DEFENSE LOGISTICS MANAGEMENT SYSTEM

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ACQUISITION, TECHNOLOGY AND LOGISTICS
(LOGISTICS & MATERIEL READINESS)

DLMSO

DEFENSE LOGISTICS MANAGEMENT SYSTEM

I. This change to DoD 4000.25-M, Defense Logistics Management System (DLMS), June 2006, is published by direction of the Deputy Under Secretary of Defense (Logistics and Materiel Readiness) under the authority of DoD Directive 4140.1, Supply Chain Materiel Management Policy. Revised text is identified by ***red, bold, italicized*** text.

II. This change includes revisions to incorporate Approved DLMS Changes (ADCs) xxxxxx. Additionally, administrative changes were made to update sections such as the Table of Contents.

III. Remove old pages listed below and insert new/revised pages:

Remove Old	**Insert New/Revised**
Front Table of Contents	Front Table of Contents
References	References
Terms and Definitions	Terms and Definitions
Acronyms and Abbreviations	Acronyms and Abbreviations
Volume 1, Table of Contents	Volume 1, Table of Contents
Volume 1, Chapter 2	Volume 1,Chapter 2
Volume 1, Chapter 5	Volume 1,Chapter 5
Volume 2, Table of Contents	Volume 2, Table of Contents
Volume 2, Chapter 4	Volume 2, Chapter 4
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Volume 2, Chapter 6	Volume 2, Chapter 6
Volume 2, Chapter 9	Volume 2, Chapter 9
Volume 2, Chapter 10	Volume 2, Chapter 10
Volume 2, Chapter 12	Volume 2, Chapter 12
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	Volume 6, Table of Contents
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	Volume 6, Chapter 2

III. File this change sheet in front of the publication after making changes, for reference purposes. This change is published electronically at http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/default.asp. This change incorporates the following Approved Defense Logistics Management System Changes (ADCs): 209, 210, 211, 213, 214, 217, 220, 222, 223, 224, 25, 225A, 226, 228, 229, 232, 233, 236, 238, 240, 242, 243, 244, 245, 247, 250, 251, and 253. The ADCs are published electronically at http://www.dla.mil/j-6/dlmso/eLibrary/Changes/approved3.asp.

IV. Recommendations for revisions to this manual are encouraged. Submit all proposed revisions or corrections following the procedures prescribed in Volume 1, chapter 1.

BY ORDER OF THE DIRECTOR

/ *signed* /
TANYA L. LEE
Director (Acting)
DLA Enterprise Support

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REFERENCES[1]

References in this manual are linked to the authoritative sources from the DLMSO web site pages for the following publication categories at:

DoD Directives: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/directives.asp

DoD Instructions: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/instructions.asp

DoD Manuals/Regulations etc.: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/regulations.asp

DoD Component Joint: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/joint.asp

Military Standards: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/milstds.asp

Non-DoD: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/nondod.asp

DoD Component Regulations/Manuals etc.: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/other.asp

Military Handbook and Standards: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/milstds.asp

The following references are listed in the order they appear in the text of the manual:

Document

(a) DoD Instruction 7420.12, "Billing, Collection and Accounting for Sales of Materiel From Supply System Stock"

(b) DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMR)"

(c) DoD Directive 4140.1, "Materiel Management Policy"

(d) DoD 4140.1-R, "DoD Supply Chain Materiel Management Regulation"

(e) DoD Directive 8190.1, "DoD Logistics Use of Electronic Data Interchange (EDI) Standards"

[1] On line sources are identified when known.

(f) DoD Directive 8320.1, "DoD Data Administration"

(g) DoD Instruction 5025.01, "DoD Directives Programs"

(h) DoD 4000.25.8-M, "Military Assistance Program Address Directory (MAPAD)"

(i) DoD 5105.38-M, "Security Assistance Management Manual"

(j) DD Form 1348-1A, "Issue Release/Receipt Document"

(k) "Federal Property Management Regulations," Chapter 101, Part 1-1-26, "Procurement Sources and Program", Subpart 101-26.311, "Frustrated Shipments"

(l) "Federal Property Management Regulations," Chapter 101, Part 1-1-26, Inventory Management", Subpart 101-26.505, "Notice to Activity"

(m) DD Form 250, "Material Inspection and Receiving Report"

(n) DD Form 1348-2, "Issue Release/Receipt Document with Address Label"

(o) DoD 4140.25-M, "Management of Bulk Petroleum Products, Storage, and Distribution Facilities, Volume V"

(p) DD Form 200, "Financial Liability Investigation of Property Loss"

(q) "Joint Chiefs of Staff Publication 6, Volume II, Joint Reports; part 4, Nuclear Weapons Reports; section 5, Stockpile Inventories and Inventory Reports."

(r) DoD 5200.8-R, "Physical Security Program

(s) DoD 4100.39-M, "Department Of Defense Provisioning and Other Preprocurement Screening Manual"

(t) DoD 5100.76-M, "Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives"

(u) DoDD 5010.38, "Management Control (MC) Program"

(v) DD Form 2338-1, "Inventory Control Effectiveness (ICE) Report – Ammunition"

(w) DD Form 2338-2, "Inventory Control Effectiveness (ICE) Report – General Supplies"

(x) DoD 4140.26-M, "Defense Integrated Material Management Manual for Consumable Items"

(y) Army Materiel Command Regulation (AMC-R) 700-99/Naval Supply Systems Command Instruction (NAVSUPINST) 4790.7/Air Force Logistics Command Regulation (AFLCR) 400-21/Marine Corps Order (MCO) P4410.22, "Logistics Wholesale Inventory Management and Logistics Support of Multi-Service Used Nonconsumable Items

(z) Standard Form 364, "Report of Discrepancy (ROD)"

(aa) DLAI 4140.55/Army Regulation (AR) 735-11-2/Secretary of Navy Instruction (SECNAVINST) 4355.18A/Air Force Joint Manual (AFJMAN) 23-215, "Reporting of Supply Discrepancies"

(bb) DD Form 1342, "DoD Property Record"

(cc) DoD 4160.21-M, "Defense Reutilization and Marketing Manual"

(dd) DoD 4140.27-M, "Shelf-life Item Management Manual"

(dd) Standard Form 30, "Amendment of Solicitation/Modification of Contract"

(ff) DTR 4500.9-R, "Defense Transportation Regulation"

(gg) DLAR 4155.24/AR 702-7/SECNAVINST 4855.5B/AFR 74-6, "Reporting of Product Quality Deficiencies Across Component Lines"

(hh) DLAR 4155.3/AR 30-12/NAVSUPINST 4355.2/AFR 74-5/MCO 10110.21, "Inspection of Subsistence Supplies and Services."

(ii) Standard Form 122, "Transfer Order Excess Personal Property"

(jj) "Federal Property Management Regulations," Chapter 101-43, subchapter 4,

(kk) Standard Form 1080, "Voucher for Transfers Between Appropriations and/or Funds"

(ll) MIL-HDBK-701, "Blocking, Bracing and Skidding of Industrial Plant Equipment for Shipment and Storage,"

(mm) MIL-STD-107, "Preparation and Handling of Industrial Plant Equipment (IPE) for Shipment and Storage"

(nn) DoD 5200.1-R, "Information Security Program"

(oo) MIL-STD-130M (or most current version), "DoD Standard Practice Identification Marking of U.S. Military Property"

(pp) National Archives Records Administration (NARA) General Records Schedule (GRS)

(qq) National Telecommunications and Information Systems Security Instruction (NTISSI) No. 4001, "Controlled Cryptographic Items,"

(rr) DLAI 4145.4/AR 740-3/AFJMAN 23-231/NAVSUPINST 4400.100/MCO 4450.15, "Stock Readiness"

(ss) DD Form 1155, "Order for Supplies or Services"

(tt) Standard Form 26, "Award/Contract"

(uu) Standard Form 33, "Solicitation, Offer and Award"

(vv) Optional Form 336,"Continuation Sheet"

(ww) "Federal Acquisition Regulation"

(xx) "DoD Federal Acquisition Regulation Supplement (DFARS)"

(yy) DD Form 1423, "Contract Data Requirements List"

(zz) DD Form 250-1, "Tanker/Barge Material Inspection and Receiving Report"

(aaa) DD Form 375, "Production Progress Report"

(bbb) DD Form 375-2, "Delay in Delivery"

(ccc) DD Form 1594, "Contract Completion Statement"

TERMS AND DEFINITIONS

ACCESSORIAL COSTS OR CHARGES. Certain expenses incident to issues, sales, and transfers of material. They are defined to include: packing, handling, and crating costs; transportation costs; port loading and unloading costs; and positioning costs.

FOREIGN MILITARY SALES (FMS). Separate charges added to the standard price of material for each Foreign Military Sales case. The charges cover expenses of packing, handling, crating, transportation, and supply operations associated with preparation and delivery of Foreign Military Sales material.

LAND. Charges by a carrier for rendering service in addition to the linehaul. Such services may include sorting, packing, cooling, heating, switching, delivering, storage, and reconsigning.

OCEAN. Those services for which the ocean carrier is not responsible under the terms of the applicable commercial tariff or Military Sealift Command (MSC) contract rate, but which are required to complete the receipt and delivery of freight between common carriers, consignors, or consignees.

ACCOUNTABILITY. (DOD) The obligation imposed by law or lawful order or regulation on an officer or other person for keeping accurate record of property, documents, or funds. The person having this obligation may or may not have actual possession of the property, documents, or funds. Accountability is concerned primarily with records, while responsibility is concerned primarily with custody, care, and safekeeping.

ACCOUNTABLE OFFICER. See “Accountability.”

ACCOUNTABLE RECORD. See “Property Accountability Record.”

ACCOUNTING CLASSIFICATION REFERENCE NUMBER (ACRN). A two-position alphanumeric control code assigned (under DFARS 204.7108) to each accounting classification used in a single contract.

ACCREDITED STANDARDS COMMITTEE (ASC) X12. Accredited by the American National Standards Institute in 1979, ASC X12, Electronic Data Interchange, is a voluntary standards group charged with developing American National Standards for electronic data interchange.

ACTION ACTIVITY. Any activity required to take action as a result of a SDR, e.g., DD, ICP/IMM, CAO, packaging control point, ILCO or shipping activity.

ACTIVITY. A unit, organization, or installation performing a function or mission, e.g., reception center, redistribution center, naval station, naval shipyard. (Source: JCS Publication 1-02.)

ACTS OF GOD. A happening outside the control of humans.

ADJUSTMENT REQUEST. Data forwarded to billing offices to request and provide information necessary for adjustment of billings. Adjustment requests also include follow-ups for adjustments for validated discrepancy reports and promised material return program credits.

ADJUSTMENTS, PHYSICAL INVENTORY. The accounting transaction that corrects a book balance to agree with the quantity of the item in storage. Such adjustments may result from (1) physical inventory, (2) a potential discrepancy revealed by a material release denial or location survey/reconciliation, (3) capitalization/decapitalization actions, (4) reidentification of stock, (5) type of pack changes, (6) catalog data changes, (7) supply condition and purpose code changes, etc.

ADMINISTRATIVE COSTS. General overhead expenses and other costs in operating the DoD or General Services Administration logistics systems that are incident to the issue, sale, or transfer of material and are not included in the price of the material, or as an accessorial cost.

ADVANCE PAYMENT. Amounts paid for material in advance of performance or delivery of the material. Amounts paid for other purposes in advance of the time the amounts are earned by the payee.

AGENT (DMISA). The Military Service responsible for providing depot maintenance support to the Principal. (Source: OPNAVINST 4790.14A et al.)

AGREEMENT LINE ITEM NUMBER (ALIN). Identifies an item of supply listed in an agreement document.

AMERICAN NATIONAL STANDARDS INSTITUTE (ANSI). The national coordinator of voluntary standards for the United States and approves a standard only when it has verified evidence which the standards developer presents, showing that those whom the standard materially affects substantially agree by consensus to its provisions.

AMMUNITION/EXPLOSIVES. A device charged with explosives, propellants, pyrotechnics, initiating composition, nuclear, biological, or chemical material for use in connection with defense or offense, including demolitions. Ammunition that can be used for training, ceremonial, or nonoperational purposes is included.

ANTICIPATED NOT-MISSION-CAPABLE-SUPPLY (ANMCS). A condition which is anticipated to occur within 15 days in the continental United States (CONUS) or 20 days

outside the continental United States (OCONUS) of the requisition date when the lack of items or equipment required causes mission-essential systems or equipment of being incapable of performing any of their assigned missions.

ASSEMBLAGE IDENTIFICATION NUMBER (AIN). AIN is a 2-position numeric ranging from 01-20 and is the second level identifier for medical and industrial kits/sets. It is system generated at the build manager level based on the number of kits required.

BASIC ISSUE ITEM (BII). Those essential auxiliary items that are required to operate equipment and enable it to perform the mission and function for which it was designated.

BATCH SERIAL NUMBER. A consecutive number assigned by the paying office to each batch of contract payment notices. On October 1st, each batch for each accounting point begins with one. The batch serial number identifies the number of batches transmitted to the specific accounting point since the first day of the fiscal year.

BILL. A statement of the amounts owed for the transfer or sale of material and for the performance of services incident to the transfer.

BILL NUMBER. An alpha or numeric identifier assigned by the billing office to identify a bill. The bill number is unique to the billing office DoD Activity Address Code (DoDAAC) and may not be duplicated within a calendar year.

BILL OF LADING (B/L). The acknowledgement of the receipt of goods for movement by the carrier and the contract for the movement.

BILLED ERROR. An error in a bill, at the bill or detail billing record level, which has one or more of the following characteristics: duplicates a previous bill or detail record; contains an error in amount; assigns the wrong billed office—i.e., designates the billed office in a manner that violates the requirements of Volume 5, Finance; was not billed under the proper method (noninterfund versus interfund); or should not have been billed, e.g., was nonremiburseable, the requisition was cancelled, or accessorial charge was inappropriate.

BILLED OFFICE. Any office designated to receive a bill.

BILLING DISCREPANCY. A discrepancy related to duplicate or multiple billings per individual shipment or a single billing with no ship line. Such discrepancies are reportable by Security Assistance customers on a Supply Discrepancy Report. Within U.S. Government channels, all billing discrepancies will be processed under Volume 5, Finance.

BILLING ERROR. An error in a bill or detail billing record level which had one or more of the following characteristics: a duplication of a previous bill or detail billing record; an

error in the amount; assignment of the wrong billed office; (i.e., billed office designation in a manner which violates Volume 5, Finance, requirements); improper billing method (noninterfund versus interfund); or unnecessary billing (e.g., nonreimbursable issue, cancelled requisition, or inappropriate accessorial charge).

BILLING OFFICE. An office that prepares bills for materials and services that are subject to the requirements of Volume 5, Finance.

BUILD DIRECTIVE NUMBER (BDN). BDN is a 4-position alphanumeric value used to identify a specific build order of a medical/industrial kit. It is system generated at the build manager level and serves as the first level identifier.

BUSINESS RULE. A statement that defines or constrains some aspect of the business. It is intended to assert business structure or to control or influence the behavior of the business.

CAPITALIZATION. The receipt or transfer in of inventories from a different fund or fund subdivision without charge or income. The inventory increases the transferee's fund equity (capital) directly and does not increase operational income or expense.

CARE of SUPPLIES IN STORAGE (COSIS)*.* A program composed of a set of processes and procedures whose purpose is to ensure that material in storage is maintained in ready-for-issue condition or to prevent uneconomic deterioration of unserviceable material. With proper COSIS, supplies and equipment in storage will be preserved and maintained in a serviceable condition through inspection and actions taken to correct any forms of deterioration and to restore material to ready-for-use condition. The COSIS includes in-storage inspection, minor repair, testing, exercising, preservation, and packing of material, and all intra-depot material movement to perform those tasks.

REIMBURSABLE COSIS. Those COSIS activities such as testing, exercising, preservation, and packing of material in storage resulting from COSIS inspections and not funded under discrete pricing and, in general, entails those actions necessary to correct the problems with the material, and/or packaging identified by the routine COSIS. Reimbursable COSIS Includes the costs for any component parts required in performing minor repairs. This applies to both receipts from Military Service activities as well as material in storage, and includes both minor repairs and necessary packaging that will maintain the stored material in assigned material condition codes. Funding for this work is outside of the scope of the discrete pricing as defined in the Defense Capital Working Fund

STANDARD COSIS*.* Standard COSIS inspections are included in the discrete pricing rate and as a minimum, consist of an annual survey of the material in storage. The instructions in DLAI 4145.4/AR 740-3/AFJMAN 23-231/ NAVSUPINST

4400.100/MCO 4450.15, Stock Readiness, provide specifics for various material types and categories.

CASE DESIGNATOR. A unique code used with a country identification code to identify a particular foreign military sale. It is a three-character designation.

CAUSATIVE RESEARCH. An investigation of discrepancies; i.e., gains and losses, consisting of, as a minimum, a complete review of all transactions to include supporting documentation, catalog change actions, shipment discrepancies, and un-posted or rejected documentation occurring since the last completed inventory. The purpose of causative research is to identify, analyze, and evaluate the cause of inventory discrepancies with the intention of eliminating repetitive errors. Causative research ends when the cause of the discrepancy has been discovered or when, after review of the transactions, no conclusive findings are possible.

CENTRAL DESIGN ACTIVITY (CDA). An activity that has been assigned standard automated information system development and maintenance responsibilities.

COMPONENT REGISTRY. The Military Service or Defense Agency system which maintains visibility of all small arms ***and light weapons (SA/LW)*** serial numbers within that Component and provides the DoD ***SA/LW*** Registry with small arms status.

CONSIGNEE. The recipient (unit, depot, or person) to whom cargo is addressed or consigned for final delivery. Activity that is receiving the product.

CONSIGNOR. The person or activity that is the supplier or shipper of a product.

CONSTRUCTED DOCUMENT NUMBER. A document number created and used in place of the original requisition number when the original number cannot be determined. The constructed document number may be employed in reporting selected product quality and supply discrepancies. Under DLMS a constructed document number is identified though the use of utilization code.

CONSTRUCTIVE DELIVERY. The delivery of material to a commercial carrier, freight forwarder, United States or international post office, or customer at point of production, storage, or test. Delivery is evidenced by completed copies of shipping documents, material shipment status of shipping documents, drop from inventory, or a list of deliveries in a post office.

CONTAMINATION. (DoD, NATO) 1. The deposit, absorption, or adsorption of radioactive material, or of biological or chemical agents on or by structures, areas, personnel, or objects. See also fallout; induced radiation; residual radiation. 2. (DOD only) Food and/or water made unfit for consumption by humans or animals because of the presence of environmental chemicals, radioactive elements, bacteria or organisms,

the byproduct of the growth of bacteria or organisms, the decomposing material (to include the food substance itself), or waste in the food or water.

CONTRACT ABSTRACT. A representation, in machine format, of key elements of contractual data that are used to establish the contract record in the recipient's database.

CONTRACT ADMINISTRATION OFFICE (CAO). A DoD Contract Administration Service (CAS) DoD Component that performs assigned functions, or a purchasing office which retains functions related to the administration of contracts. (Included in this definition are all geographic and plant-type organizations engaged in the performance of field contract administration services.)

CONTRACT LINE ITEM. An item of supply or service on a contractual document usually identified by a contract line item number (CLIN). (See DFARS 204.7103.)**CONTRACT MAINTENANCE.** Any depot level maintenance performed under contract by commercial organizations, including original manufacturer. (Source: OPNAVINST 4790.14A et al.)

CONTRACT MODIFICATION. Any written alteration in the specifications, delivery point, rate of delivery, contract period, price, quantity, or other contract provision of an existing contract, whether accompanied by unilateral action under a contract provision, or by mutual action of the parties to the contract. It includes: (1) bilateral actions such as supplemental agreements; and, (2) unilateral actions such as change orders, administrative changes, notices of termination, and notices of the exercise of a contract option.

CONTRACTOR-FURNISHED MATERIAL (CFM). Material that the contractor is contractually required to provide. The source of supply for CFM may be the commercial market or the federal supply system when authorized by contract.

CONTROLLED INVENTORY ITEMS. Those items designated as having characteristics which require that they be identified, accounted for, secured, segregated, or handled in a special manner to ensure their safeguard or integrity. Controlled inventory item categories in descending order of degree of control normally exercised are, as follows:

CLASSIFIED ITEMS. Material that requires protection in the interest of national security.

PILFERABLE ITEMS. Material having a ready resale value or application to personal possession and which is, therefore, especially subject to theft.

SENSITIVE ITEMS. Material which requires a high degree of protection and control due to statutory requirements or regulations, such as narcotics and drug abuse

items; precious metals; items which are of a high value, highly technical, or hazardous nature; and small arms, and ammunition. (See DoD 4140.1-R.)

CONVENTIONAL AMMUNITION*.* A device charged with explosives, propellants, pyrotechnics, or initialing composition for use in conjunction with defense or offense, including demolitions. Certain ammunition can be used for training, ceremonial, or non-operational use.

CONTROL POINT. An activity designated by a Military Service, DLA or the General Services Administration (GSA) to monitor packaging discrepancies for their respective Service/Agency (S/A).

CRITICAL SAFETY ITEM (CSI*). A part, assembly, installation, or production system with one or more essential characteristics that, if not conforming to the design data or quality requirements, would result in an unsafe condition that could cause loss or serious damage to the end item or major components, loss of control, or serious injury to personnel. Also called CSI. (See Joint Pub 1-02.)*

CUSTODIAL ACCOUNTABILITY. The responsibility of the Single Manager for Conventional Ammunition (SMCA) to maintain data elements in the wholesale inventory record to reflect by ownership code the receipt, issue, balance, and other quantitative and financial data essential for proper control and management of assets which are in the single manager's custody but are owned by another DoD Component. Custodial accountability includes the responsibility to initiate and approve adjustment actions and financial liability investigation of property loss reports.

CUSTODIAL RESPONSIBILITY. The responsibility of a storage activity, depot, or agent, which is not the designated single manager, to maintain proper custody, care, safekeeping, receipt, issue, and balance data for stored DoD wholesale material.

CUSTOMER COLLABORATION. A confluence of strategic, tactical, and operational time base quantitative and qualitative sharing of information between the Defense Logistics Agency (DLA) and its customer activities, including, but not limited to, formalized collaboration partnerships, exception handling by detection and notification, and DLA/customer collaborative demand planning.

CUSTOMER RETURNS INITIATIVE (CRI)*.* A DLA program developed to reduce the likelihood that depots would receive nonconforming returned material.

DAMAGE*.* Partial or total marring of the appearance or reduction in usability of the material for its intended purpose. For Security Assistance, damage describes a condition creating impaired item functionality. Applicable to U.S. Postal Service and SA shipments only.

DATA ELEMENT. A basic unit of information in a business transaction.

DATA ITEM. A subunit of descriptive information or value classified under a data element.

DATA MODEL. A visual depiction that identifies data, attributes, and relationships associated with other data.
DATA SEGMENT. A series of data elements defined and placed in a single group in a specific sequence. A data segment directory, which defines the proper data element sequence for each data segment, is part of the ASC X12 standards.

DATE PACKED. (Shelf-Life Item). For all items required to be marked with date packed, the date packed will be that date on which the product was packaged in the unit container, regardless of dates of packing, shipping, or additional processing. (See DoD 4140.27-M.)

DECAPITALIZATION. The issue or transfer out of inventories to another fund or fund subdivision without expense or reimbursement. The cost of the inventory decreases the transferor's fund equity (capital) directly and does not increase operational expenses or income.

DEFENSE LOGISTICS MANAGEMENT SYSTEM (DLMS). A broad base of business rules, to include uniform policies, procedures, time standards, transactions, and data management, designed to meet DoD's requirements for total logistics support. Founded upon ANSI ASC X12 EDI, DLMS will be expanded to support emerging EB capabilities such as: data sharing, automated identification technology, object-oriented user interfaces, electronic malls, web-based technology, and electronic funds transfer, as appropriate.

DLMS SUPPLEMENT TO FEDERAL IMPLEMENTATION CONVENTION. A document that provides general guidance on how to implement electronic data interchange at a particular activity including data conventions, business and legal issues, system architecture, and network access.

DLMS TRADING PARTNER AGREEMENT. A written instrument of understanding negotiated between trading partners that specifies contractual matters and protocols regarding Government DLMS transactions; that is, DoD 4000.25-M, Defense Logistics Management System.

DEFENSE TRANSPORTATION SYSTEM (DTS). That portion of the nation's transportation infrastructure that supports DoD transportation needs in peace and war. The DTS consists of those common-user military and commercial assets, services, and systems organic to, contracted by, or controlled by the DoD.

DEMAND DATA EXCHANGE. ***A systematic method use for submitting collaborative customer projected supply plan materiel requirements to the DLA***.

DEPARTMENT OF DEFENSE SMALL ARMS/LIGHT WEAPONS (SA/LW) REGISTRY. DoD central repository for SA/LW serial numbers. The registry serves as the single point of access for inquires relating to the last known record of SA/LW serial numbers. Serial numbers are provided by the Component Registries on a scheduled and as required basis.

DEPOT. See "Storage Activity."

DEPOT MAINTENANCE INTER-SERVICE SUPPORT AGREEMENT (DMISA). A formalized agreement similar to a contract whereby one Service (the Agent) obligates itself to provide depot maintenance support for another Service (the Principal). (Source: OPNAVINST 4790.14A et al.). For the purpose of this manual, DMISA also covers depot maintenance provided for under inter-Service support agreements not covered by the referenced joint regulation.

DETAIL BILLING RECORD. The lowest level of detail in a bill. At this level of the bill, billings for material are identified by the transaction number. When more than one shipment is involved, the partial shipment, identified by a suffix, is the lowest level of detail.

DETERIORATION. A breakdown in composition of an item that makes it inferior in quality and value.

DIRECT PROCUREMENT METHOD (DPM). A method of personal property shipment in which the government manages the shipment throughout packing, drayage, storage, linehaul, and overseas movement. For additional details, see DoD 4500.34-R.

DIRECT VENDOR DELIVERY (DVD). (DOD) A material acquisition and distribution method that requires vendor delivery directly to the customer.

DISTRIBUTION DEPOT. See "Storage Activity."

DISTRIBUTION SYSTEM. That complex of facilities, installations, methods, and procedures designed to receive, store, maintain, distribute, and control the flow of military material between the point of receipt into a DoD supply system and the point of issue to using activities and units. (See Joint Pub 1-02.)

DOD ELECTRONIC BUSINESS EXCHANGE SYSTEM (DEBX). The Electronic Data Interface (EDI) hub for all of the Department of Defense. It provides translation, routing, and archive services for EDI transactions that are sent between two or more Government systems or between Government systems and their commercial trading partners. There are four DEBX sites; two are operated by the Defense Automatic Addressing Systems Center (DAASC) and two are operated by the Defense Information Systems Agency (DISA)

DROP FROM INVENTORY. Reduction of the quantitative inventory balance.

DUNS (Data Universal Numbering System) NUMBER. A 9 digit numerical identifier/number created for an organization by Dunn & Bradstreet. A different DUNS number shall be assigned for each physical location different address of an organization, as well as each legal division that may be co-located. A DUNS number is frequently required to register with the CCR (Central Contractor Register). It is an alternative to the ISN system.

DUPLICATE BILL. An exact duplicate of a previous bill or a bill supported entirely by duplicate billing records.

DUPLICATE DETAIL BILLING RECORD. A second or subsequent detail billing record for a single shipment.

DUPLICATE SHIPMENT. A shipment which corresponds exactly to a previous shipment.

ELECTRONIC MALL (EMALL). An internet-based electronic mall designed to make it easier for customers to place and track orders and pay for products. For additional information access the DoD EMALL at https://emall.prod.dodonline.net/scripts/emLogon.asp.

ENEMY ACTION. Those courses of action imposed by the enemy that could affect the friendly mission.

ENTERPRISE IDENTIFIER *(EID).* An identifier, which relies on the Data Universal Numbering System (DUNS) as a primary key for non-DoD entities, and an extended DoD Activity Address Code (DODAAC) for DoD activities. DUNS+4, an additional 4-digit suffix to the DUNS code, allows for the identification of payment location used by business partner (represented by a DUNS) when that partner has multiple locations. Other alias identifiers recorded to date include the Commercial and Government Entity (CAGE) code, the Austin-Tetra number, and Taxpayer Identification Number (TIN).

ESSENTIALITY CODE. Indicates that the assembly or component is essential to the performance of the primary and/or secondary missions of the weapon system and/or end item. The degrees of assembly and/or component essentiality depend on the effect their failure would have on a weapon system and/or end item readiness.

EVIDENCE OF SHIPMENT. Any legible movement document or receipt, duly signed by a carrier representative, which shows that the United States has shipped or released the material in question to a carrier for shipment to the country's designated representative, constitutes evidence of shipment. Such documents generally show the quantity, national stock number (NSN), mode date, transportation control number

(TCN), notice of availability (NOA) number/bill of lading (B/L)/parcel post insured, registered number, addressee, vessel, or flight number (to the extent possible), and name of shipper and carrier to include weight and cube information, and number of pieces, etc.

EXCEPTION MATERIAL. Security Assistance Program material which, due to its peculiar nature and increased transportation risks, requires special handling in the transportation cycle and deviation from normal shipping procedures. This includes classified material, sensitive material, firearms, explosives, lethal chemicals, and other dangerous and hazardous material that requires rigid movement control and air cargo of such size that the item exceeds commercial capability.

EXHIBIT LINE ITEM. An item of supply or service listed on an exhibit or schedule forming a part of the contractual document usually identified by an exhibit line item number (ELIN). (See DFARS 204.7105.)

EXPEDITED HANDLING SHIPMENTS. Items identified by special requirements handling codes (A, B, C, or D) in the requisitions. Items so identified override normal precedences in processing and moving shipments.

EXPIRATION DATE (Shelf-Life Item). The date beyond which nonextendible shelf-life items (Type I) should be discarded as no longer suitable for issue or use. (See DoD 4140.27-M).

EXPIRED SHELF-LIFE. The length of time during which an item of supply, subject to deterioration or having a limited life which cannot be renewed, has expired.

FEDERAL SUPPLY CLASSIFICATION (FSC). The first 4-digits of the 13-digit National Stock Number. The FSC relates/separates items of supply.

FINANCIAL DISCREPANCY. The following definition applies to Security Assistance discrepancy reporting only. A discrepancy related to administrative and/or accessorial charges that will be processed by the Defense Finance and Accounting Service – Denver, Deputate for Security Assistance (DFAS-DE/I).

FIRE. A phenomenon of combustion manifested in light, flame, and heat.

FOREIGN MILITARY SALES (FMS). That portion of the United States security assistance authorized by the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act of 1976, as amended. This assistance differs from the Military Assistance Program and the International Military Education and Training Program in that the recipient provides reimbursement for defense articles and services transferred. Also called FMS. (See Joint Publication 1-02.)

FOREIGN MILITARY SALES (FMS) CASE DESIGNATOR. A unique designator within a single country assigned by the implementing Service to each FMS case, to identify a specific offer to a country. This designator stays with and identifies the sale or offer of a sale.

FOREIGN MILITARY SALES COUNTRY REPRESENTATIVE (CR). The designated country official (Consulate, Attaché, Director of Movements) duly authorized to control FMS case transactions.

FOREIGN MILITARY SALES FREIGHT FORWARDER/INTERNATIONAL FREIGHT FORWARDER. A private firm that serves as a contractual agent for the FMS customer. These companies, as a minimum, receive, consolidate, and stage material within the United States for onward shipment to the purchasing country.

FOREIGN MILITARY SALES (FMS) NOTICE NUMBER. A unique number assigned to control the shipment between the shipper and the consignee.

FOREIGN ORIGIN. Those goods produced or manufactured in a foreign country located outside the CONUS, its possession, or Puerto Rico. It also includes those aforementioned that are physically located in bonded warehouses or foreign trade zones within the United States (U.S.), its possessions, or Puerto Rico, but it does not include foreign produced or manufactured goods that have otherwise been lawfully imported into the United States, its possessions, or Puerto Rico.

FREE-ON-BOARD (FOB) DESTINATION. Product is accepted at destination by the Government. Shipper provides transportation.

FREE-ON-BOARD (FOB) ORIGIN. Product is accepted at origin (source) by the Government. Government provides transportation with commercial carriers.

GAINING INVENTORY MANAGER (GIM). The Inventory Manager (IM) responsible for assuming wholesale material management functions.

GENERAL AGENCY AGREEMENT (GAA). Pertains to Government-owned ships operated under cost plus fixed-fee contracts by commercial ocean carriers acting as general agents for the Maritime Administration, U.S. Department of Commerce, with whom the MSC has entered into agreements for the exclusive use of such ships.

GOVERNMENT-FURNISHED MATERIAL (GFM). Material in the possession of, or acquired by, the Government and later delivered or otherwise made available to a contractor. GFM is property that may be incorporated into or attached to a deliverable end item or that may be consumed or expended in performing a contract. GFM includes assemblies, components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use in performing a contract.

GRANT AID (MILITARY ASSISTANCE PROGRAM). Military assistance rendered under the authority of the Foreign Assistance Act of 1961, as amended, which provides defense articles and services to recipients on a nonreimbursable (grant) basis.

***HANDGUNS*. Handguns are divided into one of two major groups dependingupon the location of the chamber. Revolvers have a revolving chamber; pistols have a chamber integral with the barrel. Some handguns include single-shot pistols, revolvers, semi-automatic pistols, and fully automatic, or machine pistols.**

HAZARDOUS MATERIAL (DANGEROUS GOODS). A substance of material that has been determined to be capable of posing an unreasonable risk to health, safety, and property when transported. This material includes explosives, gasses (compressed, liquefied, or dissolved under pressure), flammable liquids, flammable solids or substances, oxidizing substances, poisonous and infectious substances, radioactive substances, corrosives, and miscellaneous dangerous substances presenting real or potential hazards to life and property. Procedures for handling this material are specified in applicable publications of the Department of Transportation, the Interstate Commerce Commission, Federal Aviation Agency, U.S. Coast Guard, U.S. Agriculture Department, U.S. Public Health Service, Intergovernmental Maritime Consultative Organization, the International Civil Aviation Organization, and in federal or military documents. Dangerous goods is the term applied to hazardous material in international movement.

IMPLEMENTATION CONVENTION. The composite guideline for using the DLMS for a given application. Conventions define the structure and content of a transaction and map application data requirements into a specific transaction set (TS) for implementation in the DLMS.

INCORRECT ITEM. An item received in lieu of the item requisitioned. This is an erroneous item shipped due to shipper error and not an intended interchangeable/substitute item. See also, WRONG ITEM.

INTEGRATED MATERIAL MANAGER (IMM). Any DoD activity or agency that has been assigned wholesale material management responsibility for the Department of Defense and participating Federal Agencies. Integrated wholesale material management responsibilities include requirements determination, procurement, distribution, overhaul, and repair of reparable material, and disposal of material. (See DoD 4140.1-R.)

INTERCHANGEABLE/SUBSTITUABLE ITEM. An item that possesses such functional and physical characteristics as to be equivalent in performance, reliability, and maintainability, to another item of similar or identical purposes, and is capable of being exchanged for the other item without selection for fit or performance, and without alteration of the item itself or of adjoining items, except for adjustment.. (See DoD 4140.1-R.)

INTERFUND BILL. A bill processed under the interfund billing system. These bills are not only "bills" but notices to the billed office that its funds have been disbursed and the bill "paid."

INTERFUND BILLING SYSTEM. An automated billing fund transfer system.

INTERMEDIATE DEFENSE FUEL SUPPORT POINT (DFSP). Bulk fuel storage facility where product is stored for subsequent issue to multiple end customers.

INTERNATIONAL LOGISTICS CONTROL OFFICE (ILCO). The central U.S. Military Service control point in CONUS that monitors requisitions and related transactions for FMS and Military Sales and Military Assistance Program/Grant Aid (MAP/GA).

INTER-SERVICE SUPPORT. Action by one Military Service, or element thereof, to provide logistic and/or administrative support to another Military Service, or element thereof. Such action can be recurring or nonrecurring in character, on an installation, area, or worldwide basis.

INTO-PLANE. A supply technique whereby the U.S. Government contracts with a contractor to refuel military aircraft at commercial airports. The contractor supplies the fuel, lube oil, and refueling facilities (storage tank, vehicle, and equipment). The use of Government refueling trucks, equipment, bladders, etc., is not authorized unless so stipulated in the into-plane contract. (**NOTE**: Commercial aircraft under a Government charter may be refueled at into-plane locations; and occasionally, into-plane locations may be at a military base.)

INTRA-SERVICE SUPPLY. Exchange of material, inventory control documentation, and other management data within or between the distribution systems of a single Service or Agency.

INTRA-THEATER. Movement of material from a point in a theater to another point within the same theater.

INVENTORY. Material, titled to the U.S. Government, held for sale or issue, held for repair, or held pending transfer to disposal.

INVENTORY CONTROL POINT (ICP). An organizational unit or activity within a DoD supply system that is assigned the primary responsibility for the material management of a group of items either for a particular Service or for the Defense Department as a whole. Material inventory management includes cataloging direction, requirements computation, procurement direction, distribution management, disposal direction, and, generally, rebuild direction. (Source: JCS Publication 1-02.)

INVENTORY LOT/SEGMENT. A sub grouping of the total items in storage for the purpose of physical inventory counting or location audit. The lot/segment is generally

by Federal supply classification (FSC), warehousing, picking station, or some form of commodity grouping.

INVENTORY, SCHEDULED. A physical inventory that is to be conducted on a group of items within a specified period of time, according to an established plan. There are two types of scheduled inventories:

INVENTORY, COMPLETE. An inventory of all conditions of all stock numbers within specified categories.

INVENTORY, SAMPLE. A sample of items selected from an inventory lot in such a manner that each item in the lot has an equal opportunity of being included in the sample

INVENTORY, UNSCHEDULED. A physical inventory which is to be conducted on a specific item as a result of some unscheduled inventory requirement such as an inventory manager or locally initiated request, material release denial, location survey or location reconciliation request. There are two types of unscheduled inventories:

INVENTORY, SPECIAL. A physical inventory of a specific item(s) as a result of a special requirement generated by the location audit program, preprocurement, or any other reason deemed appropriate by the item manager, Accountable Property Officer (APO), or the APO designated representative, or the storage activity.

INVENTORY, SPOT. A physical inventory required to be accomplished as a result of a total or partial material denial.

ISSUING AGENCY CODE*.* The IAC represents the registration authority that issued the enterprise identifier. The value for the IAC is assigned by the Registration Authority for ISO/IEC 15459-2, Registration Procedures. The current Registration Authority of ISO/IEC 15459-2 is NEN – Nederlands Normalisatie-instituut.

ITEM*.* An item is a single hardware article or a unit formed by a grouping of subassemblies, components or constituent parts. In the DoD, an item is any article produced, stocked, stored, issued, or used; or any product, including systems, material, parts, subassemblies, sets and accessories.

ITEM DEFICIENCY*.* See SF 368, Product Quality Deficiency Report.

JOINT COLLABORATION AGREEMENT. A collaborative and coordinated consensus between DLA and customer activities that cites mutual responsibilities and expectations of both parties in the process of demand data exchange (DDE).

LATENT DEFECTS. This definition is provided for supply discrepancy reporting of product quality deficiencies against Security Assistance shipments. A deficiency in an

article that effects item operability and is not normally detected by examination or routine test, but which was present at the time of manufacture.

LATERAL REDISTRIBUTION. The release and shipment of material from a post, camp, station, or base to another similar activity to satisfy a specific demand.

LESS THAN RELEASE UNIT (LRU). A shipment unit that can be shipped without requiring an export release from the appropriate authority.

LETTER OF OFFER AND ACCEPTANCE. The U.S. document by which the U.S. Government offers to sell defense articles and defense services to a foreign government or international organization. The LOA lists the items and/or services, estimated costs, the terms and conditions of sale, and provides for the foreign government's signature to indicate acceptance.

LOCATION RECONCILIATION DISCREPANCIES. Location reconciliation discrepancies are classified into one of four categories as listed below:

a. Owner/Manager Record. Shows balance for storage activity; no location reconciliation transaction received (Type I Location Reconciliation Error).

b. Location Reconciliation Transaction. Received from storage activity; no corresponding owner/manager record (Type II Location Reconciliation Error).

c. Mismatch of Data Elements. Mismatch of any of the following (Type III Location Reconciliation Error):

1). Unit of issue.
2). Ownership/manager identifier.
3). Controlled inventory item code (see DoD 4100.39-M, Volume 10).
4). Type of pack code (subsistence).
5). Shelf-life code.
6). Date packed/expiration date (subsistence only).

d. Quantity Discrepancy (Type IV Location Reconciliation Error).

LOCATION SURVEY DISCREPANCIES. Location survey discrepancies are classified into one of three categories as listed below:

a. 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).

b. 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).

c. 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):

1). Unit of issue
2). Supply condition code.
3). Controlled inventory item code (see DoD 4100.39-M, Volume 10). Verification of the code must consist of ensuring that assets are stored in areas providing the degree of security commensurate with the assigned code.
4). Type of pack code.
5). Lot number or unique item identifier (for ammunition only).
6). Completeness and accuracy of magazine data card (for ammunition only).

LOGISTICS ASSET SUPPORT ESTIMATE (LASE). Automated procedure for authorized DoD activities to obtain a general estimate of an IMM's ability to provide supply support for contingency or operational plans and programs. The LASE program is not intended for routine supply status inquiries; rather, this program is to obtain a general estimate of the type of supply support that might be anticipated when a specific requisition is not pertinent to the inquiry.

LOGISTICS REASSIGNMENT (LR). The transfer of IMM responsibilities from one manager to another. (See DoD 4140.1-R.)

LOOP. A group of semantically related segments. An example is the N1 loop that contains name and address information.

LOSING INVENTORY MANAGER (LIM). The Inventory Manager responsible for relinquishing wholesale material management functions.

LOT/SEGMENT (INVENTORY). A sub-grouping of the total items in storage for the purpose of physical inventory counting or location audit. The lot/segment is generally by federal supply class, warehousing, picking station, or some form of commodity grouping.

LOWEST OVER ALL COST. The aggregate of shipment costs known or reasonably estimated; i.e., transportation rate(s), accessorial, drayage, storage, in transit, packing and crating, unpacking, and port handling costs.

MAINTENANCE (MATERIAL). All action taken to retain material in a serviceable condition or to restore it to serviceability. It includes inspection, testing, servicing, classification as to serviceability, repair, rebuilding, and reclamation. (Source: JCS

Publication 1-02.). Maintenance, used generically in this manual, also includes evaluation, assembly, disassembly, conversion, and modification.

MAJOR DISASTER. Any disaster as a result of enemy action, insurrection, civil disturbance, flood, fire, hurricane, tornado, earthquake, or other catastrophe which, in the determination of the President, is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government under Public Law 606, 91st Congress (42 United States Code 58) to supplement the efforts and available resources of State and local governments in alleviating the damage, hardship, or suffering caused thereby.

MAJOR INVENTORY VARIANCE. Total dollar value of the item overage or shortage for the stock number exceeds $5,000 or a variance of any value for controlled items.

MANAGEMENT CONTROL ACTIVITY (MCA). A DoD Component, DoD activity, or non-DoD activity, if participating by separate agreement (e.g., the Coast Guard), designated to receive, screen, and validate Military Service-initiated and contractor-initiated requisitions for GFM from the wholesale supply system to support DoD contracts or requirements. (See DoD 4140.1-R)

MAPPING. A process for diagramming what electronic data are to be exchanged, how the data are to be used, and what internal application system requires the data.

MATERIAL. All items (including ships, tanks, self-propelled weapons, aircraft, etc., and related spares, repair parts, and support equipment, but excluding real property, installations, and utilities) necessary to equip, operate, maintain, and support military activities without distinction as to its application for administrative or combat purposes. (See Joint Publication 1-02.) Material is either serviceable (i.e., in an issuable condition) or inserviceable (i.e., in need of repair to make it serviceable.) (See DoD 4140.1-R.)

MATERIAL ACCOUNTABILITY. The act of safeguarding, answering for, and exercising proper quantitative and physical controls over DoD material, supplies, and equipment in the care and custody of DoD activities.

MATERIAL CONDITION. A classification of material that reflects its readiness for issue and use or to identify the action underway to change the status of material. (See DoD 4140.1-R)

MATERIAL DENIAL. A transaction notifying the IMM that there is insufficient material in storage to satisfy, in total or in part, the quantity directed for issue and specifying the quantity that may not be issued. (See DoD 4140.1-R.)

MATERIAL OBLIGATION. The unfilled portion of a requisition (for a stocked or non-stocked item) that is not immediately available for issue but is recorded as a commitment for future issue, either by direct vendor delivery or backordered from stock.

MATERIAL RECEIPT ACKNOWLEDGEMENT (MRA). A computer processed transaction or manual form used to advise that material has been received and posted and/or to indicate that a discrepancy affects the receipt posting/acknowledgement process.

MATERIAL RELEASE CONFIRMATION (MRC). A notification from a shipping or storage activity advising the originator of a material release order of the positive action taken on the order.

MATERIAL RELEASE DENIAL (MRD). A notification from a storage site advising the originator of a Material Release Order of negative (warehouse refusal) action on the order.

MATERIAL RELEASE ORDER (MRO). An order issued by an accountable supply system manager (usually an ICP or accountable depot or stock point) directing a non-accountable activity (usually a storage site or material drop point) within the same supply distribution complex to release and ship material. (See Joint Publication 1-02.) Also used to direct redistribution and shipment of material from a post, camp, station, or base to another similar organization to satisfy a specific demand.

METADATA. Information describing the characteristics of data; data or information about data; and descriptive information about an organization's data, data activities, systems, and holdings.

MILITARY ASSISTANCE PROGRAM ADDRESS CODE (MAPAC). A code constructed by the ILCO for Security Assistance Program shipments. MAPAC is used to identify the consignee in transportation documents and to obtain clear-text address and other shipment information from the Military Assistance Program Address Directory (MAPAD).

MILITARY ASSISTANCE PROGRAM/GRANT AID (MAP/GA). Military assistance rendered under the authority of the Foreign Assistance Act of 1961, as amended, which provides defense articles and services to recipients on a nonreimbursable (grant) basis.

MILITARY ASSISTANCE SERVICE-FUNDED PROGRAM. Programs which, by their nature, are Military Assistance Program/Grant Aid, except that the funding source is a DoD appropriation.

MISDIRECTED MATERIAL. Material which is improperly addressed and/or shipped to the wrong destination.

MISIDENTIFIED ITEM. An item for which the label on the container is different than the item in the container, or tag attached to the item. See also, WRONG ITEM.

MUTILATION. The act of making material unfit for its intended purpose by cutting, tearing, scratching, crushing, breaking, punching, shearing, burning, neutralizing, etc.

NATIONAL ITEM IDENTIFICATION NUMBER (NIIN). The last 9-digits of the National Stock Number (NSN). NIIN consists of a 2-digit National Codification Bureau number designating the central cataloging office (whether North Atlantic Treaty Organization or other friendly country) that assigned the number and a 7-digit (xxx-xxxx) nonsignificant number.

NONINTERFUND BILL. A bill that requires payment by a method other than the interfund billing system; e.g., check payment. An example of this bill is one prepared on an SF 1080, Voucher For Transfers Between Appropriations and/or Funds.

NONTRACEABLE SHIPMENT. A shipment by a mode or method wherein an audit trail between the various shipping elements and the consignee is not available or signed delivery receipts are not required from the consignee. The shipping transportation office normally makes the nontraceability determination.

NOT MISSION CAPABLE SUPPLY (NMCS). Material condition indicating that systems and equipment are not capable of performing any of their assigned missions because of maintenance work stoppage due to supply shortage.. (See Joint Publication 1-02.)

NOTICE OF AVAILABILITY (NOA). The method by which the U.S. shipping installation will provide advance notification to the designated FMS country representative (CR) or freight forwarder (FF) that the material is ready for shipment and, where appropriate, that the shipment requires an export release under the provisions of AR 55-355, et al.

OFFER OF MATERIAL REPORT (OMR). A report under the Defense Logistics Management System (DLMS) that allows inventory control points and integrated material managers to use a DLMS transaction to provide disposition instructions or to inquire or respond as to the status of material reported as excess or available for redistribution under the DLMS Material Returns Program.

OFFER OR RELEASE OPTIONS. Methods by which countries participating in the FMS program advise supply sources whether material shipments should be released without prior notice to the CR or FF. The type of offer or release option will be determined as a result of negotiations between the CRs and the U.S. Military Service at the time the case agreement is reached.

ORGANIC MAINTENANCE. Maintenance performed by a military department under military control, utilizing Government-owned or controlled facilities, tools, test

equipment, spares, repair parts and military or civilian personnel. Depot maintenance support by one Service for another is considered organic within DoD. (Source: OPNAVINST 4790.14A et al.).

OVERAGE. Item overage is when the quantity received is greater than that ordered or shown on shipping document. This type of overage is not evident on delivery but is discovered when the article is opened and the contents are checked. Transportation overages reportable under Joint Publication AR 55-38, et al., are overages of boxes, packages, or freight (packaged or loose) found to be in excess of the quantity or articles recorded on the bill of lading or transportation document covering the shipment. *NOTE*: Overage on SEAVAN/container that is source-loaded and moved under a shipper's load and count, and arrives at destination with original seal (s) intact, is a supply discrepancy.

OWNER. The activity holding title to the tangible personal property.

PACKAGING. A generic term that includes the processes of preserving, packing, marking, and unitization as defined below:

MARKING. Application of numbers, letters, labels, tags, symbols, or colors for handling or identification during shipment and storage.

PACKING. Assembly of items into a unit, intermediate, or exterior pack with necessary blocking, bracing, cushioning, weatherproofing, reinforcing, and marking.

PRESERVATION. Application of protective measures to prevent deterioration; includes cleaning, drying, preservation materials, barrier materials, cushioning, and container, when necessary.

UNITIZATION. Assembly of packs of one or more line items of supply into a single load in such a manner that the load can be handled as a unit through the distribution system. Unitization (unitized loads/unit loads) encompasses consolidation in a container, placement on a pallet or load base, or securely binding together.

PACKAGING CONTROL POINT. An activity designated by a Military Service which monitors packaging discrepancies.

PACKAGING DISCREPANCY. Any unsatisfactory condition due to improper or inadequate packaging (including marking, packing, preservation, or unitization) and which causes the item, shipment, or package to be vulnerable to loss, delay, or damage, or unnecessary expense to the U.S. Government, as in excessive packaging.

PACKING, HANDLING, AND CRATING COSTS. Costs incurred for labor, material, or services in preparing material for shipment from or between storage and distribution points.

PAYBACK. When the SMCA issues material from a location where the requesting service owns no material, the owning service is compensated for its loss of material by a like item and quantity at a location where the requesting service owns some material. The payback of the material is accomplished by ownership gain/loss transactions.

PERSONAL PROPERTY. Property of any kind or any interest therein, except real property. Tangible personal property includes military equipment, plant equipment, other equipment (general property, plant and equipment), reparables and consumables. For the purpose of this issuance, personal property discrepancies identify personal property as household goods, unaccompanied baggage (personal effects), house trailers (mobile homes), houseboats, railcars, and privately owned vehicles. (reporting applicable to packaging discrepancies only not applicable to SA (see Joint Travel Regulation, Volume 1).

PHYSICAL INVENTORY CUTOFF DATE. A date established for striking the property accountability record balance. This date serves as the reference point for considering the relationship between preinventory/post inventory transactions and the physical count quantity to determine if the count is in agreement with the inventory record balance.

PHYSICAL INVENTORY INFLOAT CONTROL DATE. Established for initiating controls on all in-process transactions and materials that could affect the outcome of the inventory.

PLANT EQUIPMENT. Personal property of a capital nature, consisting of equipment, furniture, vehicles, machine tools, test equipment, and accessory and auxiliary items, but excluding special tooling and special test equipment, used or capable of use in the manufacture of supplies or for any administrative or general plant purpose.

PORT OF DEBARKATION (POD). The geographic point at which cargo or personnel are discharged. This may be a seaport or aerial port of debarkation; for unit requirements; it may or may not coincide with the destination. (See Joint Publication 1-02.)

PORT OF EMBARKATION (POE). The geographical point in a routing scheme from which cargo or personnel depart. This may be a seaport or aerial port from which personnel and equipment flow to a port of debarkation; for unit and non-unit requirements, it may or may not coincide with the origin. (See Joint Publication 1-02.)

POSITIONING COSTS. Costs incurred in prepositioning items in the supply distribution system of a Military Department at locations OCONUS in anticipation of support to other authorized customers.

POST-COUNT VALIDATION. A comparison of physical count with recorded balances or other count with consideration of transactions that have recently occurred. The purpose of post-count validation is to determine the validity of the count. Post-count validation research ends when the accuracy of the count has been verified or when any necessary recounts have been taken.

POST INVENTORY TRANSACTION. Any transaction, causing an increase or decrease to the property accountability record balance, dated after the established physical inventory cutoff date.

POST-POST TRANSACTION. The posting of a transaction to add to or subtract from the accountable stock record balance subsequent to physical issue or storage of a stocked item.

PRE-ADJUSTMENT RESEARCH. A review of potential discrepancies that involves consideration of recent transactions and verification of catalog data. The purpose of pre-adjustment research is to determine the correct balance. Pre-adjustment research ends when the balance has been verified or the adjustment quantity is determined.

PREINVENTORY PLANNING. Preinventory planning is conducted prior to the physical inventory cutoff date to reduce the potential for inventory inaccuracies through:

Actions to ensure location integrity by resolving such situations as unbinned/loose material; questionable identity of material in location; and multiple conditions, shelf-life (including date of pack/date of expiration), and/or material lots stored in a single location.

Document cleanup to ensure to the extent possible that adjustments and transaction reversals are posted to the record, in-process receipts are stored in location, and related transactions are transmitted to the IMM prior to the established physical inventory cutoff date.

PREINVENTORY TRANSACTION. Any transaction, causing an increase or decrease to the property accountability record balance, dated prior to the established physical inventory cutoff date.

PREMIUM TRANSPORTATION. 1. Transportation by other than conventional rail, motor, or water freight, and parcel post service; e.g., commercial air service, exclusive use of the vehicle. 2. Those transportation services not included in the standard or base price of the item or service.

PREPOST TRANSACTION. The posting of a transaction to add to or subtract from the accountable stock record prior to physical issue or storage of a stocked item.

PRE-POSITIONED WAR RESERVE (PWR). That portion of the war reserve material requirement that the current Secretary of Defense guidance dictates be reserved and

positioned at or near the point of planned use or issue to the user prior to hostilities, to reduce reaction time, and to assure timely support of a specific force or project until replenishment can be effected. (See Joint Publication 1-02.)

PRINCIPAL (DMISA). The Military Service(s) or other Federal Department or Agency(s) [owner(s)] receiving depot maintenance support from the Agent. (Source: OPNAVINST 4790.14A et al.)

PRINCIPAL ITEMS. An end item or a replacement assembly of such importance to operational readiness that management techniques require centralized individual item management throughout the supply system to include items stocked at depot level, base level, and using item level. (See DoD 4140.1-R.)

PRIORITY DESIGNATOR (PD). A 2-position numeric code (01 – 15) that identifies the relative priority of the competing requisitions. As an integral of the UMMIPS, it is used by the material management systems to allocate available stocks among competing requisitions and is based on the combination of the F/AD assigned to the requisitioning activity and the urgency of need as prescribed in Volume 2, Supply.
(See DoD 4140.1-R.)

PROCESS REVIEW COMMITTEE (PRC). A component body that processes and recommends the disposition of Defense Logistics Management System change requests. See Chapter 1 for further information.

PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER (PIIN). Identifies contractual documents. (See DFARS subparagraph 204.70.)

PRODUCT QUALITY (ITEM) DEFICIENCY. A defect or nonconforming condition which limits or prohibits the product from fulfilling its intended purpose. Included are deficiencies in design, specification, material, manufacturing, and workmanship.

PROGRESS PAYMENT. Amounts paid for goods or service, not yet delivered, to finance that portion on which performance has been completed.

PROOF OF DELIVERY. A legible data and signature of the designated receiver listed on the delivery manifest, certifying the item was received. Proof of delivery must also reflect the number of cases/containers received to agree with the number shown on supply documentation and actual weight received within weight-range variation. The proof of delivery establishes transfer of custody and liability to the receiver (Defense Transportation Regulation definition). In the case of nonreceipt of SDRs, the DoD ICP/IMM/shipping depot and the General Services Administration are required only to provide evidence of shipment.

PROPERTY ACCOUNTABILITY. The assignment of duties and responsibilities to an individual or organization that mandates jurisdiction, security, and answerability over public property. (See DoD 4140.1-R.)

PROPERTY ACCOUNTABILITY RECORD. The official record of tangible personal property, including inventory, owned by the Department of Defense that is maintained to identify the quantities of items on-hand, unit prices, locations, physical condition, receipt and issue records, authorized stock numbers, item descriptions, and other such information necessary to properly account for material and exercise other inventory management responsibilities. (See DoD 4140.1-R.)

PROPERTY RECORD. A formal record of property and property transactions in terms of quantity and/or cost, generally by item. An official record of Government property required to be maintained. Also called property account. (See Joint Publication 1-02.)

PROVISIONING ORDER. A written notification to a contractor to deliver spare repair parts against a line item already contained in a contractual instrument. (Both delivery date and prices may be estimated on the order subject to later definitization on a supplemental agreement.)

PURCHASING OFFICE (PO). The office that awards or executes a contract for supplies or services.

QUALIFIER. A data element that identifies or defines a related element, set of elements, or a segment. The qualifier contains a code taken from a list of approved codes.

RADIO FREQUENCY IDENTIFICATION. RFID systems consist of an antenna, a transceiver with a decoder, and a transponder, typically called an RFID tag. Depending on the type of tag used, the RFID tag may contain a simple “license plate” uniquely identifying the specific tag, or it may be programmed with application-specific information. The antenna acts as a link between the tag and the transceiver. Often, the antenna is packaged with the transceiver and decoder to become a reader, also known as an interrogator. Interrogators can be handheld or fixed-mount devices. The reader decodes the data and passes that information to a computer for processing. The information can be used for a wide variety of inventory management or other identification applications through a central database.

Passive RFID tags have no on-board battery and they provide short communication ranges (1-5 meters). These tags have a low data bandwidth and cannot initiate communications, they must be read.

Semi-passive RFID tags have an internal power source for tag circuitry which allows the tag 8 to complete functions such as monitoring of environmental conditions and which may extend the tag signal range.

Active RFID tags allow extremely low-level RF signals to be received by the tag and the tag (powered by its internal source) can respond by generating a *high-level* signal back to the reader/interrogator. Active RFID tags can hold large amounts of data, are continuously powered, and are normally used when a longer tag read distance is desired.

RECLAMATION ACTIVITY. An activity that performs the process of reclaiming required serviceable and economically repairable components and material from excess or surplus property for return to the proper supply activity.

RECONCILIATION, PHYSICAL INVENTORY. To obtain agreement between the physical count and record balance by attempting to account for all transactions representing infloat documents.

RECONCILIATION, SMALL ARMS, & LIGHT WEAPONS. The process of matching records between the activity(s) having physical custody and/or accountably of small arms and light weapons and the Component Registry for the purpose of ensuring that the records are in agreement and/or adjusting the difference between the records so that the records agree.

RECORD RECONCILIATION **PROGRAM.** ***The record reconciliation program c***onsists of actions required to assure compatibility between the assets in storage and the locator records and between the locator records and the accountable records. ***Record reconciliation*** programs may include quantity. This program is accomplished in two phases:

LOCATION RECONCILIATION. A match between valid storage activity records and the accountable records, in order to identify and correct situations where items are in physical storage but not on record, on record but not in storage, or where common elements of data, including quantity, do not match. Research of mismatches, including special inventories when required, results in corrective action.

LOCATION SURVEY. A physical verification, other than actual count, between actual assets and recorded location data to ensure that all assets are properly recorded as to location, identity, condition, and unit of issue.

RELEASE. A title given to annual updates of standards.

REPAIR AND RETURN. Consignment, without change in ownership, of reparable material from an owning activity to a Government, commercial, or industrial maintenance activity for repair and shipment directly back to the owning activity. The owning activity is responsible for negotiating maintenance agreements and preparation of applicable turn-in documents. The activity having custody of the material is

responsible for maintaining the property accountability record (material accountability) prior to an assets induction into maintenance and following its return from maintenance.

REPORT OF DISCREPANCY. See Supply Discrepancy Report (SDR).

REPORTING ACTIVITY

MATERIAL RECEIPT ACKNOWLEDGEMENT (MRA). Within the context of MRA, the reporting activity for U.S. Forces is the activity identified by the ship-to DoDAAC designated in the requisition. The reporting activity is normally the requiring activity or unit that receives the material and posts it to a record such as a retail stock record, stock record amount property account, etc. For security assistance shipments, the responsible Military Service ILCO will serve as the reporting activity.

MATERIAL RETURNS PROGRAM (MRP). Within the context of Material Returns Reporting, the reporting activity is a Service or Agency organization that has reported material to an ICP/IMM.

REQUIRED AVAILABILITY DATE (RAD). A date specifying when end items and concurrent spare parts are committed to be available for transportation to a Foreign Military Sales, Military Assistance Program/Grant Aid, or Security Assistant Program recipient.

REQUIRED DELIVERY DATE (RDD). A date specifying when material is actually required to be delivered to the requisitioner and is always earlier or later than the computed standard delivery date. A required delivery date cannot exactly equal a computed standard delivery date.

REQUIRED DELIVERY PERIOD (RDP). A period of time specifying the earliest and the latest acceptable date material can be delivered. (Applies to conventional ammunition requisitions only.)

REQUISITION. An order for material initiated by an established, authorized organization (i.e., a DoD or non-DoD organization that has been assigned a DoD Activity Address Code) that is transmitted either electronically, by mail, or telephoned to a supply source within the Department of Defense or external to the Department of Defense (the General Services Administration (GSA), the Federal Aviation Administration (FAA), or other organizations assigned management responsibility for categories of material), according to procedures specified in Volume 2, Supply.

RESEARCH, PHYSICAL INVENTORY. An investigation of potential or actual discrepancies between physical count and recorded balances. The purpose of research is to determine the correct balance and determine the cause of discrepancies. There are three types of research:

CAUSATIVE RESEARCH. An investigation of discrepancies; i.e., gains and losses, consisting of, as a minimum, a complete review of all transactions to include supporting documentation, catalog change actions, shipment discrepancies, and unposted or rejected documentation occurring since the last completed inventory. The purpose of causative research is to identify, analyze, and evaluate the cause of inventory discrepancies with the intention of eliminating repetitive errors. Causative research ends when the cause of the discrepancy has been discovered or when, after review of the transactions, no conclusive findings are possible.

POSTCOUNT VALIDATION. A comparison of physical count with recorded balances or another count, with consideration of transactions that have recently occurred. The purpose of postcount validation is to determine the validity of the count. Postcount validation research ends when the accuracy of the count has been verified or when any necessary recounts have been taken.

PREADJUSTMENT RESEARCH. A review of potential discrepancies that involves consideration of recent transactions and verification of catalog data. The purpose of preadjustment research is to determine the correct balance. Preadjustment research ends when the balance has been verified or the adjustment quantity determined.

RESPONSIBLE ACTIVITY. Any activity required to take action as a result of a Supply Discrepancy Report (SDR); e.g., ICP, contract administration office, packaging control point, or a shipping activity of shipments from an RDO.

RETAIL STOCK. Stock held in the custody or on the record of a supply organization below the wholesale level. (See DoD 4140.1-R.)

RETROGRADE CARGO. A movement of material opposite of the normal flow, e.g., cargo returned from OCONUS to CONUS.

SCRAP. Material that has no value except for its basic material content.

SECURITY ASSISTANCE ORGANIZATION (SAO). All Department of Defense elements located in a foreign country with assigned responsibilities for carrying out security assistance management functions. It includes military assistance advisory groups, military missions and groups, offices of defense and military cooperation, liaison groups, and defense attaché personnel designated to perform security assistance functions.

SEGMENT. Consists of locally related data elements in a defined sequence. A data segment consists of a segment identifier, one or more data elements each preceded by an element separator, and ends with a segment terminator. (See Volume 1, Chapter 9, for additional descriptive information.)

SHELF-LIFE. The length of time during which an item of supply, subject to deterioration or having a limited life which cannot be renewed, is considered serviceable while stored. (See Joint Publication 1-02.)

SHELF-LIFE ITEM. An item of supply possessing deteriorative or unstable characteristics to the degree that a storage time period must be assigned to assure that it will perform satisfactorily in service.

SHIPMENT. Movement of material from point of origin to destination by any mode.

SHIPMENT STATUS. Informs activities of the actual shipping dates (such as the date released to the carrier), the release criteria for shipments, or shipment delay notifications. Also provides for an interface with transportation and for shipment tracing by activities under DoD 4500.9-M.

SHIPMENT UNIT. One or more items assembled into one unit that becomes the basic entity for control throughout the transportation cycle.

SHIPPER. Any organization, service, or agency (including the contract administration or purchasing office for vendors) that originates/delivers material to a carrier for movement. The shipper may be a Military organization or activity, other Government agency, or a manufacturer or vendor. The functions performed include planning, assembling, consolidating, documenting, and arranging for movement of material.
SHIPPING ACTIVITY. A Service/Agency activity that originates shipments and plans, assembles, consolidates, documents, and arranges for movement of material.

SHIPPING (ITEM) DISCREPANCY. Any variation in quantity or condition of material received from that shown on the covering authorized shipping documents, e.g., DD Form 1348-1A, Issue Release/Receipt Document, or purchase order. Shipping discrepancies include incorrect and misdirected material, receipt of canceled requirements, improper, inadequate technical or supply documentation, or other discrepancies as enumerated in , Volume 2, Supply, and not the result of a transportation error or product quality deficiency.

SHORTAGE. Item shortage is when the quantity received is less than the quantity ordered or shown on the shipping document. The shortage is not evident on delivery but is discovered when the container is opened and the contents are checked. Transportation shortages reportable under Joint Regulation AR 55-38, et at., are shortages of boxes, packages, or loose articles of freight in a SEAVAN/Military Van (MILVAN), roll on/roll off, or a Container Express (CONEX) found to be less than the quantity of freight as recorded on the applicable bill of lading. *NOTE*: Shortage on SEAVAN/container that is source loaded and moves under shipper's load and count, and arrives at destination with original seal(s) intact, is considered a supply discrepancy.

SHRINKAGE. A reduction in size, weight, or substance.

SINGLE MANAGER FOR CONVENTIONAL AMMUNITION (SMCA). The responsibility assigned to the Secretary of the Army by the Secretary of Defense for the procurement, production, supply, and maintenance/renovation of conventional ammunition within the Department of Defense. Specific responsibilities, functions, authority, and relationships are contained in Department of Defense Directive (DoDD) 5160.65.

SMALL ARMS AND LIGHT WEAPONS. For the purpose of DoD small arms and light weapons reporting, small arms and light weapons are defined as man-portable weapons made or modified to military specifications for use as lethal instruments of war that expel a shot, bullet or projectile by action of an explosive. Small Arms are broadly categorized as those weapons intended for use by individual members of armed or security forces. They include handguns; rifles and carbines; sub-machine guns; and light machine guns. Light weapons are broadly categorized as those weapons designed for use by two or three members of armed or security forces serving as a crew, although some may be used by a single person. They include heavy machine guns; hand-held under-barrel and mounted grenade launchers; portable anti-aircraft guns; portable anti-tank guns; recoilless rifles; man-portable launchers of missile and rocket systems; and mortars."

SMALL ARM AND LIGHT WEAPONS SERIAL NUMBER. The total series of characters appearing on the firing component part of a small arm ***or light weapon***.

SMALL ARMS AND LIGHT WEAPONS TRANSACTION REPORTING. Reporting of individual transactions affecting the small arms ***and light weapons*** serial numbers' status within any Component registry.

SPECIAL PROGRAM REQUIREMENTS (SPR). Automated procedure to forecast select future nonrepetitive requirements that cannot be forecast by the ICP based on demand data and which have the greatest probability of resulting in the eventual submission of requisitions.

SPLIT SHIPMENT UNIT. A whole or partial shipment unit separated at a transshipment point into two or more increments with each increment identified and documented separately.

STANDARD DELIVERY DATE (SDD). A date computed by adding the individual Uniform Material Movement and Issue Priority System (UMMIPS) time standards to the requisition date.

STANDARDS. The technical documentation approved for use in the DLMS; specifically, transaction sets, segments, data elements, and code sets. Standards provide the framework for structuring each DLMS transaction.

STATUS RECIPIENT. Includes, but not limited to, requisitioners, International Logistics Control Offices/monitoring activities (Security Assistance and Foreign Military Sales (FMS)), designated MAPAD TAC 4 country designees (FMS), and MAPAD TAC 3 country/in-country security assistance activities status designees (MAP/GA customers).

STOCK READINESS. A DOD program involving the tasks needed to assure that the proper condition of material in storage is known and reported, that the condition is properly recorded, and that the material is properly provided with adequate packaging protection to prevent any degradation to lower condition codes. Stock Readiness concerns itself with the in-storage inspection, minor repair, testing, exercising of material, and packaging aspects associated with these efforts. Stock Readiness includes the elements of COSIS plus the functions related to the receipt, identification, classification, and packaging of material during the receipt process. Stock Readiness excludes those actions that fall under the area of general warehouse care and depot maintenance, including the use of proper storage aids, identification of material/storage locations, and rewarehousing actions.

STOCK RECORD ACCOUNT. A basic record showing by item the receipt and issuance of property, the balances on hand, and such other identifying or stock control data as may be required by proper authority.

STORAGE ACTIVITY. The organizational element of a distribution system which is assigned responsibility for the physical handling of material incident to its check-in and inspection (receipt), its keeping and surveillance in a warehouse, shed, tank, or open area (storage), and its selection and shipment (issue). (See DoD 4140.1-R.)

STORAGE LOCATION. The physical location within a storage activity where material is stored.

SUBSISTENCE TYPE OF PACK CODE. Use only in subsistence requisitions to indicate the required level of pack to be applied to shipments of perishable and nonperishable subsistence material.

SUBSTITUTABLE ITEM. An item possessing functional and physical characteristics that make it capable of being exchanged for another only under specified conditions or for particular applications and without alteration of the items themselves or of adjoining items. That term is synonymous with the phrase “one-way interchangeability,” such as item B shall be interchanged in all applications for item A, but item A shall not be used in all applications requiring item B. (See DoD 4140.1-R.).

SUMMARY BILLING RECORD (SBR). A record, used in the interfund billing system, which summarizes the values of detail billing records and provides other information needed to support transfers of funds between appropriations.

SUPPLY DISCREPANCY. Errors reportable under Volume 2, Supply; i.e., any variation in goods received from data shown on the covering shipping documents (General Services Administration or Single Line Item Release/Receipt Document; Issue Release/Receipt Document (IRRD); Requisition and Invoice/Shipping Document; authorized procurement delivery document or vendor's packing list; or other authorized shipping document) which is not the result of a transportation discrepancy or product quality deficiency. Supply discrepancies encompass variations in condition or quantity including damaged or lost USPS shipments (except lost registered, insured, or certified), item shortage or overage, incorrect and misdirected material, receipt of canceled requirements, improper or inadequate technical data or supply documentation, and any unsatisfactory condition due to improper packaging which causes the material to be vulnerable to loss, delay, or damage or which imposes unnecessary expense to the U.S. Government; e.g., excessive packaging.

SUPPLY DISCREPANCY REPORT (SDR). An electronic transmission or manual form used to report a supply discrepancy. Other types of discrepancies may be reported via SDR only as specifically authorized under Volume 2, Supply.

SUPPLY SOURCE. Any Federal Government organization exercising control of material and to which requisitions are directed. (See DoD 4140.1-R.)

SUPPLY STATUS. Informs activities of action taken or being taken on material requisitioned but not shipped, shipment consignments instructions, or disposition instructions for material offered under the Material Returns Program (MRP).

SUPPLY SYSTEM RESPONSIBILITY ITEM (SSRI). These items are furnished by the supply system when the end item is issued and will be transferred with the end item during redistribution or other changes of custody unless otherwise specifically directed by the appropriate authority. This term equates to Components of End Item (COEI).

THEFT. The felonious taking and removable of material.

TOTAL ITEM PROPERTY RECORD. The record or record set maintained by the IMM that identifies the quantity, condition, and value of the items assets for each organizational entity having physical custody of these assets. The total item property record includes material that is due in, in transit, in organic wholesale repair facilities, in a contractor's custody, on loan, on hand in wholesale distribution centers, on hand at retail activities, and for reported assets in the custody of users. (See DoD 4140.1-R.)

TOTAL NONRECEIPT. Complete nonreceipt of item(s) shipped.

TRANSACTION NUMBER (OR TRANSACTION REFERENCE NUMBER). A unique reference number assigned to a transaction for identification throughout the logistics system and for the life of the transaction until its retirement is authorized in official audit reports.

TRANSACTION SET (TS). The Electronic Data Interchange (EDI) equivalent of a paper business document composed of data elements and data segments.

TRANSPORTATION CONTROL NUMBER (TCN). A data element assigned to control a shipment unit throughout the transportation pipeline.

TRANSPORTATION COSTS. Costs paid to common carriers or Government activities to move material within the transportation system.

TRANSPORTATION DISCREPANCY REPORT. Any variation in quantity or condition of material received from that shown in the piece count by type of pack on the bill of lading or governing transportation document and other deficiencies in transportation when discrepancy material is not involved, e.g., improper or inadequate carrier handling. These discrepancies involve motor, air, water, rail and small package commercial carriers.

TRANSPORTATION PRIORITY (TP). Indicator assigned to eligible traffic that establish its movement precedence. Appropriate priority systems apply to the movement of traffic by sea, and air. In times of emergency, priorities may be applicable to continental United States movements by land, water, or air. (See Joint Publication 1-02.)

TRANSSHIPPER. A transportation activity, other than the shipper or receiver, which handles or documents the transfer of a shipment between conveyances. A transshipper is usually a Consolidation and Containerization Point (CCP), Aerial Port of Embarkation (APOE) or Water Port Of Embarkation (WPOE), Aerial Port of Debarkation (APOD) or Water Port Of Debarkation (WPOD), or breakbulk point. A transshipper may perform more than one type transshipment.

TYPE I SHELF-LIFE ITEM. An item of supply that is determined through an evaluation of technical test data and/or actual experience to be an item with a definite non-extendable period of shelf life. (See DoD 4140.27-M.)

TYPE II SHELF-LIFE ITEM. An item of supply having an assigned shelf-life time period that may be extended after completion of inspection/test/restorative action. (See DoD 4140.27-M).

TYPE II SHELF-LIFE ITEM. An item of supply having an assigned shelf-life time period that may be extended after completion of inspection/test/restorative action. (See DoD 4140.27-M).

UNIFORM MATERIAL MOVEMENT AND ISSUE PRIORITY SYSTEM (UMMIPS). A structure that establishes time standards, based on the mission and urgency of need of the requestor, for the supply of material from the date of the requisition to the time that the acknowledgment of physical receipt is posted to the requisitioner's inventory record. (See DoD 4140.1-R.)

UNIQUE IDENTIFICATION (UID) OF ITEMS*.* The application of a set of data elements that is globally unique and unambiguous, ensures data integrity and data quality throughout life, and supports multifaceted business applications and users. Over time, this has come to be known as item unique identification.

UNIQUE ITEM IDENTIFIER (UII). An identifier used in unique item tracking programs to uniquely identify an individual asset used within DoD. The UII may be derived from a DOD recognized IUID equivalent [e.g., Vehicle Identification Number (VIN)] or a composite structure defined by the DOD [refer to UII Construct 1 and UII Construct 2]. Formation of the UII relies upon two primary methods of serialization: (1) Serialization within the enterprise and (2) Serialization within the original part number of the enterprise. Refer to OSD policy and supporting documentation for specific guidance at http://www.acq.osd.mil/dpap/UID/. Refer to MIL-STD-130M (or most current version) for specific guidance on marking of U.S. Military property.

UNIQUE ITEM IDENTIFICATION (IUID)*.* A system of employing a set of data for assets that is globally unique and unambiguous, ensuring data integrity and data quality throughout life, and supporting multi-faceted business applications and users.

UNIQUE ITEM IDENTIFIER (UII)*.* The generic term, UII, has evolved through usage to mean the concatenated UII as a common database key without regard to the UII data set being used. In this context, the term "UII" may be used to designate a concatenated UII, or the DoD recognized IUID equivalents of Global Individual Asset Identifier (GIAI), Global Returnable Asset Identifier (GRAI) when assets are serialized, Vehicle Identification Number (VIN), or Electronic Serial Number (ESN), for cell phones only). Refer to OSD policy and supporting documentation for specific guidance at: http://www.acq.osd.mil/UID/index.html. Refer to military standard 130L (MIL-STD-130L), as amended, for specific guidance relative to marking of U.S. Military property. A complete understanding of the UII can be assured by the use of precise terms in written and verbal communications. Some terms that should be used when referring to the UII are as follows:

UII DATA ELEMENTS. Designates the data elements encoded within a Data Matrix EC200 symbol placed on an item. These data elements may be the already concatenated DoD recognized IUID equivalents or a fully concatenated UII when described by their appropriate data qualifiers. UII data elements may also be passed discretely in transactions.

CONCATENATED UII. Designates: (a) the resulting data string when the data elements in a UII mark have been stripped of all data qualifiers and linked (concatenated) along with an issuing agency code, or (b) the resulting data string when the data qualifiers have been removed from the already concatenated DoD recognized IUID equivalents or a fully concatenated UII encoded in a UII mark.

UII EQUIVALENT OR DOD RECOGNIZED IUID EQUIVALENT. Designates any of the four specific equivalents: Global Individual Asset Identifier (GIAI), Global Returnable Asset Identifier (GRAI) when assets are serialized, Vehicle Identification Number (VIN), or Electronic Serial Number (ESN), for cell phones only.

UII SYMBOL. Designates the Data Matrix ECC 200 symbol that carries the UII data elements in the ISO/IEC 15434 syntax string.

UII MARK. Designates the physical representation of the UII Symbol when attached to the item for unique identification purposes.

UNIQUE ITEM IDENTIFIER (UII) TYPE. A designator that identifies the specific structure and syntax of a type of UII. Specific examples of the UII Type are: Vehicle Identification Number (VIN), UII Construct I (UII 1), UII Construct 2 (UII 2).

UNIQUE ITEM IDENTIFIER (UII) CONSTRUCT 1. This is a concatenated UII based upon serialization within the enterprise. The concatenated UII Construct 1 contains the IAC, EID, and serial number.

UNIQUE ITEM IDENTIFIER (UII) CONSTRUCT 2. This is a concatenated UII based upon serialization within the part, lot, or batch number within the enterprise. The concatenated UII construct 2 contains the IAC, EID, original part number, lot or batch number, and serial number.

UNIQUE ITEM TRACKING (UIT). A program within DoD for tracking selected items to maintain visibility of each uniquely identified asset for the primary purpose of inventory control and/or engineering analysis.

VALIDATED DISCREPANCY REPORT. A discrepancy report in which the authorized processing point has both accepted for processing and confirmed or has a reason to believe the discrepancy has occurred. For adjustment purposes, an SDR for nonreceipt is considered validated when the shipping office determines the nontraceability of the shipment.

VERSION. A title given to the updates (every 3 years) of a Defense Logistics Management Standard that has officially been approved by ASC X12.

WAR MATERIAL REQUIREMENT. The quantity of an item required to equip and support the approved forces specified in the current Secretary of Defense guidance through the period prescribed for war material planning purposes.

WHOLESALE STOCK. Stock, regardless of funding sources, over which the IMM has asset knowledge and exercises unrestricted asset control to meet worldwide inventory management responsibilities. (See DoD 4140.1-R.)

WIDE AREA WORK FLOW - RECEIPT and ACCEPTANCE (WAWF-RA). WAWF-RA is the designed program to automate Commercial Invoices and Government Receiving Reports in a web-based, paperless environment. WAWF-RA electronically captures and coordinates the four basic pieces of the payment process. WAWA-RA users input their invoices and receiving reports by transition or via the Internet. These are compared to contracts stored in the Defense Finance Accounting System (DFAS) - Electronic Document Access (EDA) system. Once the invoice and receiving reports are approved and processed, payment transactions are initiated via Electronic File Protocol (EFT) to the contractor's bank account.

WOOD PACKAGING MATERIAL (WPM)*.* Wood or wood products (excluding paper products) used in supporting, protecting, or carrying a commodity (includes dunnage). Examples of WPM include but are not limited to pallets, skids, pallet collars, containers, crates, boxes, cases, bins, reels, drums, load boards, and dunnage. Wood packaging made of exempt materials but combined with solid wood components must still be treated and marked. WPM does not include processed wood materials and manufactured wood products.

WRONG ITEM. Any incorrect or misidentified item or unacceptable substitute item received requiring submission of a discrepancy report. See also, MISIDENTIFIED ITEM and INCORRECT ITEM.

ACRONYMS AND ABBREVIATIONS

ACRONYM OR ABBREVIATION	DEFINITION
AA	Acceptance Alert
AAC	Acquisition Advice Code or Activity Address Code
ACRN	Accounting Classification Reference Number
ADC	Approved DLMS Change
ADP	Automatic Data Processing
ADPE	Automatic Data Processing Equipment
ADUSD(SCI)	Assistant Deputy Under Secretary of Defense (Supply Chain Integration)
AF	Air Force
AFLCR	Air Force Logistics Command Regulation
AFJMAN	Air Force Joint Manual
AFM	Air Force Manual
AFMC	Air Force Materiel Command
AFR	Air Force Regulation
AIS	Automated Information System
ALC	Air Logistics Center
ALIN	Agreement Line Item Number
ALOC	Air Lines of Communication
AMC	Air Mobility Command or Army Materiel Command
AMMA	***Army Medical Material Agreement***
ANMCS	Anticipated Not-Mission-Capable Supply
ANSI	American National Standards Institute
ANSI ASC X12	American National Standards Institute Accredited Standards Committee X12
APO	Army or Air Force Post Office
APOD	Aerial Port of Debarkation
APOE	Aerial Port of Embarkation
AR	Army Regulation or Acceptance Report
ARFCOS	Armed Forces Courier Service
ARI	Advanced Receipt Information
ASAM	***Aviation Safety Action Message***
ASC	Accredited Standards Committee
ATAC	***Advance Traceability And Control***
BDN	Build Directive Number
BII	Basic Issue Item

ACRONYM OR ABBREVIATION	DEFINITION
B/L	Bill of Lading
CAGE	Commercial and Government Entity
CAM	***Chemical Agent Monitor***
CAO	Central Accounts Office(s) or Contract Administration Office
CAS	Contract Administration Service
CBL	Commercial Bill of Lading
CCI	Controlled Cryptographic Items
CCSA	Change Control Status Accounting
CCYYMMDD	Century Century Year Year Month Month Day Day
CDA	Central Design Activity
CDAd	Component Data Administrator
CDD	Contract Delivery Date
CD-ROM	Compact Disk-Read-Only Memory
CFM	***Contractor Furnished Material***
CIM	***Critical Item Management***
CLIN	Contract Line Item Number
CLPSC	Cooperative Logistics Program Support Code
CLSSA	Cooperative Logistics Supply Support Arrangement
CMR	***Consolidated Mail Room***
COMSEC	Communications Security
CommRI	***Communication Routing Identifier***
CONEX	Container Express
CONUS	Continental United States
COSIS	Care of Supplies in Storage
COTS	***Commercial-Off-The-Shelf***
CPN	Contract Payment Notice
CR	Country Representative (FMS)
CRII	***Customer Return Improvement Initiative***
CR/FF	Country Representative/Freight Forwarder
CSA	Configuration Status Accounting
CSI	***Critical Safety Item***
CSP	***Central Service Point***
DAAS	Defense Automatic Addressing System
DAASC	Defense Automatic Addressing System Center
DAASINQ	***Defense Automatic Addressing System Inquiry***
DBA	Data Base Administrator
DCMA	Defense Contract Management Agency
DCS	Defense Communications System
DD	Department of Defense (i.e., DD Form)
DD	Distribution Depot

ACRONYM OR ABBREVIATION	DEFINITION
DDC	***Defense Distribution Center***
DDE	Demand Data Exchange
DDRS	Defense Data Repository System
DDRV	Defense Distribution Depot Richmond Virginia
DEBX	Defense Electronic Business Exchange
DECA	Defense and Economic Agreement
DEPMEDS	DoD Deployable Medical Systems
DESC	Defense Energy Support Center
DESEX	Defense Supply Expert System
DFAMS	Defense Fuel Automated Management System
DFARS	Department of Defense Federal Acquisition Regulation Supplement
DFAS	Defense Finance and Accounting Service
DFAS-CO	Defense Finance and Accounting Service, Columbus
DFAS-DE	Defense Finance and Accounting Service, Denver
DFAS-IN	Defense Finance and Accounting Service, Indianapolis Center
DFR	Defense Fuel Region
DFSC	Defense Fuel Support Center
DFSP	Defense Fuel Support Point
DI	Document Identifier
DII	Defense Information Infrastructure
DISA	Data Interchange Standards Association or Defense Information Systems Agency
DISN	Defense Integrated Services Network
DLA	Defense Logistics Agency
DLAI	Defense Logistics Agency Instruction
DLAM	Defense Logistics Agency Manual
DLAR	Defense Logistics Agency Regulation
DLMS	Defense Logistics Management System
DLMSO	Defense Logistics Management Standards Office
DLR	***Depot Level Repairable***
DLSC	Defense Logistics Services Center
DLSS	Defense Logistics Standard Systems
DM	Data Maintenance
DMISA	Depot Maintenance Inter-Service Support Agreement
DMLSS	***Defense Medical Logistics Standard Support***
DNA	Defense Nuclear Agency
DoD	Department of Defense
DoDAAC	Department of Defense Activity Address Code
DoDAAD	Department of Defense Activity Address Directory
DoDD	Department of Defense Directive
DPM	Direct Procurement Method

ACRONYM OR ABBREVIATION	DEFINITION
DRC	Disposal Release Confirmation
DRMO	Defense Reutilization and Marketing Office
DRMS	Defense Reutilization and Marketing Service
DRO	Disposal Release Order
DS	***DLMS Supplement***
DSA/LWP	***DoD Small Arms/Light Weapons Program***
DSA/LWSP	***DoD Small Arms/Light Weapons Serialization Program***
DSC	Defense Supply Center
DSCA	Defense Security Cooperation Agency
DSDC	Defense Logistics Agency Systems Design Center
DSCP	Defense Supply Center-Philadelphia
DSDC	Defense Distribution Center Richmond
DSS	Distribution Standard System
DTEB	Defense Transportation Electronic Business
DTID	Defense Turn-In Document
DTR	***Defense Transportation Regulation***
DTS	Defense Transportation System
DUNS	Data Universal Numbering System
DUSD(L&MR)	Deputy Under Secretary of Defense (Logistics & Materiel Readiness)
DVD	Direct Vendor Delivery
DWCF (replaces DBOF)	***Defense Working Capital Fund***
EAC	***Edit Action Code***
EB	Electronic Business
EBS	***Enterprise Business System***
ECS	Electronic Composing System
EDD	Estimated Delivery Date
EDI	Electronic Data Interchange
EID	Enterprise Identifier
ELIN	Exhibit Line Item Number
EMALL	Electronic Mall
ERN	Excess Report Number
ESD	Estimated Shipping Date or Electrostatic Sensitive Device
ES/EM	***Electrostatic/Electromagnetic***
ESP	***Enterprise Service Provider***
ETA	***Electronic Transportation Acquisition***
ETA	Estimated Time of Arrival
ETD	Effective Transfer Date
ETR	Export Traffic Release

ACRONYM OR ABBREVIATION	DEFINITION
FAA	Foreign Assistance Act
FACTS	***Fleet Automated and Tracking System***
F/AD	Force or Activity Designator
FAR	Federal Acquisition Regulation
FCA	Functional Configuration Audit
FCCR	Functional Change Control Reviews
FDAd	Functional Data Administrator
FDD	Forecast Delivery Date
FESMCC	Federal EDI Standards Management Coordinating Committee
FF	Freight Forwarder
FF&V	Fresh Fruit and Vegetables
FLIS	Federal Logistics Information System
FMRS	Financial Management Regulations
FMS	Foreign Military Sales
FPMR	Federal Property Management Regulation
FSC	Federal Supply Classification
FSG	Federal Supply Group
GA	Grant Aid
GAA	General Agency Agreement
GBL	Government Bill of Lading
GCSS	Global Combat Support System
GFM	Government Furnished Material
GIM	Gaining Inventory Manager
GMT	Greenwich Mean Time
GS	General Services Administration
HMIRS	***Hazardous Material Information Resource System***
IAC	Issuing Agency Code
IC	Implementation Convention
ICAO	International Civil Aviation Organization
ICP	Inventory Control Point
IDMS	Integrated Disposal Management System
ILCO	International Logistics Control Office
ILP	***International Logistics Program***
IM	Inventory Manager
IMM	Integrated Material Manager
IPE	Industrial Plant Equipment
IMPACT	International Merchant Purchase Authorization Card
IRRD	Issue Release/Receipt Document
I&S	Interchangeability and Substitutability

ACRONYM OR ABBREVIATION	DEFINITION
IT	Information Technology
IUID	Item Unique Identification
JSA/LWCG	***Joint Small Arms /Light Weapons Coordinating Group***
LASE	Logistics Asset Support Estimate
LCN	Local Control Number
LIM	***Losing Item Manager***
LOA	Letter of Offer and Acceptance
LOTS	Logistics On-Line Tracking System
LR	Logistics Reassignment
LRO	***Lateral Redistribution Order***
LRU	Less Than Release Unit
MAP	Military Assistance Program
MAPAC	Military Assistance Program Address Code
MAPAD	Military Assistance Program Address Directory
MAP/GA	Military Assistance Program/Grant Aid
MCA	Management Control Activity or Movement Control Agency
MCN	Management Control Number
MCO	Marine Corps Order
MDN	Manufacturing Directive Number
MILS	***Military Standard***
MILSPEC	Military Specification
MIL-STD	Military Standard
MILVAN	Military Van
MILSBILLS	Military Standard Billing System
MILSCAP	Military Standard Contract Administration Procedures
MILSTAMP	Military Standard Transportation and Movement Procedures
MILSTRAP	Military Standard Transaction Reporting and Accounting Procedures
MILSTRIP	Military Standard Requisitioning and Issue Procedures
MIPR	Military Interdepartmental Purchase Request
MOA	Memorandum of Agreement
MOV	Material Obligation Validation
MPC	***Material Processing Center***
MRA	Material Receipt Acknowledgment
MRC	Material Release Confirmation
MRD	Material Release Denial
MRO	Material Release Order
MRP	Material Returns Program or Material Release Program
MRSS	Material Returns Supply Status

ACRONYM OR ABBREVIATION	DEFINITION
MSC	Military Sealift Command
MSCVAN	A MSC Leased/Controlled SEAVAN or MILVAN
MSDS	***Material Safety Data Sheet***
NAMI	***Non-Army Managed Items***
NARA	***National Archives Records Administration***
NASA	National Aeronautics and Space Administration
NATO	North Atlantic Treaty Organization
NAVICP	Navy Inventory Control Point
NAVSUPINST	Navy Supply System Command Instruction
NDLR	Navy Depot Level Repair
NEQ	Net Explosive Quantity
NESA	Near East and South Asia Region
NEW	Net Explosive Weight
NIIN	National Item Identification Number
NIMSC	Nonconsumable Item Material Support Code
NMCS	Not-Mission-Capable Supply
NO.	Number
NOA	Notice of Availability
NRC	Nuclear Regulatory Commission
NRFI	***Not Ready For Issue***
NSA	National Security Agency
NSN	National Stock Number or NATO Stock Number
OAS	Organization of American States
OCCA	Ocean Cargo Clearance Authority
OCONUS	Outside Continental United States
OMR	Offer of Material Report
OPTEMPO	***Operating Tempo***
ORM	Other Regulated Material
OSC	Operations Systems Center
OSD	Office of the Secretary of Defense
OWMR	***Other War Material Requirement***
OWRMR	***Other War Reserve Material Requirement***
OWRMRP	***Other War Reserve Material Requirement Protectable***
PAT	Process Action Team
PBL	**Performance Based Logistics**
PCA	Physical Configuration Audit
PCC	Postal Concentration Center
PC&H	Packing, Crating, and Handling
PCH&T	Packing, Crating, Handling, and Transportation

ACRONYM OR ABBREVIATION	DEFINITION
PCO	Purchasing Contract Officer
PD	Priority Designator
PDC	Proposed DLMS Change
PICA	Primary Inventory Control Activity
PICD	Physical Inventory Cutoff Dates
PICP	***Physical Inventory Control Program***
PIIN	Procurement Instrument Identification Number
PIO	Provisioned Item Orders
PKI	***Public Key Infrastructure***
PM	Project Manager
PO	Purchasing Office
POC	Point of Contact
POD	Port of Debarkation
POE	Port of Embarkation
POL	Petroleum, Oil, and Lubricants
POS	***Proof Of Shipment***
PQDR	Product Quality Deficiency Report
PRC	Process Review Committee
pRFID	***Passive Radio Frequency Identification***
PRN	Procurement/Purchase Request Number
PWR	Pre-Positioned War Reserve
PWRMR	***Pre-Positioned War Reserve Material Requirement***
PWRMRP	***Pre-Positioned War Reserve Material Requirement Protectable***
PWRMS	Pre-Positioned War Reserve Material Stock
PWRR	Pre-Positioned War Reserve Requirement
PWRS	Pre-Positioned War Reserve Stock
QAR	Quality Assurance Representative
QSL	***Quality Status Listing***
RAD	Required Availability Date
RATTS	Radiation Testing and Tracking System
RCN	Record Control Number
RCS	Reports Control Symbol
R&D	Research and Development
RDD	Required Delivery Date
RDF	Revised Delivery Forecast or Rapid Deployment Force
RDO	Redistribution Order
RDP	Required Delivery Period
RDT&E	Research, Development, Testing and Evaluation
RFID	Request for Implementation Date

ACRONYM OR ABBREVIATION	DEFINITION
RFID	Radio Frequency Identification
RHF	Requisition History File
***RI/*RIC**	Routing Identifier Code
ROD	Report of Discrepancy
ROK	Republic of Korea
ROP	Reorder Point
RORO	Roll On/Roll Off
RQ	Reportable Quantity
S/A	Service/Agency
SA	Security Assistance or Storage Activity
SAAM	Special Assignment Airlift Mission
SA/LW	***Small Arms/Light Weapons***
SAMM	Security Assistance Management Manual
SAO	Security Assistance Organization
SBR	Summary Billing Record
SCAC	Standard Carrier Alpha Code
SCC	Supply Condition Code
SDD	Standard Delivery Date
SDDC	Surface Deployment and Distribution Command
SDR	Supply Discrepancy Report
SEAVAN	Commercial/Government-Owned/Leased Shipping Container
SECNAVINST	Secretary of the Navy Instruction
SED	Shipper's Export Declaration
SF	***Standard Form***
SHAPE	Supreme Headquarters, Allied Powers, Europe
SICA	Secondary Inventory Control Activity
SLES	***Shelf-Life Extension System***
SMCA	Single Manager for Conventional Ammunition
SOF	***Safety Of Flight***
SOS	Source of Supply
SOU	***Safety Of Use***
SP	***Service Point***
SPIIN	Supplementary Procurement Instrument Identification Number
SPN	Shipment Performance Notice
SPR	Special Program Requirement
SQCR	Storage Quality Control Report
SR	***Stock Readiness***
SRC	Special Requirements Code
SRC	Shipment Release Code
SSF	***Single Stock Fund***
SSCO	Sponsoring Service Control Office or Shipper Service Control Office

ACRONYM OR ABBREVIATION	DEFINITION
SSMR	Shipment Status Material Returns
SSRI	Supply System Responsibility Item
S/T	Short Ton
TAC	Type of Assistance Code or Transportation Account Code
TAMMS	The Army Maintenance Management System
TAV	***Total Asset Visibility***
TCACCIS	Transportation Coordinator Automated Command and Control Information System
TCMD	Transportation Control and Movement Document
TCN	Transportation Control Number
TDR	Transportation Discrepancy Report
TEDB	The Army Maintenance Management System (TAMMS) Equipment Data Base
TEWLS	***Theater Enterprise-Wide Logistics System***
TGBL	Through Government Bill of Lading
TGS	Turkish General Staff
TIR	***Transaction Item Report or Total Item Record***
TO	Transportation Officer or Technical Order
TP	Transportation Priority or Technical Publication
TS	Transaction Set
TSDC	Transportation to Supply Documentation Correlation
TVR	***Tailored Vendor Relationships***
UDF	Uniform Data File
UID	Unique Identification
UII	Unique Item Identifier
UIT	Unique Item Tracking
UITC	***Unique Item Tracking Committee***
UITDC	Unique Item Tracking Designator Code
UITTC	Unique Item Tracking Transaction Code
UMMIPS	Uniform Material Movement and Issue Priority System
UND	Urgency of Need Designator
UPC	United Product Code
UPS	United Parcel Service
U.S.	United States
USA	***United States Army***
USAF	***United States Air Force***
USAMMA	United States Army Medical Material Agency
USCG	United States Coast Guard
USDAO	United States Defense Attaché Office
USD(AT&L)	Under Secretary of Defense (Acquisition, Technology & Logistics)

ACRONYM OR ABBREVIATION	DEFINITION
USML	United States Munitions List
USN	***United States Navy***
USPS	United States Postal Service
USTRANSCOM	United States Transportation Command
UTC	Universal Time Coordinate
VAN	Value Added Network
VIN	***Vehicle Identification Number***
WAWF-RA	Wide Area Work Flow - Receipt and Acceptance
WCF	Working Capital Funds
WEBVLIPS	***Web Visual Logistics Information Processing System***
WMR	War Material Requirement
WPM	***Wood Packaging Material***
WPOD	Water Port of Debarkation
WPOE	Water Port of Embarkation
XML	***Extensible Markup Language***
YYMMDD	Year Year Month Month Day Day
ZIP	Zonal Improvement Plan

AP1. APPENDIX 1

TRANSACTION SET 997 IMPLEMENTATION CONVENTION – FUNCTIONAL ACKNOWLEDGEMENT

This IC contains the format and establishes the data contents of the functional acknowledgement transaction set (997) for use within the EDI environment. This IC is used to acknowledge receipt and acceptance or rejection of a functional group and the transaction sets (ICs) contained therein based upon EDI translation software syntax edits. This IC does not cover the semantic meaning of the information encoded in the ICs. This IC is available at: ***http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp***.

AP2. APPENDIX 2

DEFENSE LOGISTICS MANAGEMENT SYSTEM (DLMS) CODE LISTS/QUALIFIERS

The DLMS supplements and the Federal ICs frequently employ a specific combination of data segments and data elements to convey encoded information. The DLMS Qualifiers listed below represent a combination of DoD logistics functional data elements for which the authoritative source is Deputy Under Secretary of Defense (Logistics & Materiel Readiness) and data elements developed and maintained by other functional data administrators; but, are used in the DLMS, e.g., procurement, finance, contract administration and personnel. All of the listed data elements are registered under ANSI ASC X12 data element number 1270 (Code List Qualifier Code) and are used in data segment LQ identifying the coded entry to its qualifier. The presence of an asterisk (*) in the qualifier code indicates either of the following conditions:

- The entry represents a conversing guide required or used in the Defense Logistics Standard Systems (DLSS)/DLMS translation process
- The entry reflects a secondary sequence of a data code within a qualifier (alphabetic/alphanumeric code sequence or clear-text name)
- The entry is a guide for cross-reference of DoD Document Identifier Codes to ANSI ASC X12 Federal Implementation Conventions.

DLMS Codes Lists/Qualifiers are available at URL:
http://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp

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DLMS Codes Lists/Qualifiers are available at URL:
http://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp

AP3. APPENDIX 3

DLMS TO DEFENSE LOGISTICS STANDARD SYSTEM (DLSS) CROSS-REFERENCE TABLES

The DLMS-DLSS cross reference tables provide the following information:

AP3.1. A cross-reference of each DLSS Document Identifier Code (DIC) (e.g., A01) to DLMS supplement (DS) number (e.g. 511) for all DLSS legacy processes in two sequences: DIC sequence; DS sequence.

AP3.2. A customer assistance aid consisting of correlation tables in Military Standard Requisitioning and Issue Procedures/Military Standard Transaction Reporting and Accounting Procedures DI series sequence (e.g. A0_, A2_, A3_, etc.) which provide general functional equivalency between each DLSS DIC and DS. In addition to identification of the DI/DLMS basic cross-references, actual physical location of the applicable transaction type code(s) within each DS and clarifying information required for defining a valid correlation are provided: correlation of MILSTRAP DIC functionality to DS; correlation of MILSTRIP DIC functionality to DS (under construction).

AP4. APPENDIX 4

DLSS/DLMS CONVERSION GUIDE

Three sets of conversion guides contain a cross reference of DoD domain codes (data item codes) to ANSI ASC X12 domain code values. All three conversion guides must be implemented in DoD systems using ANSI ASC X12 transaction formats to convert DoD data value established in legacy system to the corresponding ANSI ASC Z12 code values. The applicable conversion guides are:

CODE	TITLE
*9	TRANSPORTATION MODE OF SHIPMENT/TRANSPORTATION METHOD/TYPE CODE CONVERSION http://www.dla.mil/J-6/dlmso/logdrms/logview/LQVQCrpt.asp?FindCode=*9&tockword=&Code37=00&camefrom=&inat
*A	TYPE OF PACK CONVERSION GUIDE http://www.dla.mil/J-6/dlmso/logdrms/logview/LQVQCrpt.asp?FindCode=*A&tockword=&Code37=00&camefrom=&inat
*8	UNIT OF MATERIAL MEASURE (UNIT OF ISSUE/PURCHASE UNIT) CONVERSION GUIDE http://www.dla.mil/J-6/dlmso/logdrms/logview/LQVQCrpt.asp?FindCode=*8&tockword=&Code37=00&camefrom=&inat

AP5. APPENDIX 5

DLMS SUPPLEMENTS TO FEDERAL IMPLEMENTATION CONVENTIONS

Individual supplements are available in different formats (ANSI ASC X12, XML (others as available)) at the following address on the Defense Logistics Management Standards Office Web site: ***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/140_997.asp***.

DEFENSE LOGISTICS MANAGEMENT SYSTEM
(DLMS)

VOLUME 1

CONCEPTS AND PROCEDURES

March 2003

UNDER SECRETARY OF DEFENSE
ACQUISITION, TECHNOLOGY AND LOGISTICS
(LOGISTICS MATERIEL READINESS)

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C1. CHAPTER 1

INTRODUCTION

C1.1. PURPOSE. This manual prescribes logistics management policy, responsibilities, procedures, rules, and electronic data communications standards for use in the Department of Defense (DoD), to conduct logistics operations in the functional areas of supply, acquisition (contract administration), maintenance, and finance. These data collectively comprise the Defense Logistics Management System, or DLMS, which is a process governing logistics functional business management standards and practices rather than an automated information system. The DLMS provides an infrastructure for the participatory establishment and maintenance of procedural guidance to implement the Department's logistics policy by its user community.

C1.2. SCOPE. 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.

C1.3. POLICY. DoD Directive 4140.1, Supply Chain Materiel Management Policy, authorizes the publication of this manual. DoD 4140.1-R, DoD Supply Chain Materiel Management Regulation, establishes a configuration control process for the DLMS and prescribes use of the DLMS to implement approved DoD policy in logistics functional areas such as cataloging, inventory management, contracting, contract administration, storage, distribution and redistribution of material, transportation and movement, maintenance, property disposal, international supply support, integrated support of weapons, and billing and collections. DoD Directive 8190.1, DoD Logistics Use of Electronic Data Interchange (EDI) Standards, assigns responsibilities for direction, management, coordination, and control of the process to replace DoD-unique logistics data exchange standards with approved EDI standards and supporting implementation conventions (ICs) for DoD logistics business transactional data exchange.

C1.4. RESPONSIBILITIES

C1.4.1. Under Secretary of Defense (Acquisition, Technology, and Logistics (USD(AT&L)). Provide policy guidance, oversee, and direct implementation of and compliance with the DLMS, except that DoD Comptroller shall be responsible for the Finance functional area addressed under Volume 5 of this manual. When carrying out their responsibility, the USD(AT&L) and the DoD Comptroller, as appropriate for their respective functional areas, shall:

C1.4.1.1. Direct or approve expansion of DLMS standards in assigned functional areas or application of DLMS standards in new functional areas.

C1.4.1.2. Provide the Defense Logistics Management Standards Office (DLMSO) with policy guidance for development, expansion, improvement, and maintenance of the DLMS.

C1.4.1.3. Review and approve DLMSO plans, priorities, and schedules.

C1.4.1.4. Resolve policy and procedural issues, which cannot be resolved within the DLMS administrative infrastructure.

C1.4.1.5. Ensure appropriate coordination with other Office of the Secretary of Defense (OSD) staff elements when DLMS policy guidance or directional memoranda affect assigned functions of these offices.

C1.4.2. Director, Defense Logistics Agency (DLA)

C1.4.2.1. Establish the DLMSO, which shall report directly to the Director, eBusiness, HQ DLA, for supervision and technical guidance.

C1.4.2.2. Provide the necessary military and civilian personnel resources.

C1.4.2.3. Provide the necessary administrative support and services, including office space, facilities, equipment, automatic data processing support, and travel expenses for DLMSO staff personnel.

C1.4.3. Director, Defense Logistics Management Standards Office. Operating under the authority of DoD 4140.1-R and DoD Directive 4140.1, serve as the primary proponent for implementing data exchanges in the logistics community and associated functional areas. This includes the development, maintenance and documentation of corporate-level policies and procedures for exchanging logistics data between DoD Components, between DoD Components and non-DoD departments and agencies, and between DoD Components and private industry. Participate in cooperative efforts with other Federal departments and agencies to develop data exchange standards. Maintain membership in external standards bodies and groups; e.g., American National Standards Institute (ANSI) chartered Accredited Standards Committee (ASC) X12 and extensible Markup Language (XML). Serve as a member of the Defense Information

Systems Agency (DISA) Center for Standards Data Administration Council. Administer the DLMS for assigned functional areas ***and*** receive policy guidance from proponent offices of the USD(AT&L) and the DoD Comptroller, ***as appropriate***. The Director, DLMSO, shall:

C1.4.3.1. Establish a formal configuration control process for the DLMS.

C1.4.3.2. Establish a Process Review Committee (PRC) composed of representatives from the DoD Components and participating external organizations for each of the DLMS functional areas: contract administration, finance, maintenance (as appropriate/required), and supply. Designate a chair for each DLMS functional area to serve as the DoD control point and chair the PRC for that functional area.

C1.4.3.3.~~4.~~ Ensure uniform implementation of the DLMS by doing the following:

C1.4.3.3.**4**.1. Review implementation dates and plans of the DoD Components and participating external organizations.

C1.4.3.3.**4**.2. Perform analysis and design functions to implement new or revised policy guidance and instructions, provided by the OSD proponent offices, and to ensure telecommunications planning is incorporated into an integrated system design.

C1.4.3.3.**4**.3. Develop and recommend, to the appropriate OSD proponent office(s), new or revised policy with supporting analysis which identifies and explains process improvements and indicates methods for accomplishing identified changes.

C1.4.3.3.**4**.4. Serve as the Department's Executive Agent for logistics data interchange as delineated in DoD Directive 8190.1.

C1.4.3.3.**4**.5. Develop, publish, and maintain the DLMS manual and related DLMS publications consistent with **DoD 5025.01-M, DoD Directives Program**.

C1.4.3.3.**4**.6. Develop and evaluate proposed DLMS changes (PDCs) and coordinate them with the DoD Components and participating external organizations. Provide a copy of all PDCs to the appropriate OSD proponent office. For management control and prioritization purposes, information exchange requests are included under change processing procedures.

C1.4.3.3.**4**.7. Review, evaluate, and recommend improvements to curricula of DoD Components and participating external organizations' training schools offering DLMS-related courses.

C1.4.3.3.4.8. Assist DoD Components and participating external organizations in resolving problems, violations, and deviations that arise during operations and are reported to the functional area PRC chair. Refer unresolved matters to OSD proponent offices with analysis and recommendations for resolution and corrective action.

C1.4.3.3.4.9. Make available semiannually as a minimum, to Deputy Undersecretary of Defense (Logistics & Materiel Readiness) [DUSD(L&MR)] and to other DoD Components, a status review of all DLMS revision proposals that have not been approved for publication or, that if approved, have not been implemented. The status review is available from the DLMSO website at Uniform Resource Locator (URL) http://www.dla.mil/j-6/dlmso.

C1.4.3.3.4.10. Review and coordinate with the DoD Components, and participating external organizations, all requests for system deviations and exemptions and make applicable recommendations to the OSD proponent office based on fact-finding status or analysis of accompanying justification.

C1.4.4. Heads of DoD Components and Participating External Organizations. Designate an office of primary responsibility for each DLMS functional area identified in section C1.3 to serve as the control point for that functional area. Identify to the DLMSO the names of the primary and alternate PRC representatives for each functional area who will:

C1.4.4.1. Serve as members on, and fulfill the responsibilities of, the PRC for that function.

C1.4.4.2. Provide the DoD Component's or external organization's position on DLMS matters and have the authority to make decisions regarding procedural aspects.

C1.4.4.3. Ensure continuous liaison with the DLMS functional area PRC chair and with other DoD Components and participating external organizations.

C1.4.4.4. Submit to the Director, DLMSO, or appropriate PRC chair as DLMS PDCs, all proposed changes affecting logistics business processes irrespective of the Electronic Business (EB)/Electronic Commerce (EC) methods employed following the procedures in Chapter 5 and Appendix 1 of this volume. When requested by the DLMS PRC, perform the initial evaluation of PDCs that originate within the DoD Component or participating external organization and return such proposals with the evaluation results.

C1.4.4.5. Perform the initial evaluation of all suggestions originating within the DoD Component or participating external organization. For suggestions considered worthy of adoption, submit a PDC to the DLMS PRC chair for processing in the normal

manner. The originator's PRC representative shall determine any awards using normal DoD Component or participating external organization procedures.

C1.4.4.6. Develop and submit to the functional area administrator a single, coordinated DoD Component or participating external organization position on all PDCs within the time limit specified. When a PDC affects multiple DLMS functional areas, the control point for the PRC identified in the proposal shall submit the single coordinated response.

C1.4.4.7. Accomplish internal training to ensure timely and effective implementation and continued operation of the approved DLMS. Review, evaluate, and update, at least annually, curricula of internal training programs to ensure adequacy of training. Furnish a copy of initial and revised training curricula to the DLMS functional area PRC chair.

C1.4.4.8. Implement the approved DLMS and changes thereto. Provide the functional area PRC chair semiannual status information concerning implementation of approved changes. Report Control Symbol (RCS): DD-A&T(AR) 1419 applies for this requirement. Report status information as of 1 May and 1 November of each year for each approved change. Begin reporting the first period following publication of the approved DLMS change. Stop reporting after identifying the approved change when the change is fully implemented. In the final report, cite the DoD Component or participating external organization implementing publication(s) and change number(s), and identify the operating system or subsystem involved. Attach a copy of the publication change if the DLMSO is not on automatic distribution for the publication, or provide electronically. Send the reports to the DLMS functional area PRC chair by 30 May and 30 November of each year.

C1.4.4.9. Ensure that operating activities supporting a DLMS functional area comply with the requirements and procedures published in the DLMS manual.

C1.4.4.10. Continually review and revise internal procedures to correct misinterpretation and eliminate and prevent duplication of records, reports, and administrative functions related to the DLMS.

C1.4.4.11. Furnish to the appropriate functional area PRC chair copies of supplemental and internal procedures, and changes thereto, related to operation of the DLMS.

C1.4.4.12. Report to the functional area PRC chair problems, violations, and deviations that arise during system operations.

C1.4.5. Process Review Committees. The PRCs are joint forums for each of the DLMS functional areas--contract administration, finance, maintenance, and supply--responsible for development, expansion, improvement, maintenance (as

required/appropriate), and administration of the DLMS. This volume contains appendices that list functional area PRC representatives. The DLMS PRCs shall:

C1.4.5.1. Be administered/controlled by the DLMS PRC for the functional area.

C1.4.5.2. Consist of representatives from the DoD Components and participating external organizations.

C1.4.5.3. Meet at least quarterly, and more frequently, as needed. The PRC shall, whenever practicable, announce the meeting and identify the agenda items 30 calendar days in advance of the meeting. The PRC shall also issue fully documented minutes of these proceedings to each participating DoD Component or external organization, and the appropriate OSD proponent office, within 30 calendar days after the meeting.

C1.4.5.4. Review and resolve comments on PDCs, deviations, and waivers, or other problems and violations, and provide recommendations for implementation or disapproval. Refer any action that the PRC cannot resolve to the appropriate OSD proponent office. Disapprove proposed DLMS changes by unanimous agreement of the PRC.

C1.4.5.5. Ensure uniform and effective implementation of DLMS requirements by:

C1.4.5.5.1. Reviewing supplemental procedures and/or implementing procedures issued by the DoD Components and participating external organizations to ensure conformance with the approved DLMS.

C1.4.5.5.2. Conducting periodic evaluations to determine effectiveness of DoD/DLMS policies, procedures, and standards.

C1.4.5.5.3. Conducting reviews, through on-site visits, of selected DLMS operational areas to determine conformance with, and evaluate the effectiveness of, DLMS requirements and to interpret or provide clarification of DLMS procedures.

C1.4.5.5.4. Reporting findings and recommendations of evaluations and reviews, with comments of the DoD Components and participating external organizations concerned, to the appropriate OSD proponent office.

C1.4.6. DLMS Enterprise Service Provider (ESP). DAASC is the ESP for implementing DLMS data transmission requirements and shall execute system modification taskings from DLMSO. DAASC is the central node for all DLMS transactions. DoD Components shall route all DLMS transactions to DAASC. DAASC shall provide telecommunications support, archiving and storage, translation services, conversion processes, and other services to support DoD Component implementation

of DLMS. DAASC is designated as the DoD provider of corporate services in support of all emerging EB technologies, not just EDI. DAASC, as the corporate community service provider and as the Department's central point for providing supply-chain information, shall capture required data and produce the end-to-end metrics necessary for achieving the key objectives required to improve logistics support to the customer. DAASC is also the DoD central node for development of DLMSO-approved mapping and conversion processes. DAASC implements Approved DLMS Changes (ADCs) and ensures that all modifications are incorporated into the translation rules and records.

C1.5. IMPLEMENTATION

C1.5.1. Scope of DLMS. The DLMS supplements to Federal ICs, and procedures prescribed herein, shall be implemented uniformly between DoD Components and other participating external organizations and at all levels within each DoD Component.

C1.5.2. DoD Component Use. DoD Components shall give priority to development and implementation of DLMS requirements before the development and implementation of intra-DoD Component requirements.

C1.6. DLMS DEVIATIONS OR WAIVERS

C1.6.1. Submission. DoD Components and participating external organizations shall not request DLMS deviations or waivers solely to accommodate existing internal systems and procedures or organizational environments. When requesting deviations or waivers, DoD Components and participating external organizations shall submit them following the guidelines in Chapter 5 in this volume.

C1.6.2. Review. The functional area PRC chair shall consider requests for DLMS deviations or waivers when the requestor demonstrates that the system cannot provide a workable method or procedure or cannot accommodate interim requirements.

C1.7. REQUIREMENTS FOR NEW OR REVISED DLMS PROCEDURES

C1.7.1. Use of DLMS Standards and Procedures. DoD Components shall use standards and procedures prescribed by the DLMS when undertaking development of new or revising existing logistics systems. If a DoD Component or other participating external organization requires changes to or expansion of the existing DLMS to accommodate technological innovations planned for new system designs, they shall submit PDCs with full justification and explanation of the intended use following the instructions in Chapter 5 in this volume.

C1.7.1.1. DLMS Enhancements. The DLMS procedures and the supporting DLMS Supplements (DSs) identify DLMS enhancements which may not have been implemented by all DLMS trading partners or within legacy systems. Therefore, data associated with an enhancement transmitted within a DLMS transaction may not be received or understood by the recipient's automated processing system. Additionally,

DLMS procedures may not have been developed to support the data exchange. Components wishing to implement DLMS enhancements must coordinate with DLMSO prior to use. DoD Components are encouraged to submit a PDC reflecting required business rules.

C1.7.1.2. Future Streamlined DLSS Data. The DLMS procedures and the supporting DSs identify DLSS data targeted for elimination under a full DLMS environment. This data is often referred to future streamlined data. This data is retained within DLMS during a transition period when many trading partners employ legacy systems or cannot move to full DLMS capability. DoD Components wishing to eliminate streamlined data must coordinate with DLMSO prior to doing so. Components are encouraged to submit a PDC reflecting any revised business rules associated with such termination.

C1.7.1.3. DLMS Field Size. The DSs identify ANSI X12 field sizes and some field size constraints existing under the DLSS. Many DLMS trading partners operating within a legacy system will not be able to support the DLMS expanded field size. Components desiring to implement an expanded field size under DLMS must be aware that the conversion process to the DLSS can not accommodate the larger fields. Components must coordinate with DLMSO prior to use and may submit a PDC to adjust a field size to a recommended length.

C1.7.2. Submission of New Data Elements. Data elements employed in DoD-wide, inter-DoD Component and participating external organization logistics systems/authoritative issuances that have not been standardized under DoD Directive 8320.2, Data Sharing in a Net-Centric Department of Defense shall be submitted as proposed DoD logistics standards following procedures developed under the authority of DUSD(L&MR). DoD logistics standard data elements shall be used in design and upgrading of:

C1.7.2.1. DoD-wide and inter-DoD Component automated logistics systems and authoritative issuances.

C1.7.2.2. DoD Component systems and issuances.

C1.8. DISTRIBUTION OF THE MANUAL

C1.8.1. DLMS Manual. The DLMS manual is published electronically. No hard-copy document is available. The manual is available from DLMSO Home Page (http://www.dla.mil/j-6/dlmso) under the header "Manuals." Any further distribution will be accomplished within each DoD Component or external organization based upon approved distribution data generated through their internal publication channels.

C1.8.2. Changes. DLMS changes are published electronically and are available on the DLMSO Home Page (http://www.dla.mil/j-6/dlmso) under the header "Process Changes."

C1.9. HOW TO USE THE DLMS MANUAL

C1.9.1. Structure of The Manual

C1.9.1.1. Manual Layout. The DLMS manual consists of front matter and five volumes: Volume 1, Concepts and Procedures; Volume 2, Supply Standards and Procedures; Volume 4, Acquisition (Contract Administration); Volume 5, Finance; Volume 6, DoD Logistics Systems Interoperability Support Services.

C1.9.1.2. Front Matter. The front matter contains an overall Table of Contents (applicable to the entire manual); a consolidated single set of References, Terms, Definitions, Acronyms, and Abbreviations listings for the entire manual; and appendices on logistics data administration and management including data interoperability, instructions for acquiring access to the DLMS DoD standards databases; special guidance which applies to all DLMS supplements to Federal implementation conventions and applicable Federal implementations; and both functional and technical information that is relatively stable and applicable to the DLMS as a whole.

C1.9.1.3. Volumes. Each volume of the DLMS manual contains its own Table of Contents of procedural chapters with listings of figures, and tables. DLMS supplements to Federal ICs that explain the use of the DLMS standards for the functions addressed by that chapter are available on left hand navigation menu of the DLMSO Home Page (http://www.dla.mil/j-6/dlmso) under the header "IC Supplements". Each volume may also contain appendices for related data that apply to multiple chapters in the volume; however, use of any of the functional area volumes requires simultaneous access to the DLMS manual “front matter” – i.e. references, terms and definitions, acronyms, and abbreviations.

C1.9.2. Numbering System

C1.9.2.1. Chapters. Chapter numbers are in sequence and section numbers are in sequence within the chapter beginning C1, C2, and so forth.

C1.9.2.2. Subsections. Subsection numbers contain additional decimals and sequential numbers, e.g., C1.3, C1.3.2.

C1.9.3. Page Numbering. All page numbers are in the center at the bottom of the page. Numbers for preliminary pages, or front matter (Foreword, Table of Contents, References, Terms and Definitions, and Acronyms/Abbreviations) are consecutive lower case Roman numerals (e.g., Foreword i; Table of Contents iii). Numbers for text pages are Arabic numerals consisting of the chapter number followed by the page

number within the chapter (e.g., C10-1 is chapter 10, page 1; C3-32 is chapter 3, page 32). Page numbers, for appendices to the volume, cite only the appendix number and the page number within the appendix (e.g., AP3-3 is appendix 3, page 3). The same appendix numbering system applies to each volume.

C2. CHAPTER 2

BUSINESS CONCEPTS

C2.1. OVERVIEW

C2.1.1 Defense Logistics Management System. The DLMS provides standard procedures and data formats to link the various component organizational elements of the Defense Logistics community including: inventory control points (ICP)s, distribution depots, maintenance depots, transportation nodes, and end users in posts, camps, stations, ships, and with deployed units. The DLMS not only addresses the different functional processes of logistics but, also provides standards for interchange of data across the Military Services, Defense agencies, other Federal agencies, foreign national governments, international government organizations, and with nongovernment participants. As other ***Electronic Business (EB)*** methods emerge, DLMS will incorporate these new capabilities into the Department's logistics business processes, as appropriate.

C2.1.2. Purpose. This chapter provides an overview of some of the technologies and procedures that all participants must implement to employ the DLMS across the range of participating organizations. This chapter also provides a road map to other parts of the manual for details of specific topics.

C2.2. TRANSACTION FLOW

C2.2.1. Transactions. The DLMS provides descriptive procedures, transactions, and data formats for computer-to-computer communications. The transactions initiate a logistics action (e.g., requisition an item; authorize a funds transfer; ship an item, etc.). The transactions are structured and formatted to be computer processable without human intervention.

C2.2.2. Defense Automatic Addressing System Center. The DAASC acts as a central node for all DLMS transactions. The transactions will flow from the originator's computer to the DAAS. The DAAS will edit the transaction for correct format, retain an image in an interactive data base for user access, and route the transaction to the correct recipient. The receiving computer will process the transaction and initiate the appropriate logistics action. This action will frequently result in generation of additional DLMS transactions to other systems and/or responses back to the originator via DAAS.

C2.2.3. Transaction Gateway. The DAASC will also act as the gateway for DLMS transactions to be routed to and from Foreign Military Sales (FMS)/Security Assistance ***(SA)*** customers and contractor participants.

C2.3. DATA REQUIREMENTS AND FORMATS

C2.3.1. General Information. The DLMS uses ANSI ASC X12 transactions for EDI. EDI is widely used in the private sector to conduct business operations, and also between industry and the Government in acquisition, transportation, finance, and other functional areas. The DLMS extends this electronic connectivity to internal DoD logistics operations. The DLMS will also be expanded to include other ***emerging EB*** methods as they are standardized and approved for ***use by the Department of Defense***.

C2.3.1.1. Electronic Data Interchange Standards. The ANSI ASC X12 EDI standards define transaction sets that communicate business information. A transaction set may be considered the equivalent of a business form (e.g., a purchase order, an invoice, or a requisition). The DLMS uses approximately 40 of the more than 100 transaction sets available in the ANSI ASC X12 standards. Several ANSI ASC X12transaction sets used by the DLMS were developed specifically for DoD usage; however, most applications use existing commercial transaction sets.

C2.3.1.2. Transaction Sets. Transaction sets consist of a group of segments in a specified order. Segments consist of one or more data elements, also in a specified order. The ANSI ASC X12 standards define the general data characteristics and formats. ***DLMS supplements[1](DSs)*** to Federal ICs define the specific data formats to be used in DLMS transactions and also define usage requirements (mandatory or optional) for transactions. Except for the communications supplements in this chapter, ***DSs*** are grouped by logistics functional area in subsequent volumes of this manual. Component application systems shall conform to the requirements specified in those ***DSs***.

C2.3.2. Editing

C2.3.2.1. General. Data contained in DLMS transactions must be both complete and accurate for the receiving computer systems to process . The following paragraphs define some principles for maintaining accurate data within the DLMS for all participants.

C2.3.2.2. Edit at Origin. DLMS procedures provide for recipients to edit and, if necessary, reject transactions back to the sender. To minimize the expense and delay involved in processing erroneous transactions, originating activities should apply the maximum amount of editing and validation upon their own transactions prior to transmission. Outbound transactions must meet all the requirements specified in the ***DSs***. Components may also apply more stringent or specific edit requirements as meets their needs on outbound transactions.

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[1] ***DLMSO has developed Extensible Markup Language (XML) schemas for use in DoD logistics that represent DLMS supplements to Federal ICs for ANSI X12 based EDI transactions. These files can be found on the DLMSO website.***

C2.3.2.3. Use Data Only as Defined. Data elements shall carry ONLY the data specifically defined in the ***DSs***. Capabilities exist to support DoD Component-unique data. However, DoD Components shall submit proposed DLMS changes, following the Chapter 5 requirements, to address any planned use.

C2.3.3. Error Processing

C2.3.3.1. General. When the ***DSs*** are completely incorporated into the DoD logistics business processes, much of the data currently contained in the DLSS transactions will be unnecessary. It is anticipated that legacy systems, that currently require the exchange, will have been replaced and new business rules will have been established that will make the DLSS data superfluous. It is also recognized that the DLMS implementation will require the continued use of the DLSS 80-character transaction formats to satisfy DoD Component legacy application systems employing the DLSS as their baseline. Current DLSS error notification processes will continue until ***the Department of Defense*** has totally implemented DLMS.

C2.3.3.2. Transaction Set (TS) 997 – Functional Acknowledgement. This TS is used by the DLMS when the TS contains an error which violates rules of ANSI ASC X12 syntax. The TS 997 may also be used to acknowledge receipt of the transaction set without error as agreed to between trading partners; but, only between ***the Department of Defense*** and a commercial trading partner. Use of TS 997 is discussed in Chapter 6 and DLMS appendix 1.

C2.3.3.3. ***DLMS Supplement 824R – Reject*** Advice. This ***DS*** is used when the translator receives a transaction that contains an ***functional*** error that violates the ***DSs and are covered by DLMS status transactions***. The ***DS 824R*** is generated as an exception by DAAS ***and DoD Component application programs*** to convey information to the sender's application process. Originating sites shall possess technical and procedural means to receive the application device, correct errors, and retransmit appropriate data. Use of ***DS 824R*** is discussed in ***Chapter 7.***

C2.3.4. Change Control. DAASC is the designated activity to perform change management for the translator used in converting DLSS to DLMS or DLMS to DLSS. DAASC will upgrade the translator as logistics data requirements change and the DLMS is updated to reflect the changes. Chapter 5 discusses the guidelines for maintaining DLMS standards and conventions and defines the procedures for processing and recording proposed DLMS changes.

C2.3.5. Enveloping. The DLMS supports the bundling of multiple groups of data, referred to as enveloping. Specifically, multiple transactions can be bundled into a single DLMS transaction set. Multiple transaction sets of a similar type can be placed in a single functional group, and multiple functional groups can be placed in a single interchange group. The DLMS use of envelopes is consistent with ANSI ASC X12.6 standards. Refer to Chapter 6 for the details of DLMS envelope usage.

C2.4. COMMUNICATION REQUIREMENTS

C2.4.1. Telecommunication Networks. The method for conveying DLMS transactions from one activity to another will be by DoD and Federal electronic telecommunications networks. The preferred method will be determined by agreement between the trading partners recognizing that DAASC will usually be one of the trading partners. The Defense Integrated Services Network (DISN) will be the dominant communications path.

C2.4.2. Common Communications Approach. Participating activities must all jointly use a common communications approach. Chapter 6 of this volume and DAASC procedures define specific communication requirements. The following lists some highlights of the key communications requirements:

C2.4.2.1. Transmit through the DISN or other approved alternatives.

C2.4.2.2. Use the compression algorithms as defined by DAASC.

C2.4.2.3. Transaction set syntax and content shall be in accordance with ANSI ASC X12.6 standards and the implementation conventions/***DSs*** defined in this manual.

C2.4.2.4. Transactions shall generally not be encrypted; however, they may be encrypted under specific DoD Component or national command structure policy or directive. Any use of encryption must be coordinated with DAASC.

C2.4.2.5. Component activities shall maintain copies of all transmissions for at least 1 week, and shall be able to retransmit them at the request of the receiving party. DAASC shall retain a copy of all receipts and transmissions. The length of the retention periods will vary by the specific transaction set. DAASC procedures define the retention period for each type of transaction set.

C2.4.2.6. DLMS transactions are variable length and in many cases have no practical maximum size. However, for transmission purposes, there will be an overall

maximum size imposed for transaction sets and transmission envelopes (see Chapter 6[2]).

C2.4.3. Technical Solutions. DoD Component activities shall have the discretion to determine the technical means for achieving the formats defined above. However, DoD Components are encouraged to use a standard EDI translator to convert from their internal system files to the DLMS standards.

C2.5. DAASC OPERATIONS

C2.5.1. Functions. The DAASC is central to all DLMS operations. It performs numerous corporate functions for DLMS operations including:

C2.5.1.1. Performing basic edits and returning any transactions with errors back to the originator.

C2.5.1.2. Archiving all received and transmitted messages, to ensure retransmission capability in the event the original message was lost due to computer or telecommunications failure.

C2.5.1.3. Generating images, as required.

C2.5.1.4. Holding or forwarding transactions per DoD Component profile for the recipient.

C2.5.1.5. Executing "suppress" or other national command directives.

C2.5.1.6. Loading transaction data into the Logistics On-Line Tracking System (LOTS).

C2.5.1.7. Coordinating and providing DoD management information on supply system performance evaluation.

C2.5.1.8. Performing additional functions for requisitioning including rerouting requisitions to the correct source of supply (SOS).

C2.5.1.9. Rerouting other documents using DoD Component rules and records as appropriate.

C2.5.1.10. Evaluating the "to" address capability for receiving transactions in EB versus DLSS format.

C2.5.1.11. Converting transactions from DLSS to DLMS and from DLMS to DLSS, as required.

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[2] Temporary restrictions at the data element level may be imposed on translation requirements to the previous fixed-length formats.

C2.5.2. DLMS Enterprise Service Provider (ESP). DAASC is the central node for DLMS technical and operations support and shall maintain activity profiles recording EDI capability, compression techniques, encryption techniques, communications media, and other address data of the DoD Components.

C3. CHAPTER 3

LOGISTICS DATA MANAGEMENT

C3.1. DoD DATA ADMINISTRATION. DoD data administration policy, as prescribed by DoD Directive (DoDD) 8320.1, DoD Data Administration, requires all DoD Components to implement data administration aggressively in ways that provide clear, concise, consistent, unambiguous, and easily accessible data DoD wide, thereby minimizing the cost and time required to transform, translate, or research differently expressed but otherwise identical data.

C3.2. DoD LOGISTICS DATA ADMINISTRATION POLICY. DoD Logistics data administration policy is committed to full compliance with the overall DoD policy. In compliance with the requirements specified in the DoD Directive cited above, it is DoD Logistics policy to:

C3.2.1. Standardize and register data elements to meet the requirements for data sharing and interoperability between and among logistics information systems.

C3.2.2. Use applicable DoD, Federal, national, and international standards before creating new logistics standards.

C3.2.3. Promote standardization of logistics data elements within the DoD logistics community consistent with requirements for sharing data.

C3.2.4. Establish the logistics community approach to managing data as a corporate asset that functions as a critical element in accomplishing the logistics mission.

C3.2.5. Establish the roles and responsibilities for management of logistics data at all organizational levels including, but not limited to, the role of the DoD Logistics Functional Data Administrator (FDAd).

C3.2.6. Augment and amplify DoD data administration policy and procedures in support of the Global Combat Support System (GCSS) vision of interoperability.

C3.2.7. Develop and publish appropriate operational guidance for all DoD Components and information technology support elements that provide, maintain, or use logistics data or perform logistics related activities.

C3.3. BACKGROUND

C3.3.1. Focused Logistics. An information environment that is flexible, adaptable and interoperable enables the execution of the DoD Logistics Strategic Plan in support

of the Joint Vision 2020. Focused Logistics, a key concept for future joint operations, is the fusion of the elements of logistics support using information technology. It requires the timely flow of vital information between the battlefield and the sustaining base. The GCSS enables the achievement of Focused Logistics by providing improved combat support for the warfighter through integration and interoperability across combat support functions.

C3.3.2. Criticality of Accurate Information. Collecting, processing, and delivering timely and accurate information is critical to accomplishing the DoD logistics mission. The amount of data and the number of systems created to process data are expanding at the same time the role of data is changing. Traditional reports showing past activity are being replaced by active, real-time decision-making reporting structures. Manual data collection processes are being replaced by automated passive collection techniques.

C3.4. CHALLENGES PRESENTED BY GCSS. The GCSS presents new challenges to the data management community. Transitioning to an improved information environment that supports the GCSS vision requires an intensified collaborative approach to all data management initiatives. These initiatives must be undertaken with greater sensitivity to the needs of the global community, recognizing that data management is a community-wide collaborative effort incorporating both new and legacy environments.

C3.5. APPLICABILITY AND SCOPE. The procedures of this chapter apply to:

C3.5.1. All DoD Components that provide, maintain, or use logistics data.

C3.5.2. All information technology (IT) support elements that are under the control of the DoD logistics community.

C3.5.3. All data which is necessary to perform logistics and related activities.

C3.6. ROLES AND RESPONSIBILITIES. DoDD 8320.1 establishes the concept and role of the DoD Data Administrator, DoD FDAd, and the DoD Component Data Administrator (CDAd). Accordingly, the positions of the DoD Logistics FDAd and DoD Logistics Component FDAd have been created to meet that requirement.

C3.6.1. DoD Logistics Functional Data Administrator Responsibilities. The DoD Logistics FDAd is responsible for:

C3.6.1.1. Resolving data-sharing-data issues.

C3.6.1.2. Evaluating the status of data management, including data interoperability, in logistics information technology issues.

C3.6.1.3. Establishing and maintaining a capability for providing community-wide information about the logistics data infrastructure and the relationships to other information elements.

C3.6.1.4. Developing and publishing implementation memoranda for logistics data management.

C3.6.1.5. Ensuring configuration management for global logistics data assets.

C3.6.1.6. Coordinating with other functional areas to identify data interoperability opportunities.

C3.6.1.7. Ensuring that appropriate security requirements are identified for shared logistics data assets.

C3.6.1.8. Maintaining data integrity by facilitating resolution of cross-component and cross-functional data quality issues.

C3.6.1.9. Serving as the authoritative representative on all logistics functional issues affecting DoD data administration.

C3.6.1.10. Developing logical data models of logistics functional data.

C3.6.1.11. Assisting logistics functional area activities in collecting, synchronizing, and distributing functional data.

C3.6.1.12. Identifying any logistics functional data requirements not provided by the Defense Data Repository System (DDRS).

C3.6.2. DoD Component Logistics Functional Data Administrator. The DoD Component Logistics FDAds (or CDAd if no Component Logistics FDAd is designated) is responsible for:

C3.6.2.1. Providing functional representation in joint logistics efforts involving data management.

C3.6.2.2. Preparing and submitting proposed standard data.

C3.6.2.3. Coordinating proposed standard data received from the Component CDAd and the DoD Logistics FDAd.

C3.6.2.4. Planning for utilization and enhancement of the interoperable data infrastructure.

C3.6.2.5. Determining the mission requirements for synchronizing replicated data within the DoD Component.

C3.6.2.6. Ensuring that DoD Component information technology initiatives use the shared, authoritative data store.

C3.6.2.7. Ensuring configuration management for non-global logistics data assets for which the DoD Component is responsible.

C3.6.2.8. Designating and recording the authoritative store for logistics data.

C3.6.2.9. Ensuring that data security requirements, including access permissions, are defined and effectively executed.

C3.6.2.10. Ensuring data integrity by identifying and investigating data quality issues and facilitating actions to improve processes in order to resolve these issues.

C3.6.2.11. Ensuring that the design of data acquisition and maintenance processes support the requirement of data interoperability and data quality.

C3.6.3. DoD Component Data Administrator Responsibilities. Each DoD Component designates a CDAd to organize and manage a data administration program within the Component. In addition to common responsibilities described above, the CDAd is responsible for:

C3.6.3.1. Representing CDAd interests to the DoD Logistics FDAd.

C3.6.3.2. Identifying the interface between the users, data base administrators, and application developers of information systems.

C3.6.3.3. Serving as the liaison between the DoD Logistics FDAd and the DoD Component on all data management issues.

C3.6.3.4. Reviewing proposed changes to DoD standard data elements that originate within their Component and forward changes to the Logistics FDAd.

C3.6.4. DLMSO Responsibilities. The Director, DLMSO, is responsible for:

C3.6.4.1. Establishing the position of the DoD Logistics FDAd.

C3.6.4.2. Providing appropriate staffing and administrative support for the FDAd.

C3.6.4.3. Ensuring uniform implementation of DoD Logistics data administration policy and procedures by DoD Components.

C4. CHAPTER 4

ENVIRONMENTS

C4.1. GENERAL INFORMATION. The DLMS implementation architecture, a subset of the Defense Information Infrastructure (DII) and the GCSS, is based on the DII Common Operating Environment (COE) and fully complies with the DII COE standards. The DLMSO, operating under this framework, coordinates DLMS-related requirements with the DoD Component focal points and interfaces with the DAASC and the DISA to ensure that all DII COE requirements are fulfilled. The DAASC and DISA jointly maintain the Defense Electronic Business Exchange (DEBX) infrastructure. The DEBX functions as the single interface between Government and commercial trading partners while conducting electronic commerce and EDI activities. DEBX monitors interoperability, economies of scale, and compliance with standards. DEBX also provides translation and conversion services required for DLMS implementation. The DLMS implementation architecture supports both the pass-through of already translated EDI transactions as well as translation services for inbound and outbound transactions. This chapter discusses the system architectures for processing DLMS transactions. It reviews the functions of EDI translation software/hardware and their relationship to component logistics application systems. The EDI translator and other portions of the systems architecture developed for the DLMS will support other EDI applications including exchanges with industry.

C4.2. DAASC EB/EC INFRASTRUCTURE. The DAASC serves as the lead DEBX component supporting DLMS implementation. In addition to supporting the developing DLMS environment, the DAAS infrastructure has been developed to support the EDI needs of the full range of EDI transactions exchanged between DoD civil agencies, and security assistance countries and their trading partners. This infrastructure interacts with other logistics infrastructures to ensure that DoD's access needs are met, and also interacts with the DoD EB/EC infrastructure for multiple EDI efforts.

C4.2.1. Purpose. The DAAS EB/EC infrastructure was developed to meet the current and anticipated requirement for a logistics information infrastructure that can operate fully between the Government, DoD and its trading partners. The trading partners may be either internal to DoD or external commercial activities and foreign countries. The DAAS has been designed to support a wide range of emerging EB/EC business practices and interfaces. The DAAS provides EB/EC capabilities such as translation, store/forward of messages, routing, file management, recovery of transactions, and statistics generation. DAAS can also provide data encryption if required by government and/or commercial trading partners. The DAAS also provides end-to-end support of several prime vendor initiatives within the Government, functioning as a full service value added network (VAN) for military customers. The

DAAS can provide this capability to prime vendors if requested by the functional sponsor.

C4.2.2. DAAS Interfaces. The DAAS infrastructure can interact with other logistics systems to meet DoD logistics data exchange and data access needs. The DAAS interfaces enable DoD to receive, edit, route, and collect a wide range of logistics data in various electronic formats. The data are then incorporated into interactive databases that provide current information, in detailed or roll-up formats, to users at all levels of the DoD logistics process.

C4.3. TRANSLATION

C4.3.1. General Information

C4.3.1.1. Definition. Translation is the automated process of transforming component data into ANSI ASC X12 (DLMS) standards for sending and receiving data. Most translation software use "table-driven" routines to process regardless of the actual application being processed. Specific action is taken by the program depending on the data being processed and the particular tables associated with the transaction set.

C4.3.1.2. Translation Software. Components may use any desired means to translate component data to the DLMS format. The DLMS standards apply to the transaction sets that result from the DoD Component processing and not how a program is designed, nor how it operates. Many commercial software packages exist which provide "core translation" and other related functions that are designed to support different EDI environments. The translation software decision to "make or buy" must consider many factors, however the availability of relatively inexpensive proven commercial software packages should make development unnecessary. EDI software should be managed as "system software" not as "application software."

C4.3.1.3. Processing. Another factor in determining an architecture for DLMS and EDI translation processing is the number, size, and placement of translators. Translators may be placed at each site processing DLMS transactions or established at regions to serve a number of sites. Making this determination will require a detailed analysis of transaction volumes processed by each participating site, and translation software, hardware, and communications costs.

C4.3.1.4 Capabilities. DAASC, in its role as the ***ESP*** for DLMS and as a DoD distribution point for EDI communications with industry, maintains an extensive capability to translate between EDI formats and other file structures. As required, the DAASC ***shall*** provide translation between DLMS and Component UDF formats; between multiple versions of the ASC X12 standards; and between other EDI formats, such as Extensible Markup Language (XML). In addition, the DAASC ***shall*** support translation between DLSS and DLMS formats referred to as “conversion.

C4.3.1.5. Transition Conversion Requirements. During a transition period of indeterminate length, the DoD will operate in a mixed DLSS/DLMS environment. The DAAS will provide conversion processing between the standard DLSS formats and the DLMS to support this transition. DLSS to DLMS conversion tables have been developed that allow for the conversion of data from DLSS to DLMS, and vice-versa. The conversion tables enable logistics business to be conducted in both environments. In order to facilitate the conversion, DAASC uses a commercial “any-to-any” mapping software package that supports a robust conversion. The Components are able to use their current format, either DLSS or DLMS, to initiate a transaction. DAASC incorporates and maintains a profile of each organization and specifies whether the organization is operating in DLSS, DLMS, or both. The DLSS data elements are retained in the DLMS to support the conversion. However, DLMS enhanced data may not be supported in legacy or transitioning systems, so coordination with DLMSO is required prior to implementation of DLMS enhancements.

C4.3.2. Translation Architecture

C4.3.2.1. Minicomputer/Microcomputer Front End. This computer serves as a front-end processor to the host system which may be a type of mainframe, minicomputer, a series of microcomputers, or any combination of machines and component application systems. The translation software (to/from DLMS) resides within the microcomputer.

C4.3.2.2. Mainframe/Minicomputer. All processing (application processing and EDI translation) is performed within one computer. Outbound transactions are consolidated, translated, and transmitted. Network communications and hardware/software are under the control of the one computer.

C4.3.2.3. Stand-alone Microcomputer. Outbound transactions either are entered into an application or some translation software supports direct entry of data. Translation software resides within the microcomputer and communications software/hardware handles both inbound and outbound transactions. This approach supports only activities with very low transaction volumes and simple application systems.

C4.3.3.Other Functions. Other software/hardware will be required to archive data for retransmission, in case the original transaction is lost or damaged, and to compress data to minimize long-haul communications costs.

C4.4. APPLICATION INTEGRATION

C4.4.1. Data Exchange Requirements. The translation software will need to exchange a substantial amount of data with the host application software. The primary exchanges will be transaction data. For outbound transactions, applications programs developed by the DoD Components will extract transaction data from the host

application data base and reformat it into what is typically called a "flat file" which can be processed by the EDI translator. Inbound transactions are reversed. The translator outputs the flat-file and application programs must convert the data into the proper format to be input into the application database. The characteristics of the "flat-file" are determined by the type of EDI translation software.

C4.4.2. Translation Flat Files. Translation flat files are not the only information that must be dealt with. Automatic data processing and functional procedures must exist to manage errors for both outbound and inbound transactions. Outbound errors must be reported to both the technical and functional staffs. The cause of an error must be identified, corrected, and the data reconstructed for proper transmission. For inbound errors, the type of error needs to be identified and a decision made as to whether the data can be processed or rejected.

C4.4.3. Multiple Applications. Activities that support multiple applications (e.g., a large post which has a separate supply, transportation, and procurement system) must be capable of evaluating inbound transactions and routing them to the proper application system. The capability for updating communications modules with trading partner communication information profiles must also exist.

C4.5. SYSTEM ARCHITECTURE. The aggregation of these components in combination with the communications path is called the EDI systems architecture. The DoD Components are responsible for determining the most effective architecture(s) for their requirements. DoD Components may vary the architecture by type of activity, (e.g., retail versus inventory control point). There is no DLMS restriction regarding the DoD Components' architectures as long as the transactions:

C4.5.1. Meet DLMS format requirements, including enveloping and compression algorithms.

C4.5.2. Are transmitted through a DoD approved communications medium.

C5. CHAPTER 5

CHANGE MANAGEMENT

C5.1. GENERAL INFORMATION. This chapter describes the guidelines for maintaining the DLMS standards, DSs to Federal ICs, and procedures. The change control process ensures the proper documentation of all proposed or approved changes to the DLMS, the tracing and reporting of these changes to the functional baseline using change control status accounting, and the validation of the changes using functional change control reviews, as required. These guidelines also apply to the DLSS legacy systems changes and for changes employing EB methods other than EDI that are chosen by DoD Components for use within their logistics business processes/systems. DLMS shall support emerging EB technologies such as: data sharing, automated identification technology, object-oriented user interfaces, electronic malls, web-based technology, electronic funds, etc.

C5.2. MAINTAINING SUPPLEMENTS TO FEDERAL IMPLEMENTATION CONVENTIONS. The DLMSO coordinates the implementation of the DLMS. DLMSO maintains control of related standards, DLMS supplements to Federal ICs, procedures, and common support packages (e.g., versions of the ANSI ASC X12 standards, XML-based standards, etc.), participates in the standards-setting process, and assures compliance with approved EDI standards.

C5.2.1. DLMS Baseline. The Director, DLMSO, establishes the baseline for DLMS standards and supplements. The previous baseline, plus approved changes from that baseline, constitutes the current approved DLMS baseline.

C5.2.2. Change Control

C5.2.2.1. Scope. DLMS change control is the approval/disapproval and prioritization of changes to the DLMS, achieved through DoD Component coordination and consensus, thereby, promoting an integrated approach to the standardization and modernization of the DoD logistics business processes. Control of changes includes documentation, justification, systematic evaluation, coordination, release, implementation, and publication.

C5.2.2.2. Purpose. The change control process assures that those involved in the change process define and evaluate the full impact of a change based on at least the following considerations before making a decision to approve and implement the change:

C5.2.2.2.1. Functional requirements

C5.2.2.2.2. Change justification

C5.2.2.2.3. Quality assurance

C5.2.2.2.4. Operational readiness

C5.2.2.2.5. Systems interfaces

C5.2.2.2.6. Technical reviews

C5.2.2.2.7. Estimated impact on total life-cycle costs

C5.2.3. Change Control Status Accounting (CCSA)

C5.2.3.1. Purpose. DLMS change control guarantees that there is a record documenting all proposed changes. DLMS CCSA provides for tracking and reporting all proposed changes to the DLMS baseline. CCSA is also a management tool for documenting the accomplishment of all related tasks resulting from adopted changes and for updating the current DLMS baseline.

C5.2.3.2. Reporting. The Director, DLMSO, ensures the proper recording, management, and reporting of the CCSA data needed to effectively manage proposed changes during development or modification of the DLMS.

C5.2.4. Documentation. The Director, DLMSO, creates a proposed change record concurrently with the establishment of the functional baseline, and maintains the record's documents and data in a manner that provides the continued visibility required to effectively manage the DLMS baseline. The baseline record, at a minimum, contains:

C5.2.4.1. The functional documentation comprising the baseline.

C5.2.4.2. The essential baseline item data elements.

C5.2.4.3. A functional economic analysis.

C5.2.4.4. All approved changes to the baseline and the implementation status of such changes.

C5.2.5. Reporting Requirements

C5.2.5.1. Status Reports. DoD Components will provide a semiannual status report on the implementation of approved DLMS changes. Report information as of May 1st and November 1st of each year for approved changes until fully implemented. In the final report, identify the implementing publication and change number/system/subsystem identification, as applicable. Attach a copy of the publication change or information needed to acquire a copy of the change (web site, link, etc.). In addition, this report will document DoD Component progress in migration to the DLMS during the transition phase. The report will be furnished to DLMSO no later than 30

May and 30 November of each year. RCS: DD-AT&L(AR)1419, System Implementation and Business Process Status Report, applies.

C5.2.5.2. Status Reviews. DLMSO will provide a status review of all change proposals which have not yet been approved for publication, or if approved, have not been implemented. The report will reflect the title and change number, associated dates, and current status for each DoD Component. This information will be incorporated under the aforementioned RCS for semiannual publication by DLMSO subsequent to DoD Component submissions discussed above.

C5.2.6. Functional Change Control Reviews (FCCRs)

C5.2.6.1. Purpose. The Director, DLMSO, conducts functional FCCRs to validate the satisfactory completion of DLMS development or modification and to validate the:

C5.2.6.1.1. Establishment and accuracy of the CCSA system.

C5.2.6.1.2. Existence of a formal process for establishing the functional baseline.

C5.2.6.1.3. DLMS baseline functional requirements.

C5.2.6.1.4. Execution of appropriate tests, analyses, and reviews; conformance with acceptance requirements; and documentation and resolution of all deficiencies.

C5.2.6.1.5. Performance of current baseline requirements.

C5.2.6.1.6. Technical documentation accurately reflecting the functional characteristics.

C5.2.6.1.7. Test and analysis data verifying that the DLMS is achieving the performance specified in its current functional baseline.

C5.2.6.2. Baseline Reviews. The Director, DLMSO, performs baseline reviews at his or her discretion:

C5.2.6.2.1. When verification is required to insure that follow-on changes meet their specified functional characteristics and the current baseline requirements.

C5.2.6.2.2. When the accumulation of DLMS approved changes, deviations, and waivers (refer to chapter 1) warrant additional reviews.

C5.2.6.2.3. When there is a need to validate the performance of the DLMS and/or the accuracy of its baseline and status accounting system.

C5.3. DLMS VERSION CONTROL. The official ANSI ASC X12 version of a standard transaction set (e.g., 511) is a key ingredient in the successful application of DSs to Federal ICs. The version number is transmitted as a code in the functional group header within an interchange envelope. The version is transmitted as a three-position code. Each major ANSI ASC X12 standards revision involving the public review process that leads to a publication of a set of American National Standards causes the version number to increase by one. The predominate DLMS version is 004. The next three positions designate the release level within each version, i.e., 010. The release number of each version is identified in the second position of the release level. The initial DLMS implementation release is release one (010). Both version and release numbers are commonly referred to as a version release, e.g., ANSI ASC X12 version release 004010 ("4010"). The DLMS may eventually support multiple versions dependent upon trading partner requirements to include a minimum of the current version plus two previous versions. In addition, the DLMS will support multiple versions of DSs within each ANSI ASC X12 version release. This layered version control schema will allow for documentation and control of DLMS changes that do not affect the structure of ANSI ASC X12 transaction sets or DLMS supplements, but are required for clarification and/or update of DSs.

C5.4. DLMS CHANGE PROCESS

C5.4.1. New Requirements. A new requirement, a modification in design, a system deficiency, a change in DoD logistics policy, or an operational emergency can all cause a PDC. Examples of significant changes include those that create substantial life cycle cost savings, correct deficiencies, or make significant effectiveness change(s) in operational or logistics support requirements. Other changes include, but are not limited to: revisions to formats, codes, procedures, or changes requiring interface with other systems, retail level systems, or Federal agencies.

C5.4.2. Information Exchanges. PDCs will also be used to effect new or revised information exchanges. Information exchange is defined as the process of transferring data by means of direct interface between two or more databases. An information exchange opportunity exists when the authoritative source can be identified and when direct database access is technically feasible. However, other conditions must be satisfied to implement the exchange, e.g., the proposed exchange must be evaluated against other available processes. Cost, number of subscribers, data security/quality may also be factors.

C5.4.3. Submission. PDCs will be submitted to DLMSO through the applicable DoD Component PRC member. DLMSO may also accept proposed changes submitted through joint Service/Agency process action teams or the equivalent sponsoring organization.

C5.4.4. Procedures. Appendix 2 is a flow chart that illustrates the process to submit a PDC. In summary, the processing of a change, waiver, or deviation to the DLSS or DLMS involves the following steps and the normal associated timeframes (NOTE: The PRC Chair may accelerate the change process from the timeframes indicated and may, when appropriate, extend them):

C5.4.4.1. Step 1. The PDC sponsor (see C5.4.3) submits a PDC (or waiver or deviation request) in ***the*** format **found at http://www.dla.mil/j-6/dlmso/eLibrary/Changes/processchanges.asp** to the Director, DLMSO, or appropriate PRC chair. When more than one committee is involved e.g., supply, finance, data management, etc. the PRC chairs involved determine the lead PRC and coordination required.

C5.4.4.2. Step 2. Within 10 calendar days of receipt of proposal, the PRC chair evaluates the proposal and determines appropriate action, e.g., return for additional information, work with PDC sponsor to clarify/amend, accept for staffing, etc. If the proposal is accepted for staffing, the PRC chair assigns a PDC number and forwards the proposal to the DoD Component PRC members, if necessary. The PRC chair also determines if submission to external standards bodies (Functional Working Group, DoD EDI Standards Management Committee (EDISMC), Federal EDI Standard Management Coordinating Committee (FESMCC) or ANSI ASC X12 is required. If the PDC includes a change to a Federal IC that requires review and approval by the external standards bodies, the PRC chair will forward the IC change(s) and/or related data maintenance request(s) to those groups/committees for processing after the proposal is approved or in conjunction with staffing, if appropriate.

C5.4.4.3. Step 3. The PRC members provide the PRC chair a fully coordinated DoD Component response, including a proposed implementation date if known, by due date provided in the proposal, normally within 45 days of the date of the PDC.

C5.4.4.4. Step 4. The PRC chair may initiate follow up for non-response within 5 calendar days of due date. Additional follow up may be elevated as appropriate.

C5.4.4.5. Step 5. The PRC chair evaluate all comments on the PDC within 5 calendar days from receipt of DoD Components' comments or in conjunction with the next quarterly PRC meeting. If necessary, the PRC will resolve comments and/or disagreement and establish an implementation date if possible. If the PRC approves the PDC, the PRC will establish an implementation date based on consensus. If the PDC is disapproved by the PRC, the sponsor is notified of the disapproval.

C5.4.4.6. Step 6. If an implementation date is not established during the approval process, the PRC chair prepares and disseminates to PRC members a request for implementation date (RFID). The PRC chair normally requests a

response within 45 days of the date issued. When a satisfactory implementation date cannot be jointly agreed upon, the PRC chair will refer the matter to the DUSD(L&MR), or other OSD sponsor for resolution. NOTE: This step will be used when an implementation date is not established during the original staffing process or during a PRC quarterly meeting.

C5.4.4.7. Step 7. Based on DoD Component responses, the PRC chair will establish a single DoD implementation date, or when appropriate, authorize DoD Components to implement on a staggered schedule.

C5.4.4.8. Step 8. Upon reaching the effective date of implementation, all approved DLMS changes (ADCs) are formally incorporated into the electronic version of the DLMS manual, which can be found on the DLMSO worldwide web (WWW) page, http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/formats.asp. Interim changes will be published, as required, to meet system requirements. Approved interim changes will also be incorporated into the electronic version of the DLMS manual on their effective date. Formal changes will be published to coincide with scheduled implementation dates. Formal changes may include any approved change with the same scheduled implementation date and any interim changes which have been published since the last formal change.

C6. CHAPTER 6
COMMUNICATIONS

C6.1. INTRODUCTION

C6.1.1. Defense Integrated Services Network. The DISN will be the primary communications path to convey DLMS transactions between DLMS users. In some cases, DLMS participants will be commercial entities or foreign governments which do not have access to DISN. In these cases, the DAASC will be responsible for conveying the DLMS transactions to the appropriate DoD distribution point which can link to the specific DLMS trading partner.

C6.1.2. Purpose. Within the general DISN requirements for transmitting data, the DLMS has specific capabilities and requirements for transmitting data. This chapter identifies and defines these requirements and capabilities.

C6.2. ENVELOPING

C6.2.1. General Information

C6.2.1.1. Transaction Sets. EDI transaction sets are transmitted within other data structures that provide telecommunication (rather than functional) information. For instance, several transaction sets (a transaction set begins with "ST" and ends with "SE" segments) can be grouped together within a transmission standard structure (called an envelope). The rules governing such multiple packaging are: (1) only transactions of the same kind may be bundled together; (2) the group envelope within which they appear must begin with a "GS" (group start) segment and end with a "GE" (group end) segment; and (3) one or more like transaction set(s) will be contained within the GS and GE segments.

C6.2.1.2. Transaction Groups. In a similar fashion, one or more transaction groups fit into a higher-level enveloping structure required for actual EDI transmission. This structure always begins with an "ISA" (interchange start) segment and ends with an "IEA" (interchange end) segment. Contained within the ISA and IEA will be one or more group control set(s).

C6.2.2. Description of Use.

C6.2.2.1. The interchange header and trailer segments (ISA/IEA) constitute the interchange control structure, i.e., an interchange envelope. Interchange control segments perform the following functions:

C6.2.2.1.1. Define data element separators and data segment terminators.

C6.2.2.1.2. Provide control information.

C6.2.2.1.3. Identify sender and receiver.

C6.2.2.1.4. Allow for authorization and security information.

C6.2.2.2. Interchange Control Structure. The actual interchange control structure includes neither the group control structures nor the transaction control structures. ANSI ASC X12 defines the latter two structures as application control structures, and even their version and release may differ from those for the interchange envelope. An interchange envelope may encompass one or more functional groups (GS/GE) which, in turn, may enclose one or more related transaction sets (ST/SE). The DLMS Supplements (DS) to Federal ICs illustrate the relationship for these structures.

C6.2.2.3. Purpose of Functional Groups. Since the only purpose of the GS/GE functional groups is to serve as an additional control envelope surrounding like transaction sets (within the ISA/IEA structure), DAASC considers their usage as interchange control segments.

C6.2.2.4. Transaction Interchanges. The generic term, trading partner, has extensive use throughout the EDI community. It refers to the sender/receiver pair in an interchange. In contrast to the arrangement between many commercial or industrial trading partners, the interchange of DLMS transactions employs a central communications hub, known as the DAAS. DAAS performs several value-added functions before forwarding DLMS transactions to their ultimate receiver. Thus, DLMS interchanges occurring between DoD Components or between Components and commercial entities always involves this central hub. For clarity within this interchange control process, DAASC distinguishes between intermediate communication between site and central facility from the actual exchange of EDI transactions between end-to-end entities. DAASC characterizes the intermediate interchange between DAAS and any DoD Component or commercial entity as occurring between communications partners. The term, trading partners, in the interchange control process is defined as the end-to-end communicants in an interchange.

C6.2.2.5. Envelope Control Segments. Envelope control segments have few options and, except for minor tailoring, are identical for every EDI interchange. The tailoring involves the code values selected for the GS01 and GS08 elements. GS01 classifies the particular transaction set(s) within a functional group and GS08 identifies their ASC X12 version and release (and the (IC) version itself). It should be noted that the version and release identified in the ISA12 pertains to the control envelope and not to the transactions.

C6.2.3. Data Element, Data Segment (File), and Subelement Separation

C6.2.3.1. Data Element Separator

C6.2.3.1.1. Purpose. In ANSI ASC X12 documentation, the data element separator is graphically displayed as an asterisk (*). The actual data element separator employed within the interchange envelope assigns the value for the entire interchange. The first occurrence of the data element separator is at the fourth byte of the interchange control header. The value appearing there prescribes the data element separator through the next interchange trailer.

C6.2.3.1.2. Rules. Any character can serve as a data element separator so long as: (1) it is disjointed from every other data element within an interchange; and (2) it does not conflict with telecommunications protocols necessary for the transmission of the interchange. The value recommended by ANSI ASC X12, ASCII hexadecimal character 1D, shall apply for use to interchange DLMS transactions.

C6.2.3.2. Data Segment Terminator

C6.2.3.2.1. Purpose. The interchange control header establishes the value to be used for segment termination within an interchange. ANSI ASC X12 documentation represents this graphically by a new line. The first instance of segment termination immediately follows the ISA16 segment, and the data value occurring there sets the value for the interchange.

C6.2.3.2.2. Terminator Value. The segment terminator value must be disjointed from every other data value within an interchange and must not conflict with transmission protocols. ANSI ASC X12 recommends using the ASCII hexadecimal character 1C for the segment terminator (file separation) character. To comply with this requirement, DLMS users shall set the pertinent parameter in their translation software.

C6.2.3.3. Subelement Separator

C6.2.3.3.1. Purpose. Designation of a subelement separator differs from the other separators. First, the ISA segment provides a discrete element (ISA16) for defining the subelement separator data value. ANSI ASC X12 supports the use of subelements (and use of a subelement separation) only in transactions employing a Composite Unit of Measure (MEA) segment.

C6.2.3.3.2. Rules. The requirements for any separator value are disjointedness and lack of conflict with other protocols. DLMS users shall set the applicable translation software parameter to employ the recommendation of ANSI ASC X12 for subelement separation by using the ASCII hexadecimal character 1F.

C6.3. ARCHIVING AND SEMANTIC ERROR RECOVERY

C6.3.1. Archiving. EDI transactions will be retained online at DAASC for a period of seven days after receipt and can be accessed by the DAASC customer relations assistance desk for obtaining customer status. After successful processing, EDI transactions will be moved to the DAASC LOTS archives. The DAASC central communications facility provides significant archiving and error recovery services for DLMS trading partners. To assist with error correction, DAASC maintains cross-references between original inbound transmissions and subsequent (different) outbound transmissions. These data are forwarded to a receiving trading partner. Without these services, each end of the communication link would have to provide for extended data recovery procedures.

C6.3.2. Transaction (Semantic) Errors

C6.3.2.1. Purpose. Semantic errors involve EDI transaction data which have been correctly formatted but whose meaning cannot be correctly interpreted by the receiving application process. It is not possible to detect semantic type errors during either transmission or translation. As a result, detection of erroneous data occurring within a transaction is the responsibility of the receiving partner. Semantic errors must be determined either within the receiving application processes or by some error detection software whose editing rules are based on the receiving application. DAAS will perform certain levels of semantic error detection for DLMS transactions based on DoD standard rules and at the request of users of the central communications facility.

C6.3.2.2. Error Detection. If semantic errors are detected after transmission and translation, their correction may fall outside the domain of either the translation or the transmission process. Semantic errors can be corrected either within the originating application process, by error correction software whose editing rules are based on the originating application process, by error correction software whose editing rules are based on the originating application, or by default values agreed upon by both originator and receiver. At the request of users of the central communications facility, DAASC can perform various levels of semantic error correction based on computer processable editing rules.

C6.3.2.3. Administering Corrections. For the originating application process to administer correction measures, the application must be cognizant of what and where the error occurred. An error advice transaction must be generated by the receiving trading partner or by some error detection software outside the originating process. (See chapter 7 for details on using the DS to 824 Federal IC, Reject Advice to report transaction semantic errors.)

C6.4. TRANSACTION ACKNOWLEDGEMENT AND ENVELOPE ERROR REPORTING

C6.4.1. General Information

C6.4.1.1. Failure Levels. In addition to semantic errors, EDI formats are subject to failure at three additional levels: (1) transmission, (2) EDI control envelope, and/or (3) EDI transaction syntax. When successful processing is not possible due to problems within one of these levels, error recovery is performed by the central communications facility.

C6.4.1.2. Transmission Integrity. For incoming traffic at DAASC, successful receipt of an electronic message means that the transmission arriving is the same as that which was sent. Thus, if transmission integrity is lacking, communication protocols will require retransmission to be considered to have been unsuccessfully received at DAASC. Also, receipt of any transmission whose EDI control envelope has been corrupted prompts DAAS to return to the sender an appropriately coded acknowledgement. If the envelope is incorrect or lacking, DAAS will treat the faulty transmission as never having been received.

C6.4.1.3. Translation. After receiving a correct EDI envelope control structure, DAAS will attempt to translate the EDI format. In any case where the translation process identifies inconsistencies with agreed upon syntactical standards, DAASC will return to the sender a coded error acknowledgment transaction. (See C6.4.2 regarding the 997 Federal IC, Functional Acknowledgment (DLMS appendix 1)). Transactions containing syntax errors are neither forwarded on to the receiving trading partner nor retained at DAASC. They are "refused for delivery" until corrected.

C6.4.1.4. Error Advice. The submitting party accepts and responds to the error advice transaction (e.g., 997 IC), corrects the error, and retransmits.

C6.4.1.5. Trading Partner Transaction. For transmissions between DAASC and the destination trading partner, the roles for error recovery are reversed. Transmission acknowledgement, EDI control envelope error detection, and EDI syntax checking are all performed within the receiver's communications and EDI translation facilities; DAASC responds only to communications protocol IC 997 advice messages.

C6.4.2. Federal Implementation Convention 997, Functional Acknowledgment

C6.4.2.1. Negative Functional Acknowledgment. Between DLMS trading partners, only a negative functional acknowledgement will be employed. The 997 IC will be transmitted for any interchange whose contents cannot be handled unambiguously by properly functioning EDI translation software. Note that "functional acknowledgement" might be a slight misnomer; the 997 IC merely verifies (or challenges) the syntactical correctness of (ability to translate) transaction-level data within a functional group. For DLMS interchanges, an IC 997 defining translation problems is exchanged not between trading partners, but between communications partners (i.e., between DAAS and either of the trading partners).

C6.4.2.2. Outbound Syntax Errors. Outbound transaction sets which contain EDI syntax errors will cause an error condition at the receiving EDI translator (typically at DAASC). The receiving EDI translator will report the error back to the sender via an 997 IC. For inbound interchanges, errors in syntax discovered by the receiver during translation will result in the generation of a 997 IC defining the syntactical discrepancies and the interchange will be returned to DAASC for correction and retransmission.

C6.4.2.3. Use. The 997 IC is used for DoD interchange of DLMS transactions.

C6.5. ADDITIONAL COMMUNICATION ISSUES

C6.5.1. Control Numbers. ANSI ASC X12 standards provide for syntax control on three levels: interchange, group, and transaction. Within each level, use of an identical control number exhibits a positive match between the header segment and its corresponding trailer (e.g., ISA/IEA, GS/GE, and ST/SE). The DLMS conventions specify assignment of these control numbers at each level as described in the following paragraphs.

C6.5.1.1. ISA/IEA Interchange Control Numbers (ISA13/IEA02)

C6.5.1.1.1. Assignment. The nine-digit interchange control number is assigned by the originator's translation software starting with 000000001. This control number is incremented by one for each subsequent interchange. When the number in the sequence advances to 999999999, the next interchange envelope will restart the series at 000000001.

C6.5.1.1.2. Control Number Duplication. The duplication of control number in both header and trailer segments provides the means to perceive loss of data and, of course, easily recognize duplicates.

C6.5.1.2. ST/SE Transaction Set Control Numbers. The originator's translation software also assigns the transaction set control number. The number starts with 0001 and increments by one for each transaction set within a functional group. (While a minimum of four digits are required, never transmit more digits than the least number needed.) The series restarts at 0001 with the next functional group sent.

C6.5.1.3. GS/GE Data Interchange Control Numbers (GS06/GE02). This is a one-to nine-digit number assigned by the originator's translation software. The group control number sequence begins with one and, in contrast to the ISA control number, is incremented by one for every functional group (GS/GE) within an interchange. This number simply counts the functional groups in the interchange.

C6.5.1.4. Sender and Receiver Identifiers. A DoDAAC is the usual identifier of originators and receivers of DLMS EDI transactions. All DoD Component requisitioning activities are assigned a DoDAAC. Commercial transportation activities

without a DoDAAC assignment, which may send or receive DLMS transactions, are identified by their Standard Alpha Carrier Code (SCAC) designation. A Contractor and Government Entity (CAGE) code identifies a commercial contractor authorized to do business with the U.S. Government. Other DLMS trading partners without an assigned DoDAAC, SCAC, or CAGE code may be distinguished either by their telephone number or their data universal numbering system (DUNS) code plus four-digit telephone suffix, as coordinated by their VAN.

C6.5.2. Compression

C6.5.2.1. General. The most prominent cost in the EDI interchange is the cost of communications. Therefore, it is cost effective to reduce data to a minimum. DLMS transactions (in EDI format) require roughly twice the number of data bytes as an equivalent amount of information expressed as a continuous string. This is due to the separation of fields within variable-length records and identification of each segment within the transmission. Mandatory control segments add slightly to the overhead as well. While increasing the number of transactions contained within an envelope is good for improving the overhead-to-data ratio, it provides only minor gains in efficiency.

C6.5.2.2. Standard Pattern Recognition. The most effective means available for reducing transmission size is data compression. This process uses standard pattern recognition algorithms that substitute single characters for frequently occurring patterns which the decompression process at the other end of the transmission line recognizes and replaces with the original patterns. Being inherently repetitious, EDI transactions are conducive to such data pattern substitutions, and using compression techniques, 40 to 80 percent reduction of the data transmitted is a realistic expectation.

C6.5.2.3. Data Compression. Data compression is not a part of the EDI format standard. As a result, compression must occur after the EDI translation process, including generation of the control envelope, and prior to packaging the data for actual transmission. Some commercial VANs offer data compression as an optional service. Presently, Defense Data Network does not offer compression services.

C6.5.2.4. Error-Free Data Recovery. For error-free data recovery, it is essential that both sending and receiving software be compatible. Presently, DAASC

supports PKWare compression software. As the ***ESP*** for the DLMS, DAASC is responsible for coordinating use of compression software. As with version control for EDI conventions, DAASC shall manage compression software version control through trading partner profile information.

C6.5.3. Encryption. Presently, DLMS transactions contain only unclassified data and there is no requirement for encryption. DoD policy will prescribe any encryption technique which will be coordinated with the DAASC.

C6.5.4. Maximum Sizes C6.5.4.1. Transaction Size Limit. Technically, there are no limitations on the size for EDI transactions. However, there are practical limits imposed by transmission duration, speed of the translation process, storage, and processing capacities of the communications system, and application systems limitations.

C6.5.4.2. Practical Limit. As a practical measure, DLMS transaction sets should be limited to not greater than one megabyte (1,000,000 bytes), uncompressed, for a single transmission envelope. Should the need arise for a larger envelope capacity, such requirement should be negotiated between the affected trading partner(s) and DAASC.

C6.5.4.3. Batch Size Restrictions. The restrictions on batch size for some requisitioning and billing documents will continue until all of DoD have implemented ANSI X12/DLMS supplements. A batch size limit of 496 total documents will continue for the Material Obligation Validation (MOV) and Interfund Billing Documents. The ANSI X12 ST/SE envelope size will be restricted by these procedures.EDI conventions, DAASC shall manage compression software version control through trading partner profile information.

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C7. CHAPTER 7

FUNCTIONAL APPLICATION ERRORS

C7.1. INTRODUCTION

C7.1.1. Purpose. A variety of different application systems used by the DoD Components, Federal agencies, contractors, and foreign governments will exchange DSs to Federal ICs. The primary purpose of this manual is to establish standards through which all of these varied systems can work in unison. This unison will be both on a technical and functional basis. If systems comply fully with these standards, errors should not occur. Nonetheless, errors will occur due to various circumstances and a mechanism must exist for dealing with them. This chapter describes ***use of DS to Federal IC 824R, Reject Advice, for functional errors not covered by DLMS status transactions. DS 824R is not used to reject a transmission due to ASC X12 syntactical errors. A Federal IC 997, Functional Acknowledgement, transaction is used for that purpose (reference Chapter 6 this volume).***

C7.1.2. Error Reduction. The primary means for reducing errors is for each DoD Component to ensure that outbound transactions are thoroughly edited to fully comply with these standards as well as complying with any DoD Component-unique requirements. Still, receiving applications will likely perform edits to preclude processing erroneous transactions that may cause incorrect actions, disrupt the integrity of other data, or even disrupt the operation of the system as a whole.

C7.1.3. Error Reporting. When receiving applications apply edit checks and discover ***functional*** errors, the errors may be reported back to the originating activity using ***DS 824R.***

C7.2. ***DS*** 824R***, REJECT*** ADVICE

C7.2.1. Implementation Convention Content. The reject ***DS sha***ll convey the following information when reporting errors to the originator:

C7.2.1.1. Table 1 data: ***identifies the originator of DS 824R and the recipient, which is the originator of the erroneous transaction being rejected.***

C7.2.1.2. Table 2 data includes:

C7.2.1.2.1. ***Transaction identification of the erroneous transaction to include:***

C7.2.1.2.1.1. Transaction number or contract number.

C7.2.1.2.1.2. Transaction set control number.

C7.2.1.2.1.3. Transaction set identifier code.

C7.2.1.2.1.4. Beginning segment information as applicable to include transaction set purpose code, transaction type code, report type code, action code, etc.

C7.2.1.2.1.5. Identifying material number (e.g. National Stock Number; part number/CAGE, etc.)

C7.2.1.2.1.6. Transaction creation date.

C7.2.1.2.2. The Application Error Condition Code identifying the type of error.

C7.2.1.2.3. ***Option of providing a*** copy of the bad data element.

C7.2.1.2.4. A free-form text message describing the error, which the rejecting software can add as an option.

C7.2.2. Reject-Error Routing. Routing of the reject is from the rejecting activity to the sending activity. This will typically lead to one of two scenarios:

C7.2.***2***.1. DAASC Transaction Reject. In this case ***DAAS***, using the DS 824***R***, ***sha***ll report the error back to the originating activity which must correct the transaction and retransmit it.

C7.2.***2***.2. Activity Transaction Reject from ***DAAS***. ***A***n activity ***receiving*** a transaction from ***DAAS shall report*** the error back to ***the transaction originator using*** DS 824***R***. ***DAAS*** will compare the reject information to an image of the transaction as they received it from the originating activity. If ***DAAS*** determines it caused the error, ***DAAS sha***ll correct and retransmit the transaction. If ***DAAS*** determines the originating activity caused the error, then ***DAAS sha***ll initiate another reject back to the originating activity, as in the first scenario.

C7.2.3. Use of DS 824R, Reject Advice.

C7.2.3.1. Rejection by Specific Reject Advice Code. Initially, DS 824R was developed to reject DSs 140B, 527D, 536L, 650A, 650C, 830R, 830W, 846A, 846D, 846F, 846I, 846P, 846R, 846S, 867D, 867I, 870L, 888B, 888I, and 947I citing specific reject advice codes in the LQ segment. However, DS 824R is also authorized for use with other DLMS supply and contract administration transactions not specifically identified, but does not supersede procedures for error identification addressed by the DS 140A, Small Arms Reporting, DS 870S, Supply Status, or DS 842A/R, DoD Supply Discrepancy Report Reply. DS 824R reject advice codes may be expanded in the future as requirements are identified and put in place.

C7.2.3.2.. DAAS Rejects. DAASC uses DS 824R to provide narrative message rejection of any DLMS transaction as described under DAASC Receipt Generation of DS 824R.

C7.2.***4***. Summary of Use. ***The DoD Component*** application programs ***shall use*** DS 824***R*** to reject a received transaction which the application program cannot process back to the sending activity. The reject ***DS*** reports the unique transaction number of the erroneous transaction and codes identifying one or more specific error conditions.

C7.2.***5***. Characteristics of Use

C7.2.***5***.1. EDI Translator-Identified Errors - Use of DS 824***R***. In some cases this closely parallels generation of rejects by the receiving activity's EDI translator. The translator should identify any of the following types of errors:

C7.2.***5***.1.1. Errors in the ISA/IEA envelope segments.

C7.2.***5***.1.2. Errors in the GS/GE functional groups segment.

C7.2.***5***.1.3. Errors in a transaction set. Typical of this type of error is:

C7.2.***5***.1.3.1. Failure to use an ***ASC*** X12-mandatory or DLMS required segment or data element.

C7.2.**5**.1.3.2. Use of an ***ASC*** X12 code that is not included in the ***DS***.

C7.2.5.1.3.3. A data error which prevents DAASC from proper conversion during translation. Examples include where the number of characters exceeds is less than number authorized, e.g., DoDAAC greater or less than six, port code greater than three, etc.

C7.2.5.1.3.4. A data error that prevents DAASC from routing the transaction correctly. Examples include invalid "TO Addressee," invalid MCA, etc.

C7.2.***5***.2. Application Identified Errors - Possible Errors. Even with stringent editing performed by the EDI translator, some error conditions will occur which only the more complex application program edits can identify. Such errors could include:

C7.2.***5***.2.1. Invalid item identification.

C7.2.***5***.2.2. Quantity of zero when a quantity is required.

C7.2.***5***.2.3. Invalid DLMS code received in LQ02. ***DS*** 824***R*** applies only when a received ***DS*** fails to comply with the rules/format specified in the ***DS***.

C7.2.***5***.3. Violations of ***DoD*** Business-Process Rules ***for which reject advice codes have been identified.***

C7.2.***5***.3.1. Exceptions. ***DS*** 824***R*** does not apply when specifying violation of a DoD Component or activity business ***policy.***

C7.2.***5***.3.***2***. Reporting. Reporting these types of errors is accomplished through the ***DS*** specified in the ***appropriate*** functional volume. Frequently, the same ***DS*** number used in the erroneous transaction set applies for reporting back the errors.

C7.2.***5***.4. DAASC Receipt and Generation of DS 824***R***

C7.2.***5***.4.1. Processing Data. As ***DAAS*** receives DLMS interchange envelopes it will process the data through an EDI translator and then break the contents down to the transaction level. ***DAAS sha***ll apply applicable DLMS and ***the*** DoD Component edit checks on received transactions.

C7.2.5.4.1.1. If DAAS software detects a nonbusiness-process error, it will reject the transaction back to the sender using ***Federal IC 997***, ***or*** DS 824**R**, as applicable.

C7.2.5.4.1.2. If DAAS detects data errors preventing the correct routing or processing of the transaction, DAASC will reject the transaction back to the originator with a DS 824R containing a narrative message in the NTE segment identifying the error(s) which prevented the routing/processing. DAASC will also use the NTE segment to identify the GS sender identity, the GS control number, and the ST control number.

C7.2.***5.4.2***. Loading Transactions. ***DAAS sha***ll load transactions which do not contain errors into the Logistics Online Tracking System.

C7.2.***5***.4.3. ***Detecting Non-business Process Errors***. Application software which receives data sent from ***DAAS*** and detects nonbusiness-process errors in a transaction shall ***use*** DS 824***R*** to reject the transaction. ***DAAS sha***ll access the transaction identified in the reject and compare the image DAAS received from the originator to the image DAAS retransmitted. If the two images are different, then DAAS will correct the transaction and retransmit it. If the two images are the same, ***DAAS*** will forward the reject to the originating activity.

C7.2.***6***. Levels of Errors

C7.2.***6***.1. Substantial Errors. Organizations receiving DLMS transactions shall ***use*** DS 824***R*** to report errors only when the error is so substantial that the receiving application software cannot process the transaction. The receiving translator (or application software if the translators do not detect the error) shall reject a transaction whenever segment(s) or data element(s) identified as mandatory or required by the ***DS*** are not present. ***(See Chapter 6 of this volume on use of Federal IC 997).***

C7.2.***6***.2. Non-Fatal Errors. Other "non-fatal" errors, such as failing to transmit recommended data elements, that still allow the transaction to be processed, are not subject to reject. Receiving organizations which identify a high number of "non-fatal" errors originating from a single activity shall notify that activity in writing and send a copy of the correspondence to their own, and the offending organization's, functional

area Process Review Committee (PRC) representative and to the ***appropriate DLMS*** PRC Chair.

C7.2.7.3. Optional Data Elements. Segments and data elements listed as optional in ***DSs*** are optional at the discretion of the transmitting activity. The receiving translator or application software shall never reject a transaction based on omission of optional segments or elements.

C8. CHAPTER 8

STANDARDS AND CONVENTIONS

C8.1. GENERAL INFORMATION

C8.1.1. Use of ANSI ASC X12. The DLMS uses the ANSI ASC X12 standards for EDI to exchange DoD Logistics data. The ANSI ASC X12 standards are formally established, maintained, and published under ANSI ASC X12 to provide a common basis for communicating shared business information.

C8.1.2. ANSI ASC X12 Syntax Rules. The ANSI ASC X12 standards define the specific rules of syntax for using EDI constructs and define the universe of components that can be used. However, because the ANSI ASC X12 standards are intentionally designed to be very flexible to meet the needs of a wide variety of users, additional documentation is necessary to define how to use the standards within a specific user community. This documentation is called an IC.

C8.1.3. Implementation Conventions. The ICs further define applicable ANSI ASC X12 TSs used in the DLMS. Within DLMS, DSs to Federal ICs identify and define the segments, data elements, and codes that are used in each IC. Most importantly, the ICs specify rules and formats for the contents of data within the data elements.

C8.1.4. DLMS Supplements to Federal Implementation Conventions. The DSs to Federal ICs are organized by functional area: supply, transportation, finance, acquisition, and maintenance. A list of the supplements is contained in DLMS appendix 6 and can be accessed via hyperlink to the DLMSO home page: http://www.dla.mil/j-6/dlmso/eLibrary/Transformats/X12.asp.

C8.1.5. Code Sources

C8.1.5.1. Deriving Code Values. Code values associated with data elements may be derived from several locations. Many of the applicable code values for DLMS data elements are listed in the DLMS supplements. Three data elements, transportation mode/method code (transportation method/type code), unit of issue (unit or basis for measurement code), and type pack code (packaging code), use conversion guides to convert the DLSS legacy code structure to the ANSI ASC X12 code structure. The DLMS will continue to support other legacy code structures used in the DLSS. Special processing at the point of input provides conversion from DoD code value to ANSI ASC X12 code value for transmission of the TS. Both the sender and the receiver employ the conversion guide so that the user sees only the familiar DoD code values. The DLMS Cross Reference/Conversion Guides are available electronically at the DLMSO WWW page at : ***http://www.dla.mil/j-6/dlmso/eApplications/LogDataAdmin/dlssdlmscrossreftable.asp***.

C8.1.5.2. References to Code Source. For data elements that reference a significant number of code values and all that are applicable to a DLMS application, specific codes may not be listed in the DLMS supplement. In those cases, reference to a code source is provided.

C8.1.6. DLMS Qualifiers. The DSs frequently employ a specific combination of segments and data elements to convey encoded information. The DLMS Qualifiers and Cross Reference/Conversion Guides list approximately 200 DoD standard data elements such as supply condition code, air commodity and special handling code, and management code. The DSs specify which code lists are appropriate. DLMS Qualifiers are available DLMSO WWW page at: ***http://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp***.

C8.2. DLMS SUPPLEMENTS TO FEDERAL IMPLEMENTATION CONVENTIONS. The DLMS supplements are presently located on the DLMSO WWW site at http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12.asp and are referenced in distinct volumes which correspond to the functional areas of supply, transportation, acquisition, maintenance, and finance. The DSs address how the standards are implemented. One TS may be used in several different functional areas or repeatedly within the same functional area. Each separate interpretation of the standards according to a specific usage is called an application.

C8.2.1. General

C8.2.1.1. Purpose. Each DS represents a combination of ANSI ASC X12 standards and implementation guidance specific to the DLMS. The manner in which this information is presented is consistent from one application to the next. The format used is derived from the ANSI ASC X12 guidelines for implementing EDI with slight alteration, where necessary, to accommodate the amount of information included.

C8.2.1.2. Structure. Each DS begins with a hierarchy table showing the entire TS. This is followed by a segment hierarchy for each of the segments used by the application.

C8.2.1.3. Segment Hierarchy. The segment hierarchy includes a data element summary with information pertaining to each data element in the segment. In general, information printed in normal typeface is extracted from the ANSI ASC X12 standards and information printed in italics relates to the DLMS implementation of the standards.

C8.2.2. Implementation Notes

C8.2.2.1. Instructions on Use of ANSI ASC X12 Standard. In many instances, exact equivalents are not available to accommodate the mapping of DoD information requirements to the standard. Specific instructions on how a particular

portion of the standard is used under DSs are provided in the form of implementation notes. These notes explain what data may be carried where. They are printed in italics. Notes may be applicable to a transaction set, a segment, a data element, or a specific code value depending upon their placement.

C8.2.2.2. Importance of Notes. The information provided in implementation notes is crucial to understanding the convention. At times, the ANSI ASC X12 data element or code value name has little similarity to the commonly used name for a piece of information. Additionally, an ANSI ASC X12 data element or code value may be used as a surrogate to carry DLMS-required data not otherwise provided for by the standard. It is the implementation notes which explain these circumstances

C8.3. DLMS DICTIONARY/DIRECTORY. ANSI ASC X12 develops uniform standards for electronic interchange of business transactions. The main objective of ANSI ASC X12 is to provide standards to facilitate electronic interchange of general business transactions. The standards are intended to provide a broad range of ICs by trading partners. By agreement between trading partners, ICs are developed to satisfy a specific business interchange. These ICs do not incorporate the full range of allowable business information in a TS but tailor the configuration of the TSs to identify selected data segments and data elements essential to the business interchange. The DoD logistics community has exercised similar judgment in developing and defining DSs. The DLMS Dictionary/Directory is an extract of the ANSI ASC X12 Dictionary/Directory and reflects only those DSs, data segments, and data elements authorized for use in the DLMS data interchange processes. The DLMS Dictionary/Directory is available on the DLMSO WWW page at: ***http://www.dla.mil/j-6/dlmso/eApplications/LogDataAdmin/dlmsdicdir.asp***.

AP1. APPENDIX 1

INSTRUCTIONS FOR PREPARATION OF PROPOSED DLMS CHANGES

DoD Components shall submit proposed DLMS changes in the format illustrated in this appendix and in accordance with the entry instructions provided below. Refer to C5.4 of this volume for additional information concerning submission and processing of change requests.

AP1.1. ORIGINATOR

AP1.1.1. DoD Component. Identify the Service or Agency submitting the change request.

AP1.1.2. Originator. Identify the person who can discuss the concepts, needs, and the rationale underlying the proposed change. Include the name, organization and office symbol, and commercial telephone number, as a minimum. Include Defense Switched Network number, data facsimile number, and electronic-mail address, when available.

AP1.2. FUNCTIONAL AREA

AP1.2.1. Primary. Identify the DLMS functional area[1] whose systems, policies and procedures are most affected by the change.

AP1.2.2. Secondary(ies). Identify any other functional area(s)[1] which may be affected by, or have an interest in, the problem or the requested change.

AP1.3. REQUESTED CHANGE

AP1.3.1. Title. A brief, descriptive title for the change requested.

AP1.3.2. Description of Change. A brief description of: (a) the fundamental problem or issue this change seeks to resolve; and (b) the change requested.

AP1.3.3. Procedures. Identify changes needed to DLMS publications to support this proposed change and provide the specific wording for the needed changes. Include changes to the DLMS manual procedural text, implementation conventions, and other related appendices, as well as the relevant dictionaries (transaction set, segment, data element, and code value).

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[1]Acquisition (Contract Administration), Financial, Maintenance, Supply, or Transportation.

AP1.3.4. Alternatives. Identify and discuss alternate approaches to resolving the problem or issue.

AP1.4. REASON FOR CHANGE. Provide background and support for the problem or issue this change attempts to resolve. Elaborate on the need for the change and place the problem in a context which allows evaluators, who are generally familiar with the process, to understand the full impact of the problem or issue and the impact of maintaining the status quo.

AP1.5. ADVANTAGES AND DISADVANTAGES

AP1.5.1. Advantages. Identify both tangible and intangible benefits expected from adoption of the change. Include benefits both within and beyond the primary functional area of the DLMS, especially benefits accruing to the DoD. Address what happens if nothing is done. Quantify both tangible and intangible benefits and advantages. Show computation of dollar values. Demonstrate why the proposed solution is more advantageous than the alternatives.

AP1.5.2. Disadvantages. Indicate known or potential problems and costs associated with the proposal. Consider disadvantages both within and beyond the primary functional area of the DLMS. Quantify both tangible and intangible costs and disadvantages. Show computation of dollar values.

AP1.6. IMPACT

AP1.6.1. Transaction Set(s). Identify transaction sets which will be added, revised, or deleted as a result of this change.

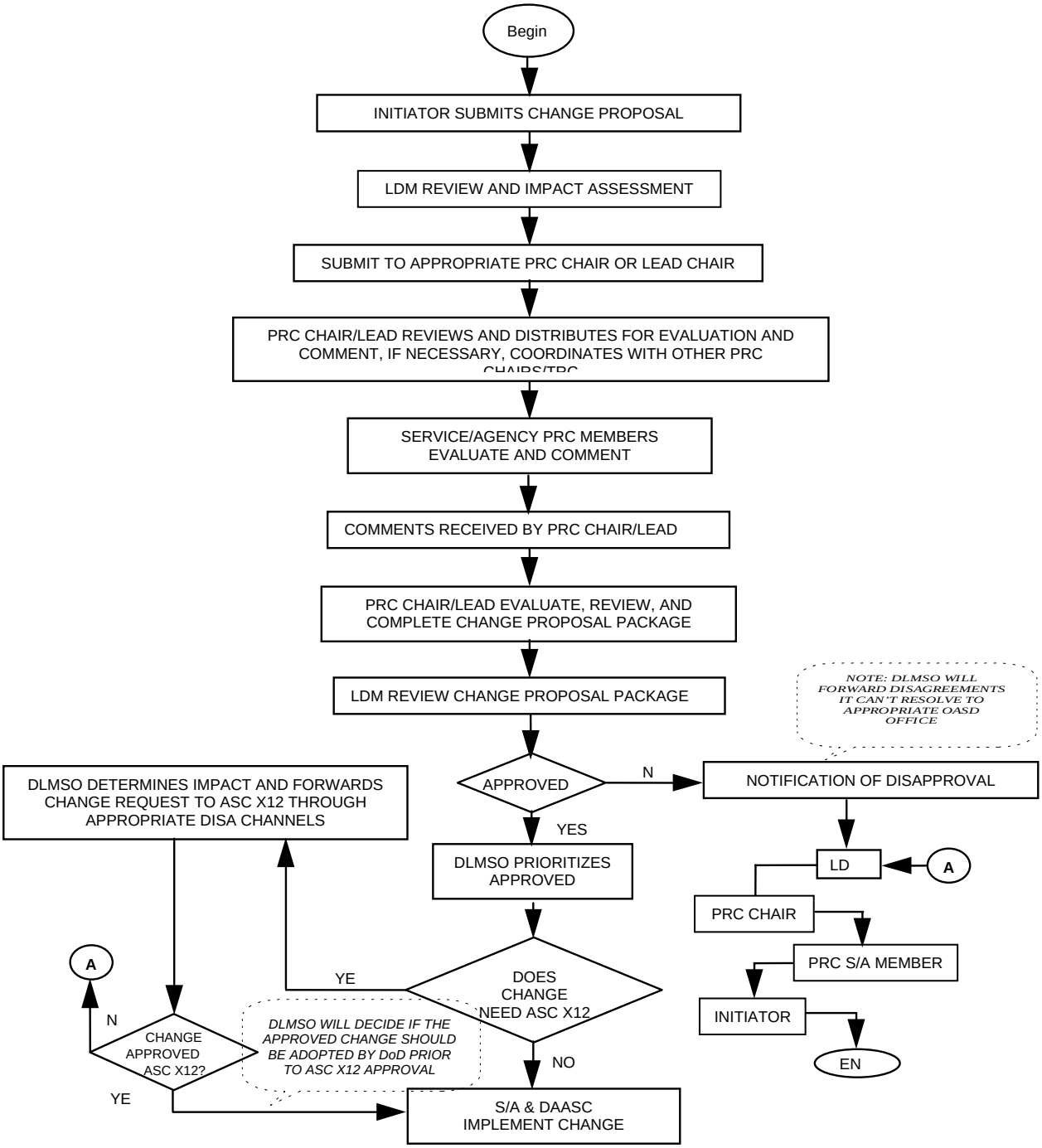
AP1.6.2. Segment(s). Identify segments which will be added, revised, or deleted as a result of this change.

AP1.6.3. Data Element(s). Identify data elements which will be added, revised, or deleted as a result of this change. Include those data elements wherein code values will be added, deleted, or revised.

AP1.6.4. Publication(s). Identify other DoD publications which will need to be revised to remain compatible with the DLMS. Include suggested wording changes.

AP2. APPENDIX 2

DLMS CHANGE PROCESS FLOW CHART



AP3. APPENDIX 3.

DLMS COMPLIANCE

AP3.1. Determination of DLMS Compliance**.** DLMS is the collective body of policy, procedures, business rules, data and information exchange standards that are documented in DOD 4000.25-M and any approved DLMS changes (ADCs) published and posted to the DLMSO Web site subsequent to the latest publication date of DOD 4000.25-M.

AP3.2. Non-Compliant DLMS Systems. Non-compliant systems interface with other systems in the accomplishment of the business processes covered by DOD 4000.25-M, but have not been designed to the DLMS, and have no current plans to implement the DLMS, or have plans to implement DLMS but have not started doing so.

AP3.3. Limited Compliant DLMS Systems. Limited Compliant DLMS Systems interface with other systems in the accomplishment of the business processes covered by DOD 4000.25-M, have not fully implemented the DLMS, but have begun doing so, and have detailed plans and actions ongoing to reach full DLMS Compliance.

AP3.4. Full Compliant DLMS Systems. Systems that interface with other systems in the accomplishment of the business processes, policy, procedures, business rules, and data that are documented in DOD 4000.25-M, have implemented the DLMS information exchange standards (e.g., DLMS Supplements to ASC X12 EDI and DLMS XML Schema Documents) as published in DOD 4000.25-M, and all approved DLMS ADCs by their respective required implementation dates.

AP3.5. Full Business Rule and Business Process Compliance. DLMS Compliance is a statement which identifies whether a business rule and business process either conforms or is compatible with a DLMS Business Rule and Business Process. DLMSO will continue to post the only approved DLMS Business Rule and Business Process on its website and its manuals.

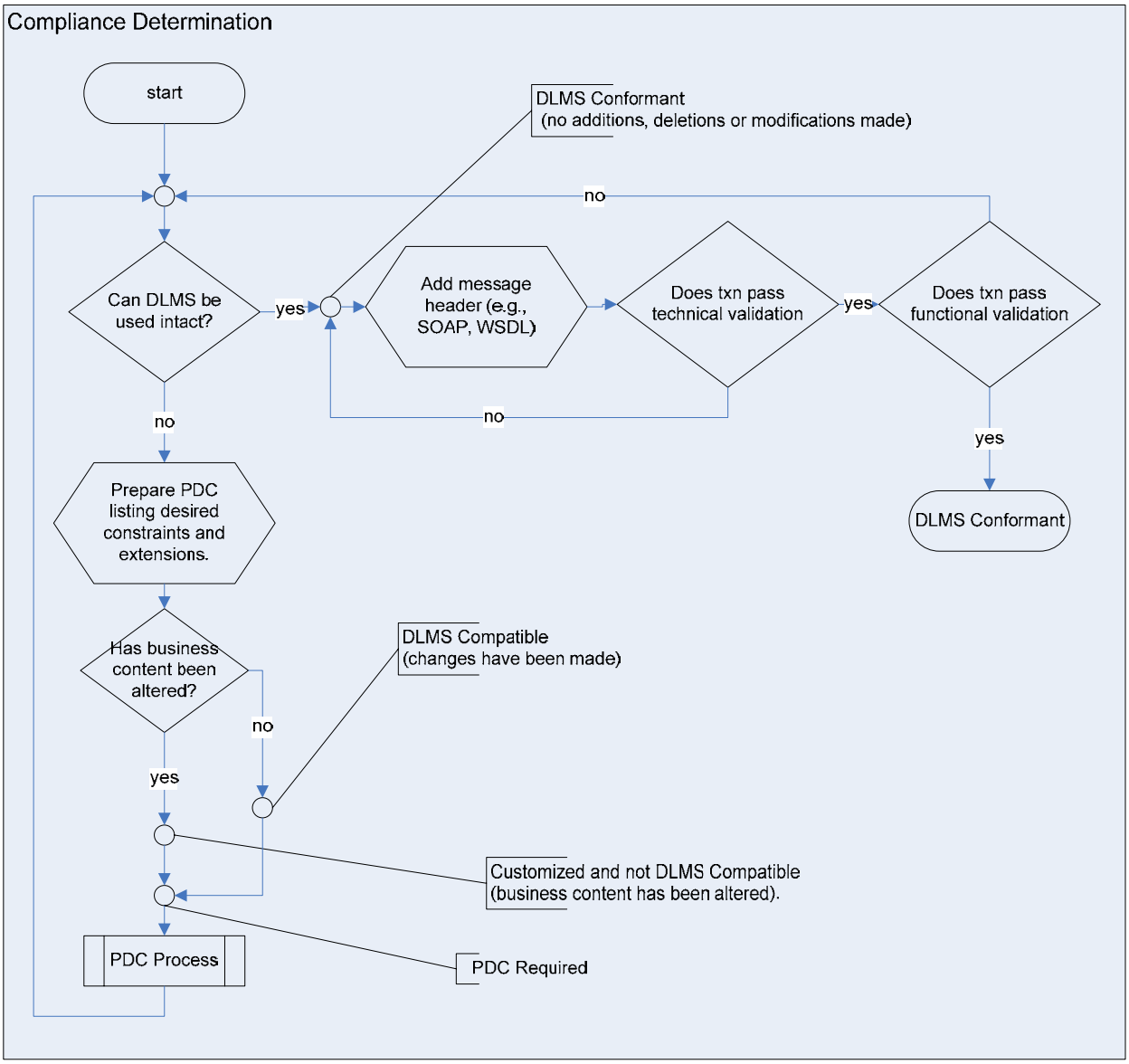


Figure A3.F1 - DLMS Compliance Decision Tree for Business Processes

AP3.6. Conformance. A conformant process (Figure A3.F1) is a set of business rules executed in a predefined sequence to achieve a business objective that is used as approved by DLMS Manuals and Supplements without change. A conformant business rule is an explicit statement of one or more conditions that must or must not be met within a business context that is used as approved by DLMS Manuals and Supplements without change

AP3.7. Compatibility. A compatible process (Figure A3.F1) is a set of business rules executed in a predefined sequence to achieve a business objective that extends or constrains a DLMS Business Process yet is consistent with DLMS Manuals and Supplements. A compatible business rule is an explicit statement of one or more conditions that must or must not be met within a business context that extends or

constrains a DLMS Business Rules yet is consistent with DLMS Manuals and Supplements. If a system or program manager identifies her system is compatible, she must identify what extensions or constraints have been made. DLMSO will make a determination which extensions or constraints get added to the standard. DLMSO is not responsible for generating the associated Proposed DLMS Change (PDC).

AP3.8. Full Compliant Instances. Systems will likely include multiple transactions of which only a handful of the transactions are within the scope of DLMS; therefore, this document will focus on applicability to transactions, documents, instances and any informational exchange messages (hereafter referred to inclusively as instances). DLMSO also does not have the resources to determine which instances are compliant; instead, DLMSO provides the criteria for systems and program managers to self certify that their transactions, documents, instances or informational exchange messages are compliant. Compliance will ultimately be proven when information is exchanged and it passes both functional and technical validations.

AP3.8.1. DLMSO is committed to using commercial standards as applicable and therefore participates in ASC X12, OASIS and UN/CEFACT. Conformance, compliance or compatibility with ASC X12, ISO, OASIS, UN/CEFACT, or Service / Agency does not infer conformance, compliance or compatibility with the DLMS standard. Nor does conformance, compliance or compatibility with the DLMS standard infer conformance, compliance or compatibility with the ASC X12, ISO, OASIS, UN/CEFACT, or Service / Agency standards.

AP3.8.2. DLMS compliance is a statement which identifies whether an instance either conforms or is compatible with a DLMS schema. DLMSO will continue to post the only approved DLMS schemas on its website and the DoD Metadata Registry.

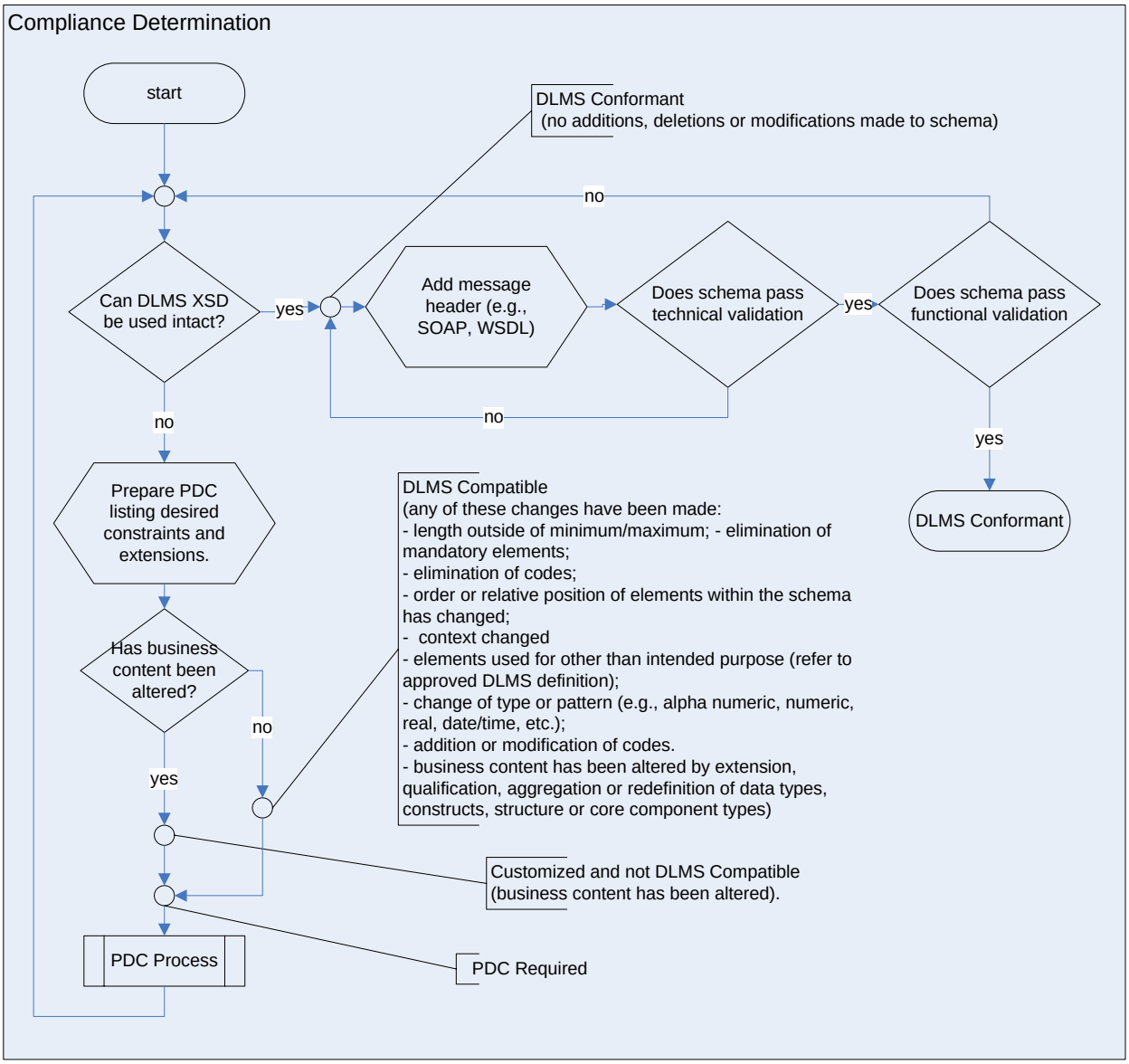


Figure A3.F2 - DLMS Compliance Decision Tree for Transactions

AP3.9. Conformance. A conformant instance (Figure A3.F2) is a transaction, document, XML instance or informational exchange message that uses an approved DLMS schema without change.

AP3.10. Compatibility. A compatible instance (Figure A3.F2) is a transaction, document, XML instance or informational exchange message that uses a modified DLMS schema by adding elements that are not identified in the DLMS model and/or eliminating optional elements. If a system or program manager identifies her system is compatible, she must identify what extensions or constraints have been made. DLMSO will make a determination which extensions or constraints get added to the standard. DLMSO is not responsible for generating the associated DLMS PDC.

AP3.11. Customization

AP3.11.1. Addition of Physical Metadata. It is DLMSO's intent to create schemas that can be used universally; DLMSO does not include message headers such as Simple Mail Transport Protocol (SMTP), Simple Object Access Protocol (SOAP) or Web Services Description Language (WSDL) in its schema. The message header is used to identify physical metadata associated with extraction of data from a system. The addition of this physical metadata is allowed as part of the message header as long as business content carried in the payload (or message body) is compliant with DLMS schema as described in the Conformance and Compatibility paragraphs of this document.

AP3.11.2. Business Content Metadata. Extensions or constraints to a transaction, document, XML instance or informational exchange messages are allowed but must be identified as stated in compatibility paragraph of this document. Modifications to business content which are not allowed include: changes of length outside of minimum/maximum; elimination of mandatory elements or codes; changing order or relative position of elements within the schema; changing context or using elements for other than intended purpose (refer to approved DLMS definition), change of type or pattern (e.g., alpha numeric, numeric, real, date/time, etc.); addition or modification of codes; alteration by use of namespaces, code lists, extension, qualification, aggregation or redefinition of data types, constructs, structure or core component types for the purpose of redefining content or elimination of mandatory elements is not allowed. Supplementing the DLMS standard is allowed provided business content has not been altered and the supplemental content is coordinated with DLMSO under a DLMS change.

DEFENSE LOGISTICS MANAGEMENT SYSTEM
(DLMS)

VOLUME 2

SUPPLY STANDARDS AND PROCEDURES

March 2003

UNDER SECRETARY OF DEFENSE
ACQUISITION TECHNOLOGY & LOGISTICS
(LOGISTICS & MATERIEL READINESS)

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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 Logistsics Management System (DLMS) to Defense Logistics Standard System (DLSS) 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 ***DLMS Supplement (DS) to 824 Federal Implementation Convention (IC), 824, Reject Advice, available at: https://www.dla.mil/j-6/dlmso***.

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 ***DS 824***.

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
AND DEMAND DATA EXCHANGE FORECASTS

C2.1. GENERAL. ***This chapter provides procedures for Special Program Requirements (SPR) and for Demand Data Exchange (DDE) forecasts.***

C2.2. SPECIAL PROGRAM REQUIREMENTS (SPRs). This ***section*** provides procedures for SPRs forecasting 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.

C2.2.1. Forecasting activities may submit SPR requests, using DS to ***Federal IC*** 830R, Special Program Requirements, for requirements meeting one or more of the following criteria:

C2.2.1.1. One-time training exercises or maneuvers.

C2.2.1.2. Repair or rebuild programs ***that*** are either nonrecurring or are seldom or irregularly programmed.

C2.2.1.3. New constructions (ships, buildings, etc.).

C2.2.1.4. One-time alterations, modifications, or conversion programs.

C.2.2.1.5. Initial issue of existing items (i.e., outfittings, activations, and changes in authorized allowances).

C2.2.1.6. Initial requirements for special operational projects.

C2.2.1.7. Requirements for initial testing.

C2.2.1.8. Requirements for Government-furnished property.

C2.2.1.9. Requirements for infrequently planned support operations such as Arctic and Antarctic resupply missions.

C2.2.1.10. 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.).

C2.2.2. Excluded Requirements. The following types of requirements are excluded from identification as SPRs:

C2.2.2.1. Provisioning, recurring type.

C.2.2.2.2. War Material Requirements.

C.2.2.2.3. ***Requirements*** for which the DoD Component has a recurring demand.

C2.2.2.4. Subsistence, all categories

C2.2.3. ***SPR Submission and Routing***

C2.2.3.1. 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.

C2.2.3.2. Forecasting. Forecasting activities ***shall*** 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 ***shall*** stratify the forecast quantity by the support date as allowed by DS 830R.

C2.2.4. ***Defense Automatic Addressing System Center (DAASC) Processing***. DAASC ***shall*** pass or route SPR inquiries as follows:

C2.2.4.1. Correct Source of Supply ***(SOS)***. If the transaction is directed to the correct SOS, DAASC ***shall*** pass the transaction to that activity.

C2.2.4.2. Incorrect S***OS***. If the inquiry is directed to an incorrect SOS, and the correct SOS is not the General Services Administration (GSA), DAASC ***shall*** reroute the transaction to the correct SOS and transmit DS ***to Federal IC*** 870L, ***Special Program Requirement (SPR)/ Logistics Asset Support Estimate (LASE) Status***, to the submitter citing Status Code BM. Recipients of Status Code BM ***shall*** update their records to reflect the correct SOS.

C2.2.4.3. 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 ***shall*** reject the transaction to the submitter with ***DS to Federal IC 824, Reject Advice***, citing Reject Advice Code AB.

C2.2.5. ***Integrated Material Manager (IMM) Validation and Rejection.*** IMMs ***shall*** reject or provide status for SPR inquiries citing the appropriate reject or status code as follows:

C.2.2.5.1. Obsolete Items. Reject inquiries received for an obsolete/inactive National Stock Number (NSN) ***that*** the IMM cannot support with a ***DS*** 824.

C2.2.5.2. Non-Centrally Managed Items. Reject inquiries received for an item that is not centrally managed and stocked.

C2.2.5.3. Federal ***Supply*** Classification (FSC)/National Item Identification Number (NIIN) Compatibility. When the IMM receives an SPR inquiry with an incompatible FSC and NIIN, the IMM ***shall*** research to determine if the FSC matches a previously assigned FSC for the NIIN.

C2.2.5.3.1. 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 ***shall*** update their records to reflect the correct FSC.

C2.2.5.3.2. Non-Matching FSC. If the FSC does not match, reject the inquiry to the submitter with ***DS*** 824 citing Status Code CG.

C2.2.6. **IMM Processing of SPR Requests**

C2.2.6.1. ***SOS*** 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.

C2.2.6.2. SPR Status Transaction. The IMM ***shall*** determine action to be taken on the SPR and within 15 calendar days after receipt of the request ***shall*** provide appropriate status using the DS 870L. SPR status transactions ***shall*** 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 ***that*** cannot be processed due to erroneous or missing data, the IMM ***shall*** reject the request for correction and resubmission.

C2.2.7. ***Follow-up on SPR Requests***. When the forecasting activity has not received a DS 870L status transaction or a ***DS*** 824 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.

C2.2.8. ICP Action on SPR Follow ups

C2.2.8.1. No Record of Receipt. When there is no record of receipt of the original SPR request, the IMM ***shall*** process the SPR inquiry as an original SPR request.

C2.2.8.2. Replies to SPRs. IMMs ***shall*** prepare replies to SPR inquiries, as specified in ***section C2.2.5*** above.

C2.2.9. Modification of SPR Requests. The forecasting activity ***shall*** 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.

C2.2.10. Response to SPR Modifiers. The ICP ***shall*** prepare replies to SPR modifiers, as specified in ***section C2.2.5***, above.

C2.2.11. Cancellation of SPR Requests. The forecasting activity ***shall*** 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.

C2.2.12. Response to SPR Cancellations. The ICP ***shall*** reply to DS 830R cancellations with DS 870L. status citing S***PR*** Status Code PD indicating that the cancellation was accepted.

C2.2.13. Acceptance/Rejection of Substitute Item. Forecasting activities in receipt of SPR responses offering a substitute item ***shall*** transmit a DS 830R indicating rejection or acceptance of substitute material.

C2.2.14. Response to Substitute Item Rejection. The IMM ***shall*** initiate action on the item originally requested. The IMM ***must*** prepare status responses, as specified in ***section C2.2.5,*** above.

C2.2.15. Retention of SPR Requests. The ICP ***shall*** retain SPR requests until:

C2.2.15.1. The support date of those requirements for which S***PR*** Status Code PA was furnished or until a requisition is received ***that*** can be identified to all or a portion of a particular SPR quantity.

C2.2.15.2. 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.

C2.2.15.3. 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.

C2.2.16. Follow-on Status. The IMM ***shall*** 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. IMMs ***must*** provide the status, as specified in ***section C2.2.5***, above.

C2.2.17. Preparation of SPR Shipments

C2.2.17.1. 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 (UMMIPS). 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.

C2.2.17.2. Establishing Audit Trail. Requisitions submitted as a result of an SPR ***shall*** 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.

C2.2.17.3. 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 ***to Federal IC*** 511R, Requisition, citing Demand Code O.

C2.2.18. Logistics Reassignments

C2.2.18.1. Logistics Loss. When an item is involved in a logistics loss to an IMM of another ***DoD Component***, the losing inventory manager (LIM) ***shall*** send a DS 870L to the forecasting activity. This status ***shall*** 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).

C2.2.18.2. Logistics Loss within Same ***DoD Component***. When the logistics loss is to an IMM within the same ***DoD Component***, the LIM ***shall*** forward the record of the DS 830R to the GIM. No status need be furnished the forecasting activity.

C2.3. DEMAND DATA EXCHANGE FORECASTS. This section provides procedures for the exchange of demand forecast data between the Defense Logistics Agency (DLA) and DOD customers. The two components of this business process are the

transmission of customer requirements via DDE and DLA/customer collaboration. Business rules for the submission and processing of demand data exchange shall be documented in a DLA customer support agreement. This agreement must be in place prior to the initial submission of DDE. DLA will use the DDE/collaboration process to improve the accuracy of DLA's demand planning to support customer's requirements.

C2.3.1. Forecasting activities may submit to DLA their forecasts/collaboration data for future requirements expected to be obtained from DLA using DS 830R for DDE forecasts. Separate forecasts into monthly periods based on the projected dates that the materiel will be ordered from DLA, following the prescribed format. Types of demands for which collaboration data may be submitted include, but are not limited to:

C2.3.1.1. Requirements for which the DOD Component has a recurring demand.

C2.3.1.2. Subsistence, all categories.

C2.3.1.3. One-time training exercises or maneuvers.

C2.3.1.4. Repair or rebuild programs which are either nonrecurring or which are seldom or irregularly programmed.

C2.3.1.5. New constructions (ships, buildings, etc.).

C2.3.1.6. One-time alterations, modifications, or conversion programs.

C2.3.1.7. Initial issue of existing items (i.e., outfittings, activations, and changes in authorized allowances).

C2.3.1.8. Initial requirements for special operational projects.

C2.3.1.9. Requirements for initial testing.

C2.3.1.10. Requirements for infrequently planned support operations such as Arctic and Antarctic resupply missions.

C2.3.1.11. 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.)

C2.3.2. <u>DDE Submission and Routing</u>

C2.3.2.1. Submission Timeframe. DS 830R forecasts should be submitted each month. Demand forecasting data should be submitted by the 1st of the month with a buffer until the 6th of the month to accommodate transmission errors or failures.

C2.3.2.2. Forecasting. Forecasting activities shall prepare a DS 830R for each item (i.e., National Item Identification Number (NIIN)) for which the customer wishes to collaborate with DLA. Each transaction set must include the forecast period beginning date and the forecast period ending date. The forecast period spanned can be as little as 12 months or as much as 60 months.

C2.3.3. DAASC Processing. DAASC shall route all DDE transactions to DLA's Enterprise Processing Center, SOS "SMS."

C2.3.4. DLA Validation of NIIN. DLA shall screen transaction sets and will only accept for processing valid NIINs.

C2.3.5. DLA Processing of DDE Data. DLA shall compare the collaboration customer's forecast to the projected customer forecast calculated by the Planning and Collaboration Subsystem (i.e., Manugistics).

C2.3.5.1. Those items that exceed system tolerance parameters shall be flagged for collaboration interaction with the customer and the customer will be notified.

C2.3.5.2. Items previously identified for inclusion in DDE that are not in the current DDE submission shall be flagged for review. If the customer indicates the item should be removed from the DDE effort by annotation of a "C" in 2/LIN01/010 the review flag must not be set and the item will be removed from the DDE/collaboration effort.

C2.3.5.3. The setting of system tolerance parameters used in this review requires consideration of the following: size of the forecasted quantity in relation to the Planning and Collaboration Subsystem forecasted demand for the item; value (cost) of the forecast quantity; supply status of the item being forecasted; funding capabilities; accuracy of customer's past forecasts; and degree of assurance that requisitions will follow.

C2.3.6. Collaboration Interaction. Those items that exceed system tolerance parameters shall be flagged for collaboration interaction with the customer. The point of contact for the customer will be alerted to the need for collaboration via e-mail. The customer will have until the 16th of the month to complete the review and response to the collaboration request. The DLA demand planner will then have until the 25th of the month to complete the review and publish the demand plan for inclusion in the supply plan.

C3. CHAPTER 3

WAR MATERIAL REQUIREMENTS AND SIMULATED MOBILIZATION EXERCISES

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

C3.1.1. Submission of DS to ***Federal IC 830W***, ***W***ar ***M***aterial ***R***equirements (WMR), ***application*** from the DoD Components to the IMMs of the Military Departments, ***DLA***, and GSA.

C3.1.2. Edit and validation of DS 830W data by IMMs and rejection of incomplete or invalid input.

C3.1.3. Providing output from the LIM to the GIM upon logistical reassignment of an item.

C3.1.4. Guidelines that affect simulated mobilization exercises.

C3.2. WMR

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. ***The*** DoD Components ***shall*** send DS 830W data to reach IMMs 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 a ***DS to Federal IC 824R, Reject Advice***. 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 showing 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 send the GIM a listing of WMR data with a supporting DS 830W, as prescribed ***in Chapter 9***, ***paragraph*** 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. ***The DoD Component*** activities responsible for initiating these exercises must use extreme caution to ensure procedures are explicit and that complete coordination with all participants is ***done***.

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, material release advice, and DAAS edits associated with requisition processing.

C4.2 PREPARATION OF REQUISITIONS. Requisitioning organizations must use the DS to Federal IC 511R, Requisition, 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 (PD). The 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 Chairman of the Joint Chiefs of Staff, 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 officers must also do the following reviews prior to sending requisitions to the supply source:

C4.2.1.2.2.1. Commander Requirements Review. Commanders (or acting commanders during absences) shall 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 shall designate, in writing, specific personnel who shall personally review all requirements based on UND B to certify that the urgency has been accurately determined.

C4.2.1.2.3. Determining UND . Determine the appropriate UND as follows:

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

C4.2.1.2.3.1.1. 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]

C4.2.1.2.3.1.2. 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.

C4.2.1.2.3.1.3. 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]

C4.2.1.2.3.1.4. 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.

C4.2.1.2.3.1.5. 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.

C4.2.1.2.3.1.6. 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.

C4.2.1.2.3.1.7. 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:

C4.2.1.2.3.2.1. Required for immediate end-use and without which the capability of the force or activity to perform its assigned operational mission is impaired.

C4.2.1.2.3.2.2. 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]

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[1]Material 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 Chairman of the Joints Chief of Staff, or the DoD Component headquarters.

[2]See Footnote 1.

[3]See Footnote 1.

C4.2.1.2.3.2.3. 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.

C4.2.1.2.3.2.4. 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.

C4.2.1.2.3.2.5. 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.

C4.2.1.2.3.2.6. Required to preclude an anticipated work stoppage at an industrial or production activity that is engaged in manufacturing, modifying, or maintaining mission-essential material.

C4.2.1.2.3.2.7. Required to preclude an anticipated work stoppage on a production line performing repair and maintenance of unserviceable intensive management or critical items.

C4.2.1.2.3.2.8. 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.

C4.2.1.2.3.2.9. 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. <u>Using UND C</u>. Use UND C in requisitioning material:

C4.2.1.2.3.3.1. Required for on-schedule repair, maintenance, manufacture, or replacement of all equipment.

C4.2.1.2.3.3.2. Required for replenishment of stock to meet authorized stockage objectives.

C4.2.1.2.3.3.3. Required for purposes not specifically covered by any other UND.

C4.2.1.2.4. Deriving PDs

Table C4.T1. Derivation of Priority Designators

Priority Designators (Relating F/AD to UND)

FORCE ACTIVITY OR DESIGNATOR	URGENCY OF NEED DESIGNATOR		
	A	B	C
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 F/AD Activities. By direction of the Office of the Secretary of Defense, the DAASC/DLA Systems Design Center (DSDC) shall validate F/AD I usage through the requisitioning process. DAASC shall maintain an edit table consisting of authorized F/AD I activities. To preserve accuracy and timely update, the Chairman of the Joint Chiefs of Staff shall 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, the Chairman of the Joint Chiefs of Staff 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 Federal IC 511M, Modification, Transaction Type Codes A0, BM, BN, AM) that do not identify an authorized activity in the transaction reference number, ship-to, bill-to, or mark-for fields shall be identified for investigation without interruption on normal requisition processing. In addition, DAASC shall assess the validity of transactions that 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. The Unauthorized Priority Designator Report produced by DAASC identifies suspected abuse of PD assignment. This report also provides visibility of requisitions downgraded automatically by DAASC during requisition processing based upon the DoD Component authorization. The report is prepared monthly. Summary sections , Parts I, II, IV, and V, are also available quarterly and annually. The report is in seven parts as follows:

C4.2.1.2.5.1.1. Part I – The DoD Component summary of requisitions submitted through DAAS

C4.2.1.2.5.1.2. Part II – DoDAAC summary by the DoD Component of requisitions submitted through DAAS

C4.2.1.2.5.1.3. Part III – Requisition detail by DoDAAC for requisitions submitted through DAAS

C4.2.1.2.5.1.4. Part IV – The DoD Component summary of requisitions not submitted through DAAS

C4.2.1.2.5.1.5. Part V – DoDAAC summary by the DoD Component of requisitions not submitted through DAAS

C4.2.1.2.5.1.6. Part VI – Requisition detail by DoDAAC for requisitions not submitted through DAAS

C4.2.1.2.5.1.7. Part VII – Requisition detail by DoDAAC for requisitions downgraded to a lower priority by DAAS

C4.2.1.2.5.2. SA Requisitions. SA requisitions (identified by Service Code B, D, K, P, or T) shall 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). SA requisitions shall 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.

C4.2.1.2.5.3. Participating DoD Component Points of Contact Responsibilities. DoD 4140.1-R, Appendix 9, requires the DoD Components to designate a single office of primary responsibility to act as focal point for UMMIPS matters. To provide clear visibility of such points of contact, the Chairman of the Joint Chiefs of Staff, the Military Services, DLA (if needed), and 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. The DoD Component responsibilities for monitoring F/AD assignments and conducting annual reviews are prescribed in DoD 4140.1-R.

C4.2.1.2.5.4. The DoD Component Points Of Contact: Refer to the DLMSO Home Page for list of contacts at: ***http://www.dla.mil/j-6/dlmso/eLibrary/Restricted/SvcPointsPOC/default.asp***.

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:

C4.2.1.2.6.1.1. Prolonging life, relieving avoidable suffering, or expediting recovery in case of injury, illness, or disease.

C4.2.1.2.6.1.2. 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 shall advise the contractor of the PDs to use in such contractor-prepared requisitions. The advice shall be aware 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:

C4.2.1.2.9.1. PDs 01, 02, and 03 form IPG I

C4.2.1.2.9.2. PDs 04, 05, 06, 07, and 08 form IPG II

C4.2.1.2.9.3. 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, shall determine 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, must 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 showing identical RDDs. To ensure delivery on the RDD, the ICP/depot may bank the requisitions until the correct processing date; computed by subtracting 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 Special Requirements Code 444 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 Special Requirements Code 777. Requisitioners may request expedited handling and transportation by citing Special Requirements Code 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 16 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 shall 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 shall 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 DoD Component 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 shall normally be limited to the conditions listed below. Commanders must 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 shall be rejected with Status Code D6.

C4.2.1.5.2.1. Sales/donations/issues of material to qualifying Federal, state, or civil organizations or individuals approved by the Service Secretaries.

C4.2.1.5.2.2. Issues of nuclear assets as directed by Defense Threat Reduction Agency to Department of Energy contractors.

C4.2.1.5.2.3. Material in SCC L to contractors.

C4.2.1.5.2.4. Issues required by national emergency or natural disasters.

C4.2.1.5.2.5. Shipments to contractors for special testing.

C4.2.1.5.2.6. 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 Special Requirements Code 999.

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

C4.2.1.5.3.1. Non-NSN lumber products identified and ordered by description only or other commodities that require additional descriptive information.

C4.2.1.5.3.2. Authorization/identification for items when such requirement is imposed by the ICP, or by the parent Service, or the requisitioning activity.

C4.2.1.5.3.3. NSN requirements needing additional identifying information; for example, requisitions initially rejected with Status Code CG or CJ.

C4.2.1.5.3.4. Requisitions for LEVEL 1/SUBSAFE and nuclear reactor plant material.

C4.2.1.5.3.5. NSN items for chemicals for boiler water and feed water analysis.

C4.2.1.5.3.6. Requisitions used to establish a registered user with the ICP in a Primary Inventory Control Activity (PICA)/Secondary Inventory Control Activity (SICA) situation.

C4.2.1.5.3.7. Requisitions for Marine Corps Pre-Positioned War Reserve (PWR) or Pre-Positioning Ships Program.

C4.2.1.5.3.8. DoD EMALL-generated requisitions using IMPAC card as the method of payment.

C4.2.1.6. SPRs. 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. GFM Requisitions

C4.2.2.1. General

C4.2.2.1.1. Purpose. This section prescribes policies and procedures for requisitioning GFM***/CFM*** by or for contractors from the DoD Supply System. These procedures establish guidelines for requisitioners, authorized contractors, and the DoD Components to obtain GFM from DoD inventories in support of contract requirements. ***These procedures also support the use of DLMS requisitioning by authorized contractors to obtain material from Government supply sources to be used as CFM under controls established by the authorizing Component and as specified in this chapter.***

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

C4.2.2.1.3. Violations. Any attempt to circumvent GFM***/CFM*** 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 must 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 ***contractors and all DoD Components*** requisition***ing*** GFM ***or CFM*** from DoD supply ***sources***.. The production of ammunition is excluded from GFM control.

C4.2.2.2. Preparation of Requisitions ***and Related Transactions*** For ***GFM to*** Contractors

C4.2.2.2.1. Initiation. ***Requisitions for GFM may be initiated by the responsible*** DoD Component ***or***, subject to the terms of the contract, ***by contractors. Requisitions for GFM will be prepared and initially submitted by GFM requisitioners, both contractors and DoD Components using current DLMS media transmission techniques to the MCA designated for monitoring the contract. Transmission through DAAS shall be used to the extent practical.***

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

Army contractor requisitions and associated transactions ***shall be processed*** under GFM***/CFM*** controls.

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

C4.2.2.2.3.1. MCA monitoring the contract.

C4.2.2.2.3.2. DoDAAC of the contractor requesting and/or receiving the material.

C4.2.2.2.3.3. Indication when issue is without reimbursement.

C4.2.2.2.3.4. Identification of the manufacturing directive number (MDN) or contract number.

C4.2.2.2.3.5. Identification of the call or order number, when applicable.

C4.2.2.3. Submissions of GFM 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 shall 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 shall send the validated transactions via DAAS when the MCA and supply source are not collocated.

C4.2.2.4. MCA Processing of GFM Requisitions ***and Related Transactions***

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

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 Status Code DN.

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 Status Code CD.

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 that exceeds the authorized quantity with Status Code DJ. If the authorized quantity has been exhausted by previous requisition(s), reject the total quantity requisitioned with Status Code DQ.

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

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

C4.2.2.4.2. History Files. The MCA shall maintain a requisition history file to serve as an auditable record of each GFM transaction. In addition, the MCA shall 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 shall:

C4.2.2.4.3.1. Send cancellation requests to the appropriate supply source and

C4.2.2.4.3.2. 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 shall 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 DAAS.

C4.2.2.5. MCA Processing of GFM Validation Requests. MCAs in receipt of a GFM validation request (DS to Federal IC 517G, GFM Validation) shall 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:

C4.2.2.5.1. If the requisition has been previously validated, cite Advice Code 2M.

C4.2.2.5.2. If the requisition has not been previously validated and the call order number/procurement instrument identification number (PIIN) (or MDN) is not present, cite Advice Code 2U.

C4.2.2.5.3. 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:

C4.2.2.5.3.1. If the validation process reveals that the contract is not valid, respond with Advice Code 2U.

C4.2.2.5.3.2. 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.

C4.2.2.5.3.3. 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.

C4.2.2.5.3.4. If the validation process reveals that the requested item, or contractor is not authorized GFM under a valid contract, respond with Advice Code 2V.

C4.2.2.5.3.5. If the validation process reveals that the requested item is authorized, respond with Advice Code 2M.

C4.2.2.5.3.6. MCAs in receipt of DS 870S transactions with Status Code BF will review for establishment of a valid requisition. If the requisition is valid a DS 869F transaction will be generated. If a valid requisition does not exist, a report will generated for internal review.

C4.2.2.6. Supply Source Processing of GFM Requisitions ***and Related Transactions***

C4.2.2.6.1. General. Supply sources receiving GFM requisitions, modifiers, inquiries, and cancellations, regardless of the method of transmission, shall process such transactions under these procedures. Supply sources receiving GFM requisitions for items not managed by their activity shall reject the requisitions with Status Code CH. Supply sources shall 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 shall validate all GFM transactions. Supply sources ***in receipt of requisitions, passing orders, referal orders, modifiers, or follow-ups being treated as requisitions, containing a contractor's service code*** shall perform the supply source/MCA validation process ***except when the signal and fund codes indicate the issue will be with contractor***

reimbursement by other than an Army contractor. ***All Army contractor requisitions and associated transactions will be processed under GFM/CFM controls.*** 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 GFM Validation Process. For each GFM requisition, the supply source shall employ one of the following options:

C4.2.2.7.1. 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 Status Code CL.

C4.2.2.7.2. Create and forward a GFM validation request to DAASC even if an MCA is contained in the requisitioner's transaction. DAASC shall perform edits regarding the validity of the MCA data under subparagraph C4.2.2.8.

C4.2.2.7.3. Use a combination of the above options: one for intra-Component transactions and one for inter-Component transactions.

C4.2.2.7.4. Suspend further supply support action on the requisitioner's transaction pending receipt of the GFM validation response.

C4.2.2.7.4.1. 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.

C4.2.2.7.4.2. Upon receipt of the GFM validation response, the supply source shall process the suspended transaction using instructions provided by the advice/status code.

C4.2.2.7.4.3. If Advice Code 2U, reject with Status Code DB.

C4.2.2.7.4.4. 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 Status Code DJ.

C4.2.2.7.4.5. If Advice Code 2Q, reject with Status Code DQ.

C4.2.2.7.4.6. If Status Code CL, reject with Status Code CL.

C4.2.2.7.4.7. If Advice Code 2V, reject with Status Code DN.

C4.2.2.7.4.8. If Advice Code 2M, process under applicable supply source procedures.

C4.2.2.7.4.9. If the advice/status code is invalid or an advice/status code is not indicated, reject with Status Code DR.

C4.2.2.7.4.10. 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.

C4.2.2.7.4.11. If a GFM validation response is received and there is no record of the requisition, provide Status Code BF.

C4.2.2.8. DAAS Processing Of GFM Transactions. DAAS shall pass the following:

C4.2.2.8.1. All GFM transactions to the identified MCA. If the MCA is not a valid MCA, reject with Status Code CL.

C4.2.2.8.2. 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.

C4.2.2.8.3. All GFM validation responses to the identified supply source.

C4.2.2.9. Contractor Requisitions for CFM

C4.2.2.9.1. Army CFM Controls. Requisitions for material from Government supply sources for shipment to contractors which identify the contractor as the bill-to activity are not subject to GFM MCA controls with the exception of Army contractor requisitions to which MCA controls are applicable. DAAS will perform the validation of transactions for Army contractor requisitions of CFM for those items which contractors are authorized to requisition as CFM as specified in this chapter and for non-wholesale level supply as designed by the contractor-series DoDAAC. DoD Components will establish appropriate procedures for oversight of CFM requisitions in accordance with the Federal Acquisition Regulation.

C4.2.2.9.2. DAAS Processing Of CFM Transactions. The process described in this subparagraph provides mandatory CFM controls for CFM requisitions where the bill-to-activity, as identified in the requisition, is an Army contractor and the source of supply is DLA. This process is optional for other DoD Components and may be expanded to include other sources of supply, if needed. DAAS will maintain a list of DoD Component authorized contractor DoDAACs and the associated NSNs/DoD-managed part numbers for which these

contractors may submit CFM requisitions on a CFM Authorized Material Table for use in validating requisitions regardless of method of payment. CFM contractors which match the CFM Authorized Material Table by DoDAAC, but do not match by NSN or part number, will be rejected with Status Code CL (go to and enter "status code" and click submit at: https://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp); requisitions which match on DoDAAC and NSN/part number will be processed as valid. DAAS will enter the DAAS RI (go to: http://www.dla.mil/j-6/dlmso/elibrary/Manuals/MILSTRIP/word/0202-AP2-02.doc) SGA or SHA as the validating MCA. DAAS will perform DS 517G validation requirement for authorized CFM requisitions which match to the CFM Authorized Material Table. DAAS will furnish CFM reports upon request for use by the contracting officer in verifying that quantities ordered are within the contract allowance. Army contractor requisitions which do not match the CFM Authorized Material Table will be processed by DAAS under the MCA waiver exception process or passed to the applicable MCA. CFM requisitions for other Service contractors will be passed to the supply source. NSNs listed in the table may be modified over the course of this agreement when appropriate Army contracting officer provides such authority. Updates to the authorized list will be collected, consolidated into one excel file by the designated DLA Lead Center POC with proof of Army Contracting Officer (CO) concurrence and provided to HQs DLA Army Performance Based Logistics (PBL) action officer. DLA will coordinate updates to individual contractor lists with DLA DoD EMALL and DAASC on a monthly basis. To optimize program changes, all additions to Army partnership lists will be made during an agreed-to monthly timeframe among DLA and support entities.

C4.2.2.10. Preparation of DoD EMALL Requisitions by Contractors. Authorized contractors may establish DoD EMALL accounts to facilitate submission of requisitions for material. To register, go to http://www.emall.dla.mil and click on New User Registration. Prior to establishing the account, the applicable contracting officer must ensure that the contractor is authorized access to Government supply sources and must agree to review monthly or quarterly reports prepared by the DoD EMALL monitoring contractor activity. The applicable contracting officer must also provide a list of approved NSN/part numbers associated with each account/contractor DoDAAC for Army authorized CFM. Army contractors will be processed under GFM/CFM controls as described.

C4.2.2.10.1. DoD EMALL will validate that contractors are authorized to purchase material from DoD supply sources as a prerequisite for submission of EMALL orders. DoD EMALL requisitions for GFM will be subjected to prescribed rules for MCA controls within DoD EMALL or within the DAAS. DoD EMALL CFM requisitions indicating method of payment by corporate credit card are subject to special processing controls as described below. Additionally, CFM requisitions for Army authorized contractors will be validated to ensure that

requisitioned NSNs or DoD managed part numbers are authorized regardless of the method of payment under CFM controls described above.

C4.2.2.10.2. The DoD EMALL program office will identify to DAASC all contractors authorized access to Government material for purchase as CFM using a corporate credit card as the method of payment. DAAS will maintain these DoDAACs as an authorized contractor edit table referenced hereafter as the DoD EMALL CFM Table) to be employed during initial processing and for DS 517G processing.

C4.2.2.10.3. DoD EMALL requisitions for shipment to contractors using payment by corporate credit card are assigned Signal Code B, Fund Code XP, and the supplemental address of the DoD EMALL DoDAAC (SP5200). This configuration identifies a Government DoDAAC as the bill-to activity, therefore triggering DAAS and the DoD-Component supply source processing systems to misinterpret such transactions as GFM requisitions. DAAS will validate these transactions against both existing GFM edits and the DoD EMALL CFM Table to determine appropriate action. If the contractor requisition does not contain a valid MCA identification code and the DoDAAC is not listed in the DoD EMALL CFM Table, DAAS will reject with Status Code CL. If an MCA is identified by either a distribution code or an RI, DAAS will forward the requisition to the supply source. Supply source will submit a DS 517G to DAAS for validation following GFM MCA procedures (including Army CFM). DAAS will recognize the EMALL supplemental address and again employ existing GFM edits and the DoD EMALL CFM Table to take appropriate action. If the validation using the DoD EMALL CFM Table, identifies the contractor DoDAAC as authorized by the contracting officer for ordering CFM using corporate credit cards, then DAASC will validate the requisition and respond to the supply source with a DS 517G using Advice Code 2M indicating the requisition is valid. The supply source will continue processing. If the contractor DoDAAC is not contained on the DoD EMALL CFM Table, but the requisition contains a valid MCA code, then DAASC will forward the DS 517G to the MCA for validation. If the contractor DoDAAC is not contained on the DoD EMALL CFM Table, or does not match the CFM Authorized Material Table, when applicable, and the requisition does not contain a valid MCA code, then DAAS will provide a DS 517G with Status Code CL indicating the transaction is invalid. The supply source will reject the requisition.

C4.2.2.10.4. In order to support DoD requirements for oversight of material sold to contractors, the DoD EMALL program office will provide reports to monitor contractor activity. For contracts having a maximum total dollars ceiling, a DoD EMALL report will be provided to the contracting officer when the accumulative value of CFM ordered reaches 80% of the ceiling.

C4.2.2.11. <u>Exception Processing for GFM for Packaged Fuel Additives Managed by DLA</u>. The DAASC will perform the DS 517G validation on behalf of

the Defense Energy Support Center (DESC) for selected requisitioning/bill-to activities and stock numbers in accordance with the following procedures.

C4.2.2.11.1. DAASC will maintain a DESC GFM table which will identify DESC established U-series contractor DoDAACs authorized to requisition specified additive NSNs. The authorized DESC POC will provide to DAASC the U-series DoDAAC/NSN combinations for the DESC GFM table.

C4.2.2.11.2. DESC sponsored orders for GFM will specify DoDAAC SJ0630 (Americas East), SJ0606 (Americas West), SJ0629 (Middle East), SJ0601 (Europe), SJ0600 (Pacific), and SC0600 (DESC for UC locations) as the requisitioner/bill-to activity. They will contain a U-series DoDAAC designated as the ship-to activity, and contain the DESC assigned MDN.

C4.2.2.11.3. DAASC will route requisitions and requisition related transactions (DS 511R/511M/869F) to the SOS for the NSN ordered, and the SOS will generate the required DS 517G, ICP GFM Validation Request to DAASC.

C4.2.2.11.4. DAASC will capture any DS 517G transactions containing DoDAAC SJ0630, SJ0606, SJ0629, SJ0601, SJ0600, or SC0600 (for UC locations) as the requisitioner/bill-to and a U-DoDAAC as the ship-to and match it against the DESC GFM table. If a table match is made by U-series DoDAAC and the NSN, then DAASC will respond to the SOS with a DS 517G MCA GFM Validation Response, with Advice Code 2M, indicating the order is authorized for processing. If no match, DAASC will respond with DS 517G with Advice Code 2V, indicating the order is not authorized for processing.

C4.2.2.11.5. The SOS will process the DS 517G and either honor the order or reject the suspended transaction using Status Code DN, based on the advice code provided by DAASC.

C4.2.3. SA Requisitions

C4.2.3.1. General

C4.2.3.1.1. Requisitions. SA countries and SA organizations shall prepare and send requisitions to the applicable U.S. Service ILCO. The ILCO shall send the SA requisitions to the appropriate supply source for processing.

C4.2.3.1.2. Requisition Status Determination. 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 shall process SA requisitions without a CLPSC as unprogrammed requirements.

C4.2.3.1.3. Restrictions. Certain SA requisitions are 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 DoD Component shall specify those items of equipment to which the quantity restriction applies. Generally, these items are equipment such as wheeled/tracked vehicles or other items when a unit of issue of one each constitutes a single shipment unit.

C4.2.3.2. Requisition Identification Code. All SA requisitions shall contain a unique six-position identification code consisting of a combination of codes that identifies the requisitioning country or international organization and that 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 7000.14-R in combination, provide the interpretation of these codes. See paragraph C4.2.1. above, for specifics on the actual code construction.

C4.2.3.3. Required Availability Dates (RADs)

C4.2.3.3.1. Identification. Always identify the effective 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 shall identify the RAD in 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 shall modify RADs when contract-forecasted delivery dates indicate a change in the availability of the items. Requisitioners shall use Status Code BB, BV, or B3 to show the true RAD. The ILCO/requisitioner shall adjust all records to cite the new RAD information. When unable to meet the established RAD, the supply source must use Status Code B3 to notify the ILCO of the RAD slippage.

C4.2.3.4. DAAS Processing of SA Requisitions

C4.2.3.4.1. DAAS shall reject requisitions, referral orders, passing orders, DS 869F, Requisition Follow-up, and DS 511M, Modification, containing MAPACs that do not have valid ship-to and mail-to addresses in the MAPAD, to the ILCO using DS 870S, Supply Status, with Status Code DP.

C4.2.3.4.2. ICPs may reject requisitions received off-line (mail, message, courier, fax, telephone) that contain MAPACs that do not have valid ship-to and mail-to addresses in the MAPAD to the submitting ILCO. This includes remarks/exception type DS 511R, Requisition, transactions directing material to various shipping points. DS 870S, Supply Status, with Status Code CX applies.

C4.2.4. NMCS and ANMCS Requisitions

C4.2.4.1. General

C4.2.4.1.1. Approval Authority. Commanders shall 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 shall approve, or delegate in writing to specific personnel the authority to approve, all FMS CLSSA requisitions applicable to NMCS or ANMCS conditions.

C4.2.4.1.2. 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. NMCS Conditions Meeting Special Requirements Code 999

C4.2.4.2.1. Use. Use Special Requirements Code 999 in PD 01-03 requisitions for material that will cause an NMCS condition to occur in mission-essential systems and equipment. Special Requirements Code 999 identifies transactions related to critical items as requiring expedited handling. Any special requirements code used in the requisition must 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. Special Requirements Code 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 shall 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.)

C4.2.4.2.2.1. The requisitioning unit must possess F/AD I, II, or III, and,

C4.2.4.2.2.2. The items or equipment required are causing mission-essential systems or equipment to be incapable of performing any of their assigned missions (NMCS) or,

C4.2.4.2.2.3. 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. NMCS Conditions Meeting Special Requirements Other Than Special Requirements Code 999. Apply the following to requisitions for NMCS conditions other than Special Requirements Code 999 originating from activities where Forces in CONUS are not alerted for deployment:

C4.2.4.3.1. Use PDs 01-08 only.

C4.2.4.3.2. Cite Special Requirements Code N. Note: ***FMS requisitions*** applicable to NMCS conditions will cite Special Requirements Code N, that identifies transactions related to critical items and requiring expedited handling.

C4.2.4.3.3. Indicate short RDDs.

C4.2.4.3.4. Use the PD to process these requisitions.

C4.2.4.4. ANMCS Conditions. Prepare requisitions for material to prevent degradation of the mission capability of such systems/equipment as follows:

C4.2.4.4.1. Use PDs 01-08 only.

C4.2.4.4.2. Cite Special Requirements Code E. Note: ***FMS requisitions*** applicable to ANMCS conditions must cite Special Requirements Code E, which will identify transactions related to critical items and requiring expedited handling.

C4.2.4.4.3. Indicate short RDDs.

C4.2.4.4.4. Use the PD to process these requisitions.

C4.2.5. PWRMS 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 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.

C4.2.6. Conventional Ammunition Requisitions

C4.2.6.1. Component 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 Component owner must convey this authority to the SMCA ICP by using Advice Code 2S in DS 511R.

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

C4.2.7. Special GSA Procedures on Nonmailable Items

C4.2.7.1. Advice Code 2A Processing. GSA shall process requisitions received with Advice Code 2A (item not available locally) regardless of the possible excessive transportation costs.

C4.2.7.2. Low Item Value. GSA shall cancel requisitions (with Status Code CW) 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 shall 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 shall supply the item regardless of the transportation costs.

C4.2.7.3. Non-Applicability. These procedures do not apply to SA requisitions.

C4.2.8. Timeframes and Submission of Requisitions

C4.2.8.1. Frequency. The frequency of submitting requisitions is the sole prerogative of the requisitioner and, except for subsistence items, the distribution systems shall 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.

C4.2.8.2. 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 that maintains any asset availability records for the purpose of filling material demands or ordering other supply action.

C4.2.8.2.1. Requisition Date. The date of requisition shall 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 shall reflect the true date of transmittal.

C4.2.8.2.2. Approval Time. Time consumed by review/approval of control offices that are intermediary between the requisitioner and the initial supply source is counted in the time standard for this segment.

C4.2.9. Maintenance of Requisition History and Due-In Files

C4.2.9.1. Requirement. All DoD Components must maintain a requisition history and due-in file for each transaction processed.

C4.2.9.2. 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.

C4.2.10. Special Army Single Stock Fund (SSF) Procedures for Image, Working, and Post-Post Requisitions and Authorization of Edit Action Codes (EACs) for Both Single Stock Fund (SSF) and non-SSF Army Activities. The following procedures are restricted to use by the Army on an intra-Service basis.

C4.2.10.1. These procedures include Army-unique data elements required to accurately process transactions in the Army wholesale system that originate from the Army retail system for SSF activities. For both Army retail replenishment orders for authorized stock listed items and for dedicated customer orders for non-stock listed items, an image of the order containing a special EAC, management code and date generated is created and passed to the wholesale system. For these replenishment and dedicated customer orders, the EAC indicates that the order is to be held until either post-post issue requisitions are received equaling the image requisition quantity or a live/working requisition is received for the total or residual quantity of the image requisition. Additionally, customer/consumer orders for authorized stock listed items that cannot be filled by the retail system are backordered at the retail level and an image of the consumer requisition containing an EAC, management code and date generated is created and passed to the wholesale system. For these backordered consumer requisitions, the EAC indicates that the order is to be held until either post-post issue requisitions are received equaling the image requisition quantity, or a cancellation is received. Based on business rule parameters, these EAC codes facilitate the Army process which searches for assets at multiple retail levels, prior to requiring a wholesale asset search to fill the retail and consumer level requisitions. The post-post issue requisition also contains an EAC, management code and date generated. Additionally, the post-post requisition contains the SSF routing identifier code (RIC) of the activity issuing the assets and codes indicating the ownership, purpose and condition of these assets, as well as a suffix code, if it is only a partial issue of the image requisition quantity. The following are the types of requisitions included in this process:

C4.2.10.1.1. Image Request Order Number Requisition. An image of the customer's original requisition containing an EAC, management code and the date generated date is submitted by the SSF site to the Army wholesale supply source. Upon receipt, the wholesale supply source builds a document control file, creates a demand record, and freezes the requisition on backorder.

The only action which can clear the frozen backorder is a post-post requisition or a cancellation request from the SSF site.

C4.2.10.1.2. Image Document Order Number Requisition. An image of theoriginal replenishment requisition containing an EAC, management code and the date generated is submitted by the SSF site to the Army wholesale supply source. Upon receipt, the wholesale supply source establishes a document control file with a requisition quantity control, creates a demand record, and takes no further action until receipt of a post-post or working requisition.

C4.2.10.1.3. Working Document Order Number Requisition. Upon receipt of a working document order number requisition by the wholesale supply source, action will be taken to support the requisition quantity. The document number on both the working and image requisitions are the same; however, the working requisition does not contain an EAC or management code.

C4.2.10.1.4. Image Dedicated Requisition. An image of a dedicated requisition containing an EAC, management code and the date generated is submitted by the SSF site to the Army wholesale supply source. Upon receipt, the supply source establishes a document control file with a requisition quantity control, creates a demand record and takes no further action until receipt of a post-post or working requisition.

C4.2.10.1.5. Working Dedicated Requisition. Upon receipt of a working dedicated requisition by the wholesale supply source, action will be taken to support the requisition quantity. The document number on both the working and image requisitions are the same; however, the working requisition does not contain an EAC or management code.

C4.2.10.1.6. SSF Post-Post Requisition. A post-post requisition containing an EAC, management code and storage site RIC is submitted by the SSF site to the Army wholesale supply source when assets are issued from SSF site in support of a previously provided image requisition. Upon receipt, the supply source creates internal issue transactions and creates an audit trail.

C4.2.10.2. Post-Post Requisition Processing. When the requisition is satisfied by a SSF site, the wholesale system will receive a post-post requisition containing a special EAC and management code, as well as the routing identifier code of the SSF site issuing the assets, and codes indicating the ownership, purpose and condition of these assets. If the post-post issue requisition is for a partial quantity, it will also contain a suffix code. The wholesale system may receive post-post requisitions with the same document number and suffix code, but with different storage RICs. These will not be considered duplicates. Based upon receipt of the post-post requisition, the wholesale system will internally generate a material release order, material release confirmation and a material

receipt acknowledgement. The wholesale system receives post-post requisitions in order to record shipments and generate appropriate bills.

C4.2.10.3. Working Requisition Processing. If the SSF site can totally fill the requisition through post-post issues, the wholesale source will not receive a working requisition. However, if the SSF site is unable to satisfy the total demand quantity of the requisition, the wholesale site will receive either a working requisition for the residual quantity or a cancellation on the same document number as the image requisition. Upon receipt of the working requisition the wholesale supply source will initiate normal support actions. Any actions taken by the wholesale source on the working requisition will always begin with Suffix Code L. The total quantity of all post-post requisitions and all working requisitions received on a single document number, should not exceed the quantity on the original image requisition.

C4.2.10.4. EAC Authorization. In addition to the use of the EAC in the above SSF procedures, for both Army SSF and non-SSF activities, the EAC is authorized to be used for requisition reinstatement and other varied purposes.

C4.2.11. DoDAAC Authority Code Edits. Requisitions will be prepared using valid DoDAACs for the purpose(s) intended. DoDAACs designated as the requisitioner, bill-to, or ship-to activity will be validated based upon the authority code assigned to each DoDAAC in the DoD Activity Address File and business rules described below. Refer to DAAS edit of incoming requisitions below for edit rules.

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, The DoD Component, and authorized command elements may request cancellation of previously submitted requisitions by using the DS to Federal IC 869C, Cancellation. 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 shall 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 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 the DoD Component is 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 must be identified by the requiring activity at the earliest date through submission of requisition modifiers, DS to Federal IC 511M, Modification, containing Special Requirements Code 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 shall not cancel requisitions that have been modified to contain Special Requirements Code 555 during a mass cancellation process.

C4.4.2.2.1. Requisition Changes. The requisition may not be changed to contain Special Requirements Code 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, must contain Special Requirements Code 555.

C4.4.2.3. Initiation of Requests. Requests for mass or universal cancellation of requisitions shall be initiated by the DoD Component, 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 on the DLMSO website at: ***http://www.dla.mil/j-6/dlmso/eLibrary/Restricted/SvcPointsPOC/default.asp***. Inter-DoD Component dissemination of requests for mass or universal cancellation must be made by the designated contact points. The mass or universal cancellation request shall 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 shall be accomplished by the DoD Component contact point designated. Intra-DoD Component dissemination shall 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 shall ensure that the appropriate overseas theater, force, logistics, or type commanders are aware 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, shall 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 shall 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:

C4.4.2.5.1. Project code and ship-to address.

C4.4.2.5.2. FSC, FSG (Federal Supply Group), NSN, or part number when associated with the address of the original requisition document number ship-to-address and/or project designator.

C4.4.2.5.3. One project code and various addresses.

C4.4.2.5.4. No project code and various addresses.

C4.4.2.5.5. 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 Special Requirements Code 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 Special Requirements Code 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:

C4.4.2.6.1. Project code(s) when associated with the ship-to address being canceled.

C4.4.2.6.2. Special Requirements Code 999 or NB when associated with the ship-to address being canceled.

C4.4.2.6.3. FSC, FSG, NSN, or part number when associated with the ship-to-address being cancelled.

C4.4.2.6.3. Specific requisition document number and routing identifier from the status received or routing identifier to which the requisition has been transmitted if status has not been received.

C4.4.2.6.4. Specific PD when associated with the ship-to address being canceled.

C4.4.2.6.5. 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 Special Requirements Code E in the LQ segment and one of the above selective criteria, supply sources shall review all affected requisition(s) and all associated transactions to identify those for which continued processing has been requested. In the case of items scheduled for direct delivery, the supply source shall forward requisition modifications to procurement sources. Supply sources and procurement sources shall annotate the affected requisition(s) and all associated transactions with Special Requirements Code 555 in the LQ segment.

C4.4.2.8. DTS Processing. DTS shall continue movement of material to which an Special Requirements Code 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 shall be the transportation lift data provided by the DTS clearance authority. (See subparagraph C4.7.23.10.4..)

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 shall 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 must also be provided. These designated points and fund citations shall be provided to Air Mobility Command (AMC), Surface Development and Distribution Command (SDDC), 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 shall 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 shall designate a contact point(s) to provide disposition instructions on material that does not meet the automatic diversion conditions specified in subparagraph C4.7.23.10.5. Designated contact points shall 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, during, or after 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 Requisition Modification (DS 511M, Modification). Any activity initiating a requisition

modification shall notify other interested parties of such action, especially if the activity initiating the modification is other than the requisitioner. Send the requisition modification to the last known supply source. Limit modifications to changes in the following:

C4.5.1.1. Non-GFM Requisitions

C4.5.1.1.1. Ship-To and/or Bill-To Address(es)

C4.5.1.1.2. FMS Offer and Release Option Code

C4.5.1.1.3. FMS Freight Forwarder

C4.5.1.1.4. Treasury Symbol Number/Fund Purpose Code

C4.5.1.1.5. Project Code

C4.5.1.1.6. Special Requirements Code

C4.5.1.1.7. PD

C4.5.1.1.8. RDD or RDP

C4.5.1.1.9. Advice Code

C4.5.1.1.10. Ultimate Recipient Code

C4.5.1.1.11. Transportation Priority Code

C4.5.1.1.12. Media and Status

C4.5.1.1.13. Signal Code

C4.5.1.1.14. Distribution Code

C4.5.1.1.15. Fund Code

C4.5.1.2. GFM Requisitions

C4.5.1.2.1. Project Code

C4.5.1.2.2. PD

C4.5.1.2.3. Advice Code

C4.5.1.2.4. RDD

C4.5.1.2.5. Media and Status Code

C4.5.1.2.6. Signal Code

C4.5.1.2.7. Distribution Code

C4.5.1.2.8. Fund Code.

C4.5.2. Identifying Applicable Supply Actions. Identify requisitions for which supply action must be continued during mass cancellation situations and submit modifications with Special Requirements Code 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 data on the modification transaction shall be changed. All other data will remain as stated on the original requisition.

C4.5.4. Modifying Codes. When a requisition modifier is submitted to modify the ship-to and/or bill-to DoDAAC(s), signal code or fund code, the DAAS DoDAAC authority code edits discussed in C4.8.10 will be reapplied.

C4.6. REQUISITION INQUIRIES/REQUESTS FOR SUPPLY ASSISTANCE

C4.6.1. General. Use DS to Federal IC 869A, Requisition Inquiry/Supply Assistance, 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 Federal IC 869F, Requisition Follow-Up, to follow up the latest supply transaction on previously submitted requisitions.

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. DS 869A provides a streamlined requisition follow-up. 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. ***When a follow-up that may act as a requisition is submitted (DS 869F), it will be subject to the authority code edits of paragraph C4.8.10.***

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. Send follow-ups to the supply source where you sent 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 calendar 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 calendar 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 includes status of requisitions, timely supply of requirements, I&S items, release of cancellation or backordered requisitions, and diversion of material shipments. 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. In addition to the DS cited in paragraph C4.6.1, above, requests for assistance may be done by electronic mail (computer-DISN), message, letter, or telephone to the appropriate supply source. Telephone requests should not exceed seven lines; however, the limitation of items shall be determined by the supply source ability to record the items and initiate timely responses.

C4.6.3.3. Replies. Replies to supply assistance requests will include an information copy to each addressee included in the incoming request.

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

C4.7.1. General

C4.7.1.1. Verification. Supply sources shall validate the data elements and codes in these transactions and accomplish changes, continue processing action, or

reject with the appropriate status code using DS to Federal IC 870S, Supply Status. Rejection of transactions shall be done only after an attempt has been made to correct the questionable data element or code. If rejection action is a result of more than one data element or code, and no other reject status code applies, reject using Status Code CA.

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 must be done 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 shall be processed prior to backorder releases and new requisitions. Demands shall be sequenced as follows:

C4.7.1.2.1. PD.

C4.7.1.2.2. OSD/the Chairman of the Joint Chiefs of Staff project codes.

C4.7.1.2.3. Special Requirements Code 999 and PD 01, 02, or 03.

C4.7.1.2.4. Special Requirements Code N (NMCS), E (ANMCS), or 555 and PD 01-08.

C4.7.1.2.5. Requisition document number date.

C4.7.1.2.6. RDP, if later than the computed SDD--conventional ammunition only.

C4.7.1.3. Backorders. Backordered requirements shall 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 onhand adjustments.

C4.7.1.4. Receipt Processing. Processing points shall 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 shall be made by subtracting the date in the demand transaction from the date received. The submission time provides 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, shall be used as a basis for determining duplicate transactions. The recipient shall disregard all duplicate transactions.

C4.7.2. Effect of Priority Designator on Requisition Processing

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

C4.7.2.1.1. Special Requirements Code 999 is present, requisition is for U.S. forces, and the PD is not 01, 02, or 03, the supply source will enter PD 03 and send Status Code BK.

C4.7.2.1.2. An OSD/the Chairman of the Joint Chiefs of Staff project code is present, but the PD is not 01-15, the supply source will cite PD 03 and send Status Code BK.

C4.7.2.1.3. Special Requirements Code N or E is present, and the PD is not 01 - 15, the supply source will enter PD 08 and send Status Code BK.

C4.7.2.1.4. Special mass cancellation coding 555 is present and the PD is not 01-15, the supply source will enter PD 08 and send Status Code BK.

C4.7.2.1.5. Special Requirements Code 777 is present and the PD is not 01 - 15, the supply source will enter PD 08 and send Status Code BK.

C4.7.2.1.6. RAD is present and the PD is not 01-15, the supply source will enter PD 15.

C4.7.2.1.7. Extended RDD is present and the PD is other than 09-15, the supply source will enter PD 15 and send Status Code BK, and process.

C4.7.2.1.8. Work stoppage indicator is present and the PD is not 01-08, the supply source will enter PD 8 and send Status Code BK, and process.

C4.7.2.1.9. Service Code is B, D, K, P, or T and Special Requirements Code is N, E, 555, or 777 and Type of Assistance is not U or V, the supply source shall blank the special requirements code 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.

C4.7.2.1.10. For all other conditions, if the PD is not 01 - 15, the supply source shall 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. Mandatory time standards for processing of transactions are covered in DoD 4140.1-R, Appendix AP8, Time-Definite Delivery Standards. 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. IMM Control Levels. On occasion, available assets may be insufficient to satisfy all current demands and backorders for specific items. The IMM shall reserve assets of such critical items through the use of item control levels and criteria that will restrict issue to specific categories of requirements only, i.e., those within designated ranges of PDs, the Chairman of the Joint Chiefs of Staff approved projects, or firm commitments for delivery of material to SA recipients. Control levels shall be established for IMMs to reserve stocks for issue only for PD 01-03. These requirements shall 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 that may not be issued for PD 09-15 requirements.

C4.7.2.4. Supply Source Control Levels. Control levels shall 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 (AFAO). Assets available below the AFAO are not issued against requisitions for nonreimbursable PWRMS requirements regardless of the PD.

C4.7.2.4.2. Availability Below Reorder Point (ROP). Assets available below the ROP are not issued against requisitions for nonreimbursable PWRMS requirements that contain a PD of 11-15 during initial processing of the requisition. Later processing of such requisitions is prescribed in paragraph C4.7.5., below.

C4.7.2.5. OSD/the Chairman of the Joint Chiefs of Staff Project Priority. These projects, when so designated, and PD 01-03 requisitions containing Special Requirements Code 999, shall be ranked above all other requisitions with the same PDs for processing purposes. Special Requirements Code 999 requisitions and related transactions shall receive special attention to provide for expedited processing actions.

C4.7.2.6. Releasing Demands. When system-wide inventory levels do not permit positive supply action on all requisitions within a given PD, supply procedures shall provide for a release of demands containing the specifically designated OSD/the Chairman of the Joint Chiefs of Staff project codes and Special Requirements Code 999 as the respective most urgent. PD 01-08 requisitions, including FMS requisitions, containing Special Requirements Code 555 in the RDD field and other requisitions/material obligations, shall be processed for release as prescribed in subparagraph C4.7.1.2., above.

C4.7.3. Supply Source Processing of Requisitions with Advice Code 2D, 27, or 29. Supply sources shall 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 shall disregard the advice code in the requisition. If $5 or more, the supply source shall 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 shall use Status Code BJ 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 show quantities that 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 shall generate a DS to 517M Federal IC, Material Obligation Validation, to request verification of the quantity. The supply source must 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 shall send a response to the supply source by the response due date indicated in the quantity verification inquiry; otherwise, the supply source shall automatically cancel the requisition with Status Code D3. The quantity in the response must be the actual quantity required. If the quantity is less than the original requisitioned quantity, the difference shall be canceled with Status Code BQ. If the quantity field contains zero, the entire requisition shall be canceled with Status Code BQ. Quantity increases are not authorized.

C4.7.5. Supply Source Processing of PWRMS Requisitions

C4.7.5.1. General. Supply sources, except GSA, shall process funded and unfunded requisitions for the initial fill of PWRMS consumable item requirements using the criteria established below. GSA shall 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 shall 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 shall 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 shall be processed as free issue and the balance of the requisition quantity shall be processed as follows:

C4.7.5.2.2.1. 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) shall be checked and:

C4.7.5.2.2.2. If free issue the unfilled quantity on the requisition must be rejected. The rejection shall be accomplished under Status Code CB since all unfunded PWRMS requisitions must be processed as fill or kill.

C4.7.5.2.2.3. If a basis of unit price code is not identified, the PWRMS requisitions shall be processed as containing Advice Code 2L and the PD must 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 shall be processed for issue using UMMIPS supply source processing standards. Subsistence requisitions must 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 shall 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 shall be placed on backorder and the appropriate supply status shall be provided with an estimated shipping date (ESD) equal to one procurement lead time. Backordered PWRMS requisitions with PDs 11-15 must 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, shall be processed in the same manner as PD 11-15 requisitions.)

C4.7.6. Supply Source Processing of RDP 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 must 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, shall not be placed on backorder. If stock is not available, the requisition shall be referred or rejected back to the customer. If stock is available, an MRO shall be issued to the storage facility. The shipping activity shall 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 shall be rejected with Status Code CB.

C4.7.6.4. SA 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 Status Code DS 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 Status Code DS 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 Status Code CC or CN, 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 shall 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 shall 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 that is not immediately available for issue, but is recorded as a stock commitment for future issue. Supply sources shall 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 (MROs)

C4.7.12.1. Originator. MROs, DS to Federal IC 940R, Material Release, 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 that contain Advice Code 2T and do not contain an RDD shall 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 serves*** as advice from a storage site to the supply source that initiated the MRO of supply action taken. ***The MRC shall be provided using DS 945A. The MRC shall include enhanced data content under DLMS to include:***

C4.7.13.1.1. Both the TCN, when applicable, and a secondary transportation number, such as the small package carrier number, when this is applicable.

C4.7.13.1.2. Identification of the carrier when other than United States Postal Service (USPS) by Standard Carrier Alpha Code (SCAC).

C4.7.13.1.3. For OCONUS shipments made via Defense Transportation System (DTS), GBL/CBL, parcel post, and small package carrier shipments, specific identification of the Port of Embarkation (POE) or Consolidation and Containerization Point (CCP), the air terminal, water terminal, or CCP by applicable qualifier code in the DS. (During MILS/DLMS transition, DAAS may substitute a generic terminal qualifier for MRC transactions converted from MILS where the type of facility is unknown.)

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

C4.7.14. Reserved

C4.7.15. Storage Activity Denial or Rejection of Material Releases

C4.7.15.1. Preparation. Material Release Denials (MRDs), DS 945A, are prepared by storage sites and sent to the supply source that initiated the MRO as notification of negative action on the MRO and shall 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 shall use the material release advice to provide Status Code CB to the supply source. The supply source shall provide this status advice to the eligible status recipients (applies to conventional ammunition requisitions only).

C4.7.16 Component-Owned Stocks Centrally Managed and Stored by DLA.

C4.7.16.1 The following procedures have a limited and restricted applicability controlled by a Memorandum of Agreement (MOA) between DLA and the requesting DoD Component. Upon request by a DoD Component and agreement by DLA, DLA will centrally manage Component-owned stocks within the DLA distribution system. All instructions to storage activities relative to the Component-owned stocks accepted under the MOA must originate from the knowing DSC as the sole source authorized to direct delivery, issue, or other disposition of stock. Component-owned stocks accepted under the MOA for central management by DLA will be commingled with like DLA-owned stocks.

C4.7.16.2 To establish assets controlled by the DLA DSC under the MOA, the DoD Component may initiate an “in-place” sale. To accomplish this the DoD Component requisitions material to be centrally managed by DLA, establishing the Component-owned assets on the DLA records. Ownership changes from DLA to the DoD Component, but DLA maintains item management control and continues to store

the item in a DLA distribution depot. The DS 511R, Requisition, must contain the preferred depot DoDAAC for stock to be commingled and Advice Code 8D. DSC internally produces and posts the DS 940R, Material Release, (which is not actually sent to and from depot) and uses a DS to Federal IC 867I, Issue (DoD Activities), to drop and a DS to Federal IC 527R, Material Receipt – Other Than Procurement Instrument Source (DoD Activity) to post assets to DSC inventory record under Component-ownership. An image of the DS 527R, Material Receipt – Other Than Procurement Instrument Source (DoD Activity) will be sent to the Component ICP for recording the financial receipt. Normal procedures will be followed for billing the reimbursable in-place sale.

C4.7.16.3 To direct shipment of these assets, the DoD Component must send a DS 511R, Requisition, to the knowing DSC. To relate the requisition to Component-owned assets, the following entries are mandatory in the source document: Advice Code 2J; DLA distribution depot to indicate the storage location from which out-shipment of Component-owned material is to be made; ownership code; and condition code of the material.

C4.7.16.4 Requisitions created by organizational elements other than the Component ICP and sent to the Component ICP for approval shall be forwarded to the DSC using DS 511R, Referral Order. Mandatory entries prescribed in the subparagraph above for requisitions also apply to referral orders.

C4.7.16.5. DLA shall process a requisition or referral order in the above format and create a DS 940R, Material Release. Additionally, DLA shall produce and forward a DS 867I, Issue (DoD Activites), to the Component ICP for the issue quantity dropped from the DLA inventory records. Quantities not available shall be rejected to the Component ICP using Status Code CB.

C4.7.16.6. In the event a warehouse denial occurs, the distribution depot shall report the denial in the normal manner. DLA shall send a DS 867I, Issue (DoD Activities), reversal and a DS to Federal IC 947I, Inventory Adjustment – Decrease (Physical Inventory), to the applicable Component ICP. Requisition documents shall not be reinstated for continued supply action.

C4.7.16.7 Under the MOA, the DoD Component assets may be issued directly to DLA assembly points. The DS 511R, Requisition, must include Advice Code 8L; the depot to ship from, the DLA assembly point DoDAAC, Signal Code M, ownership code, and condition code. DLA shall process a requisition in this format and create the MRO. Additionally, DLA shall produce a DS 867I, Issue (Assembly/Disassembly/Conversion/Modification), and post to the DSC records. An image of the DS 867I shall be sent to the Component ICP.

C4.7.16.8 To accomplish a redistribution action of Component-owned assets between DLA depots under the MOA the following procedures apply. These actions shall be limited to a dual ownership change between the DLA DSC and the Component

ICP. That is, no material is actually moved; only DSC inventory record changes are made. To accomplish the redistribution action the DoD Component shall provide a DS 511R, Requisition, (DS 940R, Redistribution Order, is not allowed). The following entries are required: DoDAAC of new depot to show Component-owner assets; Signal Code M; Advice Code 8G (indicates dual ownership change); depot previously showing Component-owned assets; ownership code; and condition code. A DS 867I, Issue (DoD Activities), and DS 527R, Material Receipt – Other Than Procurement Instrument Source (DoD Activities), shall be recorded for DLA-owned material on the DSC inventory record. A DS 867I, Issue (Returned Purchases), and DS 527R, Material Receipt – Other Than Procurement Instrument Source (DoD Activity), for the Component–owned inventory shall be recorded and an image of the DS 867I and DS 527R shall be sent to the Component ICP.

C4.7.16.9 To terminate the asset posture under the MOA, the Component ICP may direct out-shipment of the material using the directed shipment format above, or one of the following methods.

C4.7.16.9.1 Change the ownership while maintaining the inventory at the same depot. To accomplish this the DoD Component shall submit a DS 511R. The following entries are required: Advice Code 8H, the depot, ownership code, and condition code. The DSC generates a DS 947I Issue (Other), internally and sends the Component ICP an image of the DS 947I and a DS 527R, Material Receipt – Other Than Procurement Instrument Source (Other).

C4.7.16.9.2 Direct the material to a DRMO. To accomplish this the DoD Component shall send a DS 511R. The following entries are required: Advice Code 8J; depot; and the DRMO

C4.7.17. Retransmitting Requisitions to Another Supply Source

C4.7.17.1. Continued Supply Action. The supply source may retransmit requisitions to another source for continued supply action. The supply source must always identify the date of receipt of the original requisition in the PO1 Loop, G62 segment, in the retransmitted requisition. The supply source must always include Special Requirements Code 888 in retransmitted requisitions submitted to the SMCA that are backorder releases from the DoD Component ICPs.

C4.7.17.2. 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 that 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 shall not provide Status Code BM to the requisitioning activity. The SICA shall provide the SICA requisitioning activity with status received from the PICA based on the data elements and coding contained in the original requisition.

C4.7.18. Processing Follow-Ups

C4.18.1. 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:

C4.7.18.1.1. PD 01-08. For PD 01-08, dispatch status within 2 calendar days from the date of receipt of the follow-up.

C4.7.18.1.2. PD 09-15. For PD 09-15, dispatch status within 5 calendar days from the date of receipt of the follow-up.

C4.7.18.2. Providing Shipment Confirmation. A storage activity, in response to a follow-up initiated by a supply source, shall use the DS 945A to provide shipment confirmation, denial, or supply status information, as appropriate.

C4.7.18.3. Storage Activity Processing. Storage activities shall 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 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 shall generate an MRO modifier transaction, that contains the same data as the original MRO. Storage activities in receipt of MRO modifiers shall process them using paragraph C4.7.21..

C4.7.18.4. Generation of Pseudoshipment Status. Supply sources, in receipt of Status Code BE, or after 60 calendar days have passed from the MRO generation date without confirmation or receipt of an MRA, shall generate a shipment status DS 856S with Transaction Type Code NC, to DAAS. Shipment status for SA requisitions shall be forwarded to the applicable ILCO. This shipment status shall not cite a TCN or the mode of shipment and the generation date will be used as the date released to the carrier. DoD Components shall establish a management evaluation program that monitors storage activities providing Status Code BE. Goals should be established and the performance attained be a rating element of the activity commander.

C4.7.18.5. 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 shall provide Status Code BF.

C4.7.18.6. Supply Source Follow-Up Response. Supply sources in receipt of storage activity responses to follow-ups shall furnish appropriate status to eligible recipients using section C4.7 procedures.

C4.7.18.7. Request for Supply Assistance.

C4.7.18.7.1. Requests for supply assistance require management decisions relative to supply requirements that 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 that 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, shall 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 that will cause improvement in ESDs:

C4.7.18.7.1.1. Cannibalization of existing equipment.

C4.7.18.7.1.2. Acceleration of repair programs.

C4.7.18.7.1.3. Offers of I & S items.

C4.7.18.7.1.4. Diversion of material shipments.

C4.7.18.7.1.5. Supply from reserve assets.

C4.7.18.7.1.6. Supply from known station or depot excess stocks.

C4.7.18.7.1.7. Supply resulting from screening of material held pending classification.

C4.7.18.7.2. ESD Improvement Considerations. During the course of actions taken to improve ESDs, follow-up inquiries shall not be construed by supply sources as authority to override any requirements of equal and/or higher priority. Consideration shall not be given to diversion of any assets required to satisfy requirements of equal and/or higher priority.

C4.7.18.7.3. Improving ESD. When determination is made that requested improvement in ESDs can be accomplished, the revised ESDs shall be transmitted to status recipients. When actions taken by management do not result in improved ESDs, status recipients shall be provided with the latest status applicable to the requisitions concerned.

C4.7.18.7.4. Supply Source Status. Supply sources, in receipt of follow-ups on requisitions for which MROs were created directing lateral redistribution of retail stock, shall provide applicable status as follows:

C4.7.18.7.4.1. If the current status is BA and the ESD or the UMMIPS timeframes, whichever applies, has not passed, provide Status Code BA with the appropriate ESD to the requisitioner.

C4.7.18.7.4.2. If the current status is BA and the ESD or the UMMIPS timeframes has passed, provide Status Code B5 to the requisitioner and send DS 940R, Material Release, with Transaction Type Code NB to the reporting activity. Supply sources in receipt of responses to follow-ups shall send appropriate status to eligible recipients using section C4.7. procedures.

C4.7.18.7.4.3. If the current status is positive shipping status, provide DS 856S with Transaction Type Code AS.

C4.7.18.7.5. Retransmitting Inquiries. Processing points retransmitting requisition inquiries to another supply source for continued action shall cite their DoDAAC as the FROM-address. Processing points receiving such retransmitted transactions shall not automatically retransmit such transactions back to the processing point from which the transaction was received without obtaining the prior agreement of that activity.

C4.7.19. Force-Closed Material Release Confirmations. After generating pseudo shipment status transactions for unconfirmed MROs under subparagraph C4.7.18.4., above, supply sources shall hold the MRO record open pending an MRA response (under ***Chapter 10***). 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, 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. For shipment to SA recipients, supply sources shall ensure that proper inventory accounting and billing procedures are applied. In response to an MRA 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.

C4.7.20. Processing Redistribution Orders (RDOs)

C4.7.20.1. RDOs are originated by an ICP/IMM to direct release of material from a supply distribution activity to another within the same distribution system.

C4.7.20.2. Prepare RDOs using the DS 940R format.

C4.7.21. Processing Requisition and MRO Modifiers

C4.7.21.1. Supply Source Processing. Supply sources shall 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, shall be recycled under DoD Component policy and normal processing actions shall be continued to accommodate the modified PD, special requirements code, or RDD/RDP.

C4.7.21.1.1. Modification. Modification of MROs is at the discretion of the DoD Components. However, modifications shall not be processed against requisitions for which MROs of retail assets have been generated.

C4.7.21.1.2. Direct Delivery Modification. Modification of requisitions that have been submitted to procurement sources for direct delivery is not required, except for requisition modifier transactions that contain:

C4.7.21.1.2.1. A revised country FMS offer/release option code and/or FF code.

C4.7.21.1.2.2. Special Requirements Code 555.

C4.7.21.1.2.3. Changes to the SHIP-TO address.

C4.7.21.1.3. Modifiers. The application of modifiers on requisitions for which split actions have been taken by the supply source is at the option of the DoD Components.

C4.7.21.1.4. Supply Source Status. Supply sources shall provide status (DS 870S) after processing requisition modifier transactions as follows:

C4.7.21.1.4.1. Invalid Transaction Entries. When the modifier transaction contains invalid entries for data elements listed in paragraph C4.5.1. ***or the DoDAAC authority code edits in paragraph C4.8.10.***, the modifier request shall be rejected using Status Code D7.

C4.7.21.1.4.2. Requisition Modifier Transaction Not Honored. When the requisition modifier transaction is not honored because the requested modifications cannot be made, supply sources shall provide Status Code B2 to the activities designated on the unmodified requisition.

C4.7.21.1.4.3. Modifications Successfully Processed. When the requested modifications have been successfully processed, Status Code BK shall be provided.

C4.7.21.1.5. In addition, when modifier transactions are processed, supply sources shall provide the latest supply or shipment status to all parties identified in the original or modified requisition transaction.

C4.7.21.1.6. Supply sources shall process requested modifications only when all data fields can be modified, as requested. If this cannot be done, reject the modifier using DS 870S with Status Code B2.

C4.7.21.2. Submitting Modifier Transactions to Storage Activities. When the DoD Components 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.

C4.7.21.2.1. Storage activities, upon receipt of MRO modifier transactions, shall modify the original MRO whenever the modifier is received prior to the actual printing of the DD Form 1348-1A. This shall 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.

C4.7.21.2.2. These modified transactions shall be processed in the normal manner prescribed for MROs.

C4.7.21.2.3. When storage activities receive MRO modifier transactions for which they have no record of the original MRO, they shall process the modifier transactions as new MROs.

C4.7.21.2.4. Storage activities shall provide DS 945A with Status Code B2 or BK to advise supply sources when requested modifications are or are not accomplished.

C4.7.21.3. Referring Activity Processing. When requisition modifications are referred to another supply source, the referring activity shall 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 shall not automatically pass such transactions back to the processing point from which the transaction was received without obtaining the prior agreement of that activity.

C4.7.22. Processing Single Line-Item Cancellation Requests. Supply sources, procurement, storage, and reporting activities shall process single line-item cancellations, as prescribed herein.

C4.7.22.1. 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.

C4.7.22.2. General Rules. General rules for the disposition and diversion of material that has been shipped are as follows:

C4.7.22.2.1. Supply sources are responsible for providing diversion and/or disposition instructions for all items under their control destined for OCONUS that have progressed to the point where procurement actions cannot be terminated or shipment into the DTS has 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 the DoD Component.

C4.7.22.2.2. Supply sources may request diversion or disposition instructions from the DoD Component contact points designated in column 1 of Table C5.T1 for both nonstocked and non-NSN items. However, supply sources may, based on their stock position, divert material to depot stock.

C4.7.22.2.3. The DoD Components may predetermine and designate alternate consignees so that the DoDAAC of these activities may be inserted in later supply and/or transportation transactions. These predetermined destinations shall be based on considerations as stated above, and may vary by NSN, FSC, or Federal Supply Group (FSG).

C4.7.22.2.4. When OCONUS shipments cannot be diverted or held for disposition, storage, and procurement activities shall advise supply sources when elements of the DTS were unable to accomplish the desired shipment diversion or hold. The supply source shall provide DS 856S to all eligible recipients of status. These transactions shall contain a date, as provided by the clearance authorities, on which the shipment was lifted from the terminal for delivery OCONUS.

C4.7.22.2.5. When diversion of OCONUS shipments is accomplished by the DTS, supply sources shall furnish DS 870S with Status Code B6 to all authorized status organizations. The advice of actions taken by the DTS shall be provided under DoD 4500.9-R.

C4.7.22.2.6. Supply sources shall automatically initiate cancellation action for unfilled quantities of material obligations or open requisitions upon deletion of a DoDAAC ***identified as requisitioner, ship-to, or bill-to activity from the DoDAAD.*** Applicable supply and shipment status shall be furnished to authorized recipients and, in the event DAAS does not have a recorded DoDAAC, the status shall be disposed of.

C4.7.22.2.7. Costs incurred in cancellations/diversion shall be billed as provided in subparagraph C4.7.26.6., below.

C4.7.22.2.8. No attempt shall be made to stop or divert shipments to CONUS (domestic) consignees once released for shipment, regardless of the mode of shipment.

C4.7.23. <u>Processing Mass or Universal Cancellation Requests</u>

C4.7.23.1. 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.

C4.7.23.2. Supply sources in receipt of mass or universal cancellation requests shall cancel quantities for which MROs, and/or purchase requests have not been submitted to storage or procurement activities. Provide DS 870S, with Status Code BQ or B4, as appropriate, as notice of accomplished cancellations to all authorized status organizations within the timeframe for sending status.

C4.7.23.3. Supply sources shall send DS 870S with Status Code B9 to all authorized status organizations under Chapter 5 within the timeframes for sending status for:

C4.7.23.3.1. Unconfirmed MROs and open procurement actions.

C4.7.23.3.2. MRCs that indicate shipment to OCONUS activities within 45 calendar days of the effective date of the mass cancellation.

C4.7.23.4. Provide DS 870S with Status Code BQ, B4, or B6 as notification for each line-item actually canceled or diverted and Status Code B8 for each line-item not canceled or diverted.

C4.7.23.5. Supply sources shall provide storage activities cancellation requests, DS 940R, for all unconfirmed MROs and MRCs that indicate shipment to OCONUS activities within 45 calendar days of the effective date of the mass or universal cancellation.

C4.7.23.6. Supply sources shall provide procurement activities cancellation requests, DS 869C, for all open procurement actions.

C4.7.23.7. Supply sources shall not provide storage and procurement activities with cancellation requests when:

C4.7.23.7.1. In receipt of MRCs that show shipment has been accomplished by parcel post.

C4.7.23.7.2. In receipt of MRCs that show shipment to CONUS activities has been accomplished.

C4.7.23.7.3. In receipt of MRCs that show shipment to OCONUS customers was accomplished more than 45 calendar days prior to the receipt of the mass or universal cancellation request.

C4.7.23.8. The following rules apply to mass or universal cancellation of shipments from storage:

C4.7.23.8.1 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 shall identify all affected MROs where the items have not been released to a carrier for delivery to the consignee.

C4.7.23.8.2. For universal cancellation, the storage activity shall suspend further processing of all MROs, including any containing Special Requirements Code 555.

C4.7.23.8.3. For those OCONUS shipments that meet the mass or universal cancellation criteria and have entered the DTS within 45 calendar days of the date of the mass or universal cancellation request, the storage activity shall generate a DS 945A with Transaction Type Code NR in the WO6 segment and Status Code DW in the LQ segment.

C4.7.23.8.4. Storage activities shall 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.

C4.7.23.8.5. Storage activities shall 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 shall be prepared and sent to the supply source with Status Code BQ.

C4.7.23.8.6. When storage activities do not accomplish cancellation, the supply source shall be furnished DS 945A with Status Code B8.

C4.7.23.8.7. Storage activities in receipt of transportation confirmation of shipment diversion transactions shall send to the appropriate supply source a material release advice with Status Code BQ, for requisitions contained within the shipment unit. The material release advice in this instance shall contain, in addition to the normal data elements, the identification of the new consignee.

C4.7.23.8.8. Storage activities in receipt of transportation denial of shipment diversion transactions shall send to the appropriate supply source a material release advice with Status Code B8.

C4.7.23.9. All rules governing single line-item cancellation of shipments from procurement also apply to requests for mass or universal cancellation, except as modified herein:

C4.7.23.9.1. The supply source shall initiate cancellation requests for all items scheduled for direct delivery, and for which purchase requests have been submitted, regardless of material costs.

C4.7.23.9.2. Procurement activities shall not initiate actions with the DTS to cause diversion of shipments at terminals.

C4.7.23.9.3. For those OCONUS shipments that 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 shall send a DS 945A with Action Code AW in the W06 segment to the DAASC.

C4.7.23.9.4. Procurement activities in receipt of confirmation of shipment diversion transactions shall send to the appropriate supply source a DS 945A with Status Code BQ for 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.

C4.7.23.9.5. Procurement activities in receipt of denial of shipment diversion transactions shall send, to the appropriate supply source, DS 945A with Status Code B8.

C4.7.23.10. <u>Disposition of Frustrated Shipments and/or Material From Mass/Universal Cancellation Actions</u>

C4.4.23.10.1. The disposition of frustrated shipments at WPOEs/APOEs that are the result of mass or universal cancellation action shall be as follows:

C4.7.23.10.1.1. Shipments from DoD storage points, or from commercial vendors acting under the direction of a DoD procuring activity, shall be diverted to the predesignated storage sites of the shipping/procuring DoD Component.

C4.7.23.10.1.2. Shipments from GSA storage points, or from commercial vendors acting under the direction of a GSA-procuring activity, shall be diverted to predesignated GSA material returns facilities.

C4.7.23.10.1.3. DTS attempts to divert/frustrate shipments shall terminate 45 calendar days from the effective date of the mass or universal cancellation message.

C4.7.23.10.2. 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.

C4.7.23.10.3. Transportation diversion procedures are established to permit diversion only if the material being shipped can be identified and located by TCN.

C4.7.23.10.3.1. Non-Consolidated Shipment Units. Shipment units eligible for cancellation that have not been consolidated into a container with other shipments shall be stopped and diverted by the POE up to the point of lift. Diversion of cancellation eligible shipments at or beyond the POD shall be the responsibility of the appropriate theater, force, logistics, or type commander.

C4.7.23.10.3.2. Consolidated Multiple Shipment Units. Individual line-items shall not be removed from multiple-line shipment units (consolidated packs), nor shall a shipment unit container be removed from a multi-container shipment (SEAVAN) 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.

C4.7.23.10.4. For those mass or universal cancellation requests which specify FSC, FSG, NSN, or part number data, the DTS shall stop and frustrate, for the DoD Component review, all shipments of the canceling DoD Component for the affected consignees. Disposition of cancellation eligible shipments at or beyond the POD shall be the responsibility of the appropriate theater, force, logistics, or type commander.

C4.7.23.10.5. DTS shall generate specified documentation for the following categories of shipments:

C4.7.23.10.5.1. For all shipments that are diverted, as a result of mass or universal cancellation, DTS shall generate a confirmation of shipment diversion transaction to DAAS. The confirmation of shipment diversion shall contain complete transportation movement and control document (TCMD) data for each shipment unit and, if available, the contract number. In addition:

C4.7.23.10.5.1.1. For shipments diverted under pre-positioned instructions, DTS shall send a GBL to the new consignee.

C4.7.23.10.5.1.2. For shipment units frustrated but not diverted to a specific site, DTS shall send a request for disposition instructions to DAAS, 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 shall be listed and provided to the contact point directly. After receipt of disposition instructions for such frustrated shipments, DTS shall prepare a GBL or other appropriate transaction for the new consignee.

C4.7.23.10.5.1.3. For shipments intransit to, at, or between POD and OCONUS consignee, OCONUS DTS activities shall request disposition

instructions from the appropriate theater, force, logistics, or type commander's designated contact point.

C4.7.23.10.5.2. For shipments in transit between WPOE/APOE and OCONUS consignees less than 30 calendar days, DTS shall:

C4.7.23.10.5.2.1. 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 shall be sent to the affected OCONUS command component, the appropriate WPOD/APOD, and to the designated contact point, if requested.

C4.7.23.10.5.2.2. Send denial or shipment diversion transactions for each individual shipment unit to DAAS.

C4.7.23.10.6. Storage sites in receipt of diverted shipments shall report the receipt to the appropriate supply source under Chapter 13. Reconsignment/disposition shall be as directed.

C4.7.23.10.7. The DoD Component initiating cancellation requests applicable to U.S. Forces requisitions shall 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 cargo unaffected by the mass or universal cancellation action. Specific instructions concerning material transportation charges and credit allowances are contained in the DoD 7000.14-R, DoD 4140.1-R, FPMR 101-26.311, and FPMR 101-27.505.

C4.7.24. Processing of Mass or Universal Cancellation Transactions by DAAS

C4.7.24.1. Upon receipt of the mass or universal cancellation request, DAASC shall begin the establishment of a transportation to supply documentation correlation (TSDC) file. DAASC shall 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.

C4.7.24.2. When a confirmation of shipment diversion transaction is received from the DTS, DAAS shall match the TCN with the TCN in all applicable DS 945A transactions in the TSDC file. DAAS shall send DS 870S with Status Code B6 to the applicable supply source for each material release advice transaction matched. In this instance, the supply status transaction shall contain the DoDAAC of the new consignee.

C4.7.24.3. When a denial of shipment diversion transaction is received from DTS, DAAS shall match the TCN with the TCN in all applicable material release advice transactions in the TSDC file. DAAS shall send DS 870S with Status Code B8 to the applicable supply source for each material release advice matched.

C4.7.24.4. When a request for disposition instructions is received from DTS, DAAS shall match the TCN with the TCN in all applicable material release advice transactions in the TSDC file. DAAS shall send a narrative message to the designated canceling DoD Component contact point that provides the contact point with the TCMD transaction data, plus all supporting material release advice transactions which comprise the shipment.

C4.7.24.5. 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, DAAS shall initiate a shipment tracer action under DoD 4500.9-R to the APOE/WPOE indicated in the material release advice.

C4.7.24.6. When confirmation/denial of diversion or request for disposition instruction transactions are received from the transportation clearance authorities, and DAAS does not find a corresponding material release advice record within the TSDC file, DAAS shall forward DS 870S transactions to the shipping activity identified in the transportation mass/universal cancellation status transactions.

C4.7.25. Supply Source Processing of Single Line-Item Cancellation Requests. Process cancellation requests DS 869C, as follows:

C4.7.25.1. First, against backorders in the following order of assigned Status Code: BB, BC, BD, BZ, and BV.

C4.7.25.2. Second, against unconfirmed shipments (Status Code BA).

C4.7.25.3. 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.

C4.7.25.4. Fourth, against all other status.

C4.7.26. Processing Point Procedures. Processing points receiving passed cancellation transactions shall not automatically pass such transactions back to the processing point from which the transaction was received without obtaining prior agreement of that activity.

C4.7.26.1. Initiating. Initiate/accomplish cancellation actions against the quantity in the cancellation request received.

C4.7.26.2. Editing. Edit cancellations processed to preclude duplicate cancellations. As a minimum, this edit shall compare quantity, transaction reference number, suffix, and preparation date. Discard duplicates. Process all other cancellations as received.

C4.7.26.3. 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.

C4.7.26.4. 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 send DS 870S with Status Code BQ to all authorized status organizations. Since cancellation action cannot be effected immediately on requisitions in Status Code BV, send DS 870S with Status Code B9 to all authorized status organizations.

C4.7.26.5. Diversions. When cancellation requests are against released shipments or direct vendor delivery with Status Code BV, the supply source shall 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.

C4.7.26.6. Status.

C4.7.26.6.1. In the event the above actions are taken, use DS 870S with Status Code B4 to indicate that the organization identified in the canceled requisition may be billed as follows:

C4.7.26.6.1.1. 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.

C4.7.26.6.1.2. Specific instructions concerning material, transportation charges, and credit allowances are contained in DLMS Volume 5, Finance.

C4.7.26.6.1.3. In addition to the above costs, when applicable, the supply source shall bill rebuilding costs and other expenses incurred in canceling SA requisitions under DoD 5l05.38-M.

C4.7.26.6.1.4. 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.

C4.7.26.7. Reversals. Demand data previously recorded will be reversed by the quantity of the cancellation request. The demand data must always be adjusted regardless of the outcome of processing the cancellation request.

C4.7.26.8. Notification. Provide notice of the success or failure of cancellation or diversion actions to all authorized status organizations under section C5.2. Use the supply or shipment status to provide this notice as follows:

C4.7.26.8.1. DS 870S with Status Code B4, B6, BQ, BR, or BS to indicate cancellations/diversions accomplished.

C4.7.26.8.2. DS 870S with Status Code B9 to indicate cancellation/diversion action being attempted.

C4.7.26.8.3. DS 856S with shipment status to indicate cancellation/diversion not accomplished.

C4.7.26.8.4. DS 870S with Status Code B8 to indicate cancellation not accomplished as a follow-up to the previously sent Status Code B9.

C4.7.26.8.5. DS 870S with Status Code BF to indicate no record of the transaction reference number for the cancellation request submitted.

C4.7.26.8.6. DS 870S with an appropriate B_, C_, or D_ series status code for those transactions showing a record of a previous cancellation or rejection.

C4.7.27. Supply Source Submission of Single Line-Item Cancellation/Diversion Requests to Procurement

C4.7.27.1. Using DS 869C. Use DS 869C to prepare cancellation requests. Cite the appropriate contract data when sending cancellation requests to procurement. Identification of the contract data or procurement/purchase request number (PRN) shall 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.

C4.7.27.2. Required Information. All requests for cancellation/diversion submitted to the procurement activity shall contain the following minimum information:

C4.7.27.2.1. Notification that the transaction is a request for cancellation or diversion.

C4.7.27.2.2. Identification of the supply source submitting the request.

C4.7.27.2.3. The stock or part number or description of the item involved.

C4.7.27.2.4. The quantity of the item to be canceled/diverted.

C4.7.27.2.5. The original requisition document number and the suffix code, if applicable.

C4.7.27.2.6. Identification of the ship-to and mark-for addresses, as contained in the applicable purchase request.

C4.7.27.2.7. All contract data, if known; otherwise, the PRN and date of the purchase request.

C4.7.27.2.8. 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:

C4.7.27.3.1. 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 Status Code BZ.

C4.7.27.3.2. For items and/or quantities on awarded contracts and/or purchase agreements and the dollar value of the cancellation/diversion action exceeds $200.

C4.7.27.4. Supply Source Responsibilities. Supply sources shall decide whether to suspend or continue the cancellation, diversion, or hold actions. Decisions to continue cancellations or diversions shall 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 shall advise the ILCO of contractual agreements that will result in cost conditions if cancellations, diversions, or holding are accomplished. ILCOs shall decide whether the cancellation, diversion, or hold actions will be suspended or continued. Decisions to continue cancellations or diversions shall be sent the supply source by narrative message containing the notation: ILCO DECISION FOR CANCELLATION OR DIVERSION.

C4.7.27.5. Exceptions to Cancellation/Diversion Requests. Do not submit cancellation/diversion requests or requests for determination whether cancellation is in the best interest of the Government to procurement activities when:

C4.7.27.5.1. The dollar value of the request is less than $200.[4]

C4.7.27.5.2. DD Form 250, Material Inspection and Receiving Report, shipment performance notice (SPN), vendor shipment notice, or equivalent is on record indicating:

C4.7.27.5.2.1. Shipments to CONUS consignees were released to carriers regardless of dollar value.

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

C4.7.27.5.2.2. 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).

C4.7.27.5.2.3. Shipment/delivery by air mail or parcel post. In this case, shipment status shall be sent in response to cancellations received.

C4.7.27.6. Notice of Cancellation/Diversion Actions. Send notice of the success or failure of cancellation or diversion actions to authorized status organizations under the procedures of Chapter 5. Use supply and/or shipment status to provide this notice as follows:

C4.7.27.6.1. DS 870S with Status Code B4, B6, BQ, or BS applies to cancellations/diversions accomplished.

C4.7.27.6.2. DS 870S with Status Code B9 indicates cancellation/diversion action being attempted.

C4.7.27.6.3. DS 856S with shipment status indicates cancellation/diversion not accomplished.

C4.7.27.6.4. DS 870S with Status Code B8 indicates cancellation not accomplished when Status Code B9 previously sent.

C4.7.28. Procurement Activity Processing of Single Line-Item Cancellation and/or Diversion Requests to Procurement

C4.7.28.1. Processing Sequence. DS 869C and manual cancellation/diversion requests shall be processed in PD sequence.

C4.7.28.2. Immediate Cancellation. Immediate cancellation action shall be taken when contracts have not been awarded and/or firm orders have not been issued/placed.

C4.7.28.3. Procurement Activity Responsibilities. Procurement activities shall advise the supply source of contractual agreements that may result in unfavorable cost conditions if cancellation, diversion, or holding actions are accomplished. Supply sources shall decide whether the cancellation, diversion, or hold actions will be suspended or continued. Decisions to continue cancellation or diversion shall be sent to procurement activities by cancellation request documents prepared in the manual format and containing the notation: SUPPLY SOURCE DECISION FOR CANCELLATION OR DIVERSION.

C4.7.28.4. Cost of Diversion. The cost of diversion or shipment hold actions shall be sent to the supply source for appropriate billing. Costs incurred in contract termination and diversion shall also be sent to supply sources to permit appropriate billing.

C4.7.28.5. 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, when a new consignee is not provided, shall request these instructions from the supply source by telephone or message.

C4.7.28.6. 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 shall be advised and requested to give a decision by a specified date.

C4.7.28.7. Initiating Contract Actions. Actions to cancel, divert, or terminate contracts shall be initiated within 1 working day from receipt of cancellation requests. These actions must be completed as fast as possible, but shall 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 shall be given to the priority of the requests, OCONUS destination, the dollar value of the material, and the status of the contract involved.

C4.7.28.8. Supply Source Notification. The procurement activity shall advise the supply source the attempted stop/diversion action has/has not been done by DTS within 2 working days of receiving the confirmation/denial notification from DTS.

C4.7.29. Supply Source Processing of Cancellation Requests for MROs of Retail Assets

C4.7.29.1. Requirements. Supply source cancellation requests, DS 940R, shall be sent 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 shall send DS 870S with Status Code B9 to all eligible recipients. If shipment status has been received, provide this status to all eligible recipients.

C4.7.29.2. Status Reporting. Supply sources in receipt of responses to cancellation requests shall send appropriate status to all eligible recipients.

C4.7.30. Supply Source Submission of Single Line-Item Cancellation and/or Diversion Requests to Storage Activities

C4.7.30.1. Requirements. Supply source cancellation requests or follow-ups on cancellation requests, DS 940R, shall be sent to storage activities:

C4.7.30.1.1. 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.

C4.7.30.1.2. When MRC is recorded on an OCONUS shipment released to a 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.

C4.7.30.2. Diversions. DS 940R shall 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 shall obtain and provide alternate destinations, if requested, by storage activities.

C4.7.30.2.1. Attempted Diversions. In the case of an attempted diversion, the supply source shall send DS 870S with Status Code B9 to authorized status organizations.

C4.7.30.2.2. Exceptions. Supply sources shall not send storage activities requests for cancellation/diversion when:

C4.7.30.2.2.1. 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.

C4.7.30.2.2.2. Receipt of an MRC and OCONUS shipment has been done by parcel post, priority mail, or UPS.

C4.7.30.2.2.3. The MRC is recorded on an OCONUS shipment released to the carrier for shipment more than 45 calendar days by surface mode or 10 calendar days by air mode prior to receipt of the cancellation request.

C4.7.30.2.2.4. Receipt of the MRC and shipment to a CONUS activity was done prior to the receipt of the cancellation request.

C4.7.30.2.3. Shipment Status Reporting. In the instances described above, send DS 856S to authorized status organizations.

C4.7.31. Storage Activity Processing of Single Line-Item Cancellation and/or Diversion Requests

C4.7.31.1. Processing Cancellations. Process cancellations using DS 940R in the sequence prescribed in subparagraph C4.7.1.2. and C4.7.25.

C4.7.31.2. Maintaining Records. Maintain records to allow a determination 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 susceptible to cancellation and determination whether cancellation actions should be continued under the following policies and procedures.

C4.7.31.3. DoD Component Data Processing. To the extent that processing capability is available, the DoD Components shall develop and maintain data to:

C4.7.31.3.1. 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:

Table C4.T2. Depot Work Area Identification

COMPUTER	STORAGE	SHIPMENT PREPARATION	SHIPPING
Mechanized processing of DS 940 - 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

C4.7.31.3.2. 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 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.

C4.7.31.4. Routing. The storage activity, upon receipt of a cancellation request DS 940R from the supply source, shall 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. Stop shipment notices shall include pertinent line-item/transaction identification, priority, and information whether a single-or multi-line shipment unit, is involved. A separate stop shipment notice shall be issued to the current work area and every other work area through which the shipment would later be processed.

C4.7.31.5. Cancellation. Do cancellation for all items/quantities for which a DD Form 1348-1A has not been released to storage work areas.

C4.7.31.6. 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:

C4.7.31.6.1. The dollar value is less than $25 for a single line-item shipment unit.

C4.7.31.6.2. The dollar value of a single line-item packed in a consolidated shipment unit is less than $200.

C4.7.31.7. Source Notification. The storage activity shall advise the supply source and, if applicable, all authorized status organizations of actions taken in response to cancellation requests. Send this notice as follows:

C4.7.31.7.1. When the storage activity has no record of the MRO receipt, provide Status Code BF using a DS 945A.

C4.7.31.7.2. When the items have not left the depot and cancellation action is accomplished, respond only to the supply source with a DS 945A with Status Code BQ.

C4.7.31.7.3. When cancellation is not attempted under the less than $25/$200 criteria, the storage activity shall send the supply source a DS 945A with Status Code B8.

C4.7.31.7.4. 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. Send the supply source a DS 945A with Status Code B8 (Transaction Type Code NJ in the WO6 segment) and pertinent shipping information in the applicable segments.

C4.7.31.7.5. When the items have been released to a carrier in shipments destined for an OCONUS consignee, the storage activity shall initiate actions under DoD 4500.9-M to stop or divert shipments within the DTS. Send Status Code B9 to the supply source via a DS 945A.

C4.7.31.7.6. The storage activity shall not initiate action to stop or divert OCONUS shipments within DTS when:

C4.7.31.7.6.1. The items are consolidated in a multi-line shipment unit.

C4.7.31.7.6.2. 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.

C4.7.31.7.6.3. The items were shipped to OCONUS customers by priority mail, parcel post, or UPS.

C4.7.31.7.6.4. A single line-item shipment has a total dollar value of less than $200.

C4.7.31.7.6.5. 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.

C4.7.31.8. Status Notification. Following receipt of confirmation that shipment stop or diversion action has been accomplished by DTS, the storage activity shall provide Status Code B6 to the supply source.

C4.7.31.9. Stop/Diversion Non-Initiated. When the storage activity does not initiate stop or diversion action with DTS because of one of the conditions identified above or, when notified that a requested stop or diversion action has not been done by DTS, the storage activity shall send to the supply source a DS 945A with Status Code B8 (Transaction Type Code NJ in the WO6 segment) and pertinent shipping information in the applicable segments.

C4.7.31.10. Notification Requests. Storage activities requiring diversion instructions when applicable information is not included in the cancellation request shall request such instructions from the supply source by telephone or message.

C4.7.31.11. Processing Time. Storage activities must complete the above actions in 2 working days for PDs 01-08 and 5 working days for PDs 09-15.

C4.7.31.12. Status of Stop/Diversion Request. The storage activity must advise the supply source the attempted stop or diversion action has or has not been done by DTS within 2 working days of receiving the confirmation or denial notification from DTS.

C4.7.32. Reporting Activity Processing Cancellation Requests for Lateral Redistribution Orders (LRO) of Retail Assets

C4.7.32.1. Cancellation. Reporting activities shall attempt cancellation to the maximum extent possible.

C4.7.32.2. No LRO Record. When the reporting activity has no record of the LRO receipt, send the supply source DS 945A with Status Code BF.

C4.7.32.3. Cancellation not Possible. When cancellation cannot be done, send the supply source DS 945A with Status Code B8.

C4.7.32.4. Successful Cancellation. When cancellation can be done, send the supply source DS 945A with Status Code BQ.

C4.7.32.5. Diversion. The reporting activity shall not attempt diversion of material confirmed shipped.

C4.7.33. DVD of Requisitions

C4.7.33.1. Supply Activity Interface. In instances where requisitions are done by DVD, an interface is required between supply and purchasing operations. This interface will result in an interchange of specific information and documentation between supply sources and procurement activities to ensure:

C4.7.33.1.1. Transmission of status to designated recipients in an orderly and timely fashion.

C4.7.33.1.2. Proper marking of shipment containers.

C4.7.33.1.3. Delivery of material using priorities or RDDs.

C4.7.33.2. Purchase Requests. Purchase requests must contain specific in-the-clear and coded data as specified below, which shall be perpetuated on procurement instruments and related transactions:

C4.7.33.2.1. The original requisition number, including suffixes when assigned.

C4.7.33.2.2. In-the-clear, ship-to address of the ultimate consignee and mark-for address, when applicable.

C4.7.33.2.3. Project code and project name, if applicable.

C4.7.33.2.4. 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 will provide for listing items with earliest dates first and shall result in the required schedule of deliveries.

C4.7.33.2.5. Identification and address of the organization to receive the notice or evidence of shipment made by contractors as required by DoD FAR Supplement, Appendix F-401, table 2.

C4.7.33.3. DVD Requisitions. Identify requisitions to be supplied by DVD sources separately from stock replenishment buys on purchase requests.

C4.8 DAAS EDIT OF INCOMING REQUISITIONS

C4.8.1 DAAS shall edit all incoming requisitions and other DLMS transactions for data errors and validity under procedures in DoD 4000.25-10-M .

C4.8.2 As a result of these edits, DAAS shall correct data entries or reject transactions. In case of supply source errors, the correct supply source shall be entered and the transaction rerouted, as appropriate.

C4.8.3 DAAS shall reject all requisitions/EMALL orders containing GY/GZ series AACs. DAAS shall send DS 870S transactions with Status Code CX to advise all concerned of rejection of the requisition.

C4.8.4 DAAS shall pass all DS 511R transactions to the DoDAAC present in the incoming transaction.

C4.8.5 DAAS shall validate requisitions for invalid/expired OSD/CJCS Category D project codes (see https://www.dla.mil/j-6/dlmso/logdrms/logview/LQVTOC.ASP). DAAS shall blank out the inappropriate project code and send DS 870S with Status Code BK to the customer.

C4.8.6 DAAS shall validate F/AD I usage through the requisitioning process. Requisitions with an unauthorized priority designator according to https://www.dla.mil/j-6/dlmso/logdrms/logview/LQVTOC.ASP shall be downgraded. DAAS shall send DS 870S with Status Code BK to the customer.

C4.8.7 DAAS shall perform validation of requisitions (DS 511R, DS 517M, and DS 869F) for accuracy and reasonableness of the entry in the RDD field and its compatibility with the PD. DAAS shall send DS 870S with Status Code BK to advise the requisitioner of the resulting modification. For SA requisitions forwarded to the applicable ILCO, DAAS shall not blank out customer input. DAAS shall perform PD and RDD edits according to figure C4.T1. supply source guidance.

C4.8.8 DAAS shall identify non-appropriated instrumentalities and prime vendor contractors using non-contractor DoDAACs for billing and provide for billing under non-interfund procedures by changing the fund code for these requisitions to XP. A DoD Prime Vendor contractor is identified as a DoDAAC beginning with SD or FT. A non-appropriated funded activity is identified as a DoDAAC beginning with FT or FF. DAAS shall send DS 870S with Status Code BK to the customer.

C4.8.9 DAAS shall perform validation of requisitions for authorized ordering or billing DoDAACs. Reject requisitions when the requisitioning DoDAAC is not authorized to order identified as follows: DoDAACs beginning with F followed by all numerics, FA, or FY. Reject requisitions when the DoDAAC may not be used for billing identified as DoDAACs beginning with FA or FY. DAAS shall send DS 870S transactions with Status Code CX to advise all concerned of the rejection of the requisition.

C4.8.10. DAAS and SOS shall perform validation of requisitions, modifiers, and follow-ups that can be treated as requisitions for authorized ordering, bill-to, or ship-to DoDAAC according to the DoDAAC authority codes below, and will reject requisitions that do not meet the DoDAAC authority code edits[5]. DAAS or the SOS will furnish Status Code CX to advise all concerned of the rejection of the requisition. If the transaction failing the edit is a modifier, then DAAS or the SOS will reject with Status Code D7.

C4.T3. DAAS Authority Codes

Code	Description	Definition/Segment/Code
00	Requisition	Authorized to initiate a requisition/purchase for

[5] ***Deferred implementation of authority code edits is authorized pending supply source system modernization. Also note that DAAS is currently using MILSTRIP edits for DLMS transactions as an interim measure pending full DLMS implementation.***

Code	Description	Definition/Segment/Code
		goods and services. Authorized ship-to and bill-to
	Required: POC, TAC 1	
	Business Rules: No restrictions	
	DAAS DoDAAC authority code edit: no additional edit	
01	Ship-To Only	Can only be used as a ship-to address with no other implicit authority
	Required: POC, TAC 1 and either TAC 2 and/or TAC 4	
	Business Rules: Not authorized to requisition or bill-to	
	DAAS DoDAAC authority code edit: DoDAAC may not be used in N101 with codes OB, BT, and BS, and may not be used in N901 with code TN	
02	Finance (Bill-To Only)	DoDAAC can only be used as a bill-to
	Required: POC, TAC 1, TAC 3. Note TAC 2 is not allowed.	
	Business Rules: Cannot requisition, cannot be used as a ship-to designation	
	DAAS DoDAAC authority code edit: DoDAAC may not be used in N101 with codes OB, ST, Z7 and BS, and may not be used in N901 with code TN	
03	Do Not Ship-To	Cannot be used as a ship-to destination
	Required: POC, TAC 1	
	Restriction: TAC 2 and TAC 4 are not allowed	
	DAAS DoDAAC authority code edit: DoDAAC may not be used in N101 with codes ST, Z7 or BS	
04	DRMS Only	Defense Reutilization and Marketing Service (e.g., State agencies surplus). Used to identify activities who have no requisition authority other than for DRMS material
	Required: POC, TAC 1	
	Business Rules: Cannot requisition new material. Only authorized to obtain materials from DRMS (DoD excess only)	
	DAAS DoDAAC authority code edit: DoDAAC may only be used with P0105 code NC and N101 code Z4 is S9D	
05	Non-Requisition	Cannot initiate a purchase or request for goods and services
	Required: POC, TAC 1	
	Business Rules: Cannot initiate a request for any goods/services	
	DAAS DoDAAC authority code edit: DoDAAC cannot be used as N101 code OB or N901 code TN	
06	Free Issue	No cost option. This activity is restricted to items that are available without cost (e.g., DRMS, NGA Maps)
	Required: POC, TAC 1	
	Business Rules: Can not requisition/purchase any good/services. Similar DRMS, but can request free of cost items (e.g., maps from NGA)	
	DAAS DoDAAC authority code edit: DoDAAC may only be used with	

Code	Description	Definition/Segment/Code
	P0105 code NC	
07	**Administrative**	**Administrative only. This code is used for information/identification purposes only (e.g., Defense Courier Service, or for future DoDAAC activation, such as in the case of DoDAACs reserved for contingencies (at which time a different authority code may be assigned.))**
	Required: POC, TAC 1	
	Business Rules: Cannot requisition, cannot be used as a ship-to designation, and cannot be used for billing. Information/identification use only	
	DAAS DoDAAC authority code edit: Cannot be used with N101 codes OB, BT, BS, ST, or Z7 or in N901 code TN	

Table C4.T4. Requisition Processing and Related Actions

CODE OR DATA ELEMENT	ENTRY IS BLANK OR INCORRECT
Routing Identifier	Determine correct source and continue processing.
Media and Status	Process as zero (0).

CODE OR DATA ELEMENT	ENTRY IS BLANK OR INCORRECT
Stock Number or Appropriate Item Identification	1. If blank, reject. 2. If incorrect, research to determine[6] if the stock number has changed (for example, FSC changed to match the NIIN). As a result of the review, take action as follows: a. If the stock number cannot be identified, reject with appropriate supply status. b. If the FSC is incompatible with the NIIN, check the FSC to determine if it matches a previously assigned FSC. If it matched, change the FSC to the current FSC, continue supply action, and furnish appropriate supply status. If it does not match, reject with appropriate supply status. c. If the stock number has changed (for example, FSC change), change the number to the new stock number and continue supply action. If the changed NSN is managed by another supply source, initiate a passing order and furnish appropriate supply status. 3. If manufacturer's part number, compare to FLIS to determine is a stock number is assigned. If assigned, change the manufacturer's part number to the stock number and continue supply action. If the NSN is managed by another supply source, initiate a passing order and furnish appropriate supply status.
Unit of Issue	Enter correct unit of issue or reject. If rejected, enter correct unit of issue in supply status transaction.[7]
Quantity	Reject.
Requisitioner[8]	Discard if entry is blank or incorrect. If the DODAAC fails the Authority Code edits in C4.8., then the transaction will be rejected with CX or D7 status as appropriate.
Date	Reject.
Serial	Reject.
Demand	Process as recurring.

[6]This edit does not apply to USN supply sources.
[7] Requirement to provide correct unit of issue when original unit of issue on the requisition could not be converted last reported as not implemented by USN and DLA (Subsistence). Refer to AMCL 162.
[8] Deferred implementation of Authority Code edits authorized pending supply source system modernization.

CODE OR DATA ELEMENT	ENTRY IS BLANK OR INCORRECT
Supplementary Address[9], [10]	Reject (CX status) if blank or invalid and the signal code is B, J, K, L or M. If the DODAAC fails the Authority Code edits in C4.8.10, then the transaction will be rejected with CX or D7 status as appropriate.
Signal	Reject.
Fund	No edit is required unless signal code is C or L. Reject (CX status) if signal code is C or L and fund code does not identify a valid bill-to activity as prescribed by MILSBILLS.
Distribution	Process as blank.
Project	1. Process as blank. 2. If an OSD/JCS project code is entered, the requisition will be ranked above all other requisitions within the PD.[11]

[9] This data element is referred to as Supplemental Data under the DLMS.
[10] [10] Deferred implementation of Authority Code edits authorized pending supply source system modernization.
[11] Elimination of requirement to change the priority on CJCS project code requisitions last reported as not implemented by USAF, USMC, and DLA (Subsistence). Refer to AMCL 9.

CODE OR DATA ELEMENT	ENTRY IS BLANK OR INCORRECT
Priority Designator[12]	1. If Expedited Handling Signal 999 is present in the RDD field, requisition is for U.S. forces and the PD is not 01-03, enter PD 03 and furnish BK supply status. 2. If an OSD/JCS project code is present and the PD entry is not an existing PD code (not 01-15), enter PD 03 and furnish BK supply status. 3. If NMCS/ANMCS indicator (N/E) is present in and the PD entry is not an existing PD code (not 01-15), enter PD 08 and furnish BK supply status. 4. If special mass cancellation coding 555 is present and the PD entry is not an existing PD code (not 01-15), enter PD 08 and furnish BK supply status. 5. If Expedited Transportation Signal 777 is present and the PD entry is not an existing PD code (not 01-15), enter PD 08 and furnish BK supply status. 6. If required availability date A is present and the PD entry is not an existing PD code (not 01-15), enter PD 15. 7. If extended RDD (S or X) is present and PD is other than 09-15, enter PD 15, furnish BK supply status, and process. 8. If work stoppage indicator (F or R) is present and PD is not 01-08, enter PD 8, furnish BK supply status, and process. 9. For all other conditions, if PD is not 01-15, enter PD 15.

[12] See Footnote 11.

CODE OR DATA ELEMENT	ENTRY IS BLANK OR INCORRECT
Required Delivery Date[13],[14]	1. If NMCS/ANMCS indicator (N/E) is present and PD is 01-08, process. If indicator N or E is present, but PD 09-15 is present, blank the RDD, furnish BK supply status and process using the priority. If there is an N or E, blank any remaining characters in in the RDD and furnish BK supply status. Exception: For Air Force requisitions, blank only numeric characters (01-99); do not blank special coding to fulfill an Air Force internal requirement for NMCS/MICAP justification. (Note: This eliminates short RDDs associated with NMCS/ANMCS and expressed as number of days from requisition date.) 2. If Expedited handling Signal 999 is present and requisition is not intended for U.S. forces, blank the expedited handling signal, furnish BK supply status, and process using the priority.[15] If requisition is intended for U.S. forces, process. 3. If special mass cancellation coding 555 is present indicating continued processing during mass cancellation, process. 4. If Expedited Transportation Signal 777 is present and PD 01-08 is present, process. If the PD is 09-15, blank the expedited transportation signal, furnish BK supply status, and process using the priority. 5. If Co-Located Customer Handling Service Indicator 444 is present, process. 6. If RAD or extended RDD is A, S, or X, and remainder are not equal to 01-99, blank the total entry , furnish BK supply status, and process. 7. If work stoppage indicator (F or R) is present and remainder is not blank, blank the remainder, furnish BK supply status, and process. (Note: This eliminates short RDDs associated with work stoppage and expressed as number of days from requisition date.) 8. For subsistence, except for conditions above, all requisitions will contain a specific RDD in ordinal day of year format. If blank, compute an SDD.[16] 9. For all other conditions, blank RDD field if entry does not indicate a calendar date which falls no more than 100 days subsequent to the requisition date[17,18], furnish BK supply status, and process.

CODE OR DATA ELEMENT	ENTRY IS BLANK OR INCORRECT
Required Delivery Period (Conventional Ammunition Only)[19]	If B, C, D, G, H, J, K, L, M, P, T, U, V, or W, and 01-99 is present, process.
Advice	Process as blank.

C5. CHAPTER 5

STATUS REPORTING

C5.1. ASSET STATUS. This chapter prescribes procedures for the interchange of asset status information between the DoD Component wholesale and below wholesale distribution systems and owners/managers, and between DoD owners/managers and collaborative vendors.

C5.1.1. In Storage Assets

C5.1.1.1. Assets within the wholesale distribution system are reported in accordance with this volume. ***DS to Federal IC 846I, Asset Status transactions, may be used between DoD Components by mutual agreement. Transmit asset status transactions between DoD Components based on schedules established by mutual agreement.***

C5.1.1.2. Assets below the wholesale distribution system shall be reported when requested by the owner/manager. Use DS 846I, Asset Status Inquiry/Report ***transaction***, with the appropriate asset status code to request, change, or discontinue asset status reporting from the below wholesale distribution system.

C5.1.2. Supply Planning Vendor Collaboration. Vendor collaboration provides a means for the DLA ***Enterprise Business System (EBS)***1 to provide vendors with planned buy requirement and for vendors to advise DoD of their ability to meet those requirements. DLA ***EBS*** may send DS ***846V transaction***, Supply Planning Inquiry/Advice, to vendors to determine if the vendor is able to supply desired items, in desired quantities, and in required timeframes. Vendors use DS 846V to advise of their ability to supply the requested item in accordance with DoD requirements. Information can be provided from 1-24 Supply Planning Advice periods outside of lead time without obligation by DLA or the Vendor."

C5.2 SUPPLY AND SHIPMENT STATUS - GENERAL

C5.2.1. Status Data. Status data is either supply status or shipment status. Supply sources ***to include ICP/IMM and shipping activities*** prepare status transactions using the applicable transaction described under paragraphs C5.2.2. and C5.2.3., below. Status documents from supply sources are forwarded to DAAS for transmission to status recipients. 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, ***distribution depots,*** 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

[1] ***Initially only implemented by the DLA EBS.***

status recipient. For 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. ***Supply*** 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).

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.

C5.2.2. Types of Supply Status

C5.2.2.1. Supply Status. Use DS ***870S transaction***, Supply Status.

C5.2.2.1.1. Response to Requisition

C5.2.2.1.1.1. Processing GFM. Supply sources (or MCAs, processing GFM transactions), use the DS 870S with appropriate status codes to convey advice to organizations. It is used to convey 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. 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 shall respond to requisition(s) to advise activities of action taken (as indicated), alone or in combination, to any of the requests listed below. 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.

C5.2.2.1.1.2.1. Backorder.

C5.2.2.1.1.2.2. Partial issue or partial other action.

C5.2.2.1.1.2.3. Material substitution.

C5.2.2.1.1.2.4. Unit of issue changes.

C5.2.2.1.1.2.5. Retransmitted (rerouted) requisitions.

C5.2.2.1.1.2.6. Cancellation, modification, or inquiry.

C5.2.2.1.1.2.7. Any circumstance that 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 (DVD). Supply sources use the notice of response to DVD to advise organizations 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 information in this notice to report nonreceipt of material using the appropriate discrepancy reporting process.

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.

C5.2.2.1.4. Material Processing Center (MPC) Supply Status

C5.2.2.1.4.1. The MPC will provide Status Code NL to notify the Navy ship/customer that material has arrived at the MPC for sortition and temporary storage pending delivery to the customer.

C5.2.2.1.4.2. The MPC will provide Status Code NW to provide systematic notification material has been delivered from the MPC to the Navy ship/customer.

C5.2.2.2. Notice of Availability Reply. Use DS to Federal IC 870N, Notice of Availability Reply.

C5.2.2.2.1. Consignment. FMS country representatives (CRs)/freight forwarders (FFs) use DS 870N 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 DS 870N to respond to the key NOA specifying shipment consignment instructions, if any, and must coordinate these or other shipment or delivery instructions with the Surface Deployment and Distribution Command (SDDC) releasing authority. The CR/FF must indicate in DS 870N 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 DS 870N:

C5.2.2.2.3.1. The complete name and address of the consignee except when the CR/FF will pick up the material.

C5.2.2.2.3.2. The date the material is to be shipped or the date when the CR/FF will pick up the material.

C5.2.2.2.3.3. 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. When shipment does not require an export release, or the shipping activity has determined 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 must be held pending receipt of releasing and shipping instructions from the SDDC releasing authority, and if such instructions are not received within 15 calendar days after the NOA date, follow up only to SDDC instead of transmitting a duplicate NOA.

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

C5.2.2.3. Material Returns Supply Status. Organizations and supply sources use DS to Federal IC 870M, Material Return Supply Status, to convey advice to one another as notice of action taken or being taken on Offer of Material Reports (OMRs) and OMR-related transactions. Use DS 870M to send status to the ICPs/integrated managers (IMMs). The ICPs/IMMs use DS 870M to provide status or disposition instructions for material to organizations, including disposition instructions related to discrepant material reported under Chapter 17. Use Chapter 11 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 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 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. ***Preparation of*** Shipment Status. ***Shipment status shall be provided by the shipping activity or the source of supply for direct vendor delivery (contractor direct) or in response to a requisition follow-up. The Consolidation and Containerization Point (CCP) may also provide shipment status for the purpose of identifying passive RFID.[2] Under DLMS, the shipment status will include enhanced data content and support item unique identification (IUID) and intransit visibility requirements as directed under DoD policy/procedures (DoD 4140.1-R), when available and pending full DLMS implementation/modernization.[3] Shipment status shall be provided by the DoD shipping activity, the CCP, or by the supply source[4] using DS 856S. Maintenance activities (organic and commercial) shall provide shipment notification to the receiving activity and other interested parties when material is shipped to the distribution depot, DRMO, or other designated receiving activity per source of supply/inventory control point guidance. This may be accomplished using either the DLMS Shipment Status, DS 856S, or the DLMS Advance Shipment Notice (ASN), DS 856, provided via Wide Area Work Flow-Receipt and Acceptance (WAWF-RA).[5] The DLMS Shipment Status shall include asset visibility content, such as IUID, and intransit visibility requirements, such as passive RFID and the transportation control number as directed under DoD policy/procedures (DoD 4140.1-R). DLMS enhancements include, but are not limited to the following:***

C5.2.3.1.1. Passive RFID for the shipment unit/case/pallet associated at the requisition document number level. The shipment status transaction may identify a hierarchy to clarify the relationship of passive tags within different shipment levels.

C5.2.3.1.2. For Unique Item Tracking (UIT) purposes, the IUID and/or serial number. Serial number without applicable IUID may only be used during MILS/DLMS transition and pending implementation of IUID capability. Additional UID information as identified in the DS 856S is optional. Refer to Chapter 19 for UIT guidance.

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[2] Refer to ADC 257, DLMS Shipment Status Generated by the Consolidation and Containerization Point (CCP)

[3] DoD 4140.1-R guidance for passive RFID and IUID requirements is pending publication as of the date of this change. Interim guidance is available at **http://www.acq.osd.mil/log/rfid/index.htm** ***(RFID) and*** **http://www.acq.osd.mil/dpap/pdi/uid/index.html** ***(IUID).***

[4] Direct vendor delivery shipment status using the 856S includes shipment status prepared by the DLA-sponsored Defense Planning and Management System (DPMS) application.

[5] Business rules for use of the 856 for GFM or Property Transfer, including internal DoD transfers, are evolving. Refer to the Defense Procurement and Acquisition policy for UID available at url; **http://www.acq.osd.mil/dpap/pdi/uid/index.html**. ***Specific applicability and interoperability issues to be resolved by the UID Program Office and DUSD(L&MR)SCI.***

C5.2.3.1.3. Both the TCN and a secondary transportation number, such as the small package carrier number, when this is applicable.[6]

C5.2.3.1.4. Identification of the carrier when other than United States Postal Service (USPS) by name and Standard Carrier Alpha Code (SCAC).[7]

C5.2.3.1.5. Identification of the initial DoD shipping activity (origin) by DoDAAC.[8]

C5.2.3.1.6. For OCONUS shipments made via the DTS, GBL/CBL, parcel post, and small package carrier shipments, specific identification of the POE or CCP. The shipment status shall specify air terminal, water terminal, or CCP by applicable qualifier code in the DS. (During MILS/DLMS transition, DAAS may substitute a generic terminal qualifier for shipment status transactions converted from MILS where the type of facility is unknown.)[9]

C5.2.3.1.7. Under DLMS, the shipment status shall perpetuate data content as applicable: project code, the special requirements code (MILS RDD coded entries, e.g. 999), and priority designator.[10]

C5.2.3.1.8. The transportation priority shall be included in all shipment status transactions as derived under DoD 4140.1-R guidance or other pertinent criteria.[11]

C5.2.3.1.9. The shipment status may include the unit price (required for Distribution Standard System (DSS)-generated shipment status; otherwise optional).[12]

C5.2.3.2. <u>Shipment Status from the CCP.[13]</u>

***C5.2.3.2.1.* <u>Preparation of the CCP Shipment Status</u>**

C5.2.3.2.1.1. The CCP shipment status will be identified by a unique code in the transaction.

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[6] ***Refer to ADC 223, DLMS Shipment Status Enhancements: Secondary Transportation Number, Initial Shipping Activity, Carrier Identification, and POE, approved for phased and staggered implementation.***
[7] ***Refer to Footnote 6.***
[8] ***Refer to Footnote 6.***
[9] ***Refer to Footnote 6.***
[10] ***Refer to ADC 242, Shipment Status DS 856S: Priority Designator (PD), Transportation Priority, Project Code, Special Requirements Code, approved for phased and staggered implementation.***
[11] ***Refer to Footnote 6.***
[12] ***Refer to proposed addendum to ADC 242A, Inclusion of Unit Price on DLMS Shipment Status (DS 856S).***
[13] ***Refer to Footnote 2.***

C5.2.3.2.1.2. The ship-to-activity will be explicitly identified in the transaction.

C5.2.3.2.1.3. The CCP shipment status will carry the lead TCN which may differ from that on the original shipment status.

C5.2.3.2.1.4. When applicable, the transaction will contain multiple passive RFID tag values using a hierarchical structure. The original passive RFID will be repeated when it is available. Any additional tag values available to the CCP will also be provided.

C5.2.3.2.1.5. The shipment date identified will be the CCP shipment date.

C5.2.3.2.1.6. The mode of shipment will be the mode shipped by the CCP.

C5.2.3.2.1.7. Shipment status information content will be repeated from the original shipment status when this information is available to the CCP, e.g., when the original shipper was a co-located distribution depot. Where the CCP does not have access to the original shipment status information, the original data content will not be perpetuated and applicable data fields will not be populated.

C5.2.3.2.2. DAAS Distribution of CCP Shipment Status. DAAS will route the CCP shipment status to the ship-to activity. Standard DAAS business rules for distribution of the shipment status to status recipients will not apply. In addition, DAAS will not distribute the CCP shipment status to Distribution Depot ship-to locations or Material Processing Center (MPC) locations supported by DSS.

C5.2.3.2.3. Use of the CCP Shipment Status by the Receiving Activity. The value of this transaction to the receiving activity is to support passive RFID-enabled receipt processing. DLMS applications not supporting passive RFID may disregard this status or choose to append the CCP mode of shipment and the CCP shipment date. New content on the CCP shipment status should not be viewed as replacement values for a previously received shipment status matching on document number/suffix. Since there may not be a match on the previously identified TCN, the CCP shipment status information must be handled in a way that does not impact quantity due or visibility of partial shipments which may not have been consolidated within the reconfigured shipment.

C5.2.3.2.***4***. Reject – Duplicate Shipment. When a country replies to an 856N using a DS 870N and rejects the shipment because the shipment unit contains material that constitutes a duplicate shipment, the U.S. shipping organization must withdraw the rejected material from the shipment and prepare a new DS 856N.

C5.2.3.2.***5***. Delayed. Use DS 870N to indicate that all of the referenced shipments are delayed.

C5.2.3.2.***6***. Export Release Not Required. Use DS 870N to indicate that all referenced shipments do not require export release instructions.

C5.2.3.2.***7.*** Export Release Required. Use DS 870N to indicate that all referenced shipments require export release instructions.

C5.2.3.3. Shipment Status Material Returns. Use the DS to the Federal IC 856R, Shipment Status Material Returns, to prepare a shipment status and promptly submit to the ICP/IMM after material directed for return is released to the carrier. Refer to Chapter 11 for material returns program procedures. The shipment status for material returns shall include the transportation control number, shipment date, mode of shipment, and quantity shipped. It shall perpetuate data content from the automatic return notification (DS 180M) or the ICP/IMM reply to the customer's asset report and shipping information (870M), as applicable, per guidance in the DS. The DLMS shipment status shall include asset visibility content and intransit visibility requirements as directed under DoD policy/procedures (DoD 4140.1-R). DLMS enhancements include, but are not limited to, the following:

C5.2.3.3.1. Passive RFID for the shipment unit/case/pallet associated at the document number level. The shipment status transaction may identify a hierarchy to clarify the relationship of passive tags within different shipment levels.

C5.2.3.3.2. For UIT purposes, the IUID and/or serial number. Serial number without applicable IUID may be used during MILS/DLMS transition and pending implementation of IUID capability. Refer to Chapter 19 for UIT guidance.

C5.2.3.3.3. Both the TCN and a secondary transportation number, such as the small package carrier number, when this is applicable.

C5.2.3.3.4. Identification of the carrier, when other than USPS, by SCAC.

C5.2.3.3.5. Specific identification of all parties associated with the material return. This includes the party to receive credit when different from the document number DoDAAC (previously carried in the MILS Supplemental Address field) and all parties to receive status. Transition to use of specifically identified parties will facilitate full DLMS implementation which identification of multiple different activities (e.g. submitter, ship-from, credit-to, status-to). Prior coordination for this DLMS enhanced capability is required.

C5.2.4. Requesting Status

C5.2.4.1. Purpose. Use DS to Federal IC 511R, Requisition, to request status on a previously submitted requisition.

C5.2.4.2. Organizations Receiving Status. To ensure supply sources automatically provide status data to all organizations required to receive supply and/or shipment status, identify all additional organizations to receive status in the initial requisition or in requisition related transactions. To obtain status on previously submitted requisitions or cancellation requests, activities may submit follow ups.

C5.2.4.3. Reports. The DoD Components shall submit reports when requisition status reporting is required to designate status of a project. Obtain special reports, when required, from an eligible recipient of status identified in requisitions. Special reports are not required from the inter-DoD Component supply sources.

C5.2.4.4. Status Code CA. When Status Code CA is received in response to a follow-up request and no record of the previous Status Code CA and the reasons for rejection can be located, authorized status recipients may inquire off line, such as via mail, message, or telephone, to the supply source to obtain reasons for rejection.

C5.2.5. Status Recording. Organizations must promptly record all 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 Defense Reutilization and Marketing Service (DRMS), the disposal suspense file. Status recipients shall use 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. Give particular attention to the supply status transaction date to ensure that records/files are updated in the proper chronological order/date sequence.

C5.2.5.2. Review DS 870S received for any additional action required by the status code. 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. Treat shipment status received as notice shipment has been made and that additional follow up shall only result in receipt of another shipment status document.

C5.2.5.4. Anticipate receipt of material within prescribed UMMIPS timeframe for the assigned PD, or the RDD cited in the requisition, upon receipt of supply status without an ESD.

C5.2.5.5. Evaluate status already received prior to submitting requisition inquires to follow up for additional status.

C5.2.5.6. Ensure appropriate status is sent to other activities requiring status when the only status recipient is the activity identified by a distribution code.

C5.2.6. Sending Status - General

C5.2.6.1. Requirements. Supply sources must automatically send DS 870S when processing requisitions, redistribution orders (RDOs), cancellations, modifications, and requisition inquiries (follow-ups and requests for supply assistance). MCAs must send reject status for requisitions they process. Supply sources must maintain and send 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 are 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 inquires (follow-ups and requests for supply assistance). In addition, supply sources must send:

C5.2.6.3.1. DS 870S with Status Code BB (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 must always send additional Status Code BB to organizations with a revised ESD when adjusting shipping dates.

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

C5.2.6.3.3. DS 870S with additional Status Code BV 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 additional information, when the requisition contains insufficient information to continue processing. Use the STATUS TO organization identified in the requisition as the action addressee on all requests for additional information. Treat other organizations identified in the requisition, not designated as STATUS TO organizations, as information addressees on requests for additional information. When an inquiry for additional information is made, the supply source shall send DS 870S with Status Code BD, to all designated STATUS TO

organizations. Supply sources must suspend further action on requisitions awaiting additional information until a response is received or until 30 calendar days from date of inquiry, whichever occurs first. Upon receipt of requested information, the supply source shall continue normal processing. If the organization does not provide needed information within 30 calendar days, the supply source shall reject the requisition DS 870S with Status Code D3.

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

C5.2.6.5.1. Shipment Status to DAAS. Supply sources shall transmit shipment status to DAAS for all supply source requisitions to include DS 856S for all DVDs, as required. Upon receipt of shipment status, DAAS shall convert the shipment status to the appropriate ***type of status*** and make ***distribution***. Except for cancellation and rejections, DAAS shall send ***status to designated status recipients as identified by a*** significant media and status code ***(DoD or Component level),*** a ***significant distribution*** code***,*** (***https://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp***) ***and to any activity identified by DoDAAC as a party to receive status***. Supply sources shall give shipment status for exception ship-to addresses.

C5.2.6.5.1.1 DAAS will also provide a copy of shipment status for material to be delivered to Navy ships to the applicable MPC operated by the Defense Distribution Center (DDC) at the co-located Distribution Depot (DD) receiving site. In order to accomplish this, DAASC will maintain a table of Navy ships DoDAACs associated with a DD which provides MPC support to the specified Navy ship. The DDC, in coordination with the Navy, will provide Navy ship updates to DAASC as needed. When DAAS processes the 856S/AS8 and the ship-to DoDAAC begins with N, R, or V, DAAS will match the ship-to DoDAAC to the Navy ships/MPC table. When an appropriate DD/MPC is identified, DS 856S will be forwarded to the Distribution Standard System for establishment of a due-in record at the applicable MPC.

C5.2.6.5.1.2. MPCs which will receive shipment status are located at the DD locations identified in Table C5.T1.

Table C5.T1. Distribution Depots and Co-Located Material Processing Centers

DD with co-located MPC	**DD DoDAAC**	**MPC Routing Identifier**
DD Norfolk	**SW3117**	**PSJ**
DD Jacksonville	**SW3122**	**PSU**
DD San Diego	**SW3218**	**PSK**

DD Puget	**SW3216**	**PSN**
DD Yokosuka	**SW3142**	**PSL**
DD Sasebo	**SW3143**	**PSM**
DD Guam	**SW3147**	**SCN**
DD Pearl Harbor	**SW3144**	**PSY**
DD SIGONELLA	**SW3179**	**SNH**
DD BAHRAIN (Pilot 10 Mar 2008 thru 16 May 2008)	**SW3183**	**SNN**

C5.2.6.5.1.3. The MPC will use the supplemental address, project code, special requirements code, and transportation priority or priority designator from the due-in record or the shipment documentation to sort material for delivery per the Navy customer direction.

C5.2.6.5.2. Status of Unconfirmed Materiel Release Orders. Supply sources must send DS 856S transactions to DAAS in accordance with subparagraph C5.2.6.5.1., above. DAAS shall send this status to the ship-to activity. If DAAS cannot determine the ship-to activity, DAAS shall return the transaction to the ICP for handling. DAAS shall route the pseudo shipment status transaction for SA requisitions to the applicable DoD Component ILCO.

C5.2.6.6. Turn-In Document Status. For each shipment on a defense turn-in document (DTID), the shipping activity must provide a DS to Federal IC 945A, Material Release Advice, or a DS 856S with appropriate in-transit control coding as specified under Chapter 16 for material being shipped to the DRMS. If pricing information is not available, enter an estimated unit price.

C5.2.6.7. Requisition/Reinstatement for Backorder. When a requisition or reinstatement of a requisition is to be backordered against due-in to stock, supply sources must furnish exception supply status. Supply sources shall send Status Code BB and the ESD for release of material from stock to the customer. Supply sources shall send Status Code BB to the customer with the revised ESD when shipping dates are adjusted.

C5.2.6.8. Exception Status. Supply sources must send DS 870S exception supply status when the intent to process for DVD is known. This exception status shall 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 shall send additional Status Code BV indicating the contract shipping date.

C5.2.6.9. Contract Shipping Date Adjustment. When contract shipping dates are adjusted on items scheduled for DVD, the supply source shall provide DS 870S with Status Code BV to indicate the revised shipping date. Supply sources use the DVD notice DS 870S to notify organizations of material being supplied by DVD. This notice provides a cross-reference between transaction reference number and contract data. When delivery dates are established for DVD shipments, the supply source must provide the DVD notice in addition to 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 not produced in response to follow-ups or cancellation requests. Use of supply and shipment status in response to cancellation requests is optional when supply status distribution rules require multiple recipients of status. Upon receipt of DS 856S, DAAS shall convert the request to the appropriate response transactions and make distribution to all eligible status recipients.

C5.2.6.11. Preparation of Status

C5.2.6.11.1. Late Delivery. All supply status transactions, indicating material will be released for shipment later than the SDD or RDD/RDP, must contain an ESD. Such supply status is applicable to material obligations including procurement for DVD. Conversely, the supply source shall reject requisitions that contain Advice Code 2C, 2J, 2T, or 2W with Status Code CB 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 that predicts that issue may not be made within the timeframes established for the PD. Storage facilities in receipt of requisition inquiries on requirements that are in the process of being filled, shall use 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 must 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. Processing Point Response. Processing points provide DS 856S in response to receipt of DS 869F, Requisition Follow-up, containing the DoDAAC of the initial (origin) transportation activity. If the processing point is unable to provide the DoDAAC information to the requesting activity, the follow-up transaction shall be rejected with Status Code DY.

C5.2.6.11.5. Requisition Inquiry. Status furnished by DS 870S in response to a DS to Federal IC 869A, Requisition Inquiry, must 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.

C5.2.6.11.6. Narrative Explanation. Status Code CA and TD are the only status conditions to which the supply source shall provide a narrative explanation (in a free-form format) identifying the reason for rejection.

C5.2.6.11.7. Abbreviated Messages. The DoD Components may opt to use abbreviated status to activities.

C5.2.6.11.8. Cancellation Request. DS 870S with Status Code BF sent in response to cancellation requests, with a transaction reference number not matching supply source records, prevent supply source processing of later transactions for this same transaction reference number. When providing Status Code BF in response to a cancellation request, also provide Status Code BF in response to all other transactions received containing the same transaction reference number. Supply sources retain accessible history records of Status Code BF generated from processing no-record cancellation requests for a minimum of 6 months following the generation of Status Code BF.

C5.2.6.11.9. Material Returns Status. Use Chapter 11 procedures for providing material returns supply status (MRSS) transactions resulting from processing OMRs and OMR-related transactions.

C5.2.6.11.10. Free Issue. Requisitions which fail free issue validation shall be rejected with Status Code CM; a new funded requisition may be submitted if the material is still required. Requisitions which fail free issue validation after material release (post-post requisitions/issue) may be handled as funded requirements. In this case, the SOS shall furnish Status Code DT alerting eligible status recipients that the postpost requirement is not authorized for free issue and to adjust fund obligation records as material will be billed to the requisitioner.

C5.2.6.11.10.1. Where a post-post requisition contains a free issue Signal Code D or M and free issue is not authorized, the signal code shall be modified to the applicable billable signal code. Where the original requisition identified a valid fund code it will be used for billing; otherwise, the fund code shall be modified to indicate non-interfund billing (Fund Code XP):

C5.2.6.11.10.1.1. Signal Code D is replaced with Signal Code A to show the correct shipping activity. (Both D and A ship-to the requisitioner as identified in the document number of original submission.)

C5.2.6.11.10.1.2. Signal Code M is replaced with Signal Code J to show the correct shipping activity. (Both M and J ship-to supplementary address identified in the original submission.)

C5.2.6.11.10.2. Since post-post orders are already shipped and cannot be split, if part of the quantity ordered is not eligible for free issue, the entire order shall be denied free issue.

C5.2.6.12. Time Standards for Providing Status Transactions. When required, supply sources shall 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

C5.2.6.12.1.1. Two calendar days from receipt of PD 01-08 transactions.

C5.2.6.12.1.2.. Five calendar days from receipt of PD 09-15 transactions.

C5.2.6.12.1.3. Twenty-four hours after release of MOV requests.

C5.2.6.12.2. Shipment Status

C5.2.6.12.2.1. Twenty-four hours after shipment (or release to carrier) for PD 01-03 transactions.

C5.2.6.12.2.2. Forty-eight hours after shipment for PD 04-08 transactions.

C5.2.6.1.2.2.3. Three working days after shipment for PD 09-15 transactions.

C5.2.6.12.2.4. Twenty-four hours from receipt of PD 01-03 requisition inquiries.

C5.2.6.12.2.5. Forty-eight hours from receipt of PD 04-08 requisition inquiries.

C5.2.6.12.2.6. 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 send supply and/or shipment status in response to requisition cancellations, including mass and universal cancellations. In addition to status sent to organizations, DAASC shall

send shipment status to storage/procurement activities and/or the supply source (when DVD actions with Status Code BV are applicable) on all affected shipments entering the DTS during mass or universal cancellation situations. Supply sources must send the status of cancellation actions within 5 calendar 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. Supply sources must address supply and shipment status sent in response to requisition cancellations as follows:

C5.2.7.2.1. When there is no record of the requisition cancellation, address the status transaction to the requisitioner.

C5.2.7.2.2. 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 DoD Components 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 above. Rather, this program is to get a general estimate of the type of supply support that 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, shall initiate LASE inquiries in conjunction with particular programs or projects.

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

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

C5.3.3.1. Forecasting activities use to send LASE inquiries to IMMs.

C5.3.3.2. 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 paragraph C5.3.9 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 paragraph C5.3.8.

C5.3.4.2. Data Requirement Determination. Authorized activities shall determine the type of logistic data required and shall send LASE inquiries using DS 846L citing the request code applicable to the type of asset information required. The request code shall 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 shall do the following in response to LASE inquiries:

C5.3.5.1. Prepare LASE responses using DS 846L containing the data specified by the submitting activity.

C5.3.5.2. Normally respond to LASE inquiries within 5 working days after receipt and, in all instances, must respond within 10 working days.

C5.3.5.3. 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.

C5.3.5.4. Use data contained in each LASE response for review and control. IMMs shall retain this data for at least 90 calendar days and then destroyed.

C5.3.5.5. Reject LASE inquiries when necessary in accordance with paragraph C5.3.8.

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 send a follow-up LASE inquiry through DAAS to the appropriate IMM, in accordance with subparagraph C5.3.4.2.

C5.3.7. DAAS Processing. DAAS shall pass or route LASE inquiries as follows:

C5.3.7.1. If the inquiry is directed to the correct SOS, DAAS shall pass the transaction to that activity.

C5.3.7.2. If the inquiry is directed to an incorrect SOS, and the correct SOS is not GSA, DAASCshall reroute the transaction to the correct SOS and send a DS 870L to the submitter citing Status Code BM. Recipients of Status Code BM shall update their records to show the correct SOS.

C5.3.7.3. If the inquiry is directed to a correct GSA SOS, or to an incorrect SOS, but GSA is the correct SOS, DAAS shall reject the transaction to the submitter using DS 824R with Reject Advice Code AX

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

C5.3.8.1. Transmit a DS 824R for LASE inquiries submitted by DoDAACs not authorized in paragraph C5.3.9 citing Reject Advice Code AV.

C5.3.8.2. Transmit a DS 824R for LASE inquiries received for an obsolete/inactive NSN that the IMM cannot support citing Status Code CJ.

C5.3.8.3. Transmit a DS 824R for LASE inquiries received for an item that is not centrally managed and stocked citing Reject Advice Code AU.

C5.3.8.4. 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:

C5.3.8.4.1. Matching FSC. If the FSC matches, change the FSC to the correct FSC, continue processing the inquiry, and send the submitter a DS 870L citing Status Code BG. Recipients of Status Code BG shall update their records to show the correct FSC.

C5.3.8.4.2. Unmatched FSC. If the FSC does not match, reject the inquiry to the submitter using DS 824R citing Status Code CG.

C5.3.9. Activities Authorized to Submit Asset Support Requests[14]

Table ***C5.T2***. 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	W80YBO
W15QPC	W25PVR	W58HZ1	W80YBX
W16G1A	W31G1Y	W58HOZ	W80YBY
W22G1F	W31G3H	W62G2W	WK4NP7

[14]***The DoD Component*** Supply PRC representatives are responsible for ensuring information listed is kept current by sending changes to the Supply PRC Chair as they occur.

W22L11

NAVY

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	

AIR FORCE

Authorized Activity DoDAAC	Authorized Activity DoDAAC	Authorized Activity DoDAAC	Authorized Activity DoDAAC
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	

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 Department of Defense.

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

C6.1.1.1. 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 (PICP).

C6.1.1.2. Management control of all DoD wholesale supply system material to include:

C6.1.1.2.1. Principal items.

C6.1.1.2.2. Packaged petroleum, oil, and lubricants.

C6.1.1.2.3. Secondary items regardless of whether assets are purchased with stock fund or procurement appropriations.

C6.1.1.2.4. Ammunition.

C6.1.1.2.5. Forms and publications.

C6.1.1.2.6. Subsistence.

C6.1.1.3. 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. 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 that 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 shall be accounted for in accordance with Chapter 13 and the DoD Component procedures.

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

C6.1.2.3. Nuclear weapons for which DoD has custodial responsibility are inventoried in accordance with The Chairman of the Joint Chiefs of Staff Publication 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:

C6.2.1.1. Ensure material accountability is properly executed within the Department of Defense.

C6.2.1.2. 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;

C6.2.1.3. Identify and help resolve problems in supply system work processes affecting property accountability records by performing quality control of the work processes; and

C6.2.1.4. 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. 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 maximum returns will be derived from resources applied.

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

C6.2.3. Material Security. Security of material is the first line of defense for physical inventory control; therefore, the 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 or 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 shall 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 DoD Component. The owning DoD Component shall either 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 contractors hands (in accordance with provisions of the Federal Acquisition Regulations), material in-transit; material on loan, etc.

C6.2.5.3. IMM 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 taking 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 the DoD Components.

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/IMMs and storage activities shall daily match all active records (i.e., stock numbers that had any transaction affecting record balances) on-hand balances. The storage activity shall send the daily closing balance to each affected owner/manager using DS to Federal IC 846R, Location Reconciliation, with Type of Location Reconciliation Request Code List Qualifier Code FH citing code 1 (End of the Day Processing).

C6.2.6.2. Preparing Location Reconciliation and End of Day Accountable Transaction Count. Storage activities shall prepare location reconciliation request transactions (***DS 846R***) 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 to Federal IC 947I, Inventory Adjustment, with zero quantity). The storage activity shall also send an End of Day Accountable Transaction Count (DS to Federal IC 846P) to advise the owner/IMM of the number of balance affecting transactions that were forwarded during the daily course of business. This end of day count transaction is compared to the actual number of transactions received by the owner/IMM to identify missing transactions and aid in unreconciled balance (URB) research. The five accountable transaction types for which the storage activity shall provide the owner/IMM end of day transaction counts using a single DS 846P are as follows:

C6.2.6.2.1. Receipts (DS 527R with 1/BR02 Transaction Type Code D4).

C6.2.6.2.2. Issues (DS 867I).

C6.2.6.2.3. Inventory Adjustment-Increases (DS 947I with 2/W1916 Inventory Transaction Type Code AJ).

C6.2.6.2.4. Inventory Adjustment-Decreases (DS 947I with 2/W1916 Inventory Transaction Type Code AD).

C6.2.6.2.5. Inventory Adjustment-Dual (DS 947I with 2/W1916 Inventory Transaction Type Code DU).

C6.2.6.3. Location Reconciliation Request/Record Reconciliation

C6.2.6.3.1. Requirements. Owners shall match the storage activity location reconciliation requests to the affected records. Imbalances shall be programmatically researched to assure consideration of in-float documents, delayed transactions, and duplicate transactions. For unresolved mismatched quantities, the owner/IMM shall 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/IMMs shall 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. Owning 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 done and 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 keep quantitative balance records for all material on hand regardless of ownership. Storage activities shall keep transaction histories to support the balance records. Maintenance of these records shall give 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. The 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 shall be accomplished at least once annually for the purpose of validating the accuracy of the accountable record. Results of the sample will be reported in accordance with the stratification and tolerances cited in table C6.T1.

C6.2.10.2. Items Designated for Complete Inventories. Complete inventories shall be done 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:

C6.2.10.2.1.1. Top Secret.

C6.2.10.2.1.2. Narcotics, drug abuse items, and alcohol.

C6.2.10.2.1.3. Category I non-nuclear missiles and rockets (semiannually in accordance with DoD 5100.7-M).

C6.2.10.2.1.4. Precious metals.

C6.2.10.2.1.5. Small arms.

C6.2.10.2.1.6. Radioactive items.

C6.2.10.2.1.7. Inert nuclear ordnance material.

C6.2.10.2.1.8. 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 give reasonable assurance (as a minimum) that the property accountability records are accurate with a 95 percent level of confidence, accuracy level of 95 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 shall be done.

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

C6.2.10.3.1. Total or partial material release denials (spot inventory--see subparagraph C6.3.4.1 and Type Physical Inventory/Transaction History Code E).

C6.2.10.3.2. Location ***reconciliation*** variances.

C6.2.10.3.3. Location survey errors.

C6.2.10.3.4. Owner/IMM request (special inventory); or

C6.2.10.3.5. 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 the DoD Component priorities, readiness drivers; etc. The owner and storage activity shall negotiate projected workload at least

once annually (prior to each fiscal year). The owner shall send prioritization methodology/model results to the ***storage activity*** annually using DS 846P with Type Physical Inventory or 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 Table C6.T3., either by:

C6.2.11.1. 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

C6.2.11.2. 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:

C6.2.12.1. Material Denial Goal: Not greater than one percent.

C6.2.12.2. Receipt Processing Performance Goal: 90 percent stored and posted within time standards (see Chapter 13).

C6.2.12.3. Record Reconciliation Program:

C6.2.12.3.1. Location Survey Accuracy:

C6.2.12.3.2. 97 percent - General Supplies.

C6.2.12.3.3. 98 percent – Ammunition.

C6.2.12.3.4. Location Reconciliation Accuracy:

C6.2.12.3.5. 97 percent - General Supplies.

C6.2.12.3.6. 98 percent – Ammunition.

C6.2.12.4. Ammunition Property Accountability Record Accuracy Goal: 95 percent.

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[1] The DSS is capable of accepting DS 846P with Type Physical Inventory/Transaction History Code I; however, the DoD Components have not implemented this capability. The DoD 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/dlmso/changes).

C6.2.12.5. General Supplies Record Accuracy Goals[2]

Table C6.T1. GENERAL SUPPLIES RECORD ACCURACY GOALS

STRATIFICATION SUBPOPULATIONS AND ASSOCIATED GOALS AND TOLERANCE LEVELS			
CATEGORY	SUB-POPULATION	GOAL	TOLERANCE
A	UNIT PRICE ≥ $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 MATERIAL NOT MEETING ABOVE CRITERIA	95%	0%
95% Confidence Level ±4% Bound applicable to each category.			

[2] Within 30 calendar days after the end of the 4th quarter each fiscal year, the DoD Components must send record accuracy goal information to ADUSD (L&MR/SCI), via electronic mail. Send 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. PHYSICAL INVENTORY PROCEDURES

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

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

C6.3.2.1. 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.

C6.3.2.2. 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 shall initiate all scheduled inventories based on item characteristics. Specifically, the controlled inventory item code and any other category codes designated by the DoD Components that require physical inventory not less than once each fiscal year, with the DS 846P using Type Physical Inventory/Transaction History Code G.

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

C6.3.3.3. Random Statistical Inventories

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

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

C6.3.4. Unscheduled Inventories

C6.3.4.1. Special Inventory. Owners, accountable offices, and storage activities shall initiate special inventories using DS 846P. If an inventory has not been taken within the past 90 calendar days, cite Type Physical Inventory/Transaction History Code C, D, J, or K. If an inventory has been taken within the past 90 calendar days, an effort shall 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 done. In this case, cite Type Physical Inventory/Transaction History Code H in DS 846P. The procedure for restricting special inventories may be waived when the IMM has recorded backorders for the item involved.

C6.3.4.2. Spot Inventory. Storage activities shall 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 non-controlled items variances greater $5,000. DS 846P requests shall cite Type Physical Inventory/Transaction History Code E. Storage activities shall do all requests for spot inventories.

C6.3.5. Canceling Inventories

C6.3.5.1. General. When conditions exist that prevent accurate completion of an inventory that has been established, the inventory shall be canceled by the storage activity or the owner/IMM. Conditions that 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/IMMs, and acts of God.

C6.3.5.2. Owner/Manager Cancellation. When an owner/IMM cancels an inventory, the owner/IMM shall notify all affected storage activities using DS 846P with Management Code N.

C6.3.5.3. Storage Activity Cancellation. When a storage activity cancels an inventory, or when an owner/IMM requests cancellation of an inventory, the storage activity shall notify the requesting owner/IMM using DS 846P citing 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 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 shall provide the required asset-to-record accuracy with positive control of material and documentation that 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 shall 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 RDD. The distribution may also reduce the volume of in-float accountable documents by deferring routine supply condition code changes, providing Chapter 7 control requirements are complied with.

C6.3.6.3. Physical Inventory Timeframe. Storage activities shall complete physical inventories and send the appropriate DS 947I to the owner/IMM within 30 calendar days after the physical inventory cutoff date (PICD) for scheduled inventories and within 15 calendar days after the PICD for unscheduled inventories.

C6.3.6.4. Potential Variance. The storage activity shall compare the adjusted count with the balance kept by the storage activity to determine the potential variance and initiate post count validation and pre-adjustment research as required under section C6.4. Immediately upon completion of post count validation and pre-adjustment research, the storage activity shall 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 shall update the storage activity record with the date of last inventory and send DS 947I with zero quantity for each line item to the owner/IMM to indicate completion of the inventory. The owner/IMM shall update the date of last inventory using DS 947I adjustment transaction date.

C6.3.6.6. Prorating Adjustment. When the storage activity record shows more than one owner for commingled material, the storage activity shall apply all gains and losses to the IMM. The storage activity shall prorate any losses that cannot be applied to the wholesale manager among all owners having balances. Storage activities shall not consider foreign owner balances in the prorating process. Foreign owner and Special Defense Acquisition Fund balances shall not be altered unless they are the only

remaining balances for reporting a loss. Resolution of these losses shall be in accordance with DoD Security Assistance Program policy.

C6.3.6.7. Processing Physical Inventory Adjustments. The storage activity shall process DS 947I, 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/IMM record.

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

C6.3.8. Unscheduled Physical Inventory Follow-Up

C6.3.8.1. ***Follow-up on Physical Inventory Request***. When the owner/IMM 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/IMM shall initiate a follow-up using DS 846P, citing Management Code X and duplicate the remaining data from the DS 846P that established the inventory.

C6.3.8.2. Adjustment Follow-Up. The storage activity shall respond to the owner/IMM follow-up within 5 calendar days by providing the appropriate adjustment, completion, or cancellation transaction. If an adjustment or completion transaction was previously sent and a follow-up is received, the storage activity shall reply sending DS 846P with Management Code Y to the owner/IMM. The storage activity shall also send DS 947I showing the actual physical inventory adjustment, and identified as submission of historical information by 1/W1506/020, code W1.

C6.3.8.3. ***No Record of Physical Inventory Request***. If the storage activity does not have a record of the owner/IMM original DS 846P 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. The DoD Components shall ensure potential or actual adjustments are researched in accordance with the value of the adjustment and type of item involved. DoD criteria for this research are in Table C6.T2. 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 the DoD Components based upon the limits of resources available and upon specific asset control problems. However, in no case shall adjustments be processed

against items without required pre-adjustment research having been performed (see Table C6.T2.).

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

C6.4.2.1. Identify failures in the control systems so improvements can be made. C6.4.2.2. Reduce future discrepancies.

C6.4.2.3. Ensure that proper adjustment was made.

C6.4.2.4. Evaluate indicators of trends or system problems for corrective action.

C6.4.2.5. 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 TableC6.T.2.

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. Pre-adjustment Research. Storage activity pre-adjustment research must be completed and the physical inventory adjustment/completion action posted to the owner/IMM record within 30 calendar days from PICD for scheduled inventories and 15 calendar days from PICD for unscheduled inventories.

C6.4.3.2. Mandatory Causative Research. The storage activity must complete mandatory causative research within 45 calendar days from date the adjustment transaction was posted. Sample causative research must be completed within 45 calendar days from 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/IMM may request transaction history for analyzing inventory discrepancies.

C6.4.4.1. Transaction History Request. The owner/IMM shall request the history using DS 846P citing the appropriate Type Physical Inventory/Transaction History Code. Transaction history shall consist of all transactions affecting the balance for the requested timeframe.

C6.4.4.2. Transaction History Data. The storage activity shall send transaction ***history data*** by submitting the affected transactions ***identified as a historical submission*** with beginning segment Action Code 'W1'. DLMS transactions ***subject to*** historical submission are: ***receipt, issue, material release order, material release advice, and inventory adjustment (DS*** 527R, ***DS*** 867I, ***DS*** 940R, ***DS*** 945A, and ***DS*** 947I***, respectively)***. When no history is available for the selected timeframe, submit ***response to transaction history request (***DS 846P***)*** indicating no history was available

(1/BIA02/20 Report Type Code AD) with Type of Physical Inventory/Transaction History Code 8 or 9.

C6.4.5. Error Classification Coding. Causes of potential/actual inventory adjustment errors are determined by research. Causes shall be classified, analyzed, and evaluated so action may be taken to correct situations causing errors. Error classification codes shall be ***entered in physical*** inventory adjustments ***resulting from physical inventory*** (***DS 947I,*** 2/W1901/020, Code AA)[4]. For analysis and evaluation, error conditions shall 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 ***in the error classification code***. The error classification system is structured to provide the DoD Components latitude to amplify the DoD defined error classifications; however, the DoD Components shall summarize internally defined error classifications to the appropriate DoD classification for all reports provided to higher authorities, auditors, etc.

C6.4.6. Error Cause Feedback and Correction

C6.4.6.1. Causative History Summary. The storage activity shall send a quarterly summary of the causative research results for each individual NIIN to the commander of the storage activity concerned and to the Inventory Owners ***(or the service International Logistics Control Activity in the case of FMS-owned materiel). The summary information shall be provided for all adjustments of extended dollar value greater than $16K and any adjustment of an item with a CIIC code that is Classified, Sensitive or Pilferable. As a minimum, the summary provided shall include, for each NIIN: supply condition code, DLMS 947I or MILSTRAP Document Identifier Code D8_ or D9_, quantity adjusted, routing identifier (RI) code of the storage activity making the adjustment, error classification code, controlled inventory item code, date created, date completed, and total adjusted dollar value.***

C6.4.6.2. Error Correction

C6.4.6.2.1. Storage Activity Commanders. Commanders at the storage activities shall use this information to identify and correct recurring errors in their operations (e.g., through established depot training programs, quality control checks, and other actions as required).

C6.4.6.2.2. Inventory Owners. Inventory owners shall use this information as a means to gain insight into the adjustments and subsequent actions taken to resolve the error and to evaluate whether changes in procurement practices, cataloging data, or other actions may be taken to prevent potential

[4] The IMM may use error classification codes in DS 947I for Accounting Error inventory adjustments (2/W1901/020, code AB) pending establishment of single shared asset balances (see paragraphs C6.2.2 and C6.2.4).

distribution errors. A single point of contact will be designated at the owner level to request information from DLA".

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 7000.14-R, shall 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 Table C6.T2.).

C6.4.8. Material Release Denials

C6.4.8.1. Document Formats. Chapter 4 prescribes DoD standard document formats, data codes, and criteria for the preparation and processing of material release denial at storage activities and by owners/IMMs.

C6.4.8.1. Document Formats. Chapter 4 prescribes DoD standard document formats, data codes, and criteria for the preparation and processing of material release denial at storage activities and by owners/IMMs.

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 shall:

C6.4.8.2.1. Reverse the issue, adjust the storage activity record on-hand quantitative balance to zero, and send DS 947I for the adjusted quantity to the owner/IMM citing Management Code 1, 2, 3, or 4, and DS 947I to any other owners affected by the denial loss, citing denial Management Code Q.

C6.4.8.2.2. Initiate a spot inventory as required under subparagraph C6.3.4.2.

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

C6.5. REVERSAL OF INVENTORY ADJUSTMENTS. Reversal of physical inventory adjustment transactions ***resulting from physical inventory*** (DS 947I, 2/W1901/020, code AA) is a required capability that must be implemented with proper controls and supported by proper documentation. Procedures for reversing adjustments shall 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 Adjustment Corrections. Reversals required to correct physical inventory adjustments that were based on incorrect/incomplete information are limited to 2 years from date of the original adjustment unless requirements of paragraph C6.5.1 are met. All reversals must be properly documented.

C6.5.3. Limitations. Reversals shall 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 shall be separated and identified as follows:

C6.5.4.1. Gross adjustment during the current period.

C6.5.4.2. Reversal of prior quarters' adjustment transactions.

C6.5.4.3. Reversals of current quarters' adjustment transactions, and

C6.5.4.4. Total value of net adjustments during the current period (i.e., value of net gains added to value of net losses).

C6.5.4.4. Total value of net adjustments during the current period (i.e., value of net gains added to value of net losses).

C6.6. RECORD RECONCILIATION PROGRAM. Each DoD Component shall implement a record reconciliation program that will consist of both a location survey and a location reconciliation.[5] The DoD acceptable accuracy goals are in paragraph C6.2.11. The DoD Components may impose more stringent standards internally. The record reconciliation audit program is subject to the quality control checks shown in section C6.8. Errors shall be subject to validation and research before they are counted as an error. The DoD Components shall collect and analyze all Type III errors (see subparagraphs 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 all assets are properly recorded. When a discrepancy is identified during the location survey program (Type I or Type II error (see subparagraphs C6.6.1.2.1 and C6.6.1.2.2)), the storage activity shall conduct prompt research and determine need for a special inventory DS 846P with Type Physical Inventory/Transaction History Code K). In some instances, location survey and physical inventory may be conducted concurrently for ammunition and subsistence.

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

C6.6.1.1. Requirements

C6.6.1.1.1. Timing. Location survey shall be done at each storage activity at least 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 shall 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 satisfies the annual survey requirement for the area surveyed.

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

C6.6.1.1.4. Items within Lot/Segment. Items within a lot/segment, that have been subject to a complete item inventory, shall satisfy the annual survey requirement when the entire lot/segment is located in a clearly designated, 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 shall 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 shall 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 shall be classified as 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):

C6.6.1.2.3.1. Unit of issue.

C6.6.1.2.3.2. Supply condition code.

C6.6.1.2.3.3. Controlled inventory item code (see DoD 4100.39-M, Volume 10, table 61). Verification of the code shall consist of ensuring assets are stored in areas providing the degree of security commensurate with the assigned code.

C6.6.1.2.3.4. Type of pack code (for subsidence only). (See Chapter 4.)

C6.6.1.2.3.5. Lot number or unique item identifier (for ammunition only).

C6.6.1.2.3.6. 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]

C6.6.2.1. Requirements. Location reconciliation requires a match between storage activity records and owner/IMM records, in order to identify and to correct situations when there is: (1) an owner/IMM record with no corresponding storage activity record, (2) a storage activity record with no corresponding owner/IMM record, (3) common elements of data that do not match, and (4) quantity discrepancies. Mismatches shall 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 shall be classified in one of the four categories listed below (report only one error per location reconciliation error).

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

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

C6.6.2.2.2. Location Reconciliation Transaction. Received from storage activity; no corresponding owner/IMM 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):

C6.6.2.2.3.1. Unit of issue

C6.6.2.2.3.2. Ownership/IMM identifier.

C6.6.2.2.3.3. Controlled inventory item code (see DoD 4100.39-M, Volume 10, table 61).

C6.6.2.2.3.4. Type of pack code (subsistence only).

C6.6.2.2.3.5. Shelf-life code.

C6.6.2.2.3.6. Date packed/expiration date (subsistence only).

C6.6.2.2.4. Quantity Discrepancy (Type IV Reconciliation Error)

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

C6.6.2.3.1. ***Location*** Reconciliation. Owners/IMMs and storage activities shall reconcile all records annually. The annual reconciliation shall be done as required by subparagraph C6.6.2.3.3, below.

C6.6.2.3.2. ***Location Reconciliation Request***. Storage activities shall 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 ***(1/BIA/01, Report Type Code LC citing 1/BIA/06, Action Code 24, for annual location reconciliation request).***

C6.6.2.3.3. Activity Records. All owner/IMM and storage activity records (active and inactive records, including zero balances) shall be reconciled at least once each fiscal year. Storage activities and Components may negotiate agreements for conducting annual location reconciliation any time during the fiscal year. When no such agreement exists, location reconciliation requests shall be prepared on the second Tuesday of the month indicated in the following schedule:

Table C6.T2. Schedule of Annual Location Reconciliation Requests

SERVICE OR AGENCY	PREPARATION DATE
Army	2nd Tues - January

Navy	2nd Tues - March
Marine Corps	2nd Tues – May
Air Force	2nd Tues – July
Defense Logistics Agency	2nd Tues - September

C6.6.2.3.4. ***Control of Location Reconciliation***. Storage activities and owners/IMMs shall establish the following provisions for controlling location reconciliation:

C6.6.2.3.4.1. ***Location Reconciliation Notification***. Storage activities shall advise intended recipients (owners/IMMs) of the number of transactions being forwarded, and cut-off date, using DS 846R ***(1/BIA/02, Report Type Code X4, for location reconciliation notification).***

C6.6.2.3.4.2. Location Reconciliation Transaction History

C6.6.2.3.4.2.1. Location Reconciliation History Notification Transaction. When transaction history is required with Location Reconciliation, the storage activity shall advise intended recipients (owners/IMMs) of number of historical transactions being sent, and the cutoff date, using DS 846R ***(1/BIA/02, Report Type Code ZZ, for location reconciliation history notification).***

C6.6.2.3.4.2.2. Location Reconciliation History Transactions. For transaction history associated with annual reconciliation, the owner/manager may cite type of Physical Inventory/Transaction History Code Y in the DS 846P request for transaction history. Transactions subject to transaction history submission are DS 527R, ***DS*** 867I, ***DS*** 940R, ***DS*** 945A, and ***DS*** 947I. The transaction history code may be included in the transaction history submission. DLA owner/managers shall use code 'Y' for automatic submission of history requests for the Annual (Total) Reconciliation, and code 'W' for automatic submissions of transaction history requests for their weekly process. The ***storage activity*** perpetuates the type of physical inventory/transaction history code in the transaction history submissions.

C6.6.2.3.4.3. Owners/IMMs will use ***the location reconciliation notification and location reconciliation history notification*** transactions to determine receipt of all Location Reconciliation and historical transactions. Where the number of transactions to be sent does not match what was actually received, the owner/IMM may reject the location reconciliation ***notification and/or*** location reconciliation history notification transactions using DS 824R, with Reject Advice Code AY.

C6.6.2.4. Processing Location Reconciliation Request. In processing location reconciliation requests, owners/IMMs shall match the requests to the owner/IMMs records. When a mismatch is programmatically unresolved, DS 947I - for inventory adjustment for accounting error (2/W1901/code AB), will be processed to adjust the owner/IMM records. All Type I, II, III, and IV mismatches meeting the criteria for causative research (see table T.6.2.) shall be resolved as follows:

C6.6.2.4.1. Research of owner/IMM active and historical records.

C6.6.2.4.2. Research of storage activity active/historical record DS 846P with Type Physical Inventory/Transaction History Code X.

C6.6.2.4.3. Request physical inventory DS 846P with Type Physical Inventory/Transaction History Code J.

C6.6.2.4.4. If the above actions fail to resolve the mismatch, DS 947I for accounting error inventory adjustment (2/W1901/code AB), shall remain on the owner/IMM 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 (regardless of dollar value), or pilferable items (when the extended dollar value of the variance is greater than $100).

C6.6.2.5.1. 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 and 10 percent or less of the beginning value of the variant owner/manager record for Type IV, errors (see subparagraph C6.6.2.2.4.).

C6.6.2.5.2. 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 subparagraphs C6.6.2.2.1. and C6.6.2.2.2.).

C6.6.2.6. Discrepancies. When a discrepancy is identified during the location reconciliation, send the following transaction sets, as appropriate, to the submitting activity:

C6.6.2.6.1. DS 824R – Reject Advice Transaction, as prescribed in Volume 1, Chapter 6.

C6.6.2.6.2. DS 888I - Storage Item Correction ***Transaction***, as prescribed in this chapter ***(use DS 888I)***. ***Storage activities shall use DS 888I to update stock records, item locator records, and bin tags.***

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. Keep source documents providing evidence of shipment to FMS recipients for 2 years from date of material shipment.

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

C6.7.3. Adjustment Research. Keep 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. Keep annual statistical sample inventory line-item detail data for at least 2 years.

C6.8. QUALITY CONTROL

C6.8.1. Goals and Objectives. The DoD Components shall establish a quality control program at each owner/IMM and storage activity that 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 that 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 shall be monitored for attained quality levels and performance evaluated on improvements, not numerical goals. Accordingly, all quality control programs shall include reviews to assess the accuracy/quality of the following work processes:

C6.8.1.1. Warehousing practices -- to include checks of storage practices, stock rotation, shelf-life management, identification of material in store, mixed stock, location accuracy and rewarehousing projects.

C6.8.1.2. 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.

C6.8.1.3. Issuing practices -- to include checks of legibility of issue documents; accuracy of stock selection as to identity, quantity, unit of issue, shelf life, SCC, and type of pack (subsistence only); marking of outgoing shipments; and release to carriers.

C6.8.1.4. Validity of automated date -- to include checks of receipt, issue, and adjustment transaction data entries against input documentation.

C6.8.1.5. Inventory practices -- to include checks of inventory counts, location surveys, location reconciliation corrective actions, causative research, and adjustments at both the owner/IMM and storage activity.

C6.8.1.6. Catalog practices -- to include checks of catalog change processing, accuracy, and timeliness, using the affected recorded locations as the universe.

C6.8.1.7. 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, SCC, shelf life, etc.).

C6.8.1.8. Report of discrepancy processing -- to include checks for processing timeliness and checking the accuracy of the SDR 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).

C6.8.1.9. 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.

C6.8.1.10. Suspended asset processing -- to include checks of the timeliness in reclassifying suspended (SCCs J, K, L, Q, and R) material.

C6.8.2. Assignment of Responsibility. Whenever possible, quality control checks of these work processes shall include identification of the individual performing the tasks. This will facilitate the placement of responsibility for appraising and improving quality with each IMM 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 IMMs must ensure effective organizational interrelationships among the functional element concerned with the PICP such as: comptroller, data systems, transportation, warehousing, maintenance, quality control, and supply management. The quality control program shall include provisions for initiation of corrective action when acceptable quality levels are not met.

C6.9. PICP PERFORMANCE ASSESSMENT. The DoD Components shall collect and maintain performance standards and management data prescribed in paragraphs C6.9.1. and C6.9.2, 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 the 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 Denials[7]:

C6.9.1.1.1.1. Lines Directed for shipment. The total number of line items directed for shipment (MROs, referral orders, redistribution orders (DS 940R Material Release)).

C6.9.1.1.1.2. Total Material Denials. The total material denials (sum of total and partial denials, and warehouse refusals DS 945A, Material Release Advice). Include denial transactions classified by denial Management Codes 1, 2, 3 (subsistence only), 4, 5, 6, and 7 in the total.

C6.9.1.1.1.3. 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 Performance[8]:

C6.9.1.1.2.1. Receipts Posted and Stored. The total number of line item receipts posted and stored to the total item property record.

C6.9.1.1.2.2. Receipts Posted and Stored on Time. The total number of line-item receipts which where 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.

C6.9.1.1.2.3. 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.

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

[8] Performance data maintained by DLA for material stored at DSS locations regardless of ownership. Maintained by Service for material stored at Service depots.

C6.9.1.1.3. Record Reconciliation Program. Shows the results of the location survey (ratio of accurate storage activity locator records to storage activity locations surveyed) and the location reconciliation[9] (ratio of valid storage activity records to IMM records):

C6.9.1.1.3.1. Locations Surveyed[10]. The number of storage activity locations surveyed.

C6.9.1.1.3.2. Survey Errors. The total number of location discrepancies as defined in subparagraph C6.6.1.2. Report only one error per stock number per location.

C6.9.1.1.3.3. 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. DoD goal for location survey accuracy is 97 percent.

C6.9.1.1.3.4. Locations Reconciled[11]. The total number of location records reconciled (i.e., the sum of line items on the owner's/IMM's record and line items not on the IMM's record but were on the storage activities' records).

C6.9.1.1.3.5. Reconciliation Errors. The total number of discrepant location records as defined in subparagraph C6.6.2.2. Count one error per location reconciliation request (line item) or unmatched IMM's record.

C6.9.1.1.3.6. 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. DoD goal for location reconciliation is 97 percent.

C6.9.1.2. Physical Inventory Adjustments

C6.9.1.2.1. Physical Inventories:

C6.9.1.2.1.1. Number of Scheduled and Unscheduled Inventories Completed. The total number of line items inventoried (scheduled and unscheduled). Each SCC for a stock number at each storage activity is a line item.

C6.9.1.2.1.2. Number of Inventories with Variances. The total number of line items inventoried (scheduled and unscheduled) that had an inventory variance.

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[9] The location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C6.2.2 and C6.2.4).
[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/IMM regardless where material is stored.

C6.9.1.2.1.3. Inventory Variance Rate. Shows the percent of line-items inventoried that had an inventory variance. Compute this figure by dividing the lines with inventory variances by the total line items inventoried and multiply by 100.

C6.9.1.2.1.4. Number of Inventories with Major Variances. The total number of line items inventoried (scheduled and unscheduled) that had a major inventory variance (overages or shortages exceeding $5,000) and all variances on controlled items.

C6.9.1.2.1.5. Major Variance Rate. Shows the percent of line-items inventoried that had major inventory variances. Compute this figure by dividing the lines with a major inventory variance by the total line items inventoried and multiply by 100.

C6.9.1.2.2. Number of Adjustments from other than Physical Inventories[12]

C6.9.1.2.2.1. Number of Location Reconciliation Adjustments. The number of location reconciliation adjustments (DS 947I with 2/W1901/020, code AB).

C6.9.1.2.2.2. 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).

C6.9.1.2.2.3. 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

C6.9.1.2.4.1. Number of Gain Reversals. The number of gain reversals of inventory adjustments.

C6.9.1.2.4.2. Number of Loss Reversals. The number of loss reversals of inventory adjustments.

C6.9.1.2.4.3. 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 shown on financial records for the 12 months prior to the report cutoff date (i.e., current quarter plus last three quarters).

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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 paragraphs C6.2.2 and C6.2.4).

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.

C6.9.1.2.5.3. Value of Inventory Adjustments

C6.9.1.2.5.3.1. Physical Inventory Adjustments:

C6.9.1.2.5.3.1.1. 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.

C6.9.1.2.5.3.1.2. 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.

C6.9.1.2.5.3.1.3. Gross Adjustments

C6.9.1.2.5.3.2. Reversals--Current Quarter

C6.9.1.2.5.3.2.1. 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 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.

C6.9.1.2.5.3.2.2. 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.

C6.9.1.2.5.3.2.3. Total. ***The absolute*** total of reversals of current quarter gains and losses.

C6.9.1.2.5.3.3. Reversal--Prior Quarters

C6.9.1.2.5.3.3.1. 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.

C6.9.1.2.5.3.3.2. 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 quarter losses to the prior quarter FY to Date value for reversal of prior quarter losses.

C6.9.1.2.5.3.3.3. Total. ***The 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

C6.9.1.2.6.1. Average Value of Inventory. Divide the total value of gross adjustments by the average value of inventory and multiply by 100.

C6.9.1.2.6.2. 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:

C6.9.1.2.7.1. Average Value of Inventory. Divide the value of the total record imbalances by the average value of inventory.

C6.9.1.2.7.2. 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:

C6.9.1.2.8.1. Value of Line Items Reconciled. The extended value of line-items reconciled during the reporting period.

C6.9.1.2.8.1.1. Gains. The monetary value of gains resulting from reconciliation during the period.

C6.9.1.2.8.1.2. Losses. The monetary value of losses resulting from reconciliation during the period.

C6.9.1.2.8.1.3. Total. ***The absolute*** total of location reconciliation gains and losses.

C6.9.1.2.8.2. Monetary Value of End of the Day Processing

C6.9.1.2.8.2.1. Gains. Enter the value of gains resulting from end of the day processing.

C6.9.1.2.8.2.2. Losses. Enter the value of losses resulting from end of the day processing.

C6.9.1.2.8.2.3. Total. ***The 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 shown on DD Form 2338-1.)

C6.9.2.1. Performance

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

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

C6.9.2.1.3. Record Reconciliation Program. Complete as described in subparagraph C6.9.1.1.3. DoD goals for location survey and location reconciliation for ammunition are 98 percent[13].

C6.9.2.2. Physical Inventory Adjustments

C6.9.2.2.1. Physical Inventories

C6.9.2.2.1.1. Number of Scheduled and Unscheduled Inventories Completed. The total number of line-items inventoried (scheduled and unscheduled). Each SCC for a stock number at each storage activity is a line item.

C6.9.2.2.1.2. Number of Inventories with Variances. The total number of line items inventoried (scheduled and unscheduled) that had an inventory variance.

C6.9.2.2.1.3. Inventory Record Accuracy. Shows 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 multiply 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 subparagraph C6.9.1.2.2.

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

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

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

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

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

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

C6.9.2.2.8. Monetary Value of Location Reconciliation. Complete same as subparagraph C6.9.1.2.8.1.

C6.9.2.2.9. Monetary Value of End of the Day Processing. Complete same as subparagraph C6.9.1.2.8.2.

Table C6.T3. Minimum Research Requirements for Potential or Actual Physical Inventory Adjustments

CONDITION OF DISCREPANCY	REQUIRED RESEARCH		
	Post Count Validation	Pre-adjustment Research	Causative Research
1. ≤ $1,000	NO	NO	NO
2. > $1,000 but ≤ $5,000 and ≤ 10 percent unit variance	YES	NO	NO
3. > $1,000 but ≤ $5,000 and > 10 percent unit variance	YES	YES	NO
4. > $5,000 but ≤ $16,000 and ≤ 25 percent unit variance	YES	YES	SAMPLE
5. > $5,000 but ≤ $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

C6.10. STORAGE ITEM CORRECTION.

C6.10.1. This section provides standard procedures required by ICPs to provide for the correction and/or updating of storage activity records when:

C6.10.1.1. Reported transactions indicate that the ICP and storage activity records are inconsistent.

C6.10.1.2. A catalog/stock list change is processed against an ICP record that will affect stock control data maintained at the storage activities.

C6.10.2. Item Correction ***or Change.*** Use DS 888I, to provide storage facilities with data record changes on items of supply. The ***correction or change for storage item records*** code entered in this transaction serves to provide information on the nature of the change, and actions to be taken.

C6.10.3. Storage Activity Action. Storage activities shall use the DS 888I to update stock records, item locator records, and bin tags.

C7. CHAPTER 7
INVENTORY 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:

C7.1.1.1. Adjustments caused by catalog change actions.

C7.1.1.2. Reidentification of improperly identified material.

C7.1.1.3. Offsetting adjustments to purpose and condition codes.

C7.1.1.4. Discrepancies disclosed by physical inventory.

C7.1.1.5. Ownership gains and losses applicable to Single Manger for Conventional Ammunition (SMCA).

C7.1.1.6. Accounting for material during maintenance.

C7.1.2. Adjustment Actions. Two methods are provided for effecting adjustments—single or dual actions.

C7.1.2.1. Single Adjustment. The single adjustment method accommodates processing techniques that use individual increase or decrease adjustment actions against the accountable and owner records. DS to Federal IC 947I, Warehouse Inventory Adjustment Advice, is used for these actions.

C7.1.2.2. Dual Adjustment. The dual adjustment method provides for offsetting adjustments to condition or purpose code in a single adjustment transaction. This is possible by using the FROM and TO in the N1 segments in DS 947I.

C7.1.2.3. Single Transaction Prescribed. When the DoD Component practice prescribes the use of single transactions of DS 947I internally for condition or purpose transfer, make provisions for acceptance and processing from other DoD Components.

C7.1.3. Ownership/Purpose Code Changes. Changes between ownership codes, from purpose code to ownership code, or from ownership code to purpose code, shall not be made by an adjustment action. Process appropriate issue and receipt transactions to make the necessary accounting actions. An exception to this rule is the use of the ownership change and inventory adjustment, DS 947I, and corresponding

single adjustments to accomplish ownership gain/loss under the SMCA concept (see section C7.3., below).

C7.1.4. Project Code Changes. Do changes in project or distribution codes using individual increase or decrease material adjustment transactions with DS 947I.

C7.1.5. Clerical/Automated Accounting Errors. Submit inventory adjustments, resulting from clerical or automated information system errors but which cannot be corrected by reversing the original transaction, or from reconciliation between the storage activity and the owner, using a DS 947I with Quantity or Status Adjustment Reason Code AB (Accounting Error).

C7.1.6. Nonspecific Inventory Adjustments. Use DS 947I, with Quantity or Status Adjustment Reason Code AH (Other), to accomplish an adjustment increase or decrease when a quantity or status adjustment reason code is not otherwise provided. (The DoD Components shall maintain detailed backup information as to use and requirement for the transaction.)

C7.1.7. Specific Inventory Adjustments. DS 947I with Quantity or Status Adjustment Reason Code AJ (Survey) shall be used to report inventory adjustments resulting from shrinkage, theft, contamination, deterioration, and expired shelf-life. 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 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, storage activities shall report the variance to the owner within 3 calendar days using 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, transfer the material to SCC J. 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 *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 Q Product Quality Deficiency Related Material

C7.2.2.1. Storage Activities shall report discrepant receipts in SCC Q as presribed by Chapter 13 receipt processing procedures. When directed by the owner, storage activities shall also transfer stored, including suspended, material to SCC Q and report the action using DS 947I following subparagraph C7.2.1.1.

C7.2.2.2. When inspection or technical/engineering analysis of material confirms a product quality deficiency, possibilities for other use of the material within the Department of Defense, as well as public health/safety and national security interests, must be considered. Owners shall determine if further use of the item can be made within the Department of Defense.

C7.2.2.3. When inspection of technical/engineering analysis of material indicates that litigation action is required, the owner shall direct transfer of the material to SCC L.

C7.2.2.4. If the deficiency does not prohibit further DoD use (i.e., the defect is minor or the item meets specifications for another NSN), owners shall direct storage activities to reidentify and/or transfer the suspended SCC Q material to the appropriate condition. Storage activities shall, within 3 calendar days from receipt of the ICP direction, reclassify the SCC Q material to the appropriate condition. Report completion of this action with DS 947I, using the same document number originally used to report the material in SCC Q (i.e., the document number of the original receipt or adjustment transaction). For reidentifications, storage activities shall follow section C7.7. procedures.

C7.2.2.5. If the deficiency prohibits further DoD use, the material shall remain in SCC Q and owners shall direct transfer of the material to DRMOs following Chapter 16 procedures. Improperly documented, unauthorized source, defective, non-repairable, and time-expired Aviation CSI/FSCAP material that is not mutilated by the holding activity shall be directed to the DRMO in SCC Q with Management Code S. All such material shall be mutilated. When turning such Aviation CSI/FSCAP into a DRMO, the turn-in document must be clearly annotated that the part is defective, non-repairable, time-expired, or otherwise deficient and that mutilation is required.

C7.2.3. Reclassification of Condition L Receipts

C7.2.3.1. Storage Activity Reporting. Storage activities shal*l* report discrepant receipts from procurement and material held pending resolution of a transportation discrepancy in SCC L as prescribed by Chapter 13. When directed by the owner (see paragraph C7.2.7., below), storage activites shall also transfer material to SCC L and report the action using DS 947I following paragraph C7.2.1. procedures.

C7.2.3.2. 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 Federal IC 846A, Inventory Inquiry Advice (Asset Reclassification), request in

accordance with paragraph C7.2.7. If inspection or technical/engineering analysis confirms that a product quality definciency prohibits further use of the material within the Department of Defense, the owner shall direct transfer of the material to SCC Q.

C7.2.3.3. Reclassification Procedures. When directed by the owner, storage activities shall, within 3 calendar days from receipt of an asset reclassification request, reclassify the suspended material to its correct SCC. Report completion of 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 paragraph C7.2.7. for asset distribution depot reclassification denial procedures when requested reclassification action cannot be done.

C7.2.4. Reclassification of Condition K and R Receipts

C7.2.4.1. Suspension of Material. Under Chapter 13 processing procedures, storage activities may suspend material in SCC K upon receipt for SCC determination. Storage activities may also receive material identified as SCC R (suspended) from reclamation activities that lack the capability to determine the material condition.

C7.2.4.2. Storage Activity Actions. Storage activities shall 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, send 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 assets must be recorded on the owner record before the assets may be included in a scheduled maintenance program.

C7.2.4.3. Automatic Disposal of Reclassified Stock. When material is reclassified to SCC H, storage activities 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. Tell 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.

C7.2.5. Exceptions to Prescribed Timeframes for Condition Reclassification – Request for Reclassification Extension

C7.2.5.1. Requesting Extensions to Suspenses. When additional time is needed 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 storage activity commander, the storage activity shall forward DS 846A, extension request to the owner.

C7.2.5.1.1. Approval of Extension Requests. When appropriate, the owner shall approve the extension request, notify the storage activity, and establish a suspense to ensure that classification action is taken within the agreed upon timeframe.

C7.2.5.1.2. Extension Response Transaction. If the owner does not approve the request for extension, the storage activity shall make every effort to comply with the established timeframe.

C7.2.5.2. Reclassification. Owners may submit DS 846A in accordance with paragraph C7.2.7. to request hastened reclassification of SCC J, K, and R assets whenever it is deemed necessary based on their stock position and overall management responsibility.

C7.2.6. Monitoring Assets Recorded in Suspended SCCs

C7.2.6.1. Condition J, K, and R. Owners shall review records for all material suspended in SCC J, K, and R at least monthly and ensure that storage activities do reclassification actions within prescribed timeframes.

C7.2.6.2. Condition L. Although there is no prescribed timeframe for transfering suspended material from SCC L, owners shall 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.

C7.2.6.3. Condition Q. Although there is no prescribed timeframe for transferring suspended material from SCC Q, supply sources shall review all records for material suspended in SCC Q at least monthly. Supply sources will take necessary action to ensure expeditious inspection or technical/engineering analysis of suspect assets and prompt transfer of assets, under paragraph C7.2.2., based on the inspection results.

C7.2.7. Asset Reclassification Request, Inquiry, and Response

C7.2.7.1. 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 paragraph C7.2.5.

C7.2.7.2. Owner Responsibilities. As discussed in paragraph 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.

C7.2.7.3. 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 paragraph C7.2.5.

C7.2.7.4. 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. (NOTE: DLMSO is staffing a proposed DLMS change to assign a new management code for this purpose.)

C7.3. OWNERSHIP GAINS AND LOSSES

C7.3.1. Change of Ownership. Based on unique requirements of the SMCA and the DoD Components,authorized by DoD Directive 5160.65, separate inventory adjustment transactions have been developed to permit:

C7.3.1.1. Keeping integrity of the document number from the requisitioner's original demand throughout total processing, when payback actions are necessary.

C7.3.1.2. On-line recording and reconciliation of material debit and credit balances of the SMCA and affected DoD Components.

C7.3.1.3. The DoD Components to have an audit trail when their accountable/financial records are affected.

C7.3.2. Payback of SMCA Items. DS 947I is used to accomplish paybacks of SMCA items from one owning DoD Component to another DoD Component, in accordance with DoD policy and inter-DoD Component agreements. The SMCA initiates DS 947I for processing internal adjustments to custodial/accountable records and for notification of SMCA storage activities. The use of the M modifier, to express thousands when the quantity exceeds 99,999, is a optional feature that can be applied intra-DoD Component and, by agreement, inter-DoD Component. M modifiers are only applicable to ammunition items in FSG 13.

C7.4. PURPOSE OF TRANSFERS. Based on authorized programs, material may be reserved for specific purposes and kept on inventory control records until requisitioned. To accomplish transfer of assets between purpose codes, DS 947I shall 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. MAINTAINING ACCOUNTABILITY DURING MAINTENANCE

C7.6.1. Applicability. When responsibility for maintaining the property accountability record for DoD-owned property has been assigned to an activity (s) other than the owner, the responsible activity shall execute the owner's actions set forth in this section.

C7.6.1.1. Appilcable Maintenance Actions These procedures apply to transfers of inventory to SCC M for maintenance, assembly, disassembly, reclamation, conversion, modification, repair, and destructive or nondestructive test/evaluation, and transfer to their correct condition classification upon return from maintenance..

C7.6.1.2. Exclusions. These procedures exclude repair and return of material owned below the wholesale distribution system. However, storage activities shall keep visibility and the property accountability record for these assets pending transfer to maintenance and upon their return from maintenance..

C7.6.2. Requirements

C7.6.2.1. Organic Maintenance. When material is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement shall specify material control requirements to include whether the storage activity will report returns from maintenance to the owner (Principal) transfers from SCC M under this section or in accordance with procedures in Chapter 1***4***).

C7.6.2.2. DoD Component Actions. Each DoD Component shall ensure that:

C7.6.2.2.1. Owned Inventory. The DoD Components shall ensure owned inventory in the hands of DoD, other Government (non-DoD), and commercial activities is properly accounted for under provisions of Chapters 6, 7, 12, 13, and 14 of this manual and, for commercial maintenance, the provisions of the FAR. This includes returns from field activities for repair and reissue as wholesale inventory. The DoD Components shall prescribe use of any required internal codes to meet these requirements (Responsibility of he owner (Principal for maintenance by DMISA)).

C7.6.2.2.2. Total Item Property Records. Total item property records for material in the hands of maintenance activities are maintained and adjusted based on the quantity of items actually ***returned and will support*** the DoD 7000.14-R financial accounting requirements. (Responsibility of the owner (Principal for maintenance by DMISA)).

C7.6.2.2.3. Commercial Maintenance Contracts. Contracts for commercial maintenance require the reporting of material loss or damage to the contracting officer. Contracts may also require the contractor to report the start and completion of maintenance action for each unit of material. (Responsibility of the Agent for maintenance by DMISA)).

C7.6.2.2.4. Procurement and Supply Interface. Any needed interface between the procurement and supply operations/functions exists to ensure reported data is sent to the owner. (Responsibility of the agent for maintenance by DMISA). Arrangements may be made for commercial activities to report directly to these activities using supply procedures.

C7.6.2.2.5. Inventory Balances. Reported data affecting inventory balances is recorded on the total item property record. (Responsibility of the owner (Principal for maintenance by DMISA).)

C7.6.2.3. Storage Activity Actions. Storage activities shall report the following actions to the owner of the material. In the DoD Component systems, not using dual adjustment transactions, use the corresponding DS 947I single adjustment.

C7.6.2.3.1. When material is inducted for maintenance (repair/modification, assembly, etc.), process DS 947I dual adjustment to transfer material from the SCC on the record to SCC M.

C7.6.2.3.2. When material is returned from maintenance (repair/modification, assembly, etc.), process DS 947I dual adjustment to transfer material from SCC M to the SCC in which the material is received (i.e., SCC A for completed material, SCC G for material awaiting repair parts, or SCC H for condemned material). In the DoD Component systems which do not use the dual adjustment, process the equivalent loss and gain transactions to do the transfer.

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 shows an item in stock has been misidentified, storage activities shall send DS 947I to the owner. The transaction shall 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 shall contain the same transaction reference number as the original transaction, identified stock number, 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 shall be prepared and sent. The additional inventory adjustment transaction(s) shall 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/IMM and storage activity shall process DS 947I against their inventory control records to cause 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, the owner/IMM prepares and processes 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, the owner/IMM prepares and processes 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, the owner/IMM prepares and processes 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 BEING REPORTED/TURNED IN TO DRMS

C7.8.1. Material Turn-In. When material is not identified by an NSN and is actually scrap, the DoD Components may prescribe that it be classified in SCC S for turn in to DRMOs. Otherwise, only material recorded on property accountability records in SCC A through H and SCC Q shall 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, or R, the DoD Components must initiate action to reclassify the material to an acceptable SCC (A through H, Q, or S) before preparing the turn-in documentation. Section C7.2 contains the material reclassification procedures.

C7.8.3. Improper SCC. Activities not reporting or turning in material to DRMOs in an appropriate SCC shall risk having the material rejected/returned by the DRMO for proper classification.

C7.8.4. DRMO Actions. DRMOs shall use the disposal condition codes to accurately describe the physical condition of the material based on its inspection at time of receipt. DRMOs shall record both supply and the disposal condition codes, and will show both codes as management data for reutilization program screening and review. Within the DRMO process, Disposal Condition Code S is assigned for "property with 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.

C8. CHAPTER 8

MATERIAL OBLIGATION VALIDATION (MOV)

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 ***DVD*** or backordered from stock. This includes both NSN and non-NSN items. MOV pertains to those requisitioned items assigned Status Code BB, BC, BD, BV, and BZ. These procedures exclude DVD requisitions assigned Status Code BV and BZ from the automatic MOV cancellation process; however, organizations must submit requisition cancellations for material no longer required. See ***C***hapter 4 for the requisition cancellation procedures.

C8.1.1.3. Use of DS 517M. Supply sources use the DS to ***Federal IC*** 517M, Material Obligation ***Validation***, 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 Status Code BZ. The organization must conduct an item-by-item review and respond with a requisition cancellation if the material is not ***required***.

C8.1.1.4. Supply Source Definition. A supply source is defined as ***the*** 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, ***SCAs,*** 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 DS ***517M***, to reinstate previously canceled requisition(s).

C8.1.3. Exclusions

C8.1.3.1. FMS transactions are excluded from these procedures; however, the DoD Components should reconcile FMS material obligation records at the supply source with those of the organizations required to maintain FMS case control. MOV procedures for GA transactions ***are in section C8.2., below***.

C8.1.3.2. ***Civilian Component activities are excluded*** unless covered by inter-***Component*** agreements.

C8.1.4. Material Obligation Age Criteria

C8.1.4.1. Timeframe. Material obligations ***are*** overaged and subject to these procedures when PD 01-08 requisitions have aged 30 ***calendar*** days past the requisition date or PD 09-l5 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. The annual schedule of cyclic validations in support of U.S. Forces and the prescribed MOV response times is ***shown in table C8.T.1.***:

Table C8.T1. MOV Cyclic Validations Schedule

CYCLE NUMBER	CUTOFF OF SUPPLY SOURCES TO PREPARE AND FORWARD VALIDATION REQUESTS	***MAXIMUM ENDING DATE BY WHICH REQUISITIONER RESPONSES ARE DUE BACK TO SUPPLY SOURCE***
1	20 January	5 March
2	20 April	5 June
3	20 July	5 September
4	20 October	5 December

C8.1.5.2. Response Not Within Scheduled Timeframe. Deployed units, afloat units, and CONUS)/OCONUS locations that are unable to ***acknowledge receipt, or*** respond by the prescribed date, may ***request*** DAASC to ***temporarily*** provide responses to MOV requests. Use DS ***517M***, with Transaction Type Code A***P*** 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 ***by message to DAASC***. The exemption request is only authorized for the current MOV cycle. ***DAASC shall*** not generate MOV responses for any ***later*** MOV cycle unless a separate exemption request ***approval*** is received.

C8.1.5.3. Quarterly Reporting. Each DoD Component must provide a quarterly consolidated report to the Assistant Deputy Under Secretary of Defense for Supply Chain Integration (ADUSD SCI) using the ***A***ppendix ***1*** format. Submit this report within 30 ***calendar*** days after the close of each MOV cycle. The RCS for this report is DD-P&L(Q)1064. The supply source ***shall*** 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 ***shall*** 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 ***are*** 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 IMM*** 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 ***that*** 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 ***that*** 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 DS ***517M***, to request a special MOV at times other than the normal MOV cycles indicated in table **C**8***.T***1, above. Organizations ***shall*** validate the special MOV and use DS ***517M*** 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. ***The*** recipient of validation requests (either scheduled or special) ***must*** 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. ***Routine*** responses that all material obligations are still required ***are to be avoided***. 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, ***shall*** also be sent to the user for validation. Items that are contained on the records of recipients of the validation requests and meet the overage criteria, but are not covered by a request, shall be validated with the user.

C8.1.7.2. Recipient Response. The recipient of validation requests ***shall*** 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 ***shall*** submit DS to ***Federal IC*** 869A, Requisition Inquiry/Supply ***Assistance***, to the supply source. (See Chapter 4 for the requisition inquiry procedures.)

C8.1.8. Responses to Material Obligation Requests

C8.1.8.1. Purpose. Use DS ***517M,*** to respond to special MOV requests. ***MOV*** responses ***shall*** 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 ***shall*** 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.

C8.1.8.2. Response to Requests for MOV. Upon completing the validation /reconciliation process, organizations must send an MOV response for each MOV request received to the supply source ***that*** 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.

C8.1.8.3. Revised Delivery Date. Whenever a requirement is to be retained as a material obligation and the PD/RDD/RDP changes due to reassessment of requirements, submit a DS ***to Federal IC*** 511M, ***Requisition Modification,*** to indicate the revised PD/RDD/RDP. (See ***C***hapter ***4*** for the requisition modifier procedures.)

C8.1.8.4. D***AAS*** Initiated Responses

C8.1.8.4.1. Exempted Activities. DAAS uses DS ***517M***, to provide MOV responses for authorized activities exempted from participating in an MOV cycle.

C8.1.8.4.2. ***DAAS*** Response. ***DAAS*** provides appropriate MOV responses to the respective supply source for each MOV exemption received. DAAS ***shall*** send 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.

C8.1.8.4.3. MOV History File. ***DAAS*** uses the MOV history file to generate appropriate MOV responses for the activity(ies) identified in the MOV exemption.

C8.1.8.5. 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 ***DS 517M***, to request the reinstatement of canceled requisitions and indicate the quantity required. The quantity reinstated may be equal to or less ***but not more*** than 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*** Chapter 4 ***procedures*** to stop storage and transportation actions when accomplishing cancellations resulting from the MOV program.

C8.1.9.2. Cancellation Criteria. Supply sources ***shall*** cancel material obligations when an organization has not responded to the scheduled MOV request by the MOV response due date, except for requisitions in Status Code BV or BZ. Requisitions being filled by DVD (Status Code BV and BZ) 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 ***shall*** send DS ***517M,*** Transaction Type Code AP, and Action Code 9 to the validating organization. The organization must validate the requirement or respond with a requisition cancellation if the material is not required. See ***C***hapter ***4*** for the requisition cancellation procedures.

C8.1.9.3. Cancellation Upon Request. Supply sources ***shall*** cancel material obligations upon receipt of requisition cancellation ***requests***. 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 ***item's status***. If the item is ***being processed***, ***take*** action to stop the flow of the unneeded material. All supply sources ***shall try*** to ***meet*** the DoD objective of taking all possible action to prevent shipment from the depot, port of embarkation, or vendor (in the instance of purchase actions). Based on action taken, supply sources ***shall*** provide requisitioning organizations with appropriate supply or shipment status.

C8.1.9.4. Cancellation Status. Supply sources ***shall*** send DS to Federal IC 870S, Supply ***Status,*** with Status Code BR or BS 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, shall be retained as a material obligation until clarification is obtained.

C8.1.9.6. ***Response***. The DoD Component of the organization initiating a cancellation request***,*** or failing to respond to MOV requests***, shall*** 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*** in ***the DTR***, and credit allowances are in ***V***olume 5, Finance.

C8.1.10. Supply Source Material Obligation Reinstatement

C8.1.10.1. Timeframe. Supply sources ***shall*** reinstate action on requisition(s) when organizations submit MOV reinstatement requests within 60 calendar days of requisition cancellation citing Status Code BS. Reinstate the requisition for the quantity equal to or less than the original canceled quantity. If the quantity is greater than the quantity canceled by the Status Code BS, only reinstate the quantity in the BS status. Reject the quantity exceeding the BS quantity. Use Status Code BS to prepare the MOV reinstatement request to ensure identification of the correct suffix.

C8.1.10.2. Supply Source Codes. Supply sources ***shall*** use Status Code DK, DL, and DM to reject MOV reinstatement requests received over 60 calendar days after the BS status transaction date, ***or 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. Section two prescribes policies and procedures for the validation of ICP material obligation records with the records of ***the DoD Component*** 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.

C8.2.2. Annual Validation Schedule. The annual schedule of cyclic validation in support of MAP/***GA*** material obligations is shown in table ***C8.T2***.

Table C8.T2. Cyclic Schedule for MOV in Support of the MAP/GA

CYCLE NUMBER	CUTOFF OF SUPPLY SOURCES TO PREPARE AND FORWARD VALIDATION REQUESTS	***MAXIMUM ENDING DATE BY WHICH REQUISITIONER RESPONES ARE DUE BACK TO SUPPLY SOURCE***
1	31 January	31 May
2	31 July	30 November

C8.2.3. Aged Material Obligation Requests. Supply sources ***shall*** provide the ILCO with MOV requests applicable to aged material obligations for MAP/GA requirements. MOV requests ***shall*** be sent 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)].

C8.2.4. 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 ***shall*** 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 Status Code BB, BC, BD, or BV. 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.

C8.2.5. Supply Source Request Timeframe. Supply sources ***shall*** send scheduled MOV requests not later than 10 calendar days after the established cutoffdate.

C8.2.6. Accomplishing ***MOV*** by the Army and Air Force I***LCO***s

C8.2.6.1. Item/Request Matching. The ILCO ***receiving*** MOV requests ***shall*** match the items indicated as being on record at the supply source with its records of unfilled demands and provide the MOV requests ***to*** SAOs that represent quantities/items as follows:

C8.2.6.1.1. In the MOV requests received from the supply source, (the ILCO ***shall*** not attempt to adjust quantity differences between the ILCO record and the supply source record.)

C8.2.6.1.2. On the ILCO record, having reached the validation age criterion and not included with MOV requests furnished by the supply source. The ILCO ***shall*** adjust their records based upon the MOV responses received from SAOs.

C8.2.6.2. Program Originator Codes. The ***DoD Components*** may elect to have their ILCO identify the program originator code ***in*** 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:

Table C8.T3. Program Originator 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 ***that*** are sent to the supply source.)

C8.2.6.***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*** SAOs allows:

C8.2.6.3.1. Transmission of the MOV requests from the supply source to the ILCO.

C8.2.6.3.2. ILCO establishment of suspense records of the supply source request quantities and preparation of MOV requests for transmission to the SAOs. ***SAOs shall*** provide MOV response to the ILCO within 90 calendar days after the cutoff date for the validation cycle.

C8.2.7. Accomplishing ***MOV*** by the Navy ***ILCO***s

C8.2.7.1. Item/Record Matching. The Navy ICP (NAVICP) ***shall*** match the items indicated as being on record at the supply source with its records of unfilled demands and effect a file reconciliation. ***NAVICP shall*** send MOV responses for each MOV request received to the supply source having submitted the validation requests. The supply source ***shall*** 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

C8.2.7.2. Response Timeframe. Send 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.

C8.2.7.3. 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.

C8.2.8. Navy ***ILCO*** Initiation of Reconciliation and/or Validation with SAOs

C8.2.8.1. Annual Request Submission. Annually, on 16 September, the NAVICP ***shall*** prepare MOV reconciliation requests which represent unfilled requisitions with dates of 31 July or earlier.

C8.2.8.2. Program Identification. ***NAVICP shall*** identify the program originator code in the MOV reconciliation requests sent to SAOs for validation. ***SAO shall*** use this code to determine the specific section to which to direct the requests. ***In these instances, the codes in Table C8.T3., above apply***.

C8.2.8.3. MOV Transmission. ***NAVICP shall*** send the MOV reconciliation requests to the appropriate SAO not later than 26 September and indicate 31 October as the response due date.

C8.2.9. Validation of Requirements by the ***SA*** Organizations

C8.2.9.1. Verifying Existing Requirements. ***SAOs*** receiving ***MOV*** requests ***shall*** determine whether requirements for the items and quantities still exist. ***SAOs shall*** also determine whether requirements exist for items/quantities, having reached the age criteria and not included with the MOV requests. ***Once validation*** is

completed, ***SAOs shall*** adjust their records to ***show*** the country ***needs*** for the items/quantities.

C8.2.9.2. Item Status Request. ***SAO shall*** request status of any items ***that*** are outstanding, having met the age criteria and not included in the MOV requests. When such status is required, ***SAO shall*** submit a requisition inquiry to the appropriate ILCO. See Chapter 4 for the requisition inquiry procedures.

C8.2.9.3. Response for Each Reconciliation Request. ***SAO shall*** provide an MOV response for each MOV reconciliation request, as appropriate, to indicate the remaining quantity of each item ***is*** still required. The SAO ***shall*** send MOV responses to the appropriate ILCO. For the U.S. Army Security Assistance Command and the Air Force Security Assistance Center, send 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.

C8.2.10. Response to ***MOV*** Requests by the Army and Air Force ***ILCO***s

C8.2.10.1. Record Adjustment. Upon receipt of the responses ***from*** SAOs, the ILCO ***shall*** adjust its records to agree with the country's requirements indicated by the MOV responses. ILCO ***shall*** then send MOV responses for each MOV request received from the supply source having submitted the validation requests. The supply source ***shall*** 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. Response due date is established as the 125th calendar day following the cutoff date for validation. MOV requests ***shall*** indicate the cutoff date.

C8.2.10.2. Quantity Remaining Required. ***ILCO shall*** indicate the quantity still required in the MOV response. If total cancellation is desired, do not include the quantity segment in the MOV response.

C8.2.10.3. Outstanding Items. ***ILCO shall*** submit a requisition inquiry for items outstanding on the ILCO records, indicated as required by SAO, and for which no MOV request was received from the supply source. See ***C***hapter 4 for the requisition inquiry procedures.

C8.2.11. Navy ***ILCO*** Action on ***SAO*** Responses

C8.2.11.1. Record Adjustment. Upon receipt of the responses from SAOs, the NAVICP ***shall*** adjust its records to agree with country requirements as indicated by the MOV responses. NAVICP ***shall*** send requisition cancellations to the supply source on those unshipped lines for which the SAO indicated a reduced quantity requirement. ***NAVICP shall*** initiate action to resolve the unreconciled lines for which the SAO

indicated a requirement. ***NAVICP shall*** send the appropriate supply and shipment status ***to*** SAOs.

C8.2.11.2. Requisition Cancellation. By 30 November, ***NAVICP shall*** prepare and send a requisition cancellation to the last known source processing the corresponding requisition. See ***C***hapter 4 for the requisition cancellation procedures.

C8.2.11.3. Record of Confirmed Cancellations. ***NAVICP shall*** keep a record of confirmed cancellations received in response to requisition cancellations submitted as a result of reduced quantity requirements indicated by SAOs.

C8.2.11.4. Quantity Reduction Reconciliation. ***NAVICP shall*** 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 shall send two copies of this report to the appropriate ***DoD Component*** headquarters for review and submission to Office of the Assistant Secretary of Defense.

C8.2.12. ***ILCO*** Cancellation of Material Obligations

C8.2.12.1. Supply Source Action. The supply source ***shall*** 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 ***shall*** be matched with the RHF to determine the latest status of the item or action taken to accomplish cancellation action. The supply source ***shall*** send the ILCO 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 ***DoD Component shall*** take action under DoD 5105.38-M.

C8.2.12.2. Validation of Cancellations. The supply source **shall** send the ILCO, for which validation requests were submitted, Status Code BR for each item and/or quantity canceled as a result of the validation actions. ILCO should not consider any quantity as canceled before receiving the confirming Status Code BR.

C8.2.12.3. When no Response has been Received. The supply source ***shall*** not automatically cancel items for which material obligations were established when no MOV response has been received relative to specific items submitted for validation.

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 ensure uninterrupted supply support of items during the transition period.

C9.1.2. Transactions. This chapter addresses the procedures to the following ASC X12 transaction functions identified by their beginning segment and report type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment.

C9.1.2.1. LR Management Data Transaction is DS to Federal IC 536L identified by beginning segment (1/BR02/020) Transaction Type Code LR – Logistics Reassignment. This transaction provides MILSTRAP DI Codes DLS, DLT, DLU, DLV, DLW, and DLX functionality.

C9.1.2.2. LR Transfer/Decapitalization Transaction is DS to Federal IC 846D identified by beginning segment (1/BIA/020) Report Type Code TL – Logistics Transfer Advice. This transaction provides MILSTRAP DI Code DEE/DEF functionality.

C9.1.2.3. LR Transfer/Decapitalization Inquiry Transaction is DS 846D identified by beginning segment (1/BIA/020) Report Type Code TK – Logistics Transfer Inquiry. This transaction provides MILSTRAP DI Code DLA functionality.

C9.1.2.4. LR Storage Information Order Transaction is DS to Federal IC 846S identified by beginning segment (1/BIA/020) Report Type Code PK – Storage Information Inquiry. This transaction provides MILSTRAP DI Code DZC functionality.

C9.1.2.5. LR Storage Information Reply Transaction is DS 846S identified by beginning segment (1/BIA/020) Report Type Code TQ – Storage Information Advice. This transaction provides MILSTRAP DI Code DZD functionality.

C9.1.***3***. LR Process. To ease understanding of these procedures, 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 sent to the GIM/LIM and terminates at ETD. ETD is the date of the LR. Although ETD is a specific point in time, for the purpose of these procedures, any actions involving data requirements that show conditions as of the ETD shall 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 show conditions as of the ETD. Specific events required to take place during the LR are set forth under the appropriate period.

C9.1.***3***.1. The LIM ***shall use an LR Management Data Transaction 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.***3***.2. The LIM ***shall use an LR Transfer/Decapitalization Transaction to notify*** the GIM of the transfer and decapitalization quantities for the item being logistically reassigned. The GIM ***shall use an LR Transfer/Decapitalization Inquiry Transaction to inquire about*** LR transfer/decapitalization quantities when none was received.

C9.1.***3***.3. The LIM shall ***send an LR Storage Information Order Transaction to the storage activity to notify*** them to transfer ownership of wholesale stocks to the GIM and of the quantity which the LIM is retaining. ***Storage activities shall*** send ***an LR Storage Information Reply Transaction*** to the LIM to notify the LIM of the quantities ***the storage activity*** actually transferred to GIM ownership and those retained in LIM ownership.

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/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22.

C9.3. REQUIREMENTS

C9.3.1. General. The LIM, GIM, and storage activities shall accomplish the actions required by this manual to reassign asset to the GIM in a timely manner to ensure uninterrupted supply support. Resolution of problems affecting supply operation requires direct communication, coordination, and assistance.

C9.3.2. GIM. The GIM shall 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 shall transfer all on-hand wholesale balances, in place, except:

C9.3.2.1. 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 shall not be transferred to the GIM nor shall any ongoing procurement action in support of the ILP be terminated.

C9.3.2.2. Consumable assets in SCCs F, H, J, K, L, M, P, Q, R, S, and W. (See DoD 4140.26-M for complete criteria.)

C9.3.2.3. Nonconsumable assets in SCCs G, H, J, K, L, M, and P. SCCs H and P material shall never be decapitalized. (See AMC-R 700-99 et al., for complete criteria.)

C9.3.3. LIM. On an expedited basis the LIM shall decapitalize to the GIM wholesale assets, other than the SCCs shown above, generated during the first year following ETD. The LIM shall report assets generated after 1 year of ETD under Chapter 11, material returns program procedures. Except for decapitalization of procurement receipts, the GIM shall 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. The LIM procurement office shall provide the GIM with contractual status on contracts either retained by the LIM or assigned to the 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. For nonconsumable items, the LIM shall give the GIM listings of all purchase requests (procurement actions that have not reached the award stage) throughout the pre-ETD period. The GIM shall, within 15 calendar days following receipt of the purchase request listing from the LIM, annotate required changes, and return one copy to the LIM. For consumable items, the LIM shall send listings of all purchase requests to the GIM 45 calendar days prior to the ETD in the format established by DoD 4140.26-M.

C9.4.1.3. The LIM shall reclassify consumable assets, in SCCs Q and R, to the appropriate SCC before the LIM sends the GIM ***an updated LR Management Data Transaction***.

C9.4.1.4. For assets in SCC H, the LIM shall 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 calendar days prior to ETD, or upon notification if less than 150 calendar days, the LIM shall take the following actions:

C9.4.2.1. Advise the GIM of assets being held for litigation.

C9.4.2.2. Perform physical inventories under 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:

C9.4.2.2.1. For consumables, inventory stock on hand for wholesale assets designated as classified or sensitive.

C9.4.2.2.2. For nonconsumables, inventory on-hand wholesale assets.

C9.4.3. One hunderd and twenty calendar days prior to ETD, or upon notification if less than 120 calendar days, for consumable items being transferred, the LIM shall send the GIM ***an LR Management Data Transaction*** 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 calendar days prior to ETD the LIM shall process excess reports received for LR items for which DRMO action is appropriate, in accordance with Chapter 11 procedures.

C9.4.5. Forty-Five Calendar Days Prior to ETD

C9.4.5.1. By mutual agreement between the GIM and the LIM, the LIM shall initiate action to amend existing LR item contracts/purchase orders not reassigned to the GIM to provide for diversion of stock by quantities into distribution depots of the GIM. The GIM shall send addresses of the shipping destinations to the LIM, as appropriate. The LIM shall retain the due-in.

C9.4.5.2. For consumable items, the LIM shall send listings of all purchase requests in accordance with DoD 4140.26-M. The GIM will, within 15 calendar days following receipt of the purchase request listing from the LIM, annotate required changes and return one copy to the LIM.

C9.4.6. Thirty Calendar Days Prior to ETD. The LIM shall take the following actions:

C9.4.6.1. Mail the GIM a WMR data listing sorted by NSN and the DoD Component (and DoDAAC within the DoD Component when the requirements have been allocated), major to minor, showing the current computed data.

C.9.4.6.1.1. Include the quantity and value of the forecasted reparable return data, if applicable; quantity and value of Balance War Reserves (Other War Material ***Requirement*** (OWMR); ***Other War Reserve Material*** Requirement (OWRMR); OWRM***R***, Protectable (OWRMRP); Pre-Positioned War Reserve Material Requirerment (PWRMR); PWRMR, Protectable (PWRMRP)); dollar value subtotals for FSC, DoDAAC if allocated, and the DoD Component; and grand total dollar value.

C9.4.6.1.2. Additionally, send DS to Federal IC 830W, War Material Requirements, to the GIM to show original input from which the WMR computed data

was generated. The GIM shall process DS 830W to recompute the WMR data as described in Chapter 3.

C9.4.6.2. For consumable items, send the GIM an updated ***LR Management Data Transaction*** containing backorder and demand data, on-hand data, due-in data, and contract history data. Do not provide PQDR history data at this time. Send the GIM the latest status of assets being held for litigation action.

C9.5. ETD PERIOD ACTIONS. The LIM shall do the following at ETD:

C9.5.1. Send ***an LR Storage Information Order Transaction to the storage activities*** as a notification that wholesale stocks stored are now under GIM ownership.

C9.5.2. Process inventory adjustments to decrease the inventory control record using DS ***to Federal IC*** 947I.

C9.5.3. Prepare and send to the GIM ***LR Transfer/Decapitalization Transaction*** 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 shall send a ***LR Transfer/Decapitalization Transaction*** to the GIM for a zero quantity as either a transfer or a decapitalization, based on the following:

C9.5.3.1. 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).

C9.5.3.2. 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. Give memorandum due-in information to the GIM and advance receipt information (ARI) to the distribution depot in accordance with Chapter 12.

C9.5.5. Send the GIM ***storage activity a DS 527D ARI*** for each due-in from procurement on which the destination has changed to the GIM. In addition, send the LIM storage activity a reversal DS 527D ***ARI*** to delete the ARI.

C9.5.6. Do transfer of backorders to the GIM using referral/passing orders in accordance with requisitioning procedures. ***Backorders transferred between DoD Components will be funded.***

C9.5.**7**. For consumable items, send the ***LR Management Data Transaction*** containing PQDR history data. Send 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.***8***. Transfer funded backorders to the GIM in accordance with DoD 4140.26-M.

C9.5.***9***. For items with SPR, prepare and send DS to Federal IC 870L, Order Status Report (SPR/LASE Status) , to the forecasting activity as outlined in Chapter 2.

C9.5.***10***. For 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. ***Storage Activity*** Action. The ***storage activity*** shall prepare ***an LR Storage Information Reply Transaction*** within 5 working days of receipt of ***an LR Storage Information Order Transaction*** advising the LIM of the quantity transferred to GIM ownership. If the ***storage activity*** does not receive an ***LR Storage Information Order Transaction***, ***the storage activity*** shall prepare and send the LIM ***an LR Storage Information Reply Transaction*** showing each balance by SCC.

C9.6.2. GIM Actions

C9.6.2.1. Inventory Adjustment. Convert ***valid LR Transfer/Decapitalization Transactions*** received from the LIM to inventory adjustments using ***DS 947I, to establish*** or increase 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 ***Due-In***Transactions. Process valid ***DS 527D*** memorandum due-in transactions, received from the LIM in accordance with Chapter 12.

C9.6.2.3. Transaction Rejections. If in receipt of ***an LR Transfer/Decapitalization Transaction*** or ***DS 527D*** memorandum due-in for an item not involved in an LR, reject the incorrectly reported transactions back to the initiator using DS 824R, Reject Advice, citing Reject Advice Code AY.

C9.6.2.4. Reconsignment Instructions. When appropriate, give reconsignment instructions to the LIM for items due-in from undelivered contracts of the LIM. Report receipts from these contracts following the ETD in accordance with Chapter 13.

C9.6.2.5. ***LR Transfer/Decapitalization Reversals***. Accept and process reversals of ***LR Transfer/Decapitalization Transactions***, 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. LIM Actions

C9.6.3.1. Updating Due-Ins. The LIM shall update the memorandum due-in and ARI in accordance with Chapter 13, as necessary, to include the following actions:

C9.6.3.1.1. Changing the destination of undelivered purchases upon request of the GIM.

C9.6.3.1.2. Awarding an unawarded purchase request.

C9.6.3.2. Litigation Procedures. The LIM shall enter litigation proceedings on all items in SCC L which are either on hand at ETD or later received by either the GIM or LIM on LIM negotiated contracts. The LIM shall notify the GIM of actions being taken to resolve the litigation actions.

C9.6.3.3. ***Condition Change***. When an item previously transferred to the GIM is restored to an issuable condition, or when inspection of stock on hand reveals a change in condition of the material, the GIM shall be notified of the condition transfer using DS 947I.

C9.6.3.4. Preparation of Storage Information. The LIM's storage activity shall send ***a LR Storage Information Reply Transaction*** within 5 working days of the ETD advising the LIM of the quantity transferred to GIM ownership. If the LIM's storage activity does not receive ***a LR Storage Information Order Transaction***, the storage activity shall ***send the LIM a LR Storage Information Reply Transaction*** showing each balance by SCC.

C9.6.3.5. LIM Processing of ***a LR Storage Information Reply***. Upon receipt of the ***LR Storage Information Reply Transaction***, the LIM will review the quantity. When the transfer quantity in the ***reply*** is greater than the transfer quantity shown in the order, the LIM shall 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:

C9.6.3.5.1. Within 24 hours of receipt of the reply, initiate action to reverse ***the LR Transfer/Decapitalization Transaction***, previously submitted for that location and SCC, by the difference between the LR ***Storage Information Order*** and reply transfer quantities.

C9.6.3.5.2. Conduct research, and/or request a special inventory when deemed appropriate.

C9.6.3.5.3. Determine whether the quantity reported by the distribution depot is correct (based on the best data available after research/inventory). If research shows the quantity reported was not correct the LIM shall process a partial reversal, or ***LR Transfer/Decapitalization Transaction*** and ***a LR Storage Information Order***

Transaction, as needed, containing new document reference numbers with the revised quantity.

C9.6.3.5.3.1. Complete these actions within 30 calendar days after the ETD to prevent a long time lag between the ETD and corrective action. If extenuating circumstances prevent a LIM from accomplishing this task within 30 calendar days, notify the GIM of the problem and expected date when the problem should be resolved (not to exceed 60 calendar days past the ETD).

C9.6.3.5.3.2. If ***a LR Storage Information Reply Transaction*** contains a transferable quantity on an item the LIM provided a LR Transfer/Decapitalization Transaction with a zero balance, the LIM shall send a new ***LR Transfer/Decapitalization Transaction*** to the GIM showing the appropriate quantity, SCC, and location; in this situation, the LIM shall not prepare a ***LR Transfer/Decapitalization Transaction*** reversal.

C9.6.3.6. Ninety Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated ***LR Management Data Transaction*** containing contract history and PQDR history data. Give data for PQDRs completed between the ETD and the ETD plus 90 calendar days only. Do not give backorder and demand, on hand, or due-in data at this time.

C9.6.3.7. One Hundred and Eighty Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated ***LR Management Data Transaction*** with PQDR history data. Give data for PQDRs completed between the ETD plus 90 calendar days and the ETD plus 180 calendar days only. Do not give backorder and demand, on hand, due-in, or contract history data at this time.

C9.6.3.8. Two-Hundred and Seventy Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated ***LR Management Data Transaction*** containing contract history and PQDR history data. Give data for PQDRs completed between the ETD plus180 calendar days and the ETD plus 270 calendar days only. Do not give backorder and demand, on-hand, or due-in data at this time.

C9.7. RECEIPT PROCESSING AFTER ETD. ***Storage activities*** shall process receipts after the ETD in accordance with Chapter 13.

C9.7.1. Receipts from Procurement

C9.7.1.1. Upon receipt of assets from procurement by either the GIM or LIM storage activity, ***send a DS 527R receipt*** to the LIM.

C9.7.1.2. Procurement receipts received after 1 year past the ETD shall be processed by the LIM and GIM in the same manner that procurement ***receipts*** would be processed when received during the ETD to 1 year period.

C9.7.1.3. When the LIM receives a receipt transaction from the ***storage activity*** for an item that was logistically reassigned, the LIM shall:

C9.7.1.3.1. Process the receipt to reduce the due-in record, record the assets on the LIM owner record.

C9.7.1.3.2. Decrease the LIM owner record using DS 947I, ***Inventory Adjustment Transaction,*** in accordance with Chapter 7.

C9.7.1.3.3. Send DS 527R, ***Memorandum Receipt Transaction,*** to the GIM.

C9.7.1.3.4. Send ***a LR Transfer/Decapitalization Transaction***, in accordance with section C9.5, and include transaction number or contract number (and related data: Contract Line Item Number (CLIN), Exhibit Line Item Number (ELIN), and call or order number) from the associated receipt transaction to establish an audit trail between the receipt and its following transfer/decapitalization.

C9.7.1.3.5. Send ***a LR Storage Information Order Transaction*** to the distribution depot in accordance with section C9.5.

C9.7.1.3.6. Process receipts for which litigation is required in accordance with Chapter 13.

C9.7.1.4. If no ***DS 527D*** ARI is recorded, the storage activity shall report material received from procurement sources in accordance with Chapter 13.

C9.7.1.5. The GIM will:

C9.7.1.5.1. Use ***a LR Transfer/Decapitalization Transaction*** to record the assets on the GIM owner record and to reduce the memorandum due-in record in accordance with Chapter 13.

C9.7.1.5.2. If ***a LR Transfer/Decapitalization Transaction*** is received for an item not involved in an LR, the GIM shall reject the transaction back to the initiator using DS 824R citing Reject Advice Code AY.

C9.7.1.5.3. If assets from procurement are received for which there are no ARIs at the receiving storage activity, the receiving activity shall report the receipt to the appropriate IMM. If the GIM does not have a recorded due-in and the item was recently involved in an LR, the GIM should research/contact the LIM to determine proper reporting of the receipt to maintain accountablility accuracy. If the procurement receipt is incorrectly reported to the LIM (and the LIM did not initiate the procurement action), the LIM should reject the receipt back to the originator with a DS 824R citing Reject Advice Code AB.

C9.7.2. <u>Receipts From Other Than Procurement</u>

C9.7.2.1. The LIM's storage activity, upon receipt of assets from other than procurement, shall send DS527R ***receipt*** to the LIM.

C9.7.2.2. The LIM shall:

C9.7.2.2.1. Process the storage activity initiated receipt to reduce the due-in record and record assets on the ***LIM inventory record*** for the quantity received.

C9.7.2.2.2. ***Decrease*** the inventory control record ***using DS 947I***.

C9.7.2.2.3. ***Send DS 527R, Memorandum Receipt Transaction, to the GIM***.

C9.7.2.2.4. ***Send a LR Transfer/Decapitalization Transaction to the GIM.***

C9.7.2.3. ***The GIM shall process the*** D527R***, Memorandum Receipt Transaction,*** to reduce the memorandum due-in record and ***shall use*** the ***LR Transfer/Decapitalization Transaction*** to record assets on ***their inventory*** record for the quantity received.

C9.7.2.4. If no ARI is recorded, the storage activity will report material received from nonprocurement sources following Chapter 13.

C9.8. INQUIRY FOR LOGISTICS REASSIGNMENT ASSET DATA AND RESPONSE

C9.8.1. ***LR Transfer/Decapitalization Inquiry***. The GIM shall send an inquiry to the LIM, using ***a LR Transfer/Decapitalization Inquiry Transaction***, for all assets logistically reassigned for which they received no ***LR Transfer/Decapitalization Transaction***.

C9.8.2. LIM Response. The LIM shall send the necessary ***LR Transfer/Decapitalization Transaction*** or a duplicate thereof.

C9.9. DUE-IN VALIDATION. See Chapter 12, for due-in inquiry and reconciliation procedures.

C10. CHAPTER 10

MATERIAL RECEIPT ACKNOWLEDGEMENT

C10.1. GENERAL

C10.1.1. Purpose. This chapter 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 issued from on-hand assets or procured for DVD. These procedures provide for the control of due-in records below the wholesale level and 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 intransit assets and document receipt in the payment files.

C10.1.2. Transactions. This chapter addresses the procedures applicable to the following ASC X12 transaction functions identified by their beginning segment (1/BR02/020) transaction type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment.

C10.1.2.1. Materiel Receipt Acknowledgement (MRA) Transaction is DS to the Federal IC 527R, identified by beginning segment Transaction Type Code TH – Receipt Acknowledgement Advice. This transaction provides MILSTRAP DI Code DRA functionality.

C10.1.2.2. MRA Inquiry Transaction is DS to the Federal IC 527R, identified by beginning segment Transaction Type Code TG – Receipt Acknowledgement Inquiry. This transaction provides MILSTRAP DI Code DRF functionality.

C10.1.3. Applicability

C10.1.3.1. 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:

C10.1.3.1.1. All DoD IMMs and the DRMS (for the purposes of MRA, the DRMS is the DoD manager for shipments from reutilization and marketing).

C10.1.3.1.2. Recipients of DoD and GSA wholesale stocks and DRMS stocks--including DoD intermediate/retail level and end-use activities;

contractors that receive GFM, as defined under DoD 4140.1-R; DoD ICPs that requisition material from GSA, DRMS, or other DoD ICPs; and DoD maintenance facilities that receive items for maintenance when the maintenance activity accountable officer assumes property accountability for the inducted items--hereafter called reporting activities.

C10.1.3.2. GSA shall not use the MRA to monitor material receipt but shall use the data to interface with the discrepancy reporting process. Therefore, GSA shall not follow-up to reporting activities to request an MRA.

C10.1.3.3. The DoD Components may prescribe additional internal follow-up requirements to those identified in this chapter.

C10.1.4. Exclusions. The following are excluded from MRA procedures:

C10.1.4.1. Commodities excluded from requisitioning, except that receipt of requisitioned forms and publications shall be acknowledged.

C10.1.4.2. Shipments to SA customers except when the shipment concerns an unconfirmed MRO.

C10.1.4.3. Inter-Component lateral redistributions of retail stock not directed by the IMM.

C10.1.4.4. Shipments to state, civil, or federal agency activities.

C10.1.4.5. Receipts into DoD wholesale stock controlled under Chapter 13, including relocations/shipments to contractors, commercial or industrial activities which are receipt reported to the owner. However, when IMMs requisition material from another IMM or DRMS, and the receipt is reported under Chapter 13, the requisitioning IMM shall acknowledge the receipt.

C10.1.4.6. Shipments to defense reutilization and marketing that are covered under the procedures for in-transit control of shipments to DRMOs.

C10.1.4.7. Shipments of fresh fruit and vegetables.

C10.1.4.8. Shipments to Army/Air Force Exchange Service (DoDAACs HX1_, HX2_, HX3_ , and HX4 _).

C10.2. RESPONSIBILITIES

C10.2.1. Reporting Activity. Reporting activities excluding ILCOs shall:

C10.2.1.1. Establish supply due-in records for all requisitions (pulled or pushed) being supplied from wholesale stock. It is not required to establish a due-in record when shipment status is received after the material has been received.

C10.2.1.2. Update (or establish, when no previous record of the due-in/material receipt exists) due-in records and estimated delivery dates, based on supply and shipment status received. Establish due-in record estimated delivery dates which equal MRA prescribed timeframes (i.e., the shipment status release day plus 30 or 90 calendar days for shipments to continental United States (CONUS) or overseas activities, respectively).

C10.2.1.3. Post receipts from wholesale stock to a stock record/property, or equivalent, account and acknowledge material receipt under these procedures.

C10.2.1.4. Post receipts to the appropriate account. Whenever material is taken into U.S. Government custody at final destination, whether it has been accepted or not, ensure 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.

C10.2.1.5. Monitor due-in records and report nonreceipt under these procedures when material is not received within the prescribed timeframes. DLMS requires that 100 percent shipment status be sent to all reporting activities so they can meet this requirement.

C10.2.1.6. Coordinate with the financial operation/function before clearing a due-in record by any action other than material receipt. Maintain an auditable record of all due-in records so cleared.

C10.2.1.7. Establish an interface with financial accounting operations/processes to maintain proper financial accounting control for in-transit assets, as prescribed by DoD 7000.14-R.

C10.2.2. 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 an MRA Advice Transaction within prescribed timeframes.

C10.2.3. IMM. IMMs shall:

C10.2.3.1. Have a closed-loop system to monitor material receipt on all shipments of wholesale stock to DoD activities.

C10.2.3.2. 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.

C10.2.3.3. 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.

C10.2.3.4. Establish an interface between the supply and disbursing functions/operations to provide receipt acknowledgment data for all DVDs for documentation of payment files.

C10.2.3.5. Consider MRA data in the supply discrepancy report (SDR) validation process.

C10.2.4. DoD Component. The DoD Components:

C10.2.4.1. Shall establish the internal interface among the logistics, financial, and contracting operations/systems necessary to accomplish MRA requirements.

C10.2.4.2. 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.

C10.2.4.3. 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.

C10.2.4.4. May record MRA data in requisition history and use to close unconfirmed MROs.

C10.2.5. MRA Submission

C10.2.5.1. Reporting Timeframes. Reporting activities shall meet the time limits identified in this chapter. These requirements and timeframes are independent from prescribed shipment tracing and discrepancy reporting requirements and timeframes to which the receiving facility must also adhere. MRA reporting timeframes are summarized below:

Table C10.T1. MRA Submission Timeframes

ACTION	TIME LIMIT
U.S. Forces send MRA	* 5 calender days from date material received and: **30 calendar days from the DS 856S date shipped Field entry (CONUS destination) for nonreceipt. or 90 calendar days from the DS 856S date shipped Field entry (Overseas destination) for nonreceipt.

ACTION	TIME LIMIT
ILCOs Send MRA	*120 calendar days from the DS 856S date shipped field entry for security assistance shipments.
Send MRA in Reply to Follow-Up	*15 calendar days from transaction preparation date in the MRA Inquiry.
* Take the action before the time limit is reached. ** Take the action when the time limit is reached.	

C10.2.5.2. Submission of MRA Advice Transaction. Reporting activities shall submit an MRA 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.

C10.2.5.3. U.S. Forces Reporting. U.S. Forces reporting activities shall send an MRA:

C10.2.5.3.1. Within 5 calendar days from date material is received.

C10.2.5.3.2. For nonreceipt of material with a CONUS destination, within 30 calendar days from date shipped cited in DS to Federal IC 856S, Shipment Status.

C10.2.5.3.3. For nonreceipt of material with an overseas destination, within 90 calendar days from date shipped cited in DS 856S.

C10.2.5.4. SA Shipments. ILCOs in receipt of DS 856S pseudo shipment status shall screen history records for valid shipment status. If valid shipment status is not available, ILCOs may coordinate with freight forwarders/customers to determine shipment status/receipt data. Submit an MRA to show shipment status or receipt data within 120 calendar days from the pseudo shipment status release date.

C10.2.5.5. DAAS MRA Processing. DAAS shall pass the MRA to the designated IMM the reporting activity indicates in the transaction, and provide images to other designated activities based upon the DoD Component rules. Reporting activities shall direct the MRA to one of the following (listed in order of preference):

C10.2.5.5.1. The organization that directed the material shipment as shown on DS 856S.

C10.2.5.5.2. The last known source of supply to that authorized follow-up action shall be directed as shown on DS to Federal IC 870S, Supply Status.

C10.2.5.5.3. The source of supply to which the DS to Federal IC 511R, Requisition, was submitted.

C10.2.5.6. MRA for Tailored Vendor Relationship (TVR). DLA, in conjunction with the DoD Components and vendors, has implemented TVR. TVR is a business process where there is a direct relationship between the customer and the vendor. Under TVR, customers place orders directly with the Prime Vendor, outside the routine supply requisitioning process/systems, using various communication channels such as EDI, phone, fax, email, or via the prime vendor's ordering system. DLA EBS receives copies of transactions in order to maintain line item accountability. MRA of TVR shipments require use of the contract number, call, and line item numbers to uniquely identify lines. This data is necessary because TVR orders can have multiple lines for the same document number and suffix code. DLA receives MRAs for TVR from, DMLSS, TEWLS, EMALL, or customer systems.

C10.2.6. 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 an MRA, for the shipment segments as they are received. The split or partial shipment codes are part of the Transportation Control Number (TCN) structure in accordance with DoD 4500.9-R. Accordingly, reporting activities shall include the TCN in the MRA transaction when it is available. 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 the MRA transaction.

C10.2.7. Acknowledgement of a Discrepant/Deficient Shipment. To acknowledge receipt of a discrepant/deficient shipment, submit an MRA, except as noted below, 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 non-discrepant 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.

C10.2.7.1. If the transaction number of a receipt cannot be identified, post the receipt using a local transaction number. Do not submit an MRA.

C10.2.7.2. If stock number/part number cannot be identified, do not include the stock/part number in the MRA and enter Discrepancy Indicator Code A.

C10.2.7.3. For total or partial nonreceipt, enter the quantity not received and Discrepancy Indicator Code F.

C10.2.7.4. Except for shortage and partial or total nonreceipt, addressed above, enter Discrepancy Indicator Code X in the MRA if the discrepancy does not meet discrepancy reporting criteria.

C10.2.7.5. When posting a receipt using more than one transaction because the discrepancy results from the receipt of multiple stock numbers, send an MRA for each transaction posted. If needed, also send a MRA for any quantity not received.

C10.2.8. Correcting or Canceling a MRA

C10.2.8.1. Identification of Erroneous Information. Activities that acknowledge a material receipt in error shall not correct the MRA. However, to ensure validation of any SDR for the shipment, the reporting activity must identify the erroneous MRA information in the SDR remarks (SF364) or in the NTE segment of DS to Federal IC 842A/W, SDR Follow-up, Correction, Cancellation, & Reconsideration Request.

C10.2.8.2. Error Documentation. When the IMM receives an MRA that does not match a shipment record, or contains errors, the IMM shall document the error in the management evaluation report or quality control data, as applicable.

C10.2.9. Quality Controls

C10.2.9.1. Evaluation of Internal MRA Processing. To comply with the requirements of Chapter 6, IMMs 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.

C10.2.9.2. Designation of Responsible Organization. Command IMMs 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.

C10.2.9.3. Organizational Interface. Command IMMs 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.

C10.2.10. Management Evaluation

C10.2.10.1. The DoD Components shall:

C10.2.10.1.1. Establish a management evaluation program which monitors and evaluates MRA submission to ensure compliance with MRA requirements.

C10.2.10.1.2. Execute timely processing and perform response rate analyses to identify non-responsive activities and initiate corrective actions.

C10.2.10.2. The evaluation program shall provide for:

C10.2.10.2.1. Review of the MRA Management Information Report. DAASC shall prepare the report and provide access by electronic means. The report content is determined by the Supply PRC. Each Component Supply focal point is responsible for analysis of the report to identify potential deficiencies in their respective Component MRA operations or procedures contributing to breakdowns in internal controls for intransit wholesale stock. The DoD Component Supply focal points are responsible for initiating corrective action with delinquent and non-reporting activities. Report Control Symbol DD-AT&L(AR)1113 applies to the MRA Management Information Report.

C10.2.10.2.2. **As a minimum, a MRA Management Information Report includes:**

C10.2.10.2.2.1. Documentation of non-responses for a reporting period to include: the number of qualifying shipments made to an activity (by "ship-to" DoDAAC); the number of MRA responses received from that activity; the number of non-responses.

C10.2.10.2.2.2. Breakdown of non-responses by DVD and stocked shipment to include the number, percentage, and dollar value of each category.

C10.2.10.2.2.3. Report of MRAs having a discrepancy indicator; report by shipping activity to indicate total shipments that qualified for an MRA during the report period; total MRAs received with a discrepancy indicator and a subset to identify them by “ship to” activity.

C10.2.10.2.3. An MRA report that shall provide a capability to access information by specific categories of DoDAACs such as subsistence, ammunition, contractor, and Army Total Package Fielding. Additionally, it will provide the capability to request highlight listings showing DoDAACs with a high number of non-responses (for example, all DoDAACs with over 500 non-responses) to assist in identifying organizations not complying with MRA procedures.

C10.2.10.3. IMMs shall keep accessible records of shipments and MRA transactions to support the reporting requirements.

C10.3. INQUIRY FOR DELINQUENT MATERIAL RECEIPT ACKNOWLEDGEMENT

C10.3.1. Timeframe for MRA Inquiry. When material shipment is confirmed or when the requisition involves an unconfirmed MRO, the IMM shall monitor for receipt of MRA(s). For U.S. Forces' shipments to CONUS activities, IMMs must receive MRA for the total quantity shipped within 45 calendar days from the date shipped cited in the DS to Federal IC 945A, Material Release Advice, or DS 856S. For U.S. Forces shipments to overseas activities, IMMs 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 IMM shall send a MRA Inquiry Transaction for the delinquent MRA to:

C10.3.1.1. The organization that the material was shipped to, for U.S. Forces.

C10.3.1.2. The applicable ILCO, for SA requisitions.

C10.3.2. Delinquent MRA Inquiry Response

C10.3.2.1. To respond to an inquiry on a delinquent MRA, the reporting activity shall prepare a MRA following paragraph C10.2.5., above. Send the MRA to the originator of the inquiry within 15 calendar days from the transaction preparation date cited in the inquiry.

C10.3.2.2. If a reply is not received within 30 calendar days from the MRA inquiry preparation date, the IMM shall include the delinquency information in the MRA Management Information Report. Also, if the requisition involves an unconfirmed MRO, then the IMM shall resolve the record as described in the procedures in Chapter 4 for force-closed material release confirmations.

C11. CHAPTER 11.

MATERIAL RETURNS AND REDISTRIBUTION OF ASSETS

C11.1. GENERAL

C11.1.1. Purpose. This chapter provides procedures for the interchange of information between the owning organization and the IMM on the reporting and distribution of assets. In addition, this chapter provides procedures for ICP/IMM directed lateral redistribution of retail assets identified by an inter- or intra-Component retail asset visibility system. 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. Policy regarding the reporting of assets, the transfer of assets, the lateral redistribution of assets, and the use of assets as an alternative to procurement (also known as the procurement offset portion of total asset visibility (TAV)), is contained in DoD 4140.1-R.

C11.1.3. Customer Asset Reports. Customer Asset Reports (DS to Federal IC 180M, Material Returns Reporting, (Customer Asset Report)) and follow-on documentation sent by DDN must always be routed through DAAS.

C11.1.4. Material Return Credit. Credit for material returns is granted on the basis of receipt and classification by the consignee. Policy for granting credit is covered under DoD 4140.1-R. Procedures for the timeframes and transactions for providing credit for material returns, lateral redistributions, and material provided for the procurement offset portion of TAV are contained in DLMS, Volume 5. Volume 5 covers credit procedures for packing, crating, and handling (PC&H) and transportation formats for DS to Federal IC 812R, Adjustment Request (Follow-up for Material Returns Program (MRP) Credit), and DS to Federal IC 812L, Adjustment Request Reply (Reply to Follow-up for MRP Credit).

C11.1.5. Responsibility for Costs Incurred for Returned Material. 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 DLAI 4140.55/AR 735-11-2/SECNAVINST 4355.18A/AFJMAN 23-215 and Chapter 17. This includes returns made in violation of prescribed material returns procedures, returns showing packaging discrepancies, and returns of reparable items unaccompanied by required technical data. Recoupment action by the ICP against the initiator may include all cost reimbursable actions performed by the receiving activity such as repackaging, marking, and disposal.

C11.2. APPLICABILITY AND SCOPE. The provisions of this chapter are applicable to all activities offering or returning material to the DoD Component ICP/ IMM, or the GSA. These provisions also apply to activities receiving and processing lateral redistribution orders of retail assets. Policy regarding utilization and redistribution of Military Assistance Program (MAP) material is contained in DoD 5105.38-M, Chapter 11, section II. These procedures also apply to the processing of non-consumable items.

C11.3. EXCLUSIONS. The following categories are excluded from these procedures:

C11.3.1. Customer asset reports identified by part numbers exceeding record position 8-22 of the stock or part number field are excluded from the DAAS' processing of DS 180M, for customer asset report, transactions. Other customer asset reports for items not identified by an NSN are excluded from these procedures on an inter-DoD Component basis.

C11.3.2. Perishable subsistence items, with the exception of perishable subsistence returns (other than fresh fruit and vegetables (FF&V)) from Navy mobile logistics, support fleet ships in the Pacific area.

C11.3.3. Industrial plant equipment (IPE) identified only by a plant equipment code/manufacturer's part number. These items must be reported to (identify organization) DSCR on DD Form 1342, DoD Property Record.

C11.3.4. Class V (W) ground (surface) ammunition.

C11.3.5. Lumber products (with the exception of lumber product items stocked by GSA).

C11.3.6. Items under Defense Threat Reduction Agency (DTRA) 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 Federal Logistics Information System (FLIS) master item file) and all DoD items designed specifically for use on or with special weapons (identified by CAGE 57991, 67991, or 77991 in the FLIS master item file). (These items shall be processed under DOE-DNA TP 100-1, et al.)

C11.3.7. Automatic data processing equipment under DoD 4160.21-M.

C11.4. REPORTING CRITERIA FOR CUSTOMER ASSET REPORTS.

C11.4.1. Determination of Reporting Requirements. Reporting of assets shall be determined by the existing retention and reporting policy under DoD 4140.1-R. This includes the reporting policy for the procurement offset portion of TAV as described in DoD 4140.1-R. In response to the Asset Status/Transaction Reporting Request (DS to Federal IC 846I, Asset Status Inquiry/Report), submit Customer Asset Reports (DS

180M, Material Returns Reporting (Report of Available Assets to ICP/IMM)/Customer Asset Report) using appropriate project codes in accordance with paragraph C11.5.4.

C11.4.2. Reporting Activity Actions. The reporting activity shall forward customer asset reports to the ICP/IMM. Direct all GSA customer asset reports to Routing Identifier (RI) Code GG0. Forward all part-numbered Customer Asset Reports (DS 180M) directly to DAAS for possible conversion to an NSN using information in the FLIS files. Customer Asset Reports (DS 180M) transmitted by electronic means must always be routed through DAAS.

C11.5. PREPARATION OF CUSTOMER ASSET REPORTS

C11.5.1. Customer Asset Reports. Use DS to Federal IC 180M to offer or report material no longer needed.

C11.5.2. Reports of Serviceable Items. Reports of serviceable NIMSC 5 items from Secondary Inventory Control Activity (SICA) reporting activities to the appropriate DoD Component SICA shall be submitted under the DoD Component implementing instructions. Quantities, which are not required by the SICA, shall be forwarded to the Primary Inventory Control Activity (PICA) using DS 180M. If appropriate, the SICA shall provide DS 870M, Material Returns Supply Status (ICP/IMM Status to Customer) delay status to the material holder for the quantity referred to the PICA under section C11.14. The expected reply date of the DS 870M, if used, shall be 35 calendar days after the date the report was forwarded to the PICA. The PICA shall provide disposition instructions to the SICA. The SICA, in turn, shall provide disposition instructions to the reporting activity under the DoD Component implementing instructions.

C11.5.3. NIMSC 5 Stocks Exceeding Retention Limit. When the SICA has NIMSC 5 serviceable stocks which exceed the retention limit, the SICA shall prepare DS 180M, Material Returns Reporting, to report available assets to ICP/IMM using the guidelines above, but with the SICA's own document number.

C11.5.4. Use of Project Codes. The DoD Components must use one of the following project codes for the procurement offset portion of TAV of their Customer Asset Report (DS 180M):

C11.5.4.1. RBB for consumables,

C11.5.4.2. 3AG for reparables, or

C11.5.4.3. 3AU for DRMO assets.

C11.6. CANCELLATION OF CUSTOMER ASSET REPORTS

C11.6.1. Use of DS 180M. Use DS 180M to prepare cancellation of asset reports, in total or partial quantities, and submit to the ICP/IMM under the following conditions:

C11.6.1.1. When a determination is made that material is not available in the quantity reported on the asset report.

C11.6.1.2. Upon determination that material directed for return shall 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 ICP/IMM records or expected returns reflect proper quantities.

C11.7. PROCESSING REPLIES TO CUSTOMER ASSET REPORTS

C11.7.1. Reporting Activity Processing. DS 870M is used by the ICP/IMM to respond to all customer asset reports ***and can be used (intra-Army only) to notify customers of the amount of credit granted and/or reversed for material received***. The reporting activity shall process the DS 870M, reply using the appropriate status code and take the following actions:

C11.7.1.1. Use section C11.6 to submit a cancellation, DS 180M, when it is determined that the material directed for return will not be returned.

C11.7.1.2. Use DS to 856R, Shipment Status Material Returns, to prepare a shipment status and promptly submit to the IMM/ICP after material directed for return is released to the carrier. Prepare a separate DS 856R for each shipment. Exercise care to ensure that appropriate data content, including suffix of the individual DS 870M document, is perpetuated in the DS 856R.

C11.7.2. Response to Transaction Receipt. When DS 870M is transmitted to the SICA, the SICA shall forward disposition instructions to the material holder under the DoD Component implementing instructions. The material holder must provide advice to the SICA regarding shipment or cancellation as appropriate, under the DoD Component implementing instructions, and the SICA must provide DS 856R, or DS 180M, to the PICA. If the SICA receives DS 870M from the PICA and has no record of shipment, the SICA shall follow-up to the material holder and submit an interim DS 870M to the PICA containing a future estimated shipping date (ESD) to preserve PICA's due-in record pending a firm reply to the DS 870M.

C11.7.3. Replies to DS 180M. DS 870M and, replies to Customer Asset Reports (DS 180M) containing Project Code RBB, 3AG, or 3AU denoting the procurement offset portion of TAV and Status Code TC, require reevaluation prior to disposal since these assets may not be above an activity's retention limit. Assets required and offered using either Project Code RBB or 3AG shall always be directed for return with credit; however, assets required and offered using Project Code 3AU shall only be directed for return without credit.

C11.8. FOLLOW-UPS ON REPORTED ASSETS

C11.8.1. Reporting Activity Follow-Ups. Reporting activity follow-ups consist of three types:

C11.8.1.1. Follow-Up for ICP/IMM Reply to Asset Report (DS 180M). This type follow-up shall be used to obtain intelligence regarding status of the original asset report (DS 180M (Report of Available Assets to ICP/IMM)). DS 180M follow-up to ICP/IMM, must be submitted no earlier than 30 calendar days from date of submission of DS 180M (Report of Available Assets to ICP/IMM), and shall contain the same data as shown in the DS 180M (Report of Available Assets to ICP/IMM). If DS 870M (ICP/IMM Status to Customer), has been received, DS 180M shall be submitted at the expiration of the expected reply date and DS 870M, (From ICP/IMM), has not been received.

C11.8.1.2. Follow-up for ICP/IMM Materiel Receipt Status (DS 180M). This type follow-up shall be used when material to be returned has been shipped as directed by a reply to asset report (From ICP/IMM)(DS 870M) but an ICP/IMM Materiel Receipt Status (DS 870M) has not been received. DS 180M, follow-up for ICP/IMM Materiel Receipt Status), shall be submitted no earlier than 70 calendar days (CONUS) or 130 calendar days (OCONUS) after shipment. The data for the DS 180M, follow-up shall be the same as shown in the DS 856R (Customer Status to ICP/IMM).

C11.8.1.3. Follow-Up for Credit (DS 812R, Adjustment Request) Follow-Up for Materiel Returns Program Credit. This type follow-up shall be used when material to be returned has been shipped and credit allowance was indicated by ICP/IMM Materiel Receipt Status (DS 870M) but no credit billing has been received. This follow-up shall be prepared in accordance with DLMS Volume 5, Chapter 4.

C11.8.1.4. Follow-Ups to ICP/IMM. Follow-ups must be submitted to the ICP/IMM to whom the original asset report (DS 180M was submitted, except when information has been received in DS 870M (DAAS Customer Asset Report Information Status)), status document that DAAS has rerouted the asset report to the correct ICP/IMM. In this case, the follow-up must be submitted to the activity identified in the DS 870M status document received from DAAS.

C11.8.1.5. ICP/IMM Follow-Ups on Directed Returns (DS 870M). Upon receipt of DS 870M, ICP/IMM Follow-Up, from the ICP/IMM, the reporting activity shall review records to determine whether or not a DS 870M, Reply to Customer Excess Report, had been received. If there is no record of having received DS 870M, the follow-up ICP/IMM must be converted to DS 870M, Reply to Customer Excess Report, and processed. If shipment has not occurred, DS 870M, Material Returns Program Supply Status, citing the ESD shall be submitted. If records indicate that shipment has occurred, the transportation activity shall be queried to ensure the material has actually been shipped. If the material has been shipped, a new DS 856R, (Customer Status to ICP/IMM) shall be created. If material has not been shipped, determine when the shipment will be made and follow the above procedures. When less than the total quantity contained in the original DS 870M is to be shipped, the reporting activity shall respond to the DS 870M, ICP/IMM Follow-Up, with DS 870M, Materiel Returns Supply Status, for the quantity to be shipped and DS 180M for the quantity that will not be shipped. If any of the shipment has already occurred, the reporting activity shall respond to DS 870M (ICP/IMM Follow-up), with DS 856R (Customer Status to ICP/IMM) for the quantity that has been shipped and with DS 870M and/or DS 180M for the remaining portions of the originally reported quantity, as appropriate.

C11.9. AUTOMATIC RETURNS

C11.9.1. Items Designated by a Supply Source for Automatic Return. DS 180M is used for items by a supply source for automatic return. Supply sources must notify reporting activities of the location to which items so designated are to be shipped

C11.9.2. NIMSC Items Designated for Automatic Return. All NIMSC 5 unserviceable (SCC E or F) items are designated for automatic return on an inter-DoD Component basis. PICAs shall notify SICAs of the NSN and the storage organization to which such items are to be shipped. PICAs shall also notify the receiving storage activity of the NSN of such items to be returned. The SICAs shall perpetuate this information to the SICA activities using the intra-DoD Component procedures. If there is no DoD Component SICA for the items identified for automatic return by a PICA (for example, the Coast Guard), the PICA must provide the information to the appropriate DoD Component designated activity.

C11.9.3. Automatic Return of Unserviceable Items. When an unserviceable NIMSC 5 item is automatically returned or a replacement item will be requisitioned, DS 180M, and later documentation shall include Project Code 3AL. If a replacement for the unserviceable NIMSC 5 automatic return item will not be requisitioned (for example, the returned item exceeds the returning activity's authorization or requirement), DS 180M and related documentation must not contain Project Code 3AL. DS 180M to the PICA will contain the data elements specified for DS 180M (Report of Available Assets to ICP/IMM). After generation of DS 180M, processing shall occur as though there has been a DS 180M (Report of Available Assets to ICP/IMM) report and a DS 870M (From

ICP/IMM), reply, along with other provisions of this chapter, excluding DS 180M (For Reply to Asset Report) and DS 870M (ICP/IMM Status to Customer).

C11.9.4. Restrictions. No other inter-DoD Component use of the DS 180M is currently authorized.

C11.9.5. Repair Under DMISA. DS 180M will also be prepared by the shipping activity and forwarded to a SICA for items identified and scheduled for repair under a Depot Maintenance Inter-Service Support Agreement (DMISA). The DoD Components may use DS 180M internally for intra-DoD Component programs that do not conflict with other provisions of this manual.

C11.9.6 ICP/IMM Processing of Automatic Return Notification. Upon receipt of DS 180M, the SICA will take action to establish a due-in and generate an ARI transaction to the receiving activity for the quantity in the DS 180M. Action to establish the due-in and create the ARI transaction will be done under Chapter 12 procedures. Note: For unserviceable NIMSC 5 items, the SICA will sends 180M, with data elements specified in this chapter, paragraph C11.9.3, to the PICA. The PICA will establish the due-in and send the ARI transaction to the receiving depot.

C11.10. DEFENSE AUTOMATIC ADDRESSING SYSTEM. DAAS shall do the following:

C11.10.1. Pass by DoDAAC. DS 870M, Materiel Returns Supply Status; DS 856R, (Customer Status to CIP/IMM); DS 812R, Adjustment Request (Follow-Up for Material Returns Program Credit); and DS 180M, (Follow-Up for ICP/IMM Material Receipt Status), shall be passed to the activity represented by the DoDAAC.

C11.10.2. Perform NSN/NIIN Validation. DAAS will perform NSN/NIIN validation and SOS edits as follows:

C11.10.2.1. Correct NSN and Managed by ICP/IMM. If the NSN is correct and managed by the ICP/IMM identified by the DoDAAC, Advice Code 3T shall be entered in the advice segment and the document shall be transmitted to that ICP/IMM.

C11.10.2.2. Correct NSN but Not Managed by ICP/IMM. If the NSN is correct, but is not managed by the ICP/IMM identified in the DoDAAC, the correct ICP/IMM DoDAAC shall be entered, along with Advice Code 3T, and the transaction transmitted to the correct ICP/IMM. DAAS shall send the reporting activity DS 870M, Material Returns Supply Status with Status Code TZ.

C11.10.2.3. Incorrect FSC. If the FSC/NIIN/NSN validation indicates that the FSC is incorrect, the FSC shall be changed and the RI of the ICP/IMM shall be changed where applicable. Advice Code 3T must be entered and the transaction transmitted to the managing ICP/IMM. DAAS shall send the reporting activity a DS 870M, Material Returns Supply Status, with Status Code TZ.

C11.10.3. Routing Cannot be Accomplished. If routing to an ICP/IMM cannot be done by DAAS, the document shall be passed to the activity identified by the DoDAAC.

C11.10.4. Validation by Signal Code. DAAS shall validate DS 180M, Material Returns Reporting (Automatic Return Notification From Customer to Supply Source), (Customer Asset Report (Report of Available Assets to ICP/IMM)), and (Customer Follow-Up to ICP/IMM (For Reply to Asset Report)), transactions for valid ship-from and credit-to addresses as designated by the signal code. If DAAS cannot identify the ship-from or credit-to address, the transactions shall be rejected to the originating activity using DS 870M, Material Return Supply Status, with Status Code SK.

C11.10.5. Editing Part-Numbered Asset Reports. DLA shall not accept DS 180M, Material Returns Reporting, part-numbered asset reports. DAAS must reject all such reports with Status Code T9. DAAS shall pass all part-numbered asset reports to the DoDAAC present in the incoming transaction. The DoD Components may reject (Status Code T9) part-numbered assets not acceptable or recognized under internal procedures. Non-mechanical part-numbered transactions shall not be processed by DAAS, but shall be rejected for processing under intra-DoD Component procedures.

C11.10.6. Edit Rejects Containing Status Code SC. DAAS shall edit DS 870M, Material Returns Supply Status (From ICP/(MM)), rejects containing Status Code SC or SD for correct ICP/IMM and FSC as follows:

C11.10.6.1. Correct NSN and ICP/IMM. If the NSN is correct and belongs to the ICP/IMM, DS 870M, Material Returns Supply Status (From ICP/IMM), shall be converted to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), with Advice Code 3T and sent to the ICP/IMM.

C11.10.6.2. Correct NSN But Wrong ICP/IMM. If the NSN is correct but not managed by the ICP/IMM, the DS 870M, Material Returns Supply Status (From ICP/IMM), shall be converted to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), with Advice Code 3T and sent to the correct ICP/IMM. DAAS will send the reporting activity a DS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

C11.10.6.3. Incorrect FSC. If the FSC is incorrect, DS 870M, Material Returns Supply Status (From ICP/IMM), must be converted to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), with the correct FSC, with Advice Code 3T, and the document returned to the rejecting ICP/IMM or transmitted to the correct ICP/IMM. DAAS will send the reporting activity a DS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

C11.10.6.4. Inactivated DLA/GSA/Navy Item in DAAS. If a DLA/GSA/Navy IMM has coded the item inactivated in DAAS records and a DLA, GSA, or Navy activity originated the reject document, DAAS must change the status code to TC and

forwarded the DS 870M, Material Returns Supply Status from ICP/IMM to the reporting activity.

C11.10.7. Edit Rejects from GSA. DAAS shall edit DS 870M, Material Returns Supply Status (From ICP/IMM), rejects from GSA with Status Code SC as follows:

C11.10.7.1. Correct NSN Managed by GSA. If the NSN is correct and it is managed by GSA, DAAS must change the status code to TC and forward the DS 870M, Material Returns Supply Status from ICP/IMM to the reporting activity.

C11.10.7.2. Correct NSN Not Managed by GSA. If the NSN is correct but not managed by GSA, DAAS shall convert the DS 870M, Material Returns Supply Status from ICP/IMM to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), enter Advice Code 3T and transmit to the appropriate ICP/IMM. In addition, DAAS shall send the reporting activity with DS 870M with Status Code TZ.

C11.10.7.3. Valid NIIN/FSC. If the NIIN is valid and the FSC is incorrect, DAAS shall convert the DS 870M, Material Returns Supply Status (from ICP/IMM), to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), with the correct FSC; enter Advice Code 3T and transmit the DS 180M back to GSA or to the managing ICP/IMM. DAAS will send the reporting activity DS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

C11.10.7.4. NSN Cannot be Identified. If the NSN cannot be identified, DAAS shall change the status code to SD and transmit DS 870M, Reply to Customer Asset Report (From ICP/IMM), to the reporting activity.

C11.10.8. Automatically Route Transactions to GSA. DAAS shall automatically route all DS 180M, Customer Asset Report (Report of Available Assets to ICP/IMM) for GSA managed items to RI GG0.

C11.11. INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OF CUSTOMER ASSET REPORTS

C11.11.1. Disposition Determination. ICP/IMM must process asset reports to determine disposition. Asset reports containing project codes assigned for specific returns program purposes (such as rollbacks and automatic returns) shall be processed under the assigned controls. Assets required and offered using either Project Code RBB or 3AG must always be directed for return with credit; however, assets required and offered using Project Code 3AU shall only be directed for return without credit.

C11.11.1.1. Response Timeframe. DS 870M, Material Returns Supply Status (From ICP/IMM) shall be prepared to respond to asset reports no later than 30 calendar days from date of receipt of the DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM) transaction.

C11.11.1.2. Response After 30 Calendar Days. If a DS 870M, Material Returns Supply Status (From ICP/IMM), cannot be provided within 30 calendar days, send DS 870M, Status to Customer, with Status Code TR and enter an expected reply date when final disposition instructions are expected to be provided.

C11.11.1.3. Suffix Codes. Suffixes must be used to identify partial actions.

C11.11.2. Material Required. If it is determined that the material is required, forward DS 870M, Material Returns Supply Status (From ICP/IMM) citing Status Code TA, TB, TH, or TJ to the reporting activity. The ICP/IMM shall establish a due-in for the quantity of material to be returned and generate DS 527D, Advanced Receipt, transaction to the receiving depot.

C11.11.2.1. Shipment Time Allowed. Time allowed for shipment and return of material is day of posting of DS 856R, or the estimated shipping date cited in DS 870M. The due-in EDD will be updated upon receipt of a DS 856R or DS 870M to equal the time allowed for shipment and return of material..

C11.11.2.2. Material Not Received Within 120 or 180 Calendar Days. If the material is not received by the due-in EDD, or 30 days have elapsed since the transmission of DS 870M, ICP/IMM Follow-Up, without receiving a response, the ICP/IMM shall take action to cancel the due-in and delete DS 527D transaction. DS 527D must also be canceled when DS 180M, Material Returns Reporting, is received from the customer activity. The EDD required for the due-in shall be 120 calendar days (CONUS) and 180 calendar days (OCONUS) from the processing date of DS 870M Material Returns Supply Status (From ICP/IMM). The due-in estimated delivery date must be updated upon receipt of DS 870M, Materiel Returns Supply Status, or DS 856R, Shipment Status Material Returns (Customer Status to ICP/IMM).

C11.11.2.3. Cancellation of Due-In Not Precluding Other Requirements. Action taken to cancel the due-in and delete DS 527D, Due-in Advance Receipt, transaction does not preclude requirements prescribed in other DoD manuals and joint regulations to initiate tracer action and file discrepancy reports, such as a Transportation Discrepancy Report (TDR) or Supply Discrepancy Report (SDR), on shipments not received, but for which shipment status has been received.

C11.11.3. Entering Priority Designators in DSs. Enter PDs in DS 870M, Material Returns Supply Status (From ICP/IMM), documents as follows:

C11.11.3.1. PD 03. PD 03 shall be used in the return of critical items and approved intensive management items (including serviceable local stocks).

C11.11.3.2. PD 06. PD 06 shall be used in the return of material identified by the material manager as qualified for automatic return to the DoD distribution system.

C11.11.3.3. PD 13. PD 13 shall be used in the routine return of material not covered above (except surplus and scrap) such as the return of local stocks to supply sources.

C11.11.4. Customer Asset Reports Which Cannot be Processed. DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), received by the ICP/IMM that cannot be processed shall be rejected to the reporting activity using DS 870M, Material Return Supply Status (From ICP/IMM), status with the appropriate S_ series reject status code.

C11.11.5. Customer Asset Reports for Items Requiring Screening/Review. DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), received for items requiring extended screening/review will be suspended. The reporting activity shall be sent a DS 870M, Material Returns Supply Status (ICP/IMM Status to Customer), with Status Code TR containing an estimated date of reply in the ESD field.

C11.11.6. FSC Change Required. If the determination has been made that a FSC change is required on a customer asset report (DS 180M, Material Returns Reporting), the correct FSC must be entered, the DoDAAC of the ICP/IMM shall be changed where applicable, and the DS 180M shall be forwarded to the responsible ICP/IMM for processing. The reporting activity shall be sent a DS 870M, Material Returns Supply Status (From ICP/IMM), containing Status Code T7. The RI of the forwarding ICP/IMM must be entered in the RI field of the ICP/IMM representing the last known holder and shall be entered as the RI of the activity preparing the document.

C11.12. INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER MATERIAL RECEIPT STATUS

C11.12.1. Notification of Receipt/Nonreceipt. The ICP/IMM shall prepare DS 870M, Material Returns Supply Status, to provide reporting activities with notification of material receipt or non-receipt on returns. DS 870M shall be provided upon processing of the receipt for other than suspended condition material, or upon processing of inventory adjustment action moving assets from suspended condition to correct condition, or not less than 30 calendar days after DS 870M, Material Returns Supply Status (ICP/IMM Follow-Up), when no receipt or DS 856R, Shipment Status Material Returns, has been processed. Multiple DS 870M, Material Returns Supply Status, documents shall be provided when a single shipment is received in more than one material condition. Use status codes in the DS 870M as follows:

C11.12.1.1. Status Code TN. Enter Status Code TN when credit is granted for the condition and quantity of material received.

C11.12.1.2. Status Code TM. Enter Status Code TM when reduced or no credit is allowed because the condition of material received is less than that authorized for return.

C11.12.1.3. Status Code TL. Enter Status Code TL when the material received is other than authorized for return and no credit is allowed.

C11.12.1.4. Status Code TP. Enter Status Code TP when the material is not received within prescribed timeframes, follow-up action has been unsuccessful, and the credit authorization is canceled.

C11.12.1.5. Status Code TQ. Enter Status Code TQ when the material has been received for an authorized non-creditable return.

C11.12.2. Multiple DS 870Ms Required. DS 870M, Material Returns Supply Status, shall always show the document number, including suffix code, contained in the DS 180M, Material Returns Reporting, or DS 870M, Material Returns Supply Status (From ICP/IMM). When multiple DS 870M, Material Returns Supply Status, transactions are required for material received in different conditions, each DS 870M produced shall retain the document number and suffix of the DS 180M, Material Returns Reporting/DS 870M, Material Returns Supply Status (From ICP/IMM).

C11.13. PROCESSING OF SHIPMENT STATUS

C11.13.1. Preparation of Documentation. Shipment status gives information and normally requires no later generation of documentation. ICPS/IMMs must receive shipment status transactions and update appropriate ICP/IMM records. The shipment date indicated in DS 856R, Shipment Status Material Returns, is available to ICPs/IMMs to verify intransit status and provide information on expected receipts. DS 856R received for items not under control of the ICP/IMM must be rejected to the reporting activity using DS 870M, Material Returns Supply Status (From ICP/IMM), with reject Status Code SC. DS 856Rs that do not pass data field validity checks shall be rejected to the reporting activity using DS 870M, with the appropriated S_ series status code.

C11.13.2. Shipment Advice. In event the ICP/IMM requires advice of shipment to support related supply decisions and DS 856R, Shipment Status Material Returns, has not been received, an ICP/IMM follow-up (DS 870M, Material Returns Supply Status) shall be prepared and forwarded to the reporting activity. DS 870M must not be generated until at least 5 calendar days have elapsed from the transmission of DS 870M (From ICP/IMM), (PD 03) or 50 calendar days (PD 13) and no DS 856R, Shipment Status Material Returns, nor receipt has been posted. DS 870M, with Status Code T3 may be generated upon expiration of the due-in timeframe when DS 856R has been received, but 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.

C11.14. PROCESSING FOLLOW-UPS FROM REPORTING ACTIVITIES

C11.14.1. Types. Follow-ups submitted by reporting activities consist of three types:

C11.14.1.1. Follow-up for ICP/IMM Reply to Customer Asset Report (DS 180M, Material Returns Reporting (For Reply to Asset Report)).

C11.14.1.2. Follow-up for ICP/IMM Materiel Receipt Status (DS 180M, Material Returns Reporting (Follow-Up for ICP/IMM Materiel Receipt Status)).

C11.14.1.3. Follow-up for credit (DS 812R, Adjustment Request (Follow-Up for Materiel Returns Program Credit)).

C11.14.2. Determining if Original DS 180M was Received. On receipt of DS 180M, Material Returns Reporting (For Reply to Asset Report), the ICP/IMM shall determine if there is a record indicating that the original DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), was received.

C11.14.2.1. Record Established. If a record is established and DS 870M, Material Returns Supply Status (ICP/IMM's Status to Customer), indicating delayed response was sent to the customer, a duplicate DS 870M shall be provided. If a record is established and a DS 870M was not provided, one of the following actions must be initiated:

C11.14.2.1.1. In Process. If DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), transaction is in process, DS 870M, Material Returns Supply Status (ICP/IMM's Status to Customer), shall be sent to the customer with Status Code TR indicating the DS 180M is in process and DS 870M will be provided at a later date.

C11.14.2.1.2. Rejection. If DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), was rejected by the ICP/IMM as invalid, DS 180M shall produce DS 870M, Material Returns Supply Status (From ICP/IMM), to the reporting activity with the same status code used in the original DS 870M.

C11.14.2.2. No Record of Receipt. If no record of receipt of DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), exists, the ICP shall process DS 180M as a new DS 180M and provide DS 870M, Material Returns Supply Status (From ICP/IMM), as appropriate, to the reporting activity.

C11.14.3. Receipt of DS 180M, Follow-Up for ICP/IMM Materiel Receipt Status. On receipt of a DS 180M, Material Returns Reporting, ICP/IMM must review records and take action as follows:

C11.14.3.1. Material Received. If the records indicate that the material has been received and classified, transmit a DS 870M, Material Returns Supply Status, to the customer.

C11.14.3.2. Received Material Not Classified. If records indicate the material has been received but not classified, the ICP/IMM shall provide DS 870M, Material Returns Supply Status (From ICP/IMM) with Status Code TT to the customer.

C11.14.3.3. Material Not Located. If records indicate the material has not been received, and if the material is not located after investigation, the reporting activity shall be sent DS 870M, Material Returns Supply Status (From ICP/IMM), with Status Code TU.

C11.14.4. Receipt of DS 812R. On receipt of DS 812R, Adjustment Request (Follow-Up for Materiel Returns Program Credit), ICP/IMM shall take action under DLMS Volume 5.

C11.14.5. Items Not Under Cognizance of the ICP/IMM. DS 180M, Material Returns Reporting (For Reply to Asset Report), received for items not under awareness of the ICP/IMM shall be rejected to the reporting activity using DS 870M, Material Returns Supply Status (From ICP/IMM), with Status Code SC. DS 180M that does not pass data field validity edits shall be rejected to the reporting activity using DS 870M with the appropriate reject status code.

C11.15. CANCELLATION OF CUSTOMER ASSET REPORTS

C11.15.1. Reducing Quantity in All Applicable Cancellation Requests. Upon receipt of a customer cancellation (DS 180M, Material Returns Reporting), ICP/IMM shall cancel or reduce the quantity in all applicable documents affected by DS 180M, including the decision to return, due-in record, ARI, and credit suspense, if applicable.

C11.15.2. Material Not Received by Due-In Estimate. The ICP/IMM shall initiate cancellation (DS 870M, Material Returns Supply Status) action when material is not received by the due-in EDD or when material is not received and no response has been received within 30 calendar days after their DS 870M, ICP/IMM Follow-Up. ICP/IMM shall also start cancellation when DS 856R, Shipment Status Material Returns, is not received within 120 calendar days (CONUS) or 180 (OCONUS) calendar days after receipt of DS 870M, Materiel Returns Supply Status.

C11.15.3. Cancellations Initiated by ICP/IMM. Cancellations started by the ICP/IMM or in response to DS 180M, Material Returns Reporting, shall be done as follows:

C11.15.3.1. Creditable Returns. For creditable returns, notification of cancellation to the reporting activity shall be made using DS 870M, Material Returns Supply Status, with Status Code TP.

C11.15.3.2. Non-creditable Returns. For non-creditable returns, notification of cancellation to the reporting activity shall be made using DS 870M, Material Returns Supply Status, with Status Code TV.

C11.15.4. Receipt of Shipment Status. When DS 856R has been received, action to cancel the due-in and ARI will be accomplished under Chapter 12 procedures.

C11.16. INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OF DS 180M CUSTOMER ASSET REPORTS, CANCELLATIONS, AND FOLLOW-UPS WHEN THE SUPPLY SOURCE HAS CHANGED

C11.16.1. Advice Code 3T. Upon receipt of DS 180M, Material Returns Reporting, Cancellation of Customer Asset Report, or Customer Follow-Up to ICP/IMM (For Reply to Asset Report), transaction from DAAS with Advice Code 3T when the SOS has been changed, the losing ICP/IMM shall arrange to change the FLIS and DAAS SOS files.

C11.16.2. Losing Supply Source. The losing ICP/IMM shall prepare and transmit through DAAS DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), Cancellation of Customer Asset Report, and/or Customer Follow-Up to ICP/IMM (For Reply to Asset Report)), transactions containing Advice Code 3U to the gaining SOS.

C11.16.3. DAAS Action. DAAS shall pass DS 180M transactions, above, to the gaining SOS

C11.17. INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER LATERAL REDISTRIBUTION OF RETAIL ASSETS

C11.17.1. Purpose. This paragraph outlines procedures for filling back orders by generating lateral redistribution orders for retail material that have been identified through an Inter- or Intra-DoD Component retail asset visibility system. The DoD Components may elect to exclude GFM, SA, and contractor furnished material (CFM) backorders from these procedures under DoD 4140.1-R procedures.

C11.17.2. Backorder Supplied by Lateral Redistribution. If a backorder is to be supplied by lateral redistribution of material identified by an inter- or intra-DoD Component retail asset visibility system, the Lateral Redistribution Order (LRO) shall contain appropriate data from the requisition, DS to Federal IC 940R, (Referral Order (For Domestic Shipment/With NSN/NATO Stock Number)) in the document identifier, the RI of the reporting activity, Distribution Code 2 for consumable material or Distribution Code 3 for reparable material, and the RI of the receiving ICP/IMM. The LRO shall be forwarded through DAAS to the reporting activity. DS 945A, Material Release Advice (to ICP/IMM From Storage Activity) with Status Code BA shall be provided to eligible status recipients.

C11.17.3. Reporting Activity Actions. The reporting activity shall:

C11.17.3.1. Process the LRO on a Fill/Kill basis. Provide Status Code BA using DS 945A, Material Release Advice (to ICP From Storage Activity), for the quantity

being filled and/or Status Code CB status for the quantity not being filled (killed) to the receiving activity, and include Distribution Code 2 or 3.

C11.17.3.2. Supply Substitutions. Substitutions are allowed if the requiring activity/requisitioning activity and the supplying/holding activity are the same DoD Component. Do not substitute if the requiring/requisitioning activity and the supplying/holding activity are different DoD Components.

C11.17.3.3. Ensure Shipment. Ensure material is shipped, using DD Form 1348-1A, to the activity identified in the LRO as the "ship-to" addressee. When the material is shipped, send DS to Federal IC 856S, Shipment Status (To ICP/IMM From Reporting Activities for LRO Shipments of Retail Assets), to the activity identified as the receiving activity in the LRO. The DS 856S must include the DoDAAC and fund code of the activity to which the credit for the material and reimbursement for the PCH&T costs is to be provided; and Signal Code B and Distribution Code 2 or 3. Retail activities will use UMMIPS time standards for processing LROs directed by the ICP/IMM.

C11.17.3.4. Establish Internal Records. Establish internal records to receive credit for the material and reimbursement for PCH&T costs and not generate billing instructions.

C11.17.4. Inventory Manager Actions. ICP/IMM will:

C11.17.4.1. Update Estimated Ship Dates. Use DS 945A, Material Release Advice (To ICP From Storage Activity), with Status Code BA and Distribution Code 2 or 3 to update ESDs.

C11.17.4.2. Generate Follow-Ups. Generate DS to Federal IC 940R, Material Release (From ICP/IMM to Reporting Activity or Storage Activity), follow-ups with Distribution Code 2 or 3 to the reporting activity as follows:

C11.17.4.2.1. When the initial Status Code BA or CB is not received on LROs within 10 calendar days.

C11.17.4.2.2. Upon receipt of Supply Status Code BA without an ESD and 10 calendar days have elapsed since the transaction date of the DS 945A, Material Release Advice (To ICP From Storage Activity), Supply Status Code BA.

C11.17.4.2.3. Upon Receipt of Supply Status Code BA with an ESD and the ESD has expired.

C11.17.4.2.4. When no response is received to the previous follow-up and 10 calendar days have elapsed. Continue to follow up until status is received, backorder is re-established, or final disposition.

C11.17.4.3. Provide Reinstatement and Status Notification. Reinstate the requisition and send appropriate status to eligible status recipients upon receipt of DS 945A, Material Release Advice (To ICP From Storage Activity)/Status Code CB with Distribution Code 2 or 3.

C11.17.4.4. Generate Billing. Upon receipt of DS 856S, Shipment Status (To ICP/IMM from Reporting Activities for LRO Shipments of Retail Assets), with Distribution Code 2 or 3, generate billing transactions to the requisitioner and provide crediting transactions for the material and PCH&T under the procedures of DLMS Volume 5, to the credit-to activity identified in DS 856S, Shipment Status. In addition, ICP/IMM will send DS 856S, Shipment Status (To DAAS From Service/Agency for Distribution), shipment status transaction to DAAS.

C11.17.4.5. Create Customer Supply/Status Transactions. When creating customer supply and status transactions as a result of processing DS 945A, Material Release Advice or DS 856S, Shipment Status Material Returns, transactions with Distribution Code 2 or 3, always use the distribution code that was in the original requisition.

C12. CHAPTER 12

DUE-IN AND ADVANCE RECEIPT INFORMATION

C12.1. GENERAL

C12.1.1. Standard Procedures. This chapter prescribes standard procedures for sending information about incoming material between wholesale managers and storage activities and between owner/managers and maintenance activities, and between LIMs and GIMs. The procedures require timely establishment of due-in information for all anticipated receipts of material, and requires that managers provide receiving storage activities with information for anticipated receipts.

C12.1.2. ***Control of Due-In Records. Control of Due-In Records for Materiel Receipt Acknowledgement (MRA). The control of due-in records below the wholesale level to accommodate the DoD closed-loop MRA process is addressed in Chapter 10.***

C12.1.3. Consignment of Material to Storage Activities. Documentation covering consignment of material to storage activities is prescribed in the DoD Component publications. 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 publications and is, therefore, not a consideration here.

C12.1.4. Transactions. This chapter addresses the procedures applicable to the following ASC X12 transaction functions identified by their beginning segment (1/BR02/020) transaction type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment.

C12.1.4.1. Due-in is DS 527D beginning segment Transaction Type Code DA – Due-in. This transaction provides MILSTRAP DI Code DD_/DF_ functionality.

C12.1.4.2. Advance Receipt Information Transaction is DS 527D beginning segment Transaction Type Code DE – Advance Receipt. This transaction provides MILSTRAP DI Code DU_/DW_ functionality.

C12.1.4.3. Delinquent Due-in Inquiry Transaction is DS 527D beginning segment Transaction Type Code TJ – Delinquent Due-in Inquiry. This transaction provides MILSTRAP DI Code DLC functionality.

C12.1.4.4. Delinquent Due-in Advice Transaction is DS 527D beginning segment Transaction Type Code TI – Delinquent Due-in Advice. This transaction provides MILSTRAP DI Code DLD functionality.

C12.1.4.5. Due-in Reconciliation Inquiry Transaction is DS 527D beginning segment Transaction Type Code LC – Due-in Reconciliation Inquiry. This transaction provides MILSTRAP DI Code DLE functionality.

C12.1.4.6. Due-in Reconciliation Advice Transaction is DS 527D beginning segment Transaction Type Code TK –Due-in Reconciliation Advice. This transaction provides MILSTRAP DI Code DLF functionality.

C12.1.5. Use of DS 527D. Use DS 527D application as follows:

C12.1.5.1. Owners/IMMs use to establish ARI at the storage activity.

C12.1.5.2. GIMs use for due-in reconciliation and to inquire about delinquent due-in transactions

C12.1.5.3. 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. IMMs 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.

C12.2.2. Keep Current Status. IMMs shall keep 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 maintain appropriate delivery dates.

C12.2.3. Audit Trail. IMMs 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 paragraph C12.3.3.

C12.2.4. Supply and Financial Interface. The DoD Components shall establish the necessary interface between supply and financial operations/functions to account

for material in-transit as required under DoD 7000.14-R. 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.

C12.2.5. In-Transit Due-In Procedures. IMMs shall monitor due-in records and inquire to storage activities for information on in-transit dues-in under the Chapter 13 procedures.

C12.2.6. Product Quality Deficiency Material. When IMMs direct material for return based on a reported product quality deficiency, they will prescribe use of Supply Condition Code (SCC) Q in the disposition instructions to the returning activity. IMMs shall establish and monitor due-ins for all returns of potential/confirmed product quality deficiency related material, citing the document number included in the report. Provide ARIs for the returns to receiving storage activities, under section C12.3, citing the due-in transaction number (document number) and SCC.

C12.3. PROVIDING THE STORAGE ACTIVITY WITH ADVANCED RECEIPT INFORMATION (ARI)

C12.3.1. Due-In Information Requirements. IMMs shall provide maintenance and storage activities with due-in information for scheduled material receipts by providing them ***with ARI transactions***. For dues-in from procurement instrument sources, IMMs 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 the receiving activity. As part of the contract information, the IMM shall include indicators identifying whether the contract required UID or passive RFID.[1]

C12.3.2. Storage Activity Requirements. Storage activities receiving DS 527D shall keep them in an ARI file pending receipt of the material or the receipt of updates to the ARI from the IMM. Storage activities may use the ARI contract information and packaging data to facilitate the receiving process.

C12.3.2.1. Passive RFID. ARI notice that a shipment contractually requires passive RFID will allow preplanning so that the incoming shipment may be directed for offloading at the RFID reader location and provides a basis for submission of a Supply Discrepancy Report (SDR) in accordance with SDR procedures should the vendor fail to employ the required RFID.

C12.3.2.2. IUID. ARI notice that a shipment contractually requires IUID provides a basis for submission of SDR in accordance with SDR procedures, should the vendor fail to employ the required IUID.

[1] DLA Distribution Standard System (DSS) will implement these new procedures IAW Approved DLMS Change (ADC) 172 in January 2007, enabling DSS to use the indicator when the IMM provides it in the 527D ARI transaction.

C12.3.3. ARI. IMMs shall send ARI transactions and ARI transaction reversals as due-in records are revised so that receiving storage activities can maintain the records to show status equivalent to IMM due-in records. IMMs shall send ARI reversals to the storage activities when deleting due-in records. IMMs shall also send ARI reversals when revising due-in records (e.g., dates, quantities, destinations) and simultaneously send replacement ARI transactions showing revised due-in record data.

C12.3.4. Optional National Inventory Management Strategy (NIMS) Advanced Receipt Notification. Under the NIMS concept of operation, the IMM may own material for managed NSNs down to the retail level. Such arrangements will be based on agreements between participating DoD Components. Replenishment of IMM owned retail will be accomplished under a push scenario. When assets are available to ***push, ARI shall*** be sent to the NIMS site using standard ARI procedures. Optionally, the DoD Component agreements may authorize the use ***of ARI for*** the IMM to notify the NIMS site that material to support their replenishment requirement is delayed. In this instance, ***ARI*** shall contain the quantity not available for push replenishment, the delay notification code "BD" and an estimated shipping date. If at the time push replenishment is required only a partial quantity is available, then ***two ARI transactions*** shall be generated; one for the quantity pushed and one for quantity delayed. These transactions will have different document numbers and the delayed one will have the "BD" notification. Later, if only a partial amount of the quantity previously delayed becomes available to push, ***two ARI transactions*** shall be generated. The one for the quantity pushed will maintain the document number of the original delayed notification with the "BD" indicator eliminated. ***The ARI*** for the quantity still delayed must be assigned a new document number and a "BD" delayed indicator. If the total quantity is initially delayed and later the total quantity is ***shipped, ARI must*** have the same document number throughout the process. The IMM will update/replace ***the ARI*** delayed notification anytime either the replenishment quantity or the estimated shipping date changes. New delayed notification must maintain the same document number unless a partial push occurs. Replacement delayed notification under the same or new document number shall not require the reversal of the previous ***ARI transaction***. Reversal logic ***for ARI transactions*** indicating that a push shipment has been initiated shall follow the requirement in paragraph C12.3.3 above.

C12.4. LOAN MATERIAL

C12.4.1. Use appropriate adjustment and/or receipt/due-in transactions to show the on-hand/due-in and later receipts. Show material on loan on owner records in the appropriate purpose code (as prescribed by the DoD Component procedures) or as a nonprocurement source due-in citing Reason for Material Receipt/Return Code H depending on the method/system applied.

C12.4.2. Owners/IMMs may use ARI transactions to provide advance notification to activities scheduled to receive returned loaned material.

C12.5. LOGISTICS REASSIGNMENT MEMORANDUM DUE-IN AND ARI

C12.5.1. Memorandum Due-In. The LIM shall send a memorandum due-in information ***transactions*** as of the ETD to the GIM, for both awarded contracts and unawarded purchase requests. Quantities shall show only what is available for transfer. The GIM shall 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 ***DS to*** Federal IC 824R, Reject Advice, citing Reject Advice Code AY.

C12.5.2. Destination Change. Under DoD 4140.26-M policy, the LIM shall take action to change the destination of undelivered purchases upon request of the GIM. Upon changing the quantity due-in/destination, the LIM shall prepare and send a memorandum due-in reversal and a new memorandum due-in to the GIM. Additionally, when an award is made for an unawarded purchase request, the LIM shall prepare and send a ***memorandum due-in reversal and a new memorandum due-in transaction to the GIM and a ARI transaction*** to the applicable storage activity.

C12.6. LOGISTICS REASSIGNMENT DUE-IN VALIDATION

C12.6.1. Due-In Inquiry

C12. 6.1.1. Inquiry for Due-In with Expired EDD. The GIM shall initiate 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 that the LIM provided on the ETD. The GIM shall also initiate DS 527D when a revised due-in date later becomes delinquent by 30 calendar days.

C12.6.1.2. Inquiry for Due-In with Invalid EDD. The GIM shall initiate DS 527D due-in inquiry 30 calendar days after the ETD when the memorandum due-in, the LIM provided on the ETD, contains an invalid EDD (e.g., for material pending procurement/contract action by the LIM). The GIM shall 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 must intervene off-line. The GIM shall include all dues-in with invalid EDDs 90 calendar days after the ETD in the reconciliation. Based on the response, the GIM shall determine if additional inquiry/reconciliation action is required.

C12.6.2. Delinquent Due-In Advice

C12.6.2.1. The LIM shall provide the GIM with due-in information in response to an inquiry using ***a delinquent due-in advice transaction*** citing the appropriate asset transfer status code.

C12.6.2.2. Revision of Estimates. To preclude the need for due-in inquiry transactions by the GIM, the LIM shall provide revised EDDs as changes occur using a delinquent due-in transaction with Asset Transfer Status Code AF.

C12.6.3. Due-In Reconciliation

C12.6.3.1. Due-In Verification. The DoD Components shall use ***the due-in reconciliation*** process 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.

C12.6.3.2. Due-In Reconciliation. The GIM shall initiate ***a due-in reconciliation inquiry*** for reconciliation of dues-in for logistically reassigned material 90 calendar days after the ETD and semiannually thereafter for all material that has not been received. The GIM shall include all items with material still due in to the LIM, regardless of the presence of a current EDD, in the reconciliation request.

C12.6.3.3. Due-In Reconciliation Response. The LIM shall respond to due-in reconciliation requests using ***a*** due-in reconciliation advice containing the appropriate asset transfer status code. The LIM shall 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.

C13. CHAPTER 13

MATERIAL RECEIPT

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 showing 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. Transactions. This chapter addresses the procedures applicable to the following ASC X12 transaction functions identified by their beginning segment (1/BR02/20) transaction type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp. The corresponding MILSTRAP transaction is identified for information purposes in a mixed DLSS/DLMS environment.

C13.1.2.1. Receipt Transaction is DS 527R beginning segment Transaction Type Code D4 – Receipt. This transaction provides MILSTRAP DI Code D4_/D6_ functionality.

C13.1.2.2. Receipt Inquiry Transaction is DS 527R beginning segment Transaction Type Code IN – Inquiry. This transaction provides MILSTRAP DI Code DXA/DXB functionality.

C13.1.2.3. Response to Inquiry Transaction is DS 527R beginning segment Transaction Type Code DG – Response. This transaction provides MILSTRAP DI Code DXC/DXD functionality.

C13.1.3. Material Receipt/Return Code Definitions. For material receipt/return code definitions, see DS to Federal IC 527R, Receipt, Inquiry, ***and Response, or the DLMSO website***, ***http://www.dla.mil/j-6/dlmso/eLibrary/Transformats/140_997.asp.***

C13.1.4. Use of DS 527R ***for Receipt***. DS 527R shall be used by receiving activities to report both receipts and historical receipt information to owners and other management control activities.

C13.2.. MATERIAL RECEIPT PROCESSING

C13.2.1. Receiving Activity Actions. Receiving activities shall:

C13.2.1.1. Post receipts to the total item property record by changing or adding to data in the ARI file established under Chapter 12 procedures, or by extracting data from the consignment documentation.

C13.2.1.2. For discrepant shipments, follow the guidelines provided in paragraph C13.2.***8***., below.

C13.2.2. Reversal of Incorrect Receipt Transactions. Receiving activities may ***use the Receipt Transaction to*** reverse incorrect ***Receipt Transactions***.

C13.2.3. Central Procurement Receipts. Receipts from procurement can originate 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 must do the inspection and/or acceptance and the in check operations as concurrent actions. Receiving activities shall***:***

C13.2.4.1. ***Inspect shelf-life*** material for appropriate condition and type of shelf-life code in accordance with applicable DoD Component procedures based on DoD 4140.27-M.

C13.2.4.1.1. Mark material, as appropriate, for shelf-life code and SCC upon receipt.

C13.2.4.1.2. Package markings shall be in accordance with MIL-STD-129.

C13.2.4.2. ***Based on inspection***, prepare a material ***Receipt Transaction*** indicating the date inspected and the actual condition(s), by quantity, of the material received. Wholesale owners shall make this date available to the office responsible for contractor payment for use in determining if an interest penalty applies.

C13.2.5. Army Medical Material Agreement (AMMA) Receipts. The DLA, in coordination with Defense Medical Logistics Standard Support (DMLSS) and Theater Enterprise-Wide Logistics System (TEWLS), has implemented the AMMA~~.~~ Under the AMMA program, DLA funds are used by the Army to purchase via DMLSS/TEWLS. ***The DLA Enterprise Business System (EBS)*** receives a ***Receipt Transaction*** from DMLSS/TEWLS to receipt purchased items into stock for inventory accountability. DLA owns the material until items are issued at the retail level and inventory is decremented in DLA's ***EBS***.

C13.2.5.1. Purchase card receipts from AMMA sites must contain a Purchase Card Account Number and Purchase Card Call Number in order to uniquely identify transactions. A vendor reference number should also be included which is the CARE (Customer Automation and Reporting Environment) invoice number. This value will help with issue resolution and reconciliation.

C13.2.6. Time Standards for Processing Receipts

C13.2.6.1. Purpose. The DoD measures wholesale activity receipt processing performance in terms of the goal to process receipts and show 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 done within 24-hours (holidays and weekends excepted) as prescribed in DoD 4140.1-R. The accounting and finance office shall be notified of item receipt within the 24-hour period. One objective of the DLMS is to process receipts through the receiving activity, irrespective of geographical location, and show them on both the accountable and locator records with least delay. For this objective, there are two segments of receipt processing:

C13.2.6.1.1. 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.

C13.2.6.1.2. 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.

C13.2.6.2. Processing Standards. Performance standards for processing receipts through these time segments are as follows:

C13.2.6.2.1. New Procurement. Process receipts from new procurement through segments one and two within 7 calendar days.

C13.2.6.2.2. Others. Process all other receipts through segments one and two within 10 calendar days.

C13.2.6.3. 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 Chapter 6. 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.

C13.2.7. Control of Receipt Requirements. Receiving storage activities shall comply with the following requirements:

C13.2.7.1. 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. Receiving activities shall record the carrier's date offered when different than the date the carrier released the material. The DoD Components should use the carrier's date offered to measure carrier performance.

C13.2.7.2. Actions after Material Receipt. Do the following actions after the material has been physically received but prior to or concurrent with movement to storage:

C13.2.7.2.1. Establish a transaction suspense record to record the materials as an in-process receipt.

C13.2.7.2.2. Prepare and send ***a Receipt Transaction*** to the owner within 24-hours (holidays and weekends excepted) from the point of inspection and/or acceptance.

C13.2.7.3. Using In-Process Receipts to Satisfy Requirement. When the on-hand balance of the stock record (physically stored) is not enough to fill material release orders, use in-process receipts to fully or partially satisfy the requirement. When in-process receipts are recorded, fill priority 01-08 requirements from these receipts. Defer filling of priority 09-15 requirements from in-process receipts until proof of storage is recorded.

C13.2.7.4. Expediting Material Storage. Periodically refer to the in-process receipt suspense file to hasten storage of material delayed beyond authorized receipt processing timeframes and to hasten storing of material for issues deferred pending storage.

C13.2.7.5. Clearing Suspense Record. After receiving proof of storage, clear the suspense record, update the storage locator record, and release any deferred issues.

C13.2.7.6 Updating Storage Activity Record. As an additional aid in control of receipts, ensure that appropriate storage activity records (e.g., stock locator) show 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).

C13.2.8. Discrepant/Deficient Receipts

C13.2.8.1. Discrepant/Deficient Reports. In addition to processing and reporting material receipts, receiving storage activities shall submit reports for all discrepant/deficient receipts in accordance with the Chapter 17, Supply Discrepancy Reporting, procedures and the following regulations:

C13.2.8.1.1. DoD 4500.9-R, Defense Transportation Regulation, Part II, Cargo Movement.

C13.2.8.1.2. Joint Regulation DLAR 4155.24/AR 702-7/SECNAVINST 4855.5/AFR 74-6, "Reporting of Product Quality Deficiencies Across Component Lines."

C13.2.*8*.1.3. Joint Regulation DLAR 4155.3/AR 30-12/NAVSUPINST 4355.2/AFR 74-5/MCO 10110.21, "Inspection of Subsistence Supplies and Services."

C13.2.8.1.4. 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 paragraph C13.2.6., above. The procedures for reporting receipt of discrepant/deficient shipments to the owner are prescribed by subparagraph C13.2.8.2., below.

C13.2.8.2. Processing Discrepant/Deficient Receipts

C13.2.8.2.1. Discrepancy Determination. Upon receipt of all incoming material shipments, from procurement instrument and non-procurement instrument sources, receiving activities shall 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 shall determine if a discrepancy/deficiency (hereafter referred to as discrepancy or discrepant) exists and shall identify its nature.

C13.2.8.2.2. Unusual Circumstances. If unusual circumstances prevent normal receipt reporting of discrepant shipments, the receiving activity shall 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 that prevent normal receipt reporting. For non-procurement receipts with no ARI, see subparagraph C13.2.8.2.10.11.

C13.2.8.2.3. Discrepancy Report Determination. Not all discrepant receipts require submission of discrepancy reports. Receiving activities will follow subparagraph C13.2.***8***.1 procedures to determine whether a discrepancy report must be submitted. ***Use Receipt Transactions*** Management Codes R, S, and U to identify discrepant receipts that 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 to give additional information relating to the reported item. Never ***process Receipt Transactions*** with Management Codes R, S, or U for a discrepant quantity when submission of a discrepancy report is not required. Use Management Codes S and U 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.

C13.2.8.2.4. Receipts Lacking Documentation. When material arrives without accompanying documentation, or with inadequate documentation to process the receipt, receiving activities shall use one of the following data sources to develop material ***Receipt Transactions***:

C13.2.8.2.4.1. ARI files.

C13.2.8.2.4.2. Authorized procurement delivery documents and vendor packing lists.

C13.2.8.2.4.3. Advance copies of DD Forms 1348-1A or 1348-2, or DD Form 1149.

C13.2.8.2.4.4. Transportation and fiscal records.

C13.2.8.2.4.5. Container markings.

C13.2.8.2.4.6. 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.

C13.2.8.2.5. Discrepant Receipt Posting. Normally when receiving activities keep 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.

C13.2.8.2.6. Receipts from Outside the Normal Distribution System. When storage activities report receipts outside the normal distribution system for the NSN, the owner shall record the receipt so assets are issued from that site first. Owners shall make disposition of such material as quickly as possible. If the material is not issuable, the owner shall direct repair induction, reclassification, relocation, or disposal using the appropriate DLMS transaction.

C13.2.8.2.7. Discrepant Receipt - Procurement Instrument Source - General

C13.2.8.2.7.1. Protective Measures. Procurement ***discrepancies imposing*** a health/safety hazard, classified risk, etc., may require separate and/or secure storage. When these situations exist, receiving activities shall take protective measures in accordance with established DoD or DoD Component procedures.

C13.2.8.2.7.***2***. Receiving Activity Inspection. When acceptance is accomplished at a point other than destination, receiving activities may not re-inspect supplies at destination for acceptance purposes. However, receiving activities shall 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 shall report discrepancies detected during the destination examination in accordance with the regulations cited in subparagraph C13.2.8.1., above.

C13.2.8.2.7.***3***. Shipping Procurement Instrument Source Receipts ***to Reutilization and Marketing***. 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 shall first report the receipt using ***a Receipt Transaction*** citing SCC L and Management Code R ***(go to and enter "management code", then click submit at: https://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp)***. The disposal action shall then be reported using a dual ***Inventory Adjustment Transaction DS to Federal IC 947I*** citing SCC H and Management Code M or T.

C13.2.8.2.8. Reporting Discrepant Receipts from Procurement Instrument Source. Receiving activities shall 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 ***a Receipt Transaction***, citing SCC L for the discrepant quantity. With the exception of the receipt of incorrect items, use a ***single transaction*** to report the receipt showing both non-discrepant 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***:

C13.2.8.2.8.1. Condition of Material. Report the actual discrepant ***quantity in SCC L.***

C13.2.8.2.8.2. Supply Documentation. Absence of the supply documentation should not prevent receipt processing and reporting or later issue of the material. Research in accordance with subparagraph C13.2.8.2.4., above, to report the receipt. The subparagraph C13.2.8.1. discrepancy reporting requirements still apply.

C13.2.8.2.8.3. 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 ***a Receipt Transaction citing*** Management Code S. Upon receipt of the ***Receipt Transaction***, and prior to posting the receipt as available for issue, owners shall initiate immediate action to resolve the discrepancy. If the owner or CAO/PO directs reshipment/return of a reported receipt without issuing material release documentation, the receiving activity shall submit a ***reversal of the previously*** submitted material ***Receipt Transaction***.

C13.2.8.2.8.4. Overage/Duplicate Shipment. Research the ARI file, receipt, and contract documentation to determine the discrepant quantity. Report confirmed duplicate shipments as discrepant with ***a Receipt Transaction citing*** 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 as discrepant ***with a Receipt Transaction citing*** SCC L ***and Management Code U***. Owners shall initiate immediate action to resolve the discrepancy upon receipt of the ***Receipt Transaction***. 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 management code for that quantity.

C13.2.8.2.8.5. Packaging Discrepancy. Report the total discrepant quantity ***as a*** SCC L ***receipt***. The owner and/or the CAO/PO shall determine whether litigation is required. If litigation is not required the owner shall initiate ***DS to Federal IC 846A, Asset Reclassification Transaction,*** to request the transfer of the suspended assets to the appropriate condition.

C13.2.8.2.8.6. 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. When the receipt is discrepant, cite the management code in the ***Receipt Transaction***. Non-receipts are addressed under section C13.3., below.

C13.2.8.2.8.7. Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Report the discrepant ***quantity citing SCC L***, and identify and describe the specific technical data discrepancy in the SF364 or DS to Federal IC 842A/W, Standard SDR, Follow-up, Correction, Cancellation, & Reconsideration Request. If the owner determines the assets can be issued, the owner shall ***initiate a DS 846A*** to transfer the suspended assets to the appropriate condition.

C13.2.8.2.8.8. Wrong Item. Report any assets in the shipment that are the correct item in the applicable condition and do not cite the discrepant receipt management code for that quantity. ***Report the total*** quantity of the incorrect item received ***in the Receipt Transaction citing*** 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.

C13.2.8.2.8.9. Product Quality Deficiency. It is normally preferable to keep custody of the material, whether or not it has been accepted. Report the deficient quantity ***citing*** SCC Q ***in the Receipt Transaction***. The owner or CAO/PO shall determine if litigation or informal action with the procurement instrument source should be initiated. The owner shall take action to transfer the assets.

C13.2.8.2.8.10. Transportation Discrepancy. When material is accepted by the Transportation Officer, process and report the ***Receipt Transaction*** in accordance with procedures cited above for the type of discrepancy that exists (e.g., condition of material for damage, etc.).

C13.2.8.2.8.11. Receipts Not Due-In (no ARI file exists).

C13.2.8.2.8.11.1. 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.

C13.2.8.2.8.11.2. 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 IMM who shall direct the appropriate routing of the receipt. If the IMM (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.

C13.2.8.2.8.12. Other Discrepancies. Receipt reporting shall depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to get guidance from the appropriate authority before reporting the receipt or submitting the discrepancy report. See subparagraph C13.2.8.2., above, for storage and accountability requirements.

C13.2.8.2.9. Discrepant Receipt - Other than Procurement Instrument Source – General

C13.2.8.2.9.1. Identifying the NSN. When a receipt cannot be identified to an NSN, the receiving activity shall attempt to identify the NSN or usage by following subparagraph C13.2.8.2.1., above, procedures and report the receipt to the owner.

C13.2.8.2.9.1.1. Value Under $100. If the NSN cannot be identified and the estimated value of the item is under $100, receiving activities shall not report the receipt to an owner. Ship the material directly to reutilization and marketing using a local document number. Keep an accessible record of the transaction document and its backup for 2 years.

C13.2.8.2.9.1.2. Value Over $100. If the NSN cannot be identified and the estimated value of the item is $100 or more, the receiving activity shall 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. If the manager of like-items can identify the NSN, the manager shall direct the receiving activity to ***submit the receipt and SDR*** to the owner. If the IMM of like-items cannot identify the NSN, the IMM shall give disposition instructions to the reporting activity. These

instructions shall include an item identification number (part number, etc.) for reporting the receipt and submitting the ***SDR***. If the owner directs shipment to reutilization and marketing, the owner shall keep an accessible record of the transaction and its backup for 2 years.

C13.2.8.2.9.2. Discrepancy Reporting. Unless otherwise allowed by these procedures, receiving activities shall report receipts of discrepant shipments from a non procurement instrument source to the owner. For discrepant ***quantities, cite the*** SCC that most accurately describes the condition of the material ***in the Receipt Transaction***. Classify and report the material ***using SCC K*** when the actual condition cannot be determined. Include Management Code R when a discrepancy report is required ***unless prescribed otherwise in this chapter***.

C13.2.8.2.10. Reporting Discrepant Receipts - Other than Procurement Instrument Source. Receiving activities shall follow these procedures to report receipt of discrepant shipments from non-procurement instrument source. With the exception of the receipt of wrong items, use a single ***Receipt Transaction*** to report the receipt showing both non-discrepant and discrepant quantities in their appropriate SCC. The following discrepancy categories are not mutually exclusive; multiple discrepancy conditions may exist for a single ***receipt***:

C13.2.8.2.10.1. Condition of Material

C13.2.8.2.10.1.1. 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 issued by the DoD Components. This includes expired Type I shelf-life material which has passed the expiration date regardless of value. When taking automatic disposal action, cite SCC H and Management Code M or T ***in the Receipt Transaction***, in addition to the discrepant receipt management code, 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.

C13.2.8.2.10.1.2. Discrepancy Reporting. Report discrepant quantities other than those mentioned ***above citing*** the applicable SCC ***in the receipt***, or SCC K when the condition cannot be determined.

C13.2.7.8.10.2. Supply Documentation. Absence of the supply documentation should not preclude receipt processing and reporting or later issue of the material. Research in accordance with subparagraph C13.2.8.2.4., above, to report the receipt. Discrepancy reporting requirements still apply.

C13.2.8.2.10.3. Misdirected Shipments (improperly addressed by the supply activity). Report misdirected shipments as receipts to the ***cognizant IMM***. ***The IMM*** shall make disposition using ***DS to Federal IC 940R, Material Release***.

C13.2.8.2.10.4. Overage. Report the total quantity received in the applicable condition.

C13.2.8.2.10.5. Packaging Discrepancy. Report the total quantity received in the applicable condition and schedule the discrepant quantity for preservation/packaging in accordance with the DoD Component criteria.

C13.2.8.2.10.6. Shortages/Nonreceipt of Material. For shortages, report the total quantity received in the applicable condition. The owner shall initiate any necessary financial adjustment action. Non-receipts are addressed under section C13.3., below.

C13.2.8.2.10.7. Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Report the discrepant ***quantity using a receipt citing*** SCC D. Identify and describe the specific technical data discrepancy in the SDR for owner evaluation. If the owner determines the asset can be issued, the owner shall initiate action to transfer the asset to the appropriate condition ***using DS 846A***.

C13.2.8.2.10.8. 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.

C13.2.8.2.10.9. Product Quality Deficiency. An SCC Q entered in an ARI file shows that the receipt is related to a reported product quality deficiency. Report receipt of this material in SCC Q and do not cite a management code. Based on the results of the inspection or technical/engineering analysis, owners shall direct the appropriate material disposition.

C13.2.8.2.10.10. Transportation Discrepancy. 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.).

C13.2.8.2.10.11. Receipts Not Due-In (no ARI file)

C13.2.8.2.10.11.1. 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 later issue, excess reporting under the material returns program, or release for reutilization and marketing. In the absence of guidance from the DoD Components for reporting receipt of unauthorized return of GSA assets to their Component, DLA storage activities shall receipt the assets to the local Base Operating

Supply System (BOSS) for use by the depot. If the material cannot be used locally send it to disposal. This procedure ensures the assets are recorded on a DoD record.

C13.2.8.2.10.11.2. DoD-Managed Reparable Items. Report ***the Receipt Transaction*** to the manager of the shipping ***DoD Component***. 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. IMMs receiving transactions reporting returns not-due-in of phase II reparables, for which they are not the IMM, shall follow the material returns program procedures to report/ship the material as prescribed by the IMM.

C13.2.8.2.10.11.3. 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, the DoD Components may prescribe reporting to their own ***item manager*** for returns from their own Component activities.

C13.2.8.2.10.12. Other Discrepancies. Receipt reporting shall depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to get guidance from the owner before reporting the receipt or submitting the discrepancy report.

C13.2.8.3. Resolution of Reported Receipt Discrepancies.

C13.2.8.3.1. Owner Accountability Records. Owners shall 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.

C13.2.8.3.2. Owner Processing Discrepant Transactions. When discrepant receipts are reported, owners shall process the transactions and complete the research required to resolve the discrepancy. When material received from a procurement instrument source will be kept in the wholesale inventory, coordinate with the CAO/PO for a contract modification that 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 show any new receipt status and transmit updates to ARI to the storage activities involved, as required. Care must be taken to suppress ARI transaction output if the corresponding receipt has already been reported (e.g., for overages or misdirected shipments being kept where delivered).

C13.2.8.3.3. Owner Evaluation Data. Owners shall 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, shall 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.

C13.2.9. Maintaining Accountability During Maintenance Actions

C13.2.9.1. Responsible Activity Actions. When responsibility for keeping 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.

C13.2.9.2 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 the Department of Defense, other U.S. Government (non-DoD) agency, or commercial activities.

C13.2.9.3 Exclusions. These procedures exclude repair and return material owned below the wholesale distribution system; however, storage activities shall maintain visibility and the property accountability record for these assets pending issue to maintenance and upon their return from maintenance.

C13.2.9.4. Requirements

C13.2.9.4.1. Dues-In and ARI. Owners (principals for maintenance by DMISA) shall establish ***DS to Federal IC 527D*** (Due-In) when material is being returned from field activities to wholesale storage activities or to commercial activities for maintenance. Also, send DS 527D (ARI) to receiving Government storage activities. These actions shall be done upon receipt of MRP transactions, or equivalent intra-service documents, reporting return of material. (The DoD Components may delegate the ARI requirement to intermediate level or transshipment activities.)

C13.2.9.4.2. 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 DS 527D (Due-In) for the intransit material and send DS 527D ((ARI) to the receiving storage activity following Chapter 12.

C13.2.9.4.2.1. 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 subparagraph C13.2.8.2.7.10.1., above, for processing receipts not-due-in for reparable items.

C13.2.9.4.2.2. Inter-DoD Component Agreements. When material is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement shall specify the material control requirements. The agreement shall also specify to include 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.

C13.2.9.5. DoD Component Actions. Each DoD Component shall ensure that:

C13.2.9.5.1. Owned Inventory Accounting. Owned inventory in the hands of the Department of Defense, other Government (non-DoD), and commercial activities, is properly accounted for under the provisions of ***Chapters 6, Chapter 7, Chapter 13, and Chapter 14 of this volume*** and, for commercial maintenance, the provisions of the Federal Acquisition Regulation. This includes returns from field activities for repair and reissue as wholesale inventory. The DoD Components shall prescribe use of any required internal codes to meet this requirement (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.9.5.2. Property Accountability Records. Total item property records for material in the hands of maintenance activities are maintained and adjusted based on the quantity of material actually returned and shall support the DoD 7000.14-R accounting and reconciliation requirements (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.9.5.3. 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).

C13.2.9.5.4. Procurement/Supply Interface. Any needed interface between the procurement and supply operations/functions exists to ensure that reported data is sent 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 the total item property record (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.9.6. Item Owner Actions. Owners shall establish due-in records for expected returns from commercial and Government maintenance activities and provide ARI to the storage activities to receive the material under Chapter 12. Storage activities shall report receipts under section C13.2., above.

C13.2.9.7. Issue from Commercial Activity. When material is issued to a customer directly from a commercial activity, ensure that appropriate supply transactions are processed to establish the property accountability and financial accounting audit trails. Depending on the Component system business rules, this may require either a receipt and issue, or a condition code change and issue.

C13.2.9.8. Condemned Material. When material is condemned by maintenance activities, ensure the condemnation action is recorded (inventory adjustment-decrease) to adjust the DoD inventory and financial accounts.

C13.2.9.9. Reclaimed Items

C13.2.9.9.1. Identification of Serviceability. When reclamation activities do not have adequate facilities to test and classify the serviceability condition of reclaimed assets, activities shall identify such ***assets as 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 shall ensure assets are checked/tested and classified to actual condition within established parameters.

C13.2.9.9.2. Assigning Condition Code. When reclamation activities cite an actual SCC (i.e., other than R) for returned material, storage activities shall 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 shall 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 shall inspect loaned material upon receipt. Submit a ***Receipt Transaction*** in accordance with section 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 shall 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 that has been logistically reassigned, after the ETD, the receiving storage activity shall perform the following:

C13.2.11.2.1. Report Receipts. Report receipts of items having ARI files, in accordance with section 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 subparagraph C13.2.8.2.4., above, guidance for processing receipts not-due-in.

C13.2.11.2.3. Report Non-procurement Instrument Receipt. Report non-procurement instrument receipts for which there is no ARI file in accordance with subparagraph C13.2.8.2.4., above, guidance for processing receipts not-due-in.

C13.2.11.3. LIM Actions. The LIM shall do the following actions:

C13.2.11.3.1. Process Storage Activity. Process the storage activity initiated ***Receipt Transactions*** to reduce the due-in record and record assets on ***the LIM 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.

C13.2.11.3.3.1. At this time, no action shall be taken by the LIM to remove or change the GIM's memorandum due-in.

C13.2.11.3.3.2. When litigation is 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.

C13.2.11.3.3.3. If material is returned to the contractor due to litigation proceedings notify the GIM in accordance with Chapter 9.

C13.2.11.3.3.4. The LIM must take appropriate action to reestablish a due-in, in accordance with Chapter 12 if the material being returned to the contractor for deficiency correction will eventually be returned to the LIM.

C13.2.11.4. 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 to Federal IC 824R, Reject Advice,*** and citing Reject Advice Code AB ***(go to and enter advice code, click submit at: https://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp)***.

C13.3. ***INQUIRY*** ON IN-TRANSIT DUE-INS

C13.3.1. Submission Timeframe. When a maximum of 45 calendar days have elapsed since the shipping date shown in shipment notification, and receipt of the total quantity has not been reported, the owner shall submit a ***Receipt Inquiry Transaction*** for information on the in-transit quantities to the storage activities designated to receive the material. (Extension of the 45 calendar day timeframe is authorized when long in-transit times are involved.)

C13.3.2. Tracer Action. When the storage activity response shows that the material has not been received, initiate any shipment tracer and/or discrepancy reports required under the procedures cited in paragraph C13.2.8., above. Coordinate with the CAO/PO for in-transit contract receipts. Storage activities shall submit shipment tracers and discrepancy reports for material not received as shown in the DoD Component implementing procedures or when directed to do so by the owner.

C13.4. ***STORAGE ACTIVITY*** RESPONSE TO INQUIRY ON MATERIAL RECEIPT

C13.4.1. ***Material Receipt Previously Processed***. When material has been received, ***and a receipt was previously submitted, storage activities shall submit a duplicate Receipt Transaction citing Advice Code 3P.***

C13.4.2. Receipt in Process. When the storage activity has the receipt in process, storage activities shall reply using the Response to Inquiry Transaction citing Advice Code 3K.

C13.4.3. Nonreceipt of Material. For nonreceipt of material, storage activities shall reply using the Response to Inquiry Transaction citing Advice Code 3N which indicates that the storage activity has no receipt in process and no record of the due-in.

C14. CHAPTER 14

ISSUE, LOAN, DEMAND, AND AMMUNITION FREEZE/ UNFREEZE TRANSACTIONS

C14.1. GENERAL

C14.1.1. This chapter provides a standard procedure for processing DS to Federal IC 867I, Issue, information from distribution depots to owner/IMM for the purpose of:

C14.1.1.1. Updating the owner/IMM record.

C14.1.1.2. Recording the appropriate financial transaction.

C14.1.1.3. Providing a basis for billing the customer.

C14.1.2. Processing points receiving requisitions, passing actions, follow-ups and cancellations, irrespective of format or method of transmission, will process such transactions in accordance with their respective internal procedures.

C14.1.3. Internal processing methods may vary due to automated capability and related procedures; however, the formats for output from processing point to requisitioner and between processing points will use the formats prescribed in this manual.

C14.1.4. This chapter also provides for processing by the Single Manager For Conventional Ammunition (SMCA) of freeze and unfreeze actions.

C14.2. ISSUE TRANSACTIONS.

C14.2.1. Issue transactions are used to convey issue data to the ICP or IMM using DS 867I, Issue. Issue transactions resulting from a backorder release are identified by issue transaction related Management Code M.

C14.2.2. Material from an Army Medical Material Agreement (AMMA) site may be issued using local catalog identification numbers.

C14.3. MAINTAINING ACCOUNTABILITY DURING MAINTENANCE ACTIONS

C14.3.1. Applicability. 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.

C14.3.1.1. These procedures apply to issues from inventory for assembly, disassembly, reclamation, conversion, modification, repair, and destructive or nondestructive test/evaluation consigned by DoD, other Government (non-DoD) Agencies, and commercial activities. Transfers to SCC M are covered under Chapter 7.

C14.3.1.2. These procedures exclude repair and return of material owned below the wholesale distribution system. However, storage activities shall maintain visibility and the property accountability record for these assets pending issue to maintenance and upon their return from maintenance.

C14.3.2. Requirements

C14.3.2.1. Collocated Storage Activity. When the maintenance activity is collocated with a DoD storage activity, owners shall direct material into maintenance only from the collocated storage activity. When necessary, owners shall relocate material from remote storage activities to the storage activity collocated with the maintenance activity using DS to Federal IC 940R, Material Release. The action shall be posted to the property accountability record using either DS to Federal IC 867I, Issue (Relocation) or DS to Federal IC 945A, Material Release Advice, showing relocation between storage activities without change in ownership. The due-in and ARI for controlling such relocations, which are processed under Chapter 13, may include ***Management Code V to*** identify material for immediate issue to transfer to maintenance. The DoD Components may apply processing techniques triggered by Management Code V to preclude physical storage of the material pending its release to the maintenance activity.

C14.3.2.2. Organic Maintenance.. When material is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement shall specify property accountability and material control requirements. The agreement shall also indicate whether the owner (Principal) will direct the issue of material to the maintenance activity under this section or the storage activity will transfer the material to the maintenance activity based on the repair schedule and report the transfer to SCC M under Chapter 7.

C14.3.2.3. DoD Component Actions. Each DoD Component shall ensure that:

C14.3.2.3.1. Owned inventory in the hands of the Department of Defense, other Government (non-DoD), and commercial activities, is properly accounted for under the provisions of Chapters 6, Chapter 7, Chapter 12, and Chapter 13 and, for commercial maintenance, the provisions of the Federal Acquisition Regulation. This includes returns from field activities for repair and reissue as wholesale inventory. The DoD Components shall prescribe use of any required internal codes to meet this requirement. (Responsibility of the owner (Principal for maintenance by DMISA)).

C14.3.2.3.2. Total item property records for material in the hands of maintenance activities are maintained and adjusted based on the quantity of material actually returned and shall support the DoD 7000.14-R accounting and reconciliation requirements. (Responsibility of the owner (Principal for maintenance by DMISA)).

C14.3.2.3.3. 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).

C14.3.2.3.4. Any needed interface between the procurement and supply operations/functions exists to ensure that reported data is sent 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.

C14.3.2.3.5. Reported data affecting inventory balances is recorded in the total item property record. (Responsibility of the owner (Principal for maintenance by DMISA)).

C14.3.2.4. Owners (Principals for maintenance by DMISA) shall issue material from storage for maintenance action using the process in subparagraph C14.3.2.1., above. Issues should be posted to the property accountability record using either the DS 867I series of transactions, or an image of DS 945A. Include any internal coding needed for proper financial accounting in the transaction.

C14.4. ISSUE TO DRMO OF SUPPLY CONDITION CODE (SCC) Q MATERIAL. When an inspection or technical/engineering analysis reveals a product quality deficiency which prohibits further DoD use of the material, the ICP will direct the transfer of the material to the DRMO in SCC Q. Disposal release orders and related issue transactions for this material must cite either Management Code O (alpha) to identify deficient material which does not require mutilation or Management Code S to identify deficient material which requires mutilation. DRMS will perform mutilation in accordance with existing guidance for the NSN/type of material. The ICP should identify to DRMS any unique instructions for disposal requiring specific methods or information regarding hazardous constituents contained in the item.

C14.5. BACKORDER TRANSACTIONS. Backorder transactions are not considered essential to supply operations under DLMS (consensus reached by the DLMS Supply Process Review Committee (PRC).

C14.6. DEMAND TRANSACTIONS. Demand transactions, DS 867D, Demand Reporting, may be used between supported activities and ICPs to report the establishment or cancellation of supply system demands, or may be used by ICPs as a technique for recording and accumulating demands for NSN items resulting from

processing DLMS requisitions, passing orders, or other forms of supply system demands.

C14.7. LOAN TRANSACTIONS

C14.7.1. 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 to provide 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.

C14.7.2. If accountability is dropped, issue (loan) transaction DS 867I shall be used to loan material from depot inventory to authorized recipients. Some centralized systems do not use DS 867I for effecting issues; however, the method applied should show the issue of loan material for audit and accountability purposes. For a decentralized system, the DS 867I transaction, if created by other than the IMM, may be used.

C14.8. SMCA FREEZE/UNFREEZE ACTIONS

C14.8.1. Processing of ***DS*** 846R, Location Reconciliation Request, transactions such as mismatched location audit reconciliation requests or material release denials (DS 945A, Material Release Advice) may require the SMCA to freeze and, when resolved, to unfreeze wholesale assets at a specific storage activity for a given stock or part number, ownership/purpose code, and SCC.

C14.8.2. When such freeze or unfreeze actions are taken, the SMCA shall provide SMCA freeze/unfreeze action (DS 846F, Ammunition Freeze/Unfreeze)) to the owning Component ICP for update of the ICP wholesale financial accountable records.

C15. CHAPTER 15

INSTALLATION CLOSURE PROCEDURES

C15.1. GENERAL. This chapter provides procedures and specifies timeframes for installation closures. They 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 not to be transferred with the mission to new location(s).

C15.2. APPLICABILITY AND SCOPE. These procedures and timeframes apply to all DoD installations, both CONUS and OCONUS; DoD tenant and satellite activities; DoD ICPs, DoD IMMs; and to GSA activities processing reports for material no longer required as a result of an installation closure.

C15.3. EXCLUSIONS. In addition to exclusions cited in Chapter 11, these procedures do not apply to the following:

C15.3.1. Inter-departmental and intra-departmental purchasing operations.

C15.3.2. Forms and publications. (However, use DS to Federal IC 511R, Requisition, when submitting requirements for these items to GSA and Navy. See Chapter 4 for requisitioning procedures.)

C15.3.3. 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.

C15.3.4. Related personal property reportable to GSA as a part of a real estate package. Related personal property is classified as any property which is:

C15.3.4.1. An integral part of real property or is related to, designed for, or specially adapted to functional or productive capacity of real property and removal of this personal property would significantly diminish the economic value of 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 related personal property.

C15.3.5.2. Determined by GSA to be related to real property.

C15.3.5.3. Installed property (Class II Plant Property).

C15.3.5.4. Real property.

C15.4. INSTALLATION CLOSING PROCEDURES

C15.4.1. Stratification of Inventory

C15.4.1.1. Installation Procedures. Do an inventory of all installation-owned property upon receipt of a confirmed closure date. The inventory shall include, but not be limited to, nonconsumable items (recoverable/capitalized assets and assets on table of allowances) and consumable items (assets on stock fund records). Each designated account shall maintain its identity. Stratify an inventory applicable to each designated account into three classes of property:

C15.4.1.1.1. Mission-essential – to be transferred to a new location with the mission.

C15.4.1.1.2. Not mission-essential – required for local operations during the period prior to closure.

C15.4.1.1.3. Excess to operational needs.

C15.4.1.2. Tenant and Satellite Activities. Each tenant and/or satellite activity having custody of installation-owned property shall return that property to the installation. Accountable records shall show the returns. Use procedures in subparagraph 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 doing the inventory, do a review of the installation requisitions. Identify requisitions which will be:

C15.4.2.1.1. Continued for shipment to the unit's relocation site.

C15.4.2.1.2. Continued for operational requirements until closure.

C15.4.2.1.3. Canceled as excess to operational needs. Do cancellation by single-line cancellation if time permits. See Chapter 4 for 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 requisitions for shipment to the relocation site. Use 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 shall develop a time-phased schedule to transfer mission-essential property to new location(s) of the mission(s). The schedule will plan movement of property at the earliest date without impeding the mission prior to transfer. Transfer mission-essential property to new location(s) after transfer of the mission only in those circumstances where mission-essential items are required, up to and including the last day prior to mission transfer.

C15.4.3.2. Review of Non-Mission-Essential Items. In actions involving an installation closure, review and process all items not mission-essential under provisions of DoD Directive 5410.12. Begin initial review of installation-owned items immediately upon completion of the inventory, including items identified as excess and items identified as being necessary for operation of the installation prior to closure. Using these item lists as the basis, make preliminary identification of related personal property as defined by the Directive.

C15.4.3.3. Review of Host Country Agreements. In actions involving 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 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 identified as excess to needs of the installation and not included in the preliminary list of related personal property to the appropriate ICP/IMM under Chapter 11 procedures.

C15.4.3.5. Property Stratification for Installation Operations. Stratify all not mission-essential property, but 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. Stratify items in date order they will become excess to operational needs. Sixty calendar days prior to the date that each item will become excess, report the items to the ICP/IMM under Chapter 11 procedures.

C15.4.3.6. Reporting Personal Property Items. Report items identified as related personal property (see subparagraph C15.4.3.2, above) to the ICP/IMM using DS to Federal IC 180M, Material Returns Reporting, and indicating Project Code 3QQ. Project Code 3QQ informs the ICP/IMM that the item has been placed on the

preliminary inventory of related personal property 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 GSA under Chapter 11 procedures.

C15.4.3.7. Processing Excess Material. Items reported to ICPs/IMMs as excess under the above guidance and Chapter 11 procedures, and the ICPs/IMMs have indicated a requirement, shall be processed using ICP/IMM material returns instructions (DS to Federal IC 870M applies).

C15.4.3.8. Excess Item Disposal. Dispose of all items reported to the ICPs/IMMs as excess, and items ICPs/IMMs have provided DS 870M with Status Code TC, plus items not reportable to ICPs/IMMs (e.g., locally purchased non-NSN items) under DoD Component procedures. All items identified as related personal property (see subparagraph C15.4.3.2, above) and there is no DoD requirement, shall remain with the installation.

C15.4.3.9. Inactive NSNs. Distribution centers having obsolete or inactive coded NSNs on record that are without an accompanying item manager record will locally prepare a disposal release order (DRO), DS 940R citing Utilization Code M.

C15.5. PROCEDURES FOR THE INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER.

C15.5.1. ICPs/IMMs shall process DS 180M received for property resulting from installation closure using Chapter 11 procedures. ICPs/IMMs shall 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.

C15.5.2. When appropriate, ICPs/IMMs will direct disposal of material resulting from Base Realignment and Closure (BRAC) under chapter 4 procedures for directing material to DRMS. The resulting DRO, DS 940R, will contain Utilization Code M.

C16. CHAPTER 16

REUTILIZATION AND MARKETING

C16.1. REQUISITIONING DoD EXCESS PERSONAL PROPERTY FROM THE DEFENSE REUTILIZATION AND MARKETING SERVICE[1]

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 shall request, through an accountable supply officer, only that property authorized by parent headquarters or command and shall not request quantities of property that exceed authorized retention quantities. The DoD Component shall give DRMS the Federal condition codes that are acceptable in relation to the SCC being requisitioned. DRMS maintains the Integrated Disposal Management System (IDMS), a standardized and centralized control and accounting system for all excess and surplus personal property located in DRMOs, and provides 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 shall send requisitions using DS to Federal IC 511R, Requisition, for excess personal property to DRMS. The requisition may be hand carried to DRMO for property previously selected, scheduled for pickup, or required as a result of screening at DRMO. Always cite the DoDAAC of the DRMO in requisitions hand carried to a DRMO. Activities or units unable to send requisitions electronically may forward them directly to DRMS by mail or by narrative message, but shall 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 511R to DRMS using requisition preparation procedures under Chapter 4. Use Utilization Code K, L, R, S or T, Signal Code D or M to denote free issue within 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 DTID number or Excess Report Number (ERN) (and DTID suffix, if applicable) when requisitioning a specific item. Use DD Form 1348-1A, 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 GSA under Federal Property Management Regulation, subchapter 4, part 101-43, to

[1] AMCL 139A not implemented by DLA.(ic01-03)

requisition excess/surplus property from the DRMS. Refer to section C16.2, below, when requisitioning small arms from DRMS.

C16.1.2.2. DAAS Editing. DAAS edits requisitions to determine if the requisition is for excess personal property as follows:

C16.1.2.2..1. Utilization Code and SCC. If the requisition contains Utilization Code K, L, R, S or T and SCC, DAAS shall route the requisition to DRMS. If the requisition does not contain SCC, but does contain a DTID number, DAAS shall route the requisition to DRMS.

16.1.2.2.2. No SCC or DTID. If the requisition does not contain an SCC and does not contain a DTID number, but is directed to the DRMS, DAAS shall 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 conditions in the previous two sections are false, DAAS shall continue the requisition processing.

C16.1.2.2.4. Requisitions Directed to DRMS. If the requisition is directed to DRMS and there is an SCC that does not contain Utilization Code K, L, R, S, or T, DAAS shall route the requisition to DRMS.

C16.1.2.2.5. No SCC or Utilization Code. If the requisition does not contain an SCC or Utilization Code K, L, R, S, or T, but has a DTID number, DAAS shall route the requisition to DRMS.

C16.2.2.6. No SCC, Utilization Code, or DTID. If the requisition does not contain an SCC, Utilization Code K, L, R, S, or T nor a DTID number, but does contain DRMS DoDAAC SC4400, DAAS shall 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. DAAS shall provide DS to Federal IC 870S, Supply Status, with Status Code BM to the requisitioner for validated excess personal property requisitions. DAAS shall also process DRMS requisitions with part numbers to obtain an NSN. DAAS shall change part number to NSN, as appropriate, pass the requisition to DRMS, and provide DS 870S, with Status Code BG to the requisitioner. If an NSN is not found, DAAS shall reject the requisition with DS 870S.

C16.1.3. Receipt of Requisitions by DRMS. Upon receipt of the requisition, DRMS shall select the requested item for issue or provide appropriate supply status if not available. If requested material is not available, DRMS shall keep the requisition in the requisition retention file for 60 calendar days and send DS 870S with Status Code B1 to the requisitioner. If all of the requested material does not become available during the

60 calendar-day retention period, DRMS shall cancel the remaining unfilled quantity and send DS 870S with Status Code D1 to the requisitioner.

C16.1.4. Processing Requisitions by DRMS

C16.1.4.1. Material Release. DRMS shall send DS to Federal IC 940R, Material Release, to DRMO if stock is available. DRMS shall perpetuate DTID number or ERN on DS 940R whenever a specific item is requisitioned. DRMO shall confirm or deny, as appropriate, all MROs received from DRMS. DRMO shall use DS to Federal IC 945A, Material Release Advice, with appropriate transaction type codes, to respond to follow-ups, cancellations, and modifications.

C16.1.2. Single Line-Item Cancellations. DRMS shall process single line-item cancellation requests or requisition modifiers if the MRO has not been sent to the DRMO or if the requisition is on the requisition retention file. DRMS shall not process mass cancellation requests.

C16.1.4. Material Issue. When the DRMO issues material resulting from hand-carried requisitions, the DRMO shall prepare a DS 945A with Transaction Type Code NJ and send it to DRMS.

C16.1.5. Procedures. DRMS shall respond to follow-ups using Chapter 4 procedures.

C16.2. REQUISITIONING CONVENTIONAL SMALL ARMS FROM DRMS

C16.2.1. Applicability. Conventional small arms include:

C16.2.1.1. Handguns

C16.2.1.2. Shoulder fired weapons

C16.2.1.3. Light automatic weapons up to and including .50 caliber machine guns

C16.2.1.4. Recoilless rifles up to and including 106mm

C16.2.1.5. Mortars up to and including 81mm

C16.2.1.6. Rocket launchers, man portable

C16.2.1.7. Grenade launchers, rifle and shoulder fired

C16.2.1.8. Individual operated weapons that are portable and/or can be fired without special mounts or firing devices and that have potential use in civil disturbance activities and are vulnerable to theft. This covers all weapons meeting this criterion,

regardless of the origin (including foreign, commercial, confiscated, and non-appropriated 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. DRMS shall treat any weapon meeting the general guidelines of a small arms weapon accordingly, regardless of FSC.

C16.2.3. Requisition Submission. The accountable supply officer shall send 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. DRMS or DRMO shall only accept requisitions for small arms from the CONUS IMM. DRMS or DRMO shall reject all others back to the requisitioning activity using DS 870S. Requisitions approved by the IMM shall be mailed to DRMS, Battle Creek, MI 49017-3092, ATTN: DRMS-U.

C16.3. PREPARATION OF SHIPMENTS TO DRMOs[2]

C16.3.1. Shipments/Transfers. For shipments/transfers to DRMOs, supply sources shall send DTID (DD Form 1348-1A or DD Form 1348-2) and documentation for in-transit control of property identified by an NSN or local stock number (excluding scrap [SCC S], waste, non-appropriated fund activity, and lost, abandoned, or unclaimed privately owned personal property) shipped/transferred to a DRMO. DTID and documentation will control the shipment from the time of release by a shipping activity until receipt of the property by DRMO. Supply sources shall send a DS 856S shipment status transaction to DRMS for each DTID sent to DRMO, regardless of dollar value.

C16.3.1.1. Status Transactions With Value of $800 or More. Only those shipment status transactions, DS 856S, applicable to shipments/transfers of usable property directed to DRMOs with a line-item value of $800 or more (unit price per FLIS) and for all shipments/transfers of pilferable or sensitive items (based on Controlled Item Inventory Code (CIIC)) regardless of dollar, value shall be entered into the in-transit control system (ICS). The extended value of the shipment shall be determined by document number, quantity, and unit price.

C16.3.1.2. Shipment/Transfer Monitoring. ICS provides a means to monitor shipments/transfers to DRMOs. This system also provides a capability for DRMS to give information to the DoD Component concerning the shipment/transfer of property to DRMOs.

[2] Requirement to provide shipment status to DRMS on all shipments regardless of dollar value: Refer to AMCL 16. Requirement to provide the unit prices on shipment status to DRMS: Refer to AMCL 17. Establishing in-transit control procedures to DRMOs: Refer to AMCL 158B.

C16.3.2. Material Acceptability. These procedures do not negate the authority of DRMO to refuse acceptance of accountability and physical receipt of certain types and classes of material as prescribed by DoD 4160.21-M. If material is not acceptable for these reasons, and the shipment is rejected/returned to the shipper, DRMO shall provide notice of rejection to DRMS under existing procedures, thus purging the ICS file. Guidance on shipment notices and ICS processing is applicable only to useable items being shipped/transferred to DRMO.

C16.4. DIRECTING MATERIAL TO THE DRMS

C16.4.1. General. Supply sources use DS 940R to direct and control issue of supply system stocks on their accountable records to disposal. Supply sources shall send disposal release orders (DROs) to the storage site having custody of the stock and result in the preparation of DD Form 1348-1A (or DD Form 1348-2). If the item is classified in SCC Q and is being sent to a DRMO, DS 940R shall contain Management Code BS or BT, as appropriate, to indicate if material is hazardous to public health and/or safety and whether mutilation[3] is required. The retention quantity in the DRO shall determine the quantity of material to be turned in to disposal by the storage site. The retention quantity cited in the DRO shall be kept and all remaining stocks transferred to disposal, or, if the quantity on hand is less than the quantity indicated, the storage site shall answer with DS 945A with Status Code BY.

C16.4.2. Release Confirmation. DS 945A gives advice from a non-accountable storage site to the supply source that initiated the DRO of supply action taken.. The storage site shall send DS 945A when quantity shipped is the same quantity, when quantity shipped is greater than requested, or when quantity shipped is less than the quantity requested in the DRO. SOS shall use disposal release confirmation (DRC) to make adjustments to inventory records. DS 945A shall be prepared and sent on the day material is delivered to the carrier for shipment to DRMO. DS 945A shall, 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 receipt of a driver's control copy or return of a signed receipt copy of the DTID before preparing DS 945A. When not using DS 945A to confirm a shipment of material to DRMO, send DS 856S to DRMS, with Code 2I in the REF segment if shipped material line item value is $800 or more or the item is recorded as pilferable/sensitive, simultaneously with DS 945A or other transaction authorizing/directing shipment to disposal. This procedure is authorized when circumstances (such as local transfers, use of available organic transportation, or other substantiating conditions) make use of DS 945A unnecessary.

C16.4.3. Release Follow-Up. The supply source shall use DS 940R to follow-up on storage facilities for unconfirmed DROs 10 calendar days after the date the DRO

[3] 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.

was created. If the DRO has been complied with, the storage facility shall respond with a DS 945A, see paragraph C16.4.2 above. If the DRO has not been complied with and shipment is anticipated, the storage facility shall send supply status, DS 945A, with an estimated shipping date. If there is no record of the DRO, the storage facility shall send DS 945A with Status Code BF. If the DRO has been denied, the storage activity shall send DS 940R with Status Code BY.

C16.4.4. Release Denial. The storage site shall send DS 945A to the supply source that prepared the DRO as a notification of no action on DS 945A. Supply sources shall use DS 945A to adjust inventory records.

C16.4.5. Release Cancellation. Disposal release cancellations, DS 940R, are prepared by supply sources having initiated DROs and sent to storage sites when determined disposal actions should be stopped. Supply source cancellation requests shall be sent only when DROs are unconfirmed. Storage activities shall respond to the cancellation request using DS 945A with appropriate transaction type code, and routing identifier of the supply source to which the transaction will be sent and the activity preparing the transaction.

C16.4.6. Release Cancellation Follow-Up. A disposal release cancellation follow-up, DS 940R, may be sent by the supply source to get latest status of a disposal release cancellation. The disposal release cancellation follow-up transaction shall be in the same format as the original disposal release cancellation and shall be processed by the storage site as a cancellation request if the original request was not received. If the original request was received and all required actions have been completed, the storage site shall respond to the disposal release cancellation follow-up by duplicating previously submitted documentation, DS 945A.

C16.4.7. Reporting Excess Quantity. SOS shall send replies to excess reports, DS 870M, to notify the reporting activity quantity reported is in excess to SOS requirements and further action is authorized under appropriate DoD Component procedures. Refer to Chapter 11.

C16.4.8. DAAS Processing of Release Confirmations. DAAS shall use 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, DAAS shall send the DRC to the appropriate organization(s) as indicated in the N1 segment and DS 856S to DRMS.

C16.5. PROCESSING MATERIAL TO THE DRMS

C16.5.1. General

C16.5.1.1. Material Transfer. Shipment/transfer of material to a DRMO via DTID requires authority for disposal which must be indicated in DTID by appropriate

disposal authority code and the reason for disposal code. Ensure property is reported to the IMM prior to DTID preparation, if required, per DoD 4140.1-R.

C16.5.1.2. Inability to Process Mechanically Processable or Electronic Transactions. Activities lacking ability to prepare mechanically process-able transactions, and/or electrically send them to ICS, arrange for such preparation or message transmission of in-transit control transactions by the nearest facility having such capabilities. When support from another activity cannot be obtained, transactions shall be mailed or sent electronically (email, etc.) to DRMS. These must include the in-the-clear address of the activity and a point of contact. DRMS shall coordinate with the DoD Components to determine options for any activities that consistently mail transactions.

C16.5.1.3. Turn-In Document Processing. Activities shall direct/process all accountable material to disposal using DTID (DD Form 1348-1A or DD Form 1348-2). Some categories of non-accountable property may be transferred to DRMO without documentation. Guidance shall be provided by the servicing DRMO. For each DTID, activities shall give one DS 856S to DRMS for each shipment/transfer sent to DRMO without regard to the dollar value. Only DS 856S applicable to shipments/transfers with a line-item value of $800 or more (unit price per FLIS) and for all shipments/transfers of pilferable or sensitive items (based on CIIC code) regardless of dollar value will be entered into ICS. Activities shall prepare and send DS 856S to DRMS, with Distribution Code 9 and the unit price of the material when a DRC is created by the shipping activity showing actual quantity shipped and date delivered to the carrier for shipment. The shipment status transaction, meeting the in-transit control criteria, shall initiate the suspense file at DRMS, which will, as a minimum, contain the following data:

Table C16.T1. Turn-In Processing Data Requirements

DATA ELEMENT	SOURCE
Document 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)	Calculated from FLIS unit price
Controlled Inventory Item Code	FLIS
Quantity Shipped	Shipment Status
Date of Shipment	Shipment Status
Quantity Received	DAISY Receipt
Date of Receipt	DAISY Receipt

Extended Dollar Value of Receipt	DAISY Receipt
Dollar Value of Quantity Variance Between Shipment and Receipt (if any)	(Internal Computation)

C16.5.2. Procedures

C16.5.2.1. DAASC

C16.5.2.1.1. DS 856S Edit. DAAS shall edit DS 856 for the following criteria before passing to DRMS.

C16.5.2.1.1.1. Invalid DoDAAC, FSC, or Quantity. Reject, to the generating activity, for invalid DoDAACs FSC (FSC does not exist), and quantity of zero or blank. The rejected transaction shall be returned to the originating station with a narrative explanation of the reason for return and instructions not to resubmit.

C16.5.2.1.1.2. Edit Unit Price. If the transaction contains a local stock number with a blank or zero unit price, reject; if NSN and blank or zero unit price, insert the FLIS price.

C16.5.2.1.2. Flag ICS Follow-Up Transaction. DAAS shall “flag” ICS follow-up transaction (DS 940R) to help the DoD Components prioritize research and resolution of the transaction. The transaction shall include “CRITICAL”, identifying sensitive items, demilitarization required items, and all items in “critical classes.” DAAS shall append the critical flag as follows:

C16.5.2.1.2.1. To determine if critical class, match FS Group or Class (as appropriate) to table built from DoD 4160.21-M, Chapter 3, attachment 1.

C16.5.2.1.2.2. To determine if demilitarization required, match NSN to FLIS looking for demilitarization code equal to C, D, E, or F.

C16.5.2.1.3. To determine if a sensitive item, match NSN to FLIS for CIIC looking for Sensitive Item Codes equal to 1, 2, 3, 4, 5, 6, 8, Q, R, $.

C16.5.2.2. DRMO

C16.5.2.2.1. Accept Accountability. DRMO shall accept accountability of the shipment if material is acceptable based on established criteria in DoD 4160.21-M.

C16.5.2.2.2. Document Receipt. DRMO shall give documentation receipt of the DTID upon request by the shipping activity. NOTE: The DRMO shall always supply a copy of the signed DTID for all shipments containing quantity discrepancies. DRMO shall note the difference in quantity received and quantity shipped on the DTID

C16.5.2.2.3. Notify Shipping Activity of Quantity Error. If an error exists because the quantity received is less than or greater than quantity entered on the DTID, DRMO shall notify the shipping activity ***and submit a supply discrepancy report***. (See DoD 4160.21-M, Chapter3; Chapter 17, and Joint Regulation DLAI 4140.55, et al).

C16.5.2.3. DRMS

C16.5.2.3.1. Processing Timeframe. When a DAISY "receipt of usable property" or "receipt" is processed by DRMS, it shall be compared with the suspense file generated by the ***disposal*** shipment status transaction (DS 856S ***Distribution Code 9***). The DAISY receipt shall open the ICS transaction file if there is no matching ***disposal shipment status (***DS 856S***)***. The suspense file shall 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 actions below. All transactions generated by ICS shall be sent through DAAS to the ***activity identified in the document number using either the shipment status (***DS 856S***) or the DRMO receipt of usable property***. ICPs/IMMs receiving these transactions shall forward them to the shipping activity ***so that the shipping activity may respond directly to DRMS, or research and provide appropriate response***.

C16.5.2.3.1.1. The suspense file shall be closed if the receipt matches a shipment status transaction previously recorded in the suspense file. A match is based on DTID number and FSC.

C16.5.2.3.1.2. If, after 90 calendar days from the date of DRMS posting of the receipt, there is no matching shipment status transaction, and the extended value of $800 or more, or the item is recorded as pilferable or sensitive, forward a ***disposal shipment confirmation inquiry (***follow-up***)*** transaction. This notification (DS 940R ***(W0506 = NH),*** with Advice Code 36) closes the ICS suspense.

C16.5.2.3.1.3. DRMS shall send a ***disposal shipment confirmation inquiry*** with Advice Code 37 when, after 90 calendar days, there is no receipt applicable to a shipment transaction, and the extended value of the shipment transaction is more than $800, or the item is recorded as pilferable or sensitive.

C16.5.2.3.2. Forwarding Second ***Disposal Shipment Confirmation Inquiry***. If a disposal supply status DS 870S, or a disposal shipment confirmation ***(DS 945A, W06011 = AZ)***, is not received within 30 calendar days of sending ***disposal shipment*** confirmation ***inquiry***, DRMS shall send a second ***inquiry follow-up (***DS 940R, ***W0506 = NH*** and an appropriate ***Advice Code, 36, or 37)***. The record shall

remain open for a period of 1 year from the date it was originated unless closed by a response to DS 940R. When moved from the active suspense file, place records on an accessible history file for an additional 2 years.

C16.5.2.3.3. Terminating In-Transit Control ***System (ICS)*** Processing. Receipt of DS ***870S will direct further ICS processing as follows:***

C16.5.2.3.3.1. Status Code DE shall advise DRMS to terminate in-transit control processing for the ***document*** number in question. If received in response to ***disposal shipment confirmation inquiry (***DS 940R, ***W0506 =NH)*** with Advice Code 37, a record of the shipment status transaction is not required.

C16.5.2.3.3.2. Status Code DF shall advise ICS to remove the record from the active suspense file and place the record in an accessible history file for 2 years.

C16.5.2.3.3.3. Status Code DG shall close the record in ICS; in-transit control processing for the ***document*** number in question is considered complete. DRMS will use its own procedures to determine why notification of receipt of material was not sent by DRMO to DRMS and DRMS will keep an accessible history file record for 2 years.

C16.5.2.3.3.4. Status Code DH shall close the record in ICS; in-transit processing is considered complete and an accessible history file shall be kept by DRMS for 2 years.

C16.5.2.3.3.5. Status Code BF removes the record from the active suspense file and places it in the accessible history file for 2 years.

C16.5.2.3.4. In-transit Control Processing Completion. If a ***disposal shipment confirmation (DS 945A, W06011 = AZ)*** is received by DRMS, in-transit control processing for the ***document*** number in question is considered complete. Accessible history file records shall contain NSNs, quantities, ***document*** numbers, dollar value of variances (if any), and the identity of applicable shipping activities and DRMOs.

C16.5.2.3.5. Quarterly Report. DRMS shall provide a Quarterly In Transit to DRMO Report ***upon request***. ***DRMS will provide*** tailored special extract reports, ***as requested***. 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.

C16.5.2.4. Shipping Activity

C16.5.2.4.1. Documentation Review. Supply organizations in ***receipt of disposal shipment confirmation (follow-up) (DS 940R, W0506 = NH) shall ensure***

that applicable shipping activities review signed receipt documentation (DTID), investigate discrepancies, and provide timely responses within 30 working days of receipt of the ***inquiry***. ***Disposal shipment confirmation inquiries*** with Advice Code 36 do not require a response.

C16.5.2.4.2. Filing Receipts. To ensure required copies of the DTID are available, shipping activities shall file all signed receipt copies when received from DRMO. Copies shall be kept for a minimum of 2 years after date of the shipment.

C16.5.2.4.3. Quantity Received Verification. Upon receipt of ***a disposal shipment confirmation inquiry***, the shipping activity verifies the actual quantity receipted for DRMO, and shall respond ***with supply or shipment status as follows:***

C16.5.2.4.3.1. No Shipment Record/Status. If there is no record of the shipment, nor of generating the shipment status, and no record of a signed copy of the DTID, ***Supply Status (***DS 870S***)*** with Status Code BF shall be sent to DRMS.

C16.5.2.4.3.2. 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, ***Supply Status (***DS 870S***)*** with Status Code DE shall be sent to DRMS.

C16.5.2.4.3.3. 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 shall do additional research as determined by the DoD Component procedures, including, if necessary, referral to the appropriate criminal investigative activity. Also, send ***Supply Status (***DS 870S***)*** with Status Code DF to DRMS.

C16.5.2.4.3.4. No Shipping Activity Record. If the shipping activity has no record of generating a ***Shipment Status (***DS 856S***)*** transaction, but has received a signed copy of the DTID, a disposal shipment confirmation ***(DS 945A, W06011 = AZ)*** showing the quantity receipted for in the DTID shall be sent to DRMS.

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). The SDR is a tool used to report shipping or packaging discrepancies attributable to the responsibility of the shipper, (including Government sources, contractors/ manufacturers or vendors) and to provide appropriate responses and resolution. The purpose of this exchange is to determine the cause of such discrepancies, effect corrective action, and prevent recurrence.

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 DAASC. The DoD approved standard for electronic transmission of SDRs is the DLMS Supplement (DS) to 842A Federal Implementation Convention (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 follow-on actions. The 842A/R, DoD SDR Reply, shall be employed for transactional exchange of the SDR reply by the action point. The DSs for SDRs are available via the IC/DS page of the DLMSO Web.

C17.1.3. DoD WebSDR. The DoD WebSDR is a DAASC-maintained system which facilitates transaction exchange that provides a web-based entry method. This WebSDR application is an effort to automate the SF 364 SDR paper form and transition to the DoD standard described above. It brings the SDR into an integrated transactional environment, supporting both direct input (under Component business rules) and transaction exchange originating within Component applications The WebSDR system facilitates communication and interoperability between U.S. Military and Federal Agencies and the International Logistics Control Office (ILCO) on behalf of the Security Assistance (SA) customer. It controls routing of web submissions and logistics transactions according to business rules using any-to-any translation to support unique and standard transaction formats following the DS 842A/W and 842A/R. It supports information exchange between the customer, the ICP/IMM, and the shipper, and other interested parties. It encompasses new report submission, correction/modification, cancellation, follow-up, requests for reconsideration, and forwarding of SDR resolution responses, in addition to the capture of report and response management statistics. The WebSDR process reduces manual SDR form creation and eliminates dual entry where multiple Component systems are used. It shall provide an automated process for tracking SDR response information. Data collected shall enable DoD to identify trends,

establish volume and dollar values of SDRs, bring management attention to problems with shipping activities as necessary, and improve the requisitioning and distribution process within logistics operations. This provides an effective means to report, resolve and measure discrepancies related to pipeline performance. Ultimately, the goal is to incorporate SDR metrics within other logistics response measurements in support of perfect order fulfillment. DoD WebSDR training is available on the DLMSO Web.

C17.1.4. DoD Component members of the SDR Subcommittees (U.S. and SA) of the DoD Supply Process Review Committee are identified on the SDR Subcommittee page of the DLMSO Web.

C17.1.5. Applicability. These SDR procedures are applicable to the DoD Components and external organization elements as defined in Volume 1, Chapter 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 the provisions of this publication:

C17.1.6.1. Discrepancies found while material is in storage. Short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack may be reported by U.S. Government customers only. Material in storage in sealed vendor's packs which is later discovered to have been shipped with discrepancies relating to Item Unique Item Identification (IUID) data. These may be reported as SDRs and are not subject to submission timeframes. Refer to UID discrepancies below.

C17.1.6.2. Discrepancies involving local deliveries to, or returns from, internal or satellite activities. This exclusion is not applicable to on-site Distribution Depot (DD) shipments.

C17.1.6.3. Discrepancies involving shipments of privately-owned vehicles.

C17.1.6.4. Discrepancies involving shipments on requisitions or purchase orders from personnel services activities citing non-appropriated funds.

C17.1.6.5. Transportation discrepancies covered by DoD 4500.9-R, Defense Transportation Regulation, Part II, Cargo Movement, Chapter 210, Transportation Discrepancy Report (TDR), except as specifically permitted under SA procedures in this chapter.

C17.1.6.6. Product quality deficiencies to the extent covered by Joint DLAR 4155.24, et. al., Product Quality Deficiency Report Program, except as specifically permitted under SA procedures in this chapter.

C17.1.6.7. Discrepancies involving personal property shipments, with the exception of packaging discrepancies relative to personal property.

C17.1.6.8. Billing discrepancies, except as specifically permitted under SA procedures in this chapter. Price verifications and/or challenges are not reportable on an SDR.

C17.1.7. Types of Discrepancies

C17.1.7.1. Supply Discrepancy. Supply discrepancy is a general term used to describe any variation in goods received from data shown on any authorized shipping document which is not the result of a transportation discrepancy or product quality deficiency. Supply discrepancies include both shipping and packaging discrepancies.

C17.1.7.1.1. Shipping (Item) Discrepancy. A shipping discrepancy is any variation in quantity or condition of goods received from what shown on the authorized shipping documents, to include incorrect or misdirected material, receipts of cancelled requirements, and/or improper or inadequate technical or supply documentation, which is not the result of a transportation error or product quality deficiency. Discrepancies involving IUID are reportable under shipping discrepancy criteria.

C17.1.7.1.2. Packaging Discrepancy. A packaging discrepancy is any unsatisfactory condition due to improper or inadequate packaging (including preservation, packing, marking, or utilization) which causes the item, shipment, or package to become vulnerable to loss, delay, damage, or unnecessary expense to the U. S. Government, such as excessive packing. Discrepancies involving passive radio frequency identification (pRFID) are reportable under packaging discrepancy criteria.

C17.1.7.2. Transportation Discrepancy. A transportation discrepancy is any variation in quantity or condition of material received from that shown in the piece count by type of pack on the bill of lading or governing transportation document and other deficiencies in transportation when discrepant material is not involved. These discrepancies involve motor, air, water, rail and small package commercial carriers (excludes USPS shipments which are lost or damaged). ***Follow*** TDR policy found in the Defense Transportation Regulation, Part II, Cargo Movement (DoD 4500.9-R). TDR's are entered and distributed under the Electronic Transportation Acquisition (ETA) system at https://eta.sddc.army.mil/.

C17.1.7.3. Product Quality Deficiency. A product quality deficiency is a defective or non-conforming condition which limits or prohibits the item from fulfilling its intended purpose. These include deficiencies in design, specification, material, manufacturing and workmanship. These are reportable on an SDR only by a SA customer. All others follow PQDR policy found in DLAR 4155.24/AR 702-7/SECNAVINST 4855.5B, AFR 74-6, Product Quality Deficiency Report Program.

Quality deficiencies reported via SDR will be investigated within the ICP/IMM under procedures associated with Product Quality Deficiency Reports.

C17.1.7.4. Billing Discrepancy. Billing discrepancies are those discrepancies related to duplicate or multiple billing per individual shipment, or a single billing with no ship line, which are reportable to the ILCO on an SDR by SA customers only. 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.

C17.1.7.5. Financial Discrepancies. Financial discrepancies are those discrepancies related to administrative and accessorial charges. The ILCO, ICP/IMM, or GSA shall forward to DFAS-DE/I for processing all financial discrepancies received directly from a SA purchaser. Responses to these will be returned to the ILCO. Only financial discrepancies related to SA purchases are reportable on an SDR.

C17.2. POLICY

C17.2.1. Use of SDR. The DoD Components shall 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 purposes of this exchange are to determine cause of such discrepancies, effect corrective action, and prevent recurrence.

C17.2.2. Electronic Communication. Components are encouraged to maximize the use of electronic reporting and 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 systems 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. SDRs shall be submitted in accordance with Component-specific guidance via appropriate automated systems or via the internet-based DoD WebSDR available from the DAAS home page at: https://www.daas.dla.mil/daashome/. While exceptions may be permitted, the DoD goal is that paper submission of SDRs will be phased out once full implementation of transaction exchange under DLMS has been achieved.

C17.2.3. Documentation Maintenance. The SF364 (or the electronic version DS 842A/W) and the action activity's response (or electronic DS 842A/R) shall be used to support adjustments to inventory and financial accounting records and shall be maintained as required.

C17.2.4. Receivers of discrepant material shall use the SDR to:

C17.2.4.1. Report shipping discrepancies, packaging discrepancies, and discrepancies or nonreceipt of United States Postal Service (USPS) shipments.

C17.2.4.2. Modify, cancel, or follow-up on a previously submitted report.

C17.2.4.3. Request reconsideration of a response.

C17.2.4.4. Security Assistance customers may use to contest the decision stated in a response.

C17.2.4.***5***. Provide information copies of the report to interested parties.

C17.2.5. Responsible action activities as identified in this chapter and Appendix 3 shall use to:

C17.2.5.1. Notify the report initiator of interim status or resolution of the SDR.

C17.2.5.2. Request additional information on incomplete submissions.

C17.2.5.3. Reroute***/forward*** the SDR to the appropriate party.

C17.2.5.4. ***Forward recommendations to the supply source for determination of financial resolution or materiel disposition.***

C17.2.5.5. Provide information copies of the response to interested parties.

C17.2.6. Non-Receipt of Shipments. Non-receipts, shipped by traceable means such as Government or Commercial Bill of Lading, shall not be reported using the SDR, unless the non-receipt is for other than a transportation discrepancy, or for damaged items shipped via modes other than USPS. SDRs shall not be submitted for non-receipt of shipments made by traceable USPS registered, insured, or certified mail until appropriate tracer action has been completed. If tracer action results confirm non-receipt, then submit an SDR and include results of the tracer action. Customers without automated access to in transit visibility information should contact the ICP/storage activity to determine which shipments are traceable. (Not applicable to SA customers.)

C17.2.7. Interface with Other Material Management ***Functions***.

C17.2.7.1. Under DLMS, discrepancy processing may be used to trigger other standard material management functions. IMMs should plan to use the SDR response to establish a due-in record for return of discrepant material under Chapter 12, Due In and Advanced Shipment Information. ***ICPs/***IMMs ***shall*** use the Advance Receipt Information (ARI) (***also known as Prepositioned Materiel Receipt (PMR)*** to advise ***storage*** activities to ***which*** a return is directed under Chapter 12 (refer to DS to 527D, Due-In/Advance Receipt/Due Verification).

C17.2.7.2. By ***future*** DLMS enhancement ***pending further coordination***, IMMs may use the material release order/material receipt confirmation (MRO/MRC) to direct and record return of discrepant material located at DoD shipping depots under Chapter 4, Requisitioning, (refer to DS to 940R, Material Release). IMMs may use material returns supply status to re-direct the return of discrepant material received at other locations under Chapter 5, Status Reporting (refer to DS to 870M, 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, Shipment Status Material Returns). DLMS enhancements must be coordinated prior to implementation.

C17.2.8. Discrepancy Reports Relating to Interchangeability/ Substitutability (I&S) or Quantity Unit Pack (QUP) Issues. Incorrect item SDRs shall not be submitted for authorized substitution. The DoD Components and GSA shall follow the policy of automatic shipment of an item, unless the requisition contains an appropriate advice code in accordance with Chapter 4, limiting the request to a specific item. Therefore, incorrect item SDRs shall not be submitted for authorized substitutions. Similarly, quantities may be adjusted to the quantity unit pack, unless restricted by the appropriate advice code in the customer requisition. Such adjustments resulting in quantity variance are not reportable as discrepant.

C17.2.9. Responsibility for Costs Incurred Due to Discrepancies in Returned Material. 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 ICP against the initiator may include all cost reimbursable actions performed by the receiving activity such as repackaging, marking, and disposal.

C17.2.10. Multiple Requisitions. Multiple requisitions received under a consolidated shipment cannot be combined for discrepancy reporting purposes. Individual SDRs must be submitted for each discrepant requisition received in the shipment. An exception to this is authorized for Consolidation and Containerization Points (CCPs)/transhippers. Refer to guidance for CCP-originated SDRs below.

C17.2.11. 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.

C17.2.12. Government Furnished Material (GFM). 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 for information only, as a means of notifying the shipper/IMM of the discrepant condition.

C17.3. PROCEDURES

C17.3.1. Original Submission of SDR

C17.3.1.1. 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.

C17.3.1.1.1. ***Pending improved processing techniques, it is required that DLMS SDRs i***dentify the ***SDR*** document type code available from the DLMS Logistics Qualifier database. This is a one position code used to describe the type of discrepant report and the type of shipment involved***, e.g. depot shipment to the customer (Type 7), or direct vendor shipment to the customer (Type 6)***.

C17.3.1.1.2. Identify the discrepancy using the discrepancy ***action*** code available from the Logistics Qualifiers listing. Use up to three codes to describe the discrepancy. If no coding exists to adequately describe the discrepancy, select code Z1 and use a clear-text description. The goal of the initial SDR submission is to provide as much relevant information as possible to the action activity, so that they can take timely action to correct the problem and provide a timely response and disposition to the customer.

C17.3.1.2. Shipment Information. SDRs must contain a document number. Identify the original requisition document number when known, otherwise a constructed document number is required. A constructed document number identifying the receiving Distribution Depot (DD) is required for DD receipts reported electronically including new procurement receipts. Additional information, such as transportation numbers (TCN, bill of lading number, etc.) or procurement information (procurement instrument number, line item number, vendor shipment number) shall be provided in accordance with the DS/SF 364.

C17.3.1.3. Requested Action.

C17.3.1.3.1. The SDR originator must indicate what action has been taken concerning the discrepant material and the desired response from the responsible activity. Use the appropriate ***discrepancy action code*** available from DLMS Data Element Dictionary/Directory. If no coding exists to adequately describe the action taken or requested disposition, select Code 1Z and use a clear-text description.

C17.3.1.3.2. When an SDR is submitted using Action Code 1H, No Action Required, Information Only, a reply transaction from the action activity is not required, but when provided, it shall be accepted by the customer application. Systematically, this may be interpreted to mean that a customer applications may auto-close these SDRs, but must allow them to re-open automatically to process a reply transaction if one is provided.

C17.3.1.4. Shipping 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. U.S. Forces and participating non-SDRs fall under the reporting criteria based upon dollar value and/or condition cited below.

C17.3.2.1.***1***. GSA and DLA Directed Shipments ***Dollar Value Criteria***. Optionally, recipients of DLA and GSA directed shipments may submit an SDR for all types of shipments regardless of dollar value. ***Otherwise, r***eport ***discrepant*** shipments when they meet the conditions and value criteria cited below.

C17.3.2.1.2. Contractor/Manufacturer or Vendor Shipments. Report discrepant shipments from contractors/manufactures or vendors that meet conditions cited below regardless of dollar value.

C17.3.2.2. DoD action activities shall recognize the ILCO's determination whether DS SDRs fall within submission time standards and dollar limitation 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 *S*A purchaser. ***Once accepted by the ILCO and forwarded to the responsible action activity, further evaluation for time standard and dollar criteria is not appropriate.***

C17.3.2.***3***. Condition of Material

C17.3.2.***3***.1. Condition Misrepresented. Report when the condition of an item valued in excess of $100 per line-item is found to be other than shown on the shipping document, or, in the case of subsistence, on supporting inspection/test certificates or records. Use the hazardous material discrepancy code when applicable.

C17.3.2.***3***.2. Hazardous Material. Report discrepant receipt of hazardous material under the appropriate H-series discrepancy code. Use in place of the C-series codes for condition/shelf-life discrepancies when a hazardous item is received in a condition other than shown on the supply document or on the supporting inspection/test certificate. Report receipt of hazardous item requiring repair and lack of a Material Safety Data Sheet (MSDS) in Hazardous Material Information Resource System (HMIRS). Also use to report receipt of a non-radioactive item classified as radioactive, or non-hazardous item classified as hazardous.

C17.3.2.***3***.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.***3***.4. Expired Shelf Life. Report receipt of material for which the shelf life either has expired (Type I non-extendible item) or the inspect/test date has lapsed (Type II extendible item), regardless of dollar value. Use the hazardous material discrepancy code when applicable.

C17.3.2.***3***.4.1. For Type I DoD and GSA managed items: submit an SDR.

C17.3.2.***3***.4.2. For Type II DoD-managed items: prior to submitting an SDR, access the DoD Shelf-Life Extension System (SLES) through the DoD Shelf-Life Program website at: ***https://www.shelflife.hq.dla.mil/default.aspx*** or through the shelf life program secure site if you have a .mil address.

C17.3.2.***3***.4.2.1. Type II items requiring laboratory test: query the DoD Quality status Listing (QSL) to determine if the specified Type II item listed as having passed the required laboratory testing and has been extended. Items that are listed on the QSL as passed may be extended and remarked accordingly if the item has been stored in accordance with its storage standard. For items not on the QSL, prior to submitting an SDR, contact the DLA CALL CENTER at 1-877-DLA-CALL if the shipment originated from a DLA Storage Activity.

C17.3.2.***3***.4.2.2. Type II items requiring visual inspection: query the Materiel Quality Control Storage Standards for the specified Type II item, perform visual inspection in accordance with the items storage standard, and extend and remark if the item has been stored in accordance with its storage standard. If the item fails the visual inspection, dispose of as required by local procedures.

C17.3.2.***3***.4.3. For Type II GSA-managed shelf-life-items: prior to submitting an SDR, contact the GSA Shelf-Life HOTLINE at 1-209-547-8634 to determine if the inspect/test date has been extended.

C17.3.2.***4***. 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. The submitter should request disposition instructions for unwanted material. Exception: an SDR must be submitted when controlled inventory items are received on previously canceled requisitions regardless of dollar value.

C17.3.2.***4***. Documentation. Report when supply documentation is missing, incomplete, or improperly prepared regardless of dollar value.

C17.3.2.***5***. Overage/Shortage, Nonreceipt, or Duplicate Discrepancies

C17.3.2.***6***.1. Overage/Shortage. An item overage or shortage discrepancy occurs when the quantity received is greater or less 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. Report DoD shipper overages or shortages valued in excess of $100 per line item, except for controlled inventory items which are reported regardless of dollar value. Customers may use a clear text description to indicate that erroneous or conflicting MRA information was previously submitted.

C17.3.2.***6***.2. Concealed Overage/Shortage. U.S. Government customers shall report overages or shortages 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.***6***.3. Quantity Variances. Quantity variances on receipts from procurement authorized by the terms of the contract are not reportable as discrepant.

C17.3.2.***6***.4. QUP Variances. Report quantity variance due to incompatibility of unit of issue between documentation and material received. Automatic adjustment for unit pack is allowable by policy, unless the requisition contains an appropriate advice code, in accordance with Chapter 5, restricting the quantity.

C17.3.2.***6***.5. Exceptions to Reporting Overage/Shortage. For U.S. Government customers, this does not include transportation discrepancies as follows:

C17.3.2.***6***.5.1. Overages or shortages of boxes, packages, or loose articles of freight in a commercial/Government-owned/leased shipping container (commonly called SEAVAN), Military SEAVAN (MILVAN), a Military Sealift Command SEAVAN (MSCVAN or MILVAN), Roll-on/Roll-off (RORO) trailer, or CONEX.

C17.3.2.***6***.5.2. 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.***6***.5.3. Average Net Weight Lotting System. DLA's subsistence commodity 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 a discrepancy report 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.***6***.6. Total Nonreceipts

C17.3.2.***6***.6.1. Report non-receipt 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 non-receipt is not the result of a transportation discrepancy. In all cases, U.S. Government customers must have received supply/shipment status and employed material follow-up procedures. It is strongly recommended that the customer check for requisition status on Web VLIPS, for POS data on DSS MRO Tracker or on the Global Transportation Network, or check SDR status in the DOD WebSDR system before creating an SDR for total non-receipt. This may preclude the need for an SDR or may enable the action activity to resolve the problem more quickly.

C17.3.2.***6***.6.2. SA customers reporting non-receipt 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.***6***.6.3. An SDR is required when items valued in excess of $100 dollars per line-item, reported shipped by non-traceable USPS (i.e., not shipped registered, insured, certified mail) are not received or are received in a damaged condition.

C17.3.2.***6***.7. Duplicate Shipments. Report duplicate shipments regardless of dollar value.

C17.3.2.***7***. 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. ***The document assigned to the SDR will be the document number from the shipping documentation of the misdirected shipment received. (If the customer requisitioned material which was not received, it must be reported on a separate SDR for total non-receipt using the document number for the requisitioned material). Misdirected shipments received by SA customers identify the location of the discrepant material and the country reporting the receipt (which may differ from the intended customer). All customers (U.S. and SA) are required to report misdirected controlled inventory, arms, arms parts,, and explosives within 24 hours of discovery.***

C17.3.2.***8*** Packaging Discrepancies

C17.3.2.***8***.1. Improper Packaging. Report any unsatisfactory condition resulting from improper packaging which causes the item, shipment, or package to be vulnerable to any loss, delay, or damage according to the specific conditions cited. Unless otherwise indicated, the minimum dollar value reporting criteria is when the

estimated/actual cost of correction exceeds $100; or 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. The submitter should also include when available the estimated cost of correction of packaging on the initial SDR.

C17.3.2.***8***.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.***8***.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. Use hazardous material discrepancy codes when applicable.

C17.3.2.***8***.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.***8***.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.***8***.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.***8***.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.***8***.8. Improper Packaging of Customer Returned Material. DDs shall send an SDR to the material owner for packaging discrepancies related to customer returned material or inter-depot transferred 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 disposed, the shipper may be required to reimburse the receiver for any packing required to effect the shipment and the cost of turn in to DRMO. The DD shall always include the estimate of the costs of repackaging or disposal on the initial SDR submission, in the remarks section and complete the appropriate data element entries for electronic submission.

C17.3.2.***8***.9. Wood Packaging Material (WPM). Report WPM which is not consistent with the international standards for the regulation of WPM transiting international boarders and Department of Agriculture regulation governing importation of regulated WPM. Compliant WPM must display certification marking as prescribed in reference. Use discrepancy code P215 and provide remarks as applicable. Also see guidance for CCP-originated SDRs below.

C17.3.2.**8**.10. Repetitive Packaging Discrepancies. Include

Discrepancy Code Z1, Repetitive Discrepancy, with the other specific packaging discrepancy code(s) to 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.***8***.11. 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.***8***.12. Improper Marking. Prepare an SDR to report any omitted, incomplete, illegible or misplaced markings**.** Report improper identification of containers, or items which require opening the container, or result in improper storage of the material, regardless of cost. Improper marking includes discrepancies related to passive radio frequency identification (pRFID) tags as follows:

C17.3.2.***8***.12.1. Report all missing, damaged, or unreadable pRFID tags when such tags are required by contract provisions, DoD policy, or specified by prior shipment notice/status reflecting pRFID content. Report duplication of tag identification associated with a previously processed receipt.

C17.3.2.***8***.12.2. SDRs may be used to report a tag read formatted for DoD use, but which does relate to an advance shipment notification containing pRFID content when such advance shipment notification is required by contract provisions or DoD policy.

C17.3.2.***8***.13. Improper Unitization. Report improper unitization that includes 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.***8***.14. 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.***9***. Quality Related Issues Identified During DD Receipt. Three-position Q-series discrepancy codes have been developed to accommodate material owners with special programs requiring immediate visibility and notification of quality deficient (or potentially deficient) material received at the DD. These codes are applicable for reporting to ICP/IMMs via the SDR process, based upon special inspection requests by the material owner. These reports are contingent upon pre-existing receipt restriction requirements which identify the NSN and specific actions the material owner expects the DD to perform. Some of the specific programs which require reporting of quality-related concerns for receipts, including new procurement and customer returns, are: Product Quality Deficiency Report exhibits, items identified as Customer Return Improvement Initiative (CRII) items, Critical Safety Items, items that failed under use, and items requiring First Article Testing.

C17.3.2.1***0***. 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 reparables 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. Submitter will ensure that the specific description of what documentation is missing is included in the remarks section.

C17.3.2.1***1***. Incorrect Item

C17.3.2.1***1***.1. 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. See I&S guidance above.

C17.3.2. 1***1***.2. 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.

C17.3.2.1***2***. Repetitive or 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, at time of receipt.

C17.3.3. SDRs Resulting from Redistribution Orders (RDOs). When a DD receives an RDO from another DD and the material is short, over, wrong, or quality deficient, the receiving DD will:

C17.3.3.1. ***RDO*** Short***age***. Prepare the SDR to report shortage and use Action Code 1D (material still required). The shipping DD will receive the action copy; the ICP will receive an information copy. The DD receiving the SDR will treat as priority and conduct inventories as appropriate. If the inventory confirms an over balance, the DD will respond using Disposition/Status (Reply) Code 123 (material will be reissued at no charge) citing inventory conducted and verified shipment error. If the inventory confirms correct balance or the balance is short, the DD will reply with Disposition/Status (Reply) Code 126 (material not available for reshipment) or 701 (SDR rejected) citing inventory conducted and no overage was discovered; no material will be shipped, OR, inventory conducted and shortage was identified; loss adjustment recorded on DD accountable record, no material will be shipped.

C17.3.3.2. ***RDO*** Overage. Prepare the SDR to report overage using Action Code 1B (material being retained). The shipping DD will receive the action copy; the ICP will receive an information copy. The DD receiving the SDR will treat as priority and conduct inventories as appropriate. If the inventory confirms an over-shipment error, the shipping DD will respond with Disposition/Status (Reply) Code 137 annotating that inventories were conducted and balances were adjusted to show correct on hand balance. If inventory confirms no over-shipment was made, the shipping DD will respond with Disposition/Status (Reply) Code 701 (SDR rejected) citing inventory conducted and on-hand balances are correct.

C17.3.3.3. ***RDO*** Wrong Item. Prepare the SDR to report receipt of wrong item using Action Code 1D (material still required). The shipping DD will receive the action copy; the ICP will receive an information copy. The DD receiving the SDR will treat as priority and conduct inventories on both the wrong item that was shipped and the correct item that was not shipped. No DD will request or authorize return or movement of wrong material received as an RDO; the ICP/IMM will make all material movement decisions. If the inventory confirms an overage of the correct NSN, the

shipping DD will respond using Disposition/Status (Reply) Code 123 (material will be reissued at no charge) citing inventory conducted and shipment error confirmed; material will be shipped to correct shipment error. If the inventory fails to confirm an overage of the correct NSN, but an inventory of the wrong NSN reveals a shortage, the shipping DD will reply using Disposition/Status (Reply) Code 126 (material not available for shipment) citing inventories conducted on both NSNs confirm shipment error; accountable record corrected; no material will be shipped. ***Report wrong item receipts of controlled inventory, arms, arms parts, and explosives within 24 hours***.

C17.3.3.4. ***RDO*** Quality-Related Issues. Prepare an SDR when quality-related issues are noted upon receipt, or when material received on the RDO must be suspended prior to stow. The action copy will be sent to the ICP/IMM using Action Code 1A (disposition instructions requested). The ICP/IMM will respond to the receiving DD with disposition instructions, to include condition code change requirements where appropriate. (Refer to quality-related issues above.)

C17.3.4. Material Returns

17.3.4.1. Discrepancy Greater Than $100. CONUS and OCONUS 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.

17.3.4.2. Exception for Returns Between U.S. Activities. When the material return shipments are classified as unserviceable and uneconomically reparable upon receipt, the receiving activity shall report to the shipping activity. The report shall include material return document number, quantity, and an explanation of condition classification.

C17.3.5. Discrepancies Resulting from Lateral Redistribution Orders (LROs) on Total Asset Visibility (TAV) Shipments. An exception from normal routing exists for SDRs entered via DoD WebSDR on LROs for TAV shipments between DLA and the Army's Non-Army Managed Items Product Support Integration Directorate (NAMI-PSID) (RIC AJ2).

C17.3.5.1. All SDRs submitted for DLA directed LROs where the item is managed by DLA, owned by NAMI (RIC AJ2) and shipped from an Army CONUS site, will be sent to NAMI for investigation, with an information copy to DLA (RIC SMS). NAMI will research the discrepancy and forward recommended disposition to DLA for final action. ***The NAMI action activity shall provide recommended disposition to DLA within 25 days.*** After 55 calendar days has elapsed and NAMI recommended resolution has not been received, DLA will follow up for recommended disposition.

C17.3.5.2. Upon receipt of recommended disposition, DLA will review and provide final decision to the customer, along with an information copy to NAMI. DLA shall be responsible for reversing all credits previously paid, issuing debits to the requisitioner, and deleting activities from the TAV process due to poor performance, in coordination with NAMI.

C17.3.5.3. If Army shipped the wrong item or an overage, NAMI shall be responsible to provide the customer with disposition instructions and/or directions for returning the item back to Army. If the item is to be retained by the customer, NAMI shall be responsible for financial actions as appropriate. DLA shall not reimburse the shipper for wrong item or over shipments of Army issues relative to TAV.

C17.3.6. Distribution Depot Receipt Not Due In. DDs shall report receipt of unscheduled material from new procurement to the owner/IMM, regardless of condition of material, as a discrepancy. Other unexpected material receipts, including returns and/or redistributions which are not ICP/IMM directed, and unscheduled returns to/from maintenance, may be reported by prior direction of the owner/IMM.

C17.3.6.1. New procurement material with other applicable discrepancies, e.g., missing receiving report/DD Form 250, improper packaging, shall be placed in SCC L pending resolution. Exception: discrepant Critical Safety Item (CSI) material shall be placed in SCC J regardless of whether it is new procurement or returned material. Initial SDR will include estimated costs of disposal or repackaging in the remarks section and complete the appropriate data element entries for electronic submission.

C17.3.6.2. If other than new procurement, the SDR should show receipt in SCC K when the actual condition cannot be determined. Material returned with other identified discrepancies, e.g., without associated technical data, shall also be reported as indicated under the appropriate discrepancy category. Returns of excess material which is not ICP/IMM directed is subject to recoupment of costs associated with disposal or repackaging costs incurred by the distribution depot.

C17.3.7. Reutilization and Marketing Shipment Discrepancies

C17.3.7.1. 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.

C17.3.7.2. Exception. Activities shall submit a discrepancy for overages and shortages in shipments of controlled inventory items regardless of dollar value.

C17.3.8. Discrepancies in IUID Data. Report discrepancies involving IUID under Unique Item Tracking (UIT) program requirements or as contractually required under IUID program policy. Discrepancies may be related to the packaging label, including automated information technology (AIT); the item marking, including AIT; supply

documentation; the due-in record; and/or a mismatch between the item and any of these. The elements which may comprise unique identification are: unique item identifier (UII), UII type, issuing agency code, enterprise identifier (or manufacturer's CAGE), part number (original or current), serial number, and batch/lot number. The application of these elements will vary according to multiple factors such as the type of item and the specific contract requirements. Discrepancies identified during receipt of new procurement material must be reported prior to acceptance. Material may be placed in a suspended condition pending resolution. Discrepancies which resulted in incorrect information within the IUID registry at DLIS must be reported and corrective action taken.

C17.3.9. Consolidation and Containerization Points (CCP)/Transshipper-Originated SDRs Including Wood Packaging Material (WPM).

C17.3.9.1. The CCP shall prepare a SDR to report packaging discrepancies as described above. In particular, CCPs shall notify ICPs that their OCONUS WPM shipment is not in compliance with DoD 4140.01-M-1 and ISPM 15 requirements. The expiration of the DoD Pest Free mark and the requirement to use the IPPC stamp to indicate WPM compliance brings the requirement to remediate all noncompliant WPM destined for OCONUS. WPM shipments can be remediated by repackaging or by use of a heat chamber. SDRs shall be prepared for noncompliant shipments received by the CCPs. Noncompliant shipments will not be held for disposition. Shipments on noncompliant pallets will immediately be re-palletized onto compliant wood pallets. Boxes, crates, etc will be sent to a remediation area through use of DSS Packing, Packaging, Preservation & Marking (PPP&M) process, and placed in a hold status of "W" until remediation is completed. SDRs will be generated for both pallet replacements and box/crate rebuilds. This type of SDR does not require a response from the supply source, but is provided so that the supply source may take appropriate action with the Component shipper or vendor. The SDR will be auto-closed in the DSS, based on the P215 discrepancy code (indicating noncompliant WPM), and will not be reopened. The POC may be contacted if SDR was sent to the wrong supply source. Labor and materiel to remediate will be charged to CCP Cost Code.

C17.3.9.2. Data Content. CCPs and other transhippers may follow this guidance for data content. SDRs shall be identified by Document Type code W and will include the number and type of discrepant pieces. The Transportation Control Number (TCN) will be the primary reference number for operational processes. If the shipment is received at the CCP without a TCN, one will be assigned in accordance with the DTR. CCP SDRs at the shipment level may include multiple items, or there may not be due-in or documentation available. Therefore, the CCP shall generate a document number based upon the CCP DoDAAC if multiple documents are included or the original document number is unavailable. Multiple document numbers, when available, will be recorded in the SDR remarks. Material identification may be identified as "UNKNOWN" or "MIXED" (multi-pack or other consolidation of different items). When this occurs, quantity and UI will be left blank. When possible, the shipper will be perpetuated from the due-in notification (e.g. 856A) or shipping documentation.

C17.3.***10***. Follow-Up on Original SDR

C17.3.***10***.1. When the action 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 ***follow-up***. Prior to submitting a follow-up, the reporting activity ***must*** first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the DAAS-assigned control number when known. Follow-up transactions ***should*** include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up.

C17.3.***10***.2. If no response is received to the follow-up within 30 calendar days, the originator contact the Defense Distribution Center (DDC) for DD shipments or the source of supply (SOS) to request assistance. ***Off line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and subsequent follow-up.*** DDC or SOS will ensure that a response with disposition or interim status is provided within 30 calendar days.

C17.3.1***1***. Responsible Action Activity Response to an SDR

C17.3.1***1***.1. Procedures

C17.3.1***1***.1.1. Processing. Responsible action activities shall process all discrepancy reports under the policies and procedures set forth in this publication and the DoD Component implementing regulations. Responsible action activities include all activities required to take action on a reported discrepancy. Action activities shall consider the associated MRA during validation of SDRs. Conflicting information will be investigated as appropriate.

C17.3.1***1***.1.2. Interim Replies. Interim replies may be used to inform the submitter that an SDR has been forwarded to another organization for investigation or resolution. 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/IMM or GSA. Such interim replies shall indicate when additional status will be provided. Identify the interim disposition/status using the appropriate ***disposition/status (reply) code*** available from the ***DLMS Logistics Qualifier*** list. If no coding exists to specifically identify the reasons for the delay, indicate Code 137 and provide a clear-text explanation. Supplemental information is provided in accordance with the DS/SF 364.

C17.3.1***1***.1.3. Replies. Responsible activities shall reply to SDRs by submission of a DS 842A/R 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, and/or instructions for repair or other types of corrective action. Identify the interim disposition/status using up to three codes disposition/status (reply) codes available from the ***DLMS Logistics Qualifier list***. If no coding exists to specifically identify the reasons for the delay, indicate Code 137 and provide a clear-text explanation. Supplemental information is provided in accordance with the DS/SF 364.

C17.3.1***1***.1.4. Denials. SDRs not meeting the reporting criteria or timeframes specified in this chapter or not including sufficient justification***, shall be considered for information only, or*** denied***, as appropriate***. The responsible activity will use the SDR response and cite the appropriate disposition/status (reply) code.

C17.3.1***1.1.5***. DoD ICP/IMM, Shipping Depot, or GSA Actions. The ICP/IMM, shipping depot, or GSA shall:

C17.3.1***1.5***.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation. ***This includes SDRs which the customer has reported as requiring no action (Action Code 1H).***

C17.3.1***1.5***.2. Send the SDR response to include disposition instructions as needed to the customer or the ILCO for SA SDRs. The responsible activity shall provide a point of contact for each SDR response.

C17.3.1***1.5***.3. Based upon validated SDR, request that DFAS ***or integrated financial process*** authorize adjustment/credit in accordance with Volume 5, Finance.

C17.3.1***1.5***.4. 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.

C17.3.1***1.5***.5. 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.

C17.3.1***1.2***. Disposition of Material. 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 (SA), or erroneous or misdirected material.

C17.3.1***1***.***2***.1. Returning Discrepant Material. When discrepant material is directed to be returned, the responsible activity shall direct the customer to reship the material using the same document number under which the material was originally shipped. ***The SOS shall provide reimbursement for packing, crating, handling, and transportation for directed returns under DLMS Volume 3, Finance, procedures. Use*** the ***Defense Transportation System (***DTS***)*** for the return movement ***is encouraged***. ***As an Alternative to providing transportation reimbursement, t***he responsible ***action*** activity m***ay*** provide the transportation account code (TAC) chargeable for the transportation services and supporting information, e.g., the bill of lading number, ***or provide small package carrier account information***. In those cases were an exhibit of the discrepant material is directed for return, the activity requesting this action will pay for exhibit shipment costs. Action activities will furnish DD Form 1348-1A for material to be returned. A copy of the SDR and the shipment document should be included with returned material and annotated as a "SDR RETURN." ***For Non-SA customers, materiel not returned as directed within 90 calendar days (if CONUS) or 120 days (if OCONUS) of the SDR reply will be billed.***

C17.3.1***1***.***2***.***2***. Corrective Action for Packaging Discrepancies. Responsible activities shall immediately investigate 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, the Department of Defense or GSA responsible activities must provide reports of corrective action in all cases. Wherever possible, use the discrepancy status or disposition code to show 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 sent when requested by the SDR initiator or upon special request of the control point. For contractor originated shipments, investigating activities shall send 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.

C17.3.1***1***.***2***.***3***. Corrective Action for Non-Compliant WPM. Action activities in receipt of SDRs reporting WPM non-compliance under generic packaging discrepancy codes, must reassign the discrepancy code to P215 on their responses. This will support mandatory tracking and trend analysis using automated SDR applications. In the event the shipment becomes frustrated, the action activity will provide instructions for corrective action in order to bring the shipment into conformance

or otherwise direct remedial action. Corrective actions and options shall be based upon the circumstances of the quarantined/frustrated shipment, value and priority of the shipment, access to the shipment by DoD personnel, and location of the consignee. Alternatives include:

C17.3.1***1.2.3.1.*** Inspection, certification, and marking of compliant WPM,

C17.3.1***1.2.3.2.*** Replacement of the WPM,

C17.3.1***1.2.3.3.*** Consignee pick-up of the material only, or

C17.3.1***1.2.3.4.*** Return to origin or designated location.

C17.3.1***1.2.3.5.*** Repacking and disposal costs associated with non-compliant WPM receipts shall be the responsibility of the owner of the stock directing shipment (i.e. last identified shipper or item manager). Photographic evidence may be requested to substantiate a claim for the recoupment of funds expended in bringing the shipment into compliance. Where applicable, the reporting activity may submit an SF 1080, Voucher for Transfers between Appropriations and/or Funds.

C17.3.1***2***. Time Standards

C17.3.1***2***.1. Submitting SDRs and SDR Responses. This section provides standard timeframes for submission of SDRs and SDR responses. 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. Time limits due not apply to those IUID discrepancies which must be reported to ensure the IUID registry and/or owner records are properly maintained.

C17.3.1***2.2***. Timeframes for SDR Submission by Non-SA Customers. 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.

C17.3.1***2.3***. ***Discrepant Controlled Inventory Items, Arms, Arms Parts, Ammunition, and Explosives. Report discrepancies within 24 hours of discovery for shortage, overage, wrong item, misdirected shipment. This includes stock number materiel with a catalogued Controlled Inventory Item Code (CIIC) code indicating the item is identified as classified or sensitive. In addition, pilferable codes associated with arms and ammunition are also included (codes N and P) in this category.***

C17.3.12.3.1. CONUS Destinations: ***6***0 calendar days from date of shipment.

C17.3.12.3.2. Overseas Destinations: 1***2***0 calendar days from the date of shipment

C17.3.12.3.3. Exception. Time limits do not apply to short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack.

C17.3.12.3.4. Late Submission. 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 using a brief clear-text explanation. If appropriate, the responsible activities will honor the discrepancy report. 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 process for use in reporting metrics and corrective action, if appropriate. The SOS shall not be considers responsible for financial resolution on late submission SDRs unless shipment history is available and the circumstances warrant such action.

C17.3.1***2***.4. Timeframes for SDR Response. Responsible ***action*** activities shall reply to all SDRs received within the following time ***standards***. ***Interim responses shall be provided when extenuating circumstances necessitate additional processing time.***

C17.3.1***2***.4.1. ***Discrepant controlled inventory items, arms, arms parts, ammunitions, and explosives (shortage/overage/wrong item/misdirected): Total response time, to include sequential processing by multiple action activities when necessary, shall not exceed 25 days. Wrong item receipts identified as controlled/sensitive and unidentified items shall be returned to the designated location within 30 days of the SDR reply. Supply sources shall monitor for the return and follow-up with the follow-up with the SDR submitter if materiel is not returned.***

C17.3.1***2***.4.2. ***DDs shall respond to SDRs submitted directly to the shipping activity within 25 calendar days. Responses fro DDs shall be identified as recommendations pending processing by the SOS or finance center if applicable base upon DoD Component business rules.***

C17.3.1***2***.4.3. ***ICP/IMMs shall respond to SDRs submitted directly to the SOS within 50 calendar days. Where sequential process by DD and ICP/IMM are required, total processing time shall not exceed 50 days.***

C17.3.1***2***.4.4. ***Action activities receiving SDRs inappropriately shall make every effort to forward to the correct action activity within 5 calendar days. Customers should be aware that misrouting of SDRs may extend total processing time beyond the authorized 50 day processing time.***

C17.3.1***3***. Distribution of SDRs

C17.3.1***3***.1. General

C17.3.1***3***.1.1. Requirements. U.S. Customers shall submit SDRs for initial action in accordance with Appendix 3. SA Customers shall submit all SDRs for SA shipments to the ILCO for initial action and the ILCO shall forward as appropriate in accordance with 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.

C17.3.1***3***.1.2. Use of the 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.

C17.3.1***3***.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.

C17.3.1***3***.2. Transfers of IMM Responsibilities

C17.3.1***3***.2.1. Logistics Reassignment. Under the logistics reassignment procedures, IMM 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 IMMICP and Gaining Item Manager (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.

C17.3.1***3***.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 activity or Losing Item Manager (LIM) to coordinate with the GIM for an appropriate response/disposition to the submitter.

C17.3.1***4***. Contested Decisions for Non-SA Related Discrepancies. When the SDR originator does not concur with a reply/disposition received in response to an SDR, they shall forward the SDR indicating a contested decision. Requests for

reconsideration pertaining to DD shipments shall be forwarded to the shipping depot; all others shall be forwarded to the SOS. ***Requests for reconsideration must be submitted within 45 calendar days from date of action activity response.*** Cite the SDR report number of the original report. For transactional exchange, include the DAAS-assigned control number when known. Requests for reconsideration transactions require all data that was in the previous SDR submission. In addition, a narrative entry is required to provide justification for reconsideration. POC information for the new submission and submission date is required. An SDR must be in a closed status before a request for reconsideration can be submitted (this means the action activity reply to the SDR must be recorded within the applicable Component application). The designated recipient of the request for reconsideration 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. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SOS for resolution (when the SDR is forwarded, the 45 days for processing and evaluation will begin when the SDR is received by the SoS). The resulting decision shall be final.

C17.3.1***5***. Correction and Modification/Update 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. Include the WebSDR-assigned control number when known. Do not duplicate information from the original report except as indicated in the DS. Provide POC information. A brief narrative description of the revision must be included. Significant errors, such as an incorrect original requisition document number must be corrected by canceling the original SDR and submitting a new report.

C17.3.1***6***. Cancellation of an Original Report. When an SDR originator discovers a previously reported SDR is not valid or appropriate for any reason and should be withdrawn, a new SDR cancellation must be prepared to cancel the original. Forward to all parties that received the original submission. Cite the original report number and the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DS. Provide POC information. ***A brief narrative description of the reason for cancellation should be included.*** The originator may submit a revised SDR under a new nonconformance report number.

C17.3.1***7***. GSA Shipments. On shipments from GSA shipping activities or directed by GSA from a contractor/vendor (regardless of dollar value), 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.

C17.3.1***8***. Consignor Replies on Industrial Plant Equipment (IPE) Packaging Deficiencies. 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.

C17.3.1***9***. ***Follow-up on*** 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 the 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 DLMS Volume 5, Finance.

C17.3.***20***. MRA. ICPs shall monitor for discrepancies reported on MRAs, (DS to 527R) to ensure identified discrepancies have been properly reported.

C17.3.2***1***. DAAS SDR Processing

C17.3.2***1***.1. Under DLMS, SDRs shall be integrated with standard logistics transaction processing through DAAS. DAAS shall perform the following actions:

C17.3.2***1***.1.1. Pass/route SDR transactions

C17.3.2***1***.1.1.1. Generate and route an information copy of SDRs reporting packaging discrepancies associated with USAF-directed shipments to the USAF packaging office.

C17.3.2***1***.1.1.2. Route the action copy of SDRs reporting distribution depot receipt pf PQDR exhibits (Discrepancy Code Q11) to the material owner by agreement with DLA. For USAF owners this process will use an electronic (email-based) interface with the USAF processing system for product quality.

C17.3.2***1***.1.2. Edit SDR transactions in accordance with business rules specified below.

C17.3.2***1***.1.3. Provide translation capability to support a variety of communications methods for exchanging computer-readable SDR transactions.

C17.3.2***1***.1.4. Maintain historical records of SDRs and associated transactions.

C17.3.2***1***.1.5. Provide access to SDR information via Web Visual Logistics Information Processing System (WEBVLIPS).

C17.3.2***1***.1.6. Provide ad-hoc queries and management reports.

C17.3.2***1***.1.7. Maintain the DoD WebSDR as a value-added service to support submission, reply, and other functions related to SDR processing.

C17.3.2***1***.2. DAAS shall edit SDR transactions prior to passing/routing to ensure minimal standards of acceptability. Reject to the generating activity SDR and follow-on transactions that do not meet the following conditions:

C17.3.2***1***.2.1. SDR transactions must contain valid values as appropriate to the transaction purpose: discrepancy code, action code, and disposition/status code. Reject with Disposition/Status Code (Reply) 915, 916, or 927.

C17.3.2***1***.2.2. SDR must include material identification. Material identification may consist of the NSN, manufacturer's part number and manufacturer's CAGE, or manufacturer's part number and a description. Where wrong item discrepancies are reported, material identification of the wrong item must be included. Wrong item received may be identified as previously indicated or by description alone (citing "UNKNOWN" as the wrong item part number). Reject with Disposition/Status (Reply) Code 931.

C17.3.2***1***.2.3. SDRs reporting material received is not in the correct condition must include valid condition codes to identify the received conditions. Only valid condition codes shall be permitted. Reject with Disposition/Status (Reply) Code 928.

C17.3.2***1***.2.4. SDRs coded to indicate narrative is required must provide applicable narrative. Reject with Disposition/Status (Reply) Code 924.

C17.3.2***1***.2.5. SDRs must include minimal point-of-contact information to include name and phone/email. Reject with Disposition/Status (Reply) Code 920 or 921.

C17.3.2***1***.2.6. Only valid DoDAACs and Routing Identifiers will be permitted. Reject with Disposition/Status (Reply) Code 929.

C17.3.2***1***.2.7. Quantity fields will only allow entry of numeric values. Reject with Disposition/Status (Reply) Code 917 or 918.

C17.3.2***1***.2.8. SD R replies coded to indicate that a ship-to/mail to address or additional information is associated with the reply, must include the specified additional address or information as transaction data fields <u>or</u> must include narrative remarks. Reject with Disposition/Status (Reply) Code 930.

C17.3.21.2.9. SDR follow-ups must comply with follow-up submission timeframes. Follow-ups submitted without allowing sufficient action activity response time will be rejected (a minimum of 30 days will apply). Reject with Disposition/Status Code 933.

C17.3.21.2.10. Reply Code 504 forwarding action may not be used to forward SDRs where incomplete information is available, to construct the new forwarded SDR, or the SDR is otherwise not suitable for automated forwarding action. Reject with Disposition/Status (Reply) Code 935.

C17.3.2***1***.3. DAAS will edit SDR submissions via DoD WebSDR at the point of entry to improve the accuracy of the data content. All of the above criteria apply. In addition, web-specific functionality includes:

C17.3.2***1***.3.1. The SDR submission process will be facilitated by the auto-population of data content based upon the shipment and cataloging data available to DAAS.

C17.3.2***1***.3.2. Address information will be retrieved based upon DODAAC and routing identifiers. User generated updates to initiator's address are permitted and will be passed to the receiving system for information, but will not impact SDR processing.

C17.3.2***1***.3.3. SDR replies coded to indicate that an address or additional information is associated with the reply, must include the specified additional address or information.

C17.3.2***1***.4. DAAS shall provide the support to SDR transaction exchange to facilitate DLMS processes.

C17.3.2***1***.5. DAAS shall facilitate appropriate distribution when the action party receiving the initial distribution employs the Distribution/Status (Reply) Code 504 indicating the SDR must be forwarded to a new action activity. When the new action activity is a DD, the original SDR will be retransmitted to the designated DD. The customer will receive notification of interim status.

C17.3.2***1***.6. DAAS shall facilitate appropriate distribution when the action party receiving the initial distribution employs distribution status codes in the 300 series indicating that the SDR must be sent to the SOS for disposition. The SDR reply will be sent to the designated SOS and to the SDR initiator for notification of interim status.

C17.3.2***1***.7. DAAS will respond to DAAS-directed rejected reply transactions indicating no matching original report or information copy of the SDR is found in the automated application (Reply Code 926), by providing an information copy of the original report to the activity which rejected the reply. Unmatched requests for an information copy will be returned by DAAS reject (Reply Code 926) to the sending organization. (ADC 225 implementation pending). DAAS will create and forward an information copy of the DLA source of supply for all customer SDRs based upon the storage site reply where an information copy was not previously provided (ADC 225A).

C17.3.2***1***.8. DAAS shall provide information copies of SDRs in accordance with Component business rules and as designated by the initiator.

C17.3.2***1***.9. DLA Enterprise Business System (EBS) will receive an information copy of all SDRs routed to DD for initial action where EBS is the SOS.

C17.3.2***1***.10. All parties receiving an information copy of the original SDR as designated by the initiator or by a Component business rule will receive a copy of all changes, cancellation, and replies associated with the SDR.

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, DoD Components shall require, as a minimum, semi-annual summary reporting to an appropriate headquarters for review and analysis. The DoD Components unable to support the full scope of the required data collection under legacy systems shall incorporate this reporting requirement under business system modernization efforts. Data collected must be sufficient to enable monitoring activities to:

C17.4.1.1. Identify trends

C17.4.1.2. Establish volume and dollar values of SDRs.

C17.4.1.3. 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 show:

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 show 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 show 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 show:

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 material or credit received.

C17.5. SECURITY ASSISTANCE (SA) DISCREPANCY REPORTS

C17.5.1. This section provides specific procedural guidance relevant to the processing of SA SDRs. Based upon United States of America Letter of Offer and Acceptance (LOA) agreements, SA customers will use SDRs to report all supply, billing/financial, and product quality discrepancies associated with SA shipments as defined in paragraph C17.1.7, Types of Discrepancies. Detailed descriptions of supply discrepancies are provided beginning in paragraph C17.3.2. In addition to the standard data content, SA SDR shall include the location of the discrepant material (In-country depot, freight forwarder, US government facility, or contractor facility) and the country which received the discrepant material. 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 by the ILCO for processing by the DoD Components unless a valid justification for the submission is also provided.

C17.5.1.1. All SA SDRs will be submitted directly to the ILCO identified in Appendix 3, SDR Distribution, for initial screening and processing in accordance with this manual and DoD 5105.38-M, Security Assistance Management Manual (SAMM). SDRs may be forwarded via SF 364, Report of Discrepancy, or authorized electronic/automated formats. Incorrect item SDRs must provide supporting documentation to include photographs of the wrong item received.

C17.5.1.2. 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 will be returned to the ILCO.

C17.5.1.3. ICP/IMM or depot action activities will provide the SDR reply using the DLMS standard SDR transactions via DoD WebSDR as described in paragraph C17.1.2. and C17.1.3. Pending full DLMS implementation other 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 available from the DLMS Logistics Qualifiers list.

C17.5.1.4. Time Standards

C17.5.1..4.1. Time Standards for SDR Submission by SA Customers. Discrepancy report preparation and submission time by the SA purchaser is limited to the time standards cited in the United States of America Department of State Letter of Offer and Acceptance, and amendments thereto, as explained in DoD 5105.38-M.

C17.5.1.4.2. SA customers receiving misdirected shipments or shipments containing incorrect items which are identified as classified/sensitive materiel, and/or arms, arms parts, or explosives, must report within 24 hours of discovery regardless of dollar value for disposition. Where estimated dollar values are unknown or fall below the minimum criteria, report using SDR Action Requested Code 1A. Disposition instructions for discrepant materiel requested; financial action not applicable.

C17.5.1.4.3. ILCOs are permitted 15 calendar days from the time 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.

C17.5.1.4.4. Response time standards for the action activity are as specified in paragraph C17.3.11.1.3, Time Standards for SDR Response.

C17.5.1.5. Disposition of Discrepant Materiel

C17.5.1.5.1. Incorrect item. Whenever materiel is directed for return to U.S. custody, the purchasing country will be instructed to reship the materiel using the same document number under which the materiel was originally shipped. The country will be advised that they must return the materiel to U.S. Government (USG) custody within 120 days from date of approval/instructions. However, the time standard allowed for the return of wrong item controlled/sensitive materiel or unidentified materiel is 30 days from date of the ILCO reply. The ILCO shall monitor directed returns and follow-up with customers where controlled/sensitive materiel has not been returned. In those instances when materiel is to be returned to the United States at USG expense, every effort will be made to utilize the DTS for the return movement. Provide the Service/Agency transportation account code (TAC) chargeable to return the discrepant materiel to the appropriate U.S. Government activity or other designated location. In lieu of the TAC, the action activity may provide commercial package carrier account information. In addition, the SOS shall

provide reimbursement for packing, crating, handling for directed returns under DLMS Vol 3/MILSBLLS procedures. The SOS shall also provide reimbursement for in-country transportation of the original shipment to the SA customer (when a directed return applies) under procedures prescribed by DoD 5105.38-M, as amended. When appropriate the action activity may direct the submitter to return an exhibit of the discrepant materiel. The activity requesting this action will pay for exhibit shipment costs. The exhibit shall be returned to US Government custody within 90 calendar days from the date of instructions. Action activities or the ILCO will furnish DD Form 1348-1A for materiel to be returned. A copy of the SDR and DD Form 1348-1A should be included with returned materiel and annotated as an SDR RETURN. Upon evidence of materiel being returned, a credit adjustment will be processed for the return of the discrepant materiel if previously authorized. This evidence releases the SA customer of liability for the materiel.

C17.5.1.5.2. Discrepant SA materiel not being returned to the stocks of the Department of Defense or GSA, or retained, or sent to disposal 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 materiel). 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 materiel up in stock as a gain to inventory and determine if materiel is required or is in excess to requirements. If materiel is required, it shall be retained. If excess to requirements of the local military activity, the materiel must be reported under Chapter 12.

C17.5.1.6. The DoD shipping activity will retain paper copy of the SA shipping documentation (signed carrier's receipt and shipping document) at the shipping site for a period of 2 years following the shipping date. After this point, the paper records will be retired to the appropriate Federal Records Center for a period of 28 years. The stored records must be segregated by country and the container marked accordingly. Billing documentation will be retained by the Military Departments and DoD agencies as specified in MILSBILLS and DoD 7000.14-R, Vol. 15, Department of Defense Financial Management Regulation (Security Assistance Policy and Procedures).

C17.5.1.7. Incorrect item SDRs are not permitted for authorized substitution, unless the substitute item does not meet fit, form, or function standards. DoD Components and GSA follow the policy of automatic shipment of an interchangeable item unless the requisition contains an appropriate advice code, in accordance with DoD 4000.25-1-M, Military Standard Requisitioning and Issues Procedures (MILSTRIP), appendix 2.15, or DoD 4000.25-M, Defense Logistics Management System (DLMS), Volume 2, Supply, Chapter 4, Requistioning, 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.

C17.5.1.8. When an SDR is initiated for nonreceipt, the SA customer is required to provide documentation from the freight forwarder indicating that no materiel has been received on the requisition and transportation control numbers that apply. The ILCO will deny any nonreceipt SDRs received that do not have this documentation attached. The ILCO will return these SDRs to the customer as incomplete.

C17.5.1.9. The report initiator will indicate on the SDR what action is requested. Typical requested actions are listed by code on the SF 364 and an expanded list is available from the DLMS Logistics Qualifiers list.

C17.5.1.10. SDR Follow-up. When the action activity does not respond to an SDR within the prescribed time Standard specified in this chapter, the ILCO, acting on behalf of the SA customer shall submit an SDR follow-up. **Prior to submitting a follow-up, the ILCO must first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the DAAS-assigned control number when known. Follow-up transactions should include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up.**

C17.5.1.11. If no response is received to the follow-up within 30 calendar days, the ILCO may **contact the Defense Distribution Center (DDC) for DD shipments or the source of supply (SOS) to request assistance. Off-line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and subsequent follow-up. DDC or SOS will ensure that a response with disposition or interim status is provided within 30 calendar days.**

C17.5.1.12. Cancellation of an Original Report. When an SDR originator discovers a previously reported SDR is not valid or appropriate for any reason and should be withdrawn, a SDR cancellation must be prepared to cancel the original. The ILCO via WebSDR will forward to all parties that received the original submission. Cite the original report number and the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DS. Provide POC information. A brief narrative description of the reason for cancellation should be included. The originator may submit a revised SDR under a new nonconformance report number.

C17.5.1.13. Contested Decisions and Requests for Reconsideration. These procedures allow the report originator to voice disagreement with disposition decisions. The SA purchaser has recourse through the ILCO to the ICP/IMM or GSA and, if still not satisfied, to the ILCO's Service focal point.

C17.5.1.13.1. Requests for Reconsideration. 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 45 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 customers ask for reconsideration, the ILCO shall add a Suffix Code R to the SDR number. The ILCO shall convert the request for reconsideration to electronic transmission and forward to the appropriate DoD ICP/IMM or GSA action activity for reconsideration within 20 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. The designated recipient of the request for reconsideration 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. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SOS for resolution (when the SDR is forwarded, the 45 days for processing and evaluation will begin when the SDR is received by the SOS).

C17.5.1.13.2 Second Request for Reconsideration (Contested 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 45 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 20 calendar days to the appropriate focal point who shall review all the information and send the ILCO the final decision within 50 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. The ILCO shall ensure all interested parties receive the SDR resolution

C17.5.1.14. Follow-up on Credit Adjustments on SDRs

C17.5.1.14.1. 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, the ILCO should consult with the appropriate finance office for verification. Allow a minimum of 60 days from the date of the SDR response before initiating a follow-up action. To facilitate research of supply and financial records, it is suggested that follow-up action for nonreceipt of credit associated with the return of discrepant materiel occur within a reasonable period (e.g., not longer than 45 days after the ILCO provides the action activity the initial notice with evidence of discrepant materiel return).

C17.5.1.14.2. When nonreceipt of credit is confirmed, the ILCO will submit a request for billing adjustment as prescribed by MILSBILLS (Document Identifier Code FAE and billing advice code 26) or the DLMS, Volume 7, Finance. Do not send a hardcopy of the SDR or reply, as this may create duplicate work for the finance centers and may cause improper processing of your request.

C17.5.1.15. Product Quality. Report product quality deficiencies relative to SA shipments only. However, the SA customer must provide evidence that a receipt inspection was done 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 materiel, manufacture, and/or workmanship. The submitter must identify by discrepancy code 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 materiel; point of contact information (if other than the preparing official); along with a detailed description of the complaint if needed to supplement encoded information. In addition, provide photographs, test data, and related documentation. When submitting a latent defect discrepancy code on the SDR, the report must include substantiating documentation to validate the latent defect such as the applicable test report used to identify the latent defect. Latent defects must be submitted to the ILCO with substantiating documentation. Following is a list of potentially applicable forms of substantiating documentation:

C17.5.1.15.1. Receipt tests conducted and test reports (including test equipment model, serial number and software version), or documentation of receipt tests not conducted, and justification for tests not conducted.

C17.5.1.15.2. Subsequent tests conducted and results including test equipment model, serial number, and software version along with test readings.

C17.5.1.15.3. Justification that initial receipt inspection and testing could not have detected the deficiency.

C17.5.1.15.4. Documentation of storage and handling of the item since receipt including type of storage.

C17.5.1.16 Billing Discrepancy. Billing discrepancies reported to the ILCO on an SDR shall be converted to the appropriate DS 812R, Request for Adjustment of Non-Fuel Billing, or DLSS/Military Standard Billing System Document Identifier FAE.

C17.5.1.17. Financial Discrepancies. Financial discrepancies reported to the ILCO on an SDR shall be forwarded to DFAS-DE/I for processing.

C17.5.1.18. Management Evaluation. As a minimum, the ILCO must have visibility of detail/summary reports that reflect:

C17.5.1.18.1. The number of SDRs received during a particular time Standard by customer with breakdown by shipping activity reflecting dollar value and discrepancy type. Reports will measure customer compliance with SDR submission time standards and ILCO compliance with SDR processing time standards.

C17.5.1.18.2. Reports will reflect a breakdown of SDR action activity response reflecting actions taken to include dollar value of credit authorized and reshipped materiel.

C17.5.2. Responsibilities

C17.5.2.1. The ILCO will:

C17.5.2.1.1. Complete initial SDR screening in accordance with this manual and DoD 5105.38-M.

C17.5.2.1.2. Review all SDRs received for processing and determine proper course of action based on available case history data. Reject discrepancy reports which fail to meet SA time and dollar standards (with exception of those which require disposition instructions for wrong item received or misdirected shipments) or do not contain required data, unless such data is readily available, at the ILCO. Forward SDRs to the appropriate ICP/IMM, shipping depot, or GSA action activity.

C17.5.2.1.3. Reject duplicate SDRs, except those which are resubmitted to request reconsideration of previous decision.

C17.5.2.1.4. Review all requests for reconsideration which contest a reconsideration decision (2nd request for reconsideration). Reject those requests which lack sufficient justification or which were not received within the established time standards.

C17.5.2.1.5. Process to the SA customer initial acknowledgment of receipt of SDR replies and/or denials.

C17.5.2.1.6. Report the disposition of SDRs applicable to materiel and services to the DFAS-DE/I as required in the DoD 7000.14-R, Volume 15.

C17.5.2.1.7. Review SDR replies from action activities for completeness and reject those which do not specify necessary information, e.g. disposition instructions for discrepant materiel.

C17.5.2.1.8. Maintain records of all SA-related discrepancy reports to completion.

C17.5.2.2. The DoD ICP/IMM, shipping depot, or GSA will:

C17.5.2.2.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation.

C17.5.2.2.2. Furnish properly completed SDRs to the ILCO for further processing to the SA customer. The action activity shall cite the appropriate disposition/status code as provided in DLMS Logistics Qualifiers list pending full DLMS implementation, the action activity may use reverse side of the SF 364 or electronic equivalent using the appropriate blocks.

C17.5.2.2.3. Based upon validated SDR, request that DFAS authorize adjustment/credit in accordance with MILSBILLS or the DLMS, Volume 7, Finance.

C17.5. 2.2.4. Provide signed evidence of shipment to the ILCO when nonreceipt of materiel is involved. If this documentation cannot be provided, appropriate credit is required.

C17.5.2.2.5. Provide documentation which is matched to the quantity shipped for concealed shortages. Examples of such documentation are those which contain 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 difference is required.

C18. CHAPTER 18

SMALL ARMS *AND LIGHT WEAPONS* SERIAL NUMBER REGISTRATION AND REPORTING

C18.1. SCOPE.

C18.1.1. Applicability. The provisions of this chapter apply to the DoD Components responsible for inventory management of small arms ***and light weapons (SA/LW)*** and other activities involved in the shipment, registration, or receipt of ***SA/LW***.

C18.1.2. Transactions. This chapter addresses the procedures applicable to the following ASC X12 transaction functions identified by their beginning segment transaction type codes and, where applicable, action codes. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment. Other formats, such as DLMS XML, are also available. See the DLMSO website for available DLMS formats.

C18.1.2.1. DS to the Federal IC 140A, Small Arms and Light Weapons (SA/LW) Reporting, is used for the following transaction functions identified by the beginning segment (1/BGN/20) Transaction Type Code (BGN07) and, where applicable, Action Code (BGN08):

C18.1.2.1.1. SA/LW Control Reporting Transaction is identified by Transaction Type Code W4 – Weapons Control Report. This transaction provides MILSTRAP DI Code DSM functionality.

C18.1.2.1.2. SA/LW Receipt/Shipment Follow-up Transaction is identified by Transaction Type Code W4 – Weapons Control Report, with Action Code T - Status Query. This transaction provides MILSTRAP DI Code DSD functionality.

C18.1.2.1.3. SA/LW Reconciliation Transaction is identified by Transaction Type Code W5 – Weapons Control Report Reconciliation. This transaction provides MILSTRAP DI Code DSR functionality when DSR is used as reconciliation transaction.

C18.1.2.1.4. SA/LW Reject Transaction is identified by Transaction Type Code W5 – Weapons Control Report Reconciliation, with Action Code U - Reject. This transaction provides MILSTRAP DI Code DSR functionality when DSR is used to reject invalid/erroneous SA/LW transactions.

C18.1.2.1.5. SA/LW Reconciliation/Reject Follow-up Transaction is identified by Transaction Type Code W5 – Weapons Control Report Reconciliation,

with Action Code T – Status Query. This transaction provides MILSTRAP DI Code DSF functionality.

C18.1.2.1.6. SA/LW Correction Transaction is identified by Transaction Type Code W5 – Weapons Control Report Reconciliation, with Action Code AC – Acknowledge. This transaction provides MILSTRAP DI Code DSC functionality.

C18.1.2.2. DS to the Federal IC 888A. SA/LW Data Change Transaction is identified by DS 888A beginning segment (1/BGN07/15) Transaction Type Code W1 – Weapons Data Change. This transaction provides MILSTRAP DI Code DSA/DSB functionality.

C18.2. GENERAL REQUIREMENTS

C18.***2.1***. Purpose. This chapter provides procedures for reporting ***SA/LW*** serial number data between the DoD Components and the DoD ***SA/LW*** Registry ***(hereafter referred to in this chapter as the DoD Registry)***. ***SA/LW***, as defined in Definitions and Terms, including those mounted on aircraft, vehicles, and vessels, that are accounted for in unclassified property records, ***shall*** be reported (included will be foreign and commercial weapons, museum pieces with serial numbers, ***and captured, confiscated or abandoned enemy SA/LW in the possession of the Department of Defense***).

C18.***2.2.*** List of Serial Numbers in Shipments. In addition to the shipment requirements contained in this volume, the shipping activity shall send a listing of the weapon serial numbers contained in each shipment with the shipment documentation accompanying ***SA/LW*** shipments between the DoD Components. When shipments consist of multiple containers, the listing shall identify which serial numbers are within each of the containers.

C18.***2.3***. ***SA/LW*** Without an NSN and/or Serial Number. ***SA/LW*** without an NSN and/or ***SA/LW*** (except museum pieces) with missing, obliterated, mutilated, or illegible serial numbers, when discovered, shall be reported to the DoD Registry by the 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 shall not replace or be used in lieu of procedures to request assignment of an NSN where applicable. The Component Registry shall report all ***SA/LW*** without an NSN and/or ***SA/LW*** serial number, by message or letter, for assignment of serial number and/or NSN in the following format:

C18.T1. Format To Report *SA/LW* Without an NSN and/or Serial Number

NSN	Serial Number	Description
(NSN or none)	(Serial Number or none)	(Make, model, caliber, and other nomenclature)

C18.***2.4.*** LCN/MCN. LCNs/MCNs shall be used by the DoD Components for weapon identification until a valid NSN can be obtained from the DoD Registry in accordance with C18.***2.3***, above, or notification that the MCN/LCN will not be assigned an NSN.

C18.***2.5***. ***Lost, Abandoned, or Unclaimed*** Privately Owned. Lost, abandoned, or unclaimed privately-owned ***SA/LW*** that are processed through a Board of Officers for actions described in DoD 4160.21-M, Chapter VI, and later turned into a DRMO, shall be registered immediately when they come under U.S. Government control.

C18.***2.6.*** Non-appropriated Funded. Nonappropriated funded ***SA/LW*** turned into a DRMO and privately owned weapons classified as claims property shall be registered immediately when they come under the control of the Department of Defense. ***SA/LW*** that are claimed (private property whose title has passed to the Department of Defense 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 the Department of Defense 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 shall be reported immediately to the Component Registries.

C18.***2.7***. Ceremonial/Training. The DoD Components shall 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 shall be retained on the Component Registries as weapons subject to the reporting criteria.

C18.***2.8***. Lost, Stolen, and/or Recovered. The DoD Components shall establish procedures to ensure reporting of lost, stolen, unaccounted for, and/or recovered ***SA/LW*** under the provisions of DoD 5100.76-M.

C18.***2.9***. Mobilization. In the event of mobilization or other emergency, the DoD Registry and the Component Registries shall continue to operate and be maintained. ***SA/LW*** Transaction Code J (Emergency Suspense Status) ***may*** be used in emergency situations as authorized by the individual DoD Components.

C18.2.10. Enemy SA/LW. Captured, confiscated or abandoned enemy SA/LW in the possession of the Department of Defense as a result of military actions shall be registered. SA/LW may be of foreign or domestic manufacture and may include recaptured US military SA/LW.

C18.3. OBJECTIVES

C18.3.1. Establish continuous visibility over all ***SA/LW*** 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.

C18.3.2. Interface the ***SA/LW*** serial number reporting between the DoD Components using standard procedures.

C18.3.3. Provide follow up procedures for delinquent shipment/receipt transactions.

C18.3.4. Provide ***SA/LW records*** reconciliation procedures.

C18.3.5. Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity having a specific serial numbered ***SA/LW***.

C18.4. EXCLUSIONS

C18.4.1. Non-appropriated Funds Purchases. ***SA/LW*** 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 paragraphs C18.2.***6*** and C18.2.***7***, above.)

C18.4.2. Classified Activities. Classified activities, which determine that specific ***SA/LW*** 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***/Light Weapons*** Coordinating Group (JSA***/LW***CG) and approval of the ***JSA/LWCG Chair.*** Submit requests for deviations, to include appropriate justification, ***via electronic mail to DLMSO@dla.mil (when using electronic mail include "ATTN: JSA/LWCG Chair" in the subject line), or by traditional mail to:***

ATTN DLMSO J-6251 ROOM 1747
DEFENSE LOGISTICS AGENCY J6
JSA/LWCG CHAIR
8725 JOHN J KINGMAN ROAD STOP 6205
FORT BELVOIR, VA 22060-6217.

C18.5. DELINEATION OF RESPONSIBILITIES

C18.5.1. DoD Registry. The DoD Registry shall:

C18.5.1.1. Be operated and maintained by the Department of the Army.

C18.5.1.2. Provide a central repository of ***SA/LW*** serial numbers from the Component Registries, to include those on-hand, in-transit, lost, stolen, demilitarized, or shipped outside the control of the Department of Defense.

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 ***weapon*** (see paragraph C18.7.6, below). Respond as expeditiously as possible to other inquiries, depending on volume and existing workload.

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. This ***shall*** be accomplished by using DS 140A ***SA/LW Control Reporting Transaction (MILSTRAP DI Code DSM function)*** with ***SA/LW*** Transaction Code I (Interrogation/Inquiry Record) and entering the message/inquiry form number in the ***transaction number (***document number***)*** field for cross-reference purposes.

C18.5.1.4.1. For weapons identified as belonging to a DoD Component, these entries shall remain in the DoD active master file until the weapon is returned to DoD control and properly recorded on a Component Registry.

C18.5.1.4.2. Weapons identified as other than DoD in origin shall be placed in the inactive file of the DoD registry.

C18.5.1.5. Identify duplicate serial numbers received from the Component Registries, as a minimum, on a quarterly basis. The appropriate DoD Component shall 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 shall be modified first, to the extent possible, in order to maintain an audit trail for all modification actions:

C18.5.1.5.1. Provide appropriate corrective instructions to the Component Registries reporting duplicate serial numbers.

C18.5.1.5.2. Establish a complete historical cross-reference record (mechanical or hard copy).

C18.5.2. Component Registries. Component Registries shall:

C18.5.2.1. Maintain and control a mechanized active, and inactive, history file to control ***SA/LW*** 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. Perpetuate suffix codes from all receipt/issue/adjustment transactions when updating files.

C18.5.2.3. ***Use standard data elements and standard transactions (identified in paragraph C18.1.2),*** to interface between the Component Registries for reporting changes affecting the ***SA/LW*** status in the master file of the Component Registries.

C18.5.2.4***.*** Provide monthly electronic file overlays to the DoD Registry reflecting active and inactive files in serial number sequence.

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 ***within 72 hours***, and initiate action as deemed appropriate.

C18.5.2.7. Perform an annual records verification utilizing the registry files to obtain records compatibility with depot files and ICP files by stock number and quantity.

C18.5.2.8. Report weapons lost, damaged, or destroyed in accordance with DoD 7000.14-R, Volume 12, Chapter 7. ***SA/LW*** Transaction Code Q (Notification of Suspected Loss) is applicable for reporting potential lost or stolen ***SA/LW***, pending full investigation and preparation of a Financial Liability Investigation of Property Loss Report (DD Form 200). ***SA/LW*** Transaction Code U (Found or Recovered) is applicable for reporting if the missing weapon is found or recovered. Use the ***SA/LW Control Reporting Transaction for updating the registries.***

C18.5.2.9. Identify on the Component Registry, ***using the SA/LW Control Reporting Transaction*** with ***SA/LW*** 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: The DoD Components are required to submit semiannual reports to the chairperson, Physical Security Review Board, in accordance with DoD 5100.76-M, for all ***SA/LW*** where theft, loss, and recovery occur.)

C18.5.2.10. Perform an annual ***SA/LW*** reconciliation with all activities recorded on the registry as having possession and/or accountability of reported ***SA/LW*** by serial number, stock number, and quantity. The method of performing the reconciliation shall depend on the DoD Components' capability of using Defense Data Network transaction sets or listings. When listings are used to perform the annual reconciliation, they shall be identified by the appropriate transaction set either as header information or shown with each line entry (see paragraph C18.7.8, below).

C18.5.2.11. Report all new weapons or devices that could be construed as ***SA/LW*** to the ***JSA/LWCG*** chairperson. The chairperson shall identify the reportability and notify the DoD Component. Weapons or devices for which no determination can be made will be discussed by the full ***JSA/LWCG***.

C18.5.3. ***JSA/LWCG***. ***JSA/LWCG*** responsibilities are as set forth in DoD 4140.1-R.

C18.6. SAFEGUARDING AND PHYSICAL SECURITY OF AUTOMATIC DATA PROCESSING RECORDED DATA

C18.6.1. The ***SA/LW*** data contained in the ADP records of the DoD Registry could produce classified data if the total number of serial numbers by weapon type were

summarized. Consideration must be given to security of the ***SA/LW*** records due to their sensitive nature. Security of ADP records shall be in accordance with DoD 5200.1-R.

C18.6.2. A determination to classify shall be made when there is sound reason to believe that knowledge of the information would provide un-friendlies 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. 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. The Component Registries shall provide for electronic file transfer of their active and inactive files, in serial number sequence, to arrive at the DoD Registry not later than the 10th of each month. The format shall be in accordance with the DS 140A ***SA/LW Control Reporting Transaction (MILSTRAP DI Code DSM function).*** The DoD Registry shall verify record counts as indicated on the files.

C18.7.2. The DoD Registry shall combine the DoD Components' electronic files into a single file, in serial number sequence, not later than the 15th day of each month. The DoD Registry shall identify duplicate serial numbers, as a minimum quarterly, in accordance with subparagraph C18.5.1.5, above.

C18.7.2.1. If duplicate serial numbers appear during the next check, and are owned by a single DoD Component, the Component Registry shall be notified to validate the serial numbers. If duplicate serial numbers remain after this validation, the Component Registry shall request altering instructions from the DoD Registry to modify affected serial number(s). The DoD Registry shall issue modified serial numbers (using selected alpha suffixes) and maintain a complete historical cross-reference record.

C18.7.2.2. If duplicate serial numbers appear during the next check, and are owned by more than one DoD Component, the DoD Registry shall notify each Component Registry to validate its serial numbers. If duplicates remain after this validation process, the DoD Registry shall issue modified serial numbers to one of the 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 shall be registered on the Component Registry using the ***SA/LW Control Reporting Transaction*** with ***SA/LW*** Transaction Code U (Found or Recovered).

C18.7.4. Inter-DoD Component Transfers. The ***SA/LW Control Reporting Transaction*** is used to report inter-DoD Component transfers between the Component Registries. The requirements for reporting shipments shall be as follows:

C18.7.4.1. Shipments Between DoD Components:

C18.7.4.1.1. Shipping Registry. When weapons are selected for shipment by the shipping activity, ***SA/LW Control Reporting Transaction with SA/LW Transaction Code*** S (Shipment) shall be sent to the shipping Component Registry. The shipping Component Registry enters the ***SA/LW*** data in the active file to indicate the in-transit shipment. The shipping Component Registry then sends the transaction to the destination Component Registry for all inter-DoD Component shipments.

C18.7.4.1.2. Receiving Registry. The receiving Component Registry enters the ***SA/LW*** 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 sends ***SA/LW Control Reporting Transaction*** with ***SA/LW*** Transaction Code R (Receipt) to their Component Registry. The receiving Component Registry matches the ***SA/LW*** data against the in-transit record. A match constitutes a reconciliation and completes the record.

C18.7.4.1.2.2. Discrepant Serial Numbers. Discrepant serial number(s) shall be verified by electronic mail, telephone or letter and corrective action taken as required.

C18.7.4.1.2.3. Receiving Registry. The receiving Component Registry provides ***SA/LW Control Reporting Transaction*** with ***SA/LW*** Transaction Code R to the shipping Component Registry.

C18.7.4.1.3. Maintenance Reporting. Weapons shipments from one DoD Component to another for maintenance purposes shall also be reported to appropriate Component Registries. This requirement shall 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, the shipping Component Registry shall initiate coordination to determine the status of the outstanding ***SA/LW Control Reporting Transactions*** with ***SA/LW*** Transaction Code S (see paragraph C18.8.2). (For receiving Component Registry procedures, see paragraph C18.8.3.) A monthly overage shipment listing shall also be sent to the receiving Component Registry.

C18.7.4.2. Shipments from Procurement. When weapons are shipped from a contractor to activities within the Department of Defense, the contractor is required to prepare three ***SA/LW Control Reporting Transactions***. ***SA/LW*** Transaction Code P (Procurement Gains) shall be in the one transaction sent to the shipping Component Registry giving notification of shipment. The data are entered in the shipping Component Registry to open the record. This record shall be held in suspense until confirmation of receipt of the weapon is provided by the receiving activity. The receiving activity shall submit an ***SA/LW Control Reporting Transaction*** to update its Component Registry. The

two remaining control reporting transactions shall have the RI Code of the shipping Component Registry to which the confirmation of receipt shall be provided. The ***SA/LW Control Reporting Transaction*** shall accompany the shipment documentation. When shipments consist of multiple containers, a listing shall identify which serial numbers are within each of the containers.

C18.7.4.3. Shipments Outside the Control of the Department of Defense. When ***SA/LW*** are selected for shipment to Foreign Military Sales (FMS)/Grant Aid and other Agencies outside the control of the Department of Defense, or when a DoD agency assumes title and accountability for U.S. weapons purchased or produced under a DoD contract then shipped directly to Security Assistance or other customers outside DoD, the ***SA/LW*** Control Reporting Transactions for the weapons shall be provided to the shipping Component Registry giving notification of shipment. The shipping Component Registry codes each weapon in the shipment using ***SA/LW*** Transaction Code N (Shipment to Other Agencies) or code F (Shipment to FMS/Grant Aid) depending on type of shipment. The shipping Component Registry then enters the ***SA/LW*** 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 the Department of Defense shall be registered by the receiving activity on its Component Registry.

C18.7.5. Demilitarization. When ***SA/LW*** are selected for destruction at the demilitarization activity, ***the demilitarization activity sends SA/LW Control Reporting Transaction*** with ***SA/LW*** Transaction Code V (Demilitarization) to the Component Registry once the demilitarization has been completed. The Component Registry shall code each of the weapons demilitarized and enter the ***SA/LW*** demilitarization data into the inactive file.

C18.7.6. ***DoD SA/LW Serialization Program***. The ***DoD SA/LW Serialization Program*** is designed to provide investigative agencies, within 72 hours, the identification of the last accountable activity having a specific serial-numbered ***SA/LW***. Investigative agencies will process all inquiries by electronic mail, message, letter, or telephone to the DoD Registry. The DoD Registry shall identify the accountable 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 Component Registry identifies the last accountable activity, response is provided to the investigative agency through the DoD Registry.

C18.7.7. Invalid or Erroneous ***DS 140A*** Transactions. The Component Registry shall reject invalid or erroneous DS 140A ***SA/LW*** transactions to the originator using the DS 140A ***SA/LW Reject Transaction (MILSTRAP DI Code DSR function).*** (See paragraph C18.7.10 for rejecting DS 888A ***SA/LW*** Data Change Transaction with ***SA/LW*** Transaction Code K (Multi-Field Correction).) The rejecting Component Registry shall cite the appropriate ***SA/LW*** Error Transaction Reject Codes in the ***SA/LW Reject Transaction. The code explanations identify corrective action required. In a DLMS environment,*** the ***SA/LW Reject Transaction*** may contain more than one **SA/LW** error transaction reject code, and activities shall ensure that all error conditions are corrected prior to resubmission. ***Under the constraints of the 80 record position DLSS (MILSTRAP) environment, the***

reject advice code identifies only one error condition in the transaction, and activities shall review all other fields of the rejected transactions, prior to resubmission, to ensure that all date entries are correct.

C18.7.7.1. Correction of Rejected Transactions. The Component Registry shall hold rejected transactions in a suspense file until corrective action has been received from the DoD Component. ***DS 140A SA/LW Correction Transaction (MILSTRAP DI Code DSC function)*** with the appropriate ***SA/LW*** error transaction reject code, shall be used to respond to rejected transactions.

C18.7.7.2. Follow-Up. If no corrective action is received by the Component Registry within 14 calendar days, the Component Registry shall send a DS 140A ***SA/LW Reconciliation/Reject Follow-up Transaction (MILSTRAP DI Code DSF function)*** to the DoD Component.

C18.7.8. Annual Reconciliation. The annual reconciliation of all ***SA/LW*** on the Component Registry shall be done using DS 140A ***SA/LW Reconciliation Transaction (MILSTRAP DI Code DSR function)*** with ***SA/LW*** Transaction Code E (Intra-DoD Component Reconciliation of ***SA/LW*** serial numbers, and inter-DoD Component reconciliation when reconciling with DLA Defense Distribution Depots.) This is a bottoms-up records reconciliation, i.e., matching records from the activity having physical custody and/or accountability of the weapon to the Component Registry records. Matching records shall be considered reconciled. Duplicate ***SA/LW*** serial numbers detected during the reconciliation shall require modification instructions from the DoD Registry. Component Registries that perform the annual reconciliation using other than transaction reporting shall ensure that listings contain ***SA/LW Reconciliation Transaction*** in the heading. ***SA/LW*** Transaction Code E need not be identified on the listing or posted to the Component Registry.

C18.7.8.1. Registry Rejects. Records not matched, or weapons for which no reconciliation was received by the Component Registry, shall result in a ***SA/LW Reject Transaction*** with the appropriate ***SA/LW*** error transaction reject code(s), to the DoD Component.

C18.7.8.2. ***Follow up for Response to Reject***. If corrective transactions and/or notification of a problem is not received from the DoD Component within 60 calendar days, the Component Registry shall follow up using DS 140A ***SA/LW Reconciliation/Reject Follow-up Transaction (MILSTRAP DI Code DSF function)***.

C18.7.9. Mass Stock Number/DoDAAC Changes. Accomplish mass stock number changes and mass DoDAAC/UIC changes using DS 888A ***SA/LW Data Change Transaction*** with ***SA/LW*** Transaction Code H (Mass Stock Number Change) ***(MILSTRAP DI Code DSB function)*** or ***SA/LW*** Transaction Code M (Mass DoDAAC/UIC Change) ***(MILSTRAP DI Code to be determined)***.

C18.7.10. Multi-field Corrections. Reporting activities shall use DS 888A, ***SA/LW Data Change Transaction*** with ***SA/LW*** Transaction Code K (Multi-Field Correction) ***(MILSTRAP DI***

Code DSA function), to change erroneous information on the Component Registry active/inactive file. The Component Registry shall reject any ***SA/LW Data Change Transactions*** (with ***SA/LW*** Transaction Code K), that do not match the file or contain invalid data.

C18.7.10.1. Preparation of ***SA/LW Data Change Transaction***. Reporting activities shall prepare ***SA/LW Data Change Transaction*** with ***SA/LW*** Transaction Code K when the Component Registry contains erroneous information. Changes can be made to the NSN/MCN/LCN/DoDAAC/UIC of the accountable activity and serial number.

C18.7.10.2. Rejection of ***SA/LW Data Change Transactions***. ***SA/LW Data Change Transactions*** (with ***SA/LW*** Transaction Code K) received by the Component Registry that do not match the NSN/MCN/LCN, reporting activity DoDAAC/UIC, or serial number contained on the active/inactive file shall be rejected to the reporting activity ***using DS 888A as a reject transaction***. The rejected ***SA/LW Data Change T***ransaction (with ***SA/LW*** Transaction Code K) shall contain the appropriate ***SA/LW*** error transaction reject code. Rejected transactions shall be suspended in the Component Registry pending receipt of a corrected ***SA/LW Data Change Transaction*** (with ***SA/LW*** Transaction Code K). Under DLMS, more than one ***SA/LW*** error transaction reject code may be shown in the rejected ***SA/LW Data Change Transaction*** (with ***SA/LW*** Transaction Code K), and the reporting activity must review all invalid data before resubmitting the corrected transaction. ***In a DLSS (MILSTRAP) environment, only one SA/LW error transaction reject code can be identified in the rejected transaction (MILSTRAP DI Code DSA), and the reporting activity must review all entries for additional invalid data before submitting the corrected transaction.***

C18.7.10.3. ***SA/LW*** Transaction Code K Conversion. The Component Registries shall not include ***SA/LW Data Change Transactions*** (with ***SA/LW*** Transaction Code K) on their electronic file transfer overlay records to the DoD Registry. The Component Registry shall convert the DS 888A ***SA/LW Data Change Transactions*** (with ***SA/LW*** Transaction Code K) received from the reporting activity to DS 140A ***SA/LW Control Reporting Transaction*** with ***SA/LW*** Transaction Code K, ***and the old serial number cited, for all changes to the serial number field for the monthly electronic file transfer.***

C18.8. TIME STANDARDS FOR PROCESSING UPDATES AND FOLLOW-UPS FOR SHIPMENTS AND RECEIPTS

C18.8.1. Weapons Visibility. One objective of the ***SA/LW*** serial number registration and reporting procedures is to provide visibility of actual location of all weapons by the timely update of the Component Registries during the shipment or receipt process. The timeframe for processing DS 140A ***SA/LW Control Reporting Transaction (MILSTRAP DI Code DSM function)***, for ***SA/LW*** Transaction Codes R and S, is 10 calendar days from date of action.

C18.8.1.1. Notification of in-transit Shipment to Shipping Component Registry. Within 10 calendar days of selection for shipment, the shipping activity shall send the ***SA/LW Control Reporting Transaction*** (with ***SA/LW*** Transaction Code S) to the shipping

Component Registry to indicate which serial numbers are included in the in-transit shipment. Activities that do not have mechanized capability shall provide the ***SA/LW Control Reporting Transaction*** (with ***SA/LW*** Transaction Code S), or hard copy information, to the shipping Component Registry by the fastest means available, leaving the shipping activity within 10 calendar days of selection for shipment.

C18.8.1.2. Update of Shipping Component Registry. Within 10 calendar days of receipt of the ***SA/LW Control Reporting Transaction*** (with ***SA/LW*** Transaction Code S) from the shipping activity, the shipping Component Registry shall use the transaction to update its files, establish the in-transit record, and send the ***SA/LW Control Reporting Transaction*** to the receiving Component Registry for all inter-DoD Component shipments.

C18.8.1.3. Receiving Component Registry Verification. Within 10 calendar days of receipt of the weapon(s), the receiving activity shall use the ***SA/LW Control Reporting Transaction*** data that accompanied the shipment to verify the serial number(s) received and provide the transaction (with ***SA/LW*** Transaction Code R) to the receiving Component Registry. Activities that do not have mechanized capability shall provide the ***SA/LW Control Reporting Transaction*** (with ***SA/LW*** Transaction Code R) or hard-copy information, to the receiving Component Registry by the fastest means available.

C18.8.1.4. Shipping Component Registry Verification. Within 10 calendar days of receipt of the ***SA/LW Control Reporting Transaction*** (with ***SA/LW*** Transaction Code R) from the receiving activity, the receiving Component Registry shall send ***SA/LW Control Reporting Transaction*** (with ***SA/LW*** Transaction Code R) to the shipping Component Registry to provide notification of receipt of the weapons. The 10-calendar day requirement for notification of shipments/receipts also applies to ***SA/LW*** shipments from one DoD Component to another for maintenance purposes. This requirement shall be included in any maintenance support agreements between the DoD Components.

C18.8.2. Overage Shipments. The shipping Component Registry shall ***send a follow-up*** on 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 (***SA/LW Control Reporting Transaction*** with code R) has been received. The shipping Component Registry shall send DS 140A ***SA/LW Receipt/Shipment Follow-up Transaction (MILSTRAP DI Code DSD function)*** to the receiving Component Registry. Allow 10 calendar days for response to the follow-up transaction.

C18.8.2.1. Weapon Received. If the weapon has been received, the receiving Component Registry shall submit a ***SA/LW Control Reporting Transaction*** with ***SA/LW*** Transaction Code R.

C18.8.2.2. Weapon Not Received. If the weapon has not been received, the receiving Component Registry shall submit ***SA/LW Control Reporting Transaction*** with ***SA/LW*** Transaction Code A (Weapon Not Received).

C18.8.2.3. No Response Received. If no response is received, an electronic transmission (message) shall be sent to the receiving Component Registry with an information copy to the receiving activity and its higher headquarters.

C18.8.2.4. Negative/No Response Reporting. Negative response or no response to the message shall cause the shipping Component Registry reporting the weapon(s) as missing, lost, or stolen, to their appropriate investigative agency and the DoD Registry (see subparagraphs C18.5.2.8 and C18.5.2.9, above).

C18.8.3. Shipment Follow-Up Procedures. Follow-up procedures shall be initiated by the receiving Component Registry for all weapons received for which no DS 140A ***SA/LW Control Reporting Transaction*** (with ***SA/LW*** Transaction Code S) was provided by the shipping 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 Component Registry shall take the follow-up action with the shipping Component Registry within 10 calendar days after a weapon(s) has been confirmed as received using the ***SA/LW Receipt/Shipment Follow-up Transaction.*** Lack of response within 10 calendar days shall cause an electronic transmission (message) being sent to the shipping Component Registry with an information copy to the shipping activity and its higher headquarters.

C18.8.4. Intra-DoD Component Timeframes. The standard timeframes for inter-DoD Component submission of ***SA/LW Control Reporting Transaction*** with ***SA/LW*** Transaction Codes R and S, as prescribed above, also apply to intra-DoD Component shipments and receipts

C19. CHAPTER 19

UNIQUE ITEM TRACKING

C19.1. SCOPE. The provisions of this chapter apply to the Military Departments including Coast Guard, and Defense Agencies (hereafter referred to as the DoD Components) responsible for Unique Item Tracking (UIT).

C19.2. EXCLUSIONS

C19.2.1. Classified activities that determine visibility of specific UIT assets may compromise operational security shall request guidance from their DoD Component. No DoD Component activity shall deviate from these requirements without the concurrence of their DoD Component and the Unique Item Tracking Committee (UITC). Submit requests for deviation, to include appropriate justification, to the ***ATTN DLMSO J-6251 ROOM 1747, DEFENSE LOGISITCS AGENCY J6, Chairperson, Unique Item Tracking Committee, 8725 John J. Kingman Road STOP 6205, Fort Belvoir, VA 22060-6217.*** by traditional mail, or via electronic mail to: DLMSO@dla.mil (when using electronic mail, include "ATTN: UITC Chair" in the subject line).

C19.2.2. Small arms and light weapons program reporting requirements are outlined Chapter 18.

C19.3. GENERAL. This chapter covers procedures for obtaining a UIT Designator Code (UITDC) (see section C19.8), reporting, populating, updating, and reconciling UIT assets in the DoD Component systems related to/impacted by UIT.[1]

C19.4. OBJECTIVES

C19.4.1. Establish continuous visibility over all UIT assets from their point of entry into the DoD logistics systems through disposal, demilitarization or shipment outside the control of the Department of Defense.

C19.4.2. Reestablish visibility over a UIT item previously shipped outside the control of the Department of Defense when it is reintroduced to DoD control.

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[1] All AIS relevant to the unique identification and tracking of item of supply throughout the DoD supply chain. These systems include, but are not limited to, the supply system, financial system, maintenance system, procurement system, the DoD Component repositories.

C19.4.3. Requires use of standard logistics transactions to interface UIT reporting between/among owners/the DoD Components and suppliers. The objective is to populate accountability and, if required, visibility records using standard DLMS logistics transactions. These procedures do not dictate whether DoD Component systems accomplish UIT through an integrated AIS accommodating UIT data or through use of stand-alone UIT data registries.

19.4.4. To provide coverage for all UITC DoD level (inter-DoD Component) UIT programs registered through the DoD UITC in accordance with DoD 4140.1-R.

C19.5. SAFEGUARDING AND PHYSICAL SECURITY OF UIT DATA RECORDS

C19.5.1. Secure AIS records as required by DoD 5200.1-R.

C19.5.2. Safeguarding AIS UIT recorded data doesn't relieve units/activities from the DoD Component requirements for physical, electronic, and procedural security of UII items.

C19.6. VISIBILITY OF UIT ITEMS. Establishing visibility of items comprising a UIT program (hereafter referred to as UIT items or UIT assets) may begin at any point in the supply chain. Customarily, for 'cradle to grave' UIT programs, initial tracking begins at time of shipment from the manufacturer. Alternatively, a UIT program may begin after UIT items are already in the DoD logistics system.

C19.7. RESPONSIBILITIES FOR UIT. The DoD Components shall:

C19.7.1. Maintain AIS necessary to track UIT items for which the owner has or had accountability/visibility.

C19.7.2. Submit existing and proposed DoD-level (inter-DoD Component) UIT programs to the DoD UITC for registration and assignment of a Federal Logistics Information System UITDC. Coordinate candidate UIT programs with the other DoD Components during the nomination process. Appendix 5 provides procedures for nominating and coordinating a UIT program candidate.

C19.7.2.1. Provide the nominating DoD Component the reason(s) when disapproving a UIT candidate for registration.

C19.7.2.2. Request mediation by the UITC when another DoD Component disapproves a UIT candidate program.

C19.7.3. Apply UITDC to National Item Identification Numbers (NIINs). (See section C19.27 for assigned UITDCs.)

C19.7.3.1. UITDCs other than code 'UID'. Ensure the integrated material manager (IMM) applies the UITDC to every NIIN comprising the DoD-level program, for which a UITDC isn't already assigned. The IMM assigns UITDCs to an NIIN based on

direction by the DoD Component UIT central control point. UITDC provides the DoD Components a systematic means to identify that a NIIN is subject to UIT and subject to these procedures.

C19.7.3.2. UITDC 'UID'. UITDC 'UID' was approved for use to identify items which fall under OSD Item Unique Identification (IUID) policy criteria, but which are not part of a DoD UIT program. Assets which have UITDC 'UID' are not required to be tracked in accordance with UIT procedures/requirements. Components must establish the necessary interface between acquisition and supply to ensure that the IMM assigns UITDC 'UID' to NIINs which fall under IUID policy/criteria, but which are not part of a UIT program, and are therefore not subject to these procedures.

C19.8. NATIONAL STOCK NUMBERS (NSNs). If known, an item's NSN, in conjunction with the UII[2], shall be the preferred means for tracking an item in logistics AIS. If there is no NSN, the owner(s) or an accountable officer shall assign a local control number (LCN) until a valid management control number (MCN) or NSN can be obtained. DLMS provides flexibility to accommodate tracking by NSN and UII, or by NSN and serial number, until such time as IUID policy and use of UIIs is fully implemented. UIT by NSN and serial number is a transitional requirement until the Components fully implement the IUID concept for serially managed assets, and tracking by UII, across the Department of Defense

C19.9. VISIBILITY OF ITEMS. Visibility tracking shall cease when UIT items are shipped outside the control of the Department of Defense, or when demilitarization and/or disposal are confirmed. Historical UIT transactions shall be retained in an inactive file accessible through an automated means.

C19.10. RETENTION OF UIT DOCUMENTATION. Audit capability is required following UIT document processing. Audit capabilities include the establishment and maintenance of transaction history that shall ensure and facilitate successful tracing of UIT assets for the following periods:

C19.10.1. Controlled Inventory Items. A minimum of 10 years for controlled inventory items (identified in DoD 4100.39-M) and other items that may be designated by the OSD and the DoD Components.

C19.10.2. Non-Controlled Inventory Items. A minimum of 6 years for non-controlled items.[3]

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[2] The UII is an identifier used to uniquely identity an individual asset used within the DoD. The UII may be a DoD Recognized IUID equivalent [e.g., Vehicle Identification Number (VIN)] or a composite structure defined by the DoD [refer to UII Construct 1 and UII construct 2]. Refer to DoD policy and supporting documentation for specific IUID guidance at ***http://www.acq.osd.mil/dpap/pdi/uid/index.html***. Refer to MIL-STD-130M (or most current version) for specific guidance marking of U.S. Military property.

[3] DoD 4140.1-R requires that transaction histories be maintained for a least 2 years. Under the document retention requirements contained in the National Archives Records Administration (NARA) General

C19.10.3. Source Documents. Retain original documents or facsimiles, i.e., (microfilm, microfiche), Compact Disk-Read Only Memory (CD-ROM), etc., for a minimum of 6 years for non-controlled items and a minimum of 10 years for controlled items from date originated. Retain Foreign Military Sales (FMS) source documents and financial records for 10 years from date of closure.

C19.10.4. Transaction History. AIS transaction history files associated with UIT shall include both the information system transaction record and the required source document information that prompted the information system transaction. Transaction history records shall be organized and maintained in a manner that shall ensure that accurate information can be retrieved and collated in a timely and reliable manner for a minimum of 10 years.

C19.11. DUE-IN AND ADVANCE RECEIPT INFORMATION (ARI). Establish due-in records in accordance with due-in procedures in Chapter 12. Upon establishing a due-in, provide ARI transaction (DS 527D) to each intended storage activity in accordance with the ARI procedures in Chapter 12. If UIIs are known at time of DS 527D initiations, they shall be included.

C19.12. ADVANCE SHIPPING NOTICE. When the procuring DoD Component orders UIT items from a production contractor, the procuring DoD Component shall ensure that the applicable clause is included in the contract requiring the vendor to provide UIIs in accordance with DoD UID Defense Acquisition Regulations Supplement (DFARS) clause (see http://www.acq.osd.mil/dpap/UID for specific UID DFARS clause information). The contractor shall submit IUID UII information to Wide Area Workflow – Receipt and Acceptance (WAWF-RA) in accordance with the WAWF Implementation Guide for the Federal Implementation Convention (IC) 856, Advance Shipment Notice (ASN); 857, Shipment and Billing Notice; direct on-line input; or using another comparable information exchange method supported by WAWF-RA. The WAWF will disseminate the vendor shipment notice to the procuring activity to satisfy the shipment performance notice requirement for the vendor to provide notification of shipment to the procuring activity using DS 856, including UII(s). In addition, the WAWF-RA will disseminate the

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Records Schedule (GRS) (***reference (jj)***), the document retention period for Accountable Officer's Records is 6 years 3 months.

vendor shipment information to the receiving depot or other DLMS compliant receiving system using DS 856 including UII(s).

C19.13. ACCEPTANCE REPORT. When acceptance at origin is applicable, the DS 856 forwarded to the procuring and receiving activity will contain accepted IUID information. When acceptance at destination is applicable, the receiving system may report acceptance, including UII(s), using the DS 861, Acceptance Report, to WAWF. Where electronic interface is not available, the receiver may report acceptance, including UII(s), using direct on-line input to WAWF-RA. WAWF will extract the IUID information for all Government accepted IUID items and forward to the DoD IUID Registry. For additional information/guidance on the IUID registry see the UID website (http://www.acq.osd.mil/dpap/UID/).

C19.14. MATERIAL RECEIPT

C19.14.1 Receipt The receiving activity shall notify the owner when UIT items are received. Submit receipt, including UII(s), using DS 527R receipt transaction, in accordance with the receipt procedures in Chapter 13.

C19.14.2 Correction Of Erroneous Receipts. The preferred method for correcting receipt errors for complete or partial receipt reversal (accountable document quantity, UII(s), or both) is to submit a DS 527R reversal in accordance with Chapter 13 receipt procedures to correct the audit trail.

C19.15. UII RECEIPT DISCREPANCIES. When UII(s) received do not match accompanying UII documentation (i.e., quantity and/or UII(s)), the receiving activity shall record the actual quantity and UII(s) received, and notify the shipping activity or ICP/IMM, as applicable, of the discrepancy. The receiving activity shall submit a Supply Discrepancy Report (SDR) showing the appropriate discrepancy code for quantity and IUID discrepancies in accordance with SDR procedures. For shortages or overages in shipments of controlled inventory items, arms, arms parts, ammunitions, and explosives, report within 24 hours of discovery (see SDR response timeframes). Action activities shall reply to all SDRs within 30 calendar days from date of receipt of reports by the action activity when associated with shipments of controlled inventory items. See Chapter 17 for SDR procedures.

C19.16. REINTRODUCTION OF UII ITEM PREVIOUSLY SHIPPED OUTSIDE THE CONTROL OF THE DOD. When a UIT item(s) previously shipped outside the control of the ***Department of Defense*** (DoD) is reintroduced to DoD control, the receiving activity shall report the receipt, including UII(s), to the owner. The receiving activity shall submit the receipt using DS 527R.

C19.17. MATERIAL REDISTRIBUTION AND RELEASE. The shipping activity shall release the appropriate number and condition code of UII(s) items without regard to the UII(s) selected. Also applies to DRO. There is currently no documented requirement for an owner to direct release of a specific UII(s).

C19.18. CANCELLED MRO/DRO SUPPORTING UII MATERIAL RELEASE.

C19.18.1. The storage activity shall confirm MRO or DRO cancellation to the owner, including UII(s). The storage activity shall confirm MRO or DRO cancellations in accordance with DS 945A (material release cancellation advice or disposal release cancellation advice) in accordance with Chapter 4.

C19.18.2. The owner shall confirm MRO cancellation with Status Code BQ using DS 870S, via DAAS to eligible status recipients. Data are entered in the eligible status recipient's AIS.

C19.19. MATERIAL RELEASE CONFIRMATION (MRC). For all UIT programs, the shipping activity shall confirm material release to the owner and report UII(s) shipped. The storage activity shall submit MRC, including UII(s), using DS 945A, processed in accordance with Chapter 4.

C19.20. CONFIRMATION OF SHIPMENT TO DEMILITARIZATION AND/OR DISPOSAL. The shipping activity shall report to the owner shipment of all UII item(s) to demilitarization and/or disposal. The storage activity shall submit DS 945A including UII(s).

C19.21. SHIPMENT STATUS. For all UIT programs, the shipping activity shall report shipment status, with UII(s) selected for shipment, to the receiving DoD Component. The receiving DoD Component shall enter the data in their AIS to identify UII(s) received are the UII(s) reported shipped.

C19.22. PHYSICAL INVENTORY OF UII ITEMS. Physical inventory of UIT items shall be conducted in accordance with Chapter 6 physical inventory procedures. There is currently no DoD requirement to inventory by UII.

C19.23. DOD STOCK READINESS (SR) PROGRAM. Under the SR program, ***the Department of Defense*** requires uniform care of supplies, including the inspection and reporting of condition and serviceability of material, and the scheduling, controlling, and reporting of packaging and other cost reimbursable actions in support of care of supplies in storage (COSIS). For UIT items, the distribution depot will report storage quality issues requiring COSIS work to the material owner via the Storage Quality Control Report, including UII, for approval, in accordance with DLAI 4145.4/AR 740-3/AFJMAN 23-231/NAVSUPINST 4400.100/MCO 4450.15, "Stock Readiness". ***DS 842SQ and*** DS 842S/R ***apply***.

C19.24. SIGHT VERIFICATION UNDER SPECIAL CIRCUMSTANCES. Reserved. [NOTE: This capability is to be provided on an exception basis by DS 140B. DLMSO will staff a proposal updating DS 140B and addressing this requirement.]

C19.25. DLMS TRANSACTIONS WITH UIT CAPABILITY. The following DLMS transactions have UIT capability. The associated DLMS chapter for processing the transactions is identified in Table C19.T1.:

Table C19.T1. ***DLMS Tansactions with UIT Capability***

DS #	TITLE	Process IAW (DLMS Volume, Chapter)
140A[4]	Small Arms Reporting	Vol 2, Chapter 18
140B	***RESERVED. No documented business case/requirement*** (Unique Item Tracking Report)	
180M	Material Returns Reporting	Vol 2, Chapter 11
511M	Requisition Modification	Vol 2, Chapter 4
511R	Requisition	Vol 2, Chapter 4
527D	Due-in/Advance Receipt/Due Verification	Vol 2, Chapter 12
527R	Receipt, Inquiry, Response and MRA	Vol 2, Chapter 13
810L	Logistics Bill	Vol 5, Chapter 2
842A/W	SDR Follow-up, Correction, Cancellation, & Reconsideration Request	Vol 2, Chapter 17
842S/Q	Storage Quality Control Report	Vol 2, Chapter 21
842S/R	Storage Quality Control Report Reply	Vol 2, Chapter 21
846A	Asset Reclassification	Vol 2, Chapter 7
846F	Ammunition Freeze/Unfreeze	Vol 2, Chapter 14
846I	Asset Status Inquiry/Report	Vol 2, Chapter 5
856	Advance Shipment Notice	Vol 2, Chapter 19
856R	Shipment Status Material Returns	Vol 2 Chapter 11
856S	Shipment Status	Vol 2, Chapter 5
861	Acceptance Report	Vol 2, Chapter 19 (WAWF)

[4] DS 140A is specific to use for Small Arms tracking under the DoDSASP.

867I	Issue	Vol 2, Chapter 14
870M	Material Returns Supply Status	Vol 2, Chapter 11
DS #	TITLE	Process IAW (DLMS Volume, Chapter)
888A[5]	Small Arms Data Change	Vol 2, Chapter 18
888B	***RESERVED. No documented business case/requirement*** (Unique Item Data Change)	
940R	Material Release	Vol 2, Chapter 4
945A	Material Release Advice	Vol 2, Chapter 4
947I	Inventory Adjustment	Vol 2, Chapter 7

C19.26. DOD-LEVEL UIT PROGRAMS

C19.26.1. DoD Small Arms Serialization Program (DODSASP). See DLMS, Chapter 18, for DODSASP procedures.

C19.26.2. Radiation Testing and Tracking System (RATTS) Program

C19.26.2.1. RATTS is a program established to provide regulatory and statutory compliance with Federal, state, and local regulations for the use of radioactive materials in fielded chemical defense equipment and in industrial applications. It maintains visibility of radioactive source UIIs and wipe test results. It is designed to provide strict control and identification of all radioactive sources to comply with Nuclear Regulatory Commission (NRC) license requirements.

C19.26.2.2. The cell, detector chemical (a component of the M43A1 detector), and the drift tube module (a component of the chemical agent monitor (CAM)) are reportable. In turn, the M43A1 detector and M43 alarm are components of the M8A1 chemical agent alarm. The drift tube module in the CAM is the key component of the end item. Hereafter the cell, detector chemical, and CAM drift tube module are identified as radioactive "sources." The requirements for these reporting standards as set forth in the NRC License 12-00722-13 and 12-00722-14.

C19.26.2.3. NRC licenses require UII control of the radioactive source throughout its life cycle. NRC requires a wipe test on an annual basis for the M43A1 detector radioactive source and CAM radioactive source. In addition, the M43A1 detector

[5] DS 888A is specific to use for Small Arms tracking under the DoDSASP.

radioactive source and the CAM radioactive source must be wipe-tested within 6 months of transfer to another activity.

C19.26.3. Navy Depot Level Reparable (NDLR) Program. NDLR is the recognized inter-DoD Component UIT program for Navy-managed DLRs.

C19.26.4. Army Maintenance Management System (TAMMS) Equipment Data Base (TEDB).

C19.26.4.1. TEDB identifies major end items for all ground, rail, and some construction equipment and watercraft. The information is maintained on vehicles accepted into the Army inventory and includes their age, location, NSN re-designations, overhaul/rebuild/recapitalization and Operating Tempo (OPTEMPO)/usage data. Information is also provided on OPTEMPO (usage) and vehicle age (miles and years). It is used for procurement planning, budgetary justifications, redistribution of assets, identity of candidates for safety recalls or overhaul; and for one-time logistics reports and summaries to field units. Additionally, units use the data to reconstruct lost or destroyed equipment logbooks, and missing or illegible serial/registration numbers. TEDB is the repository for the Army Vehicle Registration Number Program. The U.S. Army Logistics Support Activity is responsible for recording and maintaining a cross-reference file for all Army vehicle registration numbers on all Army vehicles during their life span. Information from this program meets several management needs such as satisfying state and foreign country registration requirements and assisting law enforcement agencies. The registration number remains unique to a specific item of equipment during its life span.

C19.26.4.2. TEDB benefits the warfighter because it is a single source for selected vehicle information. Organizations requiring vehicle location, OPTEMPO/usage, or age information can obtain this information from the TEDB for units throughout the Active Army and Reserve components regardless of the equipment manager. TEDB contributes to improved budgetary, logistics acquisition, and depot program management at all levels of the Army.

C19.26.5. Aviation Component Tracking Program. The Aviation Component Tracking Program is comprised of a set of procedures and databases designed to ensure unique part identification for flight safety parts and for life managed or special interest items. It provides for control, improved accountability and visibility of U.S. Army Aviation equipment. The Maintenance Consolidated Database contains the life cycle installation/removal/repair data for all life managed and special interest items. The Maintenance Consolidated Database, by maintaining the central repository for historical component data, allows for the recovery of critical data and continued use of parts with missing or erroneous data that would otherwise have to be scrapped.

C19.26.6. Tritium UIT Program. This program identifies all primary and secondary items comprised of tritium throughout the Army, Army Reserve, National Guard, and Marines. This program is necessary to meet a requirement for visibility of where all tritium sources are at all times.

C19.26.7. Controlled Cryptographic Items (CCI) Program. This program was established to meet NSA requirements to maintain visibility of controlled cryptographic end items, standalone CCI, and embedded CCI. CCI shall perform a complete physical inventory at periodic intervals not to exceed 12 months between successive inventories in accordance with NTISSI No. 4001, Controlled Cryptographic Items. This inventory must include all CCI equipment and uninstalled CCI components. This is necessary to guard against preventable losses of un-keyed CCI to an actual or potential adversary.

C19.27. UNIQUE ITEM TRACKING DESIGNATOR CODES (UITDC). The Federal Logistics Information System is the authoritative source for the UITDC. UITDC indicates that an item requires DoD level UIT and identifies a DoD UIT program associated with the UIT requirement. UITDC can also identify items which fall under the DoD IUID criteria but which are not subject to a DoD UIT program. All IUID items subject to a DoD UIT program will be identified by a UITDC other than 'UID'. See section C19.7.3 for application of UITDC. UITDC are as follows:

Table C19.T2. ***UIT*** Designator Codes

UITDC	EXPLANATION
AAA	DoD Small Arms Serialization Program (DODSASP)
AAB	Security Risk Category I Non-Nuclear missiles and Rockets
AAC	Radiation Testing and Tracking System (RATTS) Program
AAD	Navy Depot Level Reparables (NDLR) Program
AAE	Army Maintenance Management System (TAMMS) Equipment Data Base (TEDB)
AAF	Aviation Component Tracking Program
AAG	Tritium Unique Item Tracking Program
AAH	Controlled Cryptographic Items (CCI)
UID	Assets which meet DoD IUID criteria for marking, but which are not subject to DoD UIT program/tracking requirements.[6]

[6] See ***http://www.acq.osd.mil/dpap/pdi/uid/index.html*** for UID policy and criteria for assigning IUID to material.

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. APPLICABILITY AND SCOPE. These procedures apply primarily to 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 DS to 650A Federal IC, Assembly Component Maintenance Structure, to identify to the assembly activity the specific medical assembly to be built. DS 650A may also be used by the assembly manager and assembly activity to enter corrections, provide missing data, or to send 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 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 to Federal IC 527D, Due-in/Advance Receipt/Due Verification, to establish ARI (pre-positioned material receipt) at the assembly activity. 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. 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 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 shall 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 for maintaining*** control of receipts and for reporting discrepant/deficient receipts.

C20.6. COMPONENT PACKING CONFIRMATION. The assembly activity shall use DS 650C, Component Packing Confirmation, to notify the assembly manager that packing has been completed at the assembly activity.

C21. CHAPTER 21

STOCK READINESS PROGRAM[1]

C21.1 GENERAL. This chapter provides general information supporting the DoD Stock Readiness (SR) Program. The authoritative source for detailed procedures pertaining to this program is DLAI 4145.4/AR 740-3/AFJMAN 23-231/NAVSUPINST 4400.100/MCO 4450.15, "Stock Readiness". Under the SR Program, the Department of Defense requires uniform care of supplies, including the inspection and reporting of condition and serviceability of material, and the scheduling, controlling, and reporting of packaging and other cost reimbursable actions in support of the stock readiness program. This chapter provides an overview of the DLMS transactions which support the stock readiness program. Initial implementation is internal to DLA and Distribution Standard System (DSS) Distribution Depots (DDs). The DoD Components will phase in usage during modernization. All transactions are processed through DAAS. Capability to support communication with non-DLMS owner/managers and non-DSS storage sites using email and web-based processing is planned.

C21.1.1. Screening Request/Reply. The electronic stock screening request is used by material owners/manager to request DSS DDs to perform a screening action based upon specified criteria. The DD provides an electronic response to the request with results of the screening or to report that material matching the screening criteria was not found. DLMS Supplement (DS) to Federal IC 842C, Stock Screening Request/Reply, replaces the manual tracking and communication of screening requests and results where electronic capability is supported. This DLMS enhancement provides the DoD Components with the capability to use an electronic transmission method within their inventory management systems and improve tracking and management of screening actions.

C21.1.2. Storage Quality Control Report (SQCR)/Reply. The electronic SQCR is used by the DD to report storage quality issues requiring stock readiness work (e.g. repair, repackaging, testing, etc.) to the owner for approval. DLMS Supplements (DSs) to Federal IC 842S, Storage Quality Control Report, replaces the SQCR, DD Form 1225, for information exchange under the DLMS. This DLMS enhancement provides the DoD Components with the capability to use anelectronic transmission method within their inventory management systems and eliminate the exchange of hardcopy documents. This process includes both

[1] ***DLMS procedures in this Chapter are effective February 2008.***

the DD report and the owner reply. A future enhancement to report DD completion of work is also available in the DLMS format[2].

C21.2 APPLICABILITY AND SCOPE. This guidance is applicable to DoD Components owner/managers, the Defense Distribution Center (DDC), and DDs. It applies to classes of supply that are managed by DoD Components and stored at the DDs, except Class V, Class VI, and Bulk Class III.

C21.3 STOCK SCREENING REQUEST/REPLY OVERVIEW. The material owner/manager creates a stock screening request to notify distribution activities to screen for potentially quality deficient/defective material. Triggers for stock screening actions include a Product Quality Deficiency Report (PQDR), Supply Discrepancy Report (SDR), the Critical Item Management (CIM) process, or other notification of defect. The material owner/manager will identify material to be screened by NSN or part number/cage, specify the inspection type, and provide detailed instructions for the stock screening criteria (e.g., part numbers, vendor, markings, contract, etc.). Screening instructions may be defined by data elements within screening request or by narrative remarks.

C21.3.1 Under DLMS, the stock screening request is prepared using the DS 842CI, Stock Screening Request. The owner/manager will create and transmit a separate transaction for each action and information copy recipient (i.e. 28 transactions prepared for 28 DSS depots). The owner/manager will identify as the action recipient those DSS storage depots known by the owner/manager to have the material in question in storage. An information copy will be reported to all other DSS storage depots. This process will ensure that all applicable material is screened, to include, for example, DLA-managed material that is now owned by the Military Services.

C21.3.2 The stock screening request will remain open in the owner/manager application until a reply is received from all the action depots/storage locations indicating that the stock screening has been: completed with no defects found; completed with SQCR created; completed with a "no stock" reply. An interim reply may be provided under exceptional circumstances with comments to explain. When all action activity replies have been received, the request will be closed.

C21.3.3 Under DLMS, the stock screening reply is prepared using the DS 842CR, Stock Screening Reply, to close the automated coordination of stock screening actions. DSS depots will send a stock screening reply transaction to the owner/manager for depots identified for action. If no stock is stored at a particular depot, the depot will send a "no stock" reply where designated for action.

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[2] ***Refer to ADC 131, DLMS Submission of Electronic DD Form 1225, Storage Quality Control Report.***

C21.3.4 If DSS finds stock at the depot, DSS will automatically create an inspection workload using the data from the stock screening transaction. If the inspection type is Critical Safety Item (CSI), DSS will automatically freeze the stock. When the inspection is complete, action depots will send a reply to owner/manager with the results of the stock screening and close the screening request. When material is found matching the screening criteria, the reply will specify the quantity and condition of the material. Depending upon the results of the screening, the reply may indicate that a SQCR will follow.

C21.3.5 No screening reply is prepared by information stock screening request recipients. This is true regardless of the results of the screening. However, if defective material is located at a storage activity receiving only an information copy, a SQCR may be prepared for the material owner following guidance below.

C21.3.6 Detailed Requirements. The owner/manager preparing the stock screening request will assign a suspense date based on the inspection type. The owner/manager will specify screening criteria as appropriate. Only one contract number (optionally including call number and CLIN), vendor, or batch/lot may be specified per request. The material owner/manager may specify up to five part number/cage combinations associated with an NSN, e.g., for CSI inspections. The owner/manager will assign an internal reference number for identification of the stock screening request which may be used to associate the request with the triggering event. This reference number may be systemically assigned and will be perpetuated to the stock screening reply and any resulting SQCRs. A document number is required to ensure a DoD-wide unique control number. Both the stock screening reference number and the document number must be included in all transactions. In addition, when applicable, the Product Quality Deficiency Report (PQDR) Report Control Number (RCN) or the SDR Document Number shall be included to provide a crossreference when the screening action was triggered by a PQDR or SDR.

C21.3.7. Inspection Types. Stock screening requests may be prepared for the following inspection types: Aviation Safety Action Message (ASAM), Safety of Flight (SOF), Special Inspection, Quality Related (PQDR or SDR), Safety of Use (SOU), CSI, other. Inspection type is identified within the screening request and reply by the Type Inspection Code.

C21.3.8. The owner/manager request format performs four functions:

C21.3.8.1. Stock Screen Request for Action. This is the basic request sent to storage locations where material matching screening criteria is known to be held.

C21.3.8.2. Informational Stock Screening. This is sent to storage locations where material matching screening criteria is not known to be held, but which may hold such material owned by other organizations.

C21.3.8.3. Cancellation. This cancels a previously transmitted request.

C21.3.8.4. Additional Comments. This identifies a follow-on separate transmission which provides clarification of the original request.

C21.3.9. The storage location reply format performs five functions:

C21.3.9.1. No Stock Found. Used by action depots to inform the owner/manager that no material matching the screening criteria was located.

C21.3.9.2. Stock Screening Completed. Used by action depots to inform the owner/manager that the stock screening action is complete and provide the results of the screening.

C21.3.9.3. Interim Reply – Comments Provided. This is used by exception when necessary to communicate with the owner/manager prior to completion of the screening action, e.g., to request additional time or clarification of the screening criteria.

C21.3.9.4. Not Processed – Additional Comments Rejected. This is used to provide notification that the additional comments from the owner/manager cannot be processed because the screening action has been completed and closed.

C21.3.9.5. Cancellation. This cancels a previously transmitted reply so that a corrected reply may be provided.

C21.4. SQCR PROCESS OVERVIEW. The SQCR is submitted by distribution activities when changes in the condition of stocks are discovered during stock surveillance inspections/screening, or during distribution processes requiring stock inspection/screening. The SQCR is forwarded to the material owner to obtain disposition instructions, to include approval for reimbursable stock readiness work, e.g. repair, repackaging, testing, etc.

C21.4.1. Triggers for preparation of the SQCR include:

C21.4.1.1. Changes to an unserviceable condition when it is determined that there may be contractor liability for unserviceability under the terms of warranty clauses or unserviceability is due to a latent defect. Material in this condition will be transferred to Condition Code L (suspended litigation) pending negotiation with contractor(s) or receipt of disposition instructions.

C21.4.1.2. Transfers to Condition Codes D (serviceable – test/modification), E (unserviceable – limited restoration), F (unserviceable - reparable), G (unserviceable – incomplete), J (suspended in stock), and L (suspended – litigation).

C21.4.1.3. Changes in condition of dated, limited shelf-life material, medical, or subsistence items.

C21.4.1.4. The item in stock is unidentified or misidentified.

C21.4.2. Under DLMS, the SQCR is prepared by DSS DDs using the DS 842SQ, SQCR. Where DLMS is not supported, the SQCR will be mailed or faxed to the material owner pending implementation of the DLMS or DAAS capability to convert transactions to email.

C21.4.3. Under DLMS, the SQCR response is prepared using the DS 842SR, SQCR Reply. Where DLMS is not supported, the material owner will return the SQCR form annotated with the applicable response information.

C21.4.4. Upon completion of authorized reimbursable stock readiness work, the DD annotates the hard-copy SQCR with the cost of the action and returns it to the material owner. The electronic SQCR DD reply with completion information is not applicable to DLA which has query capability to provide visibility of inventory status. A DLMS enhancement for future implementation will support the distribution activity notification to the material owner that work has been completed[3].

C21.4.5. <u>Detailed Requirements</u>. The distribution activity prepares a SQCR for each item, reporting quantity by condition code. SQCRs are forwarded to the appropriate material owner stock readiness (SR) coordinator for response. The SQCR will remain open in at the distribution activity until disposition is received from the material owner. The SR coordinator reviews the item for excess stock position, cost of action in relation to the value of material, etc., and approves or disapproves the stock readiness action request. When disapproving the stock readiness request, the SR coordinator shall concurrently provide disposition instructions for the material. When approving the SR request, the SR coordinator shall reply to DD for action. A disposition/status reply code is available in the DLMS format to communicate the reply to reduce reliance on narrative text and to facilitate automated tracking/trend analysis.

C21.4.6. <u>Inspection Types</u>. A SQCR may be prepared as a result of any of the following inspection types: ASAM, SOF, special inspection, quality related (PQDR or SDR), SOU, CSI, cyclic, outbound shipment, shelf-life inspection, standard stock readiness, or other. The inspection type is identified within the SQCR and reply by the type inspection code.

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[3] ***Refer to footnote 1.***

C21.4.7. The distribution activity provides material identification by NSN or part number/manufacturer's CAGE. It will also support identification by description if needed. Data content is comparable to the DD 1225. When applicable, the report will include the stock screening request reference number as a cross-reference between the screening request and the resulting SQCR. The SQCR uses a discrepancy code to identify the non-conformance situation. It provides the estimated/actual cost for repair or repackaging. By DLMS enhancement for future implementation, the SQCR/reply allows for item unique identification (IUID).[4]

C21.4.7.1. The DD SQCR format performs four functions:

C21.4.7.1.1. Original Report

C21.4.7.1.2. Correction

C21.4.7.1.3. Cancellation

C21.4.7.1.4. Historical Report. This is used to transmit a record of the SQCR to DAAS under DLMS, when an alternative method of communication was employed. Currently, it is only used when the DSS DD communicates with a DLA legacy ICP.

C21.4.7.2. The SQCR reply format performs three functions:

C21.4.7.2.1. SQCR Reply. This is used by the material owner to provide disposition instructions on requested stock readiness work.

C21.4.7.2.2. Work Completion Notice. This is used to provide completion status to the material owner after approval is given to perform stock readiness work. The DD completion reply is provided in the DLMS format as an enhancement for future implementation with the Military Services.[5]

C21.4.7.2.3. Historical Reply. This is used to transmit a record of the SQCR Reply to DAAS under DLMS, when an alternative method of communication was employed.

C21.4.8. DAAS Query Capability.[6] By DLMS enhancement for future implementation, when DAAS web-based processing is available for SQCR and Stock Screening Requests, the web will include capability to query to provide historical information by: NSN, part number/CAGE, control numbers, serial

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[4] ***Refer to footnote 1.***
[5] ***Refer to footnote 1.***
[6] ***DAAS query capability not currently available pending full implementation of ADC 240, DLMS Transactions for Stock Screening Request/Reply and Web-Enhanced Stock Screeining Requests and SQCRs.***

number or batch/lot (associated with NSN/part number), contract number or CAGE, date open, date closed, storage location, owner/manager.

C22. CHAPTER 22

RESERVED

C23. CHAPTER 23

CARCASS TRACKING PROCESS[1]

C23.1 GENERAL

C23.1.1. Purpose. The following chapter describes a Navy unique carcass tracking process which is being migrated to the DLMS. This will facilitate modernization and support the addition of item unique identification within the tracking process. This chapter provides a summary overview; refer to NAVSUP Publication 485, Volume 1, Afloat Supply, Section III, paragraphs 8330 through 8339, for specific steps and procedures for Depot Level Repairable (DLR) carcass tracking.

C23.1.2. Applicability. This chapter is applicable to the Navy and participating USMC activities. The DLMS formats are available for adoption by any DoD Component with a similar process.

C23.2. PROCEDURES

C23.2.1. The Navy uses the DLR Carcass Tracking System to enable inventory managers to monitor the flow of Not Ready for Issue (NRFI) repairables from end-users through the Retrograde Pipeline, repair cycle and subsequent return to supply system stock. Activities are required to return a NRFI carcass to the supply system when a DLR item is requisitioned using Advice Codes 5G, 5R, 5S, 5V, 5Y, 52 or 56. When the Inventory Control Point (ICP) receives notice that a DLR was issued, an outstanding carcass file is annotated. Until a transaction item report (TIR) is received indicating the carcass was received, the ICP keeps the file open and continues searching for the asset. Lack of a valid proof of shipment may result in carcass charges back to the requisitioner.

C23.2.2. The Fleet Automated and Tracking System (FACTS) is used by afloat and selected shore activities to facilitate the turn-in of retrograde material and provides visibility from the point of turn-in by the end user through receipt in to the Advance Traceability And Control (ATAC) hub. The FACTS process uses several Navy-unique EDI transactions and Navy unique BK_ transactions.

C23.2.2.1. The three Navy-unique EDI transactions associated with FACTS are the:

C23.2.2.1.1. DS 527R/D6R, Material Due-In and Receipt transaction.

C23.2.2.1.2. DS 856, Ship Notice/Manifest, which replaces the hard copy DD Form 1348-1A as the Proof Of Shipment (POS).

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[1] This Chapter is approved for implementation no sooner than September 2008.

C23.2.2.1.3. DS 861, Receiving Advice/Acceptance Certificate, which serves as the receipt at a transshipping point.

C23.2.2.2. To enable the tracking process, the Navy developed a series of transactions referred to as the BK_ series. DS 856C supports communication of each of the BK_ transaction exchanges using a variable-length format allowing for future enhancement. Under DLMS, each BK_ is communicated as a distinct iteration of the detail level of the transaction. Each BK_ becomes a separate 856C. For ease of transition, DS 856C retains the original Navy document identification (e.g., BK1) at the beginning of transaction detail. A brief summary of each BK_ transaction used in this process is provided below.

C23.2.2.2.1. BK1, Follow-Up on Shipment of Non-RFI Carcass. The BK1 transaction is sent by the ICP to the shipping unit when the carcass is not received within the established timeframes.

C23.2.2.2.2. BK2, Response to BK1 Follow-Up. The BK2 is sent as a response to the BK1 and will contain information such as:

C23.2.2.2.2.1. Location where carcass was shipped.

C23.2.2.2.2.2. Response code.

C23.2.2.2.2.3. Turn-in document number if different from the original requisition.

C23.2.2.2.2.4. Date shipped.

C23.2.2.2.3. BK3, Notice of Additional Billing. A BK3 is processed by the NAVICP when a BK2 response is not received from an activity within the allowable timeframe or receives a BK2 indicating no turn-in will be made. The BK3 notifies the activity that the difference between the net and standard price will be billed. A reason code is provided in the BK3 transaction.

C23.2.2.2.4. BK4, Notice of Reduced Billing. The NAVICP uses a BK4 transaction to notify an activity that their account will be credited by the difference between the net and standard price. The BK4 will reverse a billing which resulted from a lack of, or invalid response to a carcass follow-up. This reversal will occur only when the customer responds or turns in a carcass after the date that a BK2 response was due and only when the late response/turn-in is accepted.

C23.2.2.2.5. BKA, Accepted Follow-Up Response (for BK2). The BKA is the follow-up response indicating that a BK2 was accepted.

C23.2.2.2.6. BKD, Accepted Follow-Up Response (for DS 527R/D6R. The BKD is used to indicate that the Navy-unique DS527R/D6R was processed by the ICP.

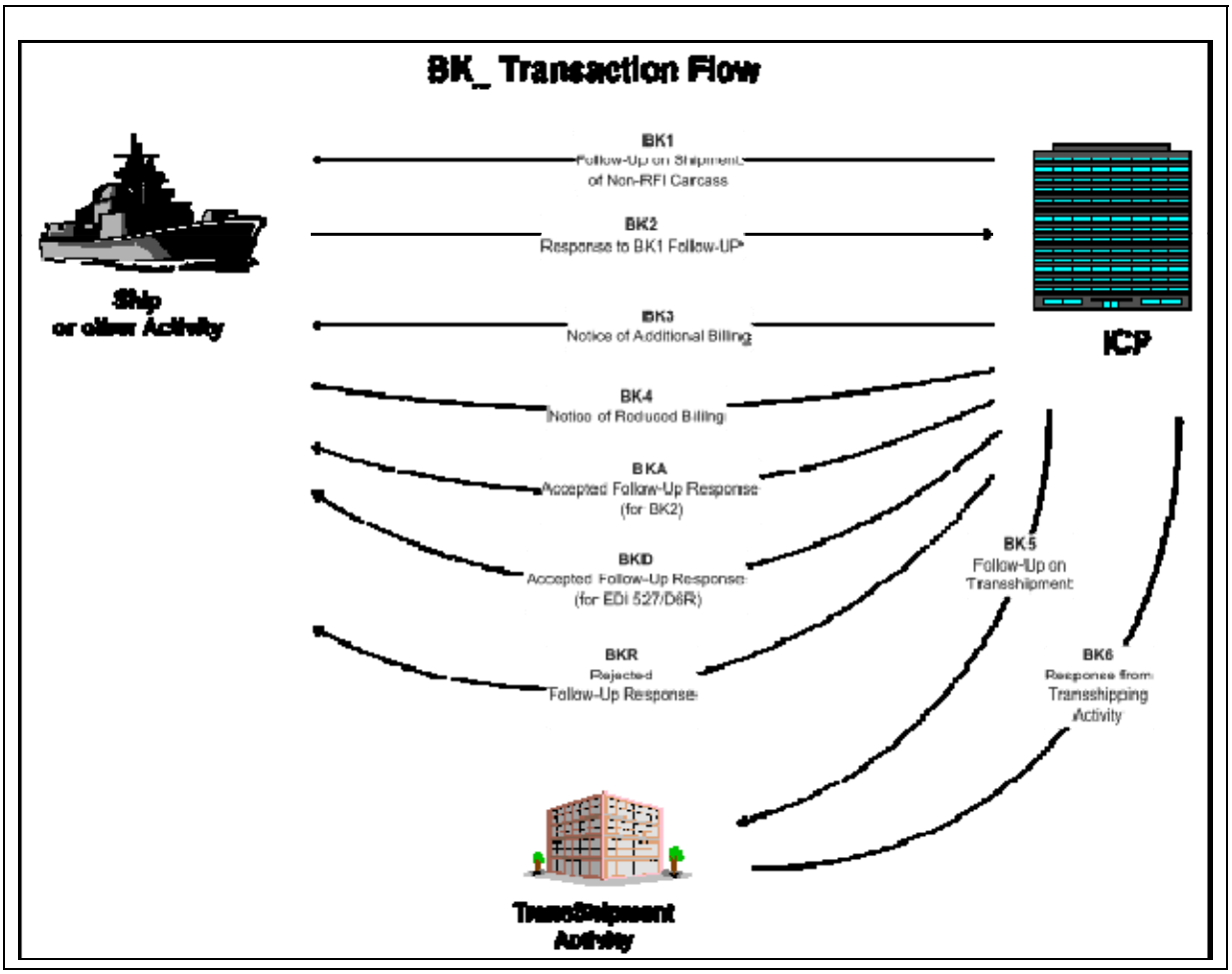
C23.2.2.2.7. BKR, Rejected Follow-Up Response. The BKR transaction is sent by the NAVICP to the submitting activity indicating that the BK2 response is rejected. A reason code is provided.

C23.2.2.2.8. BK5, Follow-Up on Transshipment. When the NAVICP receives notification of a turn-in being shipped to the ATAC, a BK5 follow-up will be sent to the ATAC after 30 calendar days.

C23.2.2.2.9. BK6, Response from Transshipping Activity. The BK6 transaction serves as the response to the BK5. A BK6 from the ATAC with a negative response or no response will result in the asset becoming a loss.

C23.2.2.3. BK_ Transaction Flow. The following figure depicts a high level view of the BK_ transaction process flow. Each BK_ is a separate transmission of the DS 856C.

Figure C23.F1. BK Transaction Process Flow



C24. CHAPTER 24

PASSIVE RADIO FREQUENCY IDENTIFICATION (RFID) TRANSACTIONS

C24.1 GENERAL. This chapter provides ***procedures for reader registration and visibility processing*** supporting the Department of Defense (DoD) RFID implementation. The Department of Defense requires integration of passive RFID (pRFID) technology in the DoD Supply chain. Visibility is a critical component of this ***requirement. T***he Defense Logistics Management System (DLMS) includes the establishment of data requirements that support ***shipment*** **visibility across the DoD supply chain. The detailed procedures pertaining to this** ***requirement*** are provided in this chapter. ***DoD policy*** regarding this passive RFID implementation ***is located*** on the DoD AIT website (URL): ***http://www.transcom.mil/ait/***.

C24.2. APPLICABILITY AND SCOPE. This guidance is applicable to ***DoD passive*** implementations. The scope ***includes*** systems ***that send, receive, and/or*** collect supply and transportation data ***and the*** business processes used to generate that data, technologies to collect new data, software to integrate the data, and tools to visualize the information.

C24.3. PROCESS OVERVIEW.

C24.3.1. Participating activities ***sha***ll register pRFID Readers, ***per the guidance in paragraph C24.4.***, for the purpose of identifying the location of the Reader.

C24.3.2. Once registered, scanned tag reads **shall** will be reported **either by a DoD system or middleware** to the Defense **Automatic** Addressing System (DAAS) using the Visibility Transaction which provides both the pRFID **tag** and Reader identification. The purpose of this **process** is to associate the tag identification and location with previously transmitted logistics transactions containing pRFID, e.g., DLMS Supplement (DS) 856S, Shipment Status, and Federal **Defense Transportation Electronic Business (DTEB)** Implementation Convention (IC) 856A, Receipt/Shipment, Consolidation/Due-in Notice**, and any others defined in the future**.

C24.3.3. **If** the middleware fails to associate the tag with a previously transmitted **logistics transaction** DS 856S and Federal ***or DTEB*** IC 856A, the activity **will** may ask for a follow-up Federal IC 856A and DS 856S by sending **by sending** a Visibility Transaction to DAAS with Action **Reader Function** Code **of** F **(Follow-Up), and DAAS shall transmit a Visibility Response transaction containing the data elements defined in C24.9.**

C24.3.4. There are three transactions[1] to support this process; one is used for sending Reader Registration data, a second for sending Visibility data, and a third for DAASC to respond to inquiries for unmatched tag reads. The transaction details are covered in the following paragraphs.

C24.4. READER REGISTRATION PROCESS

C24.4.1. The Reader registration ***transaction*** is applicable to handheld or fixed pRFID devices for the purpose of identification of its location and role in the supply chain. The term "READER" refers to a specific Reader, group of Readers, or all Readers at a site, depending on how a specific site chose to register its Readers.

C24.4.2. The registering site ***sha***ll provide to DAAS the location registration data, ***defined in Table C24.T.1.***, via the site's middleware application (Savi Site Manager, Globe Ranger, etc.) or via the worldwide web (to be determined). DAAS ***sha***ll establish that Reader in a location table ***and assign a location control number***. The location control number must be used on every subsequent transaction sent to DAAS from the field.

C24.4.3. After a Reader is successfully registered; sites ***are responsible for updating*** point of contact (POC) information ***and deleting*** the Reader ***when no longer needed***. POC information is for restricted use and will not be displayed in routine queries. Only registered Readers can be updated or deleted. A previous deleted Reader cannot be re-registered with the same location control number nor can it be updated.

C24.4.4. Any time a Reader or group of Readers is ***updated***, moved, or retired, the site ***shall*** send the update ***transaction*** to DAAS using the same location registration transaction with a delete in the action taken field. If the Reader or group of Readers is just being ***updated*** or moved and will be used at a different location, the Reader or group of Readers, after deletion, shall be registered again and receive a new location registration number.

C24.4.5. Registration actions which are not successfully processed by DAAS ***sha***ll be rejected ***and a response sent*** with the applicable reader registration action code.

C24.5. READER REGISTRATION DATA REQUIREMENTS. Passive RFID reader registration ***shall*** encompass the data requirements identified in Table C24.T1.

[1] ***The schema files (XSD) can be viewed at: http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/formats.asp.***

Table C24.T1. Passive RFID Reader Registration ***Data*** Requirements

Element	Description	Man/ Opt/ Con[2]	Mini-mum Lgth	Maxi-mum Lgth	Values
RFID Location Control Number	DAAS-assigned upon initial registration: required in up-date and delete; blank in the establish option	C	16	16	***From site to DAAS:*** ***- Blank for initial registration requests*** ***From DAAS to site:*** ***- LCN***
Reader Registration Action	Describes purpose of registration; action or DAAS response to the registration action	M	2	2	From Site to DAAS: E-establish reader U-update reader info D-delete reader From DAAS to Site: CE-establish reader confirmed CU-update reader confirmed CD-delete reader confirmed NE-establish reader not accepted NU-update reader not accepted ND-delete reader not accepted
Reader Type	Location's reader is fixed or mobile	M	1	1	F = Fixed M-= Mobile
Reader ID Number	Number assigned to this reader or group of readers by the site	M	10	10	
Location	DoDAAC, CAGE, Water Port or Aerial Port code for this location	M	5	6	
Location Text	Further description of this location	O	1	50	Free form text; Possible entries would be Area xxx, Bldg. xxx, Post xxx, Door xxx, Floor xxx
Type of Location	Code to ***identify type of location***	M	1	1	D = DoDAAC V = Cage Code A = Aerial Port W = Water Port
Effective Date/Time	Date/Time reported action took place	M	12	12	ZULU CCYYMMDDHHmm (example: 200612051459)
Latitude	Latitude of this location	M	4	9	CRIF[3] or degrees, minutes, seconds, and direction

[2] "Man" means "Mandatory;" "Opt" means "Optional;" and "Con" means "Conditional."

Element	Description	Man/ Opt/ Con	Mini-mum Lgth	Maxi-mum Lgth	Values
Longitude	Longitude of this location	M	4	9	CRIF or degrees, minutes, seconds, and direction
POC Name and Other Information	Name and other information of POC at site	M	20	100	
POC Commercial Telephone Number	Commercial telephone number of POC at site	M	10	15	
POC DSN Telephone Number	DSN telephone number of POC at site	M	7	7	
POC E-Mail Address	Email address of POC at site	M	10	50	

C24.6. VISIBILITY TRANSACTION PROCESS.

C24.6.1. When a shipment with pRFID arrives, departs or is observed at a registered Reader location, the Reader ***sha***ll ***communicate with the middleware, which shall*** send the Visibility Transaction to DAAS ***with a Reader Function Code of A (Arrived), D (Departed), or O (Observed)***. If the Reader has an assigned role (e.g., receiving or shipping) the transaction will report that action (e.g. arrived or ***depart***ed) using the appropriate action codes. If the device cannot determine arrival or departure, the action code for ***O***bserved ***sha***ll be used.

C24.6.2. At those sites electing to provide pRFID support for local deliveries, use the newReader Function Codes in Table C24.T2. For local delivery with pRFID, the reader shall either record a delivery event or an undelivered (e.g., attempted delivery) event. Delivered is defined as the customer accepting the material from the shipping entity. Undelivered is defined as during normal operating hours and at no fault of the shipping entity, a shipment is not able to be delivered. When a local delivery with pRFID is delivered or undelivered using a mobile handheld Reader, the Reader information shall be uploaded to the middleware at the home base, which shall send the Visibility transaction to DAAS with a Reader Function Code of X (Delivered) or U (Undelivered/Attempted Delivery).

C24.6.3. If the middleware fails to associate the tag with a previously transmitted logistics transaction, the activity will ask for a follow-up by sending a Visibility Transaction to DAAS with a Reader Function Code of F (Follow-Up).

C24.6.4. Valid Visibility Transactions ***wi***ll be accepted and stored in DAAS. Visibility Transactions from non-registered readers or with an invalid location control

[3] Enter "CRIF" for undisclosed locations.

numer ***sha***ll be returned to the sender with an 'N' in the sending location action indicating the transaction had an error and was not recorded at DAASC.

C24.7. VISIBILITY TRANSACTION DATA REQUIREMENTS. Passive RFID Visibility Transactions ***shall*** contain the data requirements identified in Table C24.T2.

Table C24.T2. Passive RFID Visibility Transaction Data Requirements

Element	Description	Man/ Opt/ Con	Mini-mum Lgth	Maxi-mum Lgth	Values
Passive RFID Tag	Tag ID Valve	M	24	50	Expressed in hexadecimal
RFID Location Control No.	DAASC assigned during the registration process	M	16	16	
Reader Function Code	Describes process associated with this Reader	M	1	1	From site to DAAS; A – Arrived D – Departed O – Observed F – Follow-up ***X – Delivered*** ***U – Undelivered/ Attempted Delivery***
Tag Read Date/Time	Date/Time reported action took place	M	12	12	ZULU CCYYMMDDHHmm (example: 200612051459)

C24.8. VISIBILITY RESPONSE TRANSACTION PROCESS

C24.8.1. If the middleware fails to associate the tag with a previously transmitted DS 856S or DTEB IC 856A, the activity will send a Visibility Transaction to DAAS with a Reader Function Code of F (Follow-Up).

C24.8.2. If the requested information is found, DAAS shall transmit a Visibility Response transaction containing the data elements defined in paragraph C24.9.

C24.8.3. If DAAS does not have the information, DAAS shall transmit to the sender a Visibility Response Transaction with an 'N' in the Reader Function Code field indicating the corresponding DS 856S or DTEB 856A transaction was not recorded at DAASC.

C24.9. VISIBILITY RESPONSE TRANSACTION DATA REQUIREMENTS. Passive RFID Visibility Response Transactions shall contain the data requirements identified in Table C24.T3.

Table C24.T3. Passive RFID Visibility Response Transaction Data Requirements

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. Cancellations requested by the requisitioner: Number Value[3]

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 Value[7]

AP1.6. Total canceled by the logistics system due to non-response.[8]

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[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

a. U.S. Forces	Number	Value[9]
b. MAP/Grant Aid	Number	Value[10]
Percentage of accomplishment (line 6 divided by line 5).	Percent	Percent
Reinstatement requests received:[11]		
a. Army	Number	Value[12]
b. Navy	Number	Value[13]
c. Air Force	Number	Value[14]
d. Marine Corps	Number	Value[15]
e. Other DoD	Number	Value[16]
Reinstatements accomplished:[17]		
a. U.S. Forces	Number	Value[18]
b. MAP/GA	Number	Value[19]
c. Air Force	Number	Value[20]
d. Marine Corps	Number	Value[21]
e. Other DoD	Number	Value[22]

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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.

[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. DRMS produces the in-transit to DRMO report quarterly. In addition, 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. DRMS sends 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 report format and the explanation of the derivation of the counts are as follows:

QUARTERLY INTRANSIT TO DRMO REPORT
RCS: DD-P&L(Q)1787

Total Matches	Discrepancies Cleared (Disposal Shipment Confirmation) BF, DE, DF, DG, DH	Disposal Shipment/ Receipt Confirmation Follow-ups Generated (Advice Code) 35 36 37	Disposal Shipment Confirmation Follow-ups Generated (Advice Code) 35 36 37	No response to Disposal Shipment Confirmation Follow-ups 30-60 days 35 36 37	60-90 days 35 36 37	>90 days 35 36 37	Unresolved Discrepancies Moved to History 35 36 37

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. Shows 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. Shows 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. Shows 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. Shows 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. Shows 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. 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 DoD Component, and the type of discrepancy. This enclosure identifies those locations and provides in-the-clear addresses and communication numbers for most locations including ICP SDR processing focal points, the GSA National Customer Service Center, ILCOs, and DDs.

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. The DoD Components and GSA have designated activities to act as control points to monitor packaging discrepancies for their respective DoD Component. SDRs for packaging discrepancies must be forwarded to the control activity if designated. Specific distribution according to the DoD Component and type of shipment is provided below.

AP3.3. SDRS FOR SA SHIPMENTS

AP3.3.1. All SA SDRs shall be sent 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-OL-LS-CS
54 M Avenue, Suite 1
New Cumberland, PA 17070-5096

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.***

AP3.4.1.1. DD 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 SA Shipments. Shall be forwarded by the ILCO directly to the shipping depot regardless of implementing Component. 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. 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

AP3.4.1.3.1. 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 DDs 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 DoD Component.

AP3.4.3.4. 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.

AP3.4.4.2. Product quality deficient material in SA 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. DSC, Richmond, shall 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 the Surface Deployment and Distribution Command (SDDC) and a copy to the shipping installation transportation officer.

Surface Deployment and Distribution Command
ATTN: SDPP-PO
200 Stovall Street, Hoffman Bldg. 2
Alexandria, VA 22332-5000

AP3.5.3. DoD-Directed Shipments. Follow additional DoD Component 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 Avenue 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 Building D-323
23 Strauss Avenue
Indian Head, MD 20640-5555
Phone: (301)744-6043 X190 (DSN 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 Street Suite 100
Pearl Harbor, HI 96860-4549
Phone: (808)473-4621 (DSN 473)
FAX: (808)473-2761

Supply Officer (N62573)(RI NYH)
Building 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 Street 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 Boulevard Suite 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 as contained in AFMAN 23-110, Vol 1, Part 2, Chap 2 or Air Force Material Command Maintenance Engineering Management Assignment (TO 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:	Information copies of packaging SDRs will be provided to the following Air Force activities:
DDHU-XID Building 845 7537 Wardleigh Road Hill AFB, UT 84056-5734	75ABW/LGTP 7530 11th Street Hill AFB, UT 84056-5707
DDOO-XI 7401 2nd Street Suite 108 Tinker AFB, OK 73145-9013	72 ABW/LGTP 7516 Sentry Boulevard Suite 202B Tinker AFB, OK 73145-8912
DDWG/VA 450 5th Street Robins AFB, GA 31098-1887	78 ABW/LGTP 455 Byron Street, Building 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). SA SDRs for DLA activities will be accepted only after review by the appropriate ILCO. For contact information for DLA action activities refer to the DLA Customer Handbook. Forward the SDR to the ICP which directed the shipment when any of the following applies: material was shipped as a direct vendor delivery (also referred to as customer direct; when the shipping depot is not known; or when reporting a Security Assistance quality deficiency or billing discrepancy. Otherwise, forward the SDR to the shipping DD. For assistance contact the Customer Support - Virtual Contact Center at 1-877-352-2255 (1-877-DLA-CALL) or DSN 661-7766; or the Defense Distribution Center (DDC) Customer Support Team Point of Contact for SDRs at DSN 977-8749 (717)770-8749.

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: rodsm.ncsc@gsa.gov
Message: RUELPUI 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. SDRs and the associated response will be reported on the SF 364, Report of Discrepancy, or by other means as authorized ***under Chapter 17***. DoD Components ***are strongly encouraged to use electronic SDRs, but those using hard copy*** shall secure the necessary supply of forms through normal channels.

AP4.1.1. 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 ***for the date the reporting activity prepares the SDR***.

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. For Security Assistance discrepancy reports, refer to Appendix 3 for ILCO addresses.

Item 4 From. DoDAAC, name, address and ZIP code of the reporting activity or Security Assistance customer (consignee). The in-the-clear address will be entered.

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. Applicable to SA billing discrepancies. Enter number and date of vendor's invoice or shipper's bill number. Attach copy of invoice to SF 364.

Item 6 Transportation Document. Enter the type of transportation document, TCN, 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. (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.

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 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 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 available from DLMS Dictionary which supplements those listed on the face of the form. If a condition exists that is not listed, use code Z1 and describe discrepancy in Item 12, Remarks. Use up to three discrepancy codes. When Discrepancy Code Q1, Product Quality 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. Nature of the discrepancy using the discrepancy codes available from DLMS Dictionary which supplements those listed on the face of the form. If a condition exists that is not listed, use code Z1 and describe discrepancy in Item 12, Remarks. Use up to three discrepancy codes. When Discrepancy Code Q1, Product Quality Deficiency, or C2 , Expired Shelf Life, is applicable, enter the following information under Item 12, Remarks:

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 majorItem, i.e., ships, aircraft, missiles, ammunition, vehicles,etc., or secondary item, i.e., any item that supports a major itemsuch as reparables, consumables, assemblies, etc. AnnotateProjected 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 DDs 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.

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.***

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.***

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 (reply) code available in the DLMS Dictionary***. This code and applicable narrative may be used rather than marking equivalent boxes for ***Items 19, 20, and 21.***

Packaging Discrepancies ***Noted at 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 show 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) ***and E-mail address***.

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.

commercial telephone number***, and E-mail address, if available,*** of the person preparing the revised report.

AP5.APPENDIX 5.

INSTRUCTIONS FOR SUBMISSION OF DOD UNIQUE ITEM TRACKING (UIT) PROGRAM CANDIDATES

AP5.1 ORIGINATOR

AP5.1.1. UITC Representative. Include the name, organization and office symbol, and DSN and commercial telephone number, and electronic-mail address.

AP5.1.2. DoD Component. Identify the DoD Component submitting the UIT program candidate or the joint DoD Component group/committee sponsoring the program candidate.

AP5.1.3. Originator. Identify the person who can discuss the concepts, needs, and the rationale underlying the UIT program candidate. Include the name, organization and office symbol, and DSN and commercial telephone number, and electronic-mail address.

AP5.1.4. Program Sponsor. Include the name, organization and office symbol, and DSN and commercial telephone number, and electronic-mail address.

AP5.2. UIT PROGRAM CANDIDATE

AP5.2.1. Program Name. Enter the full name of the UIT program candidate. Spell out all acronyms.

AP5.2.2. Program Description. Provide a brief description of the UIT program and its applicability to the overall DoD UIT Program. Identify the functional area associated with the UIT program candidate, any other program which may be affected by, or have an interest in, and if applicable, cite authority documents. Identify any additional data element requirements that may be added, revised, or deleted as a result of this program.

AP5.2.3 Justification for UIT Requirement. Provide background and support for the UIT program candidate. Elaborate on the need for the UIT program candidate in a context that allows evaluators to understand the full impact of the program and the impact of not maintaining the status quo. Also, provide responses to the following questions:

AP5.2.3.1. What value does the UIT candidate program add to the DoD UIT Program?

AP5.2.3.2. What potential customers will benefit from the candidate UIT program?

AP5.2.3.3. How does the candidate UIT program contribute to the accountability and visibility of the asset being tracked?

AP5.2.3.4. Is the candidate UIT program compliant with sections C5.3 (Item Accountability, Control and Stewardship) and C6.3 (Unique Item Tracking (Visibility) of, DoD 4140.1-R, DoD Supply Chain Materiel Management Regulation? If yes, at what level and when was compliance achieved? If no, is there a plan to become compliant with DoD 4140.1-R, sections C5.3 and C6.3?

AP5.2.3.5. How many line items (NSN + UIT elements (UII, serial number, part number, etc. = line item) are to be tracked?

AP5.2.3.6. How many reportable line items and UIT events are to be reported (1 NSN:1 UII, end article NSN/UII and component NSN/UII, multiple (variable number) reportable NSNs/single or multiple UIIs, etc.)?

AP5.2.3.7. At what level will the assets be tracked (wholesale, below wholesale, contractor facilities, etc.)?

AP5.2.3.8. What is the name and location of the AIS where the assets will be reported? What standardized transactions will be used to report the assets (DLSS or DLMS etc.)?

AP5.2.3.9. In accordance with DoD 4140.1-R, subparagraph C6.3.2.3, what provisions have been made for use of AIT?

AP5.2.3.10. In accordance with Item Unique Identification (IUID) policy, IUID is a system of marking items with UIIs that have machine-readable data elements to distinguish an item from all other like and unlike items. A data matrix is used for marking. DoD requires IUID for specific categories of items. All UIT program items fall under the IUID category of serial managed assets. Accordingly, UIT program items require 2D marking in accordance with IUID policy. IUID policy and specific IUID guidance are available at http://www.acq.osd.mil/dpap/UID. For specific guidance on marking DoD property for IUID, refer to MIL-STD-130M (or most current version). For items that are not currently in compliance with IUID marking policy, provide medium in use and placement of UIT identification.

AP5.2.3.11. Identify any special processing requirements. For example, for Navy Depot Level Reparables, Navy indicated they did not want the DLA distribution depots to open the containers to verify UII information. Such requirements should be identified and explained, as part of the program submission process. Also, identify the following:

AP5.2.3.11.1. Physical handling (e.g., whether or not to sight verify (open containers, etc.).

AP5.2.3.11.2. Proposed types of UIT events to be reported (e.g., receipt, shipment, demilitarization, reconciliation, gain/loss, etc.).

DEFENSE LOGISTICS MANAGEMENT SYSTEM (DLMS)

VOLUME 3

RESERVED

March 2003

DEPUTY UNDER SECRETARY OF DEFENSE
ACQUISITION, TECHNOLOGY AND LOGISTICS
(LOGISTICS & MATERIEL READINESS)

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C1. CHAPTER 1

INTRODUCTION

C1.1. GENERAL

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

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

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

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

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

C1.5. NONCOMPLIANCE. If reasonable attempts to obtain compliance with prescribed procedures or if resolutions to related problems are unsatisfactory, the activity having the problem should request assistance from its Service/Agency Acquisition PRC

member. To the extent possible, the request should include information and copies of all correspondence pertinent to the problem; including the contract number, the number and date of the transaction involved, and identification of the other office. The PRC member will take the necessary actions to resolve the issue or problem. These actions may include requesting assistance from the Acquisition PRC chairman.

C2. CHAPTER 2

ABSTRACTS OF CONTRACTS

C2.1. GENERAL

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

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

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

C2.2. ABSTRACT OBJECTIVE AND USES

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

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

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

C2.3. INCLUSIONS AND EXCLUSIONS

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

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

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

C2.5. INITIATION AND DISTRIBUTION OF CONTRACTS AND ABSTRACTS

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

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

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

C2.5.4. Classified Data. When the contract contains abstract data elements that are classified, these data elements shall not be abstracted. Only the unclassified data will be transmitted in the abstract. A transaction status indicator code will indicate "partial abstract - see contract." The contract containing the classified data will be forwarded in accordance with existing security regulations. STRUCTURE OF THE CONTRACT ABSTRACT.

C2.5.5. Details. The details of the initial abstract of the contract, DS 561, are available from hyperlinks at ***http://www.dla.mil/j-6/dlmso/eLibrary/Transformats.asphttp://www.dla.mil/j-6/dlmso/eLibrary/Transformats/x12.asp***.

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

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

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

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

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

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

C2.5.6.3.1. Supplies-Line Loop. A supplies line loop includes, as applicable, the line item number, the ACRN, the quantity, unit price and total amount of

the line/subline, variation in quantity, stock number and/or the requisition number, description of the services, place of inspection and acceptance, and the ship-to and mark-for. The control fields for a supplies line are PIIN, call/order number, and CLIN/ELIN.

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

C2.5.6.3.2.1. Examples. Some examples of a services line item are engineering services; research and development services; training services; DD Form l423, Contract Data Requirements List, data items; and testing services.

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

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

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

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

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

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

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

C2.5.6.3.3.6. DD Form 1423. For exhibit line and subline items on DD Form 1423, data is created only if the DD Form 1423 indicated that a DD Form 250 is required.

C2.6. PREPARATION OF THE CONTRACT ABSTRACT TRANSACTION

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

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

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

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

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

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

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

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

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

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

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

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

C2.7. ACKNOWLEDGEMENTS

C2.7.1. Acknowledgment Response. Both a contract abstract and a contract abstract cancellation require an acknowledgment response. When the abstract recipient receives a contract abstract or an abstract cancellation, the recipient must return an acknowledgment DS 561 transaction to the initiator of the abstract with the appropriate transaction status indicator code. The acknowledgment confirms receipt of the contract abstract or receipt of the abstract cancellation by the recipient and must be sent within 5 workdays from abstract or cancellation submission date. Confirmations not received within 7 workdays may be subject to follow-up via message, advising that the acknowledgment has not been received for the specified contract number.

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

C2.8. PREPARATION OF ACKNOWLEDGMENT TRANSACTION

C2.8.1. Purpose. Use DS 561 for acknowledgments.

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

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

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

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

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

C2.9. CANCELLATIONS

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

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

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

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

C2.10. PREPARATION OF THE CANCELLATION TRANSACTION

C2.10.1. Purpose. Use DS 561 for cancellations.

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

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

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

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

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

C3. CHAPTER 3

ABSTRACTS OF MODIFICATIONS

C3.1. GENERAL

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

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

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

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

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

C3.3.2. CAO Modifications. For modifications issued by the CAO, the recipient of the modification abstract is the office who initiated the original contract abstract unless

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

C3.4. STRUCTURE OF THE MODIFICATION ABSTRACT

C3.4.1. Details. The details of the modification abstract, DS to Federal IC 561, Contract Abstract are found in DLMS at ***http:www.dla.mil/j-6/dlmso/elibrary/transformats.asp***.

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

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

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

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

C3.4.2.4. Correction of Hard-Copy Error. When a contract modification reflects the correction of a hard-copy documentation error that was detected by the initiator prior to abstract transmission, the initial contract abstract will be revised to reflect the correction made by the hard-copy modification; the abstract will identify the modification number in the contract data loop; and will be transmitted to the recipient ADP point. A Kind of Modification code F will indicate the correction of a hard-copy error.

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

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

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

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

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

C3.5.1. In the contract HL loop: PIIN and SPIIN

C3.5.2. In the business arrangement HL loop: ACRN

C3.5.3. In the supplies item HL loop: CLIN and ACRN

C3.5.4. In the supplies schedule loop:

C3.5.4.1. Ship-To

C3.5.4.2. Mark-For

C3.5.4.3. Contract Delivery Date

C3.5.4.4. Requisition Number

C3.5.4.5. Transportation Priority

C3.5.5. In the services item HL loop: CLIN and ACRN

C3.5.6. In the services schedule loop: Service Completion Date

C3.6. CHANGING CONTROL DATA

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

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

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

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

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

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

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

C3.7. NONCONTROL DATA

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

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

C3.8. CHANGING NONCONTROL DATA

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

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

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

C3.9. ADDING AND DELETING DATA

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C4. CHAPTER 4

SHIPMENT PERFORMANCE NOTIFICATION

C4.1. GENERAL. This chapter prescribes standard procedures for the CAO and other parties to report the shipment of supplies and the performance of services. These reports are identified as DS to Federal IC, 856P, Shipment Performance Notice (SPN) (***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_810_858.asp***). The SPN provides the purchasing office (PO), IM/integrated material manager (IMM), or PM with timely information in automated form to post the local data base automatically and to reduce the number of copies of the DD Form 250, Material Inspection and Receiving Report, required for reporting shipments and performance.

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

C4.3. SHIPMENT PERFORMANCE NOTICE

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

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

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

C4.3.4. Structure. A DS 856P, SPN can include various shipment and performance records, from the same or from different contracts. The HL data segment has three hierarchical levels. The first level is an address loop (identifying the sender and the receiver of the transaction), followed by one or more second level shipment number loops (which also carry the contract number), each of which may have one or more third level line-item loops.

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

C4.3.5.1. PIIN

C4.3.5.2. Call/Order Number

C4.3.5.3. ELIN or CLIN

C4.3.5.4. Ship-To Identity or Performed-At Identity

C4.3.5.5. Contractor Shipment Number

C4.3.5.6. Contractor Shipment Number Suffix

C4.3.5.7. Suffix Code (when applicable)

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

C4.5. INCOMPLETE ITEMS

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

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

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

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

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

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

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

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

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

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

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

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

C4.11.3. Supplementary Procurement Instrument. The SPIIN used in these transactions, is the four-position call/order number; use the data field, PRF02, only when a call/order number applies. The SPIIN does not include a modification number or a provisioning item order number.

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

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

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

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

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

C4.11.6. HL Table.

C4.11.6.1. The HL loop in Table 2 contains three levels of data:

C4.11.6.1.1. The first or highest level is the address loop; the second level is the shipment loop; and the third level is the line-item loop.

C4.11.6.1.2. There will be one address loop; it will identify the code FR (from the CAO) and the transportation officer (TO) (to the IM/IMM, PM, or PO) location codes in the transaction set.

C4.11.6.1.3. There will be one shipment loop for each shipment number in the transaction set.

C4.11.6.2. Contract Line-Item Loop. There will be one line-item loop for each CLIN/ELIN in the shipment. As in a contract, the CLIN or sub-CLIN may be further subdivided by Ship-To or requisition number, each needing its own line-item loop.

C4.11.6.3. Supply Shipments. For supply shipments against Navy or DLA contracts, include the NSN or local stock number for the item in LIN03; for supply shipments against Army or Air Force contracts, include the requisition number in LIN03.

C4.11.6.4. Shipment Date. A shipment date may be actual or estimated.

C4.11.6.5. Canceled Transaction. A cancelled 856P, SPN, will contain a Transaction Status Indicator code K in an LQ data segment.

C4.11.6.6. Zero Quantity. There are occasions when an SPN has a zero quantity. An example would be subassembly parts that are not counted as deliverable items. When the final deliverable is made, the higher assembly is then counted.

Because this transaction set requires a shipment quantity, in this situation a zero will be passed in data field SN102.

C4.11.6.7. Purchase Unit History. Purchase unit information historically has been omitted from SPN data. However, it is included in this transaction set and is available if needed.

C5. CHAPTER 5

DESTINATION ACCEPTANCE REPORTING

C5.1. GENERAL

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

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

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

C5.1.4. Acceptance Alerts. This procedure also provides for DFAS to send the acceptance alerts (including any subsequent follow-up alert), DS to Federal IC 856A, Acceptance Alert (AA) (***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_810_858.asp***), to the consignee. The capability to receive the AA from the DFAS facilitates the preparation of the AR.

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

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

C5.3. DELIVERY DATE

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

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

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

C5.4. ACCEPTANCE ALERT

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

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

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

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

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

C5.4.1.5. Time Standards. DFAS will forward an alert to the ship-to addressee within 1 workday after receipt of the DD Form 250 or the DD Form 1155 by the CAO. In no case, however, will an alert be generated when the shipment date is

more than 30 days past. In such cases, a written document (letter, teletype message, or facsimile) must be used.

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

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

C5.4.1.7.1. PIIN

C5.4.1.7.2. Call/Order Number

C5.4.1.7.3. Ship-To Identity

C5.4.1.7.4. Contractor Shipment Number

C5.4.1.7.5. Contractor Shipment Number Suffix

C5.4.1.7.6. ELIN or CLIN

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

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

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

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

C5.5.4. Nonreceipt or Late Receipt of Acceptance Alert. In the event that supplies are received and accepted prior to the receipt of the alert, the accepting activity will

prepare the DS 856A, AR, using code "A" in data field BRA04. The accepting activity will not hold the AR pending receipt of an alert. If an acceptance alert is received after an acceptance alert has already been transmitted, no action is required.

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

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

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

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

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

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

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

C5.5.9.1. PIIN

C5.5.9.2. Call/Order Number

C5.5.9.3. Ship-To Identity

C5.5.9.4. Contractor Shipment Number

C5.5.9.5. Contractor Shipment Number Suffix

C5.5.9.6. ELIN or CLIN

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

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

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

C5.6.2.1. If the reply is an interim AR, enter code D.

C5.6.2.2. If the reply is not interim but acceptance has been reported previously or is being reported initially, enter code A.

C5.7. CANCELLATIONS AND CORRECTIONS

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

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

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

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

C5.9. PREPARATION OF THE TRANSACTIONS

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

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

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

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

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

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

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

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

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

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

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

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

C5.9.3.2.4.1. Identifying Items in the AA. Generally, an item in the AA is identified by an NSN. When the NSN is not available, a local stock number should be used. When neither stock number is available use the manufacturer's part number (this requires two iterations, one for the part number and another for the commercial and government entity (CAGE). When none of the above information is available use code ZZ and follow the LIN02 note.

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

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

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

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

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

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

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

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

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

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

C6. CHAPTER 6

REVISED DELIVERY FORECAST

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

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

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

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

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

C6.6. URGENCY OF PROCUREMENT. The PO usually assigns a Criticality Designator (see code 5 of the Code List Qualifier Codes discussed in Volume 1) code to the contract. This code is perpetuated in the DS to Federal IC, 561A Contract Abstract

(***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_140_650.asp***) in an LQ data segment. For contracts with Criticality Designator code A or B, the RDF will be issued no later than the CDD (or FDD, if applicable); for Criticality Designator C, the RDF will be issued within 30 workdays of the CDD (or FDD, if applicable).

C6.7 REVISED DELIVERY FORECAST. Prepare DS to Federal IC 870R, Revised Delivery Forecast, in accordance with DLMS ***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/formats.asp***. The following items should be considered in the development of an RDF:

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

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

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

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

C6.7.4.1. PIIN

C6.7.4.2. Call/Order Number

C6.7.4.3. CLIN or ELIN

C6.7.4.4. Ship-To Identity

C6.7.4.5. Delivery Schedule Date

C6.7.4.6. Transaction Reference Number (i.e., the requisition number)

C6.7.4.7. Transaction Date

C6.8. CHANGES, CORRECTIONS, AND CANCELLATIONS

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

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

C6.9. TRANSACTION STATUS INDICATOR CODES

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

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

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

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

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

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

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

C6.10.3.1. Table 1. Table 1 identifies:

C6.10.3.1.1. That the transaction set includes RDF reports that are either stock numbered or requisition numbered, in BSR01; and

C6.10.3.1.2. The code FR (from the CAO) and the code TO (to the PO) at 1/N1/050.

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

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

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

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

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

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

C6.11 PCO REPLY TO THE RDF. The DS to Federal IC 870P, Purchasing Contract Officer (PCO) Reply to RDF (***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_861_997.asp***), is an electronic version of the PCO Instructions (blocks 13 and 15) of the DD Form 375-2, Delay In Delivery. While this transaction set has not been affirmed by the acquisition community, it has been developed and is presented here for future implementation.

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

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

C6.14. CHANGES, CORRECTIONS, AND CANCELLATIONS

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

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

C6.15 PREPARATION OF THE TRANSACTION. The DS 870P, PCO Reply To RDF will be prepared as shown in ***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_861_997.asp***.

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

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

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

C6.15.3.1. Table 1. Table 1 identifies:

C6.15.3.1.1. That the reports in the transaction set are PCO responses to RDF, in BSR01; and

C6.15.3.1.2. The FR (from the PO) and the TO (to the CAO) at 1/N1/050.

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

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

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

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

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

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

C7. CHAPTER 7

CONTRACT PAYMENT AND COLLECTION NOTIFICATION

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

C7.2 CONTRACT PAYMENT MANAGEMENT REPORT

C7.2.1. General. The DS to Federal IC 568P, Contract Payment Management Report, is available via hyperlink in ***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_140_650.asp***. Table 1 of this report is header data that applies to all of the Contract Payment Notices (CPN) reports contained in Table 2. Each transaction set of CPN reports will contain a batch serial number to be assigned consecutively by the DFAS, beginning at the number one on October 1 each year for each different accounting point to which CPNs are sent.

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

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

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

C7.4. PAYMENT/COLLECTION DATA

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

C7.4.1.1. Data Segments CS, N9, and DTM;

C7.4.1.2. An LM loop (with Data Segments LM and LQ) that apply to the entire payment;

C7.4.1.3. A REF loop (with Data Segments REF and AT, and LX, LM, and N1 loops);

C7.4.1.3.1. The LX loop (with Data Segments LX, N9, and AMT);

C7.4.1.3.2. The LM loop (with Data Segments LM and LQ);

C7.4.1.3.3. The N1 loop (with Data Segments N1 and N9).

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

C7.4.2.1. Data Segment CS will identify the contract number, the call/order number when applicable, and the voucher number;

C7.4.2.2. Data Segment N9 will identify the original voucher number when applicable; and

C7.4.2.3. Data Segment DTM will identify the current voucher amount.

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

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

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

C7.4.3.2.1. Data Segment N9 to identify the ELIN, CLIN, or non-CLIN;

C7.4.3.2.2. Data Segment AMT to identify the applicable amounts:

C7.4.3.2.3. There will always be either a collected amount or a disbursed amount;

C7.4.3.2.3.1. There will be a gross amount and a net paid or net collected amount;

C7.4.3.2.3.2. There may be a deduction amount;

C7.4.3.2.3.3. There may be a variance amount; and

C7.4.3.2.3.4. There may be an item gross amount.

C7.4.3.2.3.5. Data Segment QTY is used with item gross amount to identify the item quantity;

C7.4.3.2.3.6. An LM loop with an LQ code for each applicable amount:

C7.4.3.2.3.6.1. A collection amount requires a type of collection code;

C7.4.3.2.3.6.2. A disbursed amount requires a contract payment type code;

C7.4.3.2.3.6.3. A gross amount requires a contract fund reporting transaction code;

C7.4.3.2.3.6.4. A deduction amount requires a contract payment type of deduction code;

C7.4.3.2.3.6.5. A net amount variance requires a contract obligation variance code; and

C7.4.3.2.3.6.6. An item gross amount requires a contract line-item status code.

C7.4.3.2.3.7. An N1 loop with an N1 data segment to identify the ship-to and an N9 data segment for the shipment number. This data is furnished only when item gross amount is furnished.

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

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

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

C7.4.4.1. PIIN

C7.4.4.2. Call/Order Number

C7.4.4.3. ACRN

C7.4.4.4. Voucher Number

C7.5. ACCOUNTING CLASSIFICATION DATA. The accounting classification data is carried in the REF loop within the CS loop in table 2. It consists of the ACRN (in REF01/REF02) and the related long line accounting data (in AT02 and AT09) that is applicable to the payment and as cited in the contract. This data is also required in a collection transaction (see C7.9, below). Although the RDF loop does not apply to a dummy end of month report (see C7.12.2, below) it is mandatory in all other CPN reports of collected or disbursed funds.

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

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

C7.8. DEDUCTION DATA. Deduction data will be included in LM loops within the line or non-CLIN LX loop. The LM loop will include each allowance applied against the gross amount to arrive at the net amount paid or identify amounts previously deducted. This data will be included as part of the CPN when the net amount paid is different from the gross amount because of discounts taken, trade-in allowance, etc. (all minus amounts), or refunds (plus amounts) of previous deductions from gross amounts now being paid. Each deduction or refund will be identified by a type of contract deduction code. If applicable, the deduction will cite the exhibit or contract line/subline. Different

types of deductions and/or refunds may be reported in multiple LM loops within the applicable line item loop. Use as many deduction loops as needed. Collections of advance and progress payments will be in separate LM loops in accordance with C7.9. Use this deduction data when reversing a previous disbursement.

C7.9. VARIANCE DATA

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

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

C7.10. LINE-ITEM REPORT DATA

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

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

C7.11. COLLECTION TRANSACTIONS

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

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

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

C7.12. END OF MONTH NOTICE

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

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

C7.13. RECIPIENTS OF PAYMENT NOTICES

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

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

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

C7.14. PREPARATION OF THE TRANSACTION

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

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

C7.14.2.1. Table 1. Table 1 identifies:

C7.14.2.1.1. In Data Segment BGN, that it is a contract payment management report and the unique batch serial number (except for the dummy end of month report which uses the last report number). Batch serial numbers are assigned consecutively beginning with number 1 on October 1 each year for each different accounting point to which CPNs are sent.

C7.14.2.1.2. In Data Segment N1, the code FR (from the paying office), the code TO (to the accountable activity), and code KV for the disbursing officer;

C7.14.2.1.3. In Data Segment AMT code MP with zero dollars.

C4.14.2.2. Table 2. Is not included in dummy end of month report transactions.

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

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

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

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

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

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

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

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

C8. CHAPTER 8

CONTRACT COMPLETION STATUS REPORTING

C8.1 GENERAL

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

C8.1.1.1. The status of unclosed contracts subsequent to physical completion,

C8.1.1.2. Major events leading to the closing of the contract files by the CAO,

C8.1.1.3. The extension of the contract closeout period by the CAO, and

C8.1.1.4. The extension of contract closeout period by the PO.

C8.1.2. Scope. These reports are identified as DS to Federal IC 567C, Contract Completion Status (http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_140_650.asp), and primarily provide information to the PO for closing and retiring its contract files.

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

C8.1.4. Contract Completion ***Statements***. **Each** CAO-issued DS 567C ***may*** include ***only one*** contract completion ***statement or*** unclosed contract ***status***, or ***cancellation***. The PO-issued DS 567C ***may*** include ***only*** one ***contract*** closeout ***extension***. ***Multiple Contract Completion Statements within a single DS 567C transmission are not permitted at this time.***

C8.2. BASIS FOR CONTRACT CLOSING

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

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

C8.3. STANDARD TIMES FOR CONTRACT CLOSING. The FAR, Section 4.804-1 prescribes the time standards for closing contracts. These standards are based on the date that the contract is physically completed and on the pricing provisions. When the CAO closes the contract within the time standards it reports the closure under the procedures in section C8.4, below. When the CAO does not close the contract within the time standards it reports the status under the procedures in section C8.5, below, until it closes the contract and finally reports it under section C8.4, below.

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

C8.5. CONTRACT COMPLETION STATEMENT

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

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

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

C8.5.3.1. For supplies and services contracts:

C8.5.3.1.1. The contractor has completed the required deliveries of supplies and the Government has inspected and accepted such supplies, and

C8.5.3.1.2. The contractor has performed all services and the Government has accepted such services, or

C8.5.3.1.3. A notice of complete contract termination has been given to the contractor by the Government;

C8.5.3.2. For facilities contracts and rental, use, and storage agreements, a notice of complete termination has been issued or the contract period has expired.

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

C8.5.5. Final Payment for Large-Purchase Contract. For a large-purchase contract, Contract Closeout Group code B, C, or D, when final payment is made and other actions completed, the CAO with primary contract administration responsibility shall send a final contract completion statement to the PO based upon physical completion, final payment, and completion of all administrative actions.

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

C8.5.7. Contract Over Payments. Contract over payments can occur when the contract contains the quantity variation clause and contractors deliver a quantity within the overage quantity permitted. In this instance, the contract funding is deficient and additional funds must be obligated before the contract can be closed. The deficient funds may be cited in the AMT segment and identified by code "C" in AMT03.

C8.5.***8***. Receipt of Contract Extension Report. When the CAO has received a contract completion extension report from the PO, and if the CAO had to perform an additional contract administration function, the CAO shall issue a final contract closeout statement report within 5 workdays after the extended closeout date. If the CAO did not have to perform additional contract administration functions after the extension transaction was issued, the contract file shall be closed and the last issued final contract completion statement will apply.

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

C8.6.1. Reason for Delay. The status report shall include the reasons for delay and the target date which has been set for closing.

C8.6.2. Revised Unclosed Status Report. If the contract is not closed by the target date, a revised unclosed contract status report shall be sent with the new target date and reasons for further delay.

C8.6.3. Timeframe. A CAO with primary contract administration responsibility shall send the unclosed contract status report to the PO. The FAR, Section 4.804 requires the CAO to forward the status report within 15 workdays after the expiration of the standard closing period.

C8.7. CONTRACT CLOSEOUT EXTENSION

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

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

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

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

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

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

C8.8. CANCELLATIONS. Conditions may necessitate the cancellation of a contract completion status transaction. Cancellation is done by sending the PIIN, SPIIN (when applicable), CAO, and PO of the original transaction and a Transaction Status Indicator ***C***ode K.

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

C8.10. PREPARATION OF THE TRANSACTION. Prepare DS 567C per http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_140_650.asp.

C8.10.***1***. Structure. This transaction set contains only one table.

C8.10.***2***. Uses. As discussed in ***sections*** C8.4., C8.5., and C8.6., there are ***six uses*** uses of the contract completion status transaction. Each use is identified by a code in ***reference*** CS05.

C8.10.***2***.1. CAO Issuance. Those issued by the CAO:

C8.10.***2***.1. The unclosed contract status (code D);

C8.10.***2***.2. The final contract completion statement for a small purchase (code A);

C8.10.***2***.3. The interim contract completion statement for a large purchase (code B); and

C8.10.***2***.4. The final contract completion statement for a large purchase (code C).

C8.10.***2***.2. PO Issuance. The ***transaction*** issued by the PO is the contract closeout extension (code E).

C8.10.2.3. DFAS Issuance. The transaction issued by DFAS is the financial contract completion statement (code F).

C8.10.***3***. Name/Place Data. There are two N1 data segments for names and places.

C8.10.***3***.1. To/From Code. The 1/N1/030 segment precedes the 1/CS/050 loop, and with two iterations, carries the code FR (from) and the code TO (to); these will be the appropriate PO and CAO which will be common to all records in a given transaction set.

C8.10.***3***.2. Paying Office. The 1/N1/120 segment in the 1/CS/050 loop will identify a paying office or a contractor when one applies to the record.

C8.10.***3***.3. Transaction Status Code. Each applicable transaction status Indicator code is carried in an iteration of the 1/LQ/110 data segment. Only codes F, J, and K may be used in this transaction set.

C8.10.***3***.4. Cancellation Report. A cancellation report is identified by the Transaction Status Indicator Code K in an 1/LQ/110 data segment. A cancellation report must be sent at least 1 day before its replacement report. A cancellation report requires the To, the From, the procurement instrument identification number, the supplementary procurement instrument identification number if applicable, the code for the type transaction, and the cancellation code.

AP1. APPENDIX 1

DEFENSE LOGISTICS MANAGEMENT STANDARDS ACQUISITION PROCESS REVIEW COMMITTEE MEMBERS

The membership information is available at: ***http://www.dla.mil/j-6/dlmso/Programs/Committees/Acquisition/acquisition.asp***

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(DLMS)

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C1. CHAPTER 1

INTRODUCTION

C1.1. GENERAL

C1.1.1. Purpose. This volume provides DoD standard procedures and identifies the Defense Logistics Management System (DLMS) Supplements (DS) to Federal Implementation Conventions (ICs) for American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 transactions used for billing and related adjustments for sales of material and related services. All DSs to Federal ICs ***are listed in*** volume 1, appendix 6, ***and can be accessed*** at : ***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/x12_140_650.asp***

C1.2.1. Use of This Manual. Use of this volume requires simultaneous access to volume 1. Volume 1 contains the full table of contents for the manual; the only listings of acronyms and abbreviations, definitions, and references for the manual; instructions for acquiring access to the DLMS standards data base; specific guidance that applies to all implementation conventions; and both functional and technical information that is relatively stable and applies to the DLMS as a whole.

C1.2. POLICY. DoD Instruction 7420.12 and DoD 7000.14-R provide the DoD policies governing procedures in this volume.

C1.3. APPLICABILITY. This volume applies to the Office of the Secretary of Defense, Military Departments, Joint Staff, Unified and Specified Commands, Defense Agencies, and Defense Organizations (hereafter referred to collectively as "DoD Components") and, by agreement, to other organizations participating in the DLMS.

C1.4. FINANCE PROCESS REVIEW COMMITTEE (PRC). The Finance PRC is the forum through which the DoD Components and other participating organizations may participate in the development, expansion, improvement, maintenance, and administration of the Interfund Billing System and other financial requirements for the DLMS. The Chairman, Finance PRC, in coordination with other Finance PRC members, is responsible for the contents of this volume of the DLMS. Members of the Finance PRC are identified in appendix 1. The identification of their Finance PRC representatives, as well as other PRC related information, may be found on the Finance PRC web page ***http://www.dla.mil/j-6/dlmso/Programs/Committees/Finance/financeprc.asp*** . Refer to volume 1, chapter 1 for a discussion of general DLMS PRC functions and responsibilities.

C1.5. NONCOMPLIANCE. If reasonable attempts to obtain compliance with prescribed procedures or resolution of DLMS Finance related problems are unsatisfactory, the activity having the problem will request assistance from their DLMS Finance PRC

representative. The request will include information and copies of all correspondence pertinent to the problem; including the document number, the number and date of the DLMS bill, and billing office. The representative will take the necessary actions to resolve the issue or problem. The actions may include requesting assistance from the chairman.

C2. CHAPTER 2

DLMS BILLING

C2.1. CRITERIA FOR BILLING

C2.1.1. Shipments from Stock

C2.1.2. Billing. Shipments from stock may be billed 7 days after the material is dropped from inventory, provided notification of warehouse refusal or other advice of nonavailability is not received. Exceptions are as follows:

C2.1.2.1. Foreign Sales. Billings for foreign military sales (FMS) and other security assistance shipments may be billed after constructive delivery.

C2.1.2.2. Petroleum, Oil, and Lubricants (POL). Billings for bulk POL shipments may be billed after notification of receipt or 15 days after the date of shipment or issue, whichever occurs first.

C2.1.2.3. Perishable Subsistence. Billings for perishable subsistence chill and freeze items may be billed after the items have been dropped from inventory. Billings for fresh fruits and vegetables may be billed after an issue transaction is received from a Defense Subsistence Office.

C2.1.2.4. Military Assistance Program (MAP). MAP sales requisitioned under authority of Section 506 of the Foreign Assistance Act; that is, when the FMS/MAP type of assistance code is C, may not be billed until funds are appropriated. Although Section 506 does not provide obligation or disbursing authority it does permit the draw down of existing DoD stocks subject to an appropriation to be made at a later date. Since there is no assurance that defense accounts will be reimbursed, the transfers cannot be recorded as accounts receivable. Therefore, issues under Section 506 will be treated as transfers without reimbursement. The transfer without reimbursement will be reversed when appropriations are received to reimburse the Department of Defense (DoD) account for the transfer. Section 506 draw downs of General Services Administration (GSA) or other non-DoD stocks are not authorized.[1]

[1]Section 552 of the Security Assistance Act the President may "direct the draw down" of commodities and services from the inventory and resources of any agency of the United States Government. Under DLMS, except for the use of DoD (Section 506) or any agency (Section 552) assets, draw downs under both sections are identified and treated similarly.

C2.1.3. Direct Deliveries of Material from Contractors. Material shipped directly to customers from DoD vendors may be billed after the customers confirm they have received the material or the vendor confirms it has shipped the material, whichever occurs first.

C2.1.4. Other. Adjustments and credits will be billed within 30 days of the transaction or letter committing the organization to providing the adjustment.

C2.2. PREPARATION OF DLMS BILLS

C2.2.1. General

C2.2.1.1. Use of DS 810L. Billing offices will prepare DLMS bills using DS Federal IC 810L, Logistics Bill[2] (***http://www.dla.mil/j-6/dlmso/eLibrary/TransFormats/formats.asp***).

C2.2.1.2. Use of Interfund. If the DLMS bill is paid under interfund procedures, the billing office will report the collection to its servicing finance center on its seller interfund report. A separate interfund DLMS bill will be prepared for billings applicable to a bill-to DoD Activity Address Code (DoDAAC) and treasury symbol.

C2.2.1.3. Submission Timeframe. Billing offices will transmit DLMS bills to customers within 14 days of the billing eligibility criteria provided in C2.1. Separate billing lines will be prepared for each shipment or delivery and for each accessorial charge supporting the DLMS bill. Refer to chapter 4 for additional information on interfund reporting procedures.

C2.2.2. Method of Billing

C2.2.2.1. Ordering/Reimbursement. Ordering activities will generally authorize providers of goods and related services to use the interfund method of reimbursement for orders processed under DLMS procedures. Notwithstanding the general rule, on a case-by-case basis, a DoD activity may exercise its right to request a noninterfund invoice.

C2.2.2.2. Noninterfund Reimbursement. A noninterfund method of reimbursement must be used when the bill-to party is either a non-DoD activity or a DoD contractor.

C2.2.3. Determining Bill-To Parties

C2.2.3.1. Billed Party. Ordering activities will identify a billed party DoDAAC for all requisitions or other orders, including nonreimbursable orders.

[2] All DLMS Supplements to Federal ICs may be found in volume 1, appendix 6.

C2.2.3.2. Rejection. Item managers or other providers of goods and services will reject requisitions or other orders when a valid billed party is not identified. Billing offices will designate the ordering or submitting activity as the bill-to party if, for whatever reason, they are unable to identify a valid billed party. The Service security assistance control office will be designated as the bill-to party for unidentifiable security assistance requisitions. The Service control offices are: Army- W25P02, Navy- N65916, and Air Force- FA2303.

C2.2.4. Nonreimbursable Invoices

C2.2.4.1. GSA Billings. Except for GSA billings of less than $1, material issued under nonreimbursable procedures will be included on invoices as no-charge billing lines.

C2.2.4.2. Waivers. DoD 7220.9-M provides that if the amount of billings for any one customer is less than $500 at the end of a fiscal year quarter, the billing may be waived. However, working capital and Corps of Engineers civil works funds may not waive reimbursement of any amount.

C2.2.4.3. Processing without Billing. GSA sometimes, at its discretion, processes requisitions of $1 or less without billing. Therefore, any DoD Component having such items unbilled 60 days after receipt of material may assume that they will not be billed and cancel the obligation accordingly.

C2.3. DLMS INTERFUND BILLS. Activities will normally authorize providers of goods and services to use interfund reimbursement procedures. All DLMS interfund bills will be forwarded to DAASC within 3 days of the date the related seller interfund report is forwarded to the finance center. The Defense Automatic Addressing System Center (DAASC) will route invoices to all parties identified in the invoice.

C2.4. DLMS NONINTERFUND BILLING. When an activity does not authorize the use of interfund reimbursement procedures, DoD providers of goods and services will use no check reimbursement methods for DoD activities. All DLMS noninterfund bills will be forwarded to DAASC for further routing to all parties identified in the DLMS Bill. When an activity is unable to use electronic data interchange (EDI) methods; that is, the DLMS Bill, they may use the ***SF 1080***, Voucher for Transfers between Appropriations and/or Funds, or other form approved by the Treasury Department, such as ***GSA Form 789***, Statement, Voucher, and Schedule of Withdrawals and Credits, as the billing document for noninterfund bills.

C2.5. RETAIL LOSS ALLOWANCE. DoD 7000.14-R, volume IIB, requires the Defense Business Operations Fund (DBOF) to grant a discount for retail losses to retail stock funds based upon net issues after authorized credits or offsets have been applied. These discounts are to provide funds for losses experienced at the retail stock fund level. Retail loss discounts shall not be granted for sales to commissaries and customers of retail or

installation level stock fund activities. However, retail loss discounts are authorized for all military clothing items sold to Military Exchanges.

C2.6. INTO-PLANE

C2.6.1. Applicability. These procedures apply to DoD into-plane issues (sales) of fuels to DoD aircraft except when other billing procedures are specified by the terms of an inter-Service support agreement.

C2.6.2. Reimbursable Issues. Reimbursable issues (sales) of fuel into DoD planes by DoD activities will be billed at the standard price in effect at the time of issue.

C2.6.3. Contractor Fuel Issues. Contractor into-plane fuel issues will be billed at the standard price applicable to each such issue.

C2.6.4. DBOF Billing. DBOF Billing offices funded by the DBOF will grant credit for DoD aircraft defueling based on supply defueling slips at DBOF prices.

C2.6.5. Credits. Credits will be given for contractor into-plane defueling of DoD aircraft based on a defueling slip at the standard price given for each defueling.

C2.7. AUTOMOTIVE VEHICLES. GSA is authorized to use the interfund billing system to invoice DoD activities for automotive vehicles purchased under a category one (reimbursable) MIPR. DoD activities submitting Military Interdepartmental Procurement Requests (MIPRs) must do so in accordance with paragraph 8.7008 of the DoD Supplement to the Federal Acquisition Regulation which requires activities to provide DLMS requisition data for each line-item which is to be delivered to each ship-to address.

C2.8. OPTIONAL BILLING PROCEDURE: FRESH FRUITS AND VEGETABLES (FF&V)

C2.8.1. Summarizing Defense Logistics Agency (DLA) Billing. DoD Components and participating Agencies may elect to have DLA's Defense Personnel Support Center summarize billings for fresh fruit and vegetables (FF&V). The option is available on a DoD Component or Agency-wide basis only. Currently, only the Air Force has elected this billing option.

C2.8.2. Optional FF&V. Under the optional FF&V billing procedure, DLA will summarize onto a single billing line all FF&V issues to a Service or Agency. The billings will be summarized by requisition month and fiscal year. These summarized billings will be forwarded to a predesignated central office in that Service or Agency. DLA will provide supporting detail issue data on request.

C2.9. BILLING FOR ACCESSORIAL AND ADMINISTRATIVE COSTS

C2.9.1. Purpose. Accessorial and administrative costs may be invoiced using either interfund or noninterfund reimbursement methods. However, in all cases, billing will be accomplished in the same manner as the material. DoD 7220.9-M, provides the DoD policy for billing accessorial and administrative costs.

C2.9.2. Normal Charges. Unless otherwise indicated on ordering documents or transactions, accessorial costs incurred for supply items requisitioned by DoD activities will be charged to the same funds as the material.

C2.10. HAZARDOUS MATERIAL AND WASTE BILLINGS. Users of DLA's hazardous material and waste disposal services will provide DLA with a disposal turn-in document (***DD Form 1348-1A*** or ***1348-2***) as prescribed by DoD 4000.25-M. Since these services are provided on a reimbursable basis, the order will be funded in accordance with the standards prescribed by DoD 7000.14-R. The order will generally authorize DLA to use the interfund billing system to reimburse themselves for these services.

C2.11. BILLING FOR PROGRESS AND ADVANCE PAYMENTS

C2.11.1. Progress Billings

C2.11.1.1.Purpose. Progress payments may be billed via interfund whenever the order received from the customer specifies that progress billings via interfund are authorized. Documentation of the agreement by the customer to allow progress billing via interfund may be used in lieu of a specific provision on each order.

C2.11.1.2. Billing Basis. Billings made for progress payments will be based upon documentary evidence of satisfactory performance and will not exceed the amount of the customer order.

C2.11.1.3. Offsets. The billing office will offset billing lines for deliveries against all outstanding progress billings related to those deliveries. Billing lines will be reported for both the sales price of the shipment and the amount of the progress billing being liquidated. The billing method elected for the progress payment will also be the method used to invoice for the delivery.

C2.11.1.4. Multiple Progress Billings. Although multiple progress billings may have been submitted against an order, a single recoupment billing may be reported for the total amount of the progress billings.

C2.11.2. Advance Billings

C2.11.2.1. Applicability. Advance billings may not be billed via interfund. When authorized, advance funding will be satisfied via noninterfund and by the use of appropriation level, rather than project or order level, advances.

C2.11.2.2. Application of Advances. Advances received must be returned or applied to accounts receivable before the end of the fiscal year.

C2.12. CORRECTION OF ERRONEOUS BILLINGS

C2.12.1. Billing Forwarded To Customer. When a billing office finds it has issued an invoice containing one or more erroneous billing lines it will correct the erroneous billing line in a subsequent invoice. Normally, billing offices are expected to reverse and reissue only the erroneous billing line, not the entire invoice. The corrections will be processed as soon as it is practical and will not await customer requests for adjustments.

C2.12.2. Billing Not Forwarded to Customer. When DAASC rejects an interfund invoice the billing office will reverse the interfund collection in its next seller interfund report.

C2.13. CANCELLATIONS. When a provider accepts a customer's request to cancel a requisition or other order, any billings generated for that requisition will be reversed in the next billing cycle. When the cancellation involves diverting material back to stock, the billing will be reversed upon receipt of the material. Any charges related to the cancellation, such as contract termination costs, will be billed under noninterfund procedures.

C2.14. RETENTION OF BILLING RECORDS. Billing offices must have accessibility to security assistance billing records for 2 years and other bills for 1 year after the billing month. Billing records include not only a copy of the bill but records supporting the bill as well. However, adjustment processing activities will retain accessibility to billing records for whatever time period is required to enable them to process adjustments for requests or validated discrepancy reports when the request or report leading to the adjustment is received within prescribed timeframes.

C3. CHAPTER 3

PROCESSING AND PAYMENT OF DLMS BILLS

C3.1. PAYMENT OF NONINTERFUND BILLS

C3.1.1. Criteria. Bills are due upon receipt and shall be paid in full and promptly; that is, within 30 calendar days of the bill date. The following exceptions apply:

C3.1.1.1. Bills for issues to North Atlantic Treaty Organization (NATO) (Supreme Allied Powers Europe (SHAPE)) (identified by billed office DoDAAC WM1Q7K) are due 120 calendar days after the billed date.

C3.1.1.2. Bills for issues to United Nations Peacekeeping Forces are due 120 calendar days after the billed date.

C3.1.2. Disbursing. When both the appropriations to be reimbursed and disbursed are within the DoD, bills may be paid by cross disbursing (no check) procedures. Payments involving non-DoD appropriations or to non-DoD activities will be by check. All payments for noninterfund bills will include either the identification (bill or statement number) of the bill, or a copy of the bill.

C3.2. PROCESSING INTERFUND BILLS. Interfund bills are notices of disbursement of billed office funds by the billing office. Accordingly, billed offices will take prompt action to suspend, correct, or accept the disbursement. These actions will be accomplished as prescribed in the appropriate Service or Agency interfund reporting and clearance procedure.

C3.3. ADJUSTMENTS. Billed offices will review all charges to ensure that items billed were ordered and that obligations are adjusted when appropriate. All credits will be reviewed to ensure that they are warranted and correct. Billed offices will request adjustments for erroneous charges or credits in accordance with chapter 4.

C4. CHAPTER 4

DLMS BILLING ADJUSTMENTS

C4.1. REQUESTING ADJUSTMENTS. Offices desiring adjustment of DLMS billings will request adjustment of these bills using the DS to Federal IC 812R, Adjustment Request[1]. The DS will also be used to cancel or follow-up on adjustment requests.

C4.1.1. Submission

C4.1.1.1.Adjustment. All requests for adjustments will be forwarded to the billing office except as noted in this section.

C4.1.1.2. Copies of Interfund Bills. Requests for copies of interfund bills will be forwarded to the DAASC if the DAASC record retention period has not expired. See chapter 6 for DAASC record retention requirements.

C4.1.1.3. Requests For Adjustment. Requests for adjustments of GSA billings will be forwarded to the GSA Customer Service Center DoDAAC "470000").

C4.1.2. Timeframes. All requests for adjustments should be submitted within 30 calendar days of receipt of the billing. Initial requests for adjustment received after the record retention period for billing records may be denied. When a discrepancy report or adjustment request is received within prescribed timeframes, nonavailability of records, or the passing of the record by the time the report is validated, or the request is processed, may not be used as a basis for denying the adjustment.

C4.1.3. Minimum Value

C4.1.3.1. Adjustment for Billing Errors. In general, no request for adjustment will be submitted for billing errors when the amount of the error is $250 or less. As an exception to the general rule, no request for adjustment will be submitted for billing errors when the amount of the error is $100 or less and the billing office is GSA or the materiel involved is a subsistence item.

C4.1.3.2. Adjustment Types. There is no minimum value for (a) requesting status on an anticipated or required billing, (b) requesting a corrected bill when the bill received is incomplete, (c) requesting a copy of a bill, (d) requesting a change in the type of billing (interfund to noninterfund and noninterfund to interfund), or (e) requesting adjustments for validated discrepancy reports.

[1] All DLMS Supplements to Federal ICs may be found in volume 1, appendix 6.

C4.1.3.3. FMS Billing Errors. There is no minimum value for adjustment of FMS billing errors. However, adjustment requests for foreign military sales (FMS) shipments may not be submitted when the request can be rejected per the general conditions of the U.S. Department of Defense Offer and Acceptance.

C4.2. CANCELING OR AMENDING REQUESTS FOR ADJUSTMENT

C4.2.1. Canceling Requests. Submitting offices may cancel requests for adjustments whenever the request is no longer valid or appropriate and the billing office has not provided a final reply to the request.

C4.2.2. Amendments. Requests for adjustments may be amended by canceling the original request and submitting a new request.

C4.3. FOLLOW-UP ON UNANSWERED REQUESTS FOR ADJUSTMENT

C4.3.1. Adjustment Requests. Except for follow-ups to DAASC, offices submitting adjustment requests will follow-up on requests for adjustments remaining unanswered for more than 45 calendar days after submission. If the request for adjustment remains unanswered for more than 30 calendar days after follow-up, submitting offices will forward a second and final follow-up by letter or message to the billing office. In addition to providing the billing office with the information required to process the request, the final follow-up will also identify the dates of initial and follow-up request.

C4.3.2. Copies of Bills. Follow-up to DAASC for copies of bills, if needed, will be by letter or message. Follow-up to DAASC may begin 7 calendar days after the request is submitted.

C4.3.3. Credit Follow-Up. Offices designated to receive Material Release Program (MRP) credit will initially follow-up on the credit due when the credit has not been received and more than 60 calendar days have elapsed since the creditable status was received. A second follow-up will be submitted if a reply or credit is not received within 60 calendar days of the initial follow-up.

C4.4. REPLYING TO REQUESTS FOR ADJUSTMENT OR MRP CREDIT

C4.4.1. Processing Adjustments. Billing or adjustment processing offices will reply to adjustment requests using DS 812L, Adjustment Request Reply. The DLMS Supplement will also be used to reply to follow-up requests.

C4.4.2. Responding to Requests. Billing offices will respond to all requests for adjustment within 30 calendar days of the date the request is received. Billing offices will respond to follow-up requests for adjustment within 21 calendar days of the date the request is submitted. All adjustment replies will include an appropriate coded reply.

C4.4.3. Response to Requesting Offices. All responses to adjustment requests will be forwarded to the office submitting the request and parties identified to receive status. Adjustments will be forwarded to the office originally billed.

C4.5. ADJUSTMENT AMOUNT. In general, adjustments, when warranted, will be at the price originally billed. Adjustments for validated produrct quality deficiency reports (PQDRs) will be processed at the current standard price when the original price billed cannot be determined. Adjustments for MRP credits will be at the current acquisition price or at a reduced price if, in the opinion of the IMM, the condition warrants such reduction.

C4.6. UNSATISFACTORY BILL PROCEDURES. An unsatisfactory DLMS bill is a bill which cannot be processed. For example, the total amount is not fully supported by billing details or the bill does not include essential information required by DLMS billing implementation conventions. Bill-to parties will use the TS 997 IC, Functional Acknowledgment, to reject improper bills back to the billing office. See volume 1, chapter 6, and DLMS appendix 6 for the IC for the Functional Acknowledgment transaction set.

C4.7. BILLING STATUS PROCEDURES

C4.7.1. Obtaining Bill Status. When requisitioned material is received, intended billed offices must use DS 812R, Adjustment Request, to seek the status of the bill. When material was not ordered, or if ordered, not received, discrepancy report procedures apply. See volume 2 and DLAR 4500.15, et.al., for discrepancy report procedures.

C4.7.2. Shipment Bill Status. When shipment status is received for requisitioned material and the material can be billed only upon evidence of constructive delivery, intended billed offices must use DS 812R, Adjustment Request, to seek the status of the bill. Billing offices may generate the required billing when properly completed requests are received and a billing is awaiting evidence of constructive delivery. Billing offices will also initiate appropriate actions with their supply office to identify and resolve problems underlying this condition.

C4.7.3. Timeframe. At least 90 calendar days must have elapsed after receiving the material or, in the case of FMS shipments, shipment status before requesting the status of the bill. However, the status must be requested within a year of the date of shipment (2 years for FMS shipments). Billing offices may reject requests for billing status which are not submitted within these timeframes.

C4.7.4. Restrictions. Except for billings awaiting evidence of shipment or receipt, billing offices will not generate bills based solely upon a request for billing status.

C4.8. BILL COPY PROCEDURES

C4.8.1. Requesting Copies. Like other adjustment requests, requests for copies of DLMS bills will be forwarded to the DAASC using DS 812R, Adjustment Request.

C4.8.2. Retransmitting Copies. DAASC will retransmit a copy of all bills wherein the billing office DoDAAC, bill number, and year within decade and month of credit match the same information on the request.

C4.8.3. Bill Reversal. Billing offices failing to respond to requests for copies of bills, when such requests are received within the record retention period, will be directed by their Service or Agency headquarters to reverse the billing. Billed offices will absorb all charges, in the manner prescribed by their Service or Agency, when the record retention period has elapsed and they have failed to obtain copies of bills.

C4.9. REQUEST FOR CHANGE IN BILLING METHOD. When a billed office is unable to process a DLMS bill (either interfund or noninterfund) under the payment method processed, they may have the item or items billed under the alternative procedure by forwarding DS 812R, Adjustment Request, to the billing office. All such requests, submitted according to the procedures prescribed in this manual, will be honored by the billing office.

C4.10. ADJUSTMENTS FOR DISCREPANCY REPORTS. Discrepancy reports will be submitted, reviewed, processed, validated, and responded to in accordance with volume 2 and DLAR 4500.15, et.al. Financial adjustments related to discrepancy reports will be processed in accordance with this manual.

C4.10.1. Financial Adjustment

C4.10.1.1. Processing. Billing offices will process financial adjustments without regard to dollar value when the discrepancy report is validated and the following criteria are met:

C4.10.1.1.1. Discrepancy Not Resolved. The discrepancy was not resolved otherwise; i.e., the vendor does not replace deficient material for a validated PQDR.

C4.10.1.1.2. Material Billed and Paid. The material was billed and paid previously or, in the case of PQDRs, there is a reasonable basis for assuming the items were billed and paid for previously.

C4.10.1.1.3. Material Received. The material is received by the depot in those cases where the discrepancy report reply requires the return.

C4.10.1.2. Improper Commitment. When a reply to a discrepancy report improperly commits the billing office to providing an adjustment; e.g., shipment was never billed, the billing office will ask the replying office to correct the reply to the discrepancy report.

C4.10.2. Other Discrepancies Adjustment Rules

C4.10.2.1. Adjusting Transportation Discrepancy Reports. Requests for adjustments related to transportation discrepancy reports (TDRs) will be submitted only when the adjustment is not received and more than 60 calendar days have elapsed since the report was filed. Requests related to PQDRs and SDRs will not be submitted until a minimum of 60 calendar days have elapsed since receiving notification that the discrepancy is validated; that is, that an adjustment is approved.

C4.10.2.2. Material Return Contingency. When the promised adjustment for a discrepancy is contingent upon the return of material, the request will not be submitted until a minimum of 60 calendar days have elapsed since shipping the material. When a reply to a discrepancy report is not received, follow up as prescribed by volume 2.

C4.11. ADJUSTMENTS FOR BILLING ERRORS

C4.11.1. The following are billing errors and will not be accepted for processing unless the minimum value criterion (section 4.1) for requesting adjustment is met:

C4.11.1.1. Duplicates

C4.11.1.2. Wrong amount billed

C4.11.1.3. Wrong office billed

C4.11.1.4. Improper billed

C4.11.1.5. Promised adjustment not received

C4.11.1.6. Other problems

C4.11.2. Duplicates

C.11.2.1. Duplicate Billing Line. A duplicate billing line is a second or subsequent billing for a single shipment or adjustment. If the second or subsequent billing resulted from a second or subsequent shipment, financial adjustment procedures do not apply. See, instead, discrepancy report procedures for duplicate shipments in volume 2.

C4.11.2.2. Duplicate Bill. Duplicate bill is a bill which is supported entirely by duplicate billing lines. In the case of interfund bills, the bill is also included on the billing office's interfund report.

C4.11.2. Wrong Amount Billed

C4.11.2.1. Purpose. A wrong amount billed refers to a billing line in which the unit price, quantity, or price extension is erroneous.

C4.11.2.2. Exceptions. Do not request adjustment for wrong amount if:

C4.11.2.2.1. The unit price is the correct standard or catalog price and you are questioning the price. Follow price challenge procedures instead.

C4.11.2.2.2. The quantity billed equals the quantity ordered or shipped and a lesser quantity is received. Follow the appropriate volume 2 discrepancy reporting procedure instead.

C4.11.3. Wrong Office Billed

C4.11.3.1. Request. Request an adjustment for wrong office billed when the office billed does not agree with the coded requirements of the requisition or adjustment request and the coding indicated a valid billed office DoDAAC. A valid billed office DoDAAC is one listed in the DoD Activity Address Directory (DoDAAD).

C4.11.3.2.Invalid Coded Information. If the coded information used to derive the billing office does not provide for a valid DoDAAC and the billing office assigned the billed office as prescribed in chapter 2, the adjustment may be denied.

C4.11.3.3. Wrong Office Assigned. When the billing office assigned the billed office as prescribed in chapter 2 and the office assigned is not the intended office, the billed office will transfer or otherwise process the bill in accordance with procedures prescribed by the Service or Agency. If the offices involved are serviced by the same finance center, the billed office will contact the intended billed office or requisitioner and make arrangements for transferring the bill.

C4.11.4. Improper Billing

C4.11.4.1. Use Of DS 812R. A DS 812R, Adjustment Request, citing the proper billing advice code should be submitted to billing offices to request adjustments for improper billings. For purposes of this section, an improper billing is a billing line which:

C4.11.4.1.1. Charges for material requisitioned under nonreimbursable procedures

C4.11.4.1.2. Charges improperly for accessorial costs;

C4.11.4.1.3. Charges for material following a reply that a billing could not be rendered; or

C4.11.4.1.4. Charges for material confirmed cancelled when the material is not received.

C4.11.4.2. Exceptions. When the "cancelled" material is received or if the requisition was not confirmed cancelled by the inventory control point (ICP) or integrated material manager (IMM), financial procedures do not apply. Follow instead volume 2 procedures prescribed for reporting supply discrepancy reports (SDRs). Although annotations on a shipping document, in conjunction with other factors, may support a discrepancy report, they do not support an adjustment for improper billing. A validated discrepancy report is needed.

C4.11.5. Promised Adjustment Not Received. Billed offices will forward a DS 812R, Adjustment Request, with the proper billing advice code to the billing office to follow-up on promised adjustments which are not received and more than 30 days have elapsed since receiving a reply promising the billing or adjustment.

C4.11.6. Other Billing Problems. Billed offices or others will request adjustments for problems not covered by billing advice codes by forwarding a letter (or message) of explanation along with the information required to process the request. The billing office will normally respond with a DS 812R, Adjustment Request.

C4.12. ADJUSTMENTS FOR CHANGE NOTICES

C4.12.1. Recording Undelivered Orders. If an order is placed with or through the DBOF, an undelivered order (obligation) should be recorded when the order is placed. A non-stock numbered item should be recorded as an undelivered order when the order is accepted. An adjustment to the undelivered order should be processed when a change notice affecting price, quantity, or an acceptable substitution of a like item is received from the stock fund. Refer to the DoD 7220.9-M for more specific information on the above requirements.

C4.12.2. Customer Not Receiving Change Notice. If a DBOF customer does not receive a change notice or does not receive it in time to cancel or modify the order and additional funds are required, the material may be refused or returned to the DBOF and an adjustment requested. Adjustments for this reason will be forwarded by mail and must be signed by the activity accounting officer. The request must meet the following requirements and will state essentially:

> "As a result of a price change, quantity change, or authorized substitution, the value of the material received exceeds amounts obligated and all available obligation authority. Request credit for the indicated quantity and items delivered under the following requisition document and suffix number. In addition, provide us with the return instructions for the material."

C4.12.3. Honoring Requests. The billing office will honor all such requests and provide adjustment, without regard to dollar value, after the material is returned. The billing office will also contact the item manager (requisition processing office) to arrange for the return.

C4.13. ADJUSTMENTS FOR FMS DISCREPANCIES AND BILLING ERRORS. The Military Departments may automatically grant adjustments[2] and charge or credit the administrative surcharge fund when:

C4.13.1. The request cannot be rejected per the agreement with the FMS customer and

C4.13.2. The amount of the adjustment requested is either (1) less than $100 or (2) less than the amount approved[3] for that Military Department by the Defense Security Cooperation Agency.

C4.14. CREDITS FOR EXCESS REPORTS (MATERIAL RETURNS PROGRAM)

C4.14.1. Procedures. Material returns program procedures are prescribed by volume 2.

C4.14.2. Processing Credits. Billing offices will process credits for excess reports during the first billing cycle after receiving notification that material, authorized for return under creditable procedures, has been received in a condition warranting credit.

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[2] Automatic adjustments may be withheld from specific customers if there is a pattern of abuse of this authority. When such a pattern exists, all discrepancies and billing errors from that customer should be researched.

[3] Military Departments may request approval for a different adjustment level. The dollar amounts of automatic adjustments will be determined by an agency cost effectiveness study which compares the administrative cost of conducting necessary research to determine specific responsibility versus the cost which will be incurred by the administrative surcharge pool if an automatic refund is authorized. The agency cost effectiveness study must be submitted to DSCA for review and approval.

C5. CHAPTER 5

INTERFUND BILLING SYSTEM PROCEDURES

Standard procedures and EDI conventions for use of DLMS standards in the interfund billing system are currently under development. These standards will provide for seller reporting, buyer acceptance, and finance center exchange of information concerning interfund transfers.

C6. CHAPTER 6

DEFENSE AUTOMATIC ADDRESSING SYSTEM CENTER PROCESSING

C6.1. ROUTING. Billing offices must forward all DLMS billings to DAASC for editing and routing to addresses.

C6.2. EDITING. DAASC will edit DLMS Logistics Bills to ensure that they satisfy ANSI ASC X12, Federal IC, and DS for DS 810L, DS 812R, and DS 812L (see DLMS appendix 6).

C6.3. DISPOSITION

C6.3.1. Rejecting DLMS Bills. DAASC will reject DLMS bills failing syntactical analysis and prepare a 997 transaction set to advise billing and billed offices. Billing offices should correct all rejected DLMS bills and resubmit them. However, if the billing was included on the billing office's interfund report, the DLMS bill or interfund report must be corrected.

C6.3.2. Routing DLMS Bills. DAASC will route DLMS bills (DSN, mail, etc.) to the billed office. The DAASC will retain images of non-Security Assistance bills routed by them for 1 year and Security Assistance bills for 2 years. Chapter 3 prescribes procedures for obtaining copies from DAASC.

AP1. APPENDIX 1

DEFENSE LOGISTICS MANAGEMENT STANDARDS FINANCE PROCESS REVIEW COMMITTEE MEMBERS

The membership information is available at: ***http://www.dla.mil/j-6/dlmso/eLibrary/Restricted/SvcPointsPOC/PRCMembers/financeprcmembers.asp***

DEFENSE LOGISTICS MANAGEMENT SYSTEM (DLMS)

VOLUME 6

LOGISTICS SYSTEMS INTEROPERABILITY SUPPORT SERVICES

March 2003

UNDER SECRETARY OF DEFENSE
ACQUISITION TECHNOLOGY & LOGISTICS
(LOGISTICS & MATERIEL READINESS)

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C1. CHAPTER 1.

INTRODUCTION

C1.1. GENERAL

C1.1.1. Purpose. This volume provides Department of Defense (DoD) standard procedures for special processing and interoperability support. The Volume covers processes that transcend the functional processes covered in the previous DLMS volumes. Not all DLMS processing is transactional based. This volume focuses on the special processing, like the Department of Defense Activity Address Directory (DoDAAD), which is an interactive Web based update. Information collected during the Web updates are replicated to other Servers across the Components using database replication built into the database Server (e.g., Oracle). Other special processes, such as the Military Assistance Program Address Directory (MAPAD), will be added to this volume as the processes are updated or reengineered.

C1.1.2. Use. Use of this volume requires simultaneous access to Defense Logistics Management System (DLMS) Manual Volume 1 "front matter." Volume 1 contains the full table of contents for the manual; the only listings of acronyms and abbreviations, definitions, and references for the manual; instructions for acquiring access to the DLMS standards data base; specific guidance that applies to all implementation conventions; and both functional and technical information that is relatively stable and applies to the DLMS as a whole.

C1.2. POLICY. DoD Directive 4140.1, "Supply Chain Materiel Management Policy", and DoD 4140.1-R, "Supply Chain Materiel Management Regulation", 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 the Department of Defense including (a) non-Government organizations, both commercial and nonprofit; (b) Federal agencies of the U.S. Government other

than Department of Defense; (c) foreign national governments; and (d) international government organizations.

C1.4. DoDAAD PROCESS REVIEW COMMITTEE. The DoDAAD 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 DoDAAD requirements for the DLMS. The DoDAAD PRC chairperson, in coordination with the DoDAAD PRC Central Service Points (CSPs), is responsible for the contents of this volume of the DLMS. CSPs to the DoDAAD PRC are located at:

https://today.dla.mil/j-6/dlmso/SvcPointsPOC/ServicePoints/DoDAAC_Central_Service_Points.doc

Refer to Chapter 2 for a discussion of DoDAAD PRC functions and responsibilities.

C1.5. NONCOMPLIANCE. If reasonable attempts to obtain compliance with prescribed procedures or resolution of DLMS DoDAAD-related problems are unsatisfactory, the activity having the problem will request assistance from their DLMS DoDAAD PRC CSP. 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 CSP will take the necessary actions to resolve the issue or problem. The actions may include requesting assistance from the DoDAAD PRC chairperson.

C2. CHAPTER 2

DoD ACTIVITY ADDRESS DIRECTORY

C2.1 GENERAL

C2.1.1. Purpose. This chapter establishes information requirements for the DoDAAD. The DoDAAD is an interactive database table located at the Defense Automatic Addressing System Center (DAASC). The DoDAAD provides a single authoritative source of address information for DoD Component application system's data requirements. The address data is used for shipping, billing, and identification purposes by Military Services, Federal Agencies, and civil agencies. Business application systems requiring DoDAAD data to support their business processes include (but not limited to): supply chain, material management, distribution, transportation, maintenance, financial, and acquisition systems.

C2.1.2. Assignment. The Department of Defense Activity Address Code (DoDAAC) is a six position code that uniquely identifies a unit, activity, or organization. If you are a Government Service/Agency employee, contact your Central Service Point (CSP) or local DoDAAC Monitor at your location to have a DoDAAC assigned. If a DoDAAC Monitor does not exist at your Service/Agency, contact an appropriate DoDAAC Service Point (link below): https://www.dla.mil/j-6/dlmso/eLibrary/Restricted/SvcPointsPOC/allpoc.asp
For more information, please refer to the Military Standard Requisitioning and Issue Procedures (MILSTRIP) manual at: http://www.dla.mil/j-6/dlmso/elibrary/Manuals/MILSTRIP/Reissue2004/word/0202-AP2-02.doc

C2.1.2.1. Civilian government organizations (e.g., local government agencies or police department), contact the appropriate General Services Administration (GSA) DoDAAC Service Point to have a DoDAAC assigned.

C2.1.2.2. Private organizations (e.g., contractors) contact the Service/Agency with whom you have a contract. That Service/Agency will have to sponsor DoDAAC assignment through their DoDAAC Monitor or Service Point. For example, Company X needs a DoDAAC because of a business relationship with the Air Force. The Air Force would have to request the DoDAAC for Company X; Company X is not authorized to make the request themselves.

C2.1.2.3. DAASC is the official repository for DoDAACs and Routing Identifier Codes (RICs) and is also responsible for the editing, routing and electronic transmission of logistics transactions to the Military Services, federal agencies, and contractors. Customers establishing, or changing, DoDAACs or RICs need to contact DAASC to receive logistics transactions, for example: requisitions and supply/shipment status, routed according to Military Standards to their DoDAACs and RICs. Customers that already have DAASC accounts must

let DAASC know the DoDAAC(s) or RIC(s) to load to their accounts, which are uniquely identified by a 7 character Communication Routing Identifier (CommRI). Customers without accounts can learn more about the various types of accounts, and input a System Access Request for an account, from the DAASC Homepage at: https://www.daas.dla.mil/daashome, or by contacting the DAASC helpdesk at 1-937-656-3247.

C2.2. GENERAL ARCHITECTURE: The DoDAAD architecture provides the capability to control, maintain, and provide access to the most accurate and current data related to DoDAACs in near real-time. This is accomplished by using database of codes and address data maintained and available 24x7 at Defense Automatic Addressing System Center (DAASC).

C2.2.1. Functional Architecture: DLMSO is the DoDAAD System Administrator and is responsible for ensuring that the DoDAAD directory meets the requirements of authorized DoDAAD users. DAASC is the DoDAAD Central Control Point (CCP) and is responsible for meeting the requirements of the DoDAAD System Administrator and maintaining the hardware, software, and help desk resources to ensure DoDAAD user's operational requirements are met. The CSPs are responsible for ensuring the accuracy and currency of the DoDAAD data for the DoDAACs assigned to them. The CSPs can, if they choose, establish DoDAAD Monitors delegating portions of their responsibilities (defined in the PROCEDURES section of this document) for review and approval of DoDAAD maintenance actions; however, the CSPs are ultimately responsible for the accuracy and currency of the data pertaining to the DoDAACs assigned to them. The technical architecture below supports the CSP DoDAAD data currency and accuracy. The complete list of roles and responsibilities for each of the organizations above is discussed under the responsibilities in this chapter.

C2.2.2. Technical Architecture:

C2.2.2.1. DoDAAD Data Maintenance: The CSPs or their designated CSP Monitors update the DoDAAD via the Web. This applies only to the directory entries the CSP is responsible for and authorized to update. The Army CSP uses the Army DoDAAD Web maintenance application. The Air Force CSP uses the Air Force DoDAAD Web maintenance application. All other CSPs use the DAASC DoDAAD Web maintenance application to perform maintenance actions. Regardless of the Web application used, the data validation is consistent and completed maintenance actions update the single authoritative source database at DAASC in near real-time. Access controls are built into the technical architecture to control who and what can be updated based on user ID and level of access granted (see PROCEDURES for access levels). The details for maintenance of the DoDAAD can be found at: The details for maintenance of the DoDAAD can be found at: https://today.dla.mil/j-6/dlmso/eLibrary/Documents/DODAAD/DoDAAD_SOP_for_CSPs.doc.

C2.2.2.2. Database Structure: The DoDAAD database is supported by Commercial-Off-The-Shelf (COTS) software that easily supports the addition of new data types as requirements dictate. The current database dictionary of data elements available on the DoDAAD can be found at: http://www.dla.mil/j-6/dlmso/eLibrary/Documents/DoDAAD/DoDAADMasterFileLayout.doc.

C2.2.2.3. DoDAAD Application System Access: The DoDAAD authoritative source database is available 24 hours a day, 7 days a week. Application systems requiring access to DoDAAD data to support their processing have three options that can be exercised. First, database replication can be put in place for the application so that application has near real-time access to a copy of the authoritative source. Through the use of a replication process maintained by DAASC, the replicated copy is constantly in synchronization with the authoritative source database. Second, direct connect access to the authoritative source database can be established. Both of the above access methods ensure that the application is always using the exact same data contained on the DoDAAD authoritative source database. Components who desire near real-time access can establish a replication link to the DoDAAD by contacting DAASC. The third and least preferred option is batch processing and DAASC will continue to support batch transaction processing for the foreseeable future. However, the goal is to encourage all users of the DoDAAD to switch to real-time replication processing (if possible). The batch broadcast transaction formats can be found at:

Insert: **http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/BatchInsert.doc**

Update: **http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/BatchUpdate.doc**

Delete: **http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/V6/BatchDelete.doc**

Message: **http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/BatchMessage.doc**

C2.2.2.4. At the point when the aging DoDAAD batch system is retired, the batch update option and the batch transaction format information (above) can be removed.

C2.2.2.5. DAASINQ. Individuals can view, query, and download DoDAAD query results via Defense Automatic Addressing Inquiry (DAASINQ) at anytime. The procedures for accessing and using DAASINQ can be found at: **https://www.daas.dla.mil/daasinq/**

C2.3. POLICY

C2.3.1 Under provisions of **DoD 4140.1-R**, "*Supply Chain Materiel Management Regulation", it is the policy of the Department of Defense that:*

C2.3.1.1. The DoDAAD shall be disseminated, as required, to DoD Component user levels. Supplemental procedural issues by DoD Components or Federal Agencies are authorized to internally use the DoDAAD and additional detailed instructions, as long as the internal instructions do not conflict with the DoDAAD's core purpose.

C2.3.1.2. Recommended changes to the DoDAAD shall be forwarded to the DoDAAD System Administrator for review and coordination with Services/Agencies. Approved changes shall be scheduled for implementation in the quarterly update following the date agreed upon by the Services/Agencies. Implementation dates for approved changes shall be coordinated with Services/Agencies or as directed by the Deputy Under Secretary of Defense Logistics and Materiel Readiness (DUSD/L&MR).

C2.3.2. DLMSO is responsible for the enhancement and maintenance of the functional documentation for the DoDAAD. DAASC is responsible for system documentation, security access, and web control for the DoDAAD.

C2.4. ROLES AND AUTHORITIES

C2.4.1. User Access. There are multiple levels of access governed by the roles of the user. The DoDAAD System Administrator (DLMSO) shall set the access governing policy and the DoDAAD CCP (DAASC) shall maintain the access controls to the system. All update access is user ID and password controlled, in addition to DoD Public Key Infrastructure (PKI) requirements.

C2.4.2. Potential Users. DAASC provides a WEB screen from which potential users can request access. This screen requests information regarding the type of access required (drop down list), information about the requestor (fill in the blanks), need for access (drop down), Component affiliation (drop down), and requests that they enter and verify their desired password (fill in blanks).

C2.4.2.1. Passwords are assigned by DAASC, but must be changed to a new password the first time the user logs into the system. Passwords must comply with the following:

C2.4.2.1.1. Must contain at least one upper case letter, one lower case letter, one numeric character, and one of the following non-alphanumeric characters "%&()+,-.:;<=>?_|*

C2.4.2.1.2. Must contain at least eight and not more than 25 characters

C2.4.2.1.3. Dictionary words should be avoided

C2.4.2.1.4. Must be changed every 90 days

C2.4.2.1.5. Passwords are case sensitive

C2.4.2.2. Accounts not used in 180 consecutive days will be deleted.

C2.4.3. Permission Requests. All access permission requests are forwarded via email to both the DoDAAD System Administrator and DoDAAD CCP for approval. Upon approval DAASC, the DoDAAD CCP, will send an email back to the requestor notifying them of the approval or denial. If access has been granted, DAASC will send two separate emails back to the requestor: one containing the user identification, and another for the password.

C2.4.4. Database Profiles. The system provides a database profile of all users with access by access level and maintains statistics on the number of accesses and types of access (update, query, download) by user. The system maintains data on attempted unauthorized accesses, and notifies the DoDAAD System Administrator and DoDAAD CCP via email for each unauthorized access attempt.

C2.4.5. Access Levels and Authorities

C2.4.5.1. System Administration Level. This highest level of access is provided only to the DoDAAD System Administrator and DoDAAD CCP. They will have access to all data and will be able to download any information in the data base. They will also have access to all user profiles and usage data.

C2.4.5.2. Component CSP Level. This level of access is granted to the individual designated in writing by each DoD Component as their CSP. Each Component shall provide the name of their CSP to the DoDAAD System Administrator, who will notify the DoDAAD CCP. The user ID will be structured such that, when a CSP logs into the system, the system recognizes the CSP and the DoDAACs and related information for which that CSP has responsibility. The CSP has the ability to access all information in the database and can update any information for the Component for which they have responsibility. A CSP will not be able to update information on other Component DoDAACs, i.e., the Army CSP will not be able to update Navy DoDAACs or the information related to them. The CSP also has access to all data relating to the user profiles and usage data for the users affiliated with the Component for which they are responsible.

C2.4.5.3. Component Sub-Delegation CSP Levels. Component level CSPs can delegate/sub-divide their responsibility for file maintenance of the DoDAACs for which they are responsible. A maximum of 20 delegations (or Monitors) per CSP are allowed. Each CSP must identify to the DoDAAD System Administrator and DoDAAD CCP the individuals to whom sub-delegations are being made and the DoDAACs that each is responsible for in the DoDAAD. The user identification (ID) shall be structured such that, when a CSP Administrator or

Monitor logs into the system, the system recognizes the CSP Administrator or Monitor, the DoDAACs, and related information for which that CSP Administrator or Monitor has responsibility. The CSP Administrator or Monitor shall have the ability to access all information in the database and can update any information for the Component for which they have been assigned responsibility by their CSP. A CSP Administrator or Monitor will not be able to update information on other Component DoDAACs, or DoDAACs assigned to another CSP Administrator or Monitor within their Component.

C2.4.5.4. General Access Level. This level provides user access to view any general information in the database via DAASINQ (query) program. This access level is public and open to all users.

C2.4.5.5. Application Access Level. This level is the Component business application level access to the database. Application users will have no ability to change the database but will have unlimited access to the data. The initial business application access arrangements shall be made by DoDAAD CCP in consultation with the DoDAAD System Administrator.

C2.4.6. DoDAAD Program Management. DLMSO is responsible for the program management of the DoDAAD. Tasks include (but are not limited to):

C2.4.6.1. Preparation of requirements and functional specifications.

C2.4.6.2. Scheduling and transition planning.

C2.4.6.3. Test cases.

C2.4.6.4. Policy and procedural documentation.

C2.4.7. DoDAAD Program Execution. DAASC is responsible for program execution. Tasks include (but are not limited to):

C2.4.7.1. Hardware and software acquisition

C2.4.7.2. Technical design and database maintenance

C2.4.7.3. Testing and system interface connectivity

C2.4.7.4. Hardware and software maintenance and refreshment

C2.4.8. CSP. CSPs are individuals, assigned by Service/Component, who can assign and/or maintain the DoDAAD. Since these individuals change frequently the current version of the list is included as a reference link to the DLMSO website (link below): https://www.dla.mil/j-6/dlmso/eLibrary/Restricted/SvcPointsPOC/allpoc.asp

C2.5. PROCEDURES

C2.5.1. Creation of DoDAAC. The DoDAAC is a six-position code that uniquely identifies a unit, activity, or organization. The first position designates the particular Service/Agency element of ownership. Alpha character in first position indicates DoD, numeric character in the first position indicates non-DoD. Specific code meaning can be found on the CSP page of the DLMSO website at: **https://www.dla.mil/j-6/dlmso/eLibrary/Restricted/SvcPointsPOC/allpoc.asp**

C2.5.2 Addresses. There may be up to four distinct addresses contained in the DoDAAD for each DoDAAC. These distinct delineations are "Type of Address Code" (TAC) designations. The term TAC will be used when referring to the different types of address information available on the DoDAAD. TAC and Point of Contact (POC) follows:

C2.5.2.1. Owner Identification. Also referred to as a "TAC 1", identifies the mailing address of the owner.

C2.5.2.2. POC Information. Name, telephone number, and email address of the POC. This information is mandatory.

C2.5.2.3. Ship-To Information. Also referred to as a "TAC 2", identifies the ship-to or freight address for the activity. If no ship-to information is entered, the TAC 1 address is used.

C2.5.2.4. Bill-To Information. Also referred to as a "TAC 3", identifies the billing address or the activity responsible for payment of bills. If no bill-to information is entered, the TAC 1 address is used.

C2.5.2.5. Commercial Small Parcel Shipping Information. Also referred to as a "TAC 4", identifies the commercial shipping address (e.g., address used by USPS, UPS (United Parcel Service), FedEx (Federal Express), etc.). If no Commercial Shipping information is entered, the TAC 2 address is used. If the TAC 2 address does not exist, the TAC 1 address is used.

C2.5.3. DoDAAD Maintenance

C2.5.3.1. Master File Maintenance

C2.5.3.1.1. Revisions. Revisions to the DoDAAD result from release or revision of DoD instructions, directives, policy changes, and recommendations of the DoDAAD System Administrator and the Services/Agencies.

C2.5.3.1.2. Submitting Proposed DoDAAD Changes. The Service/Agency focal points: Army, Navy, Air Force, Marine Corps, Coast Guard, Defense Information System Agency, National Geospatial-Intelligence Agency (NGA), Defense Nuclear Agency, GSA, DLA, and the Heads of DoD logistics task groups shall forward proposed DoDAAD functionality or publication changes to

DLMSO, ATTN: DoDAAD System Administrator for required processing as required by DLMS, Volume 1, Chapter 5. For more information about change management, refer to DoD 4000.25.M, Volume 1, Chapter 5 at: http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v1/v1c5.doc

C2.5.3.2. DoDAAC Structure

C2.5.3.2.1. The DoDAAC for DoD organizations and organizations of other Federal Agencies consists of a six-position alphanumeric code. The first position designates the Military Service or other Government element of ownership or sponsorship. The remaining five positions are assigned in accordance with established procedure by the CSP of the participating Service/Agency.

C2.5.3.2.2. The DoDAAC for non-Federal organizations consists of a six-position alphanumeric code. The first position designates the Service which enters into agreements with commercial activities. The remaining five positions are assigned by the Service Point (SP) of the Service involved. As a result, a commercial activity may be identified by different DoDAACs assigned by each of the Services.

C2.5.3.2.3. The system provides for the assignment of four types of address information for each activity: mail, freight, billing, and commercial small parcel. The DoDAAC is identical for all four types of addresses. Each of the four addresses types are distinguished by the field location on the DoDAAD master file (located at the following link): http://www.dla.mil/j-6/dlmso/eLibrary/Documents/DoDAAD/DoDAADMasterFileLayout.doc

These field locations correspond to the TAC 1, 2, 3, 4 code designations in the DoDAAD.

C2.5.3.2.4. Users of the directory will enter the proper address based on the applicable TAC on a letter, label, or box marking in accordance with applicable mode of transportation. Care should be exercised to ensure only one type of address is used for each of the 4 address types. Combining part of an APO address with a commercial postal standard will create an invalid address. It is extremely important that precautions be taken to avoid possible violations in this area, because of the sensitive nature of certain addresses.

C2.5.3.2.5. Addresses listed for freight purposes contain sufficient information for use of the in-the-clear portion of package markings and for insertion in the consignee block of transportation documents. The geographic location in the destination block of transportation documents may vary depending upon the mode of transportation. In addition to the address itself, there are two geographic location indicators: Aerial Port of Debarkation (APOD), and Water Port of Debarkation (WPOD). The APOD and WPOD are adjuncts to the address information, and depending on the values in these fields it may require a

variance in the address. Supplemental information concerning railheads, airports, etc., serving a given installation in CONUS is contained in the Defense Transportation Regulation (DTR) DoD Regulation 4500.9-R at: http://www.transcom.mil/j5/pt/dtr_part_ii.cfm

C2.5.3.2.6. Addresses for commercial small parcel shipping should be entered in the TAC 4 section of the DoDAAD. Commercial small parcel shipping information must follow the format established by the USPS. It consists of certain elements such as recipient name, street name, and house number, and city, state, and ZIP Code. APO, FPO and other military unique qualifiers should not be used in the TAC 4 commercial small parcel shipping section.

C2.5.3.2.7. The procedures provide for the dissemination of address data in three forms: a machine readable file, automated database-to-database replication, and a directory.

C2.5.3.3. ZIP Code Sequence

C2.5.3.3.1. All mail address entries are alphabetized within ZIP code sequence. The full nine-digit ZIP code is shown, where available. Addresses within ZIP codes are listed alphabetically at the end of the ZIP code sequence listing. To enhance the application of the DoDAAD and to facilitate the cross-reference process of a clear-text address to a DoDAAC, a nine-digit ZIP code, where appropriate, will be submitted as part of the address by the designated CSP to the CCP for input to the DoDAAD. CSPs must update existing five-digit ZIP codes to nine digits. The ZIP code sequence will be based on the basic five digits that identify state and city. The expanded four digits will appear, as applicable, within the in-the-clear address.

C2.5.3.3.2. To facilitate the location of activities in the ZIP code listing when the geographic location is known, but not the ZIP code, a list of ZIP code prefixes and ZIP code by State is provided at the following web links:

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/ZipCodePrefixes.doc

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/ZipCodeByState.doc

For activities not located in the United States and its possessions, or otherwise not provided with a ZIP code, the entry will be located in one of the following manners:

C2.5.3.3.2.1. For overseas addresses, in numeric sequence, prefixes for APO or FPO will no longer contain the name of the city but will be revised as follows: for New York will be APO/FPO AE 090-098, for Miami will be APO/FPO AA 340, for San Francisco will be APO/FPO AP962-966, and for Seattle will be APO or FPO AP 987).

C2.5.3.3.2.2. The last line of an overseas address must contain the APO or FPO designation. The two character location designations (AA, AE, or AP) are stored in the State field of the DoDAAD master file, and the appropriate 5-digit ZIP Code or ZIP+4 (the 3-digit ZIP Code prefix for AA is 340, for AE it is 090-098, and for AP it is 962-966). The two character APO/FPO locations translate to "AE" for "NY", "AP" for "CA", and "AA" for "FL". The delivery address line must contain Street Addressing Post Offices Serving DOD Installations 28 Handbook PO-630 show the ship name, unit number, Consolidated Mail Room (CMR) number or PSC number, and box number (if assigned).

C2.5.3.3.3. DoDAAD currently contains activity address codes and addresses which encompass organizational activities within the DoD logistics system; commercial activities which enter into material and service contracts with the Department of Defense; and activities of other Federal Agencies which maintain logistics support arrangements with the Department of Defense.

C2.5.3.3.4. Internal Service/Agency requirements for additions, revisions, and deletions will be brought to the attention of their respective CSP. The CSPs are listed at the following URL: **https://www.dla.mil/j-6/dlmso/eLibrary/Restricted/SvcPointsPOC/allpoc.asp**

C2.5.3.3.5. Addition, revision, and deletion transactions to the master activity address file will be made only by the designated CSPs.

C2.5.3.3.6. The DAASC serves as the CCP.

C2.5.3.3.7. Classified Addresses. DoDAACs representing activities and addresses which are designated "CLASSIFIED" and indicated in the clear-text address field address file, and DoDAAD as "CONTROLLED, FOR SHIPPING INFORMATION CALL DSN XXX-XXXX." To enter this type of DoDAAC, the "Free Form" checkbox must be selected to bypass the city, state, and zip code edits. The shipping activity will telephone the DSN number for shipping instructions. The shipping instructions will be provided to the shipping activity in the form of a classified message.

C2.5.3.3.8. Inquiries/Changes. Address data in the DoDAAD are submitted and updated by designated CSPs. Accordingly, inquiries regarding unlisted DoDAACs (DoDAACs not found on the master file), documentation changes, additions, and or changes to address data must be directed to the CSPs of the sponsoring Service/Agency.

C2.5.3.4 Civil Agency Addresses

C2.5.3.4.1. Purpose. Relates to civil agencies and their contractors authorized to participate in the MILSTRIP/FEDSTRIP logistics system.

C2.5.3.4.2. The applicability, scope, policy, and responsibilities are prescribed in section C2.1, above.

C2.5.3.4.3. Procedures. GSA acts as the CSP for all civil agencies. Assignment, change, and deletion of civil agency codes are done in accordance with Federal Property Management Regulation 101-26.2, **FEDSTRIP Operating Guide**. *The GSA CSP address is as follows:*

GENERAL SERVICES ADMINISTRATION
FEDERAL ACQUISITION SERVICE
ATTN: GLOBAL SUPPLY (QS)
2200 CRYSTAL DRIVE, ROOM 904
ARLINGTON, VA 22202

C2.5.3.4.4. The DoDAAC for civil agencies consists of a six-position alphanumeric code. The first two positions are numeric and designate the Federal Agency to which the code has been assigned. The remaining four positions are assigned in accordance with prescribed CSP procedures. The procedures for updating the DAASC master DoDAAD are contained earlier in this chapter. The batch broadcast transaction formats can be found at:

Insert: **http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/BatchInsert.doc**

Update: **http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/BatchUpdate.doc**

Delete: **http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/V6/BatchDelete.doc**

Message: **http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/BatchMessage.doc**

C2.5.3.5 Delayed Implementation Dates. There are two delayed implementation dates for use in the DoDAAD system: Effective Date and Delete Date.

C2.5.3.5.1. Effective Date is used to schedule changes in the future. When a DoDAAC is entered or updated and an Effective Date is supplied for a given TAC, the data entered for that TAC will not be effective or published until the current date matches the Effective Date entered. Multiple changes can be entered using this technique, as long as the Effective Date entered does not duplicate an already entered Effective Date.

C2.5.3.5.2 When an Effective Date is pending for a given TAC, the system will indicate the pending date by flagging the TAC with a graphic above the Effective Date field indicating "Future DoDAAD information available". To view the pending changes, the user may click the "Future data available" graphic.

C2.5.3.5.3 Delete Date is used to delete a TAC of the DoDAAC. Individual TACs may be deleted, however, a Delete Date entered on TAC 1 will delete the entire DoDAAC.

C2.5.3.5.4 When a Delete Date is pending for a given TAC, the system will indicate the pending date by flagging the TAC with a graphic above the Delete Date field indicating "Future data available". To view the pending changes, the user may click the "Future data available" graphic.

C2.5.3.5.5 Once the Delete Date has passed, the DoDAAC will remain on the DoDAAD master file for 3 years, before the record is physically removed from the master file. This is done so the pipeline of pending actions is given sufficient time to clear before the DoDAAC is actually removed from the master file. The only indicator a DoDAAC has been deleted during those three years is the existence of a Delete Date on the master record for the given DoDAAC.

C2.5.4. Authority Codes. Authority codes have been established to restrict requisitioning, shipment, and billing by DoDAAC. DoDAAC authority codes are applicable to all Services.

C2.5.4.1. Initially, DAASC will assign Authority Code "00" (full authority to requisition, ship-to and bill-to) to all DoDAACs, unless a more restrictive code is already known for a DoDAAC, based upon existing DAAS edits. Following initial implementation, CSPs will update DoDAAC authority codes, as appropriate, and will assign authority codes to all new DoDAACs.

C2.5.4.2. The eight authority codes are defined in table C2.T1, below. The first code (00), will allow total unrestricted use of the DoDAAC. The remaining codes limit the use of the DoDAAC for unique and specific purposes.

Table C2.T1. Authority Codes

Code	Description	Definition
00	Requisition	Authorized to initiate a requisition/purchase for goods and services. Authorized ship-to and bill-to.
	Required[1]: POC[2], TAC[3] 1	

[1] Required means minimum required data element(s)

Code	Description	Definition
	Business Rules: No restrictions	
01	Ship-To Only	Can only be used as a ship-to address with no other implicit authority.
	Required: POC, TAC 1, (TAC 2 and/or TAC 4)	
	Business Rules: Not authorized to requisition or bill-to	
02	Finance (Bill-to Only)	DoDAAC can only be used as a bill-to
	Required: POC, TAC 1, TAC 3	
	Business Rules: Can not requisition, can not be used as a ship-to designation	
03	Do Not Ship to	Can not be used as a ship-to destination
	Required: POC, TAC 1	
	Restriction: TAC 2 and TAC 4 are not allowed	
	Business Rules: Can not be used as a ship-to designation	
04	DRMS Only	Defense Reutilization and Marketing Service (DRMS) (e.g., State agencies surplus). Used by DRMS to identify their customers.
	Required: POC, TAC 1	
	Business Rules: Can not requisition new material. Only authorized to obtain materials from DRMS (DoD excess only)	
05	Non-Requisition	Can not initiate a purchase or request for goods and services
	Required: POC, TAC 1	
	Business Rules: Can not requisition/purchase any good/services.	
06	Free Issue	No cost option. This item is given away with no associated costs (e.g., DRMS, NGA Maps)
	Required: POC, TAC 1	
	Business Rules: Can not requisition/purchase any good/services. Similar to DRMS, but can request free of cost items (e.g., maps from National Geospatial-Intelligence Agency (NGA))	
07	Administrative	Administrative only. This code

[2] POC is the Point of Contact
[3] TAC means Type of Address Code

Code	Description	Definition
		is used for information/identification purposes only (e.g., Defense Courier Service (DCS), or contingency/emergency use)
	Required: POC, TAC 1	
	Business Rules: Can not requisition, can not be used as a ship-to-designation, and can not be used for billing. Information/identification use only.	

C2.6. OTHER PROCESSING AND INFORMATION. Other DoDAAC processes and information are managed in non-appendix-version electronic files available on the DLMSO web site as indicated in the paragraphs below.

C2.6.1. U.S. Army Unique Processing

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/USA.doc

C2.6.2. U.S. Navy Unique Processing

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/USN.doc

C2.6.3. U.S. Air Force Unique Processing

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/USAF.doc

C2.6.4. U.S. Marine Corps Unique Processing

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/Dlms/msw/v6/USMC.doc

C2.6.5. U.S. Coast Guard Unique Processing

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/USCG.doc

C2.6.6.. Defense Logistics Agency Information

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/DLA.doc

C2.6.7. General Services Administration Information

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/GSA.doc

C2.6.8. Department Of Defense Dependents Schools (DoDDS) Information

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/DoDDS.doc

C2.6.9. Other Information

http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLMS/msw/v6/Other.doc