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September 07, 2017

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

**SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1256,
Automatic Return of Unserviceable Repairable Parts Replaced During Maintenance
and Associated Credit Processing (MILSTRIP/Supply/Finance)**

We are forwarding the attached approved change to DLM 4000.25, Defense Logistics Management Standards, for implementation.

Addressees may direct questions to Ms. Ellen Hilert, DOD MILSTRIP Administrator, or Mr. Eric Flanagan, MILSTRIP Alternate, email: DLMS_MILSTRIP@dla.mil. Others must contact their designated Supply PRC representative available at <http://www.dla.mil/HQ/InformationOperations/DLMS/DLMSPrograms/supply/>.

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

Attachment
As stated

cc:
ODASD (SCI)
Finance PRC Primary and Alternate

ADC 1256

Automatic Return of Unserviceable Reparable Parts Replaced During Maintenance and Associated Credit Processing

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC**: Mr. Ralph Kindler, AFMC/AFSC/LGMM; (937) 656-0918; DSN: 986-0918; or email: ralph.kindler.1.ctr@us.af.mil

b. **Functional POC**: Ms. Sandi Collier, AFMC/AFSC/LGMM; 240-612-4220; DSN: 612-4220; or email: sandra.collier@us.af.mil

c. **Functional POC**: Ms. Ellen Hilert, DOD MILSTRIP Administrator, DLMS Program Office, email: DLMS_MILSTRIP@dla.mil

2. FUNCTIONAL AREA:

a. **Primary/Secondary Functional Area**: Supply/MILSTRIP

b. **Primary/Secondary Functional Process**: Materiel Returns

3. REFERENCES:

a. [DLM 4000.25](#), Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, June 13, 2012

b. [DLM 4000.25-1](#), Military Standard Requisitioning and Issue Procedures (MILSTRIP), June 13, 2012

c. [Approved DLMS Change \(ADC\) 103](#), Revised DAAS Processing Rules for Project Code 3AD, July 23, 2003

d. [ADC 1176](#), Revised Procedures for Requisitioning under Inter-Service Maintenance Agreement (Project Codes 3AB, 3AD, 3BB) and Revised DLMS 832N Catalog Data Support for Defense Logistics Agency (DLA) Support of Navy Fleet Readiness Centers (FRCs), March 29, 2017

e. DOD 4140.68-M, Integrated Materiel Management of Nonconsumable Items. September 2, 2014 incorporating Change 2, Effective September 28, 2016.

f. DODM 4140.01, Volume 6, DOD Supply Chain Materiel Management Procedures: Materiel Returns, Retention, and Disposition, February 10, 2014

g. DODM 4140.01, Volume 11, DOD Supply Chain Materiel Management Procedures: Inventory Accountability and Special Management and Handling, March 8, 2017

h. DODM 4140.01, Volume 9, DOD Supply Chain Materiel Management Procedures: Materiel Programs, October 17, 2016

4. APPROVED CHANGE(S): Green highlights identify changes subsequent to staffing.

a. Brief Overview of Change: This change requires all Service maintenance activities/repair agents under an inter-Service agreement, including Depot Maintenance Inter-Service Support Agreement (DMISA), to use MILSTRIP (Reference 3.b.) Materiel Returns Program automatic return notification procedures when returning a reparable item carcass in Supply Condition Code (SCC) F (Unserviceable (Reparable)) to the owner/principal. The owner/principal and maintenance activity/repair agent must be able to use this process even when that Service does not have a Nonconsumable Item Material Support Code (NIMSC) 5 Secondary Inventory Control Activity (SICA) relationship with the owner/principal. Project Code 3HX (rather than existing Project Code 3AD) will apply when the owner/principal must provide credit to the returning maintenance activity for the automatic return of reparable component carcasses removed and replaced during maintenance.

b. Background:

(1) Under current procedures, a maintenance activity/repair agent (hereafter referred to as repair agent) operating under an inter-Service agreement, including DMISA, is required to requisition nonconsumable repair parts from the owner of the asset undergoing maintenance (referred to as the principal under DMISA procedures). These requisitions must cite Project Code 3AD (References 3.c. and 3.d.). The use of this project code causes Defense Automatic Addressing System (DAAS) to pass the requisition directly to the designated addressee without applying standard routing rules and causes the owner/principal's supply system to skip the registered user edit for the requisitioned stock number. The repair agent records the receipt of these requisitioned repair parts using Project Code 3AD.

(2) This ADC expands existing inter-Service use of the MILSTRIP Materiel Returns Program Automatic Returns Notification transaction (DLMS 180M/legacy Document Identifier Code (DIC) FTA) beyond required reporting of NIMSC 5 items to the Primary Inventory Control Point (PICA)/Secondary Inventory Control Point (SICA).

(a) Per DoDM 4140.68 (Reference 3.e.), "NIMSC 5 identifies SICA managed depot level reparable components assigned to another DoD Component that is responsible for the logistics functions of single submitter cataloger, acquisition and disposal authority, depot maintenance, and performs the wholesale stock, store, and issue functions and establishes, budgets, and funds the wholesale stock level requirements. Supply support requirements will be submitted to the PICA on requisitions that are funded by a designated point within the SICA."

(b) Based upon notification of the return, the PICA or SICA, as applicable, generates a Prepositioned Materiel Receipt (PMR) transaction (DLMS 527D/DIC DWR) to the planned DLA Distribution Center storage activity.

(c) Under MILSTRIP procedures, Automatic Returns Notification transactions for NIMSC 5 assets cite Project Code 3AL when the turn-in activity will requisition a replacement asset.

(3) The following paragraphs describe current procedures from an Air Force perspective using the Air Force owner/principal's supply system D035A for illustration. These procedures may or may not be fully consistent with other Component processing.

(a) When Air Force D035A fills a requisition containing Project Code 3AD, the Air Force bills the repair agent at standard price. When the repair agent turns in the carcass asset in SCC F to the local DLA Distribution Center, the Air Force owes the repair agent carcass credit.

(b) The Air Force added logic to D035A more than 10 years ago to recognize turn-in receipts for credit by either Project Code 3AD or 3AL (for automatic return of NIMSC 5 assets). These project codes act as the trigger to grant carcass credit to the Service maintenance activity. This use of the Project Code 3AD and 3AL is not currently part of the DLMS standard.

(c) The above process does not always work smoothly, since the repair agent is not first sending a transaction to give D035A prior notice of the turn-in. As a result, D035A cannot send the required PMR transaction to the local distribution center. When the distribution center processes the turn-in, there is potential for the distribution center to record the receipt incorrectly. The distribution center may post the receipt to another Component owner's account; the receipt may be posted to the Air Force, but not include Project Code 3AD (as requested by the Air Force); or the distribution center may record the receipt in SCC K (Suspended (Returns)) rather than SCC F, and generate a Supply Discrepancy Report (SDR) to the owner. When this scenario occurs, the repair agent does not get its carcass credit, and eventually, the Air Force receives an email requesting assistance.

c. Approved Change in Detail:

(1) Establish new MILSTRIP Project Code 3HX and revise existing Project Codes 3AD and 3AL definitions as shown in the table below (Section 4.d.).

(2) Establish the following new procedures for return of unserviceable reparable parts replaced during maintenance under an inter-Service agreement/DMISA, and the use of new Project Code 3HX where credit for the replacement part is required.

(a) The inter-Service agreement/DMISA repair agent will use the DLMS 180M Automatic Returns (legacy MILSTRIP DIC FTA) transaction to provide notice to the principal of a planned turn-in to DLA Distribution storage of a reparable carcass asset in SCC F. The Automatic Returns Notification transaction will cite Project Code 3HX when requisitioning a replacement asset using Project Code 3AD. Requisitions for replacement assets using Project Code 3AD will use the same document number contained on the Automatic Returns Notification citing Project Code 3AD. When the owner/principal receives the FTA transaction, the owner/principal will send a PMR to the applicable distribution center to facilitate receipt processing. The presence of the PMR will help receiving personnel record the receipt to the correct owner and in the correct condition.

(b) The repair agent must wait a minimum of one day after sending the Automatic Return Notification transaction before physically turning in the asset to DLA storage so there is sufficient time for the owner/principal to establish a due-in and generate the PMR transaction, and for it to process successfully at the receiving location. This delay is necessary

because the repair agent and the storage activity are normally located in close proximity and the materiel might otherwise arrive prior to processing of the PMR.

(c) Upon shipment, the repair agent will send a Materiel Returns Shipment Status (DLMS 856R/legacy MILSTRIP DIC FTM) transaction. Regardless of the DLMS shipment status format, it must include item unique identification (IUID) information for national stock numbers (NSNs) cataloged with an IUID Indicator Y under DOD IUID Supply Policy (Reference 3.g. and 3.h.).

(d) The receiving storage activity will report receipt of the returned asset to the owner/principal. The storage activity will perpetuate Project Code 3HX to the receipt when applicable. If the receipt contains Project Code 3HX, the owner/principal will send a Materiel Returns Supply Status (DLMS 870M/legacy MILSTRIP DIC FTZ) transaction to the repair agent citing Status Code TN (Materiel received. Credit authorized for quantity identified.). Additionally, when the receipt cites Project Code 3HX, the owner/principal will generate a Logistics Bill (DLMS 810L/MILSBILLS DIC FD2) transaction to provide the carcass credit to the repair agent.

(e) The owner/principal will use MILSTRIP Materiel Returns Program follow-up procedures should there be no corresponding receipt subsequent to the automatic return notification.

d. Revisions to DLM 4000.25 Manuals:

- (1) Update MILSTRIP guidance (legacy and DLMS) as shown in the Enclosure.
- (2) Revise MILSTRIP, Appendix 2.1, Document Identifier Codes, as follows:

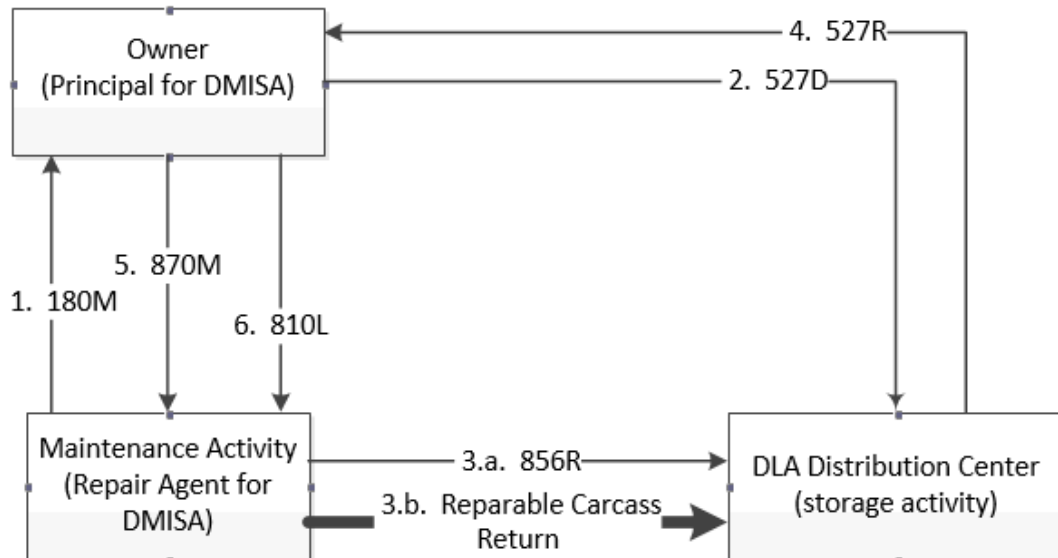
CODE	DOCUMENT TITLE	EXPLANATION
FTA	Automatic Return Notification	Customer <i>or maintenance activity</i> notification to a source of supply of an automatic return.

(3) Revise MILSTRIP, Appendix 2.13, Project Codes, Category C and D Table, as follows:

CODE	USE/REFERENCE
3AD Service Codes: All except B, D, K, P, and T	Used for requisition of nonconsumable repair parts needed for performance of depot repair (overhaul and maintenance) under existing agreements including Depot Maintenance Inter-Service Support Agreement (DMISA) items. DAAS will use the RIC-To to pass the requisitions to the activity indicated. (This code will also assist in billing and credit processes.)
3AL Service Codes: All <i>except B, D, K, P, and T</i>	Identifies automatic return of unserviceable to (SCC E or F) NIMSC 5 item for which a replacement will be requisitioned. Must appear on <i>Applicable to Automatic Return Notification</i> (Materiel Returns Program) documentation <i>transaction (DLMS 180M/DIC FTA), resulting requisitions,</i> and shipping documentation (DD Form 1348-1A).

CODE	USE/REFERENCE
3HX <i>Service Codes: All except B, D, K, P, and T</i>	<i>Used for return of a reparable asset in Supply Condition Code F. Applicable to Automatic Return Notification (Materiel Returns Program) (DLMS 180M/DIC FTA) submitted to the owner/principal and shipping documentation (DD Form 1348-1A). This code designates a return for credit in conjunction with requisitioning comparable repair parts using Project Code 3AD in accordance with existing agreements including Depot Maintenance Inter-Service Support Agreement (DMISA). (See Project Code 3AL for NIMSC 5 items.)</i>

e. **Transaction Flow:** The DLMS transactions shown in the figure below are applicable to automatic return of unserviceable reparable parts replaced during maintenance where credit for the replacement part is required.



All DLMS transactions shown (or legacy equivalent) process through DAAS:

- DLMS 180M Automatic Return Notification
- DLMS 527D Prepositioned Materiel Return
- DLMS 856R Shipment Status Materiel Returns
- DLMS 527R Receipt
- DLMS 870M Supply Status Materiel Returns
- DLMS 810L Logistics Bill

All transactions shown include Project Code 3HX.

Standard procedures and transaction flow apply to the concurrent requisitioning of nonconsumable replacement parts using Project Code 3AD.

f. Alternatives: An alternative to the use of new Project Code 3HX is to retain use of existing Project Code 3AD for automatic return and credit processing. The DLMS Program Office did not recommend this because assignment of a separate and distinct project code gives better visibility of intent. It will avoid creating receipt transactions containing the same project code under very different scenarios (one by the repair agent for the requisitioned replacement parts and another by the distribution center for the unserviceable returns).

5. REASON FOR CHANGE: To support the PMR and credit returns processes, reduce discrepant receipts and associated manual rework, and provide greater visibility across logistics and financial domains.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Enables Services to send PMRs as required for inter-Service agreement/DMISA carcass returns to storage activities. This, in turn, will help ensure the receiving activity receipts returns under correct ownership. This additionally enables a more accurate/timely credit processing process. Inclusion of IUID data applicable to return of the reparable carcass will facilitate receipt processing and asset tracking, if applicable.

b. Disadvantages: None

7. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT: Maintenance activities will provide transactions associated with logistics events and will implement DLMS requirements.

8. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Staggered implementation is authorized. Implementation by December 2019 is required for DLMS compliance.

9. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Not available at this time. Cost savings are associated predominantly with manual intervention needed to work SDRs or erroneously recorded receipts due to lack of a PMR.

10. IMPACT:

a. New DLMS Data Elements: None identified.

b. Changes to DLMS Data Elements: This change updates and assigns project code definitions.

c. Automated Information Systems (AIS):

(1) Changes described are applicable to all Components, including Service maintenance activities. Components should generate PMR programmatically based upon the Automatic Return Notification.

(2) MILSTRIP Administrators must update the Project Code Management System (PCMS) to reflect project code revisions under this ADC.

d. **DAAS:** None identified.

e. **Non-DLM 4000.25 Series Publications:** Components may need to update internal guidance and operating procedures.

11. PROPOSED DLMS CHANGE (PDC) 1256 STAFFING RESPONSE/COMMENT RESOLUTION:

	Originator	Response/Comment	Disposition
1.	Army	Concur	Noted.
2.	Navy	<p>Navy concurs with PDC 1256, with the following comments:</p> <p>1. This PDC will require design changes to Navy ERP as follows:</p> <ul style="list-style-type: none"> - Scenario is when Navy owned assets are repaired by Air Force or Army on a DMISA agreement where the Air force or Army will be submitting Project Code 3AD requisitions for SRAs needed to do the DMISA repair. - When the Air Force or Army submits a 3AD requisition to Navy ERP, they will also be sending an FTA with Project Code 3HX for the "F" condition turn-in. The PDC requires that when an FTA with Project Code 3HX is sent to Navy ERP, a ZMTS (MTIS) Sales Order be created and that a DWK be sent to the intended receiver when it is created. In Navy ERP, SIT ZSTO Purchase Orders create DW_ due-ins, but ZMTS Sales Orders do not. Triggering of the due-in will require a change in ZMTS logic. - The PDC requires that when a receipt processes against the ZMTS order with 3HX Project Code, an FTZ response with TN status (credit authorized) be sent to the other service's ICP, along with a FD2 financial credit. Sending an FTZ with TN status and processing an automatic FD2 credit will require a Navy ERP design change. - In addition, sites such as the FRCs or Crane repairing assets owned by other services on a DMISA will have to submit requisitions with Project Code 3AD accompanied by an FTA with Project Code 3HX for the Navy to receive credit on the "F" condition turn in. This scenario could require further Navy ERP design changes. <p>2. This PDC will possibly require minor design changes to Electronic Retrograde Management System (ERMS).</p> <p>3. This PDC will require design changes to Naval Depot Maintenance System (NDMS) as follows:</p> <ul style="list-style-type: none"> - Changes to accommodate the following transactions that NDMS does not currently use: DLMS 180M Automatic 	<p>Noted.</p> <p>Comment 3. Procedures updated to recommend the two-day delay processing time: <i>“Maintenance activities will submit the Automatic Return Notification two days prior to physical return whenever feasible; a minimum of twenty-four hours is required.”</i></p> <p>Also included AIS impact that Components should generate PMR programmatically based upon the Automatic Return Notification.</p> <p>Comment 4: Procedures updated to include: <i>“Requisitions for replacement assets using Project Code 3AD will use the same document number contained on the Automatic Returns Notification citing Project Code 3AD.”</i></p>

	Originator	Response/Comment	Disposition
		<p>Return Notification; DLMS 856R Shipment Status Material Returns; DLMS 810L Logistics Bill.</p> <p>- Changes to require usage of NIMSC codes that NDMS does not currently store.</p> <p>In addition, Navy recommends a delay at the local DLR Centers of the DD1348 delivery by 48 rather than 24 hours to support the PMR and credit returns process (this would be handled via functional process, not through software).</p> <p>4. For requisitions with Project Code 3AD, corresponding turn-ins of "F" condition carcasses for credit should be processed using the original requisition document number for the "A" condition asset and indicate Project Code 3HX.</p>	
3.	Air Force	<p>Concurrence with comment: Recommend DOD IUID policies are referenced in paragraph C: to read as: "... IUID Supply Policy (MIL STD-130, <i>Identification Marking of U.S. Military Property</i>, and DoDI 8320.04).</p>	<p>Noted. In this context, the reference to IUID Supply Policy does not refer to MIL STD-130. DoDI 8320.04 does mention DLMS but doesn't provide any detail on use of DLMS or the IUID Indicator in FLIS. References updated to include DODM 4140.01 V 9 and 11. V9 includes the FLIS requirement.</p>
4.	Marine Corps	Concur.	Noted.
5.	USTRANSCOM	Abstain, no impact on USTRANSCOM systems.	Noted.

Enclosure, MILSTRIP/DLMS Manual Revisions

Revise DLM 4000.25-1, MILSTRIP, Chapter 9, Materiel Returns Program and Lateral Redistribution of Retail Assets, as indicated in *red bold, italics* and strike-thru text.

Make equivalent changes to DLM 4000.25, DLMS, Volume 2, Supply, Chapter 11 (See Section B), Materiel Returns, Redistribution of Assets, Directed Discrepant/Deficient Materiel Returns, and Retrograde Returns.

A. DLM 4000.25-1

“C9.10. AUTOMATIC RETURNS (DIC FTA)”

C9.10.1. DIC FTA is used for items designed by a supply source for automatic return. Supply sources will notify reporting activities of the location to which items so designated are to be shipped. DIC FTA format is contained in Appendix AP3.40.

C9.10.2. All NIMSC 5 unserviceable (Supply Condition *Code (SCC)* E or F) items are designated for automatic return on an inter-Service basis. PICAs will notify SICAs of the NSN and the storage activity to which such items are to be shipped. PICAs will also notify the receiving storage activity of such items that are to be returned. The SICAs will perpetuate this information to the SICA activities using intra-Service procedures. If there is no S/A SICA for the items identified for automatic return by a PICA (for example, the Coast Guard), the PICA will provide the information to the appropriate S/A designated activity.

C9.10.3. Use Project Code 3AL in the DIC FTA and in subsequent documentation when an unserviceable NIMSC 5 item is automatically returned or when requisitioning a replacement item. If a replacement for the unserviceable NIMSC 5 automatic return item will not be requisitioned (for example, the returned item exceeds the returning activity's authorization or requirement), the DIC FTA and related documentation will not contain Project Code 3AL. Use the data elements specified under paragraph C9.6.5. in the DIC FTA. This does not include the M&S that may be assigned using S/A instructions. Enter the SICA RIC in rp 67-69 if M&S 9 is assigned. Subsequent to the generation of DIC FTA, processing will occur as though there has been a DIC FTE report and a DIC FTR reply, along with other provisions of this chapter, except for DICs FTF and FTD.

C9.10.4. *All unserviceable (SCC F) items requiring removal and return to the owner during maintenance performed under an inter-Service agreement, including DMISA, are designated for automatic return on an inter-Service basis. The maintenance activity/repair agent will notify the owner/principal of the return using the Automatic Returns Notification (DIC FTA). Include Project Code 3HX in the return notification when requisitioning a replacement part and expecting credit for return of the unserviceable asset. Use the data elements specified under paragraph C9.6.5. in the DIC FTA. Requisitions for replacement assets using Project Code 3AD will use the same document number contained on the Automatic Returns Notification citing Project Code 3AD. The maintenance activity must provide the Automatic Return Notification prior to the physical return of the unserviceable materiel. Maintenance activities will submit the Automatic Return Notification two days prior*

to physical return whenever feasible; a minimum of twenty-four hours is required. This delay is necessary because the maintenance and storage activities are normally located in close proximity and it is vital that the owner/principal have sufficient time to furnish a Prepositioned Materiel Receipt (PMR) transaction to the storage activity before the materiel arrives. Subsequent to generation of the Automatic Returns Notification, processing will occur as described for Project Code 3AL.¹

C9.10.5. No other inter-S/A use of DIC FTA is currently authorized.

C9.10.6. S/As may use DIC FTA internally for intra-S/A programs that do not conflict with other provisions of this manual.

C9.10.7. Conformance with standard line of accounting (SLOA)/accounting classification requires any initiation of a financial business event to include SLOA mandated standard financial information system (SFIS) elements.² The DLMS shipment status for ICP/IMM-directed lateral redistribution supports inclusion of SLOA required elements. Pending full implementation of SLOA, Transaction Services **Defense Automatic Addressing System (DAAS)** will facilitate interoperability by updating selected SLOA data fields based upon the returning activity's Service/Agency and Fund Code. If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DIC FTQ Materiel Returns Supply Status citing Status Code CF.³

C9.11. SECONDARY INVENTORY CONTROL ACTIVITY PROCESSING OF AUTOMATIC RETURN NOTIFICATION (DIC FTA). Upon receipt of the DIC FTA transaction, the SICA will establish a due-in and generate a PMR transaction to the receiving activity for the quantity in the FTA transaction. **The SICA will prepare the due-in and PMR transaction will be created under MILSTRAP.** NOTE: For unserviceable NIMSC 5 items, the SICA will forward the DIC FTA transaction, with data elements specified in Paragraph C9.10.3. of this chapter, to the PICA. The PICA will establish the due-in and furnish the PMR transaction to the receiving depot.

C.9.12. OWNER/PRINCIPAL PROCESSING OF AUTOMATIC RETURN NOTIFICATION (DIC FTA). Immediately upon receipt of an Automatic Return Notification transaction from a maintenance activity/repair agent under an inter-Service agreement including DMISA, the owner/principal will establish a due-in and generate a PMR transaction to the receiving activity for the quantity and SCC in the Automatic Return Notification transaction. The owner/principal will prepare the due-in and PMR transaction under MILSTRAP. Upon receipt of unserviceable returns for credit (Project Code 3HX), the owner/principal will provide credit under MILSBILLS procedures."

¹ Refer to ADC 1256. Staggered implementation authorized by December 2019.

² Refer to ADC 1043.

³ Refer to ADC 1043E.

B. DLM 4000.25

“C11.9. AUTOMATIC RETURNS

C11.9.1. Items Designated by a Supply Source for Automatic Return. *Reporting activities use* DLMS 180M Automatic Return Notification (*Action Code RF*) is used for items *designated* by a source of supply for automatic return. Supply sources will notify reporting activities of the location to which items so designated are to be shipped. The returning activity will prepare and submit the DLMS 856R (MILSTRIP Legacy DIC FTM) with UII(s) and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. Conformance with standard line of accounting (SLOA)/accounting classification requires any initiation of a financial business event to include SLOA mandated standard financial information system (SFIS) elements.⁴ The DLMS Automatic Return Notification supports inclusion of SLOA required elements. Pending full implementation of SLOA, ~~Transaction Services~~ *Defense Automatic Addressing System (DAAS)* will facilitate interoperability by updating selected SLOA data fields based upon the returning activity's Service/Agency and Fund Code. If discrete values for the SLOA data elements in the transaction do not match data elements from the SFIS Fund Code to Fund Account Conversion Table for the Fund Code in the transaction, reject with the DLMS 870M Materiel Returns Supply Status citing Status Code CF. If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DLMS 870M/DIC FTQ Materiel Returns Supply Status citing Status Code CF.⁵

C11.9.2. Nonconsumable Item Materiel Support Code (Items Designated for Automatic Return).

C11.9.2.1. All NIMSC 5 unserviceable (SCC E or F) items are designated for automatic return on an inter-DoD Component basis.

C11.9.2.2. PICAs will notify SICAs of the NSN and the storage organization to which such items are to be shipped. PICAs will also notify the receiving storage activity of the NSN of such items to be returned. The SICAs will perpetuate this information and the PICA RIC to the materiel holder/SICA activities using intra-DoD Component procedures. The materiel holder will prepare and submit the DLMS 856R with UII(s) and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. The materiel holder will send the DLMS 856R to the SICA and the designated return-to activity, with a copy to the PICA when directed by the SICA. The PICA will be identified as the Party to Receive Status in the DLMS 856R. The PICA and SICA are not required to store the UIIs and/or serial numbers.

C11.9.2.3. If there is no DoD Component SICA for the items identified for automatic return by a PICA (e.g., Coast Guard), the PICA will provide the information to the appropriate DoD Component designated activity. The materiel holder will prepare and submit the DLMS 856R with UII(s) and/or corresponding serial numbers for NSNs containing an IUID Indicator Y,

⁴ Refer to ADC 1043/ ADC 1043A.

⁵ Refer to ADC 1043E.

indicating that DoD IUID Supply Policy compliance is required. The materiel holder will send the DLMS 856R to the PICA and the designated return-to activity.

C11.9.2.4. For SICA-approved returns, the SICA will provide disposition instructions to the materiel holder under normal intra-Service implementing instructions. The materiel holder will prepare and submit the DLMS 856R with UII(s) and/or corresponding serial numbers for NSNs containing an IUID Indicator Y, indicating that DoD IUID Supply Policy compliance is required. The materiel holder will send the DLMS 856R to the SICA and the designated return-to activity. The SICA is not required to store the UIIs and/or serial numbers.⁶

C11.9.3. Automatic Return of Unserviceable Items. When an unserviceable NIMSC 5 item is automatically returned or a replacement item will be requisitioned, DLMS 180M and later documentation will include Project Code 3AL. If a replacement for the unserviceable NIMSC 5 automatic return item will not be requisitioned (e.g., the returned item exceeds the returning activity's authorization or requirement), the DLMS 180M Automatic Return Notification and related documentation will not contain Project Code 3AL. The DLMS 180M to the PICA will contain the data elements specified for the DLMS 180M **Automatic Returns Notification Implementation Convention** (~~Report of Available Assets to ICP/IMM~~). After generation of the ~~DLMS 180M~~ Automatic Return Notification, processing will occur as though there has been a DLMS 180M (Report of Available Assets to ICP/IMM) report and a DLMS 870M (From ICP/IMM), reply, along with other provisions of this chapter, excluding DLMS 180M (For Reply to Asset Report) and DLMS 870M (ICP/IMM Status to Customer).

C11.9.4. Automatic Return of Unserviceable Items under Inter-Service Maintenance Agreement. *All unserviceable (SCC F) items requiring removal and return to the owner during maintenance performed under an inter-Service agreement, including DMISA, are designated for automatic return on an inter-Service basis. The owner/principal will designate the applicable storage activity for the return shipment. The maintenance activity/repair agent will notify the owner/principal of the return using the DLMS 180M Automatic Returns Notification (Action Code RF). Include Project Code 3HX in the return notification when requisitioning a replacement part and expecting credit for return of the unserviceable asset. The maintenance activity must provide the Automatic Return Notification prior to the physical return of the unserviceable materiel. Maintenance activities will submit the Automatic Return Notification two days prior to physical return whenever feasible; a minimum of twenty-four hours is required. This delay is necessary because the maintenance and storage activities are normally located in close proximity and it is vital that the owner/principal have sufficient time to furnish a Prepositioned Materiel Receipt (PMR) to the storage activity before the materiel arrives. Subsequent to generation of the Automatic Returns Notification, processing will occur as described for Project Code 3AL.*⁷

C11.9.5. Restrictions. No other inter-DoD Component use of DLMS 180M Automatic Return Notification is currently authorized.

⁶ ADC 1071, Implementation of DoD Item Unique Identification (IUID) Supply Policy in Version 4030 DLMS 856R Shipment Status Materiel Returns.

⁷ Refer to ADC 1256. Staggered implementation authorized by December 2019.

C11.9.6. Internal DoD Component Use. The DoD Components may use DLMS 180M Automatic Return Notification internally for intra-DoD Component programs that do not conflict with other provisions of this manual.

C11.9.7. Source of Supply Processing of Automatic Return Notification. Upon receipt of DLMS 180M Automatic Return Notification, the SICA will establish a due-in and generate a PMR transaction to the receiving activity for the quantity in the DLMS 180M Automatic Return Notification transaction. The **SICA will prepare the** due-in and the PMR transaction ~~will be created~~ under Chapter 12 procedures. Note: For unserviceable NIMSC 5 items, the SICA will send a DLMS 180M Automatic Return Notification, with data elements specified in C11.9.3, to the PICA. The PICA will establish the due-in and send the PMR transaction to the receiving depot.

C.11.9.8. OWNER/PRINCIPAL PROCESSING OF AUTOMATIC RETURN NOTIFICATION. *Immediately upon receipt of an Automatic Return Notification transaction from a maintenance activity/repair agent under an inter-Service agreement, including DMISA, the owner/principal will establish a due-in and generate a PMR transaction to the receiving activity for the quantity and SCC in the Automatic Return Notification transaction. The owner/principal will prepare the due-in and PMR transaction under MILSTRAP. Upon receipt of unserviceable returns for credit (Project Code 3HX), the owner/principal will provide credit under MILSBILLS procedures.”*