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IN REPLY
REFER TO DLMSO

July 28, 2009

MEMORANDUM FOR FINANCE/SUPPLY PROCESS REVIEW COMMITTEE MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 328, "Off-Line" Requisition Processing: Internet Ordering Application Request for Component Verification of Funds Availability and Recording of the Financial Obligation (Finance/Supply/MILSTRIP/MILSBILLS) (Staffed as PDC 266)

The attached change to DOD 4000.25, Defense Logistics Management System (DLMS), DOD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP), and DOD 4000.25-7-M, Military Standard Billing System (MILSBILLS) is approved for phased implementation. Initial implementation will be through a pilot program with the Army projected for early 2010.

Addressees may direct questions to the DLMSO points of contact, Ms. Ellen Hilert, Chair, Supply Process Review Committee, 703-767-0676, DSN 427-0676, or e-mail: ellen.hilert@dla.mil, Mr. Robert Hammond, 703-767-2117, DSN 427-2117 or e-mail: robert.hammond@dla.mil. Others must contact their Component designated representative.

A handwritten signature in black ink, appearing to read "Donald C. Pipp", written over a circular stamp or seal.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
DUSD(L&MR)SCI

ADC 328
“Off-Line” Requisition Processing:
Internet Ordering Application Request for Component Verification of Funds Availability
& Recording of the Financial Obligation

1. ORIGINATOR:

a. Service/Agency: US Army G-4

2. FUNCTIONAL AREA: Joint Finance and Supply

3. Reference:

a. U.S. Army Audit Agency report: Management Controls Over Offline Purchases Audit, Report: A-2006-0136-ALL 13, dated June 2006

b. DLMSO memorandum dated July 16, 2009, subject “Off-Line” Requisition Processing: Internet Ordering Application Request for Component Verification of Funds Availability and Recording of the Financial Obligation (PDC 266/DRAFT ADC 328) Meeting (see Enclosure 6).

4. REQUESTED CHANGE:

a. Description of Change: Internet ordering applications, sometimes referred to as “off-line” requisitioning systems, have been established by DLA and GSA to allow customer requisitioning capabilities using the latest technology. These systems did not include necessary interfaces with the requisitioning Component. The lack of such an interface with the Component’s standard supply and finance systems caused problems, including bills arriving without prior obligations; lack of supply accountability since there were no due-ins established; no record of demands to assist in determining proper stockage levels and building future budgets; and a lack of control over authorized users. This change requests an interface be established between the various internet ordering applications and the applicable Component financial application, so that fund availability can be checked before allowing the requisition to be processed, and, as a separate, subsequent action, establish the associated obligation within the applicable financial system.

b. Procedures: Highlighting identifies revisions subsequent to PDC coordination: **yellow highlighting** was used during initial update; **blue highlighting** represents revision subsequent to the Joint Supply/Finance PRC meeting (Enclosure 6).

(1) An information exchange is required between the Component’s financial application/Funds Control Module (FCM), when the DLA or GSA internet ordering application receives a requisition. The information exchange will be sent via a web call and the Component’s financial application/FCM will respond with the fund availability confirmation or denial.

(2) Transmission of the requisition to the Source of Supply (SoS) will occur only after confirmation that funds are available.

(3) When Army organizations order supplies and bill to a third party organization, Army will conduct a funds check against the ordering organization. That organization is ultimately responsible for the obligation until the bill is paid.

(4) Procedures are provided for both on-line ordering and transaction input via DoD EMALL Manual Order Entry System (MOES) and batch upload. Where the customer is not available for real time response to the funds availability check, DAAS-generated supply status will be used to communicate with the customer.

(5) Revised procedures for MILSTRIP/DLMS and MILSBILLS/DLMS manuals are shown at Enclosures 1 through 6. This includes a new DLMS chapter specifically for the on-line funds availability interface with appendixes for the associated web calls: Verification of Funds Availability and Funds Availability Reply.

c. **Alternatives:** Continue manual process by the requisitioner to establish obligation prior to placing the order in the off-line requisitioning system. This procedure lacks controls and is inefficient.

5. REASON FOR CHANGE:

a. **Army:** The Army Audit Agency identified \$2.3 billion “off-line” purchases by Army customers through DLA/GSA (reference 3.a.). \$812.7 million resulted in disbursements without prior obligations. If the change described above is not completed, more bills will be received without obligations and the Army will never be FFMIA compliant.

b. **DoD Wide:** The scope of this change is expanded, for phased implementation, to all DoD-sponsored internet ordering applications which facilitate submission of MILSTRIP requisitions resulting in interfund billing outside the responsible Component’s supply system. The scope is also expanded, for phased implementation, to all requisitioning Components. This wide scope will correct financial compliance gaps across DoD.

6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** The Army will be able to maintain fiscal control, since all requisitions will be checked for fund availability prior to processing. There are no tangible benefits; however, the intangible benefit of not having fiscal violations is enormous.

b. **Disadvantages:** Funds check should be rapid with only a minimum delay in processing the requisition. However, if funds are not available, the customer may incur a reject and will not get the needed part until funds become available.

7. IMPACT:

a. Systems:

(1) Off line requisitioning systems, to include DoD EMALL, GSA Global, and GSA Advantage, must be modified to provide the prescribed funds availability interface. The DoD EMALL process is applicable to customer ordering, the Manual Order Entry System (MOES), and bulk uploads of requisitions.

(2) DLA tailored vendor relationship (TVR) programs which lack a financial interface with the requisitioning Service are to be explored for adoption of a comparable funds availability on-line check.

(3) **DoD Components:** The pilot program implementation will be with the Army Funds Control Module (FCM). Army FCM is an interim interface pending full modernization and compliances with Standard Financial Information Structure (SFIS) under Army General Fund Enterprise Business System (GFEBS). **The Marine Corps is also identified as an early implementer of**

this process. The Air Force and Navy are believed to be dependent upon Enterprise Resource Planning (ERP) development, and their implementation timeline is unknown.

(4) DLMSO will evaluate feasibility of exporting the DAAS-maintained third-party billing table to make it available to the internet ordering applications. This table would allow for the inclusion of the bill-to DoDAAC in the Funds Availability web call at all times.

(5) As soon as feasible, DoD EMALL and GSA internet ordering applications will integrate DoDAAC Authority Code-based edits comparable to DAASC using the replicated DoDAAC table.

b. Implementation:

(1) The plan is to develop a standard interface so that each Service/Agency uses the same process/format.

(2) **Implementation schedule:** Target date for initial implementation is 1st QTR CY 2010 (DoD EMALL implementation subject to timing of contract award). Initial implementation will begin with GSA Advantage, GSA Global, and DoD EMALL interfacing with the Army Funds Control Module. The Marine Corps has also requested early implementation. Phased implementation is authorized by Component, for additional ordering applications, and for specific ordering capabilities within an ordering application.

c. Publication(s):

(1) Updated DLMS/MILSTRIP/MILSBILLS procedures are shown in the enclosures.

(2) Service/Agency implementing procedures to be determined.

Enclosure 1, MILSTRIP Revisions

1. Revise DoD 4000.25-1-M, MILSTRIP, Chapter 2 to include new paragraph C2.8. The same wording will be used in the corresponding chapter of the DLMS manual.

C2.8 ~~RESERVED~~ PREPARATION/PROCESSING OF REQUISITIONS SUBMITTED VIA INTERNET ORDERING APPLICATIONS. *Developers and users of internet ordering applications which permit MILSTRIP requisitions to be initiated outside the responsible Component's supply system, e.g., direct customer input to DoD EMALL, GSA Advantage/GSA Global, etc., shall take precautions to ensure that only authorized personnel place orders and all standard financial and logistics procedures are followed.*

C2.8.1 DoD Components authorizing the use of ordering processes external to the Component-sponsored supply system shall:

C2.8.1.1 Establish internal controls to identify/approve authorized users. This may be accomplished in coordination with the ordering application program management or independently in the absence of a satisfactory registration program for the internet ordering process.

C2.8.1.2 Notify users that they are required to manually establish an obligation for requisitions dependent on interfund payment procedures, prior to/concurrent with placing orders via internet ordering applications, except where an interface is established with the requisitioner's Component application to validate funds availability and establish an obligation.

C2.8.1.3 Ensure that appropriate procedures are established to record the demand and establish a due-in/pre-positioned materiel receipt under DoD MILSTRAP/DLMS based upon status provided by the supply source. Alternative manual Component procedures may be employed pending systemic interfaces to support return of supply and shipment status by the supply source.

C2.8.1.3 Ensure materiel receipt acknowledgement under DoD MILSTRAP/DLMS procedures via systemic interface or, where not available, instruct users to provide receipt notification via DoD EMALL (this includes non-EMALL originated orders).

C2.8.2 Supply sources authorizing the use of ordering processes external to the customer's Component-sponsored supply system shall:

C2.8.2.1 Coordinate with DoD Components to establish controls to ensure users are identified and authorized. If a satisfactory registration program is not available, users must be alerted to comply with Component-directed procedures.

C2.8.2.2 Support adherence to standard financial procedures via systemic interface or manual procedures as follows:

C2.8.2.2.1 Establish an interface between the external ordering application and the appropriate Component-sponsored application to validate funds availability and establish the obligation; or

C2.8.2.2.2 Pending development of automated processing, alert users to comply with Component-directed manual procedures.

C2.8.2.2.3 Procedures for real-time funds availability for on-line applications are provided under DLMS Vol 5, Chapter 7¹.

C2.8.2.3 Use standard requisition formats under MILSTRIP/DLMS where necessary to transmit the requisition from the external ordering application to the source of supply for further processing.

C2.8.2.4 Provide order and shipment status information to the customer and applicable status recipients in accordance with MILSTRIP/DLMS.

C2.8.2.5 Where feasible, internet ordering applications shall integrate use of a replicated DoDAAC table to perform validation of requisitions for authorized ordering, bill-to, and ship-to activities according to the DODAAC Authority Code. If the DODAAC fails the authority code edits in C2.28.11, the transaction shall be rejected.

¹ Refer to ADC 328

2. Revise MILSTRIP Chapter 2 to insert new paragraph C2.28.11:

C2.28 DEFENSE AUTOMATIC ADDRESSING SYSTEM EDIT OF INCOMING REQUISITIONS

(intervening text not shown)

C2.28.12. DAAS shall provide Supply Status (Document Identifier AE9) containing Reject Status CX to status recipients in response to requisitions/referral orders containing Status Code CX transmitted by DoD EMALL, GSA Advantage/Global, or other authorized internet ordering application. Under these conditions CX status shall be provided on behalf of the internet ordering application to advise of rejection due to lack of available funds or other criteria associated with the funds verification process. The internet ordering application shall be perpetuated by DAAS as the RI-From of the Supply Status. Refer to internet ordering application funds verification procedures for details (DoD 4000.1-M, DLMS, Vol 5, Chapter 7).¹

¹ Refer to ADC 328.

3. **Revise MILSTRIP Appendix 2 as follows:**

a. Revise Appendix 2. 1, Document Identifier Code, to identify new functionality for the AE9:

AE9 Supply Status From the DAAS:

- a. To activities identified by M&S (rp 7), and/or distribution code (rp 54) to advise of the rerouting or change to a MILSTRIP requisition transaction as reflected by the status code (rp 65-66)
- b. To activity in rp 30-35 when the M&S is "0," and rp 54 is blank or invalid to advise of rerouting or change to a MILSTRIP requisition transaction as reflected by the status code (rp 65-66)
- c. To activities in rp 30-35, 45-50, and 54 to advise of rejection of a MILSTRIP requisition transaction as reflected by supply status code (rp 65-66)
- d. To "From" RI (rp 74-76) to advise of the rerouting of a DI A3_ (passing order), or DI A4_ (referral order)

e. From the DAAS on behalf of an identified internet ordering application with Supply Status CX to all status recipients (identified in rp 30-35, 45-50, and 54) to advise of rejection due to lack of available funds or other criteria associated with the funds verification process. The internet ordering application used by the customer for submission of the requisition/referral order is identified as the RI-From (rp 4-6). Rejection is the result of the Component responding to the funds verification request and not the DAAS or SoS.¹

b. Revise Appendix 2.16, Status Codes, to insert new reject criteria:

Code Explanation

- CX Rejected.
- (1) Unable to identify the bill-to and/or ship-to address as designated by the signal code or the signal code is invalid.
 - (2) The MAPAC does not exist in the DoD 4000.25-8-M, MAPAD, as a valid ship-to and/or mail-to address. (Applicable to ICP/IMM processing only.)
 - (3) GSA Advantage GY/GZ series AACs are not authorized for use in DoD requisitions/orders.
 - (4) Activity identified in the requisition is not authorized as a requisitioning or bill-to activity.
 - (5) ***Notification of rejection due to lack of available funds or other criteria associated with the funds verification process. Provided in response to the internet ordering application's request for funds verification. The RI-From associated with the internet ordering application used for submission of the requisition/referral order is identified in the AE9. Rejection is provided by the Component responding to the funds verification request under DoD and Component-directed business rules, and not the DAAS or the SoS.¹***
 - (6) If still required, submit a new requisition with valid data entries.

¹ Used by internet ordering applications on requisitions, modifications, and follow-ups for subsequent rejection by DAAS. Refer to ADC 328.

Enclosure 2, MILSBILLS Revision

Revise DoD 4000.25-7-M, MILSBILLS, Chapter 2, Billing Procedures, to include new subparagraph C2.1.7. The same wording will be used in the corresponding chapter of the DLMS manual.

C2.1.7. Obligations for Requisitioned Materiel. Establishing an obligation for the proper amount under the requisition document number is essential for the timely and automated processing of interfund bills. Failure to do so is a violation of financial management procedures; and may delay processing and increase workload for both DFAS and submitting Component personnel. DoD Components that either (1) establish business processes for requisitioning outside their customer's Component sponsored supply system, e.g., via internet ordering applications, or (2) authorize their own Component personnel to satisfy requirements through the use of external ordering processes, shall support adherence to standard DoD financial business processes.

C2.1.7.1 DoD Components may authorize manual recording of the financial obligation by the customer as a separate action until such time as an automated interface between the ordering application and a Component-sponsored financial system is available. Where an interface is not available, external ordering applications shall alert users to comply with their Component-directed financial procedures.

C2.1.7.2 Procedures for on-line internet ordering application real-time verification of funds availability and funds availability response for are provided under DLMS Vol 5, Chapter 7 .

Enclosure 3, DLMS Manual Revision

1. Add new Chapter 7 to the Volume 5, Finance, of DOD 4000.25-M, Defense Logistics Management System (DLMS).

C7. CHAPTER 7

VERIFICATION OF FUNDS AVAILABILITY WEB CALL FOR REQUISITIONS SUBMITTED VIA INTERNET ORDERING APPLICATIONS

C7.1 Internet ordering applications which accept MILSTRIP requisitions dependant upon interfund billing procedures, e.g., DoD EMALL, GSA Advantage/GSA Global, etc., shall implement DLMS procedures for verification of Component funds availability. Components shall establish procedures to process the request for verification of funds availability and ensure subsequent establishment of a financial obligation.

C7.1.1 DoD Components may authorize manual recording of the financial obligation by the customer as a separate action until such time as an automated interface between the ordering application and a Component-sponsored financial system is available.

C7.1.2 Where an interface is not available, external ordering applications shall alert users to comply with their Component-directed financial procedures.

C7.2 The Verification of Funds Availability Request shall be prepared as a web-call for on-line, real-time processing in the Appendix 2 format.

C7.3 Business rules for processing the Verification of Funds Availability Request are as follows.¹

C7.3.1 Ordering applications shall not send requisitions, requisition modifications, and requisition follow-ups to the Source of Supply (SoS) until the funds availability check is completed and positive confirmation is received.

C7.3.2. The Verification of Funds Availability Request will be forwarded to the Army when the requisition identifies an Army DoDAAC in either the document number or supplemental address.

C.7.4 The Verification of Funds Availability Reply shall be prepared as a web call for on-line real-time processing in the Appendix 3 format.

¹ Under the pilot program, implementation is limited to an interface between DoD EMALL and GSA Advantage/GSA Global and the Army Funds Control Module and the Marine Corps financial application. Additional Component interfaces are projected under future phases. Refer to ADC 328.

C7.5 Where multiple line items are included in the customer's "shopping cart," these shall be processed for funds verification as individual requisitions in succession by sequence² described below, thereby allowing funds to be applied appropriately should there be insufficient funds for the entire "cart." Sequence shall be:

C7.5.1 Priority Designator (PD).

C7.5.2 OSD/JCS project codes.

C7.5.3 Special Requirements Code 999 and PD 01-03.

C7.5.4 Special Requirements Code N (NMCS) (PD 01-08).

C7.5.5 Special Requirements Code E (ANMCS) (PD 01-08).

C7.5.6 Special Requirements Code 555 and PD 01-08

C7.5.4 Required Delivery Date

C7.6 The receiving Component shall verify funds availability and provide the applicable reply code.

C7.6.1. Under the following criteria, the requisition shall be considered acceptable for further processing by the internet ordering application and forwarding to the Source of Supply (SoS) by citing an alpha Funds Verification (FV) Reply Code.

C7.6.1.1. If funds are available for the bill-to DoDAAC and no error conditions exist, the requisition shall be authorized for continued processing, the funds available balance decremented, and the applicable financial obligation established. Cite FV Reply Code A.

C7.6.1.2 If the bill-to DoDAAC is determined under internal Component procedures as not applicable to the funds verification process (e.g., funded by an alternative funding source, which the Component is not able to verify), the requisition shall be authorized for continued processing with no action. Cite FV Reply Code B.

C7.6.1.3. If the bill-to DoDAAC is not identified in the web call due to procedures for third-party billing (bill-to DoDAAC associated with the Fund Code/Signal Code C or L),³ but the requisitioner DoDAAC has funds available and no error condition exists, the requisition shall be authorized for continued processing, the funds available balance decremented, and the applicable financial obligation shall be established under the requisitioner's DoDAAC. Cite FV Reply Code C.

C7.6.1.4 If the bill-to DoDAAC is not identified in the web call due to procedures for third-party billing (bill-to DoDAAC associated with the Fund Code/Signal Code C or L), and the

² Sequencing rules are based upon those established for demand sequencing under MILSTRIP Chapter 3, paragraph 3.1.2. These rules deviate from demand sequencing to include use of the RDD.

³ Procedures for verification of third party bill-to DoDAACs is under consideration for a future enhancement.

funds verification cannot be approved using the requisitioner DoDAAC, but no error condition exists, the requisition shall be authorized for continued processing with no action. Cite FV Reply Code D.

C7.6.1.5 If the unique message identification number (control number) assigned for the web call is a duplicate of a previously processed funds availability request, but funds are available, the requisition shall be authorized for continued processing. Cite Funds Verification (FV) Reply Code E.

C7.6.1.6. Under Component-directed procedures, requisitions may be forwarded for funds verification even where the requisitioner's Component is not responsible for reimbursement to the SoS, e.g., a requisition with an Army requisitioner and a Navy bill-to activity. The requisitioner's Component may choose to obligate funds under the requisitioner DoDAAC as a precaution. The Army has directed that these procedures be employed for Army requisitioners.

C7.6.1.6.1. If the bill-to DoDAAC is identified as another Component, but the requisitioner DoDAAC has funds available, the requisition shall be authorized for continued processing, the funds available balance decremented, and the applicable financial obligation established. Cite FV Reply Code F.

C7.6.1.6.2. If the bill-to DoDAAC is identified as another Component, but the requisitioner DoDAAC does not have funds available, no action shall be taken by the requisitioner's financial application and the requisitioner will be asked to confirm correct information is used in the requisition and that an obligation has been recorded by the bill-to Component. Cite FV Reply Code G. Customer may choose to continue or abort processing (subject to bill-to activity's funds verification processing, when available).

C7.7.2. Under the following criteria, the requisition shall not be considered acceptable for further processing by the internet ordering application by citing a numeric Funds Verification (FV) Reply Code.

C7.7.2.1. If funds are not available for the bill-to DoDAAC, the requisition shall not be authorized for further processing. Cite FV Reply Code 1.

C7.7.2.2. If the bill-to DoDAAC is not authorized under Component procedures as a valid bill-to DoDAAC, the requisition shall not be authorized for further processing. Cite FV Reply code 2.

C7.7.2.3. If the Fund Code is not recognized and acceptable to the billed Component, the requisition shall not be authorized for further processing. Cite FV Reply Code 3.

C7.7.2.4. If the requisition document number (or document number/suffix) is a duplicate of a previously established obligation, the requisition shall not be authorized for further processing. Cite FV Reply Code 4.

C7.8. Requisition modifications shall be processed for verification of funds availability to ensure that the original requisition obligation is on file and any applicable changes to fund code or bill-to

activity are acceptable. **The materiel identification on the modification must match that on the original requisition.** The responsible Component shall not reject or establish a new obligation for requisition modifications due to a duplicate document number.

C7.8.1. Where no action is taken due to previously recorded obligation and there are no error conditions, the requisition modification shall be authorized for further processing. Cite FV Reply Code H.

C7.8.2. Where the materiel identification does not match that of the previously recorded obligation matching on document number, the requisition shall be rejected. Cite FV Reply Code 5.

C7.8.3. If the Component has no obligation is identified for the document number (or document number/suffix), process as a new requisition under above procedures for verification of Component funds availability. Cite the applicable FV reply code. Note: The funds verification process may result in the rejection of modifications to requisitions that had previously processed successfully by the SoS. Direct communication with the requisitioning Component's financial office, and possibly the SoS, may be required to resolve the problem.

C7.9. Requisition follow-ups in DI Code AT_/DLMS 869F format shall be processed for verification of funds available to ensure that the original requisition obligation is on file. The materiel identification on the follow-up must match that on the original requisition. The responsible Component shall not reject or establish a new obligation for these follow-ups due to a duplicate document number.

C7.9.1. Where no action is taken due to previously recorded obligation and there are no error conditions, the requisition follow-up shall be authorized for further processing. Cite FV Reply Code H.

C7.9.2. Where the materiel identification does not match that of the previously recorded obligation matching on document number, the requisition shall be rejected. Cite FV Reply Code 5.

C7.9.3. If the Component no obligation is identified for the document number (or document number/suffix), process as a new requisition under above procedures for verification of Component funds availability. Cite the applicable FV reply code. Note: The funds verification process may result in the rejection of follow-ups to requisitions that had previously processed successfully by the SoS. Direct communication with the requisitioning Component's financial office, and possibly the SoS, may be required to resolve the problem.

C7.10 Customers receiving a reply code indicating their requisition is not authorized for further processing shall be provided an opportunity to revise the requisition content. For example, the customer may choose to reduce the extended dollar value by reducing the quantity ordered or correct the bill-to activity DoDAAC or fund code, as applicable. Subsequent to customer update, the Request for Verification Funds Availability shall be re-transmitted. Staffing Note: The document number may be reused in the new request because no obligation was recorded within the financial application under the original request. Reuse in this situation shall not trigger a "duplicate" error condition.

*C7.11 Under conditions where the ordering application is unable to establish a timely interface with the responsible Component application, and the customer is awaiting the real-time funds availability reply, the ordering application **may** offer two alternatives:*

C7.11.1. Unmonitored Funds Verification. The Verification of Funds Availability Request shall be transmitted without direct feedback to the customer. The ordering application will re-send the request every 15-30 minutes for up to 3-hours⁴ while the requisition is held in a pending status. If the reply is received indicating the requisition is authorized for further processing, the requisition shall be forwarded to the SoS with no further action.

C7.11.1.1 If the FV Reply Code indicates that the requisition is not approved for further processing, the internet ordering application shall retain the FV Reply Code for customer research of their requisition status. In addition:

C7.11.1.1.1. If the requisition is rejected using FV Reply Code 1-3, the ordering application will transmit the requisition to the SoS via DAAS citing Supply Status CX and the internet ordering application's Routing Identifier Code (GSA internet ordering applications shall cite "GSA" and DoD EMALL shall cite "SME") in the DLMS requisition. This will be recognized by DAAS as a trigger for preparation of supply status indicating rejection of the requisition. DAAS shall prepare and return to all applicable status recipients the MILSTRIP Supply Status perpetuating the CX status. DAAS will not forward the requisition to the SoS.

C7.11.1.1.2 If the requisition is rejected using FV Reply Code 4 (duplicate document number/suffix), the requisition shall not be forwarded.

C7.11.1.1.3 If the requisition is rejected using FV Reply Code 5 (modifier/follow-up with miss-match on materiel identification), the requisition shall not be forwarded.

C7.11.1.3 If no reply is received after repeated attempts, the requisition shall be forwarded to the SoS with no action.

C7.11.2 Hold for Later Processing. The customer may choose to place the order ("shopping cart") in a hold status, and retry later. The ordering application will not attempt to re-send the request. The order will be saved for later processing to be initiated by the customer.

C7.12 Where the ordering application accepts batch ordering or input via MILSTRIP/DLMS format (i.e., multiple transactions uploaded as a batch, or without real-time direct interaction between the application and the customer, such as via DoD EMALL Manual Order Entry System (MOES), the ordering application process the Verification of Funds Availability Request as described in paragraph C7.9.1, above, using unmonitored funds verification procedures.

⁴ Actual time window for repeated attempts to contact the financial application may vary by internet application.

2. Add new Appendix 2 to the Volume 5, Finance, of DOD 4000.25-M, Defense Logistics Management System (DLMS).

Appendix 2

Use the following format for communication of the Verification of Funds Availability Request.

Data Element	Data Type	Length	Required (Yes/No)	Notes	Character Restrictions
Message Type	alpha	3	Y	Unique value comparable to Document Identifier Code	FVI
Message Identification Number	a/n	20	Y	Unique control number for the web call. Starts with E for DoD EMALL; G for GSA Global, and A for GSA Advantage. The rest of field will be an incremental number.	A-Z, 0-9
Requisition Document Number	a/n	14	Y	Must be unique a unique document number (or document number/suffix, where applicable) with no existing obligation.	A-Z, 0-9
Document Number Suffix	a/n	1	N	Applicable to referral orders only. Excludes alpha I, N, O, P, R, S, Y, and Z.	A-Z, 0-9
Requisitioner DoDAAC	a/n	6	Y	Service/Agency Code used to identify the responsible Service where Bill-to activity is not separately identified. ¹	A-Z, 0-9
Bill-to DoDAAC	a/n	6	N	Service/Agency Code used to identify responsible Service. Populate from the Supplemental Address when signal code is B or K.	A-Z, 0-9
Signal Code	alpha	1	N	When signal code is C or L, the third-party bill-to DoDAAC will not be available on-line. Note: Third-Party Bill-to DoDAAC is available from DAASC table based upon the Fund Code and the document number Service/Agency Code.	A-D, J-M, W, X
Materiel ID (National Stock Number or Part Number)	a/n	32	Y	Must be 13 positions if qualifier indicates a NSN.	A-Z, 0-9
Materiel ID Flag	alpha	1	Y	N or P indicating NSN or Part Number	N, P
Commercial and Government Entity (CAGE) Code	a/n	5	N	Identifies manufacturer when part number is used.	A-Z, 0-9
Quantity Ordered	numeric	5 ²	Y		0-9
Unit Price	R9.2	11	Y	Up to 11 positions will be transmitted as 9	0-9, decimal

¹ Army business rules require the obligation to be established against an Army requisitioner DoDAAC when the bill-to activity is identified as another Component or is not available due to third party billing.

² Field length limited to legacy MILSTRIP functionality; expanded field length will be considered for future enhancement.

				<i>digits dollars, decimal point, and 2 digits cents.³</i>	
Unit of Issue	<i>a/n</i>	<i>2</i>	<i>N</i>		<i>A-Z, 0-9</i>
Fiscal Year	<i>numeric</i>	<i>4</i>	<i>Y</i>	<i>Format 'CCYY' - applicable to order submission date; used for proper processing of obligations at end of fiscal year where requisitions submitted during current and prior fiscal years may be recorded in the financial application</i>	<i>X, 0-9</i>
Fund Code⁴	<i>a/n</i>	<i>2</i>	<i>N</i>		<i>A-Z, 0-9</i>
Project Code	<i>a/n</i>		<i>N</i>		<i>A-Z, 0-9</i>
Source of Supply (SoS) Routing Identifier Code (RIC)	<i>a/n</i>	<i>3</i>	<i>Y</i>	<i>Identified the SoS to which the requisition is forwarded for processing.</i>	<i>A-Z, 0-9</i>
Requisition Modifier/ Follow-up Flag	<i>Alpha</i>	<i>1</i>	<i>N</i>	<i>M or F indicating requisition modification or follow-up; not used on new requisitions.</i>	<i>M, F</i>

Staffing Note: *Negative values removed from the approved procedures, pending further evaluation of the business process used to validate funds availability for “shopping carts” containing multiple document number/various items. Negative values or a flag may be used to indicate to the financial application that an adjustment is needed to deobligate funds if selected items are removed from the final order or quantities reduced. Timing of the web call will impact viability of this process.*

³ Unit price field length is consistent with ADC 221, Communication of Unit Price and Total Price under DLMS.

⁴ Army Regulatory Fund Code

3. Add new Appendix 3 to the Volume 5, Finance, of DOD 4000.25-M, Defense Logistics Management System (DLMS).

AP.3 Appendix 3

Use the following format for communication of the Verification of Funds Availability Reply.

Data Element	Data Type	Length	Required (Yes/No)	Description	Character Restrictions
Message Type	alpha	3	Y	Unique value comparable to Document Identifier Code	FV2
Message Identification Number	a/n	20	Y	Response will use same number as initial web-call	A-Z, 0-9
Funds Verification Reply Code	numeric	1	Y	<p><u>Acceptable for Continued Processing (alpha codes):</u></p> <p>A – Funds available; continue processing.</p> <p>B – No action; bill-to not applicable under Component procedures; continue processing.</p> <p>C - Funds available for requisitioner; third party bill-to; continue processing.</p> <p>D - No action due third party bill-to; continue processing.</p> <p>E – Funds available, duplicate message identification number; continue processing.</p> <p>F - Funds available for requisitioner, other Component bill-to; continue processing.</p> <p>G - No action, other-Component bill-to; Confirm correct information and obligation has been recorded. If correct/confirmed, continue processing.</p> <p>H - No action on modifier/follow-up due to previously recorded obligation; continue processing.</p> <p><u>Funds Verification Rejection (numeric codes):</u></p> <p>I – Order rejected due to lack of available funds for bill-to DoDAAC; do not process.</p>	A-Z, 1-9

			<p>2 – Order rejected due to unauthorized bill-to DoDAAC under Component procedures; do not process.</p> <p>3 – Invalid Fund Code; do not process.</p> <p>4 – Duplicate document number (or document number/suffix); do not process.</p> <p>5 - Modifier/follow-up with different materiel identification; do not process.</p>	
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Staffing Note: FV reply codes related to requisition modifications and follow-ups are new to the ADC. See procedures.

Enclosure 4, DLMS Supplement Revisions

Revise DLMS Supplements as indicated to support capability to pass the Status Code in the requisition related formats:

#	Location	511R Revision	Reason
1	DLMS Introductory Notes	Add ADC 328 to DLMS Introductory note 5: - ADC 328, “Off-Line” Requisition Processing: Internet Ordering Application Request for Component Verification of Funds Availability and Recording of the Financial Obligation	Identifies DLMS Changes included in the DLMS Supplement.
2	2/N101/180	Add qualifier and DLMS Note: 003 Application Party DLMS Note: Used with Supply Status CX to identify the Routing Identifier of the internet ordering application in notification to DAAS that the requisition/referral order failed to receive authorization for continued processing under funds verification procedures. DAAS shall prepare CX Supply Status on behalf of the identified internet ordering application rather than continue processing the requisition. Refer to ADC 328.	Inclusion of the routing identifier allows DAAS to substitute the internet ordering application RIC vice the DAAS RIC in the CX status. The use of the RIC applicable to the internet ordering application (i.e., DoD EMALL) or host Component (i.e., GSA) will allow the customer to better understand the applicable CX rejection rule.
3	2/LQ01/140	Add qualifier and DLMS Note: 81 Status Code DLMS Note: Used by internet ordering applications to notify DAAS that the requisition/referral order failed to receive authorization for continued processing under funds verification procedures. Only Supply Status CX is applicable. This is an authorized DLMS enhancement. Refer to ADC 328.	Use of the CX notifies DAAS to prepare Supply Status AE9. By sending the requisition/referral order to DAAS with the CX, the internet ordering applications do not need to adopt procedures for generation of supply status. DAAS already has this capability, but will need to recognize the presence of the status code in the requisition format.

#	Location	511M Revision	Reason
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1	DLMS Introductory Notes	Add ADC 328 to DLMS Introductory note 5: - ADC 328, “Off-Line” Requisition Processing: Internet Ordering Application Request for Component Verification of Funds Availability and Recording of the Financial Obligation	Identifies DLMS Changes included in the DLMS Supplement.
2	2/N101/180	Add qualifier and DLMS Note: 003 Application Party DLMS Note: <i>Used with Supply Status CX to identify the Routing Identifier of the internet ordering application in notification to DAAS that the requisition modifier failed to receive authorization for continued processing under funds verification procedures. DAAS shall prepare CX Supply Status on behalf of the identified internet ordering application rather than continue processing the requisition modifier. Refer to ADC 328.</i>	Inclusion of the routing identifier allows DAAS to substitute the internet ordering application RIC vice the DAAS RIC in the CX status. The use of the RIC applicable to the internet ordering application (i.e., DoD EMALL) or host Component (i.e., GSA) will allow the customer to better understand the applicable CX rejection rule.
3	2/LQ01/140	Add qualifier and DLMS Note: 81 Status Code DLMS Note: <i>Used by internet ordering applications to notify DAAS that the requisition modification failed to receive authorization for continued processing under funds verification procedures. Only Supply Status CX is applicable. This is an authorized DLMS enhancement. Refer to ADC 328.</i>	Same as 511R. Modifications are verified because they may be processed by the SoS as an original requisition if unmatched or may modify the fund code or bill-to activity.

#	Location	869F Revision	Reason
1	DLMS Introductory Notes	Add ADC 328 to DLMS Introductory note 5: - ADC 328, “Off-Line” Requisition Processing: Internet Ordering Application Request for Component Verification of Funds Availability and Recording of the Financial Obligation	Identifies DLMS Changes included in the DLMS Supplement.
2	2/N101/110	Add qualifier and DLMS Note: 003 Application Party DLMS Note: <i>Used with Supply Status CX to</i>	Inclusion of the routing identifier allows DAAS to substitute the internet ordering application RIC

		<p><i>identify the Routing Identifier of the internet ordering application in notification to DAAS that the requisition follow-up failed to receive authorization for continued processing under funds verification procedures. DAAS shall prepare CX Supply Status on behalf of the identified internet ordering application rather than continue processing the follow-up. Refer to ADC 328.</i></p>	<p>vice the DAAS RIC in the CX status. The use of the RIC applicable to the internet ordering application (i.e., DoD EMALL) or host Component (i.e., GSA) will allow the customer to better understand the applicable CX rejection rule.</p>
3	2/LQ01/140	<p><u>Add qualifier and DLMS Note:</u></p> <p>81 Status Code DLMS Note: <i>Used by internet ordering applications to notify DAAS that the requisition follow-up failed to receive authorization for continued processing under funds verification procedures. Only Supply Status CX is applicable. This is an authorized DLMS enhancement. Refer to ADC 328.</i></p>	<p>Same as 511R.</p> <p>Follow-ups are verified because they may be processed by the SoS as an original requisition if unmatched.</p>

Enclosure 5, Comment Resolution:

#	Originating Component	Comment	Response/Resolution
1.	USTRAN SCOM	Description of materiel qualifier says: “N or P indicating NIIN or Part Number” --- should be “NSN”	Concur - corrected
2	Army	<p>Army comments appended below table.</p> <p>Include a Document Identifier Code equivalent in the web call formats.</p>	Army non-concurrence withdrawn.
3	Navy	<p>Navy agrees with the importance of establishing funds availability checks process as alluded to in subject PDC.</p> <p>However, in the foreseeable future, limited Navy resources prohibit the early implementation of coding and functional changes to Navy fleet and shore based legacy or NERP logistic systems which would accommodate this funds availability check process.</p> <p>At present, if Navy requisitions are rejected under this proposal it would required the development of new internal manual procedures, unless this will only apply to Army transactions.</p> <p>After reviewing enclosure 1 of subject PDC 'Part 1 DLA/GSA Initial web-calls to FCM', Navy requests DLMSO/DLA consider adding these data elements:</p> <p>Priority Required date Extended value of requisition</p> <p>Rationale for data elements are:</p> <ul style="list-style-type: none"> - Priority: for fund prioritization as funds run low or at end of year. - Required date: for prioritization as funds get low, and to determine what year's funds are needed. - Extended value of Requisition: if this is the true value of what needs approved, it should be included in the availability check. <p>Whether or not those data elements are on the obligation</p>	<p>By agreement during the July 9, 2009 meeting, the Priority Designator, RDD, and Special Requirements Code (non-date entries in MILSTRIP RDD) are added to the request format. The extended dollar value is not added at this time, but if sufficient justification is provided, this field will be reconsidered.</p> <p>Fiscal Year applies to the year in which the</p>

		<p>record should not matter...the data elements were offered to support an on-the-fly decision as to whether there are funds to apply...not to match a record.</p> <p>Has there been any news on the clarification requested on definition of Fiscal year (sent or need)?</p> <p>Regard the FCM response transaction, is the transaction number the same as message identification number on the DLA Initial web call? Asking because for the Value of 1, why would there be plans for a duplicate transaction number?</p>	<p>requisition is created. Clarification added to table.</p> <p>The message id is intended to match - response value same as request. Terminology made consistent in the ADC.</p>
4	Air Force	<p>Attached is input from SAF/FMP AFAFO. Our office is responsible for establishing AF accounting procedures. We are non-concurring with the PDC for reasons stated. While we agree with the intent of placing financial controls for off-line requisitioning, there has been no analysis on the impact to existing AF logistics and accounting systems, ERP's-DEAMS & ECSS, and what instituting a manual process in the absence of an interface would mean for the AF and DFAS.</p> <p>SAF/FMP AFAFO non-concurs with this PDC for the following reasons -</p> <p>This PDC institutes a fund availability check and obligation requirement through a funds control module when an off-line requisition is processed. While the AFAFO agrees with the intent of the PDC, to improve funds control over off-line ordering, there are impacts to numerous AF accounting and logistic systems, costs associated with interfaces, and the impact of manual processing, that require further analysis and coordination. Unlike the other services where funds control and obligations are a component responsibility, the AF is responsible for fund certification and DFAS records all obligations.</p> <p>We recommend this PDC not be implemented for the AF until all the necessary coordination and analysis occurs. Even manual processing of fund certification and obligations will require significant coordination between requisitioners, suppliers, AF fund certifiers and DFAS. The AF must begin discussion with systems impacted, determine interfaces required and develop manual fund certification and obligation procedures. These actions require input from many sources,</p>	<p>This change cannot be implemented for any Service until the Service has ability to receive, process, and respond to the web call.</p> <p>This change is applicable to requisitions resulting in interfund bills; it is not applicable to orders using purchase card payment method. This change will not in itself encourage or</p>

		<p>including but not limited to, AF/A4, AFMC/A4, AFGLSC, DEAMS, ECSS, GAFS-BL and DFAS.</p> <p>The AF position has been to discourage offline requisitioning except when mission dictates. This PDC has potential to encourage its use and create manual workload that could impact the mission.</p> <p>Additional note: AF DoD EMALL transactions are not billed through interfund.</p>	discourage any type of ordering. However, it will support better, more compliant processing of internet-prepared requisitions resulting in interfund bills; thereby creating a sounder basis for the Services to permit such orders.
5	DASC	<p>...concerned about using the "CX" status when funds are not available as there are already several reasons for this status making it difficult for the requisitioner to determine the exact reason. In addition, DAASC creating an AE9 with a CX indicates that DAASC rejected the requisition rather than the external process defined in this ADC. Therefore, recommend that a new reject status code be established so that it's clear to the requisitioner that it's due to funds availability. This will also help minimize an increase in the number of calls/problem reports DAASC already receives regarding the "CX" status."</p>	<p>Concur. CX narrative reworded to clarify that it is the internet ordering application and not DAASC that is responsible for the reject.</p> <p>Use of the existing reject code was intended to support rapid implementation. Using a new status code, which might not be implemented and recognized in legacy systems, could have adverse operational impact.</p> <p>By agreement during July 9, 2009 meeting, the internet ordering application routing identifier will be made available to DAAS (to simplify procedures and to be perpetuated to the AE9 Supply Status Routing Identifier From.</p>
6	DLA J8	<p>From (regarding C2.8.2.1 & C2.8.2.2.2):</p> <p>" How is the Supply Source suppose to alert users to comply with their Component-directed procedures?"</p>	Refer to item 7 below, for example of how this may be accomplished.
7	DSCR	<p>NOTE: A systems change request was submitted a while back to help resolve back-feeding service systems regarding obligations. The ticket is still open and is slated for the next release (which should take place late this year or early next year).</p>	Concur - this process will not be needed for any component implementing this PDC/ADC (initially

		<p>Title: Remind Fund Code Orderers to Establish an Obligation Priority: Critical Assigned Version Release: 9.1 Description: When fund code is used as the form of payment add a field to the payment screen that allows the user to check a box that acknowledges they know they need to create the obligation record in their local accounting system. If the user fails to check the box, create a pop up window that advises the user: "When using this form of payment (MILSTRIP Fund Code) it is your responsibility to ensure that an obligation to reserve funds from the correct account is processed within your local accounting system. DOD EMALL will not feed this data to your local accounting system in most cases. DLA will bill your system through Interfund Billing. If funds are not reserved they may be mistakenly spent on another item. Failure to record the obligation for this order may result in Anti-Deficiency Act violations." Put a button on the pop up labeled "Acknowledged". Record in the order record that requirement to create the obligation was acknowledged by the user. Do not permit the order to proceed with finalization unless the acknowledgement is obtained.</p>	Army only).
8	DLA	<p>The funds will be checked in the Fund Control Module (FMC) which is owned by the Army. This document doesn't mention EBS; if possible, finance would like clarification on the items below. This would give us an idea if modifications will be required for EBS.</p> <p>Page 2, of the ADC 328</p> <p>IMPACT:</p> <p>Item 2: DLA tailored vendor relationship (TVR) programs which lack a financial interface with the requisitioning Service is to be explored for adoption of a comparable funds availability on-line check.</p> <p>EBS Concern: Currently EBS doesn't have a funds availability check in regards to TVR orders. Would this be an object for EBS to adopt?</p> <p>Chapter 7, page 2 of the ADC 328</p> <p>Item C7.6 Customers receiving reply code indicating their requisition is not authorized for further processing shall be provided an opportunity to revise the requisition content.</p>	<p>Yes, this change is intended to provide rules for a standard interface; however, only the Army is currently prepared to support implementation.</p> <p>Yes, it is intended that EBS adopt this process (independently or through DoD EMALL) for any TVR program where the customer's requisition is not created from within his integrated Component application where funds availability and recording of the obligation are systemically required. In the absence of this process, it is EBS responsibility to</p>

		EBS Concern: When does the customer receive the not authorized error? Will this happen outside of EBS? This could become a timing issue if this happens after the requisition has been processed in EBS.	ensure that customers are aware of the need to establish the obligation (refer to item 7 above, for the planned customer notification for DoD EMALL for example of how this may be accomplished.)
9	All	Additional comments discussed during joint Component Supply and Finance Process Review Committee meeting.	Refer to minutes for the July 9, 2009 meeting, included as Enclosure 6.
10	GSA	GSA does not plan on providing any batch capability in its implementation of Funds Availability checking. In light of this, GSA does not plan to implement C7.9.1, at least not at first. What we plan to do is pass the requisition on (thus assuming there is sufficient funding, as is done today) if no response is received within the first 10-15 minute no reply submission phase and not hold it in a pending status.	Concur. ADC updated.

Consolidated Army Initial Staffing Comments/Response

1. The Army National Level Community non-concur with this PDC. Please see the below detail comments:

a. AMC LAISO: Sarah, A review of PDC 266 was conducted with the National Level Community. This email provides non-concurrence from the National Level Community for this PDC. Please see comments below:

(1) SCE-BTL - Non-concurs.

(2) "TACOM B14 - concurs. "I concur, however, I have one concern. In a prior version of this PDC, the JONO was included as one of the data elements for funds verification. That element has been replaced in this version with only the signal/fund codes. Although those codes identify the type of funds, they don't identify which specific programs need to be obligated". Alisa Everson"

Army HQDA DCS G-4 Response: *The process will be, GSA/DLA send a web-call to FCM which will check for funds availability, and a valid DODAAC and DOCNO before responding to DLA/GSA. After a favorable response, FCM will create the obligation and pass to the appropriate Army financial system (STANFINS, SOMARDS or GFEBES). When FCM passes the obligation, FCM will use the APC for STANFINS transactions, JONO for SOMARDS transactions and GFEBES Document/Line Number for GFEBES transactions.*

Bottom line, the assignment of the accounting classification code is done after FCM receives the request from DLA/GSA and responds.

(3) The TACOM Integrated Logistic Support Center (ILSC) Customer Pay Office - NON-CONCURs at this time, for the following reasons.

(a) For Customer Pay (CP) requisitions on DVD items, if DLA/GSA interrogates the FCM using the proposed minimum data in Enclosure 1 to the Billing DODAAC, FCM will not be able to identify which of the many fund accounts that CP has established within SOMARDS. The only element that could possibly identify the correct account would be the project code, but that is not unique to an established funding account, and b) SOMARDS does not currently link a project code to funding account. Secondly, CP uses a DODAAC plus Project Code combo to point to the appropriate funding account, but SOMARDS is also not linked to a specific DODAAC. The two items currently affected by this are Tires and Batteries for LEAD. Since there would be no way of matching to a specific account, FCM would reject the transaction back to DLA as 'no funding' even though the funds exist. Current proposed methodology doesn't have the level of granularity to work with CP.

(b) For other requisitions to DLA, this procedure would not have an effect since they are actually Redistribution Orders to move stock to a dedicated CP warehouse, and no obligations/bills are necessary. If this new procedure is going to require a funds check, that would go against the philosophy of CP, and would require a rethink of a successful program.

(c) At time of consumption of a DLA item, DLA requires a D7B (Post-Post) transaction to show a sale, decrement stock, and generate a bill to the CP customer. We would need to know if the Funds Check would apply to this situation or not. If it does, then the comments in PARA 1 above will apply.

(d) Enclosure 2, DoD 4000.25-1-M, MILSTRIP C2.8 (to be repeated in DLMS), PARA C2.8.1.2, DLA's VMI-EDI program mandated by DLA HQ requires the CP Product Support Integrator to requisition and consume parts prior to a funds check/obligation. This direction came directly from DLA HQ; something that TACOM-CP Office Non-Concurred. The work-around would be for DLA to coordinate this requirement with the express direction of DLA HQ's VMI-EDI office.

(e) Enclosure 2, DoD 4000.25-1-M, MILSTRIP C2.8 (to be repeated in DLMS), PARA C2.8.2.2.1. See PARA 4 above. DLA's VMI EDI office's direction directly contradicts this, as it authorizes the requisitioner to requisition prior to validating funds availability per this proposed process. For CP, there is no work-around for the issues cited in PARAs 1 or 2 above. For PARAs 4 and 5, it may require a revision to the direction from DLA HQ on how VMI-EDI transactions are routed. The POC is Kennedy How, AMSTA-LC LSAF.

Army HODA DCS G-4 Response: Customer Pay does not utilize the retail systems concerned. Funds Control processes will not impact Customer Pay. There is no plan to have CP interface with FCM. If at a future date, CP requires an interface and the data elements here internal Army coordination will determine the data elements required, as was done with the SARSS interface.

b. NAMI-PSID - non-concurs. We nonconcur with PDC266 as written; our comments are as follows:

(1) This PDC chiefly addresses the requirement to provide a funds check from the Funds Control Module when an offline/call in requisition is processed. While this is certainly necessary, there are numerous other systems that must also be updated so that offline requisitions are processed correctly. Among these systems are CCSS, SOMARDS, LMP, and GFEBs. We do not recommend that this

PDC be implemented/adopted until all necessary interfaces, not just those between the wholesale supply source and the FCM/STANFINS, are addressed in the same document. The proposed PDC is, at best, a start but is not a completed document. Perhaps that is what the statement in the PDC ("Staffing Note: This proposal is intended to be a starting point for a standard interface with other Services and should be reviewed by all Services and Agencies") was intended to convey, but we are concerned that this not be viewed as final and not be implemented until all of the other systemic interfaces are covered. As written this document conveys the strong impression that as long as the procedures in it are followed, then requisitions will process correctly, all obligations will be recorded, there will be no billing problems, etc. This is not true, as the other systems mentioned above also need interfaces with this process. Left as it now stands; this procedure could further degrade one of our key NAMI-PSID missions of redistribution of Army excesses if one of its consequences is to encourage increased use of offline requisitioning procedures without full interface with all required logistics systems (both supply and financial).

Army HODA DCS G-4 Response: *Providing a look for potential redistribution within Army is not practical, given what I know of the processes. We can provide visibility of the supply transactions; we just need to work out how to pass the transactions. Our requirement to use media status code F has resolved most of the supply visibility issue. The hang up tends to be when a non Supply associated DoDAAC is used and there is no SARSS to route the transaction. I intend to address this through a policy message later this summer. Also, our intent is not to open this up for routine repair parts ordering. Principle use for repair would be AOG and part numbered items, which don't impact redistribution requirements. We can also further restrict use if we identify a problem.*

Bottom line, the assignment of the accounting classification code is done after FCM receives the request from DLA/GSA and responds.

(2) It is important to note that the proposed concept is, in effect, at the end of the requisition process. Any fiscal accounting interface which results in a funding availability determination and establishment of an obligation must likewise provide the logistic transactions or transaction initiators, where required, that complement the financial fund availability process and create the applicable logistic (supply) system records. In other words, this interface should perform a backward build of both the financial AND logistic records for these offline requisitions. Without this logistic system backward build, the following undesirable effects will result: unmatched disbursements(materiel receipt recorded as Found on Installation (FOI) thus resulting in understated Accounts payable, and (b)unsupported obligations resulting from missing accountable logistics on order (Due- in) records. These discrepancies (there may be others) require financial and logistic organization expenditure of substantial man-hour resources in research to determine the appropriate corrective action.

Army HODA DCS G-4 Response: *This process is at the front-end. Unmatched disbursements and accounts payable will be resolved by this process where the obligation is created in STANFINS, SOMARDS or GFEBs. Since FCM will be creating the obligation, unmatched disbursements will go away as the IFB will be able to link to an obligation.*

If Army G-4 directs, FCM can provide SARSS with the supply information for demand analysis.

(3) This proposal appears to be designed to reopen the WEB based off-line requisitioning process about which HQDA policy prohibits utilization with few exceptions. Army implementation of Single Stock Fund provides substantial cost avoidance via redistribution processes of identified Army excess materiel. Execution of these redistribution processes, while providing Army with cost avoidance, also

has reduced the Army demand level on DOD logistics organizations thus improving the accuracy of the Army demand history with actual consumption. This improvement in demand accuracy has a corresponding impact on future inventory acquisition by DOD national level SOS. We repeat that this process as written could be interpreted by customers to encourage the expansion of offline Requisitioning and, hence, deemphasize the cost avoidances associated with redistribution of existing excess materiel.

Army HODA DCS G-4 Response: *Off-line requisition is part of the supply process within the Army. This check with FCM will ensure funds are available when orders are made off-line. This process will also be creating the obligation.*

DLMSO Response: *This DLMS Change adds a new requirement for verification of funds availability; it does not make any modify existing Army-directed rules for use of DoD EMALL/GSA internet ordering sites.*

(4) Enclosure 1, DLA/GSA Initial Web-Calls to FCM identifies a data element "Document Number Suffix" as a not required entity. While follow-on MILSTRIP transactions make use of the suffix code, MILSTRIP requisitions (DIC A0_) do not have a document number suffix. This record position (RP 44) of the MILSTRIP Requisition is the demand code which is to be entered by the requisition initiator. This enclosure should be changed to reflect the data element "Demand Code" rather than "suffix" as it applies to DIC A0_ transactions.

Army HODA DCS G-4 Response: *The exact data elements to be used in this process will be refined as software development is undertaken.*

DLMSO Response: *The suffix code is not applicable to the requisition format; however, suffix code was included in the web call format because this process is applicable referral orders processed via MOES which could include a suffix code.*

(5) In summary, this proposed DLMS change addresses only one aspect of the Army requisition initiating organizations which is basically those currently under SARSS. Since this change does not address the national level for which implementation of SSF moved funding responsibility to the national level and limited FCM to below the SARSS1 level (user), the NAMI-PSID nonconcurs with this PDC as written due to the incomplete nature of the document-

Gary Amundson, Director, NAMI-PSID, US Army TACOM, Rock Island, IL.

c. Army TACOM Resource Mgmt G8 - The War Reserve Office non-concurs for below reasons:

(1) What if your organization does not use SARSS/FCM today? ASC also uses AMCISS, so some of the DODAACs that are used via AMCISS we do not have set up in FCM. Other AMC sub-commands utilize other means to pass orders Also, does this mean, any organization that does off-line ordering to DLA and GSA must set up FCM/DOJOCONs, and FADRs in order to get their orders cleared?

Army HODA DCS G-4 Response: *This process will not affect those systems. This process will only impact EMALL and GSA Adv. In an Army owned system, like SARSS, is directed to do a funds check with FCM prior to processing an order, that will be internal Army coordination and may or may not utilize this format. There is no discussion to have AMC systems, like Customer Pay*

and AMCISS to do this. Based on how these programs are funded, I also don't think this is necessary.

(2) I cannot tell from the document where in FCM it is checking for funds availability. Is the FAS switch being checked or the funded target amount in FADR?

Army HODA DCS G-4 Response: *FCM will use the FADR to determine if funds are available.*

(3) This approved change shows "Regulatory fund code use." If this means the 91 for OMA, this will not work. The fund code applicable to the crosswalk DOJOCON table should be used in order to tie obligation to correct accounting record - Ruth Sharfe, Army Sustainment Command, Resource Management, G8 Integration & Requisition Mgmt Div, Lead Budget Analyst

Army HODA DCS G-4 Response: *FCM will not be using the Regulatory Fund Code. DLA wanted the Regulatory Fund Code included on the web-call for use by other Services. FCM will use the DoJoCon to assign the proper APC, JONO or GFEBS Document/Line Number.*

d. LOGSA - Concur no impact.

Enclosure 6, Minutes of July 9 Meeting

DLMSO

July 16, 2009

MEMORANDUM FOR: SEE DISTRIBUTION

Subject: "Off-Line" Requisition Processing: Internet Ordering Application Request for Component Verification of Funds Availability and Recording of the Financial Obligation (PDC 266/DRAFT ADC 328) Meeting

On July 9, 2009, the Defense Logistics Management Standards Office (DLMSO) hosted a Supply/Finance Process Review Committee (PRC)-sponsored single-topic meeting to provide clarification of the planned business process and obtain resolution of comments received from the DLA and the Services during staffing of Proposed DLMS Change (PDC) 266. The meeting handout, briefing, and attendees list are available on the Supply PRC Web page: <http://www.dla.mil/j-6/dlms/Programs/Committees/Supply/supplyPRC.asp>.

Ms. Ellen Hilert, Supply PRC Chair, facilitated discussion, with contributing clarification and commentary by multiple participants. The following are action items and recommended revisions to the draft ADC resulting from the meeting. All recommended changes will be incorporated in the final version to be published NLT July 23, 2009.

1. DoD EMALL - Incorporate an edit against the ordering authority code on the DoDAAC table to verify that customers using are authorized requisitioners. Determine feasibility for near term implementation using the replicated DoDAAC file for easy access. This edit is to be applicable to all Components, regardless of implementation of the funds verification process and regardless of method of payment.
2. Pilot Implementation - The Marine Corps offered to participate in the pilot implementation with the Army, DoD EMALL, and GSA Global/GSA Advantage. The Navy and Air Force are unable to support this requirement currently. DLA internet ordering applications (i.e., non-integrated tailored vendor relation (TVR-programs) are also unable to adopt this process at this time, but will be required to ensure that customers are notified of the requirement to ensure financial compliance by manual recording of the obligation associated with their order.
3. DAASC-Maintained Ordering Applications - DLMSO asked DAASC to consider feasibility of future integration of the funds verification process for the DAASO Asynchronous Message Entry System (DAMES), DIALOG, and DAASC Web Requisitioning (WEBREQ). applications.
4. Navy Proposed Additional Data Elements - Priority Designator, Required Delivery Date (RDD), Special Requirements Code (non-date RDD codes) will be added to the web request for funds verification. Inclusion of the extended dollar value is considered unnecessary since the price and quantity are provided. The Navy would like to see the redundant information because financial applications currently receive extended dollar value. Since the goal is to minimize the data included in the web request for technical considerations, the recommendation is that the programming development to support this change include capability to perform the calculation. If the Navy has stronger reasons for inclusion of the extended dollars, these should be provided to DLMSO.
5. Prioritization of Orders - The ordering application will use the PD, RDD, Special Requirements Code, and Project Code (3 and 9-series) to sequence the order of the request for "shopping carts" with multiple line items. This will help ensure that limited funds go to higher priority orders. Prioritization will be comparable to MILSTRIP demand sequence rules.
6. Message Identification Number - Codes will be assigned for the first position of the message identification for each separate application (vice Service or Agency, as draft currently states): E = DoD EMALL, G = GSA Global, A = GSA Advantage. New codes will be added for any additional ordering applications which adopt this process.
7. Document Number Suffix - Edit of referral order suffix code values will be included.

8. Source of Supply (SoS)- Terminology will be corrected in the request (currently says source of order)
9. Fiscal Year - Clarification will be included in the ADC for purpose of the fiscal year of the requisition submission in the request format. It will be used for processing at the end of fiscal year where suspended processing during the last days of the current fiscal year will result in establishment of the obligation in the subsequent fiscal year. Inclusion of the fiscal year of the submission will allow the obligation to be recorded properly.
10. Original Reply Code 1 - Message Identification Duplicate. Text will be updated to use same terminology as the request format for message identification number.
11. Original Reply Code 2 - Document Number Duplicate. This condition will trigger a reject, but will not be forwarded to DAAS using CX Status when the customer is not available for immediate funds verification reply. If the customer is available, the requisition may be resubmitted/reprocessed using a different document number. If forwarded with no action and the requisition is identified as a duplicate at the SoS, the requisition will not be processed and no notification will be provided to the customer under current MILSTRIP implementation. This is considered less risk that returning a CX status which could inadvertently cancel the original valid requirement.
12. Original Reply Code 5 - Third-Party Bill-to. Split into two codes; one for unauthorized ordering DoDAAC (vice “unrecognized”), and another for third-party bill-to. The former will be rejected, the latter will be approved.
13. Original Reply Code 6 - Change terminology from “unrecognized” to “unauthorized.”
14. Original Reply Code 9 - Modifier/Follow-up. Review codes for possible split; one for modifiers (MILSTRIP AM_) and follow-ups (MILSTRIP AT_) that match an existing obligation, and one for those that are unmatched and for which the obligation is not matched indicating funds are available (these could also be rejected for any of the applicable reasons associated with new requisitions). Add requirement for the funds control application to ensure that materiel identification is consistent with a previously recorded document number. Reject if unmatched.
15. Original Reply Codes - Codes will be re-ordered in a more logical sequence.
16. Third -Party Bill-To Table - Methodology for obtaining verification of third-party bill-to DoDAACs located on the DAAS table in association with the Fund Code will be pursued for a future enhancement of this process.
17. Status Code CX Reject Notification - For rejected orders that processed without visibility to the customer, the ordering application will include both CX and the Routing Identifier Code (RIC) associated with the ordering application in the DLMS requisition submitted to DAAS. The inclusion of the RIC will help distinguish the resulting Supply Status with CX from those CX Status transactions that are created by DAAS. The definition for the CX will be updated accordingly. Note: It was unknown at the time of this meeting whether GSA will use this process or will create their own CX supply status.
18. Negative Values - Negative values (or a flag for this purpose) will not be included at this time. The understanding is that funds verification will not occur until the user has determined that the order is ready and “submits.” The use of the sequence by priority will help ensure that the most important orders are funded, should there not be sufficient funds for the entire order. The alternative (where prioritization was not enough to make sure that the most important order was funded) , is for the customer to cancel the order, allow time for the SoS to process the cancellation and return notification to the customer’s financial application where the de-obligation will be processed. This will allow funds to become available for other orders. Note: The option to evaluate the use of this feature during design will be included in the ADC.

This meeting was highly productive in clarifying the business process and resolving comments and concerns. DLMSO thanks all participants. The DLMSO points of contact are Ms. Ellen Hilert at 703-767-0676; or, e-mail: Ellen.Hilert@dla.mil and Mr. Robert Hammond, 703-767-2117, DSN 427-2117 or e-mail: robert.hammond@dla.mil.

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