



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
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IN REPLY  
REFER TO DLMSO

APR 25 2007

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 236, Revise the Property Accountability Accuracy Goal for Controlled Inventory Items Not Subject to Annual Complete Physical Inventory (Supply) (Staffed as PDC 251)

The attached change to DOD 4000.25-M, DLMS, and DOD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), is approved for implementation. This change will be published in the next Formal Change to DLMS, and in the MILSTRAP reissue scheduled for calendar year 2007.

Addressees may direct questions to the DLMSO point of contact, Ms. Mary Jane Johnson, Joint Physical Inventory Working Group, (JPIWG) Chair, e-mail: Mary.Jane.Johnson@dla.mil. Others must contact their Component designated Supply PRC representative.

A handwritten signature in blue ink, reading "Donald C. Pipp".

DONALD C. PIPP  
Director  
Defense Logistics Management  
Standards Office

Attachment

cc:  
DUSD(L&MR)SCI  
JPIWG

## ATTACHMENT TO ADC 236

### Revise the Property Accountability Accuracy Goal for Controlled Inventory Items Not Subject to Annual Complete Physical Inventory (Supply)

#### 1. ORIGINATOR:

- a. **Service/Agency:** Defense Logistics Agency
- b. **Originator:** DLA-J-3731, DSN 427-1606, Commercial 703-767-1606

#### 2. FUNCTIONAL AREA: Supply - Physical Inventory Control Program

#### 3. REQUESTED CHANGE:

a. **Title:** Revise the Property Accountability Accuracy Goal for Controlled Inventory Items Not Subject to Annual Complete Physical Inventory (Supply).

b. **Description of Change:** This ADC revises the property accountability records accuracy level currently published in DOD 4000.25-M, and DOD 4000.25-2-M, from 85 percent to 95 percent, for controlled inventory items that are not subject to an annual complete physical inventory.

c. **Procedures:** Revise DOD 4000.25-M, DLMS, Volume 2, Chapter 6, paragraph C6.2.10.2.3; and corresponding DOD 4000.25-2-M, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), Chapter 7, paragraph 7.2.10.2.3, to change the level used in statistical sampling for accuracy of property accountability records, from 85% to 95% as follows (change identified by **red/bold/italicized/highlighted** text):

“All controlled inventory items not subject to annual complete physical inventory must be subjected to annual random statistical sampling. Acceptable statistical sampling techniques are widely prescribed and may be used so long as every item included in the population has an equal probability of being selected in the sample. The statistical sampling technique must provide reasonable assurance (as a minimum) that the property accountability records are accurate with a 95 percent level of confidence, accuracy level of **8595** percent, and a maximum margin of error of 2 percent. If the sample inventory results do not satisfy the above criteria, complete physical inventory of the population from which the sample was selected, will be performed.”

d. **Alternatives:** No known alternatives.

4. **REASON FOR CHANGE:** DLA proposed that the current DLMS/MILSTRAP level of 85% accuracy level for property accountability records for controlled inventory items subject to random statistical sampling, be raised to 95% to improve standards. This recommendation was discussed at the November 2, 2006 and April 18, 2007, Joint Physical Inventory Working Group (JPIWG) meeting, and agreed to by all Service participants at the meetings.

**5. ADVANTAGES AND DISADVANTAGES:**

**a. Advantages:** Increases the confidence in the accuracy of inventory accountable records.

**b. Disadvantages:** None.

**6. IMPACT:**

**a. Data Content:** None known.

**b. Publication(s):** Revises MILSTRAP, DLMS and Service/Agency publications as applicable.