October 23, 2014

MEMORANDUM FOR SUPPLY AND FINANCE PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Addendum to Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1068B, Revised Procedures for Requisitioning via DOD EMALL and GSA Internet Ordering: Component Verification of Funds Availability (Supply/Finance/ MILSTRIP)

The attached change to DLM 4000.25, Defense Logistics Management System, is approved for implementation. ADC 1068B replaces ADC 1068A in its entirety. Joint implementation is authorized beginning October 2014 for GSA and Army. DOD EMALL implementation is scheduled for third quarter fiscal year 2015.

Addressees may direct questions to Ms. Ellen Hilert, DOD MILSTRIP Administrator, 703-767-0676 or DSN 427-0676, email: ellen.hilert@dla.mil; or Ms. Heidi Daverede, DOD MILSTRIP Alternate, 703-767-5111 or DSN 427-5111, e-mail: heidi.daverede@dla.mil. Others must contact their designated representative shown at: https://www.dla.mil/j-6/dlmso/CertAccess/SvcPointsPOC/allpoc.asp (DOD common access card restricted).

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD (SCI)

ADC 1068B
Revised Procedures for Requisitioning via DOD EMALL and GSA Internet Ordering: Component Verification of Funds Availability

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION: Global Combat Support System-Army (GCSS-Army): ASA-FM&C, (804) 279-8382 or CASCOM, (804) 279-8339

2. FUNCTIONAL AREA:

    a. <u>Primary/Secondary Functional Area</u>: Logistics and Finance

    b. <u>Primary/Secondary Functional Process</u>: Procure to Pay

3. REFERENCES:

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

    b. <u>Approved DLMS Change (ADC) 1068</u>, "Off-Line" Requisition Processing: Internet Ordering Application Request for Component Verification of Funds Availability and Recording of the Financial Obligation, October 03, 2013

    c. DLM 4000.25, Volume 2, Supply, available on DLMSO Web at: http://www2.dla.mil/j-6/dlmso/elibrary/manuals/dlm/dlm_pubs.asp

    d. DLM 4000.25, Volume 4, Finance, available on DLMSO Web as above

    e. DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP), available on DLMSO Web as above

4. APPROVED CHANGE(S):

    a. <u>Brief Overview of Change</u>: This change is published as a replacement for ADC 1068A to correct an oversight which caused the table associated with Paragraph 4.c(1) to inappropriately retain an indicator for dual routing of the FV1 Verification of Funds Availability Request to Army and Marine Corps systems. The intent of ADC 1068A was to eliminate dual routing. This correction and update to the implementation schedule are highlighted in green.

        (1) This change establishes enhancements and revised routing rules for adoption concurrent with the implementation of the procedures for verification of funds availability established under ADC 1068 (Reference 3.b.) and employed by DOD EMALL and GSA Advantage/GSA Global for eCommerce. This change modifies requirements to:

            (a) eliminate the requirement for dual routing to both Army Funds Control Module (FCM) and GCSS-Army,

(b) revise the unit of issue field on the Document Identifier Code (DIC) FV1 Verification of Funds Availability Request from optional to required data, and

(c) authorize a new rejection code for the DIC FV2 Verification of Funds Availability Reply.

(2) This change also documents a deviation from approved procedures for de-obligation of funds currently in use between GSA Advantage and the Army Funds Control Module (FCM). Because this process is not to be perpetuated to any other systems and will be phased out as the Army transitions to GCSS-Army, these procedures will not be incorporated within the DLMS guidance, but are documented here to provide limited visibility/traceability for the applicable business rules. Details are documented in the background information (Paragraph 4.b.(4)) and additional functional requirements (Paragraph 7).

b. **Background**:

(1) Routing. When ADC 1068 was established, the thinking was to have the DIC FV1 routing to both FCM and GCSS-Army if the Requisitioner was supported by GCSS-Army and the bill-to party was supported by FCM or the requisitioner was supported by FCM and the bill-to party was GCSS-Army. This could create an erroneous double obligation situation if both FCM and GCSS-Army systems created an obligation for the same requisition from offline ordering. As the Army moves forward with fielding GCSS-Army, the business process has changed and the Army will requisition through GCSS-Army and the offline systems with the Army's reimbursable and direct charge process. This new process will eliminate the need for dual routing to both FCM and GCSS-Army systems to track the offline requisitions. This will prevent erroneous double obligations in either one of the Army systems.

(2) Unit of Issue: During the design phase, the GCSS-Army team determined that the unit of issue would be required to build the appropriate record for non-standard materiels.

(3) New Rejection Code: During the design phase, the GCSS-Army found that the system validation to establish an obligation may encounter an error that does not correspond to the existing reply codes for the DIC FV2 (e.g., inclusion of a project code not valid for internal Army use). A non-specific rejection code is authorized to allow this code to serve multiple purposes for the Army and, potentially, to be used by other Services for their own unique validation requirements.

(4) De-obligation Procedures: GSA Advantage implemented a procedure to de-obligate funds without prior coordination that is contrary to the business rules documented in DLMS guidance. The de-obligation process was discussed during planning for the GCSS-Army implementation of ADC 1068 and all participants (including GSA, DLMSO, DOD EMALL, and Army representatives) agree that the de-obligation process would not be incorporated within the approved design for DOD EMALL or other Component systems. However, since removal would require programming and the non-standard process will be phased out over time, it should be allowed to continue in use for Army FCM. All participants agreed that the existing rules adequately address processing for "shopping carts" containing multiple requisition lines when

funds are not available to successfully process all lines. The additional procedures for de-obligation add an unnecessary level of complexity to the funds availability interface and will, therefore, not be authorized for DOD-wide implementation.

    c. **Approved Change in Detail**:

        (1) Routing: Eliminate dual routing of the DIC FV1 Funds Verification Request as requested during initial design of the funds verification process for Army requisitions where the requisitioner and the bill-to activity are supported by different Army financial systems or where the bill-to activity is non-Army. Under the new rule, the DIC FV1 will be directed only to the bill-to activity. The following table illustrates the revised transaction flows in Requisition Example Number 4, 6 and 7 (*strike through is used to remove indicators associated with dual routing*).

Requisition Example Number	Requisition Content					Request for Funds Verification Routing		
	Requisitioner w/GCSS-A (Bill-To COMMRI = RUSAJUA)	Bill-To w/GCSS-A (Bill-To COMMRI = RUSAJUA)	FCM Requisitioner	FCM Bill-To	MC Bill-To	FV1=> FCM	FV1=> GCSS-A	FV1=> SABRS
1.	Y	Y					X	
2.			Y	Y		X		
3.					Y			X
4.	*Y*			*Y*			~~X~~	*X*
5.			Y		Y	~~X~~		X
6.	*Y*			*Y*		*X*	~~X~~	
7.		*Y*	*Y*			~~X~~	*X*	

        (2) Unit of Issue: Revise the DIC FV1 Funds Verification Request format to show the unit of issue as required (rather than optional) content.

        (3) New Rejection Code: Revise the DIC FV2 Verification of Funds Availability Reply process to add a new non-specific rejection condition. The new code should read: Rejection Code 9 - Invalid data; do not process, please contact your funding organization or resource manager. The types of invalid data that fall within the scope of Rejection Code 9 are:

        (a) Unit of issue is not recognized,

        (b) Price is not valid (zero is a valid value),

        (c) Quantity is not valid (blank is NOT a valid value),

        (d) Fiscal year is not valid, and

        (e) Project code is not valid.

d. Revisions to DLM 4000.25 Manuals:

    (1) Refer to Enclosure 1 for DLM 4000.25, Volume 4, Chapter 7 procedure revisions.

    (2) Refer to Enclosure 2 for DLM 4000.25, Volume 4, Appendix 2.11 code revisions.

    (3) Refer to Enclosure 3 for DIC FV1 format revisions.

    (4) Refer to Enclosure 4 for DIC FV2 format revisions.

e. Transaction Flow: The ordering system will prepare the transmission to DLA Transaction Services gateway identifying the DLA Transaction Services URL (identified in the Web Services Description Language (WSDL) provided by DLA Transaction Services) and the COMMRI of the Service system to receive the transaction based upon the bill-to activity identified in the requisition. Under this change, it will no longer be necessary for the ordering system to prepare a funds verification request for two systems using two separate transactions.

f. Alternatives: None identified.

g. Proposed DLMS Change 1068A Staffing Response/Comment Resolution:

	Originator	Response/Comment	Disposition
1.	DLA	Concur	Noted.
2.	Air Force	Concur	Noted.
3.	Marine Corps	Concur	Noted.
4.	Navy	Concur	Noted.
5.	GSA	Concur	Noted.
6.	USTRANSCOM	Abstains. There is no impact to USTRANSCOM systems based on this change.	Noted.

5. REASON FOR CHANGE:

    a. The Army Audit Agency published findings that identified material weaknesses related to Army "off-line" purchases. The audit highlighted the lack of timely obligations, established statuses, and materiel receipts in Army accountable records. In response, the Army, DLA, and GSA developed business rules and a middleware interface to validate customer information, obligation amounts, and notify suppliers if the requisition is valid to process. The Army is now fielding an enterprise resource program (ERP) system that performs the middleware functions internally. The ERP necessitates a rewrite of the business rules and routing for transactions to support the new ERP environment. Failure to adopt changes and business rules will return the Army to a material weakness for financial obligations in offline transactions.

b. Documents requirements for improvements to the procedures for processing of verification of funds availability requests.

c. Documents implemented procedures that deviate from the approved process to provide an audit trail for that process.

6. ADVANTAGES AND DISADVANTAGES:

a. <u>**Advantages:**</u> Prevents duplicate obligation in two Army systems. It is also good practice to have the unit of issue for audit purposes to know whether a requisition order is for a box, each, etc.

b. <u>**Disadvantages:**</u> None

7. ADDITIONAL FUNCTIONAL REQUIREMENTS:

a. GSA deviation for de-obligation: GSA provided the following clarification for use of the de-obligation process supported by GSA Advantage and Army FCM:

(1) The de-obligation message uses all the parameters from the original obligation message except that the price will be negative for de-obligation and a new Message ID will be used.

(2) If some of the items in a multi-item cart failed obligation and the Army customer chooses to re-arrange the order of items in the cart for re-obligation, previous obligations for the cart are de-obligated first before submitting the new obligation requests for the re-arranged cart.

(3) The Army user can submit a cancellation request for a requisition through GSA Advantage. If the original requisition has NOT been processed by the Source of Supply (SOS), GSA Advantage will cancel the requisition internally and submit the de-obligation to FCM for the cancellation.

(4) If there is a cancellation request after the original requisition was processed by the Source of Supply (SoS), then the SoS will send the requisition modification request to FCM module. GSA Advantage will not submit a de-obligation request to FCM for this scenario.

b. Approved procedures (alternative to de-obligation process):

(1) With the exception of the GSA-FCM interface described above, all other trading partners will conform to the DLMS guidance, which prescribes the following business rules for multiple line item orders. These rules mirror MILSTRIP demand sequencing rules, except that the required delivery date is included in the criteria. When multiple line items are included in the customer's "shopping cart," they will be processed for funds verification as individual requisitions in succession by sequence described below, thereby allowing funds to be applied appropriately should there be insufficient funds for the entire "cart." The sequence will be

- Priority Designator (PD),
- OSD/JCS project codes,
- Special Requirements Code 999 and PD 01-03,
- Special Requirements Code N (NMCS) (PD 01-08),
- Special Requirements Code E (ANMCS) (PD 01-08),
- Special Requirements Code 555 and PD 01-08,
- Required Delivery Date.

(2) Additionally, all cancellations will be processed by the SoS with de-obligation occurring under MILSTRIP rules based upon receipt of supply status rather than through the funds availability interface.

8. TIME LINE/IMPLEMENTATION TARGET:

a. Staggered implementation is authorized by internet ordering system as follows.

(1) GSA: Routing rule update and UI requirement implemented October 22, 2014. New Reject Code 9 will be delayed for joint implementation by GCSS-A, GSA, and DOD EMALL in 2015.

(2) DOD EMALL: All aspects of ADC 1068A are planned for implementation fourth quarter fiscal year 2015 (to coincide with FEDMALL release).

b. Other Components must establish a future requirement to adopt the funds verification process in support of DOD EMALL and GSA internet ordering.

9. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Not available.

10. IMPACT:

a. New DLMS Data Elements: No new data elements are applicable to this change.

b. Changes to DLMS Data Elements: A new value is established for the funds verification reply code. Refer to Enclosure 2.

c. **Automated Information Systems (AIS):**

(1) Systems performing funds verification may adopt the new rejection reply code as needed.

Staffing Note: Use of this reply code by the Service system is optional to preclude impact on the Army FCM, which is being phased out as GCSS-Army processing is rolled out to support Army activities.

(2) DOD EMALL and GSA Advantage

(a) Modify business rules to direct the FV1 Funds Verification Request to the bill-to activity only (eliminating dual routing to the requisitioner's system when different).

(b) Recognize the new rejection reply code when returned by the Service system.

(c) Update the FV1 format to ensure unit of issue is included.

d. **DLA Transaction Services:** This change eliminates dual routing, but since the routing designation is determined by the internet ordering system, this change does not directly impact DLA Transaction Services transaction processing. There may be minimal impact for the updated funds verification schema format.

e. **Non-DLA Logistics Management Standards Publications:** This change may impact internal operating procedures.

Enclosure 1, DLM 4000.25, Volume 4, Chapter 7 Revisions

Revise Chapter 7, Verification of Funds Availability Web Call for Requisitions Submitted via Internet Ordering Applications, as shown:

      C7.3. <u>BUSINESS RULES</u>. 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 shall be forwarded to the ***activity identified by the bill-to DoDAAC regardless of requisitioner or ship-to activities. Only one Verification of Funds Availability Request will be prepared per requisition.*** ~~Army when the requisition identifies an Army DoDAAC in either the document number or supplemental address~~.

(Intervening text not shown)

        ~~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 shall be asked to confirm that correct information is used in the requisition and an obligation has been recorded by the bill-to Component. Cite FV Reply Code G. The customer may choose to continue or abort processing (subject to bill-to activity's funds verification processing, when available).~~

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[1] ~~Under the pilot program,~~ ***I***mplementation is limited to an interface between DoD EMALL and GSA Advantage/GSA Global and the Army ***using Army*** Funds Control Module (FCM) ***and Global Combat Support System-Army (GCSS-Army).*** ~~the~~ A Marine Corps financial application ***interface is pending.*** Additional Component interfaces are projected under future phases. Refer to ADC 328 ***and ADC 1068/1068A.***

Enclosure 2, Funds Verification Reply Code Revisions

Revise DLM 4000.25, Volume 4, Appendix 2.11 as shown:

<u>**AP2.11. APPENDIX 2.11**</u>

<u>**FUNDS VERIFICATION REPLY CODE**</u>

NUMBER OF CHARACTERS: One

TYPE OF CODE: Alphanumeric

EXPLANATION: Identifies whether funds are available or if error precludes further processing.

Code   Description

<u>The following codes are acceptable for continued processing (alpha codes):</u>

A   Funds available; continue processing.

B   No action; bill-to not applicable under component procedures; continue processing.

D   No action due third party bill-to; continue processing.

E   Funds available; duplicate message identification number; continue processing.

G   No action, other component bill-to; confirm correct information and obligation has been recorded. If correct/confirmed, continue processing.

H   No action on modifier/follow-up due to previously recorded obligation; continue processing.

<u>Funds Verification Rejection (numeric codes):</u>

1   Order rejected due to lack of available funds for bill-to DoDAAC; do not process.

2   Order rejected due to unauthorized bill-to DoDAAC under Component procedures; do not process.

3   Invalid fund code; do not process.

4   Duplicate document number or document number suffix; do not process.

5   Modifier/follow-up with different materiel identification; do not process.

6   Supply class not authorized for this requisitioner under Component procedures; do not process.

7   CAGE code not recognized by Component system; do not process. If manually entered recheck input; if system-populated contact help desk.

8   Fund Code update not authorized (status of supply action precludes modification); do not process.

9   Invalid data; do not process, please contact your funding organization or resource manager.[1]

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[1] Refer to ADC 1068A; implementation scheduled for 4rd quarter fiscal year 2015.

Enclosure 3, Funds Availability Request Revisions

DIC FV1 FORMAT
VERIFICATION OF FUNDS AVAILABILITY REQUEST

Transaction Format

Data Element	Data Type	Length	Required (Yes/No)	Notes	Character Restrictions
Document Identifier Code (DIC)	a/n	3	Y	Unique DIC assigned to this transaction.	FV1
Message Identification Number	a/n	20	Y	Unique control number for the request. 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 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.[2]	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 DLA Transaction Services 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. Part number may be assigned by the manufacturer or the supplier.	A-Z, 0-9
Materiel ID Flag	alpha	1	Y	N or P indicating NSN or Part Number	N, P

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[2] 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.

Data Element	Data Type	Length	Required (Yes/No)	Notes	Character Restrictions
Commercial and Government Entity (CAGE) Code	a/n	5	N	Identifies manufacturer or supplier when part number is used. Required entry for non-NSN materiel.	A-Z, 0-9
Quantity Ordered	numeric	5[3]	Y		0-9
Unit Price	R9.2	11	Y	Up to 11 positions will be transmitted as 9 digits dollars, *explicit* decimal point, and 2 digits cents.[4] ***NOTE: The decimal point does not count as a character.***	0-9, decimal
Unit of Issue	a/n	2	~~N~~ *Y*		A-Z, 0-9
Fiscal Year	numeric	4	Y	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	0-9
Fund Code[5]	a/n	2	N		A-Z, 0-9
Project Code	a/n	3	N		A-Z, 0-9
Source of Supply (SoS) Routing Identifier Code (RIC)	a/n	3	Y	Identifies the SoS to which the requisition is forwarded for processing.	A-Z, 0-9
Requisition Modifier/ Follow-up Flag	alpha	1	N	M or F indicating requisition modification or follow-up; not used on new requisitions.	M, F
Federal Supply Class (FSC)	numeric	4	N	Identifies the FSC for part numbered items. Required entry for non-NSN materiel.	0-9
Item description	a/n	25	N	Provides text name/identification for part numbered items. Do not include special characters. Required entry for non-NSN materiel.	A-Z, 0-9

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

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

[5] Army Regulatory Fund Code

Enclosure 4, Funds Availability Reply Revisions

<u>DIC FV2 FORMAT</u>
<u>VERIFICATION OF FUNDS AVAILABILITY REPLY</u>

Transaction Format

Data Element	Data Type	Length	Required (Yes/No)	Description	Character Restrictions
Document Identifier Code (DIC)	a/n	3	Y	Unique DIC assigned to this transaction.	FV2
Message Identification Number	a/n	20	Y	Response will use same number as initial request.	A-Z, 0-9
Funds Verification Reply Code	a/n	1	Y	<u>Acceptable for Continued Processing (alpha codes):</u> A – Funds available; continue processing. B – No action; bill-to not applicable under Component procedures; continue processing. C- Reserved D – No action due third party bill-to; continue processing. E – Funds available, duplicate message identification number; continue processing. F - Reserved G – No action, other-Component bill-to; Confirm correct information and obligation has been recorded. If correct/confirmed, continue processing. H – No action on modifier/follow-up due to previously recorded obligation; continue processing.	A, B, D, E, G, H, 1- 8*9*

Data Element	Data Type	Length	Required (Yes/No)	Description	Character Restrictions
				<u>Funds Verification Rejection (numeric codes):</u> 1 – Order rejected due to lack of available funds for bill-to DoDAAC; do not process. 2 – Order rejected due to unauthorized bill-to DoDAAC under Component procedures; do not process. 3 – Invalid Fund Code; do not process. 4 – Duplicate document number (or document number/suffix); do not process. 5 – Modifier/follow-up with different materiel identification; do not process. 6 – Supply class not authorized for this customer; do not process. 7 – CAGE code not recognized by Component system; do not process. If manually entered recheck input; if system-populated contact help desk. 8 – Fund Code update not authorized (status of supply action precludes modification); do not process. ***9 – Invalid data; do not process, please contact your funding organization or resource manager. [1]***	

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[1] Refer to ADC 1068A; implementation scheduled for 4rd quarter fiscal year 2015