



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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IN REPLY
REFER TO

DLMSO

April 25, 2007

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 237,
Rename Location Audit Program to Record Reconciliation Program (Supply)
(Staffed as PDC 253)

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, e-mail: Mary.Jane.Johnson@dla.mil. Others must contact their Component designated Supply PRC or Joint Physical Inventory Working Group, (JPIWG) representative.

A handwritten signature in black ink, appearing to read "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc: ·
DUSD(L&MR)SCI
JPIWG

ATTACHMENT TO ADC 237
Rename Location Audit Program to Record Reconciliation Program (Supply)

1. ORIGINATOR:

a. Service/Agency: Defense Logistics Management Standards Office (DLMSO)

b. Originator: Ms. Mary Jane Johnson, DLMSO, Joint Small Arms Coordinating Group (JSACG) Chair, e-mail: Mary.Jane.Johnson@dla.mil

2. FUNCTIONAL AREA: Supply and DOD Physical Inventory Control Program (DODPICP)

3. REFERENCES:

a. DOD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP)

b. DOD 4000.25-M, Defense Logistics Management System (DLMS)

c. DLMSO Memorandum , November 8, 2006, subject: Joint Physical Inventory Working Group (JPIWG) Meeting, November 2, 2006

4. REQUESTED CHANGE:

a. Title: Rename Location Audit Program to Record Reconciliation Program

b. Description of Change: This change revises MILSTRAP (reference 3.a.) and DLMS (reference 3.b.), to rename the Location Audit Program to the Record Reconciliation Program. DLMSO will also need to request a corresponding change to DD Form 2338-1 (Inventory Control Effectiveness (ICE) Report Ammunition) and DD Form 2238-2 (ICE Report General Supplies), to revise the Part I, section 3 title from 'Location Audit Program' to 'Record Reconciliation Program'.

5. REASON FOR CHANGE: At the November 2, 2006, JPIWG meeting (reference 3.c.), it was recommended that the term "Location Audit Program" be eliminated and have distinct sections for Location Survey and Location Reconciliation. The group believed "location audit program" was a misleading "title" for the areas it covered: Location survey and Location Reconciliation. At that meeting, it was also recommended that the term "Location Reconciliation" be reconsidered in favor of something more descriptive of the function being performed.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Changing terminology to Record Reconciliation Program more clearly defines and explains in the procedures the intent of location survey and locations reconciliation, which is currently referred to as the “Location Audit Program.”

b. Disadvantages: As noted in the November 2006 JPIWG meeting minutes, it was also recommended that the term Location Reconciliation be reconsidered for a more descriptive term that defines the function being performed and have distinct sections for location survey and location reconciliation. DLMSO analyzed the feasibility of revising the term location reconciliation and determined that because there are numerous references to the term in MILSTRAP and DLMS, including transactions, it did not seem the outcome would justify the change.

DLMSO considered incorporating distinct sections for location survey and location reconciliation and determined that restructuring the MILSTRAP and DLMS chapters to accommodate the change would require re-paragraphing of the chapters with limited benefit gained.

7. INTERFACE/IMPACT:

a. Data Content: None.

b. Publications: MILSTRAP (reference 3a) and DLMS (reference 3b).

c. Procedures:

(1) **DLMSO will take action to revise:** APPENDIX: MILSRAP AP1 and AP2, DD Form, 2338-1 Inventory Control Effectiveness Report (General Supplies) and DD Form 2238-2 ICE Report (Ammunition), respectively, line 3, ***Record Reconciliation Program***

(2) Revise MILSTRAP and DLMS DEFINITIONS and TERMS as shown in Enclosure 1.

(3) Revise MILSTRAP Chapter 7, Physical Inventory Control, and associated appendices as shown in Enclosure 2.

(4) Revise DLMS, Volume 2, Chapter 6, Physical Inventory Control, as shown in Enclosure 3.

Enclosures

ENCLOSURE 1 TO ADC 237
Rename Location Audit Program to Record Reconciliation Program (Supply)
DEFINITIONS and TERMS

Make the following changes to MILSTRAP and DLMS DEFINITIONS and TERMS to delete “LOCATION AUDIT PROGRAM” and replace with “RECORD RECONCILIATION PROGRAM” (changes are identified by *bold red italicized text*):

~~“LOCATION AUDIT PROGRAM”~~RECORD RECONCILIATION PROGRAM.

The ~~location audit record reconciliation~~ program consists of actions required to assure compatibility between the assets in storage and the locator records and between the locator records and the owner records. ~~Location audit 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.”

ENCLOSURE 2 TO ADC 237
Rename Location Audit Program to Record Reconciliation Program (Supply)
MILSTRAP Chapter 7, Physical Inventory Control

MILSTRAP Procedures: Revise the following MILSTRAP Chapter 7 paragraphs to delete “LOCATION AUDIT PROGRAM” and replace with “RECORD RECONCILIATION PROGRAM” (changes are identified by *bold red italicized text*):

C7.2.12.3. *Record Reconciliation Program* Goal:

C7.6. ***RECORD RECONCILIATION PROGRAM***. Each DoD Component will implement a *record reconciliation program* which will consist of both a location survey and a location reconciliation.⁵ The DoD acceptable accuracy goals are provided in paragraph C7.2.12.3. The DoD Components may impose more stringent standards internally. The *record reconciliation program* is subject to the quality control checks delineated in section C7.8., Quality Control *Program*. Errors will be subject to validation and research before they are counted as an error. DoD Components will collect and analyze all type III errors (see paragraphs ~~C7.6.1.1.8.3~~ *C7.6.1.8.3* and C7.6.2.2.3) by element.

C7.9.2.1.3. *Record Reconciliation Program*. Reflects the results of the location survey (ratio of accurate storage activity locator records to storage activity locations surveyed) and the location reconciliation⁹ (ratio of valid storage activity locations to inventory manager's records).

C7.9.3.1.3. *Record Reconciliation Program*. Complete as described in paragraphs C7.9.2.1.3.1., C7.9.2.1.3.2., C7.9.2.1.3.3., C7.9.2.1.3.4., and C7.9.2.1.3.6. The DoD goals for location survey accuracy and location reconciliation accuracy for ammunition are 98 percent.¹⁴

ENCLOSURE 3 TO ADC 237
Rename Location Audit Program to Record Reconciliation Program (Supply)
DLMS Volume 2, Chapter 6 Physical Inventory Control

DLMS Procedures: Revise the following DLMS, Volume 2, Chapter 6, paragraphs to delete “LOCATION AUDIT PROGRAM” and replace with “RECORD RECONCILIATION PROGRAM” (changes are identified by *bold red italicized text*):

C6.2.12.3. *Record Reconciliation Program* Goal:

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 reconciliation⁵. The DoD acceptable accuracy goals are in paragraph C6.2.11. The DoD Components may impose more stringent standards internally. The *record reconciliation 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.

C6.9.1.1.3. *Record Reconciliation Program*. Reflects the results of the location survey (ratio of accurate storage activity locator records to storage activity locations surveyed) and the location reconciliation⁹ (ratio of valid storage activity records to IMM records):

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 percent¹³.