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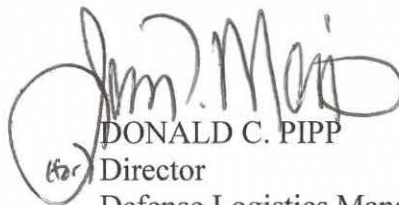
April 13, 2015

**MEMORANDUM FOR SUPPLY AND SUPPLY DISCREPANCY REPORT (SDR) PROCESS
REVIEW COMMITTEE (PRC) MEMBERS**

SUBJECT: Approved Addendum to Approved Defense Logistics Management Standards (DLMS)
Change 1102A, Procedures for Unauthorized/Discrepant Air Force Returns to DLA
Distribution Centers (Supply/SDR)

The attached change to DLM 4000.25, Defense Logistics Management Standards, and DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), is approved. This addendum supplements ADC 1102; all procedures approved under the original document are unchanged. This addendum is effective immediately.

Addressees may direct questions to Ms. Ellen Hilert, DOD SDR System Administrator, 703-767-0676 or DSN 427-0676, e-mail: ellen.hilert@dla.mil; Mr. Ben Breen, 614-692-2317 or DSN 850-2317, email: Benjamin.Breen@dla.mil or Ms. Mary Jane Johnson, (703) 767-0677; DSN 427-0677, email: Mary.Jane.Johnson@dla.mil. All others must contact their Component designated Supply PRC representative or SDR Subcommittee representative available at: www.dla.mil/j-6/dlmsoc/CertAccess/SvcPointsPOC/allpoc.asp (DOD common access card restricted).



DONALD C. PIPP

(for) Director
Defense Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD (SCI)

Attachment to ADC 1102A

Procedures for Unauthorized/Discrepant Air Force Returns to DLA Distribution Centers

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION: U.S. Air Force
HAF/A4LR Supply Chain Materiel Policy DSN: 612-4312 Commercial: 240-612-4312

2. FUNCTIONAL AREA:

- a. **Primary/Secondary Functional Area:** Receipt processing
- b. **Primary/Secondary Functional Process:** Supply Discrepancy Reporting

3. REFERENCES:

- a. [ADC 1102](#), Procedures for Discrepant or Unauthorized Returns to the Distribution Centers, June 5, 2014
- b. [ADC 1142A](#), Update to Remove General Services Administration (GSA) from MILSTRIP Materiel Returns Program (MRP), August 21, 2014
- c. [DLM 4000.25, Defense Logistics Management System, Volume 2, Supply](#) (including procedures applicable to Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) receipt processing, SDR submission, and MILSTRIP Materiel Returns Program.

4. REQUESTED CHANGE(S):

a. **Brief Overview of Change:** This addendum amends procedures approved under ADC 1102 (reference 3.a.) to establish specific guidance to report DLA distribution center receipts and SDRs for unauthorized/unexpected consumable item returns to the returning Service (rather than the item manager) using a pre-designated routing identifier code (RIC) when the returning Service is an Air Force activity. This guidance is applicable when the return lacks a prepositioned materiel receipt (PMR) or documentation clearly identifying the owner to which the receipt should be reported and MILSTRAP requirements for processing of receipts lacking documentation have been unsuccessful in determining the intended owner. This change is not applicable to procurement source receipts or repairables, which must be received under existing MILSTRAP procedures. This addendum supplements ADC 1102; all procedures approved under the original document are unchanged.

b. **Background:**

(1) DLA distribution centers report consumable item receipts and associated SDRs for discrepant returns to the materiel owner when known; however, when the materiel return is considered unauthorized (i.e., no PMR/incomplete or missing documentation with no identified owner) the receiving activity will transmit the receipt and SDR to the item manager, except when a pre-designated Service owner RIC has been established under ADC 1102 business rules. At the time ADC 1102 was published, only the Navy and Marine Corps were able to identify an owner RIC to be used as the

default owner of consumable item returns. Upon further research, the Air Force determined that an Air Force RIC could also be established under the ADC 1102 procedures for consumable item returns.

(2) ADC 1142A updated DLMS procedures for handling returns of GSA-managed materiel after GSA formally withdrew from the Materiel Returns Program (MRP).

(3) DLA SDR team representatives continue to report that the submission of receipts and SDRs to DLA for unauthorized returns results in failed transactions, which require a significant investment of time and resources to research and reprocess.

c. Requested Change in Detail:

(1) Revise DLA distribution center procedures to report receipt of unauthorized returns (no PMR/incomplete or missing documentation with no identified owner) of consumable items by Air Force activities to the Air Force using RIC FHZ (Tinker AFB, OK). In addition to the receipt, the SDR will be prepared with the action copy directed to the same owner RIC and an information copy directed to the returning/shipping activity.

(2) Updated procedures will also include reporting the unauthorized return of GSA-managed materiel to DLA distribution centers by Air Force activities to the pre-designated Air Force owner RIC.

d. Revisions to DLM 4000.25 Manuals: Refer to Enclosure 1.

e. Proposed Transaction Flow: The transaction flow is shown in Enclosure 2.

f. Alternatives: None identified

5. REASON FOR CHANGE: This change will establish a more efficient process by which the Service would retain ownership of materiel purchased from other Service/Agency sources of supply that have been improperly returned.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages:

(1) This change documents clear rules for reporting of unauthorized return of consumable items to the owning Service where the owning Service has established a designated RIC for this purpose. This reduces the volume of failed SDRs directed to DLA and provides an opportunity for the owning Service to redistribute usable assets or offer the materiel for credit under the MILSTRIP materiel returns program.

(2) Under this change, the Air Force establishes RIC FHZ as the default location regardless of where the materiel is located after the receiving location has gone through its normal logic to determine owner and, as a last resort, assigns RIC FHZ as the owner for Air Force materiel. The Air Force selected RIC FHZ in order to consolidate the 'erroneous' receipts under one location.

b. Disadvantages: None identified.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: This change is effective upon publication.

8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Not able to quantify.

9. IMPACT:

a. **New DLMS Data Elements:** N/A

b. **Changes to DLMS Data Elements:** N/A

c. **Automated Information Systems (AIS):** DLA Distribution Standard System: System changes may be required to route SDRs for unauthorized consumable item returns from Air Force activities to the Air Force-designated owner RIC.

d. **DLA Transaction Services:** N/A

e. **Non-DLM 4000.25 Series Publications:** The process revision identified may require updates to internal operating procedures for Air Force and DLA distribution centers. DLA Distribution training will require updated guidance.

Enclosure 1, Defense Logistics Manual (DLM) Revisions

Changes are identified by ***bold red italics*** and strike-through text.

A. Revise DLM 4000.25, Defense Logistics Management System, Volume 2, Chapter 13, Materiel Receipt, and the equivalent section of DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), Chapter 4, Receipt and Due-in, as shown. Text reflects ADC 1102 (reference 3.a.) and ADC 1142A (reference 3.b.) revisions.

“C13.2.8.2.10.11. Receipts Not Due-In (no ARI file)

C13.2.8.2.10.11.1. GSA Managed Items. GSA does not authorize return of assets to DoD storage activities. Receipts of GSA assets not without a corresponding due-in are, therefore, DoD-owned assets. The DoD Components are responsible for providing DLA with an organization to which the DLA storage activity can record these assets. The DoD Components will establish internal procedures for processing the receipts from the depot for these assets for subsequent issue or release for DLA Disposition Services. In the absence of guidance from the DoD Components for reporting receipt of unauthorized return of GSA assets to their DoD Component, DLA storage activities will receipt the assets for local use by the depot. If the materiel cannot be used locally it is sent to disposal. This procedure ensures the assets are recorded on a DoD record. The Navy, ~~and~~ Marine Corps, ***and Air Force*** have directed implementation of this procedure as follows:

C13.2.8.2.10.11.1.1. Report Navy-returned GSA-managed items to Navy RIC NRP. An SDR will be provided to the Navy owner for information.

C13.2.8.2.10.11.1.2. Report Marine Corps-returned GSA-managed items to Marine Corps RIC MPB. An SDR will be provided Marine Corps owner for information.

C13.2.8.2.10.11.1.3. Report Air Force-returned GSA-managed items to Air Force RIC FHZ. An SDR will be provided to the Air Force owner for information.

C13.2.8.2.10.11.2. DoD-Managed Repairable Items. Report the Receipt Transaction to the manager of the shipping DoD Component. Do not include a discrepant receipt management code in the transaction. For materiel shipped between wholesale storage activities, report the receipt citing Reason for Materiel Receipt/Return Code N. IMMs receiving transactions reporting returns not-due-in of phase II repairables, for which they are not the IMM, will follow the materiel returns program procedures to report/ship the materiel as prescribed by the IMM.

C13.2.8.2.10.11.3. DoD-Managed Consumable Items. Report receipt to the IMM in the applicable condition and do not include a discrepant receipt management code in the transaction. However, the DoD Components may prescribe reporting to their own item manager for returns from their own Component activities. The Navy and Marine Corps have directed implementation of this procedure as follows:¹

C13.2.8.2.10.11.3.1. Navy-returned consumable items must be reported to the Navy using RIC NRP regardless of the item manager. An SDR will be provided to the Navy owner for information.

C13.2.8.2.10.11.3.2. Marine Corps-returned consumable items must be reported to RIC MPB regardless of the item manager. An SDR will be provided to the Marine Corps owner for information.

C13.2.8.2.10.11.3.3. Air Force-returned consumable items must be reported to RIC FHZ regardless of the item manager. An SDR will be provided to the Air Force owner for information.

¹ Refer to ADC 1102/***1102A***.

B. Revise DLM 4000.25, Volume 2, Chapter 17, Supply Discrepancy Reporting, as shown. Renumber subsequent paragraphs. Text reflects ADC 1102 revisions.

“C17.3.4. Materiel Returns

C17.3.4.1. Discrepancy Greater Than \$100. Continental United States (CONUS) and Outside Continental United States (OCONUS) activities receiving materiel returns (excess or redistributed materiel, or reparable materiel, including returns from FMS customers) shall submit an SDR for discrepancies specified above regardless of condition when the dollar value is equal to or greater than \$100 per line-item. Discrepancies pertaining to controlled inventory items shall be reported by SDR regardless of dollar value or condition.

C17.3.4.2. Unauthorized Returns (no PMR/incomplete or missing documentation/no identified owner).¹ Discrepancy reports for distribution center receipts of unauthorized material returns will be routed under MILSTRAP for receipt reporting:

C17.3.4.2.1 . Repairable Items. Report discrepant receipt SDR to the owner/manager associated with the shipping activity.

C17.3.4.2.2. Consumable Items. Report discrepant receipt SDR to the applicable item manager except:

C17.3.4.2.2.1. Navy-returned consumable items must be reported to the Navy using RIC NRP regardless of the item manager. An SDR will be provided to the Navy owner for information only.

C17.3.4.2.2.2. Marine Corps-returned consumable items must be reported to RIC MPB regardless of the item manager. An SDR will be provided to the Marine Corps owner for information only.

C17.3.4.2.2.3. Air Force-returned consumable items must be reported to RIC FHZ regardless of the item manager. An SDR will be provided to the Air Force owner for information only.

¹ Refer to ADC 1102/***1102A***.

Enclosure 2, Process Flow Diagram

Unauthorized/Unanticipated Returns

