



**DEFENSE LOGISTICS AGENCY**  
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December 22, 2017

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

**SUBJECT:** Approved Defense Logistics Management Standards (DLMS) Change (ADC)  
1249, Revised Procedures for Directed Return of Discrepant/ Deficient Materiel  
including New Document Number Assignment for Return Shipment  
(SDR/MILSTRIP/MILSTRAP/Supply)

We are forwarding the attached approved change to DLM 4000.25, Defense Logistics Management Standards, for implementation. Components must implement this change for DLMS compliance; refer to the implementation target timeline in the attachment for details. The Enterprise Business Standards Office (EBSO) will post updated DLMS Implementation Conventions (IC to the Defense Logistics Management Standards Program Office Web at [http://www.dla.mil/HQ/InformationOperations/DLMS/elibrary/Transformats/140\\_997/](http://www.dla.mil/HQ/InformationOperations/DLMS/elibrary/Transformats/140_997/), within 10 days from the above date.

Addressees may direct questions to Mr. Ben Breen or Ms. Ellen Hilert, at email: [DLMSSupply@dlm.mil](mailto:DLMSSupply@dlm.mil) (use [DLMSSDR@dlm.mil](mailto:DLMSSDR@dlm.mil) for SDR-related questions). All others must contact their Component designated Supply PRC representative or SDR PRC representative available at: <http://www.dla.mil/HQ/InformationOperations/DLMS/committees/>.

**HEIDI M. DAVEREDE**  
Program Manager  
Enterprise Business Standards Office

Attachment  
As stated

cc:  
ODASD (SCI)  
DOD PQDR Committee

**Attachment to ADC 1249**  
**Revised Procedures for Directed Return of Discrepant/ Deficient Materiel**  
**including New Document Number Assignment for Return Shipment**

**1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:**

a. Ellen Hilert, DOD SDR System Administrator, Enterprise Business Standards Office (EBSO), email: [DLMSDDR@dla.mil](mailto:DLMSDDR@dla.mil)

b. Ben Breen, DOD SDR Alternate, EBSO, email: [DLMSDDR@dla.mil](mailto:DLMSDDR@dla.mil)

**2. FUNCTIONAL AREA:**

a. **Primary Functional Area:** Returns/Supply Discrepancy Reporting (SDR); Pre-Positioned Materiel Receipt (PMR)

b. **Secondary Functional Process:** Ship-in-Place Procedures, Product Quality Deficiency Report (PQDR), Transportation Discrepancy Report (TDR)

**3. REFERENCES:**

a. [Defense Logistics Manual \(DLM\) 4000.25](#), Defense Logistics Management Standards (DLMS), Volume 2, Chapter 17, Supply Discrepancy Reporting, and Chapter 24, Product Quality Deficiency Report Program

b. [DLA Memorandum Procedures for Receipt of Product Quality Deficiency Report \(PQDR\) Exhibits](#), October 20, 2017

c. [Approved DLMS Change \(ADC\) 353A](#), Procedures for Pre-Positioned Materiel Receipt (PMR) and Shipment Status for Retrograde and Directed Discrepant/Deficient Materiel Returns Including Corrected Time Standard for Security Assistance/Foreign Military Sales (SA/FMS), August 25, 2010

d. [ADC 128](#), Revised SDR Transaction Exchange (Formats, Codes, and Unique Item Identification (UID)), August 16, 2004

e. [ADC 1091](#), Supply Discrepancy Reports (SDRs) Requesting Replacement or Expedited Shipment, January 28, 2014

**4. APPROVED CHANGE(S):** Green highlighting identifies substantive changes subsequent to staffing.

a. **Brief Overview of Change:**

(1) This change revises business rules for document number assignment for directed return of materiel stored in DLA Distribution Centers. Current procedures state that the original owner/manager providing SDR disposition for return of discrepant materiel must direct the customer to use the original shipment document number. DLMS guidance for Product Quality Deficiency Report (PQDR) and Transportation Discrepancy Reports (TDR) returns is

more flexible, but supports the option for reuse of the original document number. While this reuse may be appropriate for some materiel held at the customer's location, it is not feasible for all situations. When the materiel is already located in a DLA Distribution Center and no physical shipment is required to return the materiel to the original owner/manager, the current owner must not reuse (or suffix) the original document number for the Positioned Materiel Receipt (PMR) and Materiel Release Order (MRO) directing the return. This is because the DLA Distribution Standard System (DSS) overlays PMR quantity due-in for a matching document number suffix while retaining the original quantity received resulting in misleading information. Owner/manager must use a different unique document number for the PMR and resulting ship-in-place process so this action will be distinct from the original shipment and receipt.

(2) An existing DLMS enhancement to the PMR and the materiel returns shipment status supports inclusion of a cross-reference document number when materiel must be returned on a document number other than the original requisition/shipment document number. This change builds on these enhancements by perpetuating the cross-reference document number to the receipt, thereby completing the transactional audit trail. It further clarifies the intent for the returning activity and the owner/manager to maintain visibility of the associated document numbers.

(3) In addition to clarifying and harmonizing procedures for directing return within DLMS guidance, this change revises requirements for SDR systems to implement data fields for the "directed return document number/suffix" and "return by date" on applicable SDR replies.

**b. Background:**

(1) The primary goal of ADC 1249 is to require managers to assign new document numbers for directed returns of materiel already located in a DLA Distribution Center where no physical movement of the materiel is required. This change does not address recent DLA-directed procedures for return and receipt of PQDR exhibits using a DLA-provided bar code label as described in Reference 3.b. Under the DLA procedures, the DLA item manager directs return of PQDR exhibits using the original requisition document number. DLA creates a PMR and provides the bar code label also using the original requisition document number. If the customer returning the materiel substitutes a different document number due to internal Service system constraints preventing compliance with the item manager's instructions, the DLA Distribution Center will disregard the customer's document number on shipping documentation (even when it matches a customer-provided PMR). Instead, the distribution center will use the DLA bar code label document number to record the receipt into the DLA account. The DLA procedures are a work-around designed to circumvent customer system constraints that do not allow directed returns using the original requisition document number or a new item manager assigned document number. Failure to return materiel on the assigned document number causes DLA to lose visibility of the materiel resulting in manual research and can cause significant delays in the investigation of reported deficiencies and issuing of credit to the customer. When the distribution center receipts the exhibit to the returning Service's ownership, the Service may not recognize the situation and issue the materiel to DLA Disposition Services or redistribute it within the Service. Services identifying system constraints preventing accomplishment of DOD standard return procedures under the original document number (as reported by Army and Marine Corps personnel) must take corrective action to comply. Since EBSO anticipates that the

Services will not be able to complete corrective action in the near term, EBSO asked DLA to formally document the interim procedures by DLMS change.

(2) Ship-in-place (also known as ship-to-self) terminology applies when a materiel owner sends a MRO to a storage activity solely to release/issue materiel to a new owner without physically moving the materiel. The system processing the MRO will recognize that no actual shipment is required by the process-specific format (i.e., the ship-to DoDAAC corresponds to the current location) and the materiel will remain in its current storage location. The storage activity will confirm the MRO and report the receipt to the new owner. The storage activity may or may not generate Shipment Status dependent upon the system used by the storage activity.

(3) ADC 353A (Reference 3.b.) revised procedures for directed return of discrepant/deficient materiel. ADC 353A established a second document number data field in the PMR and returns shipment status to serve as a cross-reference when the document number for the return differs from that on the original order/shipment. For supply discrepancies, it required the SDR reply to indicate the number of days allowed for the customer to return the materiel to a designated location. The ADC provided guidance for identification of the return-to/ship-to location identified by DoDAAC or Commercial and Government Entity (CAGE) Code (for contractors with no assigned DoDAAC). These procedures support the use of clear-text addresses in addition to the activity code. The ADC specified that the activity directing the return is responsible for establishing a due-in and transmitting a PMR transaction to the receiving activity. Refer to ADC 353A for additional details.

**Staffing note:** Although ADC 353A did not perpetuate the cross-reference document number to the receipt transaction, EBSO identified this as a potential gap. Accordingly, this ADC updates the DLMS 527R to carry the cross-reference document number from the PMR, thereby completing the audit trail.

(4) For return of supply discrepant materiel, ADC 353A appended procedures to pre-existing SDR guidance requiring use of the original document number to return discrepant materiel. This resulted in inconsistent guidance because the intent of the ADC was to allow alternative document numbers while recognizing that “many logistics business rules require that the return use the same document number as the related order/sale.” This change removes the statement mandating reuse of the original document number for SDR returns and adds guidance for ship-in-place returns to DLMS procedures for all types of directed returns.

(5) Prior to developing this proposal, the DLA DSS team tested a duplicate PMR document number to verify the effect. When DSS receives a duplicate document number, the system overlays the data if there is any current data on the PMR. If a Receipt was processed, DSS updates that quantity. If DSS had Document Number A with quantity 10 and receipted 10 and a new PMR came in for the same Document Number A for a quantity of 10, then the PMR in DSS would not look any different. The receiver would match the PMR, but there would be no PMR quantity available to receive, since DSS thinks it already received the entire PMR quantity. If DSS had a Document Number A with quantity 15 and receipted 10 and a new PMR came in with the same Document Number A for a quantity of 8, then the PMR in DSS would have a PMR quantity of 8 and a receipted quantity of 10. Again, when receipted, there would be no PMR quantity available but the data would display to the receiver. In DSS receiving, the system overlays any new PMR with the matching document number. If the document number has a suffix, the DSS receiving system will generate a new record. When DSS overwrites the record, DSS reads the Receipt History for any matching receipted materiel and updates the quantity

received on the PMR with that total quantity. When that materiel is received, the PMR data is displayed but with no PMR quantity available. The Receipt can be processed, but the PMR looks odd when more quantity is received than due in.

(6) The SDR Implementation Team reviewed alternative approaches for mapping the number of days allowed for the different actions (including return of discrepant materiel) directed by the SDR reply in conjunction with specific SDR reply codes. ADC 128 (Reference 3.c.) used one approach (originally intended for use with Reply Code 114 and 117) and ADC 353A used another (specifically for Reply Codes 105, 106, 107, 108). The Components confirmed they have not implemented either approach in their Component SDR systems. The Defense Automatic Addressing System (DAAS) and team members recommended simplifying the pending implementation by aligning all current and potential requirements to a single methodology and suspense date.

**c. Approved Change in Detail:**

(1) Update materiel returns guidance for consistency regarding use of alternative document numbers assigned by the activity directing the return. This includes a new requirement to use of a new document number for directed return of materiel stored in a DLA Distribution Center where the directed return will require the current owner to use a MRO for ship-in-place processing to accomplish the ownership transfer.

(2) When using a new document number for the directed return of discrepant/deficient materiel, the source of supply/manager must retain an audit trail linking the original and new document number/suffix. The returning customer must also recognize and retain visibility of the relationship. A DLMS enhancement provides transactional visibility of this requirement and this ADC updates the associated DLMS notes to emphasize and broaden planned use. The DLMS enhancements to the DLMS 527D Prepositioned Materiel Receipt (PMR) and DLMS 856R Shipment Status Materiel Returns identify the original order/shipment document number when the return is associated with a different document number. A new requirement identifies inclusion of the cross-reference document number in the DLMS 527R Receipt.

(3) Update the DLMS 842A/R SDR Reply Implementation Convention (IC) to support discrete identification of a suffix code when one is associated with the return document number or replacement shipment document number. Use standard mapping for identification of the suffix code in the Reference (REF) Segment.

(4) Update the DLMS 842A/R SDR Reply IC to remove duplicate methods for establishing a suspense for a directed return of materiel or documentation by the SDR submitter. Consolidate procedures for establishing a suspense using the Date (DTM) Segment to provide a suspense date rather than the number of days allowed for the directed action. System edits must ensure action activity includes the suspense date when using the following reply codes:

- 105 Forward materiel received to location identified. Must use traceable and most economical means available.
- 106 Forward materiel received to contractor location identified (must use traceable and most economical means available).
- 107 Forward materiel to address shown for inspection/exhibit analysis (must use traceable and most economical means available).

- 108 Forward materiel to contractor address shown for inspection/exhibit analysis (must use traceable and most economical means available).
- 114 Provide disposal documentation by date indicated as requested. Credit will be authorized upon receipt.
- 115 Turn in materiel received to DLA Disposition Services Field Office.
- 116 Turn in hazardous materiel received to DLA Disposition Services Field Office (MIPR or bill-to DoDAAC provided to cover disposal costs).
- 117 Materiel will be billed if not returned by date indicated.

(5) Component SDR applications must implement discrete data fields for identification of the return document number/suffix, suspense date, and return-to/ship to location (DoDAAC/CAGE/clear text address (data fields for use with CAGE)). SDR applications must edit for inclusion of return-to location when SDR Reply Code 105, 106, 107, or 108 applies. SDR applications must edit for inclusion of the return document number when SDR Reply Code 105 or 107 applies. Pending full implementation by receiving SDR applications, action activities must repeat return instructions in the SDR remarks to ensure this information is not lost during processing.

**d. Revisions to DLM 4000.25 Manuals:**

(1) Revise DLM 4000.25, Volume 2, Chapter 11, and Chapter 17, Supply Discrepancy Reporting, as shown in Enclosure 1.

(2) Revise DLM 4000.25, Volume 2, Appendix 7.28, Supply Discrepancy Report Relevant Data Elements, for correct spelling of “materiel” in reply code explanations as shown in paragraph 4.c.(3) above.

(3) Update DLMS 527D, DLMS 527R, and 842A/R as shown in Enclosure 2.

**e. Transaction Flow:** Standard transaction flows apply.

**f. Alternatives:** None identified.

**5. REASON FOR CHANGES:**

**a.** Corrects and clarifies procedures for document number assignment for directed returns.

**b.** Simplifies SDR requirements for establishing a suspense date associated with directed actions.

**6. ADVANTAGES AND DISADVANTAGES:**

**a. Advantages:**

(1) This change establishes consistent, accurate guidance using discrete data fields in SDR transactions.

(2) Use of the discrete data field for the original order/shipment document number on the PMR, returns shipment status, and receipt will ensure visibility is maintained when returning discrepant/deficient materiel.

(3) The revised guidance simplifies implementation for the SDR directed return suspense date. Inclusion of the suspense date in the SDR reply will ensure customer visibility of the applicable time standard and provides a mechanism for directing an expedited return when needed.

(4) Use of discrete data in SDR transactions provides better visibility and access to return information. It will allow system edits to ensure the action activity populates this type of information based upon selected reply codes.

(5) Use of discrete data elements for returns information frees up space in the SDR reply remarks field for disposition instructions. This will allow action activities sufficient space to provide clear guidance and be more responsive to customer feedback concerning incomplete guidance in SDR replies.

(6) Establishing a new document number for ship-in-place returns eliminates delays when the customer recognizes the DSS constraint and must communicate this to the action activity. It will eliminate rework and manual research needed when the customers assign their own document number for the return without prior coordination with the action activity. This can result in the action activity not recognizing that the materiel associated with the SDR or PQDR has been returned and, in worst case scenario, has been receipted to the wrong.

b. **Disadvantages:** None identified.

**7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** Phased and staggered implementation applies for discrete data fields associated with SDR directed returns and use of the cross-reference for the original document number in the PMR, materiel returns shipment status, and receipt.

a. Procedures are effective upon publication of the approved change.

b. The target date for DAAS implementation of SDR data fields is no later than June 2018.

c. The target date for Component compliance for SDR transaction updates is no later than December 2018.

d. The date for full DLMS compliance is December 2019 including the cross-reference for the original document number in the PMR, materiel returns shipment status, and receipt.

**8. ADDITIONAL FUNCTIONAL REQUIREMENTS:** In addition to the return document number/suffix, materiel/documentation suspense date, and return-to/ship-to location, the DLMS 842A/R SDR Reply IC includes two additional data elements associated with a directed return:

a. commercial carrier-assigned tracking number for materiel return (2/REF01/3700 Code 08) and,

- b. return goods bill of lading number (2/REF/01/3700 Code GD).

**Staffing Note:** PDC 1249 requested Components provide implementation status for incoming or outgoing SDR replies and confirm return goods bill of lading number is still a valid option. EBSO did not receive any feedback. Therefore, these data elements are unchanged by this ADC and should be included with implementation, as applicable, for directed returns of SDR materiel.

## **9. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH**

**IMPLEMENTATION OF THIS CHANGE:** DLA will derive a cost avoidance for additional man hours needed to track materiel and rework SDR guidance when the action activity does not provide a new document number up front. Corrective action for materiel receipted to the wrong owner due to a missing PMR under the new document number can be labor intensive. Receipt to the wrong owner causes inventory to be misstated and results in avoidable transactions for issue and receipt to the correct owner.

## **10. IMPACT:**

- a. **New DLMS Data Elements:** None identified.

- b. **Changes to DLMS Data Elements:** Corrected spelling for discrepancy code values as shown above.

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

- (1) Component SDR systems must be upgraded to send and/or receive (as applicable) data fields for suspense date, return-to/ship-to location, and return document number/suffix code. Include additional capability for replacement shipment document number suffix when implementing the replacement shipment document number as a discrete data field (Reference 3.d.).

- (2) Components must upgrade systems to support use of a new document number for directed return of discrepant/deficient materiel located in a DLA Distribution Center, inclusive of internal processing to correlate the original and new document numbers and populating of the cross-reference document number in the PMR, shipment status materiel returns, and receipt transactions.

- (3) Components systems that do not currently support directed return from the customer's location on the original document number or a new document number assigned by the activity directing the return must take action to upgrade these systems to support standard procedures. Customers must have the capability to return discrepant/deficient materiel in accordance with the instructions provided.

- (4) Components must review this change for potential impact to PQDR and TDR applications.

- d. **DAAS:** Materiel returns data fields must be available for WebSDR-prepared SDR replies. Significant changes to DOD WebSDR include:

- (1) Return Document Number Suffix: Add suffix code field associated with the return document number to the WebSDR internal flat file and translator.



(2) Replacement Shipment Document Number Suffix: Add suffix code field associated with the replacement shipment document number to the WebSDR internal flat file and translator.

(3) Materiel/Documentation Return Suspense Date: Update logic. This field is defined in the internal flat file (as Materiel Return Suspense Date), but no mapping is currently configured in the translator.

(4) Return-to/Ship-to Location: Add a data field with option to enter DoDAAC or CAGE. Provide a display option for the associated DoDAAC address from the DoD Activity Address Directory.

(5) Carrier-assigned Tracking Number: Add new data field to reply screen.

(6) In addition to reply screen data entry fields, suspense date, return-to/ship-to location, and return document number/suffix, and carrier-assigned tracking number must display in SDR records, email, and management reports. For encrypted email SDRs, include the associated DoDAAC address. WebSDR must apply new edits for returns data fields based upon reply codes as described above.

e. **Non-DLM 4000.25 Series Publications:** Process revisions may require updates to internal operating procedures and other published SDR, PQDR, and TDR guidance.

**11. PROPOSED DLMS CHANGE (PDC) 1249 STAFFING RESPONSE/COMMENT RESOLUTION:**

	<b>Originator</b>	<b>Response/Comment</b>	<b>Disposition</b>
1.	Army	Concur	Noted.
2.	Navy	<p>Concur</p> <p><u>Preliminary Questions/Concerns:</u></p> <p>1. Action Point assignment of an alternate doc# for the purpose of PMR/MRO matching is not a FIAR compliant process. For auditing purposes and credit processing, it is required that discrepant material returns be made under the same doc# as the original SDR.</p> <p><i>DLMS Program Office Response: Under normal circumstances, the directed return will be on the same document number as the original issue. The only time a new document number would be required is if the materiel is already located in a DLA Distribution Center and a “ship-in-place” MRO is required to change ownership (from the owning Service to the original source of supply). DSS cannot accept the PMR for the return action under the document number already associated with accountable materiel in storage.</i></p> <p><b><u>Recommendations:</u></b></p> <p>1. The current system does not generate PMR (PDREP/eRMS) on discrepant returns. If PMR is</p>	Noted.

	<b>Originator</b>	<b>Response/Comment</b>	<b>Disposition</b>
		<p>required, then I would recommend conducting a systemic review to see if it is possible to generate PMR once a discrepant return is authorized. However, that return would still need to be made under the same doc# in order to comply with FIAR objectives.</p> <p><i>DLMS Program Office Response: Concur with recommendations as applicable to all materiel directed for return from a location outside DLA Distribution. An exception is necessary for any materiel in a DLA Distribution Center that will be returned using a ship-in-place MRO. A PMR is required for these, but will use a different document number to avoid systemic confusion with the original DLA Distribution receipt..</i></p>	
3.	Air Force	Concur	Noted.
4.	Marine Corps	Concur	Noted.
5.	DLA	Concur with the following comment: This PDC will require a DSS system change; implementation date is yet to be determined.	Noted. Target dates are included in this ADC based on phased and staggered implementation.
6.	USTRANSCOM	Abstain	Noted.

## Enclosure 1, Defense Logistics Manual (DLM) Chapter Revisions

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

1. Revise DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Chapter 11, Materiel Returns, Redistribution of Assets, Directed Discrepant/Deficient Materiel Returns, and Retrograde Returns. Excerpts are applicable to Formal Change 7.

### “C11.20. DIRECTED DISCREPANT/DEFICIENT MATERIEL RETURNS AND RETROGRADE RETURNS

C11.20.1. General Requirements. The DoD supply chain may require the return of supply items for a variety of reasons, beyond the familiar one of excesses turned in for credit under the Materiel Returns Program (MRP) described earlier in this chapter. These can include the exchange of Depot Level Repairable (DLR) Class IX repair parts as required by Military Services' Exchange Pricing programs, the retrograde of forward-positioned retail stock back to a home location, and discrepant/deficient materiel returns directed by Supply Discrepancy Reports (SDR), Product Quality Deficiency Report (PQDR), or Transportation Discrepancy Reports (TDR). In ~~many~~ ***some*** cases, logistics business rules require that the return ~~must~~ use the same document number as the related order/sale. ***While this reuse may be appropriate for some materiel held at the customer's location, it is not feasible for all situations. When the materiel is already located in a DLA Distribution Center and no physical shipment is required to return the materiel to the original owner/manager, the current owner must not reuse (or suffix) the original document number for the Prepositioned Materiel Receipt (PMR) and Materiel Release Order (MRO) directing the return. The responsible action activity must assign an alternative document number when materiel is located in a DLA Distribution Center and the current owner must use a ship-in-place MRO to direct the return or when the submitters system prohibits reuse of document numbers. Returning activities may ask for an alternative document number if the action activity does not provide one. When using a new document number for the directed return of discrepant/deficient materiel, the responsible activity and the returning activity must retain an audit trail linking the old and new document number/suffix. The PMR, Materiel Returns Shipment Status, and Receipt provide transactional visibility of the original and new document numbers. The directed return must identify*** the return-to location by DoDAAC or CAGE (***used for*** contractors ***when*** no DoDAAC is assigned). Clear text addresses may be included in addition to the ***DoDAAC and must be included for returns directed to a contractor identified by a CAGE only.*** The use of a combination of enhanced return transactions and the addition of specific indicators to other transactions will allow for the specific reporting of the transactions without confusion about the nature of the return and enable enhanced intransit visibility (ITV) of these returns. The procedures also support recent process improvement initiatives related to requirements for directed returns.

C11.20.2. Associated Transactions. There are three DLMS transactions that contain specific content that support the procedures for retrograde and directed discrepant/deficient returns. They are the DLMS 527D, Pre-Positioned Materiel Receipt, DLMS 856R, Materiel Returns Shipment Status, and DLMS 842A/R Standard Supply Discrepancy Report Reply. ***A***

*fourth transaction, the DLMS 842P, Product Quality Deficiency Report (PQDR), is pending implementation.<sup>1</sup>*

C11.20.2.1. A Pre-Positioned Materiel Receipt, DLMS 527D/MILSTRAP DW\_, is required for all returns to a DLA Distribution Center/Storage Activity. This requirement is applicable to DLMS-capable applications and MILSTRAP legacy applications. Detailed procedures associated with the PMR are listed in paragraph C11.20.3.

C11.20.2.2. A Materiel Returns Shipment Status, DLMS 856R with enhanced data content, is required from DLMS-capable customers to report directed returns to both the storage activity and the ICP/Integrated Materiel Manager (IMM) (or other Component designated activity). Detailed procedures associated with the materiel returns shipment status are listed in paragraph of C11.20.3.

C11.20.2.3. The materiel returns shipment status will include passive radio frequency identification (pRFID) when applicable, ~~and for~~ ***Under DoD IUID Supply Policy, the DLMS materiel returns shipment status identifying capital equipment or*** NSNs containing an IUID Indicator Y ***in FLIS, UII(s) and/or corresponding*** ***must include*** serial numbers ***and the corresponding UIIs (when UII is available)*** ~~must be included in the DLMS 856R, indicating that DoD IUID Supply Policy compliance is required.~~

C11.20.3. Detailed Procedures. The following paragraphs contain detailed procedures for return of supply items related to discrepant/deficient materiel as directed by an SDR, PQDR, or TDR response. This section also addresses retrograde of forward-positioned retail stock back to a home location.

#### C11.20.3.1. Supply Discrepancy Report (SDR)

C11.20.3.1.1. When directing return of discrepant materiel, the SDR reply ***will*** include the ~~number of days~~ ***suspense date*** by which the customer must return the materiel to the designated location (using SDR Reply remarks pending implementation of the discrete data field). Expedited time standards under DoD or Component policy will be applied to wrong item/misdirected/misidentified classified/sensitive item returns. ICP/IMs may also apply expedited time standards to overage returns for back-ordered materiel not available within another customer's required delivery date. ***The activity directing the return will identify the return-to/ship-to location will be identified by DoDAAC or CAGE as described in paragraph C11.20.1.*** ~~Clear text addresses may be included to facilitate the return since not all customers have ready access to an authoritative source for address information.~~

C11.20.3.1.2. The organization responsible for the SDR reply will take action to establish a due-in and generate a PMR transaction to the receiving activity. The PMR will include the return quantity and the appropriate supply condition code. Action to establish the due-in and create the PMR transaction will be accomplished under MILSTRAP/DLMS. The PMR will perpetuate the document number associated with the SDR, normally the document number of the original shipment, ***or the alternative document number assigned by the activity directing the return as described in paragraph C11.20.1.*** The DLMS PMR will include a

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<sup>1</sup> *Refer to ADC 1007 series.*

[Return Type Code](#) indicating the reason for return for which the PMR is established and will perpetuate the DoD WebSDR control number associated with the SDR.

*(Intervening text not shown)*

### C11.20.3.2. Product Quality Discrepancy Report

C11.20.3.2.1. When directing return of deficient materiel/exhibits to storage activities, the PQDR reply will include the date by which the customer will return the materiel to the designated location. The responsible activity may apply an expedited time standard to Type I PQDRs or as appropriate. The **ICP/IMM will identify the** return-to location ~~will be identified by DoDAAC or CAGE~~**/clear text as described in paragraph C11.20.1.** ~~Clear text addresses may be included to facilitate the return since not all customers have ready access to an authoritative source for address information.~~

C11.20.3.2.2. When directing return of deficient materiel/PQDR exhibit, the ICP/IMM will establish a due-in and generate a PMR transaction to the receiving activity for the materiel return/exhibit quantity using SCC Q. Action to establish the due-in and create the PMR transaction will be accomplished under MILSTRAP/DLMS by the activity directing the return. The PMR will perpetuate the document number associated with the PQDR, normally the document number of the original shipment, **or the alternative document number assigned by the activity directing the return as described in paragraph C11.20.1.** If **the submitter does not have the original shipment document number** available, a submitter may use a constructed document number on the PQDR and this will be employed for the PMR, the return shipment, and future financial actions. ~~¶~~ The DLMS PMR will include the Return Type Code indicating the reason for the PMR as return of quality deficient materiel and will perpetuate the PQDR report control number (RCN).

### C11.20.3.3. Transportation Discrepancy Report

C11.20.3.3.1. When directing return of materiel associated with a TDR, the TDR reply will include the date by which the reporting activity will return the materiel to the designated location. The responsible activity may apply an expedited time standard as appropriate. **The activity directing the return will identify** the return-to location ~~will be identified by DoDAAC or CAGE~~**/clear text as described in paragraph C11.20.1.** ~~Clear text addresses may be included to facilitate the return since not all customers have ready access to an authoritative source for address information.~~

C11.20.3.3.2. When directing return of discrepant materiel, the ICP/IMM responsible for the TDR reply will take action to establish a due-in and generate a PMR transaction to the receiving activity for the quantity in the TDR reply. Action to establish the due-in and create the PMR transaction will be accomplished under MILSTRAP/DLMS. The PMR will perpetuate the return document number associated with the document number of the original shipment or as assigned by the ICP/IMM **as described in paragraph C11.20.1.** The DLMS PMR will include a Return Type Code indicating the reason for the PMR as return of transportation-related discrepant materiel and will perpetuate the control number associated with the TDR.”

2. Revise DLM 4000.25, Defense Logistics Management Standards, Volume 2, Chapter 17, Supply Discrepancy Reporting, as shown. Excerpts are applicable to Formal Change 8.

“C17.3.12.1.4.1. Customer Returns. ~~When discrepant materiel is directed to be returned, the responsible activity will direct the customer to re-ship the materiel using the same document number under which the materiel was originally shipped.~~ ***In many cases, logistics business rules require that the return shipment use the same document number as the related order/sale. While this reuse may be appropriate for some materiel held at the customer’s location, it is not feasible for all situations. When the materiel is already located in a DLA Distribution Center and no physical shipment is required to return the materiel to the original owner/manager, the current owner must not reuse (or suffix) the original document number for the Prepositioned Materiel Receipt (PMR) and Materiel Release Order (MRO) directing the return.*** ***The responsible action activity must assign an alternative document number when materiel is located in a DLA Distribution Center and the current owner must use a ship-in-place materiel release order to direct the return. Additionally, customers must use the reconsideration request to ask for an alternative document number due to system constraints prohibiting reuse of the original shipment document number. When using a new document number for the directed return of discrepant/deficient materiel, the owner/manager and the returning activity must retain an audit trail linking the old and new document number/suffix (both document numbers will be included in the PMR, Materiel Returns Shipment Status, and Receipt transactions).*** The SDR reply will include the date by which the customer is requested to return the materiel to the designated location. The ICP will require expedited return where appropriate, such as FMS classified/sensitive item returns, and overage returns for back-ordered materiel not available within another customer’s required delivery date. ***Identify*** the return-to location ~~will be identified~~ by DoDAAC or CAGE (***use for*** contractors ***when*** no DoDAAC is assigned). Clear text addresses may be included in addition to the ~~coded address~~ ***DoDAAC and must be included in the SDR Reply remarks text for returns directed to the contractor identified by a CAGE only.***<sup>1</sup> ~~since all customers may not have access to the authoritative address source.~~ The ~~SoS~~ ***source of supply*** will provide reimbursement for packing, crating, handling, and transportation for directed returns under MILSBILLS procedures in DLM 4000.25, Volume 4, Finance, procedures. ~~and~~ Use of the Defense Transportation System (DTS) for the return movement is encouraged except where use of a designated commercial carrier is more cost effective/efficient or transportation cost will be borne by another party (e.g., a vendor for return of nonconforming materiel). As an alternative to providing transportation reimbursement, the responsible action activity may provide the transportation account code (TAC) chargeable for the transportation services or direct use of a commercial carrier by providing the paying activity’s carriers account number or a pre-paid return shipping label. In those cases where an exhibit of the discrepant materiel is directed for return, the activity requesting this action will pay for exhibit shipment costs. Action activities will either furnish DD Form 1348-1A for materiel to be returned or provide comparable information to accomplish the return. A copy of the SDR and the shipment document will be included with returned materiel and annotated as an “SDR RETURN.” When discrepant materiel is directed for return to a contractor, a hard-copy SDR including disposition instructions will be included with the shipment. No statement adversely affecting the Government’s claim will be shown on any documentation returned to the contractor. For non-Security Assistance customers, materiel not returned as directed within 90 calendar days (if CONUS) or 120 days (if OCONUS) of the SDR reply will be billed.”

3. Revise DLM 4000.25, Defense Logistics Management Standards, Volume 2, Chapter 24, Product Quality Deficiency Report Program, as shown. Excerpts are applicable to Formal Change 2.

“C24.5.2.1. Exhibit Request (Transaction Set Purpose Code 13). Used to request the exhibit and provide shipping information. *Refer to paragraph C11.20 for specific guidance for directed deficient materiel returns including document number assignment and associated transactions for prepositioned materiel receipt and materiel returns shipment status.*”

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*<sup>1</sup> Include return-to location, suspense date, return document number/suffix, and (when applicable) carrier tracking number in the SDR Reply remarks text pending full implementation of discrete transaction data fields. Refer to ADC 1249 .*

**Enclosure 2, DLMS Implementation Convention (IC) Updates**

#	Location	Change Table for <b>527D Prepositioned Materiel Receipt</b>	Reason
1.	DLMS Introductory Note	<u>Add ADC 1249 to DLMS Introductory note on the cover page of the IC:</u>  <i>- ADC 1249, Revised Procedures for Directed Return of Discrepant/ Deficient Materiel including New Document Number Assignment for Return Shipment</i>	To identify DLMS changes included in the DLMS.
2.	2/N901/90	<u>Revise DLMS Note for existing Code CR:</u>  <b>CR Customer Reference Number</b> <b>DLMS Note:</b> <i>1. Use the Customer Reference Number to cross-reference to the requisition number under which the materiel was ordered, when it differs from the turn-in/return document number used with Code TN. This <del>only is</del> applicable to <b>directed return of discrepant/deficient materiel retrograde shipments occurring subsequent to a PODR, and other types of retrograde shipments to replacement requisitioning.</b> <b>2. DLMS enhancement. Refer to ADC 353A and ADC 1249.</b></i>	Clarification and expanded use for all types of discrepant/deficient materiel returns.

Location	Change Table for <b>527R Receipt, Inquiry, Response and MRA</b>	Reason
DLMS Introductory Note	<u>Add ADC 1249 to DLMS Introductory note on the cover page of the IC:</u>  <i>- ADC 1249, Revised Procedures for Directed Return of Discrepant/ Deficient Materiel including New Document Number Assignment for Return Shipment</i>	To identify DLMS changes included in the DLMS.
2/N901/90	<u>Add Code CR and associated DLMS Note:</u>  <b>CR Customer Reference Number</b> <b>DLMS Note:</b> <i>1. Use in Receipt transactions to perpetuate the Customer Reference Number from the PMR to cross-reference to the requisition number under which the materiel was ordered, when it differs from the turn-in/return document number used with Code TN. This is applicable to directed return of discrepant/deficient materiel, and other types of retrograde shipments.</i> <b>2. DLMS enhancement. Refer to ADC 1249.</b>	Perpetuates cross-reference document number for audit trail.

#	Location	Change Table for <b>842A/R Standard Supply Discrepancy Report (SDR) Reply</b>	Reason
1.	DLMS Introductory Note	<u>Add ADC 1249 to DLMS Introductory note on the cover page of the IC:</u>  <i>- ADC 1249, Revised Procedures for Directed Return of Discrepant/ Deficient Materiel including New Document Number Assignment for Return Shipment</i>	To identify DLMS changes included in the DLMS.



2.	2/DTM01/3600	<p>Revise DLMS Note for existing Code 311:</p> <p><b>311 Latest Receiving Date/Cutoff Date</b>  <b>DLMS Note:</b>  <i>1. This is the suspense date by which requested materiel or documentation must be received <del>by this date.</del></i>  <i>2. Must use with SDR Reply Code 105, 106, 107, 108, 114, 115, and 117.</i>  <i>3. Use with ship-to location identified at 2/N101/4100.</i>  <i>4. Pending full implementation of this data field under DLMS, the suspense date must also be identified in the SDR Reply remarks field to ensure that the receiving application has visibility of this information. Refer to ADC 1249.</i></p>	Clarification of required use.
3.	2/NCA04/3400	<p>Close NCA04 and delete associated notes:</p> <p><del><b>380 Quantity</b></del>  <del><b>DLMS Note:</b></del>  <del><i>1. Use to indicate the number of days when applicable to the reply code</i></del>  <del><i>2. Must use to indicate the number of days allowed for return of discrepant materiel when the SDR Reply Code 105, 106, 107, or 108 directs shipment of materiel to a specific location.</i></del>  <del><i>3. Pending full implementation of this data field under DLMS, the number of days must also be identified in the remarks field to ensure that the receiving application has visibility of this information. Refer to ADC 353.</i></del></p>	Requirement for suspense date consolidated under Code 311 Latest Receiving Date/Cutoff Date.
4.	2/NCA05/3400  NCA05-01	<p>Close NCA05 and NCA05-01:</p> <p><del><b>DA Days</b></del></p>	Same as above.
5.	2/REF01/3700	<p>Revise DLMS Note for existing Code 08 and QJ:</p> <p><b>08 Carrier Assigned Package Identification Number</b>  <b>DLMS Note:</b>  <i>1. Use to identify the commercial carrier-assigned <b>tracking</b> number for materiel return.</i>  <i>2. For 08: WebSDR field length = 17</i></p> <p><b>QJ Return Material Authorization Number</b>  <b>DLMS Note:</b>  <i>1. Used to identify the document number applicable to materiel return. <b>Must use return document number when SDR Reply Code 105 or 107 applies.</b></i>  <i>2. Return on original shipment document number preferred, but may not be possible due to system constraints. Must use alternate document number for materiel already in a DLA Distribution Center necessitating ship-in-place processing for return.</i>  <i>3. For QJ: WebSDR field length = 14</i></p>	Clarification of required use.
6.	2REF04/3700  REF04-01	<p>Open REF04 and REF04-01 and add Code W8:</p> <p><b>W8 Suffix</b>  <b>DLMS Note:</b> When citing a return document number (Code QJ) or a replacement shipment document number (Code QE), use to identify the document number suffix when applicable.</p>	Allows for identification of a document number suffix should one be required.
7.	2/N101/4100	<p>Revise DLMS Note for existing Code ST:</p>	Clarification.

	<p>ST Ship To</p> <p><b>DLMS Note:</b></p> <p>1. Use to identify the location to which materiel must be shipped/returned. Location must be identified by DoDAAC or CAGE (<b>for contractors with no assigned DoDAAC</b>). Text address may be included in SDR Reply remarks text for DoD activities and must be included for contractors identified by CAGE. <b>Must include location when SDR Reply Code 105, 106, 107, or 108 applies.</b></p> <p>2. Pending full implementation of discrete data elements for the ship-to, the DoDAAC or CAGE, <del>and the clear-text activity/address</del> must be repeated in the SDR Reply remarks block to ensure <del>ensure</del> that all users will receive the specified location.</p>	
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#	Location	Change Table for 856R Shipment Status Materiel Returns (Version 4030)	Reason
1.	DLMS Introductory Note	<p>Add ADC 1249 to DLMS Introductory note on the cover page of the IC:</p> <p><b>- ADC 1249, Revised Procedures for Directed Return of Discrepant/Deficient Materiel including New Document Number Assignment for Return Shipment</b></p>	To identify DLMS changes included in the DLMS.
2.	2/REF01/1500	<p>Revise DLMS Note for existing Code CR:</p> <p><b>CR Customer Reference Number</b></p> <p><b>DLMS Note:</b></p> <p>1. Use the Customer Reference Number to cross-reference to the requisition number under which the materiel was ordered, when it differs from the turn-in/<b>return</b> document number used with Code TN. <del>This only is applicable to directed return of discrepant/deficient materiel retrograde shipments occurring subsequent to a PQDR, and other types of retrograde shipments to replacement requisitioning.</del></p> <p>2. <b>Authorized DLMS enhancement. Refer to ADC 353A and ADC 1249.</b></p>	Clarification and expanded use for all types of discrepant/deficient materiel returns.