



DEFENSE LOGISTICS AGENCY
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July 07, 2015

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1124,
Revise MILSTRAP and DLMS Time Standards for Receipt Processing to Support
DODM 4140.01 Policy (Supply/MILSTRAP)

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 for implementation effective immediately.

Addressees may direct questions to Mr. Rafael Gonzalez, email: Rafael.Gonzalez@dla.mil;
or Ms. Mary Jane Johnson, email: Mary.Jane.Johnson@dla.mil. Others may direct questions to
their Service or Agency designated Supply PRC representative available at
<https://www2.dla.mil/j-6/dlmso/CertAccess/SvcPointsPOC/allpoc.asp>.

A handwritten signature in black ink, appearing to read "D C Pipp", is written over the printed name.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD (SCI)
Joint Physical Inventory Working Group (JPIWG)

Attachment to ADC 1124
Revise MILSTRAP and DLMS Time Standards for Receipt Processing to Support DODM 4140.01 Policy (Supply/MILSTRAP)

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Office:** Defense Logistics Management Standards Office (DLMSO)

b. **Functional POC:** Mr. Rafael Gonzalez, DLMSO, email: Rafael.Gonzalez@dla.mil, (717) 770-6817; DSN 771-6817

2. FUNCTIONAL AREA: Supply, Receipt process

3. REFERENCES:

a. Defense Logistics Manual (DLM) 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), www.dla.mil/j-6/dlmsso/elibrary/manuals/dlm/dlm_pubs.asp

b. DLM 4000.25, Defense Logistics Management Standards, Volume 2, Supply Standards and Procedures, www.dla.mil/j-6/dlmsso/elibrary/manuals/dlm/dlm_pubs.asp

c. DOD Manual (DODM) 4140.01, Volume 5, DoD Supply Chain Materiel Management Procedures: Delivery of Materiel, www.dla.mil/j-6/dlmsso/elibrary/manuals/regulations.asp

4. APPROVED CHANGE(S):

a. **Brief Overview of Change:** Revise MILSTRAP (Reference 3.a.) and DLMS, Volume 2 (Reference 3.b.), time standards for processing receipts to reflect the DODM 4140.01, Volume 5 (Reference 3.c.) policy that receiving activities will “record receipts no later than 5 business days from date materiel received”. Affected chapters are MILSTRAP Chapter 4 (Receipt and Due-In) and DLMS Volume 2, Chapter 13 (Materiel Receipt), Chapter 16 (Disposition Services), and Chapter 20 (Medical Unit Assembly Program). Revisions are necessary to:

(1) update the MILSTRAP Chapter 4 and DLMS, Volume 2, Chapter 13 wholesale receiving procedures that currently allow receipt processing time of 7 calendar days for new procurement and redistribution and 10 calendar days for all other receipts,

(2) update the DLMS, Volume 2, Chapter 16 receiving procedures that do not currently include a receipt processing timeframe, while the Chapter 20 procedures cite the 7 and 10 day requirements shown in Chapter 13,

(3) clarify the requirement to make associated assets visible from the point of inspection and acceptance within 24 hours in context of MILSTRAP/DLMS, and

(4) clarify that the MILSTRAP/DLMS “wholesale receipt process” is being addressed, rather than “wholesale receipt *activity* process”. Defense Distribution Centers process both wholesale and retail receipt so they are more than wholesale receipt activities.

b. Background:

(1) The February 2014 issuance of DODM 4140.01, Volume 5, Enclosure 3, paragraph 8.b excerpt below stipulates that:

“b. Receiving activities will:

- (1) Record receipts no later than 5 business days from date materiel received.
- (2) Make associated assets visible from the point of inspection and acceptance within 24 hours of recording receipts (holidays and weekends excepted).
- (3) Notify the local accounting and finance office of the item receipt within 24-hours.
- (4) Notify the accountable property officer of recording receipts, when applicable.
- (5) Provide MRA for receipt of all shipments of materiel, whether requisitioned (pulled) or pushed to them, from any supply source, e.g., issues from stock; direct or prime vendor deliveries; or issues from DLA Disposition Services according to References (p) and (q). Inventory title transfer and customer billing is not predicated on processing of the MRA transaction.
- (6) Perform acceptance for materiel that is shipped directly from commercial sources where the contract specifies destination acceptance.”

(2) DODM 4140.01 further defines receiving as all actions taken by the receiving activity from the physical turnover of materiel by a carrier until the on-hand balance of the accountable stock record file or in-process receipt file is updated to reflect the received materiel as an asset in storage, or the materiel is issued directly from receiving to the customer.

(3) Prior to this revision, MILSTRAP and DLMS provided wholesale receipt processing performance measured in the two segments, and provided two timeframes for wholesale receipt processing through the two segments: 7 calendar days for new procurement and redistribution receipts, and 10 calendar days for all other receipts.

c. Approved Change in Detail:

(1) Revise the MILSTRAP and DLMS time standards for processing wholesale receipts to support the DODM 4140.01 policy requiring that receiving activities record receipts no later than 5 business days from date materiel is received.

(2) Revise the DLMS procedures for DLA Disposition Services processing of receipts of turn-ins, as well as receipts from relocations between field offices, to support the DODM 4140.01 policy requiring that receiving activities record receipts no later than 5 business days from date materiel is received

(3) Clarify the requirement for making assets visible from the point of inspection and acceptance within 24 hours of recording receipt.

(4) Updates to refer to “wholesale receipt processing” rather than “wholesale activity receipt processing”.

(5) Administrative updates to better align the MILSTRAP and DLMS procedures for time standards for processing receipts. This alignment will facilitate the eventual cancellation of MILSTRAP in favor of a consolidated DLMS Volume 2, as has been discussed at various Supply Process Review Committee meetings.

(6) Remove MILSTRAP deviation granted to DLA that allowed DLA to process redistribution receipts within 10 calendar days, to include stored, rather than 7 calendar days.

d. Revisions to DLM 4000.25 series of Manuals:

(1) Revise MILSTRAP Chapter 4, Receipt and Due-in, as shown in Enclosure 1.

(2) Revise DLMS, Volume 2, Chapter 13, Materiel Receipt, as shown in Enclosure 2.

(3) Revise DLMS, Volume 2, Chapter 16, Disposition Services, as shown in Enclosure 3.

(4) Revise DLMS, Volume 2, Chapter 20, Medical Unit Assembly Program, as shown in the Enclosure 4.

e. Alternatives: None.

5. REASON FOR CHANGE:

a. Changes are required to support current DODM 4140.01 Receipt Processing policy, to clarify time standards for recording receipts, and to better align the MILSTRAP and DLMS language with a goal toward ultimately consolidating the manuals.

b. The timeframe for making assets visible from the point of inspection is established to ensure that receipt records identifying receipt of materiel from a procurement source, requiring inspection and acceptance at destination, or by an alternative location other than destination or origin, must be made available promptly, thereby allowing these required actions to occur. Receipted materiel would not be available for use pending inspection and acceptance, making it critical that no delay occur in providing visibility. The original MILSTRAP wording for this guidance did not clarify the specific circumstances requiring record visibility and did not make the time standard mandatory. Therefore, this change clarifies the MILSTRAP/DLMS procedures for the DODM 4140.01 requirement to “Make associated assets visible from the point of inspection and acceptance within 24 hours of recording receipts (holidays and weekends excepted)”, to stipulate that the statement is only applicable to procurement source receipts, because acceptance only applies to procurement source receipts. The guidance is further updated to remove the word “normally” making the time standard a mandatory requirement. It further clarifies that the statement does not apply when the required inspection and acceptance are performed at origin, since

the required acceptance and inspection would have already occurred, eliminating the need to make records available upon receipt for this purpose.

c. Remove MILSTRAP deviation allowing DLA to process redistribution receipts within 10 calendar days, to include storing the materiel, rather than 7 calendar days, because the deviation was requested/granted as a temporary interim deviation over 10 years ago.

6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Updates MILSTRAP and DLMS time standards for processing receipts to support and reflect DODM 4140.01 policy. Clarifies requirements. Aligns the MILSTRAP and DLMS chapters on time standards for receipt processing.

b. **Disadvantages:** There are no known disadvantages to these procedure changes supporting DOD policy.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Effective immediately upon release of ADC to support current DODM 4140.01 policy.

8. IMPACT:

a. **New DLMS Data Elements:** No new DLMS data elements.

b. **Changes to DLMS Data Elements:** No changes to existing DLMS data elements.

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

(1) Component wholesale receiving function should ensure that their systems support the revised timeframes required by DODM 4140.01 policy and DLMS/MILSTRAP.

(2) DLA Disposition Services receiving function should ensure that their systems support the timeframe required by DODM 4140.01 policy and DLMS.

(3) Component Medical Unit Assembly Program receipt processing should ensure that their systems support the revised timeframes required by DODM 4140.01 policy and DLMS.

d. **DLA Transaction Services:** There are no changes to current transaction flows and mappings through DAAS.

e. **Non-DLM 4000.25 Series Publications:** None identified. Components must update their Component-level publications if required.

9. Proposed DLMS Change (PDC) 1124 Staffing Response/Comment Table:

	Originator	Response/Comment	Disposition
1.	DLA	Concur with comment. DLA is currently reviewing necessity of a follow-on PDC to address removal of its deviation.	Noted.

	Originator	Response/Comment	Disposition
2.	GSA	Concur without comment.	Noted.
3.	Air Force	Concur as written	Noted.
4.	Army	Concur without comment.	
5.	Navy	Concur without comments	Noted.
6.	Marine Corps	<p>Headquarters, Marine Corps has reviewed PDC 1124 and recommends adjusting language within the PDC to reference Time Definite Delivery (TDD) standards within the changes to the Defense Logistics Manual (DLM) 4000.25-2 and the DLM 4000.25. If the theater segment time as indicated in the aggregate TDD standards posted at the location specified in DODM 4140.01 Volume 8, Enclosure (3), Paragraph 3.(a).3.d. is less than five business days, then that lesser time should be the threshold required to run receipts. By not linking the receipt time to the theater segment of TDD standards, the elements of the PDC may indirectly extend TDD aggregate standards unnecessarily.</p>	<p>DLMSO acknowledges USMC concern with the DODM 4140.01 policy requiring that receiving activities will record receipts no later than 5 business days from date material received, while the TDD standards also addressed by DODM 4140.01 may provide for a lesser timeframe than 5 days to process receipts in select scenarios. However any clarifying language related to TDD, which USMC recommends, must be proposed for DODM 4140.01 policy. DLMSO cannot stipulate a different timeframe in MILSTRAP/ DLMS, than what the overarching policy states.</p> <p>MILSTRAP/DLMS procedures address wholesale receipt processing timeframes, which are unrelated to TDD.</p> <p>We understand, as USMC noted to DLMSO by email, that DODM 4140.01, Vol 5, policy directs that DOD components will pattern procedures for management of inventories below the wholesale level, after the wholesale level DoD Physical Inventory Control Program (PICP) procedures. The MILSTRAP/ DLMS PICP procedures include a Receipt Processing Performance Goal for the receipt time standards conveyed by the MILSTRAP and DLMS receipt chapters. However, MILSTRAP/DLMS must align with the existing DOD policy for 5 days to process the receipt. Therefore, ADC 1124 is approved as written in PDC 1124.</p> <p>DLMSO included this issue as an agenda topic at the June 24, 2015, Supply Process Review Committee (PRC) Meeting 15-2. At that meeting, USMC addressed their concerns with the DODM 4140.01 receipt processing timeframe, in the context of TDD, with DASD SCI; DASD SCI is reviewing the issue.</p>

ENCLOSURE 1 TO ADC 1124

Revise DLM 4000.25-2, MILSTRAP, Chapter 4, Receipt and Due-In, Section C4.6. Time Standards for Processing Receipts, as follows (changes are identified by **bold**, **red italics** or double strikethrough):

C4.6. TIME STANDARDS FOR PROCESSING RECEIPTS

C4.6.1. One objective of the ~~MILSTRAP system~~ **Department of Defense wholesale receipt processing performance** is to process receipts and ~~reflect~~ **show** them ~~on both the accountable and owner records~~ with minimal delay **on both the accountable and owner records**. Wholesale activity receipt processing performance ~~will, therefore, be measured~~ **is measured** in two **overlapping time** segments:

STAFFING NOTE: Current paragraphs C4.6.1.1 and C4.6.1.2 are being reversed and revised as shown:

C4.6.1.1. **The first segment is the time period between the date** materiel is turned over by the carrier to the designated receiving activity **and the date of posting the receipt** to the total item property record **(both accountable and owner records)**.

C4.6.1.2. **The second segment is the time period between the date** materiel is turned over by the carrier to the designated receiving activity **and the date stored** ~~to date when storage location/proof of storage is posted in storage activity records~~. Materiel is considered to be **stored** ~~in storage~~ when it reaches the first location (either temporary or permanent) where actual storage control exists through locator data and the materiel can be issued **without delay** in response to materiel release documentation.

C4.6.2. ~~MILSTRAP~~ **P** Performance standards for processing receipts through these time segments are as follows:

~~C4.6.2.1. Receipts from new procurement and redistribution⁺ will be processed through segments one and two within 7 calendar days.~~

~~C4.6.2.2. All other receipts will be processed through segments one and two within 10 calendar days.~~

C4.6.2.1. **Segment one. Materiel receipt is posted to the accountable and the owner record no later than 5 business days from date materiel is received.**

C4.6.2.2. **Segment two:**

C4.6.2.2.1. Receipt from new procurement and redistribution will be receipted and stored within 7 calendar days from the date materiel is turned over by the carrier.

C4.6.2.2.2. All other receipts will be receipted and stored within 10 calendar days from the date materiel is turned over by the carrier.

⁺ ~~A deviation granted to DLA allows DLA to process redistribution receipts through segments one and two within 10 calendar days.~~

C4.6.3. Making ~~Recording~~ asset records ~~receipts and making asset records~~ visible from the point of inspection and/or acceptance ~~normally will~~ **must** be accomplished within 24 hours **of recording receipts** (holidays and weekends excepted). ***(This applies to receipts from a procurement source when required inspection and acceptance are not performed at origin.)*** The accounting and finance office will be notified of the item receipt within the 24-hour period.

C4.6.4. Address wholesale ~~activity~~ receipt processing effectiveness as prescribed by Chapter 7, (C7.11.2.2.1.). The acceptable DoD performance goals for receipt processing are: **90 percent** posted within the time standard, ~~90 percent~~; **90 percent** stored within the time standard, ~~90 percent~~. When computing the overall performance against the above time standards, include receipt transactions frustrated for a long period of time prior to posting/storing.

ENCLOSURE 2 TO ADC 1124

Revise DLMS, Volume 2, Chapter 13, Receipt and Due-In, Section C13.2.6. Time Standards For Processing Receipts, as follows (changes are identified by ***bold, red italics*** or ~~double strikethrough~~): (Gray highlight reflects changes that align the DLMS section C13.2.6 with MILSTRAP section C4.2.6.; to that end, parts of C13.2.6.1 were moved to stand alone paragraphs C13.2.6.3 and C13.2.6.4.; and paragraph C13.2.6.4. incorporates the performance goals for receipt processing that are published in the corresponding MILSTRAP paragraph.):

C13.2.6. Time Standards for Processing Receipts

C13.2.6.1. Purpose. The Department of Defense measures wholesale ~~activity~~ receipt processing performance in terms of the goal to process receipts and show them with minimal delay ***on both the accountable and owner records***. ~~as on hand assets available for issue. Recording asset receipts and making asset records visible from the point of inspection and/or acceptance normally will be done within 24 hours (holidays and weekends excepted) as prescribed in DoD 4140.1-R, "DoD Supply Chain Materiel Management Regulation," May 23, 2003. The accounting and finance office must be notified of item receipt within the 24 hour period. One objective of the DLMS is to process receipts through the receiving activity, irrespective of geographical location, and show them on both the accountable and locator records with least delay. For this objective, there are two segments of receipt processing:~~ ***Wholesale receipt processing performance is measured in two overlapping segments:***

STAFFING NOTE: Current paragraphs C13.2.6.1.12 and C13.2.6.1.2. are reversed and revised as shown:

C13.2.6.1.1. ***The first segment is the time period between the date materiel is turned over by the carrier to the designated receiving activity and the date of posting the receipt to the total item property records (both accountable and owner records).***

C13.2.6.1.2. ***The second segment is the time period between the date materiel is turned over by the carrier to the designated receiving activity and the date stored when storage location/proof of storage is posted in the receiving activity's records. Materiel is considered to be stored in storage when it reaches the first location (either temporary or permanent) where actual storage control exists through locator data and the materiel can be issued without delay in response to materiel release documentation.***

C13.2.6.2. Processing Standards. Performance standards for processing receipts through these time segments are as follows:

~~C13.2.6.2.1. New Procurement. Process receipts from new procurement through segments one and two within 7 calendar days.~~

~~C13.2.6.2.2. Others. Process all other receipts through segments one and two within 10 calendar days~~

C13.2.6.2.1. Segment one. *Materiel receipt is posted to the accountable and the owner record no later than 5 business days from date materiel is received*

C13.2.6.2.2. Segment two:

C13.2.6.2.2.1. Receipt from new procurement and redistribution will be receipted and stored within 7 calendar days from the date materiel is turned over by the carrier.

C13.2.6.2.2.2 All other receipts will be receipted and stored within 10 calendar days from the date materiel is turned over by the carrier.

*C13.2.6.3. Making asset records visible from the point of inspection and ~~for~~ acceptance ~~normally will~~ **must** be accomplished within 24 hours of recording receipts (holidays and weekends excepted). (This applies to receipts from a procurement source when required inspection and acceptance are not performed at origin.) The accounting and finance office will be notified of the item receipt within the 24-hour period.*

C13.2.6.4. Wholesale Receipt Effectiveness. Report wholesale activity receipt processing effectiveness as prescribed by Chapter 6, C6.11.1.2.1. **The acceptable DoD performance goals for receipt processing are: 90 percent posted within the time standard, 90 percent stored within the time standard.** When computing the overall performance against the time standard, include Receipt Transactions frustrated for a long period of time prior to posting, storing, or reporting.

ENCLOSURE 3 TO ADC 1124

Revise DLM 4000.25, Volume 2 Chapter 16 (Disposition Services) as follows (changes are identified by **bold, red italics** or ~~double-strike through~~):

1. Revise Paragraph C16.6.7., Receipts of Turn-ins to DLA Disposition Services Field Offices:

C16.6.7. Receipts of Turn-ins to DLA Disposition Services Field Offices. For receipt of items that have been turned in, the field office will provide DLA Disposition Services a DLMS 527R Receipt, (Transaction Type Code D4 with 2/LIN01/10 code I) (MILSTRAP D6A functionality) or J (D6B functionality), as appropriate. The DTID number or DTID number and suffix, which represent specific property in the same condition turned in to a specific DLA Disposition Services Field Office, will be passed on all field office generated receipt transactions and provides the level of traceability DLA Disposition Services requires. Because property is often turned in used, simply representing property by materiel number (e.g., NSN or LSN) is insufficient and the DTID number or DTID number and suffix provides the capability to identify and track property at a more granular level of detail. For receipt of property, the field offices will sign the DD Form 1348-1A/1348-2 and provide a signed digital image of the turn-in document via eDOCs, to confirm receipt in ICS. ***DLA Disposition Services Field Offices must comply with the Chapter 13 time standards for processing receipts.***

2. Revise Paragraph C16.6.5.2, Prepositioned Materiel Receipt for Relocations Between Field Offices:

C16.6.5.2. Prepositioned Materiel Receipt ***and Receipt*** for Relocations Between Field Offices.

C16.6.5.2.1. Prepositioned Materiel Receipt. For all relocation actions between field offices, DLA Disposition Services will generate a DLMS 527D, PMR (Transaction Type Code DE), to the field office designated to receive the relocated materiel. The PMR will contain 2/LIN01/10 Code N (return to inventory of materiel relocated between storage activities without change in ownership (MILSTRAP DIC DWK functionality)). DLA Disposition Services will include the DTID number or DTID number and suffix in the PMR in order for DTID number or DTID number and suffix accountability to be maintained across multiple locations. The DTID number or DTID number and suffix value may be the original turn-in document number or may be a UCN assigned by the field office during receipt processing when the original DTID number or DTID number and suffix is not adequate to uniquely identify the property. Additionally, when an entire container is identified for transfer between field offices, the PMR will contain the disposition services container ID. Along with the Disposition Services Container ID, DLA Disposition Services will pass a Disposition Services Complete Container Count to indicate how many different DTID number, or DTID numbers and suffixes are within the container; this is how many different receipts are expected for a particular container.

C16.6.5.2.2. Receipt. Upon receipt of ~~the~~ materiel ***relocated between field offices***, the receiving field office will provide the DTID number or DTID number and suffix or UCN and, ***when applicable***, the disposition services container ID provided in the PMR to DLA Disposition Services using a DLMS 527R, Receipt, (Transaction Type Code D4) identified by 2/LIN01/10 Code N, and sequentially assign the Disposition Services Current Container Count number for each DTID number or DTID number and Suffix that is in the container. ***DLA Disposition Services Field Offices must comply with the Chapter 13 time standards for processing receipts.***

ENCLOSURE 4 TO ADC 1124

Revise DLM 4000.25, DLMS, Volume 2 Chapter 20 (Medical Unit Assembly Program), Section C20.5. Receipt Processing, as follows (changes are identified by ***bold, red italics*** or ~~double strikethrough~~):

C20.5. RECEIPT PROCESSING. The assembly activity will report procurement and nonprocurement receipts to the assembly manager using DLMS 527R Receipt. This notifies the assembly manager that assembly components have been received for a specific build/assembly of the medical end item. ~~Assembly activities shall maintain accountability by processing receipts from new procurements within seven calendar days and all other receipts within 10 calendar days. Receipts are measured from date turned over by the carrier to the designated receiving activity to date when storage location/proof of storage is posted in the receiving activity's records.~~ Assembly activities shall ***must*** comply with Chapter 13 for maintaining control of receipts, ***to include the time standards for processing receipts***, and for reporting discrepant/deficient receipts.