:

- Use a DS 846D to record the assets on the GIM owner record and to reduce the memorandum due-in record in accordance with chapter 13, C13.2.7.
- If a DS 846 is received for an item not involved in an LR, the GIM shall reject the transaction back to the initiator using 824 Federal IC, Reject (DLMS appendix 6), citing Reject Advice Code AY.

C9.8 INQUIRY FOR LOGISTICS REASSIGNMENT ASSET DATA AND RESPONSE

C9.8.1 Use of DS 846D. The GIM will transmit an inquiry to the LIM, using a DS 846D, for all assets logistically reassigned for which they received no DS 846D transaction.

C9.8.2 Losing Item Manager Response. In response, the LIM will generate the necessary DS 846D or a duplicate thereof.

C9.9 DUE-IN VALIDATION. See chapter 12, C12.7, for due-in inquiry and reconciliation procedures.

C10. CHAPTER 10

DEMAND TRANSACTIONS

The DS to Federal IC 867D ([DLMS appendix 6](#)) may be used between supported organizations and owner/managers to report the establishment or cancellation of supply system demands, or may be used by owner/managers as a technique for recording and accumulating demands for NSN items resulting from:

- The DS 867D - Demand may be used by the material manager to determine whether the demand is a recurring/nonrecurring or has been previously recorded.
- The DS 867D - Demand may identify weapon system or other management information requirements.
- The submitter will indicate in the BPT segment when the DS 867D - demand is used in a simulation exercise.

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C11. CHAPTER 11

MATERIAL RETURNS AND REDISTRIBUTION OF ASSETS

C11.1 GENERAL

C11.1.1 Purpose. This chapter describes procedures for offering material no longer needed and for redistribution of the assets. These procedures also establish the necessary controls to ensure timely processing of related transactions and provide for the automatic return of material under specified conditions.

C11.1.2 Reporting Policy. DoD 4140.1-R contains the policy regarding the reporting of assets, the transfer of assets, and the redistribution of assets.

C11.1.3 Material Return Credit. Credit for material returns is granted on the basis of receipt and classification by the consignee. Procedures for the timeframes and transactions for providing credit for material returns and redistribution are contained in volume 5.

C11.2 APPLICABILITY AND SCOPE. The provisions of this chapter are applicable to all organizations offering or returning material to a DoD ICP, DoD IMM, or the GSA. These provisions also apply to organizations receiving and processing MROs directing redistribution and shipment of material from a post, camp, station, or base to another similar organization to satisfy a specific demand. DoD 5105.38-M contains the policy regarding use and redistribution of SA material. These procedures also apply to the processing of nonconsumable items.

C11.3 EXCLUSIONS. Items not identified by a NSN or part number are excluded from these procedures on an inter-DoD Component basis included in the following categories:

- Perishable subsistence items.
- Industrial plant equipment identified only by a plant equipment code/manufacturers' part number. These items will be reported to (identify organization) DGSC-JH (DoDAAC) SE4300 on [DD Form 1342](#), DoD Property Record.
- Class V (W) ground (surface) ammunition.
- Lumber products (with the exception of lumber product items stocked by GSA).
- Items under Defense Nuclear Agency (DNA) management; such as, Federal Supply Group 11 and all Department of Energy (DOE) special design and quality

controlled items (identified by Commercial and Government Entity (CAGE) 87991 in the DLA, Logistics Operations (J-3) master item file) and all DoD items designed specifically for use on or with nuclear weapons (identified by CAGE 57991, 67991, or 77991 in the J-3 master item file). (Use the DOE-DNA TP 100-1, et al., to process these items.)

- Excess automatic data processing equipment under DoD 4160.21-M.
- Excess bulk petroleum and coal under DoD 4140.25-M.

C11.4 PREPARATION OF OFFER OF MATERIAL REPORTS

C11.4.1 Use of DS 180M. Use the DS to 180M Federal IC, Material Returns Reporting (DLMS appendix 6), to offer or report material no longer needed.

C11.4.2 Advice Code 3R. Cite Advice Code 3R when offering material below retention levels.

C11.4.3 Secondary Item Control Activity. SICA reporting organizations generate DS 180M for serviceable Nonconsumable Item Material Support Code (NIMSC) 5 items to the appropriate DoD Component SICA under DoD Component implementing instructions. The SICA will identify quantities not required to the PICA, using the reporting organization's DS 180M transaction number, and citing their SICA treasury symbol number. If appropriate, the SICA will provide TR status to the reporting organization for the quantity referred to the PICA, under Section 11.12. The date in the TR status, if used, will be 35 calendar days subsequent to the date the DS 180M was forwarded to the PICA. The PICA will use the DS to 870M Federal IC, Material Returns Supply Status (DLMS appendix 6), to provide disposition instructions to the SICA designated. The SICA, in turn, will use the DS 870M to provide disposition instructions to the reporting organization under DoD Component implementing instructions.

C11.4.4 Reporting Excess of Serviceable Stocks On-Hand. When the SICA has excess NIMSC 5 serviceable stocks on hand, the SICA will prepare a DS 180M under the guidelines above, but will use their own DS 180M transaction reference number to report or offer the material.

C11.5 SUBMISSION OF OFFER OR MATERIAL REPORTS

C11.5.1 Retention and Reporting Policy. Use the retention and reporting policy in DoD 4140.1-R to determine the criteria for reporting or offering material.

C11.5.2 Part Number Screening. The DAASC will screen part-numbered DS 180M for a possible conversion to an NSN using the information in the J-3 Federal Logistics Information System (FLIS) files.

C11.6 CANCELLATION OF OFFERS OF MATERIAL

C11.6.1 Material No Longer Available. Organizations must promptly send a DS 180M cancellation, with Action Code C, for total or partial quantities, to the supply source when the material is no longer available in the quantity reported or when material which was directed for return will not be returned.

C11.6.2 Timely and Accurate Cancellations. The need for timely and accurate cancellation actions under the above conditions is emphasized to avoid unnecessary follow-up actions and to ensure that the supply source records of expected returns reflect proper quantities.

C11.6.3 Shelf-Life Reporting. In order to ensure that expiration-dated items have sufficient shelf life remaining to cover time for delivery and normal consumption by the receiver, holding organizations will submit a DS 180M with Action Code C when the remaining shelf life reaches 6 months.

C11.7 PROCESSING REPLIES TO OFFERS OF MATERIAL

C11.7.1 Reporting Organization Response to Asset Status/Disposition. The ICP/IMM will use the DS 870M with Status Report Code 7 to provide status or disposition instructions to the reporting organization. Reporting organizations will, based on the status received, take the following actions:

C11.7.1.1 Cancellation. Submit a DS 180M cancellation, with Action Code C, when it is determined that the material directed for return will not be returned.

C11.7.1.2 Material Release. Use the DS to 856R Federal IC, Shipment Status Material Returns (DLMS appendix 6), to promptly notify the IMM/ICP when the material directed for return is released to the carrier. Identify appropriate data in the DS 856R, including the suffix of the individual DS 870M, if applicable, and the treasury symbol number against which a credit for the packing, crating, handling, and transportation (PCH&T) costs, and the value of the returned material will be provided. Reporting organizations will use the DS 870M with Status Report Code 3 to provide status to ICPs/IMMs when shipment is delayed on open DS 180M.

C11.7.1.3 Termination of Action. Terminate any further action upon receipt of DS 870M with T2 status; however, an organization may offer the material again in a subsequent cycle using a new DS 180M with a new transaction reference number.

C11.7.2 Verifying Shipment. Upon receipt of a DS 870M with TS status from the ICP/IMM, the reporting organization will review records to determine previous action taken on the DS 180M. If shipment has not occurred, send a DS 870M with Status Report Code 3 to the ICP/IMM to advise of delay in shipment and the ESD. If records indicate shipment

has occurred, the reporting organization must query the transportation organization to ensure the material has actually been shipped. If the material has been shipped, the reporting organization will submit a DS 856R whether or not a DS 870M had been submitted previously. If the material has not been shipped, ascertain when the shipment will be made and follow the above procedures. When less than the total quantity is to be shipped, the reporting organization will provide a DS 870M with Status Report Code 3 for the quantity to be shipped and a DS 180M with Action Code C for the quantity which will not be shipped. If any of the shipment has already occurred, the reporting organization will respond with a DS 870M for the quantity which has been shipped and with a DS 870M with Status Report Code 3, for the quantity to be shipped, or a DS 180M cancellation for the remaining portions of the originally reported quantity, as appropriate. The reporting organization must respond to the DS 870M with TS status within 30 calendar days of its date of preparation, or the ICP/IMM will cancel the DS 180M.

C11.7.3 Secondary Inventory Control Activity Reporting. When a DS 870M is transmitted to the SICA, the SICA will forward the disposition instructions to the reporting organization under DoD Component implementing instructions. The reporting organization will provide advice to the SICA regarding shipment or cancellation as appropriate, under DoD Component implementing instructions, and the SICA will provide a DS 856R or a DS 180M cancellation with Action Code C to the PICA. If the SICA receives a DS 870M with TS status from the PICA and has no record of the shipment, the SICA will follow up to the reporting organization and submit a DS 870M with Status Report Code 3 to the PICA containing a future ESD to preserve the PICA's due-in record pending a firm reply to the DS 870M with TS status.

C11.7.4 Asset Reporting. When the ICP/IMM does not require the reported assets at the time offered; however, under the criteria of DoD 4140.1-R, the assets should be temporarily retained in-place, the ICP/IMM will provide DS 870M with T5 status to the reporting organization with a future date to report the assets for final disposition.

C11.8 INQUIRIES ON OFFERS OF MATERIAL

C11.8.1 Reporting Organizations. Reporting organizations will use the DS 180M inquiry with Action Code T to obtain intelligence regarding status of the original DS 180M when no response has been received and 30 calendar days has passed from the date of submission of the original DS 180M. If TR status has been received, the DS 180M inquiry with Action Code T will be submitted at the expiration of the expected reply date cited in the DS 870M.

C11.8.2 Requesting Receipt Status. Use the DS 180M with Action Code RS to request receipt status when material to be returned has been shipped as directed by a DS 870M but the ICP/IMM DS 870M transaction containing Status Code TL, TM, TN, TP, TQ, TV, or T1 has not been received. Submit DS 180M inquiries for receipt status no earlier

than 70 calendar days (CONUS) or 130 calendar days (OCONUS) after shipment of the material.

C11.8.3 Inquiries to Inventory Control Point. Submit DS 180M inquiries to the ICP/IMM to whom the original DS 180M was submitted, except when the DS 870M indicates rerouting to the correct ICP/IMM. In this case, submit the DS 180M inquiry to the ICP/IMM identified in the DS 870M.

C11.8.4 Authorized Credit Inquiry. Use volume 5, chapter 4, to inquire about an authorized credit when the credit billing is not received after shipping the DS 180M material of which the DS 870M from the ICP/IMM indicated a credit allowance.

C11.9 AUTOMATIC RETURNS

C11.9.1 Identification of Return Shipment. Use the DS 180M with Action Code RF to identify an automatic return shipment. Supply sources will advise reporting organizations where to ship these items. Use the DS 856R to promptly notify the IMM/ICE when the material is released to the carrier. Use PD 06 for the return of material identified by the IMM as qualified for automatic return to the DoD distribution system.

C11.9.2 Inter-Service Unserviceable Item Return. All NIMSC 5, unserviceable (Supply Condition Code E or F), items are designated for automatic return on an inter-Component basis. PICAs will notify SICAs of the NSN and the storage organization to which such items are to be shipped. PICAs will notify the receiving storage organization of the NSNs authorized for return. The SICAs will disseminate this information to the SICA organizations using intra-Component procedures. If there is no DoD Component SICA for the items identified for automatic return by a PICA (for example, Coast Guard), the PICA will provide the information to the appropriate DoD Component designated organization.

C11.9.3 Automatic Return of Unserviceable Items. When an unserviceable NIMSC 5 item is automatically returned and a replacement item will be requisitioned, the DS 180M with Action Code RF and subsequent transactions will include Project Code 3AL. If a replacement for the unserviceable NIMSC 5 automatic return item will not be requisitioned (such as, the returned item is excess to the returning organization's authorization or requirement), the DS 180M with Action Code RF and subsequent transactions will not contain Project Code 3AL. Ensure the DS 180M with Action Code RF, sent to the PICA, contains the data specified under C11.4. Subsequent to generating the DS 180M with Action Code RF, processing will occur as though there had been a DS 180M and a DS 870M, along with other provisions of this chapter, excluding DS 180M inquiries and TR status.

C11.9.4 Mandatory Action Code. No other inter-DoD Component use of the DS 180M with Action Code RF is currently authorized.

C11.9.5 Items Returned for Depot Maintenance Inter-Service Support Agreement. The DS 180M with Action Code RF will also be prepared and forwarded to the SICA for items identified and scheduled for repair under a depot maintenance inter-Service support agreement. This does not apply to items scheduled for repair and return to the same DoD Component when accountability is retained on the shipping organization property account records. DoD Components may use the DS 180M with Action Code RF internally for intra-Service or Agency programs that do not conflict with other provisions of this manual.

C11.10 INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OF AUTOMATIC RETURNS. Upon receipt of the DS 180M Action Code RF, the SICA will establish a due-in for the quantity of the material to be returned, and furnish an advanced receipt information (ARI) transaction to the receiving depot under chapter 13. NOTE: For unserviceable NIMSC 5 items, the SICA will forward the DS 180M, with appropriate data elements as identified in above C11.4, to the PICA. The PICA will establish the due-in for the quantity of the material to be returned, and furnish a DS to 527D Federal IC, Due-In/Advance Receipt/Due Verification (DLMS appendix 6) to the receiving depot under chapter 12 procedures.

C11.11 DEFENSE AUTOMATIC ADDRESSING SYSTEM

C11.11.1 Message Passing Requirements. DAASC will pass DS 856R, DS 180M inquiries with Action Code T, and DS 180M with Action Code RF, to the organization(s) identified in the transaction. A DS 180M and DS 856R from an ICP/IMM to another ICP/IMM will always be passed to the indicated ICP/IMM.

C11.11.2 Validation Actions. DAASC will perform NSN/NIIN validation and supply-source edits as follows:

- If the NSN is correct and managed by the ICP/IMM identified, DAASC will include Advice Code 3T and submit the DS 180M to that ICP/IMM.
- If the NSN is correct but is not managed by the ICP/IMM identified, the DAASC will correct the ICP/IMM, include Advice Code 3T, and transmit DS 180M to the correct ICP/IMM. DAASC will provide TO status to the reporting organization.
- If the FSC/NSN/NIIN validation indicates that the FSC is incorrect, DAASC will change the FSC, correct the ICP/IMM where applicable, include Advice Code 3T, and transmit DS 180M to the managing ICP/IMM. DAASC will provide DS 180M with TZ status to the reporting organization.
- If DAASC cannot accomplish routing to an ICP/IMM, DAASC will pass the transaction to the organization identified to receive the DS 180M.
- DAASC will validate part-numbered DS 180M against the J-3 FLIS files in search of a potential NSN match. If an NSN is found, DAASC will change the part number to an NSN for continued processing. DAASC will provide DS 870M with TZ status

as a result of part number/NSN changes. DAASC will provide DS 870M with T9 status as a result of part-numbered transactions not matched to an NSN.

- DAASC will edit DS 870M with transactions containing Status Codes SC and SD and if a DLA/GSA/NAVY IMM has coded the item inactive in the DAASC records and a DLA, GSA, or Navy organization originated the DS 180M, DAASC will change the status code to TC and forward the DS 870M status to the reporting organization.
- DAASC will edit DS 870M rejections from GSA with Status Code SC and if the NSN cannot be identified, DAASC will provide DS 870M with SD status to the reporting organization. If the NSN is correct, DAASC will provide DS 870M with TC status to the reporting organization.

C11.12 INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OFFERS OF MATERIAL

C11.12.1 Determining Disposition of Reported Assets. The ICP/IMM will process DS 180M to determine the disposition of the reported assets. The ICP/IMM will ensure DS 180M containing project codes assigned for specific returns program purposes, such as rollbacks and automatic returns, are accorded processing consistent with their assigned controls. The ICP/IMM will respond to DS 180M no later than 30 calendar days from the date of receipt of the DS 180M. If a response cannot be provided within 30 calendar days, the ICP/IMM will provide DS 870M with TR status with an estimated date to expect a reply. Responses to individual DS 180M may identify any of the conditions employing an MRP suffix. The ICP/IMM will use the DS 870M to provide responses to the DS 180M.

C11.12.2 Reporting Status of Asset Reassignment. If the offered material is in the process of being logistically reassigned and it is 60 calendar days prior to the ETD when the DS 180M is received by the LIM and the LIM stockage position indicates that disposal action is appropriate, the LIM will provide DS 870M with SM status to the reporting organization. SM status advises the reporting organization that disposal action is authorized; however, the item is in the process migrating and further action should be deferred until after the ETD.

C11.12.3 Filling Backorders. If it is determined that the offered material will be used to fill a backordered requisition, a DS to 940R Federal IC, Material Release (DLMS appendix 6), will be generated under C11.18 and a DS 870M with status code TE will be provided to the reporting organization.

C11.12.4 Material Returns. If the determination is made that the material is to be returned, the ICP/IMM will provide a DS 870M with the appropriate status to the reporting organization, establish a due-in for the quantity of the material to be returned, and furnish an ARI transaction to the receiving depot under chapter 12. The estimated delivery date

(EDD) for the due-in will be 120 (CONUS) or 180 (OCONUS) calendar days from the processing of the DS 870M with a return status code. If the ICP/IMM authorizes the return of the material, credit billing for the PCH&T costs and the value of the returned material, if applicable, will be accomplished under volume 5, chapter 2, using the treasury symbol number indicated in the original DS 180M, or the DS 856R for automatic returns, after receipt and inspection of the material.

C11.12.4.1 Shipment Return Time. The time allowed for shipment and return of material is 120 (CONUS) and 180 (OCONUS) calendar days and the counting starts with the day of posting the DS 856R by the ICP/IMM or the ESD in the DS 870M with Status Report Code 3. Update the due-in EDD upon receipt of the DS 856R or the DS 870M, Status Report Code 3, to equal the time allowed for shipment and return of the material.

C11.12.4.2 Material Not Received by Due-In. If the material is not received by the due-in EDD or 30 calendar days have elapsed since the transmission of the DS 870M with TS status without receiving a response, the ICP/IMM will initiate cancellation action under chapter 4.

C11.12.4.3 Applicability. Action taken to cancel the due-in and delete the ARI transaction does not preclude the requirements in other DoD manuals and joint regulations to initiate tracer action and file discrepancy reports on shipments not received but which shipment status has been received.

C11.12.5 Priority Designation. The ICP/IMM will cite an appropriate PD in the DS 870M transaction as follows:

- PD 03 for the return of critical items and approved intensive management items (including serviceable local excesses of such items),
- PD 13 for all other conditions not covered above.

C11.12.6 Reporting Rejects. The ICP/IMM will use a DS 870 transaction citing an appropriate S-series reject status code to reject DS 180 transactions incapable of being processed back to the reporting organization.

C11.12.7 Items Requiring Extended Review. The ICP/IMM will suspend DS 180M received for items requiring extended review/screening and will provide DS 870M with TR status to the reporting organization with an estimated date of reply.

C11.13 INVENTORY CONTROL PONT/INTEGRATED MATERIAL MANAGER MATERIAL RETURNS RECEIPT STATUS

C11.13.1 Notification of Receipt/Nonreceipt. The ICP/IMM will prepare a DS 870M, Status Report Code 7, and with Status Code TL, TM, TN, TP, TQ, TV, or T1 to provide reporting organizations with notification of material receipt or nonreceipt. Provide this

status upon processing the DS to 527R Federal IC, Receipt, Inquiry, Response, and MRA (DLMS appendix 6), with Transaction Type Code D4 for other than suspended condition material, or upon processing of an inventory adjustment action moving the assets from a suspended condition to the correct condition, or not less than 30 calendar days after generation of a DS 870M with TS status when no receipt or DS 856R has been processed.

C11.13.2 Transaction Reference Number. Always indicate the transaction reference number, including the suffix code, as identified in the automatic return, DS 180M or in the DS 870M.

C11.13.3 Crediting Transactions. The ICP/IMM will also use the receipt to generate crediting transactions under volume 5, chapter 2, for PCH&T costs and the value of the returned material, if applicable, using the treasury symbol number indicated in the original DS 180M, or the DS 856R for automatic returns.

C11.14 INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OF SHIPMENT STATUS

C11.14.1 Matching Previously Submitted Transactions. The DS 856R is an information transaction and normally requires no subsequent generation of transactions. The ICP/IMM will receive DS 856R and update appropriate ICP/IMM records. The shipment date is available for ICPs/IMMs to verify in-transit status and provide information on expected receipts. The ICP/IMM will reject DS 856R transactions, received for NSNs that cannot be identified or do not match a previously submitted DS 180M, to the reporting organization with DS 856R Status Code SE. The ICP/IMM will reject DS 856R that do not pass other data field validity checks with DS 856R and the appropriate S-series status codes.

C11.14.2 Shipment Advice. In the event that the ICP/IMM requires advice of shipment to support related supply decisions and the DS 856R has not been received, the ICP/IMM will send a DS 870M with TS status to the reporting organization. Do not generate the DS 870M with TS status until at least 5 calendar days have elapsed from the transmission of the DS 870M (PD 03) or 50 calendar days (PD 13) and no DS 856R nor receipt has been posted. A DS 870M with T3 status may be generated upon expiration of the due-in timeframe when a DS 856R has been received, but the receipt has not been posted. The ICP/IMM is authorized to follow-up without regard to the established timeframe when the need arises to satisfy PD 01-08 requirements. If a DS 870M, Status Report Code 3, is received indicating an estimated date of shipment, the ICP/IMM will update appropriate records. If the DS 870M, Status Report Code 3, contains an NSN that cannot be identified or contains data that does not match an existing DS 180M, the ICP/IMM will reject the DS 870M with Status Report Code 3 with Status Code SE.

C11.15 INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER
PROCESSING OF OFFERS OF MATERIAL INQUIRIES AND REQUESTS FOR
RECEIPT STATUS

C11.15.1 Original Record Verification. On receipt of a DS 180M inquiry, the ICP/IMM will determine if there is a record indicating that the original DS 180M was received.

C11.15.1.1 Delayed Response Status. If a record is established and TR status indicating delayed response was furnished to the customer, a duplicate DS 870M with TR status or a DS 870M with an appropriate status code, will be provided. If a record is established and a DS 870M was not provided, one of the following actions will be initiated:

C11.15.1.1.1 In Process. If the DS 180M is in process, provide DS 870M with TR status to the customer.

C11.15.1.1.2 Rejection. If the DS 180M was rejected by the ICP/IMM as invalid, the DS 180M inquiry will produce a DS 870M to the reporting organization with the same status code utilized in the original DS 870M.

C11.15.2 Receipt of Action Code RS. On receipt of a DS 180M with Action Code RS the ICP/IMM will review records and take action as follows:

C11.15.2.1 Material Not Received. If the records indicate that the material has been received and classified, transmit a DS 870M with an appropriate T_ series status code to the customer.

C11.15.2.2 Received Material Not Classified. If the records indicate that the material has been received but not classified, provide DS 870M with TT status to the customer.

C11.15.2.3 Material Not Located. If the records indicate that the material has not been received and if the material is not located after investigation, provide DS 870M with TU status to the reporting organization.

C11.15.3 Action Code T Inquiries. DS 180M inquires with Action Code T or requests for receipt status DS 180M with Action Code RS received for items not under the cognizance of the ICP/IMM will be rejected to the reporting organization using DS 870M with SC status.

C11.15.4 Processing Credit Inquiries. Use the procedures in volume 5, chapter 4, to process inquiries on credit for returns.

C11.16 INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER
PROCESSING OF CANCELLATIONS FOR OFFERS OF MATERIAL

C11.16.1 Reducing Quantity in all Applicable Cancellation Requests. Upon receipt of a DS 180M cancellation with Action Code C, the ICP/IMM will take necessary action to cancel or reduce the quantity in all applicable transactions affected by the cancellation request including the decision to return the due-in record, the ARI transaction, and the credit suspense, if applicable. The cancellation of the due-in and ARI transaction will be controlled under the procedures of chapter 13.

C11.16.2 Material Not Received by Due-In Estimate. The ICP/IMM will initiate cancellation action when the material is not received by the due-in EDD or when the material is not received and no response has been received within 30 calendar days after their DS 870M with TS status. The ICP/IMM will also initiate cancellation action if a DS 856R is not received within 120 (CONUS) or 180 (OCONUS) calendar days after receipt of the DS 870M with Status Report Code 3, indicating an ESD. DS 180M cancellations will be accomplished as follows:

C11.16.2.1 Creditable Returns. For creditable returns, the ICP/IMM notifies the reporting organization with DS 870M with TP status.

C11.16.2.2 Noncreditable Returns. For noncreditable returns, the ICP/IMM notifies the reporting organization with DS 870M with TV status.

C11.16.2.3 Material Not Received. The ICP/IMM will use these same cancellation procedures when DS 180M material has not been received within 120 calendar days (CONUS) or 180 calendar days (OCONUS) from the action date in the DS 870M or from the receipt posting date of the DS 856R, whichever is later. The cancellation of the due-in and ARI transaction will be controlled under the procedures of chapter 11.

C11.17 INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OF OFFER OF MATERIAL REPORTS, CANCELLATIONS, AND FOLLOW-UPS WHEN THE SUPPLY SOURCE HAS CHANGED

C11.17.1 Advice Code 3T. Upon receipt of a DS 180M cancellation or inquiry from DAASC with Advice Code 3T when the supply source has been changed, the losing supply source will arrange to change the FLIS and DAASC supply source files.

C11.17.2 Losing Supply Source. The losing supply source will transmit DS 180M cancellations, and/or inquiries, containing Advice Code 3U to the gaining supply source.

C11.18 INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGEMENT LATERAL REDISTRIBUTION OF ASSETS

C11.18.1 General

C11.18.1.1 Purpose. This section outlines procedures for generating DS to 940R Federal IC, Material Release (DLMS appendix 6), and related transactions to redistribute reported DS 180M material that has been identified through an inter- or intra-Component retail asset visibility system.

C11.18.1.2 Exclusions. These procedures exclude Government-furnished material, SA, and contractor-furnished material backorders except on an intra-Component basis.

C11.18.1.3 Lateral Redistribution. If a requisition/backorder is to be supplied by lateral redistribution of DS 180M material, provide TE status to the reporting activity, and generate the DS 940R with appropriate data from the requisition, the DoDAAC of the organization holding the assets, and the supply source's DoDAAC. Forward the material release order through DAASC to the reporting organization. Provide BA status to all eligible status recipients with an ESD of 15 calendar days from the date of the transaction.

C11.18.2 Reporting Organization Actions. The reporting organization will:

- Process the DS 940R on a fill/kill basis.
- Use the DS to 945A Federal IC, Material Release Advice (DLMS appendix 6), to provide BA status for the material processed, or CB status for the material denied, to the FROM organization identified in the DS 945A.
- Provide a shipping transaction to ship the requested quantity of material to the organization identified in the DS 940R as the SHIP -TO organization.
 - When the material is shipped, transmit a shipping advice DS 945A to the FROM organization identified in the DS 940R.
 - Include in the shipping advice the treasury symbol number(s) under which to provide the credit for the PCH&T costs and the value of the shipped material.

C11.18.3 Inventory Manager Actions. The ICP/IMM will:

C11.18.3.1 BA Status Generation. Generate BA status with an ESD determined by adding 10 calendar days to the ESD provided in the material release to the status organizations identified in the original requisition.

C11.18.3.2 Billing Generation. Upon receipt of the shipping advice DS 945A, generate billing transactions to the requisitioner and use the DS 945A to generate crediting transactions for the standard price of the material and PCH&T costs to the reporting organization.

C11.18.3.3 Shipment Status. Provide shipment status DS 856R to the requisitioning organization based on the DS 945A received from the reporting organization.

C11.18.3.4 Reinstatement. Reinstatement upon receipt of CB status and provide appropriate status to the requisitioner.

C11.18.3.5 BA and CB Status Follow-Up. Generate requisition follow-ups under Chapter 5 procedures when the initial BA or CB status is not received on MROs within 10 calendar days and continue to do so until status is received

C11.18.3.6 Follow-Ups. Generate requisition follow-ups under chapter 5 procedures every 10 calendar days after the expiration of the ESD provided in the DS 945A.

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C12. CHAPTER 12

DUE-IN AND ADVANCE RECEIPT INFORMATION

C12.1 GENERAL

C12.1.1 Standard Procedures. This chapter prescribes standard procedures for transmitting information about incoming material between wholesale managers and storage activities and between LIMs and GIMs. The procedures require timely establishment of due-in information for all anticipated receipts of material, and require that managers provide receiving storage activities with information for anticipated receipts.

C12.1.2 Control of Due-In Records. This chapter also provides for the control of due-in records below the wholesale level to accommodate the DoD closed-loop system addressed in chapter 14 that provides accountability and monitors receipt of shipments of DoD and GSA wholesale stocks and DRMS stocks which are issued from on-hand assets or procured for DVD. These procedures provide for interface among the transportation, quality, supply, and financial operations/systems below the wholesale level and between the supply and purchasing operations/systems at the wholesale level to provide proper control over in-transit assets and document receipt in the payment files.

C12.1.3 Consignment of Material to Storage Activities. Documentation covering consignment of material to storage activities is prescribed in other DoD Component regulations. These documents are used, together with information developed by inspection and classification procedures, as source data for documenting transactions in terms of this manual. The distribution of disbursement, procurement, and transportation documentation by storage activities is also governed by existing regulations and is, therefore, not a consideration here.

C12.1.4 Material Receipt/Return Definitions. For material receipt/return code definitions, see DS to 527D Federal IC, Due-in/Advance Receipt/Due Verification Application ([DLMS appendix 6](#)).

C12.1.5 Use of DS 527D. Use DS 527D application as follows:

C12.1.5.1 Managers. Managers use to establish ARI at the storage activity.

C12.1.5.2 GIMs. GIMs use for due-in reconciliation and to inquire about delinquent due-in transactions.

C12.1.5.3 LIMs. LIMs use to provide the GIM with memorandum due-in information, to respond to GIM due-in reconciliations and inquiries, and to provide the GIM revised due-in EDDs as changes occur.

C12.2 CONTROL OF MATERIAL DUE-IN

C12.2.1 Establishing Due-In Records. Managers shall establish due-in records for all anticipated receipts of material to maintain property accountability or visibility of material due-in to inventory, as required under chapter 6, Physical Inventory Control. The due-in records shall include data required for dues-in by DS 527D.

C12.2.2 Maintain Current Status. Managers shall maintain due-in records in a current status. Use revised delivery schedules, notification of shipment or delayed shipment, repair schedules and repair schedule changes, contracts and contract changes, customer and manager cancellations, material receipts, and completion of shipment tracer/discrepancy reporting actions to establish, revise, and delete due-in records and appropriate delivery dates. For returns directed under the material returns program, compute the EDD as indicated in the material returns program procedures. For all other dues-in, compute the EDD to equal the actual/estimated shipment/release date, provided in delivery schedules or shipment notifications, plus DoDD 4410.6.

C12.2.3 Monitor Due-Ins. When managers direct material for return based on a reported product quality deficiency, they will prescribe use of DS 527D with SCC Q in the disposition instructions to the returning activity. Managers shall establish and monitor dues-in for all returns of potential/confirmed product quality deficiency related material, citing the transaction number included in the report. Provide DS 527D for the returns, to receiving storage activities, under chapter 13 C13.4, citing the due-in transaction number and SCC Q.

C12.2.4 Audit Trail. Managers shall establish an audit trail when deleting or reversing due-in quantities. All due-in deletions and reversals shall interface with the financial system. Due-in deletions and reversals are prohibited without advance coordination between the supply and financial functions, and with the procurement function for dues-in from procurement instrument sources, unless the supply, financial, and procurement systems are fully integrated. When deleting or reversing due-in quantities, managers shall initiate action to correct the receiving storage activity's ARI file under C12.4.

C12.2.5 Supply and Financial Interface. DoD Components shall establish the necessary interface between the supply and financial operations/functions to account for material in-transit as required under DoD 7220.9-M. For shipments between Government activities, property accountability passes to the recipient upon release of material to carrier

and notification of the shipment. For contract shipments, property accountability passes upon transfer of title, as specified in the contract.

C12.2.6 In-Transit Due-In Procedures. Managers shall monitor due-in records and inquire to storage activities for information on in-transit dues-in under the chapter 13 procedures.

C12.3 PROVIDING THE STORAGE ACTIVITY WITH ADVANCE RECEIPT INFORMATION (FORMERLY PRE-POSITIONED MATERIAL RECEIPT)

C12.3.1 Due-In Information Requirements. Managers shall provide storage activities with due-in information for scheduled material receipts by providing them with DS 527D. For dues-in from procurement instrument sources, managers shall include applicable contract information and packaging data, allowed by the convention, to facilitate the receiving process and reduce need for hard copy contracts at receiving activity.

C12.3.2 Storage Activity Requirements. Storage activities receiving DS 527D will maintain them in an ARI file pending receipt of the material or the receipt of updates to the ARI from the manager.

C12.3.3 Advanced Receipt Information. Managers shall transmit ARI transactions and ARI transaction reversals as due-in records are revised so that receiving storage activities can maintain the records to reflect status equivalent to manager due-in records. Managers shall submit ARI reversals to the storage activities when deleting due-in records. Managers shall also submit ARI reversals when revising due-in records (e.g., dates, quantities, destinations) and simultaneously transmit replacement ARI transactions reflecting revised due-in record data.

C12.4 MAINTAINING ACCOUNTABILITY DURING MAINTENANCE ACTIONS

C12.4.1 Responsible Activity Actions. When responsibility for maintaining the property accountability record for DoD-owned property has been assigned to an activity other than the owner, the responsible activity shall execute the owner's actions set forth in this section.

C12.4.2 Applicability. These procedures apply to returns to inventory including unused material, relocations of material for maintenance, and receipts from assembly, disassembly, reclamation, conversion, modification, repair, and destructive or nondestructive test/evaluation consigned by DoD, other Government (non-DoD) Agency, or commercial activities.

C12.4.3 Exclusions. These procedures exclude repair and return material owned below the wholesale distribution system; however, storage activities will internally maintain visibility of such material when system capability permits.

C12.4.4 Requirements

C12.4.4.1 Due-In Establishment. Owners (principals for maintenance by a Depot Maintenance inter-Service Support Agreement [DMISA]) shall establish a due-in, in accordance with C12.3, DS 527D, citing Reason for Material Receipt/Return Code I, J, or K when material is being returned from field activities to wholesale storage activities or to commercial activities for maintenance. Also, provide ARI transactions to receiving Government storage activities, under C12.4, DS 527D citing Reason for Material Receipt/Return Code I, J, or K. Take these actions upon receipt of material returns program transactions, or equivalent intra-Service documents, reporting return of the material. (Services/Agencies may delegate the ARI transaction requirement to an intermediate level or to transshipment activities.)

C12.4.4.2 Material Relocation. When owners direct relocation of material from a remote storage activity to the storage activity collocated with the maintenance activity they shall establish a due-in, in accordance with C12.3, DS 527D citing Material Receipt/Return Code N for the in-transit material. Also, provide a DS 527D to the receiving storage activity, under C12.4 procedures, citing Reason for Material Receipt/Return Code N.

C12.5 LOAN MATERIAL. Use appropriate adjustment and/or receipt transactions to reflect the on-hand/due-in and subsequent receipts. Reflect material on loan on accountable activity records in the appropriate purpose code (as prescribed by Service/Agency procedures--usually code L to denote loan) or as a nonprocurement source due-in citing Reason for Material Receipt/Return Code H depending on the method/system applied.

C12.6 LOGISTICS REASSIGNMENT MEMORANDUM DUE-IN AND ADVANCE RECEIPT INFORMATION

C12.6.1 Due-In Memorandum. The LIM will furnish a memorandum due-in information DS 527D as of the ETD to the GIM, for both awarded contracts and unawarded purchase requests. Quantities will reflect only that which is available for transfer. The GIM will process valid memorandum due-in transactions to establish memorandum due-in records. If the GIM receives a memorandum due-in transaction for an item not involved in a logistics reassignment, the GIM shall reject the transaction back to the initiator using 824 Federal IC, Application Advice (DLMS appendix 6), citing Advice Code AY.

C12.6.2 Destination Change. Under DoD 4140.26-M policy, the LIM will take action to change the destination of undelivered purchases upon request of the GIM. Upon changing the quantity due-in/destination, the LIM will prepare and transmit a memorandum due-in reversal and a new memorandum due-in to the GIM in accordance with C12.4. Additionally, when an award is made for an unawarded purchase request, the LIM will prepare and transmit a memorandum due-in reversal DS 527D and a new memorandum due-in DS 527D to the GIM and a DS 527D to the applicable storage activity.

C12.6.3 Revision of Estimates. To preclude the need for due-in inquiry transactions by the GIM, the LIM will provide revised EDDs as changes occur using DS 527D with Asset Transfer Status Code AF.

C12.7 LOGISTICS REASSIGNMENT DUE-IN VALIDATION

C12.7.1 Due-In Inquiry

C12.7.1.1 Inquiry for Due-In with Expired EDD. The GIM will initiate a DS 527D due-in inquiry when the EDD for delivery of material is delinquent by more than 30 calendar days. Compute the delinquent date from the memorandum due-in which the LIM provided on the ETD. The GIM will also initiate a DS 527D when a revised due-in date subsequently becomes delinquent by 30 calendar days.

C12.7.1.2 Inquiry for Due-In with Invalid EDD. The GIM will initiate a DS 527D due-in inquiry 30 calendar days after the ETD when the memorandum due-in, which the LIM provided on the ETD, contains an invalid EDD (e.g., for material pending procurement/contract action by the LIM). The GIM will initiate a second inquiry 60 calendar days after the ETD for all dues-in with invalid EDDs. If the LIM does not reply to the second inquiry, the GIM will intervene off-line. The GIM will include all dues-in with invalid EDDs 90 calendar days after the ETD in the reconciliation (see C12.6). Based on the response, the GIM will determine if additional inquiry/reconciliation action is required.

C12.7.2 Response to Due-In Inquiry. The LIM will provide the GIM with due-in information in response to an inquiry citing the appropriate asset transfer status code.

C12.7.3 Due-In Reconciliation Request

C12.7.3.1 Receipt Verification. DoD Components shall use the reconciliation process is used to verify that the GIM is in receipt of all procurement/contract award data for assets due-in and the most current EDDs available. This process will also ensure that all items still pending procurement/contract award on the ETD are still valid.

C12.7.3.2 Due-In Reconciliation. The GIM will initiate a DS 527D request for reconciliation of dues-in for logistically reassigned material 90 calendar days after the ETD and semiannually thereafter for all material which has not been received. The GIM will include all items with material still due in to the LIM, regardless of the presence of a current EDD, in the reconciliation request.

C12.7.3.3 Due-In Reconciliation Response. The LIM will respond to due-in reconciliation requests using a DS 527D containing the appropriate asset transfer status code. The LIM will ensure that due-in information for all items still pending procurement/contract action, pending delivery, or in litigation is readily available to respond to the reconciliation request.

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C13. CHAPTER 13

RECEIPT AND MATERIAL RECEIPT ACKNOWLEDGEMENT

C13.1 GENERAL

C13.1.1 Purpose. This chapter prescribes standard procedures for processing material receipt information between owners and storage activities and between LIMs and GIMs. The procedures require expeditious reflection of assets in the property accountability records and related financial accounts. Documentation covering consignment of material to storage activities is prescribed in other DoD and DoD Component regulations. These documents are used, together with information developed by inspection and classification procedures, as source data for documenting transactions in terms of this manual. The distribution of disbursement, procurement, and transportation documentation by storage activities is also governed by existing regulations and is, therefore, not a consideration here.

C13.1.2 Closed-Loop Material Receipt Acknowledgement. This chapter also provides policy and procedures for a DoD closed-loop MRA system to provide accountability and monitor receipt of shipments of DoD and GSA wholesale stocks and DRMS stocks which are issued from on-hand assets or procured for DVD.

C13.1.3 Material Receipt/Return Code Definitions. For material receipt/return code definitions, see DS to 527R Federal IC 527R, Receipt, Inquiry, Response and MRA ([DLMS appendix 6](#)).

C13.1.4 Use of DS 527R. DS 527R will be used for the following:

C13.1.4.1 Receipt Reporting. Receiving activities report both receipts and historical receipt information to owners and other management control activities.

C13.1.4.1.1 Bulk Petroleum. Receiving activities report bulk petroleum receipts to Defense Energy Support Center (DESC) as prescribed by DoD 4140.25-M. This includes wholesale distribution system receipts from procurement instrument source or other than procurement instrument source and material returns, as well as retail receipts resulting from wholesale issues from on-hand assets or DVD regardless of the method of delivery.

C13.1.4.1.2 Packaged Petroleum. Defense Energy Support Points (DESP) report receipt of packaged petroleum additives to DFSC and to acknowledge the receipt to the supply source in accordance with the C13.5 procedures, below.

C13.1.4.1.3 Direct Reporting. Locations reporting to DFSC via direct communication or other means may be exempted from the above DLMS reporting requirements by DESC in coordination with the Supply PRC chair following full assessment of the costs and benefits.

C13.1.4.2 Owner Inquiry. Owners inquire to receiving activities about the status of overdue receipts.

C13.1.4.3 Reporting Activity Acknowledgement. Reporting activities acknowledge to the manager the receipt or nonreceipt of material.

C13.1.4.4 Management Inquiry. Managers inquire to the reporting activity when MRA is delinquent.

C13.2 MATERIAL RECEIPT PROCESSING

C13.2.1 Receiving Activity Actions. Receiving activities will:

- Post receipts to the total item property record by changing or adding to data in the ARI file established under the chapter 12, C12.3 procedures, or by extracting data from the consignment documentation.
- For discrepant shipments, follow the guidelines provided in C13.2.7, below.
- Follow DoD Component guidance for identifying and classifying as SCC W those unserviceable returns that remain under contract warranty.

C13.2.2 Reversal of Incorrect Receipt Transactions. Receiving activities may reverse incorrect receipt transactions with DS 527R.

C13.2.3 Central Procurement Receipts. Receipts from procurement can emanate from central procurement or local procurement actions. Authorized procurement delivery documents should accompany each shipment as prescribed in the Federal Acquisition Regulation.

C13.2.4 Material Receipt Inspection Procedures. When shipments of material received from procurement instrument sources require inspection and/or acceptance at destination, receiving storage activities will accomplish the inspection and/or acceptance and the in check operations as concurrent actions. Receiving activities will:

C13.2.4.1 Shelf-Life Material Inspection. Inspect shelf-life material for appropriate condition and type of shelf-life code in accordance with applicable DoD Component prescribed procedures based on DoD 4140.27-M.

- Inspect subsistence material for appropriate date packed/expiration date.
- Mark material, as appropriate, for shelf-life code and SCC upon receipt.

- Package markings will be in accordance with MIL-STD-129.

C13.2.4.2 Material Receipt Preparation. Based on inspection, prepare a material receipt DS 527R indicating the date inspected and the actual condition(s), by quantity, of the material received. Wholesale owners will make this date available to the office responsible for contractor payment for use in determining if an interest penalty applies.

C13.2.5 Time Standards for Processing Receipts

C13.2.5.1 Purpose. The DoD measures wholesale activity receipt processing performance in terms of the goal to process receipts and reflect them with minimal delay as on hand assets available for issue. Recording asset receipts and making asset records visible from the point of inspection and/or acceptance normally shall be accomplished within 24 hours (holidays and weekends excepted) as prescribed in DoD 4140.1-R. One objective of the DLMS is to process receipts through the receiving activity, irrespective of geographical location, and reflect them on both the accountable and locator records with minimal delay. For this objective, there are two segments of receipt processing:

C13.2.5.1.1 Turnover to Receiving Activity. Date material is turned over by the carrier to the designated receiving activity to date of posting to the total item property record.

C13.2.5.1.2 Turnover for Date Storage Proof. Date material is turned over by the carrier to the designated receiving activity to date when storage location/proof of storage is posted in the receiving activity's records. Material is considered to be in storage when it reaches the first location (either temporary or permanent) where actual storage control exists through locator data and the material can be issued in response to material release documentation.

C13.2.5.2 Processing Standards. Performance standards for processing receipts through these time segments are as follows:

C13.2.5.2.1 New Procurement. Process receipts from new procurement through segments one and two within 7 calendar days.

C13.2.5.2.2 Others. Process all other receipts through segments one and two within 10 calendar days.

C13.2.5.3 Wholesale Receipt Effectiveness. Report wholesale activity receipt processing effectiveness in the Inventory Control Effectiveness Report, RCS DD-P&L (Q&SA) 935, as prescribed by the chapter 6, Physical Inventory Control procedures. When computing the overall performance against the time standard, include receipt transactions frustrated for a long period of time prior to posting, storing, or reporting.

C13.2.6 Control of Receipts Requirements. Receiving storage activities will comply with the following requirements:

C13.2.6.1 Establish Procedures. Establish receipt control procedures for posting information relating to the status of material in the storing cycle. The cycle begins when the carrier offers material to the receiving activity for custody and control. Accordingly, receiving activities shall record the carrier's date offered when different than the date the carrier released the material. The DoD Components may use the carrier's date offered to measure carrier performance.

C13.2.6.2 Actions after Material Receipt. Accomplish the following actions after the material has been physically received but prior to or concurrent with movement to storage:

C13.2.6.2.1 Transaction Suspense Record. Establish a transaction suspense record to record the materials as an in-process receipt.

C13.2.6.2.2 DS 527R Transmission. Prepare and transmit the DS 527R to the owner within 24 hours (holidays and weekends excepted) from the point of inspection and/or acceptance.

C13.2.6.3 Using In-Process Receipts to Satisfy Requirement. When the on-hand balance of the stock record (physically stored) is not sufficient to fill material release orders, use in-process receipts to fully or partially satisfy the requirement as directed by the inventory manager in accordance with DoD 4140.1-R.

C13.2.6.4 Expediting Material Storage. Periodically refer to the in-process receipt suspense file to expedite the storage of material delayed beyond authorized receipt processing timeframes and to expedite the storing of material for which issues have been deferred pending storage.

C13.2.6.5 Clearing Suspense Record. After receiving proof of storage, clear the suspense record, update the storage locator record, and release any deferred issues.

C13.2.6.6 Updating Storage Activity Record. As an additional aid in control of receipts, ensure that appropriate storage activity records (e.g., stock locator) reflect the date of the last receipt of an item and the storage information (i.e., date of storage or some other code indicating that storage has been reported).

C13.2.7 Discrepant/Deficient Receipts

C13.2.7.1 Submitting Reports of Discrepant/Deficient Receipts

C13.2.7.1.1 Discrepant/Deficient Reports. In addition to processing and reporting material receipts, receiving storage activities will submit reports for all discrepant/deficient receipts in accordance with the chapter 17 Materiel and Transportation Discrepancies procedures and the following regulations:

- Joint Regulation AR55-38/NAVSUPINST 4610.33/AFR 75-18/MCO P4610.19/DLAR 4500.15, "Reporting of Transportation Discrepancies in Shipments," August 31, 1992, as amended.
- Joint Regulation DLAR 4155.24/AR 702-7/SECNAVINST 4855.5/AFR 74-6, "Reporting of Product Quality Deficiencies Across Component Lines," July 20, 1993.
- Joint Regulation DLAR 4155.3/AR 30-12/NAVSUPINST 4355.2/AFR 74-5/MCO 10110.21, "Inspection of Subsistence Supplies and Services," November 3, 1986.

C13.2.7.1.2 Exceptions. Neither the dollar value nor the timeframes for submitting discrepancy/deficiency reports apply for reporting the material receipt to the owner. The receipt reporting timeframes are prescribed by C13.2.5, above. The procedures for reporting receipt of discrepant/deficient shipments to the owner are prescribed by C13.2.7.2, above.

C13.2.7.2 Processing Discrepant/Deficient Receipts

C13.2.7.2.1 Discrepancy Determination. Upon receipt of all incoming material shipments, from procurement instrument and nonprocurement instrument sources, receiving activities will research all available documentation and item markings (i.e., transaction or contract number, NSN, or other, item identification number, ARI file, quantity, condition, inspection/acceptance requirements, etc.) to determine the receipt data. Using this data, receiving activities will determine if a discrepancy/deficiency (hereafter referred to as discrepancy or discrepant) exists and will identify its nature.

C13.2.7.2.2 Unusual Circumstances. If unusual circumstances prevent normal receipt reporting of discrepant shipments, the receiving activity will communicate with the manager or Contract Administration Office (CAO)/Purchasing Office (PO) to determine how to submit the discrepancy report and report the receipt. When the owner delays receipt reporting, the receiving activity must control the receipt by physically segregating and monitoring the status of the material until they report the receipt, or the owner directs other disposition (e.g., reshipment, return to shipper, etc.). This paragraph applies only when circumstances exist which prevent normal receipt reporting.

C13.2.7.2.3 Discrepancy Report Determination. Not all discrepant receipts require submission of discrepancy reports. Receiving activities will follow the C13.2.7.1 procedures to determine whether a discrepancy report must be submitted. Use DS 527R with Management Codes AR, AS, and AU to identify discrepant receipts which require submission of a discrepancy report. The purpose of the discrepant receipt management codes is to notify the owner in advance that a receipt was discrepant and that a discrepancy report is being submitted which will provide additional information relating to the reported item. Never issue a DS 527R with Management Codes AR, AS, or AU for a discrepant quantity when submission of a discrepancy report is not required. Additionally,

use Management Codes AS and AU only for procurement instrument source receipts to identify vendor caused misdirected shipments and contract over shipments. Separate codes apply to these discrepancies, which occur more frequently and are more easily resolved than others, so owners can initiate immediate corrective action before the formal report of discrepancy is received.

C13.2.7.2.4 Receipts Lacking Documentation

C13.2.7.2.4.1 Developing Material Receipt Transactions. When material arrives without accompanying documentation, or with inadequate documentation to process the receipt, receiving activities will use one of the following data sources to develop material receipt transactions:

- ARI files.
- Authorized procurement delivery documents and vendor packing lists.
- Advance copies of [DD Forms 1348-1A](#) or [1348-2](#), or [DD Form 1149](#).
- Transportation and fiscal records.
- Container markings.
- Advice provided by the owner, the shipper, or the U.S. Customs Inspector's Office upon request of the receiving activity if receipt documentation cannot otherwise be developed.

C13.2.7.2.4.2 Discrepant Receipt Posting. Normally when receiving activities retain a discrepant receipt in U.S. Government custody, whether or not it is U.S. Government-owned, they will post the receipt to the Total Item Property Record, store the material, and update the locator record, and hold the material pending receipt of disposition from the owner.

C13.2.7.2.5 Receipts from Outside the Normal Distribution System. When storage activities report receipts outside the normal distribution system for the NSN, the owner will record the receipt so assets are issued from that site first. Owners will effect disposition of such material as quickly as possible. If the material is not issuable, the owner will direct repair induction, reclassification, relocation, or disposal using the appropriate DLMS transaction.

C13.2.7.2.6 Discrepant Receipt - Procurement Instrument Source - General

C13.2.7.2.6.1 Protective Measures. Procurement discrepancies, discrepancies imposing a health/safety hazard, classified risk, etc., may require separate and/or secure storage. When these situations exist, receiving activities will take protective measures in accordance with established DoD or DoD Component procedures.

C13.2.7.2.6.2 Warranty Guidance. DoD Components will provide, using activities and wholesale storage activities, the necessary guidance for determining which unserviceable, repairable assets are covered by a contract warranty.

C13.2.7.2.6.3 Receiving Activity Inspection. When acceptance is accomplished at a point other than destination, receiving activities may not reinspect supplies at destination for acceptance purposes. However, receiving activities will examine such supplies at destination for identity, damage in transit, quantity, condition (including proper packing/packaging and labeling) and, for subsistence material, date packed and expiration date. The U.S. Government's right to litigate a discrepant receipt is not affected by the point of acceptance. Consequently, receiving activities will report discrepancies detected during the destination examination in accordance with the regulations cited in C13.2.3.1, above.

C13.2.7.2.6.4 Shipping Procurement Instrument Source Receipts. Shipment of procurement instrument source receipts directly to reutilization and marketing is not authorized unless unusual circumstances (e.g., health or safety hazard, etc.) exist and separate/secure storage facilities are not available. When unusual circumstances require the receiving activity to ship material directly to the reutilization and marketing activity (or take other disposal actions as prescribed by the DoD Components), the receiving activity will first report the receipt using DS 527R citing SCC L and Management Code AR. The disposal action will then be reported using a dual inventory adjustment transaction DS 527R citing SCC H and Management Code AM or AT.

C13.2.7.2.7 Reporting Discrepant Receipts from Procurement Instrument Source. Receiving activities will follow these procedures to report receipt of discrepant shipments from procurement instrument sources. Unless otherwise allowed by these procedures, report discrepant shipments from a procurement instrument source to the owner with DS 527R, citing SCC L for the discrepant quantity. With the exception of the receipt of incorrect items, use a single DS 527R to report the receipt showing both nondiscrepant and discrepant quantities in their appropriate SCC. The following discrepancy categories are not mutually exclusive; multiple discrepancy conditions may exist for a single receipt transaction:

C13.2.7.2.7.1 Condition of Material. Report the actual discrepant quantity in SCC L , or if the item is a repairable under warranty, in SCC W.

C13.2.7.2.7.2 Supply Documentation. Absence of the supply documentation should not preclude receipt processing and reporting or subsequent issue of the material. Research in accordance with C13.2.3.2.1, above, to report the receipt. The C13.2.3.1 discrepancy reporting requirements still apply.

C13.2.7.2.7.3 Misdirected Shipments (improperly addressed by the procurement instrument source). Contact the owner to ensure compliance with the procurement requirements (i.e., inspection, acceptance, etc.). Report the total quantity in

the actual condition received (normally A) with DS 527R and enter Management Code AS. Upon receipt of the receipt transaction, and prior to posting the receipt as available for issue, owners will initiate immediate action to resolve the discrepancy (C13.2.3.3, above). If the owner or CAO/PO directs reshipment/return of a reported receipt without issuing material release documentation, the receiving activity will submit a reversal DS 527R of the previously submitted material receipt transaction.

C13.2.7.2.7.4 Overage/Duplicate Shipment. Research the ARI file, receipt, and contract documentation to determine the discrepant quantity. Report confirmed duplicate shipments as discrepant with DS 527R using SCC L. When overages are valued above the contract variance clause, or above the excess delivery clause (after considering any allowable variance), report the overage above the allowable variance with DS 527R as discrepant in SCC L and cite Management Code AU. Owners will initiate immediate action to resolve the discrepancy upon receipt of the receipt transaction (see C13.2.3.3, above). Overages within the allowable variance or within the excess delivery clause (after considering any allowable variance) are not discrepant. Report the total quantity in the applicable condition, and do not cite a discrepant receipt management code for that quantity.

C13.2.7.2.7.5 Packaging Discrepancy. Report the total discrepant quantity with DS 527R using SCC L. The owner and/or the CAO/PO will determine whether litigation is required. If litigation is not required the owner will initiate DS 527R to request the transfer of the suspended assets to the appropriate condition.

C13.2.7.2.7.6 Shortages/Nonreceipt of Material. Research the ARI file, receipt, and contract documentation to determine the discrepant quantity. For shortages, report the total quantity in the condition received. Except for shortages attributed to transportation discrepancies, the receipt is discrepant only if the shortage exceeds the allowable contract variance. Nonreceipts are addressed under C13.3. below.

C13.2.7.2.7.7 Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Report the discrepant quantity with a DS 527R using SCC L, and identify and describe the specific technical data discrepancy in the [SF 364](#) or DS 842 - Nonconformance Report for owner evaluation. If the owner determines the assets can be issued, the owner will initiate DS 527R to transfer the suspended assets to the appropriate condition.

C13.2.7.2.7.8 Wrong Item. Report any assets in the shipment which are the correct item in the applicable condition and do not cite the discrepant receipt management code for that quantity. Report in DS 527R the total quantity of the incorrect item received using SCC L using a separate receipt transaction. If the majority of the assets are the incorrect item, the receiving activity may report the total quantity in SCC L based on internal DoD Component procedure.

C13.2.7.2.7.9 Product Quality Deficiency. It is normally preferable to retain custody of the material, whether or not it has been accepted. Report the deficient quantity using DS 527R with SCC Q. The owner or CAO/PO will determine if litigation or informal action with the procurement instrument source should be initiated. The owner will take action to transfer the assets.

C13.2.7.2.7.10 Transportation Discrepancies. When material is accepted by the Transportation Officer, process and report the receipt using DS 527R in accordance with procedures cited above for the type of discrepancy which exists (e.g., condition of material for damage, etc.).

C13.2.7.2.7.10.1 Receipts Not Due-In (no ARI file exists).

C13.2.7.2.7.10.1.1 Receipt Processing. Except for receipt of logistically reassigned items, see guidance in this section for processing receipts of misdirected shipments and overages/duplicate shipments, for which an ARI file is not normally available.

C13.2.7.2.7.10.1.2 Logistically Reassigned Items. For logistically reassigned items, research all available documentation and item markings to determine proper routing of the receipt. If unable to determine the correct routing, contact the item manager who will direct the appropriate routing of the receipt. If the item manager (i.e., the GIM) does not have a recorded due-in, did not initiate the procurement action and/or has a record of a memorandum due-in, and the item was involved in an LR, the GIM should instruct the storage activity to report the receipt to the LIM.

C13.2.7.2.7.10.1.3 Other Discrepancies. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to obtain guidance from the appropriate authority before reporting the receipt or submitting discrepancy report. See C13.2.3.2, above, for storage and accountability requirements.

C13.2.7.2.8 Discrepant Receipt - other than Procurement Instrument Source – General

C13.2.7.2.8.1 Identifying the NSN. When a receipt cannot initially be identified to an NSN, the receiving activity will attempt to identify the NSN or usage by following the C13.2.3.2.1, above, procedures and report the receipt to the cognizant owner.

C13.2.7.2.8.1.1 Value Under \$100. If the NSN cannot be identified and the estimated value of the item is under \$100, receiving activities will not report the receipt to an owner. Ship the material directly to reutilization and marketing using a local document number. Retain an accessible record of the transaction document and its backup for 2 years.

C13.2.7.2.8.1.2 Value Over \$100. If the NSN cannot be identified and the estimated value of the item is \$100 or more, the receiving activity will contact the manager of like-items to determine disposition. If GSA is the manager of like items, process in accordance with the procedures for receipts not due-in prescribed in C13.2.3.2.6, above. If the manager of like-items can identify the NSN, the manager will direct the receiving activity to submit the DS 527R receipt and SF 364 to the owner. If the manager of like-items cannot identify the NSN, the manager will provide disposition instructions to the reporting activity. These instructions will include an item identification number (part number, etc.) for reporting the receipt and submitting the SF 364. If the owner directs shipment to reutilization and marketing, the owner will maintain an accessible record of the transaction and its backup for 2 years.

C13.2.7.2.8.2 Discrepancy Reporting. Unless otherwise allowed by these procedures, receiving activities will report receipts of discrepant shipments from a non procurement instrument source to the owner. For discrepant quantities, use DS 527R and cite the SCC which most accurately describes the condition of the material. Classify and report the material using DS 527R with SCC K when the actual condition cannot be determined. Include discrepant receipt Management Code AR when a discrepancy report is required.

C13.2.7.2.9 Reporting Discrepant Receipts - other than Procurement Instrument Source. Receiving activities will follow these procedures to report receipt of discrepant shipments from nonprocurement instrument source. With the exception of the receipt of wrong items, use a single DS 527R to report the receipt showing both nondiscrepant and discrepant quantities in their appropriate SCC. The following discrepancy categories are not mutually exclusive; multiple discrepancy conditions may exist for a single receipt transaction:

C13.2.7.2.9.1 Condition of Material.

C13.2.7.2.9.1.1 No ARI File Exists. When inspection of inter-DoD Component receipts reveals material to be SCC H and no ARI file exists, automatically ship discrepant material valued at less than \$100 per item direct to the reutilization and marketing activity or take other automatic disposal action based on criteria promulgated by the DoD Components. This includes expired Type I shelf-life material, including subsistence, regardless of value. When taking automatic disposal action, use DS 527R and cite SCC H and Management Code AM or AT, in addition to the discrepant receipt management code, in the receipt transaction for the discrepant quantity. To establish an audit trail when material is condemned upon receipt and shipped directly to reutilization and marketing, cite the disposal turn-in transaction number in the receipt transaction in addition to the original transaction number.

C13.2.7.2.9.1.2 Discrepancy Reporting. Report discrepant quantities other than those mentioned above using DS 527R citing the applicable SCC, or SCC K when the condition cannot be determined.

C13.2.7.2.9.2 Supply Documentation. Absence of the supply documentation should not preclude receipt processing and reporting or subsequent issue of the material. Research in accordance with C13.2.3.2.1, above, to report the receipt. Discrepancy reporting requirements still apply.

C13.2.7.2.9.3 Misdirected Shipments (improperly addressed by the supply activity). Report misdirected shipments as receipts to the owner. Owners will effect disposition using the DS 527R.

C13.2.7.2.9.4 Overage. Report the total quantity received in the applicable condition.

C13.2.7.2.9.5 Packaging Discrepancy. Report the total quantity received in the applicable condition and schedule the discrepant quantity for preservation/packaging in accordance with DoD Component criteria.

C13.2.7.2.9.6 Shortages/Nonreceipt of Material. For shortages, report the total quantity received in the applicable condition. The owner will initiate any necessary financial adjustment action. Nonreceipts are addressed under C13.3, below.

C13.2.7.2.9.7 Shortages/Nonreceipt of Material. For shortages, report the total quantity received in the applicable condition. The owner will initiate any necessary financial adjustment action. Nonreceipts are addressed under C13.3, below.

C13.2.7.2.9.8 Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Report the discrepant quantity in DS 527R using SCC D. Identify and describe the specific technical data discrepancy in the SF 364 for owner evaluation. If the owner determines the asset can be issued, the owner will initiate action to transfer the asset to the appropriate condition.

C13.2.7.2.9.9 Wrong Item. Report receipt of the total quantity of the incorrect item in the applicable condition citing the NSN of the incorrect item received and the discrepant receipt management code for the quantity. If both correct and incorrect items are received in the same shipment, submit a separate receipt transaction for the correct item.

C13.2.7.2.9.10 Product Quality Deficiency. An SCC Q entered in an ARI file indicates that the receipt is related to a reported product quality deficiency. Report receipt of this material in SCC Q and do not cite a discrepant receipt management code. Based on the results of the inspection or technical/engineering analysis, owners will direct the appropriate material disposition.

C13.2.7.2.9.11 Transportation Discrepancies. When the Transportation Officer turns the material over, report the receipt in accordance with the procedures cited above for the type of discrepancy which exists (e.g., condition of material for damage etc.).

C13.2.7.2.9.12 Receipts Not Due-In (no ARI file)

C13.2.7.2.9.12.1 GSA Managed Items. GSA does not normally authorize return of assets to DoD storage activities. Receipts not due-in are, therefore, considered DoD owned assets that have not been reported to GSA under the material returns program. The DoD Components shall establish internal procedures for recording these assets on a storage activity record and an owner record within the DoD Component for subsequent issue, excess reporting under the material returns program, or release for reutilization and marketing.

C13.2.7.2.9.12.2 DoD-Managed Reparable Items. Report receipt to the manager of the shipping Service by DS 527R using applicable condition Reason for Material Receipt/Return Code I. Do not include a discrepant receipt management code in the transaction. For material shipped between wholesale storage activities, report the receipt citing Reason for Material Receipt/Return Code N. Manager's receiving transactions reporting returns not-due-in of phase II reparable, for which they are not the IMM, shall follow the material returns program procedures to report/ship the material as prescribed by the IMM.

C13.2.7.2.9.12.3 DoD-Managed Consumable Items. Report receipt to the IMM in the applicable condition and do not include a discrepant receipt management code in the transaction. However, DoD Components may prescribe reporting to their own item manager for returns from their own Component activities.

C13.2.7.2.9.13 Other Discrepancies. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to obtain guidance from the owner before reporting the receipt or submitting the discrepancy report. See C13.2.3.2, above, for storage and accountability requirements.

C13.2.7.3 Resolution of Reported Receipt Discrepancies

C13.2.7.3.1 Owner Accountability Records. Owners will maintain accurate material accountability records and audit trails for reported receipts with evidence of a supply discrepancy. Resolution of these discrepancies requires the establishment of interfaces among the material accountability, procurement, financial accounting, and discrepancy reporting systems.

C13.2.7.3.2 Owner Processing Discrepant Transactions. When discrepant receipts are reported, owners will process the transactions and effect the research required to resolve the discrepancy. When material received from a procurement instrument source will be retained in the wholesale inventory, coordinate with the CAO/PO for a contract modification which will recoup any administrative costs and any additional second destination transportation costs or onward shipment (redistribution) costs incurred by the U.S. Government as a result of the discrepancy. For all receipt discrepancies, ensure that procurement/supply due-in records and related financial accounts (including in-transit) are corrected to reflect any new receipt status and transmit updates to ARI to the storage activity(ies) involved, as required. Care must be taken, however, to suppress ARI

transaction output if the corresponding receipt has already been reported (e.g., for overages or misdirected shipments being retained where delivered).

C13.2.7.3.3 Owner Evaluation Data. Owners will develop management evaluation data for contract overages and vendor caused misdirected shipments for use in identifying trends or indications of system problems and in initiating corrective action. When the same discrepancy is repeatedly reported on shipments from a given procurement instrument source, the owner, through the CAO/PO, will advise the source of the error and request action be taken to correct its repeated occurrence. When a procurement instrument source continues to commit the same error, initiate action to consider inclusion on the Awards Review List or other disciplinary action.

C13.2.8 Maintaining Accountability During Maintenance Actions

C13.2.8.1 Responsible Activity Actions. When responsibility for maintaining the property accountability record for DoD-owned property has been assigned to an activity other than the owner, the responsible activity shall execute the owner's actions set forth in this section.

C13.2.8.2 Applicability. These procedures apply for returns to inventory including unused material, relocations of material for maintenance, and receipts from assembly, disassembly, reclamation, conversion, modification, repair and destructive or nondestructive test/evaluation consigned by DoD, other U.S. Government (non-DoD) agency, or commercial activities.

C13.2.8.3 Exclusions. These procedures exclude repair and return material owned below the wholesale distribution system; however, storage activities will internally maintain visibility of such material when system capability permits.

C13.2.8.4 Receiving Storage Activity Reporting. Receiving storage activities shall report receipt of reparable material based on the information contained in the ARI file. If an ARI file is not available, report the receipt in accordance with C13.2.3.2.6, above, procedures for processing receipts not-due-in for reparable items.

C13.2.8.5 Inter-DoD Component Agreements. When material is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement shall specify the property accountability and material control requirements. The agreement shall also specify whether the storage activity will report returns from maintenance to the owner (Principal) as receipts under this chapter, or as transfers from SCC M under the chapter 7 inventory adjustment procedures.

C13.2.8.6 DoD Component Actions. Each DoD Component shall ensure the following accounting actions are accomplished:

C13.2.8.6.1 Owned Inventory Accounting. Owned inventory which is in the hands of DoD, other Government (non-DoD), and commercial activities, is properly

accounted for under the provisions of chapters 6 (Physical Inventory Control), chapter 7 (Inventory Adjustment Transactions), chapter 13 (Receipt and Material Receipt Acknowledgement), and chapter 14 (Issue and SMCA Freeze and/or Unfreeze Transactions) of this manual and, for commercial maintenance, the provisions of the Federal Acquisition Regulation. This includes returns from field activities for repair and reissue as wholesale inventory. DoD Components shall prescribe use of any required internal codes to meet this requirement. (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.8.6.2 Property Accountability Records. Property accountability records for material in the hands of maintenance activities are maintained and adjusted based on the value of material actually returned and will support the DoD 7220.9-M accounting and reconciliation requirements. (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.8.6.3 Commercial Maintenance Contracts. Contracts for commercial maintenance require the commercial activity to report or acknowledge receipt and report shipment or condemnation of material to the contracting officer (responsibility of the agent for maintenance by DMISA).

C13.2.8.6.4 Procurement/Supply Interface. Any needed interface between the procurement and supply operations/functions exists to assure that reported data is transmitted to the owner (responsibility of the agent for maintenance by DMISA). Arrangements may be made for commercial activities to report directly to the contracting officer and/or the owner using DLMS transactions. Reported data affecting inventory balances is recorded in property accountability/visibility records (responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.8.7 Item Owner Actions. Owners shall establish due-in records for expected returns from commercial and U.S. Government maintenance activities and provide ARI to the storage activities to receive the material under the chapter 12 procedures. Storage activities shall report receipts under C13.2, above.

C13.2.8.8 Issue from Commercial Activity. When material is issued to a customer directly from a commercial activity, assure that a wash-post receipt from maintenance and issue to the customer are processed to establish the property accountability and financial accounting audit trails.

C13.2.8.9 Condemned Material. When material is condemned by maintenance activities, assure that the condemnation is recorded to adjust the DoD inventory and financial accounts.

C13.2.9 Reclaimed Items

C13.2.9.1 Identification of Serviceability. When reclamation activities do not have adequate facilities to test and classify the serviceability condition of reclaimed assets,

activities will identify such assets with DS 527R citing SCC R (Suspended Reclaimed Items Awaiting Condition Determination). When receiving storage activities determine that immediate classification of such SCC R assets is not possible, they will ensure that the assets are checked/tested and classified to actual condition within established parameters.

C13.2.9.2 Assigning Condition Code. When reclamation activities cite an actual SCC (i.e., other than R) for returned material, storage activities will cite that condition code when recording and reporting the receipt. However, if inspection upon receipt reveals that the condition assigned by the reclamation activity is incorrect, the storage activity will record and report the receipt citing the actual condition to which the item is classified or SCC K if the actual condition cannot be determined. Classify material reported in SCC K to the actual condition within established parameters.

C13.2.10 Loaned Material

C13.2.10.1 Material Inspection. Receiving activities will inspect loaned material upon receipt. Submit a DS 527R in accordance with C13.2, citing Reason for Material Receipt/Return Code H, to provide information about the condition and quantity of the returned loaned material.

C13.2.10.2 Resolution of Loaned Material. The owner is responsible for final determination and resolution of returned U.S. Government property from loan. Establish controls to ensure the material is returned in an appropriate condition, i.e., as good as or better than the condition of the original loan issue. Take appropriate action to resolve any discrepancies and ensure reimbursement to the loaning activity.

C13.2.11 Logistics Reassignment Receipt Processing after Effective Transfer Date (ETD)

C13.2.11.1 Procurement Instrument Processing. The storage activity will process procurement instrument source receipts for LR material received after 1 year past ETD, in the same manner that they process procurement instrument source receipts received during the ETD to 1-year period.

C13.2.11.2 Storage Activity Actions. For receipt of material which has been logistically reassigned, after the ETD, the receiving storage activity will perform the following:

C13.2.11.2.1 Report Receipts. Report receipts of items having ARI files, in accordance with C13.2.

C13.2.11.2.2 Report Procurement Instrument Source Receipt. Report procurement instrument source receipts for which there is no ARI file in accordance with C13.2.3.2.4, above, guidance for processing receipts not-due-in.

C13.2.11.2.3 Report Nonprocurement Instrument Receipt. Report non-procurement instrument receipts for which there is no ARI file in accordance with C13.2.3.2.6, above, guidance for processing receipts not-due-in.

C13.2.11.3 Losing Item Manager Actions. The LIM will accomplish the following actions:

C13.2.11.3.1 Process Storage Activity. Process the storage activity initiated DS 527R to reduce the due-in record and record assets on the owner record for the quantity received.

C13.2.11.3.2 Process Logistics Transfer Transaction. Process the associated logistics transfer/decapitalization transaction, adjustment transaction, and LR storage ownership transfer transaction in accordance with chapter 9.

C13.2.11.3.3 Record Litigation Assets. For material received for which litigation is required, record assets on the LIM owner record in SCC L and reduce the due-in record.

- At this time, no action will be taken by the LIM to remove or change the GIM's memorandum due-in.
- When the litigation proceedings are completed and the material is reclassified to an issue condition, process the associated adjustment transaction and LR transfer/decapitalization transactions in accordance with chapter 9.
- In the event material is returned to the contractor due to litigation proceedings notify the GIM in accordance with chapter 9.
- The LIM must take appropriate action to reestablish a due-in, in accordance with chapter 13 if the material being returned to the contractor for deficiency correction will eventually be returned to the LIM.

C13.2.11.3.4 Reject Receipt as Appropriate. If a procurement instrument source receipt for an LR item is incorrectly reported to the LIM or the GIM, and the LIM or GIM does not have a recorded due-in, did not initiate the procurement action, and/or has a record of a due-in or memorandum due-in and is able to determine the appropriate reporting for the receipt, the LIM or GIM should reject the receipt back to the initiator using DS 527R and citing Reject Advice Code AB.

C13.3 INQUIRY ON MATERIAL RECEIPT

C13.3.1 Submission Timeframe. When a maximum of 45 calendar days have elapsed since the shipping date indicated in shipment notification, and receipt of the total quantity has not been reported, the owner shall submit a DS 527R for information on the in-transit quantity(ies) to the storage activity(ies) designated to receive the material. (Extension of

the 45 calendar day timeframe is authorized when long in-transit times are involved.) Where direct communication with the storage facility is available, DESC will perform this function using the missing transaction notice prescribed by DoD 4140.25-M.

C13.3.2 Tracer Action. When the storage activity response indicates that the material has not been received, initiate any shipment tracer and/or discrepancy reports required under the procedures cited in C13.2.3.1, above. Coordinate with the CAO/PO for in-transit contract receipts. Storage activities will submit shipment tracers and discrepancy reports for material not received as indicated in DoD Component implementing procedures or when directed to do so by the owner.

C13.4 RESPONSE TO INQUIRY ON MATERIAL RECEIPT

C13.4.1 Storage Activity Response. When material has been received, storage activities will respond with a DS 527R. If a receipt was previously submitted, the storage activity will submit a duplicate receipt transaction citing the DS 527R.

C13.4.2 Nonreceipt of Material. When material has not been received, storage activities will reply with a response using the DS 527R.

C13.5 MATERIAL RECEIPT ACKNOWLEDGEMENT. This section provides the process for a DoD automated, closed-loop system to provide accountability and monitor receipt of shipments of DoD and GSA wholesale stocks and DRMS stocks which are issued from on-hand assets or procured for DVD. These procedures provide for the interface among the transportation, quality, supply, and financial operations/systems below the wholesale level and between the supply and purchasing operations/systems at the wholesale level to provide proper control over in transit assets and document receipt in the payment files.

C13.5.1 Applicability

C13.5.1.1 Procedures. These procedures apply to shipments of DoD wholesale stocks and DRMS stocks and, in part, to shipments of GSA wholesale stocks--whether pushed or pulled, delivered or picked up, issued from on hand assets or procured for DVD from commercial sources. These procedures apply to:

C13.5.1.1.1 DoD Wholesale Managers. All DoD wholesale managers and the DRMS: for the purposes of material receipt acknowledgment, the DRMS is the DoD manager for shipments from reutilization and marketing.

C13.5.1.1.2 DoD/GSA Wholesale Stock Recipients. Recipients of DoD and GSA wholesale stocks and DRMS stocks--including DoD intermediate/retail level and end-use activities; contractors which receive GFM, as defined under DoD 4140.1-R; DoD ICPs which requisition material from GSA, DRMS, or other DoD ICPs; and DoD maintenance facilities which receive items for maintenance when the maintenance activity accountable

officer assumes property accountability for the inducted items--hereafter called reporting activities.

C13.5.1.2 GSA Interface. GSA will not use the MRA to monitor material receipt but will use the data to interface with the discrepancy reporting process. Therefore, GSA will not follow-up to reporting activities to request an MRA.

C13.5.1.3 DoD Component Requirements. DoD Components may prescribe additional internal follow-up requirements to those identified in this chapter.

C13.5.2 Exclusions. The following are excluded from MRA procedures:

- Commodities excluded from requisitioning, except that receipt of requisitioned forms and publications will be acknowledged.
- Shipments to Foreign Military Sales and Grant Aid customers except when the shipment concerns an unconfirmed MRO.
- Shipments to state, civil, or federal agency activities.
- Receipts into DoD wholesale stock which are controlled C13.2, including relocations/shipments to contractors, commercial or industrial activities which are receipt reported to the owner. However, when managers requisition material from another manager or the DRMS and the receipt is reported under chapter 4, the requisitioning manager will acknowledge the receipt.
- Shipments to defense reutilization and marketing which are covered under the procedures for in-transit control of shipments to DRMOs.
- Shipments of fresh fruit and vegetables.
- Shipments to Army/Air Force Exchange Service (HX1 __, HX2 __ __, HX3 __ __, and HX4 __ __).
- Navy manual ships.
- Shipments of bulk petroleum (refer to C13.1).

C13.5.3 Responsibilities

C13.5.3.1 Reporting Activity Responsibilities

C13.5.3.1.1 ILCOs. Reporting Activities, excluding international ILCOs, shall:

C13.5.3.1.1.1 Post Wholesale Stock Receipts. Post receipts from wholesale stock to a stock record/property, or equivalent, account and acknowledge material receipt under these procedures.

C13.5.3.1.1.2 Post Receipts to Appropriate Account. Whenever material is taken into U.S. Government custody at final destination, whether it has been accepted or

not, assure that the receipt is posted to the stock record/property, or equivalent, account. Establish any needed interface among the transportation, quality, and supply operations/processes to meet this requirement

C13.5.3.1.1.3 Monitor Due-In Records. Monitor due-in records and report nonreceipt under these procedures when material is not received within the prescribed timeframes.

C13.5.3.1.1.4 Establish Accounting Interface. Establish an interface with financial accounting operations/processes to maintain proper financial accounting control for in-transit assets, as prescribed by DoD 7220.9-M.

C13.5.3.1.2 ILCO History Screening. ILCOs shall screen history records for valid shipment status or coordinate with freight forwarders/customers to determine shipment status/receipt data, for unconfirmed MROs and send a DS 527R within prescribed timeframes.

C13.5.3.2 Manager Responsibilities. Managers shall:

C13.5.3.2.1 Establish Monitoring System. Have a closed-loop system to monitor material receipt on all shipments of wholesale stock to DoD activities.

C13.5.3.2.2 Control MRA Data. Control MRA data based on quantity within transaction number. When the MRA does not match a shipped record, use the data only for quality control/management evaluation purposes. Do not reject MRAs to the submitter.

C13.5.3.2.3 Maintain Requisition Records. Keep an accessible record of requisitions, by transaction number and suffix code shipped, until material receipt is confirmed, nonreceipt is reported for the quantity shipped, or failure to acknowledge is included in management evaluation reports

C13.5.3.2.4 Establish Interfaces. Establish an interface between the supply and disbursing functions/operations to provide receipt acknowledgment data for all DVDs for documentation of payment files.

C13.5.3.2.5 Report Discrepancies. Consider MRA data in the report of discrepancy (ROD) validation process.

C13.5.3.3 DoD Component Responsibilities. DoD Components:

C13.5.3.3.1 Establish Internal Interfaces. Shall establish the internal interface among the logistics, financial, and contracting operations/systems necessary to accomplish MRA requirements.

C13.5.3.3.2 Create MRA as Required. May, for intra-DoD Component shipments, elect to have their shipping activity or consolidation and containerization point

create an MRA and send it with the shipment for completion and submission by the reporting activity.

C13.5.3.3.3 Prescribe Intermediate Receipt Posting. May prescribe, where appropriate, that intermediate levels of supply (i.e., organizations that are not the ultimate material recipient but maintain due-in records for referred user requisitions) post receipts to their due-in records and acknowledge material receipt for the user.

C13.5.3.3.4 Record MRA History. May record MRA data in requisition history and use such acknowledgment to close unconfirmed MROs.

C13.5.3.4 Submission of Material Receipt Acknowledgement

C13.5.3.4.1 Reporting Timeframe. Reporting activities shall meet the time limits identified in this section. These requirements and timeframes are independent from prescribed shipment tracing and discrepancy reporting requirements and timeframes to which the receiving facility must also adhere.

C13.5.3.4.2 Submission of DS 527R. Reporting activities shall submit a DS 527R when a material receipt is posted to the retail stock record, stock record account, property account, or equivalent record. Also, submit an MRA when due-in dates are reached and material has not been received.

C13.5.3.4.3 U.S. Forces Reporting. U.S. Forces reporting activities shall send an MRA:

- Within 5 calendar days from date material received.
- For nonreceipt of material with a CONUS destination, 30 calendar days from date shipped cited in DS to 856S Federal IC, Shipment Status (DLMS appendix 6).
- For nonreceipt of material with an overseas destination, 90 calendar days from date shipped cited in the DS 856S.

C13.5.3.4.4 Security Assistance Shipments. ILCOs send the MRA 120 calendar days from the date shipped cited in the DS 856S for security assistance shipments.

C13.5.3.4.5 Passing Material Receipt Acknowledgement. The Defense Automated Addressing System Center will pass MRAs as directed by the reporting activity, and provide images to other designated activities based upon DoD Component rules. Reporting activities shall direct the MRA to one of the following (listed in order of preference):

- The organization that directed the material shipment as indicated on the DS 856S.

- The last known source of supply to which authorized follow-up action will be directed as indicated on the DS 870S.
- The source of supply to which the DS to 511R Federal IC, Requisition (DLMS appendix 6), was submitted.

C13.5.3.4.6 History Record Screening. ILCOs in receipt of DS 856S pseudo shipment Status will screen history records for valid shipment status. If valid shipment status is not available, ILCOs will coordinate with freight forwarders/customers to determine shipment status/receipt data. Submit an MRA to reflect the shipment status or receipt data within 120 calendar days from the pseudoshipment status release date.

C13.5.3.4.7 No Transaction Number. If the transaction number of a receipt cannot be identified, post the receipt using a local transaction number. Do not submit an MRA.

C13.5.3.5 Acknowledgement of Split or Partial Shipments. When a shipped line item (requisition transaction number and suffix code) is consigned as a split or partial shipment, submit a DS 527R for the shipment segments as they are received. If the total quantity for the shipped line item is not received by the due-in date, report the missing quantity, citing Discrepancy Indicator Code F, in accordance with the guidance in DS 527R.

C13.5.3.6 Acknowledgement of a Discrepant/Deficient Shipment

C13.5.3.6.1 Acknowledging Discrepant Receipt. To acknowledge receipt of a discrepant/deficient shipment, submit a DS 527R with the appropriate discrepancy indicator code. With the exception of the receipt of multiple stock numbers, use a single MRA transaction to acknowledge the receipt showing both nondiscrepant and discrepant quantities. Note that MRA requirements and timeframes are independent from prescribed shipment tracing and discrepancy/deficiency reporting requirements and timeframes to which the receiving facility must also adhere.

C13.5.3.6.2 Multiple Discrepancies. When posting a receipt using more than one transaction because the discrepancy results from the receipt of multiple stock numbers, send a DS 527R for each transaction posted. If needed, also send a DS 527R for any quantity not received.

C13.5.3.7 Correcting or Canceling a Material Receipt Acknowledgement

C13.5.3.7.1 Identification of Erroneous Information. Activities that acknowledge a material receipt in error will not correct the MRA. However, to assure validation of any Supply Discrepancy Report (SDR) for the shipment, the reporting activity must identify the erroneous MRA information in the SDR remarks.

C13.5.3.7.2 Error Documentation. When a manager receives an MRA that does not match a shipment record, or contains errors, the manager will document the error in the management evaluation report or quality control data, as applicable.

C13.5.3.8 Quality Controls

C13.5.3.8.1 Evaluation of Internal MRA Processing. To comply with the requirements of chapter 6, Physical Inventory Control, managers and reporting activities shall include the evaluation of internal MRA processing in their quality control programs. The following work processes shall be included: accuracy of MRA initiation or inquiry, submission timeliness, and investigative research to determine and correct processing errors.

C13.5.3.8.2 Designation of Responsible Organization. Command managers shall assign to specific organizations the responsibility for directing and monitoring corrective action. The purpose of the program is to assist management in identifying those human, procedural, or system errors adversely affecting the MRA process or indicating potential deficiencies in the control over in-transit assets.

C13.5.3.8.3 Organizational Interface. Command managers must ensure effective organizational interrelationships among the functional operations/processes concerned with MRA, such as: supply, procurement, financial, inventory management, transportation, quality assurance, and storage.

C13.5.3.9 Management Evaluation

C13.5.3.9.1 DoD Component Program. DoD Components shall establish a management evaluation program which monitors and evaluates MRA submission to assure compliance with MRA requirements. Execute timely processing and perform response rate analyses to identify nonresponsive activities and initiate corrective actions. The program shall provide for:

- Data collection and submission to meet DoD reporting requirements.
- Monthly internal management reporting by managers to a single point within the DoD Component for analysis to identify potential deficiencies in operations or procedures contributing to breakdowns in internal controls for in-transit wholesale stock.
 - These reports shall include, as a minimum: the number of unmatched MRAs by "ship-to" DoDAAC and the number, percentage, dollar value, source of material (stock or DVD), and date (month) shipped for delinquent MRAs, MRAs having a discrepancy indicator by "ship-to" DoDAAC, and by shipping activity.
 - Procedures for this purpose shall be cleared under the provisions of the reports control regulation of the individual DoD Component.

- Assigning responsibility to specific organizations to direct and monitor action to correct the causes of unacknowledged material receipts and deficiencies in in-transit controls and to request that corrective action be initiated by the cognizant Supply PRC representative for delinquent and nonreporting activities of other DoD Components.
- PRC representatives for delinquent and non-reporting activities of other DoD Components.

C13.5.3.9.2 Accessible Records. Managers shall maintain accessible records of shipments and MRA transactions to support the reporting requirements.

C13.6 INQUIRY FOR DELINQUENT MATERIAL RECEIPT ACKNOWLEDGEMENT

C13.6.1 Receipt Timeframe. When material shipment is confirmed or when the requisition involves an unconfirmed MRO, the manager will monitor for receipt of MRA(s). For U.S. Forces' shipments to CONUS activities, managers must receive MRA for the total quantity shipped within 45 calendar days from the date shipped cited in the DS to 945R, Federal IC, Material Release Advice (DLMS appendix 6), or DS 856S. For U.S. forces shipments to overseas activities, managers must receive MRA within 105 calendar days from the date released to carrier, or within 135 calendar days from the DS 856S Shipment Status release date for security assistance requisitions. Otherwise, the manager will send an inquiry DS 527R for delinquent MRA to:

- The organization that the material was shipped to, for U.S. Forces.
- The applicable ILCO, for security assistance requisitions.

C13.6.2 Inquiry Response. To respond to an inquiry on a delinquent MRA, the reporting activity will prepare a DS 527R, citing the appropriate advice code, and send it to the originator of the inquiry within 15 calendar days from the transaction preparation date cited in the inquiry.

C13.6.3 Delinquency Reporting. If a reply is not received within 30 calendar days from the DS 527R inquiry preparation date, the manager will include the delinquency information in the management evaluation report (C14.5.7). Also, if the requisition involves an unconfirmed MRO, then the manager will resolve the record as described in the procedures for force-closed material release confirmation section.

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C14. CHAPTER 14

ISSUE AND SINGLE MANAGER FOR CONVENTIONAL AMMUNITION FREEZE AND/OR UNFREEZE TRANSACTIONS

C14.1 GENERAL. This chapter provides a standard procedure for processing DS to 867I Federal IC, Issue ([DLMS appendix 6](#)), information from distribution depots to owner/manager for the purpose of:

- Updating the owner/manager record.
- Recording the appropriate financial transaction.
- Providing a basis for billing the customer.
- Directing freeze/unfreeze actions by the SMCA.

C14.2 ISSUE TRANSACTIONS.

C14.2.1 Purpose. The DS 867I accounts for the material with the appropriate Product Transfer Type Code directed for issue. This transaction will be used in transmitting issue data from the distribution depot to the owner/manager to the inventory control point.

C14.2.2 Issue Type. The DS 867I will use the Product Transfer Type Code to specify the type of issue that is being reported.

C14.2.3 Material Transfer. Transfer of material to commercial/industrial activities for intra-Component repair or test will also be accomplished using the DS 867I. When a DoD Component is repairing items for another DoD Component, or when repair is to be accomplished at a maintenance facility, induction of items will be reported in accordance with chapter 11.

C14.3 LOAN TRANSACTIONS

C14.3.1 Material Load Authority. When authority is given to loan Government-owned material, supporting documentation pertaining to the terms and conditions of the loan will be maintained in a manual jacket file. As a minimum, the file should contain appropriate records of information on the purpose of the loan/authorization, location(s) of the material, condition of material at time of loan, loan duration, quantity, and value of material loaned.

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C14.3.2 Dropping Accountability. If accountability is dropped, the DS 867I will be used to loan the material from inventory to authorized recipients. Some centralized systems do not use DS 867I for effecting issues; however, the method applied should reflect the issue of loan material for audit and accountability purposes. For a decentralized system, the DS 867I, if created by other than the owner/manager, may be transmitted between distribution depot and owner/manager.

C14.4 SMCA FREEZE/UNFREEZE ACTIONS. The freeze/unfreeze action reserves specific contingency and mobilization assets at distribution depots. The SMCA directs the freeze/unfreeze action using the DS to 846F Federal IC, Ammunition Freeze/Unfreeze (DLMS appendix 6), application.

C15. CHAPTER 15

INSTALLATION CLOSURE PROCEDURES

C15.1 GENERAL. This chapter provides procedures and specifies timeframes to be used for installation closures. These procedures are intended to systematically curtail supply support, transfer mission-essential material, transfer excess material, and redirect mission-essential requisitions for or from activities affected by installation closures. Included are procedures for reporting all installation-owned property that will not be transferred with the mission to the new location(s).

C15.2 APPLICABILITY AND SCOPE. These procedures and timeframes are applicable to all DoD installations, both CONUS and OCONUS, DoD tenant and satellite activities, DoD ICPs, DoD IMMs, and to GSA activities processing OMRs for property generated as a result of an installation closure.

C15.3 EXCLUSIONS. In addition to the exclusions cited in chapter 11, C11.3, these procedures do not apply to the following:

- Interdepartmental and intradepartmental purchasing operations.
- Forms and publications. (However, use the DS to 511R Federal IC, Requisition ([DLMS appendix 6](#)), when submitting requirements for these items to the GSA and the Navy. See chapter 4 for the requisitioning procedures.)
- Communications security (COMSEC) equipment, COMSEC aids (keying material), and all items including classified components, individual elements, and repair parts, which are classified and designated crypto, or which are normally handled through crypto channels.
- Related personal property that can be reported to GSA as a part of a real estate package. Related personal property is classified as any property:
 - Which is an integral part of real property or is related to, designed for, or specially adapted to the functional or productive capacity of the real property and removal of this personal property would significantly diminish the economic value of the real property. Normally, common use items, including, but not limited to, general purpose furniture, utensils, office machines, office supplies, or general purpose vehicles are not considered to be related personal property.
 - Which is determined by the Administrator of GSA to be related to the real property.
 - Installed property (Class II Plant Property).
 - Real property.

C15.4 INSTALLATION CLOSING PROCEDURES

C15.4.1 Stratification of Inventory

C15.4.1.1 Installation Procedures. Conduct an inventory of all installation-owned property as soon as a confirmed closure date is announced. The inventory will include, but is not limited to, nonconsumable items (recoverable/capitalized assets and assets on table of allowances) and consumable items (assets on stock fund records). Each designated account will maintain its identity. Stratify an inventory applicable to each designated account into three classes of property:

- Mission-essential, and is to be transferred to a new location with the mission.
- Not mission-essential, but is required for local operations during the period prior to closure.
- Excess to operational needs.

C15.4.1.2 Tenant and Satellite Activities. Each tenant and/or satellite activity having custody of installation-owned property will return that property to the installation. Accountable records will reflect the returns. Use the procedures in C15.4.1.1, above, to inventory and stratify tenant-owned and satellite-owned property.

C15.4.1.3 Stock Fund. Relocate the DoD Component managed stock fund items with the mission, if mission-essential, or redistribute within the DoD Component Defense Business Operation Funds. Relocate IMM items with the mission, if mission-essential, or report to the IMM for disposition instructions.

C15.4.2 In-Process Requisitions

C15.4.2.1 Requisition Review. Simultaneously with the conduct of the inventory, conduct a review of the installation requisitions. Identify requisitions as those which will be:

- Continued for shipment to the unit's relocation site.
- Continued for operational requirements until closure.
- Canceled as excess to operational needs. Accomplish cancellation by single-line cancellation if time permits. See chapter 4 for the requisition cancellation procedures.

C15.4.2.2 Sixty-Day Review. Sixty calendar days prior to closure date, review all requisitions again for need. If required, identify the requisitions for shipment to the relocation site. Use the single-line requisition cancellation procedures to cancel requisitions not required. When time is insufficient to effect single-line cancellations, use the mass or universal cancellation procedures under chapter 4.

C15.4.3 Disposition of Inventory

C15.4.3.1 Time-Phased Closing Schedule. The activity being closed will develop a time-phased schedule to transfer mission-essential property to the new location(s) of the mission(s). Schedule the movement of such property at the earliest possible date without impairing mission capability prior to the transfer. Transfer the mission-essential property to the new location after the transfer of the mission only in those circumstances where mission-essential items are required, up to and including the last day prior to the mission transfer.

C15.4.3.2 Review of Non-Mission-Essential Items. In actions involving an installation closure, review and process all items that are not mission-essential under the provisions of DoDD 5410.12. Begin the initial review of installation-owned items under DoDD 5410.12 immediately upon the completion of the inventory, including those items identified as excess and those items identified as being necessary for operation of the installation prior to closure. Using these item lists as the basis, make the preliminary identification of related personal property as defined by DoD Directive 5410.12.

C15.4.3.3 Review of Host Country Agreements. In actions involving the closure of OCONUS installations, review and process all items that are not mission-essential and/or will not be transferred with the activity under agreements between the United States and the host country. Begin the review immediately upon completion of the inventory, including those items identified as necessary for operations of the installation prior to closure.

C15.4.3.4 Reporting Excess Material. Immediately upon completion of the inventory and, if time permits, not less than 6 months prior to the announced date of closure, report all property that has been identified as excess to the needs of the installation and that is not included in the preliminary list of related personal property to the appropriate ICP/IMM under procedures specified in chapter 11.

C15.4.3.5 Property Stratification for Installation Operations. Stratify all property that is not mission-essential but that is required to operate the installation for all or a portion of the time remaining until closure and which is not included in the preliminary list of related personal property in order of the dates that the items will become excess to operational needs. Sixty calendar days prior to the date that each item will become excess, report the items as excess to the ICP/IMM under procedures specified in chapter 11.

C15.4.3.6 Reporting Personal Property Items. Report items identified as related personal property (see C15.4.3.3, above) to the ICP/IMM using the DS to 180M Federal IC, Material Returns Reporting (DLMS appendix 6) and indicating Project Code 3QQ. The Project Code 3QQ informs the ICP/IMM that the item has been placed on the preliminary inventory of related personal property that is designated to be transferred to the local community at the time of installation closure. If there is a DoD requirement, delete the item(s) from the inventory of related personal property. Do not report related personal property to the GSA under the chapter 11 procedures.

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C15.4.3.7 Processing Excess Material. Items that have been reported to ICPs/IMMs as excess under the above guidance and procedures contained in Chapter 11 and for which the ICPs/IMMs have indicated a requirement, will be processed using ICP/IMM material returns instructions (indicated in the DS to Federal IC 870M, Material Returns Supply Status).

C15.4.3.8 Excess Item Disposal. Dispose of all items that have been reported to the ICPs/IMMs as excess and the items on which the ICPs/IMMs have provided DS 180M with TC status, plus those items that are not reportable to ICPs/IMMs (e.g., locally purchased non-NSN items) under DoD Component procedures. All that which are identified as related personal property (see C15.4.3.3, above) and for which there is no DoD requirement, will remain with the installation.

C15.5 PROCEDURES FOR THE INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER. ICPs/IMMs will process OMRs received for property resulting from installation closure using the procedures under chapter 11. The ICPs/IMMs will not direct the return of related personal property identified by Project Code 3QQ unless the item is required to meet an approved force acquisition objective and/or approved pre-positioned war reserve requirement.

C16. CHAPTER 16

REUTILIZATION AND MARKETING

C16.1 REQUISITIONING DOD EXCESS PERSONAL PROPERTY FROM THE DEFENSE REUTILIZATION AND MARKETING SERVICE

C16.1.1 General

C16.1.1.1 Excess Property Requisition. DoD activities and, under certain circumstances, authorized Federal civil agencies requisition excess personal property through the DRMS or directly from a DRMO. Activities will request, through an accountable supply officer, only that property which is authorized by parent headquarters or command and will not request quantities of property which exceed authorized retention quantities. Each DoD Component will furnish DRMS the Federal condition codes that are acceptable in relation to the supply condition code being requisitioned. The DRMS will maintain the Integrated Disposal Management System (IDMS), a standardized and centralized control and accounting system for all excess and surplus personal property located in the DRMOs, and provide visibility of such property through a variety of utilization screening procedures. (See DoD 4160.21-M for utilization policy and procedures.)

C16.1.1.2 Use of DS 511R. DoD activities will transmit requisitions using DS to 511R Federal IC, Requisition ([DLMS appendix 6](#)), for excess personal property electronically to the DRMS for processing or hand carry the requisition to the DRMO for property previously selected, scheduled for pickup, or required as a result of screening at the DRMO. Always cite the DoDAAC of the DRMO in requisitions hand carried to a DRMO. Activities or units unable to submit requisitions electronically may forward them directly to the DRMS by mail or by narrative message, but will consider this a nonstandard procedure and discontinue its use as soon as the ability to use an electronic method is realized.

C16.1.2 Submission of Requisitions to the DRMS

C16.1.2.1 Procedures. Submit DS 511Rs to the DRMS using the requisition preparation procedures under chapter 5. Indicate in the requisition Utilization Code K, L, R, or S to denote free issue within the DRMS; Advice Code 2J to indicate fill or kill, as appropriate; and, if applicable, indicate the appropriate SCC and the corresponding minimum acceptable disposal condition code. Identify the DTID number or the Excess Report Number (ERN) (and DTID suffix, if applicable) when requisitioning a specific item. Use [DD Form 1348-1A](#) or [1348-2](#) for hand-carried requisitions to a DRMO when picking up property. Authorized Federal civil agencies may use Standard Form [\(SF\) 122](#), Transfer Order-Excess Personal Property, or any other transportation order form approved by the

General Services Administration under Federal Property Management Regulation, subchapter 4, part 101-43 to requisition excess/surplus property from the DRMS. Refer to C17.2 when requisitioning small arms from the DRMS.

C16.1.2.2 Defense Automatic Addressing System Center Editing. The DAASC edits requisitions to determine if the requisition is for excess personal property as follows:

C16.1.2.2.1 Utilization Code and Supply Condition Code. If the requisition contains Utilization Code K, L, R, or S and an SCC, DAASC will route the requisition to the DRMS. If the requisition does not contain an SCC but does contain a DTID number, DAASC will route the requisition to the DRMS.

C16.1.2.2.2 No Supply Condition Code or Defense Turn-In Document. If the requisition does not contain an SCC and does not contain a DTID number but is directed to the DRMS, DAASC will reject the requisition back to the message originator with a clear-text message stating, INVALID FORMAT FOR DRMS REQUISITION.

C16.1.2.2.3 Exceptions. If the conditions in the previous two sections are false, DAASC will continue the requisition processing.

C16.1.2.2.4 Requisitions Directed to DRMS. If the requisition is directed to the DRMS and there is an SCC that does not contain Utilization Code K, L, R, or S, DAASC will route the requisition to the DRMS.

C16.1.2.2.5 No Supply Condition Code or Utilization Code. If the requisition does not contain an SCC or Utilization Code K, L, R, or S, but has a DTID number, DAASC will route the requisition to the DRMS.

C16.1.2.2.6 No Supply Condition Code, Utilization Code, or Defense Turn-In Document. If the requisition does not contain an SCC, Utilization Code K, L, R, or S nor a DTID number, but does contain the DRMS DoDAAC SC4400, DAASC will reject the requisition back to the message originator with a clear-text message stating, INVALID FORMAT FOR DRMS REQUISITION.

C16.1.2.3 Requisition Status. DAASC will provide DS to 870S Federal IC, Supply Status (DLMS appendix 6), with BM status to the requisitioner for validated excess personal property requisitions. DAASC will also process DRMS requisitions with part numbers to obtain an NSN. DAASC will change the part number to an NSN, as appropriate, pass the requisition to the DRMS, and provide DS 870S, Supply Status, with BG status to the requisitioner. If an NSN is not found, DAASC will reject the requisition with DS 870S, Supply Status.

C16.1.3 Receipt of Requisitions by the DRMS. Upon receipt of the requisition, the DRMS will select the requested item for issue or provide appropriate supply status if not available. If the requested material is not available, the DRMS will place the requisition in the requisition retention file for 60 calendar days and furnish DS 870S with B1 status to the

requisitioner. If all of the requested material does not become available during the 60 calendar-day retention period, the DRMS will cancel the remaining unfilled quantity and furnish DS 870S with D1 status to the requisitioner.

C16.1.4 Processing Requisitions by the DRMS

C16.1.4.1 Material Release. The DRMS will transmit DS 940R to Federal IC, Material Release (DLMS appendix 6), to the DRMO if stock is available. The DRMS will perpetuate the DTID number or ERN on the DS 940R whenever a specific item is requisitioned. The DRMO will confirm or deny, as appropriate, all MROs received from the DRMS. The DRMO will use DS to 945A Federal IC, Material Release Advice (DLMS appendix 6), with appropriate transaction type codes, to respond to follow-ups, cancellations, and modifications.

C16.1.4.2 Single Line-Item Cancellations. The DRMS will process single line-item cancellation requests or requisition modifiers if the MRO has not been transmitted to the DRMO or if the requisition is on the requisition retention file. The DRMS will not process mass cancellation requests.

C16.1.4.3 Material Issue. When the DRMO issues material resulting from hand-carried requisitions, the DRMO will prepare a DS 945A with Transaction Type Code NJ and transmit it to the DRMS.

C16.1.4.4 Procedures. The DRMS will respond to follow-ups using chapter 4 procedures.

C16.2 REQUISITIONING CONVENTIONAL SMALL ARMS FROM THE DRMS

C16.2.1 Applicability. Conventional small arms include:

- Handguns
- Shoulder fired weapons
- Light automatic weapons up to and including .50 caliber machine guns
- Recoilless rifles up to and including 106mm
- Mortars up to and including 81mm
- Rocket launchers, man portable
- Grenade launchers, rifle and shoulder fired
- Individual operated weapons which are portable and/or can be fired without special mounts or firing devices and which have potential use in terrorist or in civil disturbance activities and are vulnerable to theft. This covers all weapons meeting this criteria, regardless of the origin (including foreign, commercial,

confiscated, and nonappropriated funds weapons and museum pieces) or if the weapons are NSN items.

C16.2.2 Federal Supply Classification. Conventional small arms generally fall into one of the following FSCs: 1005, 1010, 1015, 1025, 1040, 1055, 1090, and 1095; however, do not consider this list as all inclusive. The DRMS will treat any weapon meeting the general guidelines of a small arms weapon accordingly, regardless of the FSC.

C16.2.3 Requisition Submission. An accountable supply officer will submit all DoD requisitions for small arms to the CONUS IMM. All requisitions must include the DTID number or ERN, as appropriate, and the PCH&T citations. The DRMS or DRMO will only accept requisitions for small arms from the CONUS IMM. The DRMS or DRMO will reject all others back to the requisitioning activity using DS 870S.

C16.3 IN-TRANSIT CONTROL OF SHIPMENTS TO DRMOs

C16.3.1 In-Transit Controls. In general, these procedures provide for intransit control of property identified by an NSN or part number (and exclude scrap (SCC S), waste, nonappropriated fund activity, and lost, abandoned, or unclaimed privately owned personal property) shipped/transferred to a DRMO on a DTID from the time of release by a shipping activity until receipt of the property by the DRMO. The reporting of shipments to DRMS through submission of DS to 856S Federal IC, Shipment Status, (DLMS appendix 6), is applicable to all shipments of usable property directed to DRMOs regardless of dollar value. The DRMS will process, into their in-transit control system, only those shipment status transactions with a line-item value of \$800 or more per the FLIS Total Item Record (TIR) and for all shipments of pilferable or sensitive items regardless of dollar value. For the purpose of these procedures, the extended value of the shipment will be determined on the basis of the transaction reference number, quantity, and the unit price. The unit price will be obtained from the FLIS TIR or, if a FLIS TIR unit price is not available, the unit price will be obtained from the IDMS receipt of usable property document or receipt document.

C16.3.2 Monitoring Discrepancies. The use of these controls will provide a central capability to monitor and/or investigate discrepancies in shipments to DRMOs. These controls will also provide a capability for DRMS to furnish information to DoD Component headquarters concerning the transfer of property to DRMOs. Additionally, these controls may indicate a backlog in receipt processing at a DRMO, requiring assistance by the DRMS.

C16.3.3 Material Acceptability. These procedures do not negate the authority of the DRMO to refuse acceptance of accountability and physical receipt of certain types and classes of material under DoD 4160.21-M, chapter IV. If the material is determined not to be acceptable for these reasons, and the shipment is rejected/returned to the shipper, the

DRMO will provide notice of rejection to the DRMS under existing procedures. The notice of rejection will purge the DRMS suspense file.

C16.3.4 Processing Procedures. Procedures for processing material to disposal apply only to usable material that DRMOs are authorized to physically accept or provide screening and/or sales service.

C16.3.5 Documentation. Documentation required to turn in scrap and waste to a DRMO is specified in DoD 4160.21-M, chapter IV.

C16.3.6 Unacceptable Material Categories. Categories of material that are not physically acceptable in a DRMO are listed in DoD 4160.21-M, chapter IV, and discussed individually in chapter VI of the manual.

C16.3.7 Item Disposal. Some property, because of its peculiar nature, its potential influence on public health, safety, and security, or its potential influence on private industry, must be disposed of in other than a normal fashion. These items must be identified in the DD Form 1348-1A, at the time of preparation by the storage activity. This entry will be in-the-clear and contain the minimum wording to properly identify the category of property. See DoD 4160.21-M, chapter VI. In the event that two or more categories are applicable to the same DTID, the most applicable category, or the one which identifies an asset requiring the most stringent controls, will take precedence.

C16.4 DIRECTING MATERIAL TO THE DRMS

C16.4.1 General. Supply sources will utilize the DS 940R to direct and control issue of supply system stocks on their accountable records to disposal. Supply sources will transmit DROs to the storage site having custody of the stock. If the item is classified in SCC Q and is being transferred to a DRMO, the DS 940R will contain Management Code BS or BT, as appropriate, to indicate whether or not the material is hazardous to public health and/or safety and whether mutilation¹ is required. The retention quantity in the DRO will determine the quantity of material to be turned in to disposal by the storage site. The retention quantity cited in the DRO will be retained and all remaining stocks transferred to disposal, or, if the quantity on hand is less than the quantity indicated, the storage site will respond with DS 945A.

C16.4.2 Release Confirmation. The DS 945A serves as advice from a non-accountable storage site to the supply source having initiated the DRO of supply action taken. The storage site will transmit the DS 945A to the supply source on the day the

¹ Material requiring mutilation may not be consigned to DRMOs unless the DoD Component of the activity directing the shipment has made prior official arrangements with the DRMS. If mutilation is required, provide specific instructions to the DRMO by separate correspondence, citing the DTID number.

material is delivered to the carrier for shipment to the DRMO. The DS 945A will, if appropriate, contain Code 2I in the N9 segment if the shipped material line item value is \$800 or more or the item is recorded as pilferable/sensitive. Do not wait for the receipt of a driver's control copy or the return of a signed receipt copy of the DTID before preparing the DS 945A. When not using the DS 945A to confirm a shipment of material to a DRMO, generate a DS 856S transaction to DRMS, with Code 2I in the REF segment if the shipped material line item value is \$800 or more or the item is recorded as pilferable/sensitive, simultaneously with the DS 945A or other transaction authorizing/directing the shipment to disposal. This procedure is authorized when circumstances (such as local transfers, use of available organic transportation, or other substantiating conditions) make the use of DS 945A unnecessary.

C16.4.3 Release Follow-Up. The supply source will use DS 940R to follow-up on storage facilities for unconfirmed DROs 10 calendar days after the date the DRO was created. If the DRO has been complied with, the storage facility will respond with a DS 945A as indicated above. If the DRO has not been complied with and shipment is anticipated, the storage facility will provide supply status, DS 945A, with an estimated shipping date. If there is no record of the DRO, the storage facility will provide DS 945A with BF status. If the DRO has been denied, the storage activity will provide DS 940R with BY status.

C16.4.4 Release Denial. The storage site will prepare and transmit DS 945A to the appropriate supply source that prepared the DRO as a notification of the negative action on the DS 945A. Supply sources will use the DS 945A to make appropriate adjustments to the inventory records.

C16.4.5 Release Cancellation. Disposal release cancellations, 940R, are prepared by supply sources having initiated DROs and transmitted to storage sites when it is determined that disposal actions should be discontinued. Supply source cancellation requests will be submitted only in those instances when DROs are unconfirmed. Storage activity response to the cancellation request will be by the DS 945A with the appropriate transaction type code.

C16.4.6 Release Cancellation Follow-Up. A disposal release cancellation follow-up DS 940R may be submitted by the supply source to obtain the latest status of a disposal release cancellation. The disposal release cancellation follow up transaction will be in the same format as the original disposal release cancellation and will be processed by the storage site as a cancellation request provided the original request was not received. If the original request has been received and all required actions have been completed, the storage site will respond to the disposal release cancellation follow-up by duplicating the previously submitted documentation DS 945A.

C16.4.7 Defense Automatic Addressing System Processing of Release Confirmations. DAASC will use the data in DS 945A, with Transaction Type Code NM in the WO6 segment, to create shipment status using DS 856S. Upon completion of this process, DAASC will transmit the Disposal Release Confirmation (DRC) to the appropriate organization(s) as indicated in the N1 segment and the DS 856S to the DRMS.

C16.5 PROCESSING MATERIAL TO THE DRMS

C16.5.1 General

C16.5.1.1 Material Transfer. The transfer of material to a DRMO on a DTID requires authority for disposal indicated on the DTID by the appropriate disposal authority code and the reason for disposal code. The DRMO will reject shipments not indicating disposal authority code or reason for disposal code on the DTID. Perpetuate the disposal authority code and the reason for disposal code in receipt reporting between the DRMO and the DRMS where accessible history file records containing stock numbers, quantities, transaction reference numbers, disposal authority codes, reason for disposal codes, and the extended dollar value of shipments will be maintained for 2 years.

C16.5.1.2 Transaction History. Headquarters DRMS is the focal point for all in-transit control reporting and will maintain the central file of all in-transit transactions up to 3 years. Activities lacking an ability to prepare mechanically processable transactions and/or electrically transmit them to DRMS will arrange for such preparation and/or Defense Data Network transmission of the in-transit control transactions by the nearest facility having such capabilities. When support from another activity cannot be obtained, mail the transactions to the DRMS.

C16.5.1.3 Turn-In Document Processing. Activities will direct/process all material to disposal using the DTID. For each DTID, activities will furnish one DS 856 to the DRMS for each shipment sent to a DRMO without regard to the dollar value, if a DRC is not used. The DS 856S will contain Code 2I in the REF segment if the shipped material line-item value is \$800 or more or the item is recorded as pilferable/sensitive. Activities will prepare and transmit the DS 856S to the DRMS when the actual quantity is delivered to the carrier for shipment. The shipment transaction, meeting the in-transit control criteria, will initiate the suspense file at DRMS which will, as a minimum, contain the following data:

Table 16-1. Turn-In Processing Data Requirements

<u>DATA ELEMENT</u>	<u>SOURCE</u>
Transaction Reference Number	Shipment Status/IDMS Receipt
NSN/FSC/FSG (if available)	Shipment Status/IDMS Receipt
Unit of Issue	Shipment Status/IDMS Receipt

Extended Dollar Value of Shipment (if available)	FLIS TIR
Controlled Inventory Item Code	FLIS TIR
Quantity Shipped	Shipment Status
Date of Shipment	Shipment Status
Quantity Received	IDMS Receipt
Date of Receipt	IDMS Receipt
Extended Dollar Value	IDMS Receipt
Dollar Value of Quantity Variance Between Shipment and Receipt (if any)	(Internal Computation)

C16.5.2 DRMO Procedures

C16.5.2.1 Accepting Accountability. The DRMO will accept accountability of the shipment if the material is acceptable based on established criteria. The DRMO may acknowledge shipments by furnishing a signed driver's control copy of the DTID to the deliverer.

C16.5.2.2 Receipt Acknowledgement. The DRMO will furnish a signed receipt acknowledgment copy of the DTID upon request by the shipping activity. NOTE: The DRMO will always furnish a copy of the signed DTID for all shipments containing quantity discrepancies. The DRMO will note the difference in the quantity received and the quantity shipped on the DTID.

C16.5.2.3 Quantity Discrepancy. If a discrepancy exists because the quantity received is less than or greater than the quantity entered on the DTID, the DRMO shall notify the shipping activity. The shipping activity should attempt local resolution. If local resolution is unsuccessful, the DRMO will report the actual quantity received to DRMS as a receipt acknowledgment.

C16.5.3 DRMS Procedures

C16.5.3.1 Processing Timeframe. Under the DRMS internal procedures, all property received at a DRMO should be processed into the IDMS accountable records within 10 working days after receipt. When an IDMS "receipt of usable property" or "receipt" is processed by DRMS, it will be compared with the suspense file generated by the DS 856S. If no suspense file has been created by a shipment status transaction, the IDMS receipt will create a suspense file to include data elements specified above. The suspense file, whether created by a shipment status transaction or by an IDMS receipt, will

remain as an open file for a period of 1 year from the date it is initiated unless it is closed by one of the following actions:

C16.5.3.1.1 Closing Suspense File. The suspense file will be closed if the receipt matches a shipment status transaction previously recorded in the suspense file and there is no discrepancy, or there is a discrepancy of less than \$800 and the item is not recorded as pilferable/sensitive, or the material is classified as scrap.

C16.5.3.1.2 Discrepancy More Than \$800. If the receipt matches a shipment status transaction previously recorded in the suspense file and there is a discrepancy value of \$800 or more, or the discrepancy value is less than \$800 and the item is recorded as pilferable/sensitive material, the DRMS will forward a DS 940R with Transaction Type Code NF in the WO5 segment and Advice Code 35 in the LQ segment, to the activity identified as the consignor (shipping activity) in the shipment status.

C16.5.3.1.3 Discrepancy Less Than \$800. If, after a period of 21 calendar days from the date of DRMS posting of the receipt, the receipt does not match a shipment status transaction recorded in the suspense file and the extended value is less than \$800, or the receipt is for a batch of items received by the DRMO, and the item is not recorded as pilferable/sensitive, close the suspense file. (NOTE: DRMOs will not batch lot any property that qualifies for in-transit control processing.)

C16.5.3.1.4 Extended Value More Than \$800. If, after a period of 21 calendar days from the date of DRMS posting of the receipt, the receipt does not match a shipment status transaction recorded in the suspense file and the extended value is \$800 or more, or the item is recorded as pilferable/sensitive material, the DRMS will forward a DS 940R transaction with Transaction Type Code NF in the WO5 segment and Advice Code 36 in the LQ segment, to the activity identified in the DTID.

C16.5.3.2 Shipment Receipt Not Received. When, after a period of 60 calendar days for CONUS and 90 calendar days for outside CONUS including Alaska and Hawaii, the DRMS has not received the receipt applicable to a shipment status transaction recorded in the suspense file and the extended value of the shipment status transaction is more than \$800 or the item is recorded as pilferable/sensitive (as determined by reference to the shipment status suspense file), forward a DS 940R transaction with Transaction Type Code NF in the WO5 segment and Advice Code 37 in the LQ segment to the organization identified as the consignor (shipping organization) in the shipment status.

C16.5.3.3 Forwarding Second Material Release. If a disposal supply status 870S - Supply Status, or a disposal shipment confirmation DS 856S is not received within 20 calendar days of transmission of the DS 940R, the DRMS will forward a second DS 940R with Transaction Type Code NF in the WO5 segment and an appropriate advice code of 35, 36, or 37 in the LQ segment. The record will remain open for a period of 1 year from the date it was originated unless closed by a response to the DS 940R. When moved from the active file, place records on an accessible history file for an additional 2-year period.

C16.5.3.4 Terminating In-Transit Control Processing. Receipt of DS 940R with DE supply status will advise DRMS to terminate in-transit control processing for the transaction reference number in question. If received in response to a DS 940R transaction with Advice Code 37, a record of the shipment status transaction is not required. Receipt by DRMS of DS 940R with DF supply status will advise DRMS to remove the record from the active suspense file and place the record in an accessible history file for a period of 2 years. If DS 940R with DG supply status is received, in-transit control processing for the transaction reference number in question is considered complete. DRMS will use its own procedures to determine why notification of receipt of the material had not been sent by the DRMO to DRMS and DRMS will retain an accessible history file record for 2 years. If DS 940R with DH supply status is received by DRMS, in-transit processing is considered complete and an accessible history file record will be retained by DRMS for a period of 2 years. If a DS 856S is received by DRMS, in-transit control processing for the transaction reference number in question is considered complete. If the quantity does not match a previously received receipt, DRMS will use its own procedures to determine why proper notification of receipt had not been sent by the DRMO to DRMS and DRMS will retain an accessible history file record for 2 years. Accessible history file records will contain NSNs, quantities, transaction reference numbers, dollar value of variances (if any), and the identity of applicable shipping activities and DRMOs.

C16.5.3.5 Removal from Active Suspense File. Receipt of a DS 940R with BF supply status will remove the record from the active suspense file and place the record in the accessible history file for a period of 2 years.

C16.5.3.6 Quarterly Report. DRMS will provide a Quarterly In Transit to DRMO Report to each DoD Component Supply PRC Focal Point and to the DoD Supply PRC chair. As requested, the DRMS provides tailored special extract reports. See appendix 2 for the format and explanation of the Quarterly In-transit to DRMO Report. The RCS for this report is DD-P&L(Q)1787.

C16.5.4 Shipping Activity Procedures

C16.5.4.1 Documentation Review. Supply organizations in receipt of DS 940R - Material Release with Transaction Type Code NF in the WO5 segment and an appropriate Advice Code (35, 36, or 37) in the LQ segment will ensure that applicable shipping activities review signed receipt documentation (DTID), investigate discrepancies, and provide timely responses within 10 working days of receipt of the DS 940R.

C16.5.4.2 Filing Receipts. To assure that required copies of the DTID are available, shipping activities will file all signed receipt copies when received from the DRMO. Copies will be retained for a minimum of 2 years after the date of the shipment.

C16.5.4.3 Quantity Received Verification. Upon receipt of a DS 940R with Transaction Type Code NF in the WO5 segment and the appropriate Advice Code (35, 36,

or 37) in the LQ segment, the shipping activity will verify the actual quantity received for the DRMO, and will respond to the DS 940R as follows:

C16.5.4.3.1 No Shipment Record. If there is no record of the shipment, nor of generating the shipment status and no record of a signed copy of the DTID, DS 870S with BF supply status will be sent to DRMS.

C16.5.4.3.2 Shipment Status Sent But No Record. If it is determined that although shipment status had been sent, no shipment had been made or no record of shipment, other than the shipment status transaction, can be located, DS 870S with DE supply status will be sent to DRMS.

C16.5.4.3.3 Signed Receipt Not Available. If a signed receipt copy of the DTID is not available, but investigation indicates that property was removed from the storage area and cannot be located, the shipping activity will perform additional research as determined by DoD Component procedures, including, if necessary, referral to the appropriate criminal investigative activity. Also, send DS 870S with DF supply status to DRMS.

C16.5.4.3.4 Turn-In Document Available. If a signed copy of the DTID is available and the quantity received for on the DTID is the same as the quantity in the shipment status, send DS 870S with DG supply status to DRMS.

C16.5.4.3.5 Different Quantity Received. If a signed copy of the DTID is available but the quantity received for in the DTID is different from that in the original shipment status, the shipping activity will perform additional research as determined by DoD Component procedures, including, if necessary, referral to the appropriate criminal investigative activity. Also, send DS 870S with DH supply status to DRMS.

C16.5.4.3.6 No Shipping Activity Record. If the shipping activity has no record of generating a DS 945A transaction, with Transaction Type Code NM in the WO6 segment or a DS 856S transaction, but has received a signed copy of the DTID, a disposal shipment confirmation DS 856S reflecting the quantity received for in the DTID will be sent to DRMS.

C16.5.4.4 Quantity Variances. In all cases of a variance between the quantity in the WO1 segment, of the DS 940R, and the quantity received for by DRMO, the shipping activity will initially attempt to resolve the variance by contacting the DRMO involved.

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C17. CHAPTER 17

SUPPLY DISCREPANCY REPORTING

C17.1 GENERAL

C17.1.1. Purpose. This chapter establishes information requirements for reporting **and processing of Supply Discrepancy Reports (SDRs)** (formerly referred to as Reports of Discrepancy (RODs)).

C17.1.2. Standard SDR Transactions. ***Under DLMS, the SDR shall be considered a common logistics information exchange to be integrated with transaction processing through the Defense Automatic Addressing Systems Center (DAASC). The DoD approved standard for electronic transmission of SDRs is the DS to 842A Federal IC, Discrepancy Report, an ASC X12-compliant variable-length transaction format for the purpose of communicating deficiency/discrepancy information. Multiple DS are provided to support different SDR related functions. The 842A/W, Standard SDR, shall be employed for transactional exchange of initial reports and associated actions. The 842A/R, DoD SDR Reply, shall be employed for transactional exchange of the SDR reply by the action point (SDR DLMS supplements available at: http://www.dla.mil/j-6/dlmso/eLibrary/Transformats/x12_810_858.asp.***

C17.1.3. Product Quality Deficiency Reports (PQDRs). For policy and procedural guidance for PQDRs, refer to DLAD 4155.24/AR 702-7/ SECNAVINST 4855.5B, AFI 21-115, Product Quality Deficiency Report Program.

C17.1.4. Transportation Discrepancy Reports (TDRs). For policy and procedural guidance for TDRs, refer to DoD 4500.9-R, Defense Transportation Regulation, part II, Cargo Movement.

C17.1.5. Applicability. These SDR procedures are applicable to **the** DoD Components and external organization elements as defined in Volume 1, Chapter 1, section C1.1. This includes shipments made from Working Capital Funds (WCF) and non-WCF funded activities, SA shipments made under the International Logistics Program, personal property shipments, and shipments received from commercial sources.

C17.1.6. Exclusions. The following types of discrepancies are excluded from this **SDR** implementation:

- Shipping discrepancies found while material is in storage. This does not include short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack (exception applicable to U.S. Government only).
- Discrepancies involving local base or station deliveries to, or return from, internal or satellite activities. (Exclusion is not applicable to on-site Defense Distribution Depot shipments.)
- Discrepancies involving shipments of privately-owned vehicles.
- Discrepancies involving shipments on requisitions or purchase orders from personnel services activities citing nonappropriated funds.
- Transportation discrepancies to the extent covered by DoD 4500.9-R, Defense Transportation Regulation, part II, Cargo Movement, except as specifically permitted under SA procedures. SA astray freight shipments are reportable under DoD 4500.9-R.
- Product quality deficiencies to the extent covered by DLAD 4155.24 et al, Product Quality Deficiency Report Program, except as specifically permitted under SA procedures in this chapter, and DLAR 4155.28, Reporting and Processing Medical Material Complaints.
- Shipping discrepancies involving personal property shipments. Packaging discrepancies relative to personal property shipments are included herein.
- Strictly financial discrepancies fall outside the provisions of this chapter, except as specifically permitted under SA procedures in this chapter.

C17.2. POLICY

C17.2.1. Use of SDR. Use the SDR to report shipping or packaging discrepancies attributable to the responsibility of the shipper (including contractors/manufacturers or vendors) and to provide appropriate responses. The purpose of this exchange is to determine cause of such discrepancies, effect corrective action, and prevent recurrence, as listed below:

- Receivers of discrepant material use to:
 - Report shipping discrepancies, packaging discrepancies, and discrepancies or nonreceipt of USPS shipments.
 - Modify, cancel, or follow-up on a previously submitted report.
 - Request reconsideration of a response or contest the decision stated in a response.
 - Provide information copies of the report to interested parties.
- Responsible activities as identified in this chapter use to:

- Notify the report initiator of interim status or resolution of the SDR.
- Request additional information on incomplete submissions.
- Reroute the SDR to the appropriate party.
- Request additional information on incomplete submissions.
- Provide information copies of the response to interested parties.

C17.2.2. Use of Standard Form 364. The DoD Components are encouraged to maximize the use of electronic reporting/response with the goal of paperless processing of supply discrepancies. Until electronic reporting is universally available, SDRs and associated responses may be reported via hard-copy [SF 364](#), ROD; by electronic means, to include automated discrepancy reporting system and electronic data interchange; customer service help lines; email; or any other manner acceptable to the submitter and recipient. All manner of reporting must meet the criteria described in this publication.

C17.2.3. **Nonreceipt of Shipments**. An SDR should not be submitted for nonreceipt of shipments shipped by traceable means, e.g., GBL and Commercial Bill of Lading (CBL), unless determined the nonreceipt is not a transportation discrepancy, or for damaged items, shipped via modes other than United States Postal Service (USPS), which are reportable as transportation discrepancies.

C17.2.4. Interface with Other Material Management Functions. ***Under the DLMS***, discrepancy processing will interface with other ***standard*** material management functions. Managers ***should plan to*** use the SDR response to establish a due-in record for return of discrepant material under Chapter 12. ***By DLMS enhancement***, managers ***may use the*** ARI to advise activities to which a return is directed under Chapter 12 (refer to DS to 527D Federal IC, Due-In and Advance Receipt Information [DLMS appendix 6]). ***By DLMS enhancement***, managers may use material release order/confirmation to direct and record return of discrepant material located at DoD shipping depots under Chapter 4 (refer to DS to 940R Federal IC, Material Release). Managers may use material returns supply status to direct the return of discrepant material received at other locations under Chapter 5 (refer to DS to 870M Federal IC, Material Returns Supply Status). When returning discrepant material, ***by DLMS enhancement***, shipping activities other than DoD shipping depots may prepare shipment status for material returns as described under Chapter 5 (refer to DS to 856R Federal IC, Shipment Status Material Returns). ***DLMS enhancements must be coordinated prior to implementation.***

C17.2.5. Incorrect Item Discrepancy Reports. Incorrect item SDRs ***shall*** not be submitted for authorized substitution. ***The*** DoD Components and GSA shall follow the policy of automatic shipment of an interchangeable item, unless the requisition contains an appropriate advice code in accordance with Chapter 4, limiting the request to a

specific item. Similarly, quantities may be adjusted to the unit pack quantity, when appropriate, unless restricted by the appropriate advice code in the customer requisition. Such adjustments resulting in quantity variance are not reportable as discrepant.

C17.2.6. Responsibility for Costs Incurred. U.S. Government activities returning material are cautioned that the returning activity may be held responsible for costs incurred by the receiving activity when discrepancies are reported and validated in accordance with this publication. This includes returns made in violation of prescribed procedures, returns exhibiting packaging discrepancies, and returns of reparable items unaccompanied by required technical data. Recoupment action by the inventory control point (ICP) against the initiator may include all cost reimbursable actions performed by the receiving activity such as repackaging, marking, and disposal.

C17.2.7. Multiple Requisitions. Multiple requisitions received under a consolidated shipment cannot be combined for reporting purposes.

C17.2.8. Traceable Means Shipments Only. An SDR **shall** not be submitted for nonreceipt of shipments made by traceable means, e.g., GBL and CBL, unless nonreceipt is for other than a transportation discrepancy, or for damaged items shipped via modes other than USPS, which are reportable as transportation discrepancies. (Not applicable to SA customers.) Also, an SDR **shall** not be submitted for nonreceipt of shipments made by traceable USPS registered, insured, certified mail until appropriate tracer action has been completed. If tracer action results confirm nonreceipt, then submit an SDR and include results of the tracer action. Customers without automated access to in transit visibility information should contact the ICP/depot to determine which shipments are traceable.

C17.2.9. Combining Item and Packaging Discrepancies. When both item discrepancies and packaging discrepancies are noted on the same shipment, both types of discrepancy **shall** be included on the same report.

C17.2.10. Government-Furnished Material. By agreement, contractors receiving GFM **shall** comply with U.S. Government SDR procedures provided herein. Discrepancies related to GFM which do not meet minimum dollar value criteria below, may be reported as a means of notifying the shipper/material manager of the discrepant condition.

C17.2.11. Processing. Billing and accounting adjustment for SDRs **shall** be processed under DLMS, DoD 4000.25-M, Volume 5, Finance.

C17.3. PROCEDURES

C17.3.1. Original Submission of SDR

C17.3.1. Discrepancy Identification. The receiving activity, or transshipment activity noting packaging deficiencies on shipments in transit, **shall** prepare an SDR when one or more of the conditions described under reporting criteria exist. Identify the discrepancy using LQ data element 1270, Code List Qualifier Code HA, and the appropriate discrepancy code in DLMS Appendix 3. Use a single code or a combination of codes to describe the discrepancy. If no coding exists to adequately describe the discrepancy, use a clear-text description.

C17.3.1.2. Supplemental Information. Supplemental information, e.g., the transaction reference number of the requisition, bill of lading number, or procurement instrument numbers, is provided in accordance with the implementation convention.

C17.3.1.3. Noting Actions Taken. The SDR originator must indicate what action has been taken concerning the discrepant material and the desired response from the responsible activity. Use LQ data element 1270, Code List Qualifier Code HB, and the appropriate discrepancy action code in DLMS Appendix 3. **If** no coding exists to adequately describe the action taken or requested disposition, use a clear-text description.

C17.3.1.4. Documentation. Retain shipping and associated documentation to provide a copy if requested. Do not mail hard-copy documentation if data is otherwise accessible to the responsible action activity.

C17.3.2. Reporting Criteria

C17.3.2.1. General

C17.3.2.1.1. Shipping Discrepancy. A shipping (item) discrepancy is considered to be any variation in quantity or condition of goods (DoD supply condition) received from that shown on the authorized shipping documents or automated record including lost or damaged USPS shipments or other discrepancies as enumerated below. Packaging discrepancies are any unsatisfactory condition **due to improper** or inadequate packaging (including preservation, packing, marking, or utilization) causing or rendering the item, shipment, or package to be vulnerable **to loss**, delay, or damage, or unnecessary expense to the U. S. Government, as excessive packing. Product quality and billing/financial discrepancies are reportable on an SDR only as specifically identified below.

C17.3.2.1.2. Multistop Shipments/Deliveries. For multistop shipments/deliveries, each consignee **shall** report shipping discrepancies pertaining only to their receipt.

C17.3.2.1.3. Security Assistance Discrepancy Reports. SA discrepancy reports **below** dollar limitations contained in the United States of America Department of

State Letter of Offer and Acceptance controlling the case, or any other sales agreement with an SA purchaser, **shall** not be accepted for processing by the DoD Components unless a valid justification for the submission is also provided.

C17.3.2.1.4. Non-SA SDRs. Non-SA SDRs fall under the reporting criteria based upon dollar value and/or condition cited below.

C17.3.2.1.5. Coded Values. Coded values corresponding to discrepant conditions do not carry a specific dollar value and may be applied as appropriate.

C17.3.2.2. Shipments from DoD Activities, GSA, Supply Distribution Facilities, and Contractors/Manufacturers or Vendors

C17.3.2.2.1. Contractor Shipments. Report discrepant shipments from contractors/manufactures or vendors **that** meet conditions cited below regardless of dollar value.

C17.3.2.2.2. GSA and DLA Directed Shipments. Optionally, recipients of DLA and GSA directed shipments may submit an SDR for all types of shipments regardless of dollar value. Report all other discrepant shipments when they meet the conditions and value criteria cited below.

C17.3.2.2.3. Billing Discrepancy. A discrepancy related to duplicate or multiple billing, per individual shipment or a single billing with no ship line, is reportable to the ILCO on an SDR by SA customers only. Price verification or challenges are not reportable on an SDR. Within U.S. Government channels, the billing discrepancy will be processed under Volume 5, Finance. This means the ILCO shall convert the discrepancy to the appropriate DS 812R Request for Adjustment of Non-Fuel Billing or DLSS/Military Standard Billing System Document Identifier FAE.

C17.3.2.2.4. Condition of Material

C17.3.2.2.4.1. Condition Misrepresented. Report when the condition of an item valued in excess of \$100 per line-item is found to be other than that shown on the shipping document, or, in the case of subsistence, on supporting inspection/test certificates or records.

C17.3.2.2.4.2. Expired Shelf Life. Report receipt of material for which the shelf life has expired regardless of dollar value. Prior to filing an SDR, access the DoD Quality Status Listing or Materiel Quality Control Storage Standards to determine if Type II (extendable shelf-life) items may be extended. Reporting activities on GSA-managed items should contact the Shelf-Life HOTLINE at 1-209-946-6333, prior to filing an SDR to determine if the expiration date has been **extended**.

C17.3.2.2.4.3. Missing Part. Report material received for repair which has been cannibalized of nonexpendable parts or components (including cannibalization of nonexpendable Basic Issue Item (BII) or nonexpendable Supply System Responsibility Item (SSRI) without the authorization of the inventory manager when the total value of the missing item(s) is in excess of \$100). Expendable BII and SSRI are not subject to these procedures.

C17.3.2.2.5. Canceled Requisitions. An SDR is required when material received is valued in excess of \$100 per line-item for canceled requisitions. Confirmation of the cancellation must be on file. Exception: An SDR must be submitted when controlled inventory items are received on previously canceled requisitions regardless of dollar value.

C17.3.2.2.6. Documentation. Report when supply documentation is missing, incomplete, or improperly prepared regardless of dollar value.

C17.3.2.2.7. Overage/Shortage, Nonreceipt, or Duplicate

C17.3.2.2.7.1. Overage/Shortage. Report overages or shortages valued in excess of \$100 per line item, except for controlled inventory items which are reported regardless of dollar value.

C17.3.2.2.7.1.1. Definition. Item overage or shortage is when the quantity received is greater than that shown on the shipping document. This type of variance is not evident on delivery but is discovered when the article of freight, as described on the transportation document, is opened and the contents are checked.

C17.3.2.2.7.1.2. Quantity Variances. Quantity variances on receipts from procurement authorized by the terms of the contract are not reportable as discrepant.

C17.3.2.2.7.1.3. Overage Reporting. U.S. Government customers report overage or shortage discovered while opening a sealed vendor pack regardless of dollar value or shipper. These reports must contain, if available, the contract number from the packaging, the lot number, and original document number. A constructed document number should be provided when the original number is not known. When using a constructed document number in an SDR, include fund code and credit-to/bill-to DoDAAC, if different from that in the document number, to ensure that credit/billing is appropriate.

C17.3.2.2.7.1.4. Incompatibility Variances. Report quantity variance due to incompatibility of unit of issue between documentation and material received. Unless the requisition contains an appropriate advice code, in accordance

with Chapter 5, restricting the quantity, automatic adjustment for unit pack is allowable by policy.

C17.3.2.2.7.1.5. Exceptions. For U.S. Government customers, this does not include transportation discrepancies as follows:

- Overages or shortages of boxes, packages, or loose articles of freight in a commercial/Government-owned/leased shipping container (SEAVAN), Military (MILVAN), a Military Sealift Command SEAVAN or MILVAN (MSCVAN), Roll-on/Roll-off (RORO) trailer, or CONEX.
- Overages or shortages of freight (packaged or loose), upon delivery by a carrier, found to be in excess of the quantity of articles recorded on the bill of lading or transportation document covering the shipment.

C17.3.2.2.7.2. Average Net Weight Lotting System. The Defense Supply Center Philadelphia will use the average net weight lotting system when shipping perishable specification freeze and chill items. Actual weight received may differ from actual weight requisitioned or shown on the supply documentation. Do not submit an SDR if the number of cases/containers received agree with the number shown on supply documentation, and actual weight received is within weight range variation.

C17.3.2.2.7.3. Duplicate Shipments. Report duplicate shipments regardless of dollar value.

C17.3.2.2.7.4. Total Nonreceipt. **Report nonreceipt** of items shipped via traceable means, e.g., GBL or CBL, registered, insured, certified USPS, or small package carrier shipments, regardless of dollar value only when it has been determined the nonreceipt is not the result of a transportation discrepancy. U.S. Government customers may not submit an SDR for nonreceipt prior to receipt of a **supply/shipment status** transaction and/or employing material **follow-up procedures**. SA customers reporting nonreceipt are required to provide documentation from the freight forwarder indicating that no material has been received on the requisition and transportation control numbers that apply. The ILCO shall deny and return as incomplete any SDRs that do not have the documentation attached

C17.3.2.2.8. USPS Shipments. An SDR is required when items valued in excess of \$100 dollars per line-item, reported shipped by nontraceable USPS (i.e., not shipped registered, insured, certified mail) are not received or are received in a damaged condition.

C17.3.2.2.9. Misdirected Material. Report when material, regardless of value, is improperly addressed and shipped to the wrong activity. Properly addressed material incorrectly shipped to the wrong activity while under U.S. Government-controlled transportation is reportable as a transportation discrepancy.

C17.3.2.2.10. Packaging Discrepancies

C17.3.2.2.10.1. Improper Packaging. Report any unsatisfactory condition resulting from improper packaging which causes or renders the item, shipment, or package to be vulnerable to any loss, delay, **or damage according to the specific conditions cited below. Unless otherwise indicated herein the following minimum dollar value reporting criteria applies when:**

C17.3.2.2.10.1.1. The estimated or actual cost of correction exceeds \$100 or;

C17.3.2.2.10.1.2. The value of the item, shipment, or package is \$2500 or over, regardless of the estimated or actual cost to correct the packaging discrepancy. This may include loss or damage to the item, shipment, or package except when a report is otherwise required by DoD 4500.9-R, Defense Transportation Regulation, Part II, Cargo Movement. Where encoded information on the SDR is not sufficient, the submitter should provide detailed descriptions of how the material was packaged, as well as the actual damages incurred to the material.

C17.3.2.2.10.2. Mission or Life Endangering. Report packaging discrepancies regardless of dollar value resulting in damaged material which may endanger life, impair combat or deployment operations, or affect other material, immediately to the shipping activity, contracting office, or control point by the quickest communication medium to enable the shipper to take immediate corrective action. Submit a formal SDR within 24 hours of the initial report

C17.3.2.2.10.3. Hazardous Material (includes ammunition and explosives). Report any packaging discrepancy, regardless of **dollar value, if a potentially hazardous condition could result or if damage or an unsatisfactory condition has occurred involving any hazardous material. This includes improper identification markings of items and packaging and/or unitized loads.**

C17.3.2.2.10.4. Excessive Packaging. Report excessive packaging by contractors that result in additional costs to the U.S. Government, regardless of dollar **value**.

C17.3.2.2.10.5. Improper Packing. Report any type of inadequate or improper packing to include incorrect blocking or bracing, oversized or

incorrect container, and inadequate closure, resulting in an unsatisfactory condition or damage. Report when material is not packed in required reusable container regardless of dollar value.

C17.3.2.2.10.6. Personal Property. Report packaging discrepancies involving shipments of personal property not conforming to specifications. Packaging discrepancy reports on personal property shipments **shall** be prepared at ocean and aerial terminals only.

C17.3.2.2.10.7. Delay or Additional Costs. Report packaging discrepancies resulting in delay or additional packaging costs at aerial or water terminals or at consolidation and containerization points. The activity responsible for operating the terminal or port of embarkation/debarkation will be responsible for the preparation and submission of an SDR on discrepancies noted on shipments moving through the activity.

C17.3.2.2.10.8. Repetitive Packaging Discrepancies. Report repetitive packaging discrepancies that impose a significant burden on receiving or transshipment activities. **Total costs to correct packaging should be included in the SDR.**

C17.3.2.2.10.9. Improper Customer Returned Material. Defense Distribution Depots **shall** submit an SDR to the material owner for packaging discrepancies related to customer returned material or interdepot transfer of material. The material owner is responsible for funding packaging costs associated with preparing material for storage and reissue. Packaging discrepancies occurring in material returns are subject to recoupment action at the discretion of the material owner. If the packaging is so bad that the item must be forwarded to a DRMO, the shipper may be required to reimburse the receiver for packing required to effect the shipment and the cost of turn in to DRMO.

C17.3.2.2.10.10. Improper Preservation. Report any type of inadequate or improper preservation or physical protection resulting in an unsatisfactory condition or damage. **Report improper preservation of any material identified as being electrostatic/electromagnetic (ES/EM) sensitive, regardless of the dollar value.**

C17.3.2.2.10.11. Improper Markings. This refers to any omitted, incomplete, illegible or misplaced markings, or identification. Report improper identification of containers, or items which require opening the container, or result in improper storage of the material, regardless of cost.

C17.3.2.2.10.12. Improper Unitization. *This refers to Improper unitization including inadequate wrapping/strapping or lack of unitization where appropriate, resulting in an unsatisfactory condition or damage. Report multiple consignees in a single consignee consolidation container as improper unitization.*

C17.3.2.2.10.13. Latent Packaging Discrepancies. *Prepare a late SDR for material found in storage with latent preservation and packaging discrepancies. Confine these reports to stocks which constitute a problem resulting from a particular specification, preservation, or packaging method. Reports relative to packaging discrepancies found in storage will be annotated "not incident to shipment."*

C17.3.2.2.10.14. Mission or Life Endangering. *Report packaging discrepancies regardless of dollar value resulting in damaged material which may endanger life, impair combat or deployment operations, or affect other material immediately to the shipping activity, contracting office, or control point by the quickest communication medium to enable the shipper to take immediate corrective action. Submit a formal SDR within 24 hours of the initial report.*

C17.3.2.2.11. Product Quality. Report product quality deficiencies relative to SA shipments only. The SA customer must provide evidence that a receipt inspection was performed and the defect could not be detected at that time and that the defect is present for reasons other than deterioration or damage incurred during storage or handling. Quality deficiencies include deficiencies in design, specifications material, manufacture, and workmanship. The submitter may identify latent defects and quality deficiencies that result in a safety hazard. Include the following information in the SDR, as applicable: manufacturer's name; contract/purchase order number; date of manufacture, pack, or expiration; lot/batch number; location of material; point of contact information (if other than the preparing official); a detailed description of the complaint if needed to supplement encoded information. In addition, provide photographs, test data, and related documentation, if available.

C17.3.2.2.12. Technical Data. Report missing and/or incomplete item technical information, e.g., name plate, operating handbook, logbook, precautionary markings, warranty data, engineering drawings and associated lists, specifications, standards process sheets, manuals, technical reports, catalog item identifications, and related information that are missing, illegible, incomplete and/or incorrect **regardless of dollar value.** **When reparable**s are returned and the appropriate historical information/documentation, operator/maintenance logbooks, engine oil analysis, etc., **as** required by Government regulations, and/or technical manuals are not included, the receiving activity **shall** submit an SDR regardless of dollar value. Any additional costs

incurred by the repairing depot/arsenal because of the missing data will be charged to the originating activity.

C17.3.2.2.13. Incorrect Item

C17.3.2.2.13.1. Definition. An item received in lieu of the item requisition. This is an erroneous item shipped due to shipper error and not an intended interchangeable/substitute item. **Report** incorrect or misidentified material or unacceptable substitutes regardless of dollar value. However, unless the requisition contains an appropriate advice code in accordance with Chapter 4, limiting the request to a specific item, automatic shipment of an interchangeable or substitute item is allowed by policy.

C17.3.2.2.13.2. Discrepancies. Incorrect item discrepancies discovered while opening a sealed vendor pack **shall** be reported regardless of dollar value or shipper. These reports must contain the contract number from the packaging and, if available, the lot number and the original document number. A constructed document number **will** be provided when the original number is not known. When using a constructed document number in an SDR, include fund code and credit-to/bill-to DoDAAC to ensure that credit/billing is appropriate. When known, include identity of the incorrect item received in the discrepancy report.

C17.3.2.2.13.3. Not Acceptable to SA Customer. If an authorized interchangeable or substitute item is not acceptable to **an SA customer**, the purchaser **shall** submit a customer report of excess under procedures governed by this manual to the ICP/IMM or GSA. The ICP/IMM or GSA **shall** provide disposition instructions. All transportation charges **shall** be born by the **SA customer** in this instance.

C17.3.2.2.14. Other Discrepancies. Report repetitive discrepancies, regardless of dollar value or when any other condition of an item not **listed** herein, unless listed specifically under EXCLUSIONS, detected at time of receipt.

C17.3.2.3. Material Returns

17.3.2.3.1. Discrepancy Greater Than \$100. Continental United States and overseas activities receiving material returns (excess or redistributed material, or reparable material, including returns from FMS customers) **shall** submit an SDR for discrepancies specified above regardless of condition when the dollar value is equal to or greater than \$100 per line-item. Discrepancies pertaining to controlled inventory items **shall** be reported by SDR regardless of dollar value or condition.

17.3.2.3.2. Exception for Returns Between U.S. Activities. When the material return shipments are classified as unserviceable and uneconomically repairable upon receipt, the receiving activity **shall** report to the shipping activity. The report will include material return document number, quantity, and an explanation of condition classification.

C17.3.2.3.3. Unauthorized Customer Returns (Not IMM/ICP-Directed). Distribution depots **shall** report receipt of unauthorized returns to the ICP, **regardless of material condition.** The SDR **will show** receipt in Condition Code K when the actual condition cannot be determined. Material returned without its associated technical data **shall** be reported under guidance for technical data discrepancies. Unauthorized returns are subject to recoupment action for disposal or repackaging costs incurred by the distribution depot.

C17.3.2.3.4. Reutilization and Marketing Shipments

C17.3.2.3.4.1. Dollar Value Greater Than \$100. Receiving activities **shall** submit an SDR for discrepancies specified above in shipments to and from DRMOs when the dollar value is greater than \$100 per **line-item.**

C17.3.2.3.4.2. Exception. Activities **shall** submit an SDR for overages and shortages in shipments of controlled inventory items regardless of dollar value.

C17.3.3. Follow-Up on Original SDR. When a responsible activity does not respond to an SDR within the prescribed timeframe specified in this chapter, the reporting activity **shall** submit an SDR identified as a query (follow-up) on a previously submitted report. Do not repeat information contained in the original submission except as indicated in the implementation convention. Instead, use the nonconformance report number to identify the original report. Revised point of contact information may be included in the follow-up. If no response is received to the follow-up within 30 calendar days, the originator **shall** alert their focal point and request assistance. If the SDR involves another DoD Component, the focal point **shall** coordinate with the applicable focal point office of the shipping activity to obtain a response. The focal point **shall** respond to the originator with an information copy to the ILCO (if FMS-related) or other concerned focal point, if applicable, within 30 calendar days. A list of **the** DoD Component focal points is available at <http://www.dla.mil/j-6/dlms0/eLibrary/servicepoints/default.asp>.

C17.3.4. Responsible Activity Response to an SDR

C17.3.4.1. Procedures

C17.3.4.1.1. Processing. Responsible activities **shall** process all discrepancy reports under the policies and procedures set forth in this publication and **the** DoD Component implementing regulations. Responsible activities include all activities required to take action on a reported discrepancy.

C17.3.4.1.2. Replies. Responsible activities **shall** reply to SDRs by submission of a DS 842D or other approved SDR response format indicating the appropriate disposition, e.g., acknowledgment of the report, disposition of the material, validation of the report with authorization of financial adjustment, instructions for repair or other types of corrective action. Use LQ data element 1270, Code List Qualifier Code HD, and the appropriate discrepancy status or disposition code in DLMS Appendix 3 of this volume. Use a single code or a combination of codes. If no coding exists to adequately describe the discrepancy status or disposition, use a clear text description. Supplemental information is provided in accordance with the implementation convention.

C17.3.4.1.3. Reviews. The ILCO **shall** review all discrepancy reports related to **SA** shipments in accordance with this publication and DoD 5105.38-M, Security Assistance Management Manual, and determine proper course of action based on available FMS case history data. If approved for further processing the, ILCO **shall** forward the SDR to the ICP/IMM, the DoD shipping depot for FMS nonreceipt SDRs, or GSA, as appropriate.

C17.3.4.1.4. Denials. SDRs not meeting the reporting criteria or timeframes specified in this chapter and do not present sufficient justification **shall** be denied. The responsible activity will use the SDR response and cite the appropriate discrepancy status or disposition code.

C17.3.4.1.5. Interim Replies. Responsible activities **must** provide an interim reply where a final reply cannot be provided within the established timeframes. Failure to meet the established timeframes must be caused by reasons outside the control of the ICP/IM or GSA. Interim replies must indicate when additional status will be provided. If no coding exists to specifically identify the reasons for the delay, use a clear-text explanation.

C17.3.4.1.6. Reporting. The ILCO **shall** report the disposition of SDRs applicable to material and services to the Defense Finance and Accounting Service - Denver, Deputate for Security Assistance (DFAS-DE/I) as required in DoD 7000.14-R, Volume 15.

C17.3.4.1.7. Documentation. The ILCO **shall** control and maintain records of all FMS-related discrepancy reports to completion. The ICP/IMM responding to an SDR initiated by an FMS purchaser **shall** transmit the response to the ILCO for review and forwarding to the originator.

C17.3.4.2. DoD ICP/IMM, Shipping Depot, or GSA Actions. The ICP/IMM, shipping depot, or GSA **shall**:

- Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation.
- Furnish SDR response to include disposition instructions as needed to the customer or the ILCO for SA SDRs.
- Based upon validated SDR, request that DFAS authorize adjustment/credit in accordance with Volume 5, Finance.
- Provide signed evidence of shipment to the ILCO for SA SDR for nonreceipt of material. If this documentation cannot be provided, appropriate credit is required.
- Provide documentation to the ILCO that is matched to the quantity shipped for SA SDRs for concealed shortages. Examples of such documentation are those containing size, total weight, and cube accepted by the carrier. Credit is denied if the documentation, in conjunction with the unit weight, supports shipment of the total quantity billed. Otherwise, appropriate credit for the differences is required.

C17.3.4.3. Disposition of Material

C17.3.4.3.1. Action Reply. Use the SDR response as an action reply for those discrepant conditions requiring disposition instructions to the reporting activity, e.g., overages, damages (USPS), deficient material (Grant Aid), or erroneous or misdirected material.

C17.3.4.3.2. Material Return. When a material return is directed, the responsible activity **shall** direct the receiving activity to employ the same document number under which the material was originally shipped. The responsible activity **must** provide the transportation account chargeable for the transportation services and supporting information, e.g., the bill of lading number. For **SA**, where returns are at Government expense every effort will be made to use the Defense Transportation System for the return movement. The **SA purchaser** country **shall** be advised that they are limited to 180 calendar days from date of **approval/instructions** to have material back in custody of the U.S. Government.

C17.3.4.3.3. **SA Material.** SA material not returned to the stocks of DoD or GSA, or retained or disposed of by the foreign government at the direction of the ILCO, **shall** be turned in to the nearest U.S. accountable military activity (regardless of **the** DoD Component responsible for the material). This is in accordance with the governing regulation serving as the authority for the turn-in. The local U.S. military activity **shall** take the material up in stock as a gain to inventory and determine if material is required or is in excess to requirements. If material is required, it **shall** be retained. If excess to requirements of the local military activity, the material **must** be reported under Chapter 12 of this volume.

C17.3.4.3.4. **Point of Contact.** The responsible activity **shall** provide a point of contact for each SDR response.

C17.3.4.4. **Corrective Action for Packaging Discrepancies.** Responsible activities **shall**, upon receipt of an SDR, immediately investigate the reported discrepancies and take action to prevent their recurrence. An indication of what corrective action is required will normally be included in the SDR reply within the specified time limits and directed to the initiator with an information copy to the appropriate control point. For shipments of ammunition, explosives, or other hazardous material, DoD or GSA responsible activities **must** provide reports of corrective action in all cases. Wherever possible, use the discrepancy status or disposition code to reflect the corrective action. Less preferably, briefly summarize the corrective action in the narrative portion of the SDR. A corrective action statement may be recorded on a separate document if additional space is required. Statements of corrective action **shall** also be furnished when requested by the SDR initiator or upon special request of the control point. Also, for contractor originated shipments, investigating activities **shall** furnish an information copy of the results of their investigation to the responsible procurement activity or commodity command. Reports of corrective action **must** not be delayed pending final determination of the contracting officer when reimbursement is warranted. Report final actions when completed. When a Contract Administration Office investigating activity finds corrective or preventive action is outside the scope of contract administration and requires action by the procuring activity, the SDR and investigation report **shall** be forwarded to the procuring activity for action, with information copies to the appropriate control point and the initiator.

C17.3.5. Time Standards

C17.3.5.1. General

C17.3.5.1.1. **Submitting SDRs and SDR Responses.** This section provides standard timeframes for submission of SDRs and SDR responses.

C17.3.5.1.2. **Discrepancy Reporting Time Limits.** Time limits for reporting discrepancies relating to contractor warranties are prescribed in individual

warranty clauses and/or contracts. These time limits override other time limits specified in this chapter.

C17.3.5.2. Timeframes for Non-SA

C17.3.5.2.1. Receiving/Transshipment Activities. An SDR **shall** be submitted by receiving activities and/or transshipment activities as soon as possible but not later than the time standards listed below. ***SDRs not meeting the reporting criteria or timeframes specified in this guidance and do not present sufficient justification shall be denied.***

- ***For shortages or overages in shipments of controlled inventory items arms, arms parts, ammunition, and explosives: report within 24 hours of discovery.***
- ***All other discrepancies:***
 - ***CONUS destinations: 90 calendar days from date of shipment.***
 - ***Overseas destinations: 150 calendar days from the date of shipment***

C17.3.5.2.2. Exception. Time limits do not apply to short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack.

C17.3.5.3. SA Timeframes

C17.3.5.3.1. SA Purchasers: Discrepancy report preparation and submission time by the SA purchaser is limited to the timeframes cited United States of America Department of State Letter of Offer and Acceptance, and amendments thereto, as explained in DoD 5105.38-M, chapter 7, table 701-1, Letter of Offer and Acceptance Standard Terms and Conditions, paragraph 5.4.

C17.3.5.3.2. ILCO: Within 15 calendar days from date of receipt for processing discrepancy reports prior to forwarding to the appropriate ICP/IMM, shipping depot or GSA action activity and again upon return from the action activity. Upon return of the SDR response from the action activity, ILCOs are permitted 15 calendar days for processing and forwarding to the SA customer.

C17.3.5.4. Late Submission

C17.3.5.4.1. Reasons for Delay. When circumstances prevent compliance with the above time standards (e.g., response to a tracer action reveals a supposed transportation discrepancy to be a shipping/packaging discrepancy), the reasons for delay **shall** be identified using the appropriate code to describe the

discrepancy (LQ data element 1270, Code List Qualifier Code HA, Discrepancy Code in DLMS appendix 3). If no coding exists to adequately describe the discrepancy as related to the reason for the delay in reporting, use a brief clear-text explanation. If appropriate, the responsible activities will honor the discrepancy report.

C17.3.5.4.2. Reporting Requirement. Reporting activities are required to send SDRs to report a shipping or packaging discrepancy even after the above submission time standard has elapsed. If lacking justification, action activities will normally use such SDRs only in the system evaluation and correction process.

C17.3.5.5. Timeframes for SDR Response. Responsible activities **shall** reply to all SDRs received within the following timeframes. Provisions for interim responses are provided under responsible activity response to an SDR above.

- Thirty calendar days from date of receipt of reports for DoD shipping depots responding to the ILCO concerning **SA** nonreceipt SDRs
- Thirty calendar days from date of receipt of reports by the action activity when associated with shipments of controlled inventory items.
- Otherwise, 55 calendar days from date of receipt of report by the action activity.
- An additional 15 calendar days from the date of receipt of the response are allowed the ILCO when **SA** discrepancies are involved.

C17.3.6. Distribution of SDRs

C17.3.6.1. General

C17.3.6.1.1. Requirements. Submit all SDRs for SA shipments to the ILCO for initial action and for conversion to electronic transmission, if required. The ILCO **shall** forward as appropriate in accordance with Volume 2, Appendix 3. Submit all other SDRs to the responsible activity and other interested parties following the guidance in Volume 2, Appendix 3. For items requiring special handling and/or reporting, such as controlled inventory items, the responsible activity will make additional distribution of the report as required. ***The submitter shall provide a copy of the Serious Incident Report, or other component-required report, regarding controlled inventory items believed to be stolen, lost, or unaccounted for.***

C17.3.6.1.2. Electronic SDR. Where access to an electronic SDR and associated supply information are available, hard-copy documents **shall** not be mailed **unless requested by the action activity**. Exceptions to this include information not readily available to the responsible/action activity and photographic/pictorial evidence of the discrepancy. Where access to an automated discrepancy reporting system is not available, forward the SDR with attached shipping/billing documents to each responsible activity and information addressee.

C17.3.6.1.3. Return to Contractor. When discrepant material is directed for return to a contractor, enclose a hard-copy SDR including disposition instructions. No statement adversely affecting the Government's claim **shall** be shown on any documentation returned to the contractor.

C17.3.6.2. Transfers of Item Management Responsibilities

C17.3.6.2.1. Logistics Reassignment. Under the logistics reassignment procedures, item management responsibility for an item may have been transferred to another DoD Component after the date of shipment. In these instances, a single discrepancy reported on a requisition line-item may require action and/or reply from two different DoD Components (e.g., shipper's IM and GIM). For example, on receipt of an incorrect item, one DoD Component could be responsible for the investigation (shipping activity) and the initiation of a billing adjustment (shipper's IMM/ICP) for the item billed (but not received), and the GIM would be responsible for providing disposition instructions for the erroneous material.

C17.3.6.2.2. Response Coordination. It is not the responsibility of the SDR initiator to forward copies of the SDR to all parties involved. Instead, it **shall** be the responsibility of the shipping depot or losing item manager to coordinate with the GIM for an appropriate response/disposition to the submitter.

C17.3.7. Contested Decisions and Requests for Reconsideration. These procedures allow the report originator to voice disagreement with disposition decisions. Within **the DoD**, the originator may appeal to his DoD Component focal point at: <http://www.dla.mil/j-6/dlms0/eLibrary/FocalPoints/otherpoc.asp>. The **SA** purchaser has recourse through the ILCO to the ICP/IMM or GSA and, if still not satisfied, to the ILCO's focal point.

C17.3.7.1. Contested Decisions for Non-**SA** Related Discrepancies. When an SDR originator does not concur with a reply/disposition received in response to an SDR, it **shall** forward the SDR indicating a contested decision to its focal point (Volume 2, Appendix 3) for assistance. When the discrepancy involves another DoD Component, the focal point **shall** review all **data/documentation, and, if the appeal is valid, shall send it on** to the responsible DoD Component focal point office. This activity **shall** review all data relating to the problem and provide a response to the

reporting activity with information to all concerned parties within 45 calendar days. This decision **shall** be final.

C17.3.7.2. Requests for Reconsideration for SA-Related Discrepancies. The SA purchaser may ask the U.S. Government to reconsider the disposition for a reported supply discrepancy. Purchasers must send a **written** request to the ILCO within 90 calendar days from the date of the **ILCO reply to the customer concerning disposition as provided by the responsible action activity**. Use the nonconformance number associated with the original report. **When the customer ask for reconsideration, the ILCO will add a suffix code R to the SDR number.** The ILCO **shall** convert the request for reconsideration to electronic transmission, provide a appropriate advice code, and forward to the appropriate DoD ICP/IMM or GSA action activity for reconsideration **within 30 calendar days of receiving the request for reconsideration from the customer**. If relevant information is not accessible by the responsible activity, the ILCO may forward supporting documentation off line. **The action activity shall review to determine if the request should be honored, initiate any required action, and reply to the ILCO within 60 calendar days from the date of the ILCO correspondence. ILCOs shall notify the ICP/IMM or GSA when extenuating circumstances require additional processing time beyond the 120 calendar days allowed for submission and ILCO research. This shall allow the ICP to retain applicable documentation for SDR resolution.**

C17.3.7.3. Contesting Reconsideration Decisions for SA-Related Discrepancies. SA customers may further contest the ICP/IMM or GSA decision given after the request for reconsideration. To do so, the customer must send **a written request** to the ILCO within 90 calendar days from the date of the ILCO reply to the request for reconsideration. The **customer** must indicate why the ICP/IMM or GSA decision is not satisfactory. Cite the nonconformance number on the original SDR. **The ILCO shall add a suffix code C to the report number which will be used in all references to the SDR.** The ILCO **shall** convert the request to electronic transmission and forward the SDR, **with an appropriate advice code, within 15 calendar days to the appropriate focal point who shall review all the information and send the ILCO the final decision within 60 calendar days from the date of receipt of the ILCO information.** If relevant information is not accessible by the focal point, the ILCO may forward supporting documentation off-line. The ILCO **shall ensure** all interested parties receive the SDR response. A list of DoD Component focal points is shown at Volume 2, Appendix 3.

C17.3.8. Correction and Modification of Original Report. When the originator wishes to modify status or requested action concerning a previously submitted SDR, a new transmission of the SDR may be used to accomplish this. Indicate that the SDR is a modification or correction and forward to all parties who received the original submission. Cite the nonconformance report number of the original report. Do not

duplicate information from the original report except as indicated in the implementation conventions. Provide point of contact (POC) information for the new submission if different from the original. If encoded information does not adequately describe the reason for the correction or modification, a brief narrative description may be included. Significant errors in supporting information about the discrepant material or shipment must be corrected by canceling the original SDR and submitting a new report.

C17.3.9. Cancellation of an Original Report

C17.3.9.1. Invalid Previous SDR. When an SDR originator discovers a previously reported SDR is not valid, a new SDR submission must be prepared to cancel the original. Indicate the SDR is a cancellation and forward to all parties receiving the original submission. Cite the nonconformance report number of the original report. Do not duplicate detail information from the original report except as indicated in the implementation conventions. Provide POC information for the new submission if different from the original. If encoded information does not adequately describe the reason for the cancellation, a brief narrative description may be included.

C17.3.9.2. Revised SDR. The originator may submit a revised SDR under a new nonconformance report number.

C17.3.10. Related Actions. An electronic SDR response may be used to support inventory accounting and financial adjustments. Maintain the SDR information including responsible activity response on file to support formal adjustment of a consignee's and/or shipper's accountable activity inventory and financial accounting records, as appropriate. Use the SDR response to generate DS 527D (for due-in or ARI) and DS 870S or 940R, as appropriate, for return of discrepant material.

C17.3.10.1. Packaging Discrepancies

C17.3.10.1.1. GSA shipments. On shipments from GSA shipping activities or directed by GSA from a contractor/vendor (regardless of dollar value), GSA will investigate and, when appropriate, credit the account cited on submission of [SF 1080](#), Voucher for Transfer Between Appropriation and/or Funds. Reference to the SDR by its nonconformance report number is acceptable as supporting documentation.

C17.3.10.1.2. Consignor Replies. Consignor (shipper) replies on industrial plan equipment (IPE) packaging deficiencies which Defense Supply Center Richmond has previously funded for packaging, crating and handling (PC&H) **will** provide necessary documents to transfer or reimburse funds for any required corrective action. Handling for PC&H is based on specified requirements for IPE in MIL-HDBK 701, Military Standardization Handbook Blocking, Bracing, and Skidding of Industrial Plant Equipment, and MIL-STD 107, Military Standard Preparation and Handling of Industrial Plant Equipment.

C17.3.10.2. Credit Adjustments on SDRs. When an action activity has indicated that a credit adjustment has been authorized, reimbursement is normally provided to the fund code and bill-to address cited on the original requisition. When concerned about an apparent nonreceipt of credit and 60 calendar days has elapsed, the SDR submitter should consult with his/her bill-to finance office for verification. When nonreceipt of credit is confirmed, the financial office **shall** submit a request for billing adjustment as prescribed by the DLMS Volume 5, Finance.

C17.3.10.3. Financial Discrepancies. The ILCO, ICP, IM, or GSA **shall** forward to DFAS-DE/I for processing all financial discrepancies related to administrative and accessorial charges received directly from a **SA** purchaser. Responses to these will be returned to the ILCO. Only financial discrepancies related to **SA** material are reportable on an SDR.

C17.3.10.4. Material Receipt Acknowledgement. ICPs **shall** monitor for discrepancies reported on material receipt acknowledgments, DS to 527R Federal IC, Receipt, Inquiry, Response, and Material Receipt Acknowledgement to **ensure** identified discrepancies have been properly reported.

C17.4. MANAGEMENT EVALUATION.

C17.4.1 Purpose. The supply discrepancy reporting program is designed to promote evaluation, correction, and improvement of logistics operations. **To accomplish this objective, discrepancies as specified in this publication must be reported and investigated in accordance with established policies and procedures.** DoD Components will institute SDR quality programs that will include periodic reviews to assess the accuracy and quality of work processes applicable to supply discrepancy processing. In addition, Components will require, **as a minimum**, semi-annual summary reporting to an appropriate headquarters for review and analysis. Components unable to support the full scope of the required data collection under legacy systems will incorporate this reporting requirement under business system modernization efforts. Data collected must be sufficient to enable monitoring activities to:

- **Identify trends.**
- **Establish volume and dollar values of SDRs.**
- **Bring management attention to problems with shipping activities as necessary.**
- **C17.4.1.4. Prevent recurrence of discrepancies.**

C17.4.2. IMM/ICP Summary Reporting. As a minimum, the IMM/ICP and shipping activities must have visibility of detail/summary reports that reflect:

C17.4.2.1. The number of SDRs received during a particular timeframe by shipping activity, dollar value, and discrepancy type. Reports will measure compliance with SDR submission timeframes.

C17.4.2.2. The number of SDRs responses processed during a particular timeframe by action activity, dollar value, and discrepancy type. Reports will reflect a breakdown of SDR actions taken to include dollar value of credit authorized and reshipped material. Reports will measure compliance with SDR processing timeframes and reflect age of ongoing investigations.

C17.4.3. Receiving Activity Reporting. As a minimum, the U.S. Government receiving activity and the ILCO must have visibility of detail/summary reports that reflect:

C17.4.3.1. The number of SDRs prepared during a particular timeframe by shipping activity, dollar value, and discrepancy type. Reports will measure compliance with SDR submission, processing, and follow up timeframes.

C17.4.3.2. Responses received from the responsible action activity, and dollar values recovered, either in the form of reshipped materiel or credit received.

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C18. CHAPTER 18

SMALL ARMS SERIAL NUMBER REGISTRATION AND REPORTING

C18.1 SCOPE. The provisions of this chapter apply to the DoD Components responsible for inventory management of small arms.

C18.2 GENERAL REQUIREMENTS

C18.2.1 Summary

C18.2.1.1 Purpose. This chapter provides procedures for reporting small arms serial number data between DoD Components and the DoD Registry. Small arms, as defined in Definitions and Terms (DLMS Table of Contents), including those mounted on aircraft, vehicles, and vessels, that are accounted for in unclassified property records, will be reported (included will be foreign and commercial weapons, museum pieces with serial numbers, and captured enemy/hostile force small arms).

C18.2.1.2 List of Serial Numbers in Shipments. In addition to the requisitioning requirements contained in this volume, the shipping activity will provide a listing of the weapon serial numbers contained in each shipment with the shipment documentation accompanying small arms shipments between DoD Components. When shipments consist of multiple containers, the listing will identify which serial numbers are within each of the containers.

C18.2.2 Registering Small Arms

C18.2.2.1 Small Arms Without an NSN and/or Serial Number. Small arms without an NSN and/or small arms (except museum pieces) with missing, obliterated, mutilated, or illegible serial numbers, when determined, will be reported to the DoD Registry by the DoD Component Registry, for review and assignment of a Management Control Number (MCN)/NSN and/or serial number. Assignment of Local Control Number (LCN) or MCN will not replace or be used in lieu of procedures to request assignment of an NSN where applicable. The DoD Component Registry will report all small arms without an NSN and/or small arms serial number, by message or letter, for assignment of serial number and/or NSN in the following format:

<u>NSN</u>	<u>Serial Number (SN)</u>	<u>Description</u>
(NSN or none)	(SN or none)	(Make, model, caliber, and other nomenclature)

C18.2.2.2 Foreign Weapons. When foreign weapons' serial numbers contain unidentifiable characters (non-English alpha characters/non-Arabic numerals) that can be translated into an alpha/numeric equivalent, the translated serial number shall be permanently inscribed on the weapon and reported to the DoD Component and DoD Registries. When the foreign-weapon serial number cannot be translated into alpha/numeric equivalents, the DoD Component shall assign a serial number, permanently inscribe the serial number on the weapon, and report the weapon to the DoD Component and DoD Registries.

C18.2.3 Local Control Numbers/Management Control Numbers. LCNs/MCNs will be used by the DoD Components for weapon identification until a valid NSN can be obtained from the DoD Registry in accordance with C18.2.1, above, or notification that the MCN/LCN will not be assigned an NSN.

C18.2.4 Privately Owned Small Arms. Lost, abandoned, or unclaimed privately-owned small arms that are processed through a Board of Officers for actions described in DoD 4160.21-M, chapter VI, and subsequently turned in to a DRMO, will be registered immediately when they come under U.S. Government control.

C18.2.5 Nonappropriated Funded Small Arms. Nonappropriated, funded small arms turned in to a DRMO and privately owned weapons classified as claims property will be registered immediately when they come under the control of DoD. Small arms that are claimed (private property whose title has passed to DoD as a result of a claim against the U.S. Government due to its damage in connection with U.S. Government activities, usually movement of household goods) and confiscated (private property whose title has passed to DoD as a result of being confiscated by appropriate authority, usually as a result of being abandoned and/or unauthorized for personal possession) by DoD activities will be reported immediately to DoD Component Registries.

C18.2.6 Ceremonial/Training Weapons. The DoD Components will take action to obtain a new NSN (or currently assigned NSN) from the DoD Registry for modified weapons rendered inoperable that are used for ceremonial or training purposes. These weapons will be retained on the DoD Component Registries as weapons subject to the reporting criteria.

C18.2.7 Missing, Lost, Stolen, and/or Recovered Small Arms. The DoD Components shall establish procedures to assure reporting of lost, stolen, unaccounted for, and/or recovered small arms under the provisions of DoD 5100.76-M.

C18.2.8 Mobilization. In the event of mobilization or other emergency, the DoD Registry and the Component Registries will continue to operate and be maintained. DS to

140A Federal IC, Small Arms Reporting ([DLMS appendix 6](#)), with Small Arms Transaction Code J (Emergency Suspense Status), will be used in emergency situations as authorized by the individual DoD Components.

C18.3 OBJECTIVES

- Establish continuous visibility over all small arms by serial number from the contractor to depot; in storage; in-transit to requisitioners; in post, camp, and station custody; in the hands of users; during turn-ins; in renovation; and during disposal/demilitarization.
- Interface the small arms serial number reporting between the DoD Components using standard procedures.
- Provide follow up procedures for delinquent shipment/receipt transactions.
- Provide reconciliation procedures.
- Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity having a specific serial numbered small arm.

C18.4 EXCLUSIONS

C18.4.1 Nonappropriated Funds Purchases. Small arms purchased with non-appropriated funds and privately-owned weapons are exempt from being reported to the DoD Registry since these weapons are controlled by civil authorities under the Gun Control Act of 1968. (This does not include weapons turned in for disposal. See C18.2.3 and C18.2.4, above.)

C18.4.2 Classified Activities. Classified activities, which determine that specific small arms should not be registered under these procedures, shall request guidance through appropriate channels from the DoD Component.

C18.4.3 Deviations. Deviations from these requirements by DoD activities with small static inventories require concurrence of the Joint Small Arms Coordinating Group (JSACG) and approval of the DoD Small Arms Program Administrator. Requests for deviations, to include appropriate justification, will be submitted to the Defense Logistics Management Standards Office, ATTN: Small Arms Program Administrator, Suite 1834, 8725 John J. Kingman Road, Fort Belvoir, VA 22060-6217.

C18.5 DELINEATION OF RESPONSIBILITIES

C18.5.1 DoD Registry. The DoD Registry will:

C18.5.1.1 Be operated and maintained by the Department of the Army.

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C18.5.1.2 Provide a central repository of small arms' serial numbers from the DoD Component Registries, to include those on-hand, in-transit, lost, stolen, demilitarized, or shipped outside the control of DoD.

C18.5.1.3 Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity (to include telephone number) having a specific serial numbered small arm (see C18.7.6, below). Other inquiries, depending on volume and existing workload, will be responded to as expeditiously as possible.

C18.5.1.4 Enter all inquiries from law enforcement agencies and inquiries from appropriate military and civilian activities for weapons located in foreign countries on the DoD Registry file when no record exists on the active or inactive file.

C18.5.1.4.1 Inquiries will be accomplished by using DS 140A with Small Arms Transaction Code I (Interrogation/Inquiry Record) and entering the message/inquiry form number in the document number field for cross-reference purposes.

C18.5.1.4.2 For weapons identified as belonging to a DoD Component, these entries will remain in the DoD active master file until the weapon is returned to DoD control and properly recorded on a DoD Component Registry.

C18.5.1.4.3 Weapons identified as other than DoD in origin will be placed in the inactive file of the DoD registry.

C18.5.1.5 Identify duplicate serial numbers received from the DoD Component Registries, as a minimum, on a quarterly basis. The appropriate DoD Component will be contacted to verify duplicates and the DoD Registry will issue selected suffixes to modify affected serial number(s) for all but one of the duplicate numbers. Weapons with duplicate serial numbers located in the wholesale system will be modified first, to the extent possible, in order to maintain an audit trail for all modification actions:

C18.5.1.5.1 Appropriate corrective instructions will be provided to DoD Component Registries reporting duplicate serial numbers.

C18.5.1.5.2 A complete historical cross-reference record (mechanical or hard copy) will be established.

C18.5.2 DoD Component Registries. DoD Component Registries will:

C18.5.2.1 Maintain and control a mechanized active, and inactive, history file to control small arms serial numbers for which they maintain or had maintained accountability.

C18.5.2.2 Update files based on transaction reporting; e.g., receipts, issues, turn-ins, and inter-DoD Component transfers. Suffix codes will be perpetuated from all receipt/issue/adjustment transactions when updating files.

C18.5.2.3 Use DS 140A, Small Arms Reporting and DS to Federal IC 888A, Small Arms Data Change (DLMS appendix 6), to interface between DoD Component Registries for reporting changes affecting the small arms status in the master file of the DoD Component Registries.

C18.5.2.4 Monthly, mail a magnetic tape to the DoD Registry reflecting active and inactive files in serial number sequence. The address is: Commander, U.S. Army Armament Munitions and Chemical Command, ATTN: AMSMC-MMD-LW, Rock Island, IL 61299-6000.

C18.5.2.5 Identify duplicate serial numbers recorded on file and request altering instructions from the DoD Registry for all but one of the duplicate numbers. Suspend movement of these weapons pending verification of the record and/or receipt of instructions for modification of the serial number on the weapon.

C18.5.2.6 Provide available data upon receipt of an inquiry from a law enforcement agency, and initiate action as deemed appropriate.

C18.5.2.7 Perform an annual record's verification utilizing the registry files to obtain records compatibility with depot custodial files and inventory control point accountable files by stock number and quantity.

C18.5.2.8 Report weapons lost, damaged, or destroyed in accordance with DoD 7200.10-M. The DS 140A with Small Arms Transaction Code Q (Notification of Suspected Loss) is applicable for reporting potential lost or stolen small arms, pending full investigation and preparation of a Financial Liability Investigation of Property Loss Report ([DD Form 200](#)). The DS 140A with Small Arms Transaction Code U (Found or Recovered) is applicable for reporting if the missing weapon is found or recovered.

C18.5.2.9 Identify on the DoD Component Registry, DS 140A with Small Arm Transaction Code L (Inventory Adjustment - Loss), weapons determined to be lost or stolen after all investigative requirements have been initiated, including preparation of a Financial Liability Investigation of Property Lost Report. (Note: DoD Components are required to submit semiannual reports to the chairperson, Physical Security Review Board, in accordance with DoD 5100.76-M, for all weapons where theft, loss, and recovery occur.)

C18.5.2.10 Perform an annual reconciliation with all activities recorded on the registry as having possession and/or accountability of reported small arms by serial number, stock number, and quantity.

C18.5.2.10.1 The method of performing the reconciliation will depend on the DoD Components' capability of using Defense Data Network transaction sets, tapes, or listings. When tapes or listings are used to perform the annual reconciliation, they will be identified by the appropriate transaction set either as header information or reflected with each line entry (see C18.7.8, below).

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C18.5.2.10.2 Report all new weapons or devices that could be construed as weapons to the Joint Small Arms Coordinating Group (JSACG) chairperson. The chairperson will identify the reportability and notify the DoD Component. Weapons or devices for which no determination can be made will be discussed by the full JSACG.

C18.5.3 JSACG. The JSACG responsibilities are as set forth in DoD 4140.1-R. The mailing address for the JSACG is: Defense Logistics Management Standards Office, ATTN: Small Arms Program Administrator, Suite 1834 8725 John J. Kingman Road, Fort Belvoir, VA 22060-6217.

C18.6 SAFEGUARDING AND PHYSICAL SECURITY OF AUTOMATIC DATA PROCESSING RECORDED DATA

C18.6.1 Automatic Data Processing Records. The small arms data contained in the automatic data processing (ADP) records of the DoD Registry could produce classified data if the total number of serial numbers by weapon type were summarized. Consideration should be given to security of the small arms records due to their sensitive nature. Security of ADP records will be in accordance with DoD 5200.1-R.

C18.6.2 Security Classification. A determination to classify shall be made when there is sound reason to believe that knowledge of the information would provide a foreign national with an insight into the war potential, war defense plans, or posture of the United States and could reasonably be expected to cause a degree of harm to the national security.

C18.6.3 Physical Security. The operation of this program does not relieve units/activities from the requirements for physical security of weapons in accordance with DoD Component regulations.

C18.7 OPERATING PROCEDURES

C18.7.1 DoD Component Registries. The DoD Component Registries will forward a complete set of their active and inactive files, in serial number sequence, to arrive at the DoD Registry not later than the 10th of each month. Each record format will be in accordance with DS 140A. The DoD Registry will verify record counts as indicated on the tape.

C18.7.2 DoD Registry. The DoD Registry will combine the DoD Components' files into a single file, in serial number sequence, not later than the 15th day of each month. The DoD Registry will identify duplicate serial numbers, as a minimum quarterly, in accordance with C18.5.1, above.

C18.7.2.1 Duplicate Number Validation. If the duplicate serial numbers appear during the next check, and are owned by a single DoD Component, the DoD Component Registry will be notified to validate the serial numbers. If duplicate serial numbers remain after this validation, the DoD Component Registry will take action to request altering instructions from the DoD Registry to modify affected serial number(s). The DoD Registry will issue modified serial numbers (using selected alpha suffixes) and maintain a complete historical cross-reference record.

C18.7.2.2 DoD Component Registry Validation. If the duplicate serial numbers appear during the next check, and are owned by more than one DoD Component, the DoD Registry will notify each DoD Component Registry to validate its serial numbers. If duplicates remain after this validation process, the DoD Registry will issue modified serial numbers to one of the DoD Component Registries (using selected alpha suffixes) and maintain a complete historical cross-reference record.

C18.7.3 Recovered Weapons. Weapons recovered by law enforcement agencies or foreign countries and returned to the custody of a DoD Component will be registered on the DoD Component Registry using DS 140A with Small Arms Transaction Code U (Found or Recovered).

C18.7.4 Inter-DoD Component Transfers. The DS 140A is used to report inter-DoD Component transfers between the DoD Component Registries. The requirements for reporting shipments will be as indicated in the following subsections.

C18.7.4.1 Documenting Shipments Between DoD Components

C18.7.4.1.1 Shipping Registry. When small arms are selected for shipment by the shipping activity, DS 140A with Small Arms Transaction Code S (Shipment) will be provided to the shipping DoD Component Registry. The shipping DoD Component Registry enters the small arms data in the active file to indicate the in-transit shipment. The shipping DoD Component Registry then forwards the transaction set to the destination DoD Component Registry for all inter-DoD Component shipments.

C18.7.4.1.2 Receiving Registry. The receiving DoD Component Registry enters the small arms data into the active file to open the record. This record is maintained until confirmation of receipt of the weapon is provided by the receiving activity.

C18.7.4.1.2.1 Receiving Activity Actions. The receiving activity verifies the serial number(s) and provides DS 140A with Small Arms Transaction Code R (Receipt) to their DoD Component Registry. The receiving DoD Component Registry matches the small arms data against the in-transit record. A match constitutes a reconciliation and completes the record.

C18.7.4.1.2.2 Verifying Discrepant Serial Numbers. Discrepant serial number(s) will be verified by telephone or letter and corrective action taken as required.

The receiving DoD Component Registry provides DS 140A with Small Arms Transaction Code R to the shipping DoD Component Registry.

C18.7.4.1.3 Maintenance Registration. Weapon shipments from one DoD Component to another for maintenance purposes will also be reported to appropriate DoD Component Registries. This requirement will be included in any maintenance support agreement.

C18.7.4.1.4 Shipping Timeframe. If 30 calendar days from date of shipment for CONUS and 90 calendar days for overseas is exceeded, coordination will be initiated by the shipping DoD Component Registry to determine the status of the outstanding DS 140A with Small Arms Transaction Code S (see Section C18.8.1). (For receiving DoD Component Registry procedures, see Section C18.8.2.) A monthly overage shipment listing will also be provided to the receiving DoD Component Registry.

C18.7.4.2 Shipments from Procurement. When small arms are shipped from a contractor to activities within the DoD, the contractor is required to prepare DS 140A Small Arms Transaction Code P (Procurement Gains). The transaction set will be provided to the shipping DoD Component Registry giving notification of shipment. The data are entered in the shipping DoD Component Registry to open the record. This record will be maintained in suspense until confirmation of receipt of the weapon is provided by the receiving activity. The receiving activity will submit DS 140A with Small Arms Transaction Code R to update its DoD Component Registry.

C18.7.4.3 Shipments Outside the Control of DoD. When small arms are selected for shipment outside the control of the DoD, the shipping activity will provide DS 140A with Small Arms Transaction Code N (Shipment to Other Agencies) or Small Arms Transaction Code F (Shipment to FMS/GA) (depending on type of shipment) to the shipping DoD Component Registry. The shipping DoD Component Registry codes each weapon in the shipment and enters the small arms shipment data into the inactive file. Weapons returned to the DoD supply system from previous shipments to FMS/Grant Aid and other agencies outside the control of DoD will be registered by the receiving activity on its DoD Component Registry.

C18.7.5 Demilitarization. When small arms are selected for destruction at the demilitarization activity, DS 140A with Small Arms Transaction Code V (Demilitarization) is provided to the DoD Component Registry once the demilitarization has been completed. The DoD Component Registry codes each of the weapons demilitarized and enters the small arms demilitarization data into the inactive file.

C18.7.6 DoD Small Arms Serialization Program. The DoD Small Arms Serialization Program is designed to provide investigative agencies within 72 hours the identification of the last accountable activity having a specific serial-numbered small arm. Investigative agencies will process all inquiries by message, letter, or telephone to the DoD Registry.

The DoD Registry will identify the accountable DoD Component Registry from the data contained in its master record and query that registry as to the last activity accountable for the specific serial numbered weapon. Once the DoD Component Registry identifies the last accountable activity, response is provided to the investigative agency through the DoD Registry.

C18.7.7 Invalid or Erroneous Transactions. The DS 140A or DS 888A which contain invalid or erroneous data, except DS 140A Code K (Multi-Field Correction) (see C18.7.10, below), will be rejected by the DoD Component Registry to the originator of the transaction set using DS 888A with the appropriate Small Arms Error Transaction Reject Code. Since DS 888A may contain more than one Small Arms Error Transaction Reject Code, activities will ensure that all of the error conditions are corrected prior to resubmission.

C18.7.7.1 Rejected Transactions. Rejected transactions will be held in a suspense file of the DoD Component Registry until corrective action has been received from the DoD Component. The DS 888A with the appropriate Small Arms Error Transaction Reject Code will be used to respond to rejected transactions.

C18.7.7.2 Follow-Up. In the event that no corrective action is received by the DoD Component Registry within 14 calendar days, a DS 140A follow-up, will be forwarded to the DoD Component.

C18.7.8 Annual Reconciliation. The annual reconciliation of all small arms on the DoD Component Registry will be performed using DS 140A with Small Arms Transaction Code E (Intra-DoD Component Reconciliation). Matching records will be considered reconciled. Duplicate small arms serial numbers detected during the reconciliation will require modification instructions from the DoD Registry. DoD Component Registries that perform the annual reconciliation using other than transaction reporting will ensure that listings contain DS 140A with Small Arms Transaction Code E in the heading. Small Arms Transaction Code E need not be identified on the listing or posted to the DoD Component Registry.

C18.7.8.1 Registry Rejects. Records not matched, or for small arms for which no reconciliation was received by the DoD Component Registry, will result in a reject, DS 140A with the appropriate Small Arms Error Transaction Reject Code(s), to the DoD Component.

C18.7.8.2 Problem Notification. In the event corrective transactions and/or notification of a problem is not received from the DoD Component within 60 calendar days, the DoD Component Registry will follow-up using DS 140A.

C18.7.9 Mass Stock Number/DoDAAC Changes. Mass stock number changes and mass DoDAAC changes will be accomplished using DS 888A with Small Arms Transaction Code H (Mass Stock Number Change) or M (Mass DoDAAC Change).

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C18.7.10 Multifield Corrections. The DS 888A with Small Arms Transaction Code K (Multi-Field Correction) will be used by reporting activities to change erroneous information on the DoD Component Registry active/inactive file. The DoD Component Registry will reject DS 888A with Small Arms Transaction Code K that do not match the file or contain invalid data. Corrections will be processed as follows:

C18.7.10.1 DS 888A Preparation. Reporting activities will prepare the DS 888A with Small Arms Transaction Code K when the DoD Component Registry contains erroneous information. Changes can be made to the NSN/MCN/LCN/DoDAAC of the accountable activity and serial number.

C18.7.10.2 Rejections. The DS 888A with Small Arms Transaction Code K received by the DoD Component Registry that do not match the NSN/MCN/LCN, reporting activity DoDAAC, or serial number contained on the active/inactive file will be rejected to the reporting activity. The rejected DS 888A with Small Arms Transaction Code K will contain the appropriate Small Arms Error Transaction Reject Code. Rejected transactions will be suspended in the DoD Component Registry pending receipt of a corrected DS 888A with Small Arms Transaction Code K. As more than one Small Arms Error Transaction Reject Code may be reflected in the rejected DS 888A with Small Arms Transaction Code K, the reporting activity must review all entries for invalid data before resubmitting the corrected transaction.

C18.7.10.3 Transaction Code K Conversion. DoD Component Registries will not include DS 888A with Small Arms Transaction Code K on their overlay records to the DoD Registry. The DoD Component Registry will convert DS 888A with Small Arms Transaction Code K received from the reporting activity to DS 140A with Small Arms Transaction Code K.

C18.8 TIME STANDARDS FOR PROCESSING UPDATES AND FOLLOW-UPS FOR SHIPMENTS AND RECEIPTS

C18.8.1 Weapons Visibility. One objective of the small arms serial number registration and reporting procedures is to provide visibility of actual location of all weapons by the timely update of the DoD Component Registries during the shipment or receipt process. The timeframe requirements for processing DS 140A for Small Arms Transaction Codes R and S are established as 10 calendar days from date of action.

C18.8.2 Procedures

C18.8.2.1 Pre In-Transit Notification to Shipping DoD Component Registry. Within 10 calendar days of selection for shipment, the shipping activity will forward DS 140A with Small Arms Transaction Code S to the shipping DoD Component Registry to indicate which serial numbers are included in the in-transit shipment. Activities that do not have mechanized capability will provide the DS 140A with Small Arms Transaction Code S or

hard copy information to the shipping DoD Component Registry by the fastest means available, leaving the shipping activity within 10 calendar days of selection for shipment.

C18.8.2.2 Update of Shipping DoD Component Registry. Within 10 calendar days of receipt of DS 140A with Small Arms Transaction Code S from the shipping activity, the shipping DoD Component Registry will update its files, establish the in-transit record, and forward the DS 140A to the receiving DoD Component Registry for all inter-DoD Component shipments.

C18.8.2.3 Receiving DoD Registry Verification. Within 10 calendar days of receipt of the small arms, the receiving activity will use the data that accompanied the shipment to verify the serial number(s) received and provide DS 140A with Small Arms Transaction Code R to the receiving DoD Component Registry. Activities that do not have mechanized capability will provide the DS 140A with Small Arms Transaction Code R or hard-copy information to the receiving DoD Component Registry by the fastest means available.

C18.8.2.4 Shipping DoD Component Registry Verification. Within 10 calendar days of receipt of DS 140A with Small Arms Transaction Code R from the receiving activity, the receiving DoD Component Registry will forward DS 140A with Small Arms Transaction Code R to the shipping DoD Component Registry providing notification of receipt of weapons. The 10-calendar days requirement for notification of shipments/receipts also applies to weapon shipments from one DoD Component to another for maintenance purposes. This requirement will be included in any maintenance support agreements between the DoD Components.

C18.8.3 Overage Shipments. The shipping DoD Component Registry will take follow-up action for all weapons in-transit 30 calendar days for CONUS shipments and 90 calendar days for overseas shipments, from date of shipment, for which no confirmation of receipt DS 140A with Small Arms Transaction Code R has been received. The DS 140A receipt/shipment follow-up, prepared as specified in DLMS appendix 6, will be transmitted to the receiving DoD Component Registry. Allow 10 calendar days for response to the follow up transaction.

C18.8.3.1 Procedures

C18.8.3.1.1 Weapon Receipt. If the weapon has been received, the receiving DoD Component Registry will submit DS 140A with Small Arms Transaction Code R.

C18.8.3.1.2 Weapon Not Received. If the weapon has not been received, the receiving DoD Component Registry will submit DS 140 with Small Arms Transaction Code A (Weapon Not Received).

C18.8.3.1.3 No Response Received. If no response is received, an electronic transmission (message) will be sent to the receiving DoD Component Registry with an information copy to the receiving activity and its higher headquarters.

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C18.8.3.1.4 Negative/No Response Reporting. Negative response or no response to the message will result in the shipping DoD Component Registry reporting the weapon(s) as missing, lost, or stolen, to their appropriate investigative agency and the DoD Registry (see C18.5.2, above).

C18.8.3.2 Shipment Follow-Up Procedures. Follow-up procedures will be initiated by the receiving DoD Component Registry for all weapons received for which no DS 140A with Small Arms Transaction Code S was provided by the shipping DoD Component Registry. The follow up procedure is necessary to confirm that the serial number(s) reported as received matches the serial number(s) selected and shipped. The receiving DoD Component Registry will take the follow-up action with the shipping DoD Component Registry within 10 calendar days after a weapon(s) has been confirmed as received using a DS 140A receipt/shipment follow-up transaction. Lack of response within 10 calendar days will result in an electronic transmission (message) being sent to the shipping DoD Component Registry with an information copy to the shipping activity and its higher headquarters.

C18.8.3.3 Intra-DoD Component Timeframes. The standard timeframes for inter-DoD Component submission of DS 140A with Small Arms Transaction Codes R and S, as prescribed above, also apply to intra-DoD Component shipments and receipts.

C19. CHAPTER 19

UNIQUE ITEM TRACKING PROCEDURES

C19.1 GENERAL. THIS CHAPTER IS RESERVED FOR UNIQUE ITEM TRACKING (UIT) PROCEDURES.

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C20. CHAPTER 20

MEDICAL UNIT ASSEMBLY PROGRAM

C20.1 GENERAL. This chapter provides procedures supporting the DoD Medical Unit Assembly Program. This program is an integral part of the DoD Deployable Medical Systems (DEPMEDS). These procedures cover from issuance of the advance assembly build/release order through the actual building and packing of the assembled component. Included are receipts at the assembly activity DSS assembly depot, etc.), from both procurement and non-procurement sources and the reporting of those receipts to the assembly manager (i.e., United States Army Medical Materiel Agency (USAMMA), Defense Supply Center-Philadelphia (DSCP), etc). Receipts under the USAMMA Prime Vendor Program are included.

C20.2 APPLIABILITY AND SCOPE. These procedures apply primarily to the DLA and USAMMA, who issue/process transactions in support of the DoD Medical Unit Assembly Program. Other DoD Components who participate in this program or other like programs shall comply with these procedures.

C20.3 BUILD REQUIREMENT. The assembly manager shall use the DS to 650A Federal IC, Assembly Component Maintenance Structure, to identify to the assembly activity the specific medical assembly to be built. The DS 650A may also be used by the assembly manager and assembly activity to enter corrections, provide missing data, or to transmit history data. This is the initial transaction establishing the requirement and identifies the end-item to be assembled, as initiated by a new requisition, or by changes to a previous one. The transaction provides the build directive number (BDN), unit assembly number, end-item nomenclature, cost estimate, total number of assemblies to be built, number of components in each, and the DoDAAC of the ship-to activity by providing the assembly activity sufficient information to start planning the end-item assembly.

C20.4 DUE-IN ESTABLISHMENT. The assembly manager shall use DS 527D, Due-in/Advance Receipt/Due Verification, to establish advance receipt information (pre-positioned material receipt) at the assembly activity. The DS 527D provides the procurement instrument identification number (i.e., contract number), contract line item number, call order serial number, NSN, part number, BDN, and other information necessary to ensure the assembly activity receipts the item in the correct BDN. The DS 527D also provides data to prepare the DS 527R, Receipt, Inquiry, Response, and MRA, upon receipt of the material. Assembly managers and Assembly activities shall follow procedures in chapter 12, Due-in and Advance Receipt Information, to establish advance receipt information and to maintain control of material due-in.

C20.5 RECEIPT PROCESSING. The assembly activity shall report receipts (procurement and non-procurement) to the assembly manager using the DS 527R. This notifies the assembly manager that assembly components have been received for a specific build/assembly of the medical end item. Assembly activities will maintain accountability by processing receipts from new procurements within 7 calendar days and all other receipts within 10 calendar days. Receipts are measured from date turned over by the carrier to the designated receiving activity to date when storage location/proof of storage is posted in the receiving activity's records. Assembly activities shall comply with chapter 13, Receipt and Material Receipt Acknowledgement, for maintaining control of receipts and for reporting discrepant/deficient receipts.

AP1. APPENDIX 1

REPORT OF VALIDATION OF MATERIAL OBLIGATIONS

AP1.1 Total overage MOV requests referred for validation (includes those forwarded by Air Force bases to Air Logistics Centers):

a. U.S. Forces	Number	Value ¹
b. MAP/Grant Aid	Number	Value ²

AP1.2 Total cancellations requested by the requisitioner: Number Value³

AP1.3 Total cancelled by the logistics system as a direct result of the above requests.⁴

a. U.S. Forces	Number	Value ⁵
b. MAP/Grant Aid	Number	Value ⁶

AP1.4 Percentage of accomplishment (line 3 divided by line 2). Percent Percent

AP1.5 MOV requests to which the requisitioner did not respond (requisitioner did not confirm that the material obligation should be retained or did not request suspension of automatic cancellations).

Number Value⁷

AP1.6 Total canceled by the logistics system due to nonresponse.⁸

a. U.S. Forces	Number	Value ⁹
b. MAP/Grant Aid	Number	Value ¹⁰

AP1.7 Percentage of accomplishment (line 6 divided by line 5). Percent Percent

¹ Express all dollar values in thousands.

² Express all dollar values in thousands.

³ Express all dollar values in thousands.

⁴ Do not count a material obligation as actually cancelled until it is certified that the material will not be delivered to the requisitioner; for example, the affected elements of the logistics system have confirmed that shipment/procurement action has been stopped.

⁵ Express all dollar values in thousands.

⁶ Express all dollar values in thousands.

⁷ Express all dollar values in thousands.

⁸ Do not count a material obligation as actually cancelled until it is certified that the material will not be delivered to the requisitioner; for example, the affected elements of the logistics system have confirmed that shipment/procurement action has been stopped.

⁹ Express all dollar values in thousands.

¹⁰ Express all dollar values in thousands.

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AP1.8 Reinstatement requests received:¹¹

a. Army	Number	Value12
b. Navy	Number	Value13
c. Air Force	Number	Value14
d. Marine Corps	Number	Value15
e. Other DoD	Number	Value16

AP1.9 Reinstatements accomplished:¹⁷

a. U.S. Forces	Number	Value18
b. MAP/GA	Number	Value19
c. Air Force	Number	Value20
d. Marine Corps	Number	Value21
e. Other DoD	Number	Value22

¹¹ Measure reinstatement requests received from the ending of the prior MOV cycle to the ending date of the current MOV cycle. This report reflects cycle reinstatements.

¹² Express all dollar values in thousands.

¹³ Express all dollar values in thousands.

¹⁴ Express all dollar values in thousands.

¹⁵ Express all dollar values in thousands.

¹⁶ Express all dollar values in thousands.

¹⁷ Measure reinstatement requests received from the ending of the prior MOV cycle to the ending date of the current MOV cycle. This report reflects cycle reinstatements.

¹⁸ Express all dollar values in thousands.

¹⁹ Express all dollar values in thousands.

²⁰ Express all dollar values in thousands.

²¹ Express all dollar values in thousands.

²² Express all dollar values in thousands.

AP2. APPENDIX 2

QUARTERLY IN-TRANSIT TO DEFENSE REUTILIZATION AND MARKETING OFFICE REPORT

AP2.1 Outline. The DRMS produces the in-transit to DRMO report quarterly. In addition, the DRMS produces an annual report at the end of each fiscal year which includes the previous four quarters' totals. The report is in four parts as follows:

AP2.1.1 Total DoD Summary

AP2.1.2 Service Summary

AP2.1.3 DoDAAC Breakout

AP2.1.4 A supplemental invalid DoDAAC report.

AP2.2 Distribution. The DRMS distributes the report to the DoD Component Supply PRC Focal Points as follows:

DLMSO (Supply PRC chair) - One copy of the DoD summary report

Army - Two hard-copy reports

Navy - Two hard-copy reports

Air Force - Two hard-copy reports and four microfiche reports

Marine Corps - Two hard-copy reports

Defense Logistics Agency - One hard-copy report

Coast Guard - Two hard-copy reports

The DRMS provides copies of the report to the designated DoD Component Supply PRC focal points within 15 calendar days following the end of each respective quarter. Further dissemination of the report is the responsibility of each DoD Component .

AP2.3 Format. The format of the report and the explanation of the derivation of the counts are as follows:

**QUARTERLY INTRANSIT TO DRMO REPORT
RCS: DD-P&L(Q)1787**

<u>Total Matches</u>	<u>Discrepancies Cleared (Disposal Shipment Confirmation)</u> <u>BF, DE, DF, DG, DH</u>	<u>Disposal Shipment/ Receipt Confirmation Follow-ups Generated (Advice Code)</u> <u>35 36 37</u>	<u>Disposal Shipment Confirmation Follow-ups Generated (Advice Code)</u> <u>35 36 37</u>	<u>No response to Disposal Shipment Confirmation Follow-ups</u> <u>30-60 days 60-90 days >90 days</u> <u>35 36 37 35 36 37 35 36 37</u>	<u>Unresolved Discrepancies Moved to History</u> <u>35 36 37</u>
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NOTE: 1. All columns show transaction totals and dollar totals. Dollar totals will be shown in multiples of \$100.00.
2. Report prepared in hard copy will page break after each distinct record, i.e., after each DoDAAC of Service.
3. Record positions are indicated in columns 3-6 above.

AP2.4 The explanation of the columns in the report is as follows:

AP2.4.1 Total Matches. Reflects a count of matching shipment status transactions and DRMO receipts. Physical security/controlled inventory item totals require an exact quantity match. All other items require a quantity match within \$800 of an exact match.

AP2.4.2 Discrepancies Cleared. Reflects a count of transactions received by DRMS in response to disposal shipment/receipt confirmation and disposal shipment confirmation follow-ups. Subdivided by type of response; disposal shipment confirmation or supply status transactions with Status Code BF, DE, DF, DG, or DH.

AP2.4.3 Disposal Shipment/Receipt Confirmation Follow-Ups Generated. Reflects a count of disposal shipment/receipt confirmation follow-up transactions generated during the period (quarter or fiscal year) by DRMS. Subdivided by the type of condition causing a mismatch between the shipment status transaction and the DRMO receipt.

AP2.4.4 Disposal Shipment Confirmation Follow-Ups Generated. Reflects a count of the disposal shipment confirmation follow-up transactions generated during the period (quarter or fiscal year) by DRMS. Subdivided by type of condition causing a mismatch between the shipment status transaction and the DRMO receipt.

AP2.4.5 No Response To Disposal Shipment Confirmation Follow-Ups. Reflects a count of the disposal shipment confirmation follow-up transactions to which there has been no response. Subdivided by number of days since the disposal shipment confirmation follow-up transaction was generated prior to the report preparation cutoff date. Further subdivided by type of condition causing mismatch of the shipment status transaction and the DRMO receipt.

AP2.4.6 Unresolved Discrepancies Moved To History. Count of the transactions (records) moved from the active file to history during the period (quarter or fiscal year) which had no resolution of the discrepant condition. Transactions (records) are removed from the active

file to the history file one year from the date of receipt of the first transaction in the record (either a shipment status transaction or an Integrated Disposal Management System receipt transaction).

AP3. APPENDIX 3

SUPPLY DISCREPANCY REPORT (SDR) DISTRIBUTION

AP3.1. AP3.1. GENERAL

AP3.1.1. *This enclosure addresses which organizations must be identified on the SDR as initial action recipient(s) or as interested parties to receive copies. Such determination is based upon the type or origin of the shipment involved, the affected Service or Agency, and the type of discrepancy. This enclosure identifies those locations and provides in-the-clear addresses and communication numbers for most locations including Inventory Control Point (ICP) SDR processing focal points, the GSA National Customer Service Center, International Logistics Control Offices, and Defense Distribution Depots.*

AP3.1.2. *For items requiring special handling and/or reporting, such as controlled inventory items, the responsible activity must ensure additional distribution of the report as required.*

AP3.2. PACKAGING DISCREPANCIES. DoD Components and GSA have designated activities to act as control points to monitor packaging discrepancies for their respective Service/Agency. SDRs for packaging discrepancies must be forwarded to the control activity if designated. *Specific distribution according to Service/Agency and type of shipment is provided below.*

AP3.3. SDRS FOR SA SHIPMENTS

AP3.3.1. All SA SDRs shall be submitted directly to the ILCO identified below for initial screening and processing in accordance with this publication. SDRs may be forwarded via SF 364, Report of Discrepancy, or authorized electronic/automated formats.

AP3.3.1.1. Army

**Commander, U.S. Army Security Assistance Command
ATTN: AMSAC-MP
5701 21st Street
Fort Belvoir, VA 22090-5940**

AP3.3.1.2. Navy

**Commanding Officer, Naval Inventory Control Point (NAVICP)
ATTN: Code P753112
700 Robbins Avenue, Building 4B**

Philadelphia, PA 19111-5095

AP3.3.1.3. Air Force

Commander
Air Force Security Assistance Center
5490 Pearson Road
Wright-Patterson AFB, OH 45433-5332

AP3.3.2. As appropriate, SDRs will ***be forwarded for further processing to DoD ICP/IMM, shipping depot, or GSA. Total nonreceipt SDRs will normally be forwarded directly to the shipping depot. All responses to discrepancy reports shall be returned to the ILCO.***

AP3.3.3. ICP/IMM or depot action activities shall ensure the reverse side of the original SF 364 is fully completed and the original copy of the report returned to the ILCO bearing the original signature of the individual responsible for preparation of the reply. Authorized electronic/automated format equivalent to the SF 364 may also be used to include, at a minimum, the requisition document number, the report number (Item 2 of the SF 364), point of contact, and pertinent information from the data blocks on the reverse side of the SF 364 or the expanded code lists found in DLAI 4140.55 et al.

AP3.4. SDR DISTRIBUTION FOR SHIPMENT (ITEM) DISCREPANCIES

AP3.4.1. DoD Originated Shipments. Distribution shall be based on the origin of the shipment as follows. For mailing addresses and communication numbers of most locations see below.

AP3.4.1.1. Defense Distribution Depot Shipments

AP3.4.1.1.1. Army and Marine Corps Directed Shipments. Initial action to ICP/IMM SDR processing focal point.

AP3.4.1.1.2. Total nonreceipt SDRs for Security Assistance Shipments. Shall be forwarded by the ILCO directly to the shipping depot regardless of implementing Service. Where the shipping depot is not known, forward to the ICP/IMM.

AP3.4.1.1.3. All Others. Initial action to the shipping activity. DLA will accept SDRs at the shipping depot or the IMM based upon customer preference. Where the shipping activity is not known, forward to the ICP/IMM.

AP3.4.1.2. Material Returns

AP3.4.1.2.1. Initial action to manager's ICP.

AP3.4.1.2.2. Copy to shipping activity.

AP3.4.1.3. Shipments to Reutilization and Marketing

AP3.1.3.1. Initial action shipping activity.

AP3.4.1.3.2. Copy to shipper's ICP/IMM.

AP3.4.1.3.3. Copy to DRMS.

AP3.4.1.4. Shipments from Reutilization and Marketing

AP3.4.1.4.1. Initial action to shipping DRMO.

AP3.4.1.4.2. Copy to DRMS.

AP3.4.1.5. Inter-Service Shipments

AP3.4.1.5.1. Initial action to shipper's ICP/IMM.

AP3.4.1.5.2. Copy to shipping activity.

AP3.4.2. DoD Central Procurement (Including Direct Vendor Delivery). For material procured centrally by a DoD Component ICP or by a DSC, distribution will be as follows irrespective of the point of inspection and acceptance.

AP3.4.2.1. Initial action procuring contracting officer. (Appropriate addresses are provided below.)

AP3.4.2.2. Copy to office administering the contract/purchase order, if different from the purchasing office, except as otherwise prescribed for purchases made from federal supply schedules or GSA open-end contracts below.

AP3.4.2.3. Copy to other interested parties as identified by the Service or Agency.

AP3.4.3. . GSA Originated or Directed Shipments. When shipment is directed by GSA from GSA Supply Distribution Facilities or from Defense Distribution Depots distribution shall be as follows:

AP3.4.3.1. Initial action to GSA National Customer Service Center.

AP3.4.3.2. Copy to shipping activity if a DoD depot.

AP3.4.3.3. Copy to other interested parties as identified by the Service/Agency.

AP3.4.3.3. Purchases Made by DoD Activities from Federal Supply Schedules or GSA Open-End Contracts. Distribution will be the same as for DoD central procurement. Identify the GSA National Customer Service Center to receive a copy under the following conditions:

AP3.4.4. Repetitive discrepancies.

AP3.4.4.1. Cases of dispute which cannot be resolved between the ordering office and the supplier.

AP3.4.4.3. Product quality deficient material in Security Assistance shipments where GSA has provided inspection at source.

AP3.4.5. Local Purchase. Distribution will be the same as for DoD central procurement. A copy will be furnished the Government Inspector when inspection is at origin.

AP3.4.6. Industrial Plant Equipment Shipments. The Defense Supply Center Richmond will review all SDRs from the initiator, make further distribution as necessary, request appropriate action from the consignor, and provide the initiator with replies from the consignor and other closeout action.

AP3.5. SDR DISTRIBUTION FOR PACKAGING DISCREPANCIES

AP3.5.1. Contractor/Vendor Shipments

AP3.5.1.1. Initial action to Administrative Contracting Office (ACO). When released by the ACO, any required repackaging at Defense Distribution Depots must be directed and reimbursed by the ICP.

AP3.5.1.2. Copy to applicable Contract Administration Office (CAO) (block 10 of DD Form 250, Material Inspection and Receiving Report). When GSA is CAO, send SDR to GSA National Customer Service Center (NCSC).

AP3.5.1.3. Copy to applicable ICP/IMM. When GSA is IMM send to GSA NCSC marked: IM Copy.

AP3.5.2. Personal Property Shipments. For packaging discrepancies in personal property shipments, send original to Military Traffic Management Command and a copy to the shipping installation transportation officer.

**Military Traffic Management Command
ATTN: MTOP-T-CC
5611 Columbia Pike
Falls Church, VA 22041-5050**

AP3.5.3. DoD-Directed Shipments. Follow additional Service/Agency specific guidance in subsequent paragraphs.

AP3.6. ARMY

AP3.6.1. For all shipping and packaging discrepancies, other than ammunition and explosives, initiate action to the Army activity directing release of the material (on the Issue Release/Receipt).

NOTE: SDRs for the former Aviation component of Aviation and Troop Command (ATCOM) (RIC B17) and the former Missile Command (MICOM) (RIC B64) should be sent to the Aviation and Missile Command (AMCOM). SDRs for the former Troop component of U.S. Army Aviation and Troop Command (ATCOM)(RIC B12)) should be submitted to the U.S. Army Soldier Biological Chemical Command (SBCCOM).

CECOM:

**U.S. Army Communications-Electronics Command (CECOM) (B16)
ATTN: AMSEL-LC-LEO-D-CS-CFO
Fort Monmouth, NJ 07703-5000
Phone: (732) 532-4839 (DSN 992)
Fax: (732) 532-1413**

AMCOM:

**U.S. Army Aviation and Missile Command (AMCOM) (B17 and B64)
ATTN: AMSAM-MMC-LS-MDC
Building 5302, Sparkman Center
Redstone Arsenal, AL 35898-5000
Phone: (256) 876-8411 (DSN 746)
Fax: (256) 313-2059 (DSN 897)**

SBCCOM:

**U.S. Army Soldier Biological Chemical Command (SBCCOM) (A12)
ATTN: AMSB-RIM-L(N)
Kansas Street**

*Natick, MA 01760-5052
Phone: (508) 233-6029 (DSN 256)*

TACOM:

*U.S. Army Tank Automotive and Armaments Command (AKZ and B14)
ATTN: AMSTA-LC-CIAC
Rock Island, IL 61299-7630
Phone: (309) 782-2140 (DSN 793)
Fax: (309) 782-7283 (DSN 793)*

AP3.6.2. For shipments of ammunition, explosives, and other related materials initiate action to:

*Commander
U.S. Army Operations Support Command (OSC) (B14)
ATTN: SOSMA/SNI
Building 350
Rock Island, IL 61299
Phone: (309) 782-3252 (DSN 7)
FAX: (309) 782-3878*

AP3.7 NAVY

AP3.7.1. For all material and supplies, other than ammunition and explosives, send SDR to the command directing release of the material:

*Commander
Naval Air Systems Command (RI N21)
NAVAIRSYSCOM Headquarters
47123 Base Unit IPT
Patuxent River, MD 20670-1547*

*Commander
Naval Facilities Engineering Command (RI N25)
1322 Patterson Ave SE Suite 1000
Washington Navy Yard DC 20374-5065
Phone 202-685-9086
DSN: 325-9086*

*Commander
Naval Sea Systems Command (RI N23, N24, N29)
ATTN: SEA 05M31
Washington, DC 20363-5100*

Commander
Space and Naval Warfare Systems Command (RI N77)
4301 Pacific Highway
San Diego, CA 92110-3127

Commanding Officer
Navy Inventory Control Point (RI N32)
ATTN: Code P01512.02
700 Robbins Avenue
Philadelphia, PA 19111-5098
Phone:(215) 697-4858
(DSN 442

Commanding Officer
Navy Inventory Control Point (RI N35)
ATTN: Code M01424
5450 Carlisle Pike
Mechanicsburg, PA 17055-0788
Phone:(717) 605-7421
(DSN 430

AP3.7.2. For shipments of arms, ammunition, or explosives:

Commanding Officer
Naval Ordnance Safety and Security Activity
ATTN: Code N714
Farragut Hall Bldg-D-323
23 Strauss Avenue
Indian Head, MD 20640-5555
Phone (301) 744-6043 X190DSN 354-6043 X190

AP3.7.3. Fleet Industrial Support Center (FISC) addresses are provided below for information copies to be forwarded by distribution depots processing SDRs for Navy-owned material.

Commanding Officer
Fleet and Industrial Supply Center, San Diego (RI NDZ)
ATTN: Code 121
937 N. Harbor Drive, B-1
San Diego, CA 92132
Pbone: (619) 532-327(DSN 522)

Commanding Officer

***FISC Yokosuka Ja. (RI NZZ)
ATTN: Code 54.2 (SDR section)
PSC 473 BOX 11
FPO AP 96349-1500
Phone: 81-311-743-8206
(DSN 243)
FAX: 81-311-743-3885***

***Commanding Officer
Fleet and Industrial Supply Center (Code 92)
1942 Gaffney St Ste 100
Pearl Harbor, HI 96860-4549
Phone: (808) 473-4621
(DSN 473)
Fax: (808) 473-2761***

***Supply Officer (N62573)(RI NYH)
Bldg. 130 MCAS, New River
Jacksonville, NC 28545-1001
Phone: DSN 750-6631***

***Commanding Officer
Naval Air Station Whidbey Island (RI PKZ)
950 W. Essex ATTN: N41R (Gene Rice)
Oak Harbor, WA 98278-5200
Phone: (360)257-8604
DSN 820-8606 FAX: DSN 820-2539***

***Commanding Officer
Fleet and Industrial Supply Center
Code AMM/SDRs
PO Box 97
Jacksonville, FL 32212-009
Phone: 904-542-1159
(DSN 942)
FAX: 904-542-1103***

***Commanding Officer
Fleet & Industrial Supply Center Norfolk (RI NNZ)
Attn Code 54
1968 Gilbert St
Suite 600
Norfolk, VA 23511***

Phone: 757-443-1068
(DSN 646)

AP3.8. MARINE CORPS. For all materials and supplies, to include arms, ammunition and explosives, originating from Marine Corps activities:
Life Cycle Management Center
Materiel Management Division (Code 827-1)
Marine Corps Logistics Base
814 Radford Blvd Ste 20320
Albany GA 31704-0320

AP3.9. AIR FORCE

AP3.9.1. Air Force points of contact (POC), including arms, ammunition, and explosives, will be the applicable item management are as contained in AFMAN 23-110, Vol 1, Part 2, Chap 2 or Air Force Materiel Command Maintenance Engineering Management Assignment (T>O>00-25115); or as identified in Standardization Directory SD-1 (FSC Class Area Assignment).

AP3.9.2. The following POCs apply to packaging discrepancies applicable to Air Force management items that are stored at and are issued from DLA depots located at Hill, Tinker, and Robins AFBs.

Packaging SDRs will be reported to the following DLA activities:

DDHU-XID
Building 845
7537 Wardleigh Road
Hill AFB, UT 84056-5734

DDOO-XI
7401 2nd Street, Suite 108
Tinker AFB, OK 73145-9013

DDWG/VA
450 5th Street
Robins AFB, GA 31098-1887

Information copies of packaging SDRs will be provided to the following Air Force activities.

75ABW/LGTP
7530 11th Street
Hill AFB, UT 84056-5707

72 ABW/LGTP
7516 Sentry Boulevard
Suite 202B
Tinker AFB, OK 73145-8912

78 ABW/LGTP
455 Byron Street, Bldg. 376
Robins AFB, GA 31098-1860

AP3.9.3. For research, development, test, and evaluation (RDT&E) material for which inventory management has not been established (AFMAN 23-110):

Commander
Air Force Materiel Command

ATTN: LGT
4375 Chidlaw Road, Suite 6
Wright-Patterson AFB, OD 45433-5006

For the purposes of this appendix, RDT&E material are those items acquired under Air Force contracts whose contract number on the shipping container is prefixed with F04611, F04690, F04701, F04703, F04704, F08606, F08635, F19630, F33615, F33657, or F40600.

AP3.10. DEFENSE LOGISTICS AGENCY (DLA). *DLA will accept SDRs by mail, telephone, electronic mail, facsimile, and message. SA SDRs for DLA activities will be accepted only after review by the appropriate ILCO.*

AP3.10.1. *Use the following addresses for shipments from DLA contractors (contractor shipped) and material received for which the shipping depot is not known.*

RIC: S9C & S9E
Defense Supply Center Columbus
ATTN: DSCC NN
3990 East Broad Street
Columbus, OH 43216-5000
Phone: (614) 692-2089 (DSN 850)
Fax: DSN 850-4179
E-mail: rods@dsccl.dla.mil
Message: DSCC COLUMBUS OH//DSCC//NAB//

RIC: S9G
Defense Supply Center Richmond
ATTN: DSCR Customer Call Center Bldg 32 G Bay
8000 Jefferson Davis Highway
Richmond, VA 23297-5000
Phone: (804) 279-3329 (DSN 695)
Fax: DSN 695-3329 (804) 279-3329
E-mail: s9grods@dscr.dla.mil
Message: DSCR RICHMOND VA//DSCR-XDC CUSTOMER CALL CENTER//
Internet: www.dscr.dla.mil select Customer Information,
then Supply Discrepancy Report (submission) from the Customer Assistance
menu

RIC: S9I
Defense Supply Center Philadelphia
ATTN: DSCP ILSI

**700 Robbins Avenue
Philadelphia, PA 19111-5092
Phone: (215) 737-7715 (DSN 444)
Fax: DSN 444-7902
E-mail: paa9435@exmail.dscp.dla.mil
Internet: www.dscp.dla.mil, select General and Industrial, then Customer
Information, then Submit Customer ROD
Message: DSCP PHILADELPHIA PA//DSCP-ILSI//**

**RIC: S9T
Defense Supply Center Philadelphia
ATTN: DPSC CNCC (Clothing and Textiles)
Phone: (215) 737-5061 (DSN 444) or
E-mail: ctesoc@dla.mil
Message: DSCP PHILADELPHIA PA//DSCP-CNCC//
Internet: <http://www.warfighter.net>, select "suppl discrepancy report**

**RIC: S9M
Defense Supply Center Philadelphia
ATTN: DSCP MRPS (Medical)
Phone: (215) 737-7182 (DSN 444)
Fax: DSN 444-8005
Message: DSCP PHILADELPHIA PA//DSCP-MRPS//**

**RIC: S9S
Defense Supply Center Philadelphia
ATTN: DSCP HSQ (Subsistence)
Phone: (215) 737-3861 (DSN 444)
Fax: DSN 444-7526/8462
Message: DSCP PHILADELPHIA PA//DSCP-HSQ//**

**RIC: SMS
Defense Supply Center Columbus
ATTN: DSCC-BL
3990 E. Broad Street
Columbus, OH 43216-5000
Phone: (614) 692-2490 (DSN) 850
Fax: DSN 850-1013**

AP3.10.2. If the shipping depot is known, the SDR should be sent to one of the following Defense Distribution Depots listed in RIC sequence. The DDC Customer Support Team Point of Contact for SDRs is Stan Gersic at DSN 977-8749, (717) 770-8749

RIC: AN5
Defense Distribution Depot Susquehanna
ATTN: DDSP-TMB
New Cumberland, PA 17070-5001
Phone: (717) 790-4464 DSN 977-4464
Fax: 977-6255

RIC: AQ5
Defense Distributon Depot San Joaquin
ATTN: DDJC-V
25600 s. Chrisman Rd, Bldg 16B
Tracy, Ca 95376
DDJC
Phone: DSN 462-4466/4605
FAX: DSN 462-4684

RIC: B52
Defense Distribution Depot Corpus Christi
ATTN: DDCT-V
540 First Street SE, Building 1846
Corpus Christi, TX 78419-5255
Phone: (361) 961-3182 DSN: 861-3182
Fax: DSN 861-3950

RIC: BA4
Defense Distribution Depot Anniston
ATTN: DDAA-V
7 Frankford Avenue
Anniston, AL 36201-4199
Phone: DSN 571-6185
Fax: 571-6184

RIC: BR4
Defense Distribution Depot Red River
ATTN: DDRT-VA
Building 303A
Texarkana, TX 75507-5000
Phone: (903) 334-4292 or DSN 829-4292
Fax: DSN 829-2495

RIC: BY6
Defense Distribution Depot Tobyhanna

ATTN: DDTP-R
Tobyhanna Army Depot
Tobyhanna, PA 18466-5105
Phone: (570) 895-6410 DSN: 795-6410
FAX: DSN 795-6410

RIC: SAP
Defense Distribution Depot Susquehanna
ATTN: DDSP-TMB
New Cumberland, PA 17070-5001
Phone: DSN 430-7707
Fax: DSN 430-5770

RIC: SBP
Defense Distribution Depot San Joaquin
2560 S. Chrisman Road, Building 16B
Tracy, CA 95376
Phone: DSN 462-4466
Fax: 462-4684
Phone: DSN: 462-4605
Fax: 462-4684

RIC: SCC
Defense Distribution Depot Columbus
ATTN: DDCO-L
PO Box 3990
Columbus, OH 43216-5000
Phone: DSN 850-3583
Fax: 850-4695

RIC: SCF
Defense Distribution Depot Yokosuka, Japan
ATTN: DDYJ
PSC 473 BOX 11
FPO AF 96349-1500
Phone: 011-81-311-743-9440 DSN 243-9440
Fax: 243-8218

RIC: SCH
Defense Distribution Depot Sasebo, Japan
ATTN: DDSJ
Sasebo Detachment
PSC 476 BOX 6
FPO AF 96322-1500

- RIC: SCJ**
Defense Distribution Depot Pearl Harbor
ATTN: DDPH-X
Pearl Harbor HI 96860-4549
Phone: (808) 473-4769 DSN: 315-4769
FAX: 315-4797
Phone: (808) 473-4767 DSN: 315-4767
FAX: 315-4797
- RIC: SDA**
Defense Distribution Depot Albany
ATTN: DDAG-X
814 Radford Boulevard, Building 1221
Marine Corps Logistic Base
Albany, GA 31704-1128
Phone: DSN 567-5913
Fax: 567-6864
- RIC: SDD**
Defense Distribution Depot Warner Robins
ATTN: DDWG/EG&G
450 5th Street
Robins Air Force Base, GA 31098-1887
Phone: (912) 926-1909 DSN 468-1909
Fax: 468-1477
- RIC: SDF**
Defense Distribution Depot Norfolk
ATTN: DDNV-PA
1968 Gilbert Street
Norfolk, VA 23512-0001
Phone: DSN 646-3540
Fax: 646-3590
- RIC: SDH**
Defense Distribution Depot Cherry Point
ATTN: DDCN-X
PCS Box 8020
Cherry Point, NC 28533-0020
Phone: DSN 582-5612
Fax: 582-5964

RIC: SDM
Defense Distribution Depot Jacksonville

ATTN: DDJF-VB
Bldg 110 Dr 11 PO Box 103
Yorktown Avenue
Jacksonville, FL 32212-0103
Phone: DSN 942-0158
Fax: 942-0149

RIC: SDQ
Defense Distribution Depot Europe
Germersheim, Germany
APO, AE 09095
Phone: 011-49-7274-96-5035 DSN 378-5035
Fax: -5019

RIC: SDT
Defense Distribution Depot Hillside Utah
ATTN: DDHU-XI
7537 Wardleigh Road, Building 849
Hill AFB, UT 84056-5734
Phone: (801) 777-7682
Fax: DSN 775-3398

RIC: SDU**Defense Distribution Depot Oklahoma City**

ATTN: DDOO-XIC
3301 F Avenue, Building 506
Tinker AFB, OK 73145-8000
Phone: (405) 739-7271 DSN: 339-7271
Fax: DSN 339-7229

RIC: SDX
Defense Distribution Depot San Diego
ATTN: DDDC-PIC
2680 Woden Street, Building 322
San Diego, CA 92316-5491
Phone: (619) 556-9822 DSN: 526-9822
Fax: DSN 526-6450

RIC: SEB
Defense Distribution Depot Puget Sound
ATTN: DDPW-DS
467 W Street

*Bremerton, WA 98314-1030
Phone: (360) 476-8611
Fax: DSN 439-1454*

RIC: SEP
*FedEx Depot DLA Premium Service
3970 Delp Street
Memphis TN 38118-6155
DDPW POC: Customer Service
Phone: 800-357-7782
Fax: 800-867-8409*

RIC: SG2
*Defense Distribution Depot Barstow
ATTN: DDBC/EG&G
Marine Corps Logistics Base, Warehouse 7
Barstow, CA 92311-5014
Phone: (760) 577-6420 DSN 282-6420
Fax: DSN 282-6778*

RIC: SRR
*Defense Distribution Depot Richmond
ATTN: DDRV-X
8000 Jefferson Davis Highway
Richmond, VA 23292-5900
Phone: DSN 695-4544
Fax: 695-3515*

*Defense Distribution Depot Letterkenny
Chambersburg, PA 17201-4150
Phone: DSN 570-9214
Fax: 570-8760*

*RIC FFZ Defense Distribution Depot McClellan forward SDRs to ICP
RIC FPZ Defense Distribution Depot San Antonio forward SDRs to ICP*

AP3.11. ARMY-AIR FORCE EXCHANGE SERVICE

*Chief Army and Air Force Exchange Service
ATTN: CSXTX
Dallas, TX 75222-0202*

AP3.12. GENERAL SERVICES ADMINISTRATION. Send all discrepancy reports (including Security Assistance product quality deficiencies) for shipments originating from GSA supply distribution facilities or directed by GSA from a contractor/vendor or from a DoD storage activity stocking GSA-owned assets NCSC.

**GSA, Federal Supply Service
National Customer Service Center (NCSC)**

ATTN: 6FR

1500 East Bannister Road

Kansas City, MO 64131-3088

Phone: 1-800-488-3111

Fax: 816-926-6952

E-mail: rodsn.ncsc@gsa.gov

Message: RUELPI for unclassified messages or RULSADP for classified messages. The Plain Label Address is GSA, FSS, National Customer Service Center, Kansas City MO.

AP4. APPENDIX 4

INSTRUCTIONS FOR PREPARATION OF STANDARD FORM 364

AP4.1 **ORIGINAL REPORT**

AP4.1.1 SDRs and the associated response will be reported on the [SF 364](#), Report of Discrepancy, or by other means as authorized herein. DoD Components shall secure the necessary supply of forms through normal channels.

AP4.1.2 Indicate whether shipping discrepancy or packaging discrepancy by placing an "X" in appropriate boxes at the top of the form.

Item 1 **Date of Preparation.** *Use month, day, and four-position year format.*

Item 2 **Report Number.** *Provide the locally assigned report number.* For **Security Assistance shipments**, this *consists* of one alpha character to identify the initiating office in-country, four numeric characters for number control, two alpha characters for the **foreign customer** country and three **to six alphanumeric** characters for the **master and line item case** designator, i.e., A0010-JA-KBD/001. For any unnumbered reports received, the ILCO will assign number x9000 to x9999 and so advise **the foreign country customer on the receipted copy.** **Suffix code R added to the report** number indicates the purchaser has asked for reconsideration of the report disposition. Suffix code C added to the report number indicates that the purchaser has contested the U.S. Government's decision on a request for reconsideration.

Item 3 **To.** In-the-clear name, address, ZIP code and **DoD Activity Address Code** (DoDAAC) and/or Routing Identifier Code (RIC) (if assigned), and attention symbol/code of action activity. The action activity is based upon the origin of the shipment. If forwarding to the ICP, the RIC of the ICP is located in positions 67-69 of the DD Form 1348-1A. If forwarding to the Defense Distribution Depot, the RIC of the shipping depot is located in positions 4-6 **of the DD Form 1348-1A.** When both shipping and packaging discrepancies are reported for the same item, enter "see item 15" and enter **addresses/codes of both** activities in Item 15.

For Security Assistance discrepancy reports, refer to Appendix 3 for ILCO addresses.

- Item 4 **From.** DoDAAC *and/or* RIC (*if assigned*), name, address and ZIP code of the reporting activity *or Security Assistance customer* (consignee). The in-the-clear address will be entered. Refer to **Appendix 3** for ILCO in-the-clear address.
- Item 5a **Shipper's Name.** Enter name, DoDAAC *and/or* RIC (for DoD activities) or **Commercial and Government Entity** (CAGE) Code (if available, for commercial contractor facilities), and address of shipper (consignor) when different from Item 3. If applicable, the RIC of the shipping depot is located in positions 4-6 of the [DD Form 1348-1A](#).
- Item 5b **Number and Date of Invoice.** Enter number and date of vendor's invoice or shipper's bill number. Attach copy of invoice to SF 364. (Not applicable to packaging discrepancies.)
- Item 6 **Transportation Document.** Enter the type of transportation document, GBL, CBL, manifest, waybill, insured/certified **U.S. Postal Service**, or transportation control and movement document (**TCMD**) and the identifying number assigned to such document. This is a mandatory entry when shipment received was made via traceable means, e.g., GBL, CBL. Further for **U.S. SDRs, for** discrepancies involving shortages, include following statement in Item 12--"Shortage has been verified as not being transportation **related.**"
- Item 7a **Shipper's Number.** Enter shipment number (when more than one shipment is made under a contract or requisition) and contract/contract line item number/document number (e.g., contract, purchase order). **For SA, also include the shipment date to distinguish multiple shipments from a contractor source.**
- Item 7b **Office Administering Contract.** Name, address, and ZIP code of the Contract Administration Office (**CAO**) activity which directed/arranged shipment.
- Item 8 **Requisitioner's Number.** Enter the requisitioning activity's number, e.g., requisition, purchase request, *and suffix code, if applicable*. Entry of the applicable requisition document number is mandatory in all instances, even though a contract/purchase order is involved. **Only one document number will be included on each SF 364. For U.S. SDRs only,** when the original requisition number cannot be identified for discrepancies in sealed vendor packs, the reporting activity must include a constructed document number. When using a constructed document number in an

SDR, *use block 13 to cite the fund code and bill-to/credit-to DoDAAC, if different from that in the document number.*

- Item 9a **NSN/Part Number and Nomenclature**. If item received is different from item shown on shipping documents, or different from item ordered, show each item on a separate line. For serial numbered principal items, sets, kits and outfits, list the item individual serial number first, followed by the discrepancies applicable to that serial number. (NOTE: Sets, kits and outfits showing an assembly order number, the assembly order number should also be listed.)
- Item 9b **Unit of Issue**. Enter unit of issue as billed or indicated on shipping document for each item listed in Item 9a. (Not applicable to packaging discrepancies.)
- Item 9c **Quantity Shipped/Billed**. Enter quantity of item shipped or billed. When code C1 is applicable, enter the quantity and the supply condition code (*see Chapter 13*) of the item when shipped, e.g., 980A as shown on shipping *document*.
- Item 9d **Quantity Received**. Enter the quantity of item received.
- Item 10a **Discrepancy Quantity**. Enter the discrepant quantity. If code C1 is applicable, enter the quantity and the supply condition code (*see Chapter 14*) of the item received. If total quantity received is classified under more than one condition code, enter separately each partial quantity so classified, followed by the applicable condition code, e.g., 960A, **20F**.
- Item 10b* **Discrepancy Unit Price**. *Enter the unit price as billed or shown on shipping document.*
- Item 10c* **Discrepancy Total Cost**. *For shipping discrepancies, enter the total value of material (10a x 10b). For U.S. SDR packaging deficiencies, enter total cost for corrective packaging of all discrepant items. For SDRs reporting both a packaging and a shipping discrepancy on the same item, enter on separate lines both the total value of the material and the total cost for corrective packaging.*
- Item 10d* **Discrepancy Code**. *Nature of the discrepancy using the discrepancy codes listed in DLAI 4140.55, Enclosure 6, or on the face of the form. If a condition exists that is not listed, use code Z1 and describe discrepancy in Item 12, Remarks. When discrepancy code Q1, Product Quality (Item) Deficiency, or C2 , Expired Shelf Life, is applicable, enter the following information under Item 12, Remarks:*

1. **Manufacturer's name and Commercial and Government Entity (CAGE) Code (if available).**
2. **Contract/purchase order number if not shown in Item 7a.**
3. **Date manufactured, date cured, date assembled, date packed (apply one as appropriate), and expiration date for Type I (nonextendible) shelf-life items and inspection or test date for Type II (extendible) shelf-life items. Include the date overhauled/rebuilt if pertinent.**
4. **Lot/batch number.**
5. **Location of material.**
6. **Name, address, and telephone number of point of contact.**
7. **Nature of complaint stating in detail why material is unsatisfactory.**

Item 11 **Action Code**. Enter requested action/action taken by SDR initiator from codes listed *in DLAI 4140.55, Enclosure 5, or* on the face of the form. If action is other than that covered by listed actions codes, use code 1Z and explain action requested in Item 12, Remarks. Action code 1D or 1F will not be used on reports prepared to cover DoD **WCF (formerly DBOF)** funded shipments and shipments from GSA; materiel still required must be re-requisitioned. EXCEPTION NOTE **FOR U.S. CUSTOMERS ONLY: Where DLA is ICP/IMM**, replacement shipments may be requested by the customer. Action code 1E applies only to local purchase items.

Item 12 **Remarks**

General Conditions. Use for any supplemental information when the combination of discrepancy codes and action codes needs clarification; when discrepancies need explanation; and when a breakdown of cost to report, in terms of labor man-hours and materials, is required. Specific data such as appearance, lot/batch number, manufacture/packaging date, inspector number and inspection date, probable cause of improper packaging, and suggested corrective action should be entered here. Provide photos where it would assist in determining the cause/**validity** of the discrepancy/deficiency.

Packaging Discrepancies Noted at Defense Distribution Depots (DD).

To ensure proper billing, indicate if the materiel is a major Item, i.e., ships, aircraft, missiles, ammunition, vehicles, etc., or secondary item, i.e., any item that supports a major item such as reparables, consumables, assemblies, etc. Annotate Projected or actual costs for labor and repackaging materials. If Actual, indicate the date corrective action was completed.

Information Contact. Include name and communication numbers, e.g., ***DSN*** and commercial telephone numbers, facsimile number, and E-mail address of the person to be contacted for additional information if different from that entered in Item 14a.

For Defense Distribution Depots That Mail Hard Copies. Indicate the type of receipt involved, e.g., a receipt from procurement, a customer return, or a receipt for the retail supply account, etc.

Discrepancies in Sealed Vendor Packs. Enter, if ***available***, the contract number and lot number from the item package and the words "concealed discrepancy found upon opening sealed vendor pack," or cite the appropriate discrepancy code from ***DLAI 4140.55, Enclosure 4.***

Special conditions. ***For shortages or nonreceipt of GSA items shipped via U.S. Postal Service--cite whether all packages shown as shipped in Item 5 of GSA or DD Form 1348-1A were received. For medical material requiring refrigeration or frozen storage--cite the information requested on the special instruction sheet which is included with shipments of such material.*** For classified material--cite whether indications of container tampering were or were not evident; indicate whether a security deviation inquiry may be necessary at the origin.

Security Assistance SDRs. ***Cite the specific violation of specification, regulation, packaging instruction or contract.***

Item 13

Funding and Accounting Data. ***(Not applicable to SA SDRs.)***

For packaging discrepancies, the accounting/appropriation fund cite may be entered in this block by the SDR initiator if reimbursement funds/credits are expected for costs incurred to correct reported deficiencies. Use only when ***a billing document such as the SF 1080, Voucher for Transfer Between Appropriation and/or Funds, will not be prepared.***

For shipping discrepancies, use to identify the original requisition fund code to be credited when this information is not otherwise available **to the action office**. When using a constructed document number, **use to identify the** fund code and bill-to/credit-to DoDAAC, **if different from that in the document number which is cited in block 8.**

- Item 14a **Typed or Printed Name, Title and Phone Number of Preparing Official**. Self-explanatory. Include both full commercial, DSN, **and facsimile communication numbers and E-mail address, if available.**
- Item 14b **Signature**. Self-explanatory.
- Item 15 **Distribution Addressees for Copies**. Enter other addressees receiving copies of the report. Not applicable to **SA SDRs**.

AP4.2 **SDR REPLY**

The reverse of SF 364 is to be completed by the action activity as required by this publication.

- Item 16 **From**. The name, DoDAAC and/or RIC (if assigned) and address of the activity preparing the reply.
- Item 17 **Distribution Addressees for Copies**. Enter addressees (including DoDAAC **and/or** RIC (if assigned)) receiving copies of the reply in addition to addressee listed in Item 18. Not applicable to **SA SDRs**.
- Item 18 **To**. Enter address (including DoDAAC **and/or** RIC (if assigned)) of the activity indicated in Item 4 on face of the form. **For SA, use the address for the appropriate ILCO in Attachment 3.**
- Item 19 Enter action taken by responsible action office by placing an "X" in appropriate box(es). Do NOT check box 19f(2) for U.S. SDRs; the regulation(s) citation(s) applies only for shipments to **SA** customers. Also, see instructions for Item 23.
- Item 20 Enter disposition instructions by placing an "X" in appropriate box(es). Also, see instructions for Item 23.
- Item 21 Enter an "X" to indicate to the reporting activity that a new requisition is required if the material is still needed. Also, see instructions for Item 23.

Item 22 Enter an "X" to indicate a replacement shipment will be made and the approximate shipment date. Also, see instructions for Item 23.

Item 23 **Remarks**

General Conditions. Enter any clarification or information necessary for a complete reply. Enter corrective action taken to preclude future packaging discrepancies and/or record the SDR disposition/status code **as listed in DLAI 4140.55, Enclosure 6. This code and applicable narrative may be used** rather than marking equivalent boxes for Items 19, 20, and 21.

Packaging Discrepancies Noted at Defense Distribution Depots (DD). *The ICP shall annotate the SDR to indicate that DD repackaging is approved or not approved. If the ICP authorizes corrective action the SDR will also reflect the appropriate funding/authorization document, e.g., job order number, Military Interdepartmental Purchase Request (MIPR) number, or SF 1080, to which the DD may charge the corrective action costs. After completing corrective action, the DD will annotate the actual cost of the work performed, note the date completed, and forward a copy to the ICP for close-out.*

Item 24a **Typed or Printed Name and Phone Number of Preparing Official.** *This is the individual authorized to provide an SDR response. Include both DSN and full commercial telephone numbers.*

Item 24b **Signature.** Self-explanatory.

Item 24c **Date.** *Use month, day, and four-position year.*

AP4.3. **SDR FOLLOW-UPS, CORRECTIONS, AND CANCELLATIONS**

AP4.3.1. At the top of the original report annotate the appropriate word ("FOLLOW-UP," "CORRECTION," or "CANCELLATION") and the date the follow-up, correction, **or cancellation** prepared and forward to the same distribution addresses as the initial report.

AP4.3.2. Where there is any change to the point of contact information provided in block 14a of the original SF 364, enter the new point of contact name and telephone **number(s)**.

AP4.3.3. For corrected or cancelled SDRs, the initiator will explain the clarifying data in detail in the "Remarks" **block**. Include the signature, date, DSN **number, complete**

commercial telephone number, ***and E-mail address, if available***, of the person preparing the revised report.