



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

SUSTAINMENT

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE

SUBJECT: Approved Defense Logistics Management Standards Change 1262A, Revision of Location Survey Requirements under Records Reconciliation Program for Controlled Items (Supply)

The Defense Logistics Management Standards change, as outlined in the attachment, is approved for implementation.

Addressees may direct questions to Rafael Gonzalez, email: rafael.gonzalez@dla.mil. Others must contact their designated PRC representative available at <https://www.dla.mil/Defense-Data-Standards/Committees/Contacts/>.

Leigh E. Method, SES
Deputy Assistant Secretary of Defense
for Logistics

Attachment:
As stated

cc:
OUSD(C)
DLA J6DS

Approved Defense Logistics Management Standards Change 1262A Revision of Location Survey Requirements under Records Reconciliation Program for Controlled Items

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Defense Logistics Agency (DLA), DLA HQ, J-345 Office, Troy Brown, (717) 770-3120 or DSN (771); email: Troy.Brown@dla.mil.

b. **Functional POC:** Defense Enterprise Data Standards Office (DEDSO), Rafael Gonzalez, email: Rafael.Gonzalez@dla.mil.

2. REASON FOR CHANGE:

a. **Bottom Line Up-Front:** This change amends Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1262, Revision of Location Survey Requirements under Records Reconciliation Program (Reference 10.a) and removes the exemption for controlled items from the annual requirements for storage activities to perform location surveys in combination with other physical inventories as stated in Chapter 6 of the Defense Logistics Manual (DLM) 4000.25, Volume 2, Supply Standards and Procedures (Reference 10.b).

b. Background:

(1) Under ADC 1262, storage activities may use qualifying inventory activities to meet the physical inventory and location survey requirements under DLM 4000.25. However, controlled items were excluded due to the type of commodity.

(2) After coordination of ADC 1262, Department of Defense (DoD) Instruction 4140.73, Asset Physical Accountability Policy (Reference 10.c) introduced several changes to the physical inventory program. Among those changes, the policy requires DoD storage activities to perform a full inventory count and location survey on an annual basis. This policy requires additional resources for storage activities not contemplated when developing ADC 1262. Consequently, DLA submitted a request to remove the exception for controlled items in Reference 10.b. Removing this exception will allow storage activities to better manage and prioritize resources to meet the policy requirements under Reference 10.c.

3. CHANGE IN DETAIL:

a. **Technical Details:** This change removes the exemption for controlled items from the annual requirements for storage activities stated under Reference 10.b. As a result, storage activities will now be able to conduct physical inventory counts and location surveys simultaneously on all items, regardless of commodity.

b. **Revised Transaction Flow:** This change has no impact on the flow of transactions.

4. **IMPLEMENTATION TARGET:** There are no known system changes expected. Consequently, this change will be implemented upon approval.

5. **TECHNICAL IMPACT:**

- a. **Additions or Changes to Data Elements:** No impact.
- b. **Automated Information Systems (AIS):** No system impact reported.
- c. **Defense Automatic Addressing System (DAAS):** No impact.

6. **PUBLICATION/POLICY IMPACT:**

- a. **Defense Logistics Manual (DLM) 4000.25:** This change revises DLM 4000.25, Volume 2, Chapter 6, Physical Inventory Control, as specified in the enclosure.
- b. **Non-DLM 4000.25 Publications:** No publication changes reported.

7. **ASSUMPTIONS:** None.

8. **FINANCIAL IMPROVEMENT AND AUDIT REMEDIATION (FIAR), MATERIAL WEAKNESS, AND AUDIT-RELATED INFORMATION:**

- a. **Notice of Findings and Recommendations (NFR):** Not applicable.
- b. **Corrective Action Plan (CAP) References:** Not applicable.

9. **Other FIAR, Material Weakness, and Audit-Related Information:** No audit related information reported. **END-TO-END TESTING REQUIREMENTS:** Not applicable.

10. **REFERENCES:**

- a. ADC 1262, Revision of Location Survey Requirements under Records Reconciliation Program, January 22, 2022
- b. DLM 4000.25, DLMS, Volume 2, Supply Standards and Procedures, Chapter 6, Physical Inventory Control, April 9, 2022
- c. DoDI 4140.73, Asset Physical Accountability Policy, June 4, 2021

11. **PROPOSED DLMS CHANGE (PDC) 1262A RESPONSE/COMMENT RESOLUTION:**

	Component	Response/Comment	Disposition
1.	DLA	Concur.	N/A
2.	Navy	Concur.	N/A

3.	Air Force	Concur.	N/A
4.	US Army	Concur.	N/A
5.	USMC	No response received.	N/A
6.	DAAS	Concur.	N/A
7.	USTRANSCOM	No impact.	N/A
8.	GSA	No response received.	N/A

Enclosure

Revisions to Defense Logistics Manual (DLM) 4000.25, Volume 2, Supply Standards and Procedures, Chapter 6, Physical Inventory Control

Deletions are shown by double strikethrough text.

C6.8.1. Location Survey

[Intervening text not shown]

C6.8.1.3. Storage locations that have undergone a qualifying physical inventory action within the previous 12 months, ~~with the exception of controlled item(s),~~ may be considered to have satisfied the annual location survey requirements stated in paragraph C6.8.1.2. A qualifying inventory action is one where the storage activity performs a successful physical verification of the item(s) between the physical asset(s) and the recorded location data. The storage activity has the option to perform a second location survey as necessary, but it is not required for the purpose of the annual location survey. These procedures do not overwrite current guidance and procedures for any discrepancies found at the location.