



OFFICE OF THE SECRETARY OF DEFENSE

6301 LITTLE RIVER TURNPIKE, SUITE 210  
ALEXANDRIA, VA 22312 5044



DEFENSE LOGISTICS  
STANDARD SYSTEMS OFFICE

DLSSD-BT

31 MAR 1989

SUBJECT: Proposed MILSTRAP Change Letter (PMCL) 117A, Accountability of Less Than Unit of Issue Materiel

TO: Commander, U.S. Army Materiel Command  
ATTN: AMCSM-MTI  
Commander, Naval Supply Systems Command  
ATTN: SUP 0323  
Commander, Air Force Logistics Command  
ATTN: AFLC/MMLSC  
Commandant of the Marine Corps  
ATTN: LPS-4  
Commander, Field Command, Defense Nuclear Agency  
ATTN: FCLMM  
General Services Administration, Federal Supply Service  
ATTN: FCS (CM 4, Room 500)  
Director, Defense Logistics Agency  
ATTN: DLA-USC

1. References:

a. DoD 4000.25-2-M, 1 May 1987, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), as amended.

b. DoD Directive 4000.25, 18 November 1983, Administration of Defense Logistics Standard Systems.

2. The enclosed proposed change to DoD MILSTRAP (reference 1.a) is forwarded for evaluation under the provisions of DoD Directive 4000.25 (reference 1.b), which require that you submit a single coordinated Service/Agency position on the proposal within the time limit specified by the system administrator. The interface requirement relating to the proposed change is shown to assist in your internal coordination. However, omission of such a requirement does not relieve you of the responsibility to ensure that the proposal is fully coordinated within your Service/Agency.

3. Request that the enclosed proposed change be reviewed and your comments/concurrence be provided to reach this office, ATTN: DLSSD-BT, no later than 60 calendar days from the date of this letter. When nonconcurrence is being provided for the total procedure or a specific process, a recommended alternative is to be provided.

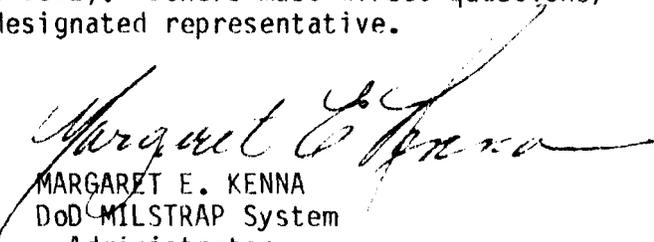
31 MAR 1989

DLSSD-BT PAGE 2

SUBJECT: Proposed MILSTRAP Change Letter (PMCL) 117A, Accountability of Less Than Unit of Issue Materiel

4. Addressees may direct questions to the DLSSD-B point of contact, Mr. Frank St. Mark, (202) 274-6062 (AUTOVON 284-6062). Others must direct questions/comments to their Service or Agency designated representative.

1 Enc1

  
MARGARET E. KENNA  
DoD MILSTRAP System  
Administrator

cc:  
DASD(L)SD  
USCG (G-FLM-2)

DISTRIBUTION:  
DLSSD 50A

ENCLOSURE 1 TO PROPOSED MILSTRAP CHANGE LETTER 117A

1. References:

- a. DoD 4000.25-2-M, 1 May 1987, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), as amended.
- b. DoD Disposal Program Improvement Study, May 1986.
- c. DLSSO-B letter, 8 November 1988, subject: DoD Joint Physical Inventory Working Group (JPIWG) Meeting 12-13 October 1988.
- d. DLSSO-BT letter, 28 November 1986, subject: Approved MILSTRAP Change Letter (AMCL) 50, Revised Procedures for Changes in Condition of Materiel.
- e. DLSSO-BT letter, 18 November 1988, subject: Request for Implementation Date (RFID) for Approved MILSTRAP Change 3, Use of New Supply Condition Code W to Identify and Segregate Unserviceable Warranted Assets (Staffed by PMCL 2)

2. Proposed Change Concept/Rationale:

a. Concept: Revise MILSTRAP (reference 1.a) to:

(1) Provide specific guidance for accounting for materiel that does not comprise a complete unit of issue.

(2) Establish procedures to classify materiel as odd lot materiel when materiel does not comprise a complete unit of issue.

(3) Establish new Supply Condition Code 0 (alpha), Serviceable (Odd Lot Materiel), to classify odd lot materiel.

(4) Establish a requirement for storage activity technical personnel to inspect/verify less than unit of issue materiel and determine serviceability prior to transferring materiel to Supply Condition Code 0.

(5) Establish procedures to issue odd lot materiel at half price to the next end-user customer requisitioning more than one unit of issue.

b. Rationale:

(1) The impact of the inventory accuracy problem, as documented in recent DoD Inspector General (IG) and General Accounting Office (GAO) audit reports, is serious and covers a broad spectrum ranging from accountability to readiness to DoD credibility. Serviceable materiel that is less than a complete unit of issue (e.g., due to unit of issue change, incomplete set, incomplete assembly, destructive test, damage, pilferage, etc.) for a specific National Stock Number (NSN) requires the same degree of accountability as materiel that comprises a complete unit of issue. When materiel does not comprise a complete unit of issue and is not recorded on the accountable record, the opportunity for theft is increased. This increased opportunity is of particular concern in the case of medical and controlled (classified, sensitive, pilferable) items.

(2) The attached procedures reflect the Defense Analysis and Studies Office (DSAO) (formerly the Logistics Systems Analysis Office), DoD Disposal Program Improvement Study (reference 1.b), recommendation to reevaluate the use of Supply Condition Code H (Unserviceable--Condemned) and the DoD JPIWG recommendations (documented by reference 1.c) for materiel which is less than the unit of issue. The proposed procedures delineated in attachment 1 account for serviceable materiel that does not comprise a complete unit of issue.

3. Interface/Impact Requirements:

a. Interface: The accountability of less than a complete unit of issue materiel involves the functional elements and supporting systems of financial, inventory management, procurement, physical inventory control, physical distribution, and the Defense Reutilization and Marketing System (DRMS).

b. Impact:

(1) Requires modification of Service/Agency supply systems and procedures to implement accountability requirements.

(2) Requires inclusion of odd lot quantities in supply and financial inventory records.

(3) May require modification of the financial reconciliation process.

4. Advantages/Disadvantages:

a. Advantages:

(1) Fulfills DoD commitment to improve materiel accountability.

(2) Improves standardization in controlling and accounting for materiel that comprises less than a complete unit of issue.

b. Disadvantages: See impact paragraph.

5. Procedures: Revise MILSTRAP (reference 1.a), as amended by AMCL 50 (reference 1.d) and Approved Change 3 (reference 1.e) as indicated in attachment 1. Should the attached procedures be approved for implementation prior to the AMCL 50 and/or Approved Change 3 implementation date, we will revise the text accordingly.

ATTACHMENT 1 TO PROPOSED MILSTRAP CHANGE LETTER 117A

Make the following procedural changes to DoD 4140.22-M, MILSTRAP, as amended by AMCL 50 and Approved Change 3.

1. Chapter 5.

a. Retitle paragraph 5.B.1 as follows:

"1. Routine Condition Reclassification of Assets in Storage". \*

b. Add a new paragraph 5.B.2 as follows:

"2. Reclassification of Less Than Unit of Issue Materiel". \*

a. Storage activities will reclassify and report odd lot materiel--i.e., materiel that does not comprise a complete unit of issue (e.g., due to unit of issue change, incomplete set, incomplete assembly, destructive test, damage, pilferage, etc.)--in Supply Condition Code 0 (alpha) after the materiel has been inspected by storage activity technical personnel. The reclassification will take place after normal care of supplies in storage (COSIS) has been exhausted, i.e., after odd lot materiel has been consolidated/reclaimed to comprise a complete unit of issue. Storage activities will transfer the materiel to Supply Condition Code 0 (alpha) and report the action using a dual adjustment transaction following the subparagraph 5.B.1.a procedures for dual adjustment transactions.

b. Accountable activities will direct the release of odd lot materiel to the next end-user customer requisitioning more than one unit of issue. The end-user customer will be billed half price for odd lot issues."

c. Reunmber existing paragraphs 5.B.2 through 5.B.6 as paragraphs 5.B.3 through 5.B.7.

2. Appendix B.6. Add new Supply Condition Code 0 to read as follows:

<u>CODE</u>	<u>TITLE</u>	<u>DEFINITION</u>	
0	SERVICEABLE (ODD LOT MATERIEL)	Materiel that has value other than its basic materiel content. This code is used to classify materiel that has been identified as less than the prescribed unit of issue for a specific NSN but is otherwise serviceable. Odd lot materiel will be transferred to this supply condition code upon inspection/verification by SA technical personnel.	*