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June 29, 2020

**MEMORANDUM FOR SUPPLY DISCREPANCY REPORTING (SDR) PROCESS
REVIEW COMMITTEE (PRC)**

**SUBJECT: Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1347,
Mandatory Closure Notices for Supply Discrepancy Reports (SDR)**

The attached change to DLM 4000.25, Defense Logistics Management Standards is approved for implementation.

Addressees may direct questions to the EBSO SDR Administrator, Mr. Ben Breen, at email: EBSO.SDR@dla.mil. All others must contact their SDR PRC representative available at <https://www.dla.mil/HQ/InformationOperations/DLMS/allpoc/>.

THOMAS A. DELANEY
Director, Enterprise Business Standards Office
DLA Information Operations

Attachment
As stated

cc:
ODASD(Logistics)

ADC 1347

Mandatory Closure Notices for Supply Discrepancy Reports (SDR)

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION: Mr. Ben Breen, SDR PRC Chair, e-mail: EBSO.SDR@DLA.MIL

2. FUNCTIONAL AREA LOGISTICS AND TRANSACTION CHANGES: SDR

3. REFERENCES:

a. ADC 1044, Enhanced Interim Supply Discrepancy Report (SDR) Reply Capability, Status Update, and Completion Notification (Supply/SDR), January 22, 2013

b. ADC 1044A, Approved Addendum to Approved Defense Logistics Management Standards (DLMS) Change 1044A, Clarification of Business Rules associated with Supply Discrepancy Report (SDR) Replies for Status Update and Completion Notification, September 9, 2014

c. DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 2, Supply Standards and Procedures, Chapter 17, Supply Discrepancy Reporting

4. APPROVED CHANGE(S):

a. **Brief Overview of Change:** This change enhances communication between the submitting SDR system and the action activity. It documents and expands upon procedures regarding Closure Notifications (CN) generated for all SDRs regardless of submitting system or activity. The only exceptions to the above is for SDRs with Action Codes 1H (No action required; information only) and 3B (Discrepancy reported for corrective action and trend analysis; no reply required).

b. **Background:**

(1) As documented in ADC 1044 (Reference 3.a.) and ADC 1044A (Reference 3.b.), the DLA Distribution Standard System (DSS) prepares a CN for every SDR excluding SDRs provided for information only and requiring no reply (Action Code 1H/3B). These CNs are system-generated instantaneously upon creation of the transmission of the SDR and are included in the same batch requiring special processing within WebSDR.

(2) Under selected scenarios, the storage activity may provide a CN without a response from the owner/manager. This may occur when the storage activity indicates it will retain discrepant materiel and the originator or originating system automatically closes the SDR immediately after transmission of the SDR.

(3) WebSDR currently does not flag SDRs with a CN as being closed or separate these SDRs into a separate category. As data continues to be viewed as an asset and the focus on how the DoD can use data to leverage business decisions, the SDR processes need to have clearly defined business life cycle events. Closing the SDR is one of these life cycle events that needs to be defined clearly.

(4) Currently, Product Data Reporting and Evaluation Program (PDREP) SDRs do not drop off users' active worklists until they have received a CN back from the submitter confirming the disposition action. This is causing issues with metrics when Navy and USMC report open SDRs, since there is currently no requirement for the submitter to generate CNs for all SDRs.

c. Approved Change in Detail:

(1) This change makes CNs mandatory for all SDR types and submitting systems must be capable of generating CNs. SDR applications must be updated to accept incoming CNs from SDR submitting systems. The only exceptions are for SDRs with Action Codes 1H (No action required; information only) and 3B (Discrepancy reported for corrective action and trend analysis; no reply required).

(a) Only submitting systems may generate CNs. WebSDR will reject a CN from any system other than the submitter on an SDR using a new rejection reply code as shown in Enclosure 3.

(b) When a CN processes against an SDR, the SDR cannot be reopened. The CN puts the SDR into a closed status, and signifies the submitter has taken disposition action provided by the action activity.

1. The submitter must create a new SDR if for some reason they still require additional information.

2. WebSDR will reject any transaction related to a particular SDR received after a CN has processed against that SDR. The new reply code is shown in Enclosure 3.

(2) SDRs with Action Codes 1H or 3B will not require a CN. WebSDR will automatically set the status to these SDRs with the new status of closed. SDRs in this status will not show in status as "open awaiting disposition".

(3) Update WebSDR to add a new closed status to the drop down status menu in WebSDR.

(4) Update WebSDR composite screen to include CN transactions.

(5) Update WebSDR Management Report screens to include CN status and add CNs to the on screen and email Excel file output.

(6) For SDRs created using the online WebSDR application, users are required to generate a CN. Users failing to generate this CN will keep their SDRs from reflecting a closed status. This will impact their metrics reporting.

(a) Create a new WebSDR screen titled "Generate Completion Notice".

(b) Users will manually enter the WebSDR control number on this screen.

(c) Users will select Reply Code 410 (SDR closed. Disposition action complete), and hit execute.

(d) This will generate a CN to the action activity.

(e) WebSDR will ensure that only SDRs created using the online WebSDR application are authorized to generate a CN using WebSDR.

d. Revisions to DLM 4000.25 Manuals:

(1) Update the DLMS Implementation Convention (IC) 842A/R Reply as shown in Enclosure 1.

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

(3) Update DLMS 4000.25 Volume 2 Appendix 7.28, Supply Discrepancy Report Relevant Data Elements as shown in Enclosure 3.

e. **REASON FOR CHANGE:** This change provides clarity and updates procedures and business rules for SDRs in a closed status, when no further action is required.

f. **Approved Transaction Flow:** Standard SDR business transactions apply.

g. **Alternatives:** None noted.

5. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** These changes will systemically enforce current SDR business processes and procedures, and provide the SDR community better clarity to the business and system requirements for SDRs in the newly defined closed status.

b. **Disadvantages:** None

6. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT: N/A

7. ADDITIONAL COMMENTS TO CONSIDER: None

8. ADDITIONAL FUNCTIONAL REQUIREMENTS: None

9. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Upon approval.

10. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: At this time, this cannot be calculated.

11. IMPACT:

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

b. **Changes to DLMS Data Elements:** None identified.

c. **Automated Information Systems (AIS)**: Component SDR systems must be updated to send and receive CN transactions as described in this change.

d. **Defense Automatic Addressing System (DAAS)**: Update WebSDR to reflect changes identified in this change.

e. **Non-DLM 4000.25 Series Publications**: DoD Components may need to update internal operating procedures and other published Receipt/SDR guidance.

12. PROPOSED DLMS CHANGE (PDC) 1347 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	Disposition
1.	DLA	Concur without comments.	As noted.
2.	Navy	Concur without comments.	As noted.
3.	Air Force	Concur with comment. Comment: Clarification required to ensure that interface processing logic is updated correctly. Recommended resolution: Request discussion with the Air Force Security Assistance	As noted. Discussion with USAF AFSAC SDR-A team concluded that there would minimal impact to SDR-A processing.
4.	US Army	Concur without comment.	As noted.
5.	USMC	Concur without comment	As noted.
6.	DAAS	Concur without comment	As noted.
7.	USTRANSCOM	Abstains.	As noted.
8.	DCMA	Concur without comment.	As noted.
9.	ODASD	Concur without comment.	As noted.

Enclosure 1

DLMS IC 842A/R Reply

Update the DLMS Note as shown below, additions identified in ***bold italics*** and deletions by strikethrough

Item	Location	Revision to 4030 842A/R Standard Supply Discrepancy Report (SDR) Reply	Reason
1.	DLMS Introductory Notes	<u>Add ADC 1347 to DLMS introductory notes:</u> - <i>ADC 1347, SDR Mandatory Closure Notices for Supply Discrepancy Reports (SDR)</i>	To identify DLMS changes included in IC.
2.	2/BNR01/0200	<u>Revise DLMS Notes for Qualifier CN:</u> CN Completion Notification DLMS Note: <i>1. Use to indicate the submitter of the SDR has taken all associated disposition actions and has closed the SDR in the submitting system. activity providing this transaction has closed the SDR record internally. (This may not mean that all associated actions have been completed by other activities applicable to the SDR.)</i> <i>2. Only the submitting system of the SDR is authorized to send the CN transaction to close the SDR. Refer to ADC 1347.</i>	Revises note with referenced PDC for closure SDR status for all SDR document type codes.

Enclosure 2

Defense Logistics Manual (DLM) 4000.25, Volume 2

Revise Chapter 17 as shown. Additions are identified in **red bold italics**, and deletions are identified by strikethrough.

(Intervening text not shown)

C17.3.12.1.2.5. Completion Notification.¹ ***The submitting system will use*** a completion notification, identified by Transaction Set Purpose Code CN in the SDR reply to communicate with the ~~ICP/IMM~~ ***action activity*** that final action has been taken on an SDR requiring a materiel disposition action. ~~This is equivalent to indicating that the storage activity has closed the SDR. The receiving SDR system may close the SDR as well or keep it open for additional actions.~~ Submission of a completion notice is ~~appropriate~~ ***required*** for all SDRs prepared by ~~the~~ ***the storage activity submitter***, with the exception of those clearly identified as being provided for information only and requiring no action activity reply (SDR Action Codes 1H or 3B only). The completion notice may not be used to modify originally reported SDR data elements. ***The following sub-paragraphs provide more detailed information regarding CN processing.*** ~~It will be provided in the following specific situations, and will be available for additional use as needed.~~

C17.3.12.1.2.5.1. When a CN processes against an SDR, the SDR cannot be reopened. The CN puts the SDR into a closed status, and signifies the submitter has taken disposition action provided by the action activity. WebSDR will reject any subsequent transaction submitted after a CN has processed with Reply Code 952.

C17.3.12.1.2.5.2. CNs can only be generated by the submitting system. WebSDR will reject with Reply Code 950 any attempt to generate a CN for an SDR that didn't originate in the submitting system.

~~C17.3.12.1.2.5.13.~~ The ~~storage activity~~ ***submitter*** will use a completion notification to inform the ~~ICP/IMM~~ ***action activity*** that all action is complete using Reply Code 410.

~~C17.3.12.1.2.5.24.~~ Under selected scenarios, the ~~storage activity~~ ***submitter*** ~~may~~ ***will*** provide a completion notice without a response from the owner/manager when the SDR is automatically closed immediately after transmission. SDR Action Codes 1B (Materiel being retained) and 1G (Reshipment not required; item to be re-requisitioned) apply. A completion notice will be provided using Reply Code 410.

~~C17.3.12.1.2.5.35.~~ The ~~storage activity~~ ***submitting system*** will prepare a completion notification to notify the ~~ICP/IMM~~ ***action activity*** that the SDR has been closed due to zero balance on record. This will not result in an investigation as it is generally the result of processing a release order during the interim period after the SDR was prepared and prior to execution of the disposition instructions. The ~~ICP~~ ***action activity*** may close the SDR due

¹ Refer to ADC 1044A Clarification of Business Rules associated with SDR Replies for Status Update and Completion Notification

to the materiel no longer being available. If SDR is a Document Type 9, then the ICP must take further action to locate new procurement materiel.

~~C17.3.12.1.2.5.4. If a completion notice is inadvertently transmitted, the SDR may be reopened by submission of a correction citing Discrepancy Code Z6 as the first discrepancy code in the transaction. The correction must contain the WebSDR control number originally assigned to the SDR. This will allow the action activity to reopen the original record. Do not submit a new SDR (Transaction Set Purpose Code 00) in this situation as this SDR will be considered a duplicate SDR and will be rejected. A subsequent completion notice may be provided when appropriate.~~

C17.3.12.1.2.5.65. The storage activity will use a completion notification to inform the ICP/IMM **action activity** that materiel disposition could not be completed due to zero balance at storage location using Reply Code 412 and clarifying remarks. The ICP may close the SDR due to the materiel no longer being available. If the SDR is a Document Type 9, the ICP must take further action to locate the new procurement materiel.

(Intervening text not shown)

C17.3.20. Defense Automatic Addressing System (DAAS) SDR Processing

C17.3.20.1. Under DLMS, SDRs are integrated with standard logistics transaction processing through DAAS. DLMS transaction formats are available in ASC X12 EDI or EDI-based XML. Guidance for transaction content is provided in DLMS ICs available on the DLMS IC page. DoD WebSDR will perform the following actions:

(Intervening text not shown)

C17.3.20.1.2.9. Edit new submission SDRs (transactions and direct input) to enforce the serial number convention that the serial number maximum field length may not exceed 30 characters and may only include alpha numeric (A-Z, 0-9), dashes and forward slashes. Spaces are not allowed. Reject SDRs with serial numbers not meeting this convention using new Reply Code 947 (Transaction Rejected. Invalid serial number length or convention.

C17.3.20.1.2.10. WebSDR will reject with Reply code 952 any subsequent transaction submitted after a CN has processed.

C17.3.20.1.2.11. WebSDR will reject with Reply Code 950 any attempt to generate a CN for an SDR that did not originate in the submitting system.

Enclosure 3

Defense Logistics Manual (DLM) 4000.25, Volume 2

Revise Appendix 7.28, as shown. Additions are identified in *red bold italics*, and deletions are identified by strikethrough.

AP7.28 APPENDIX 7.28

SUPPLY DISCREPANCY REPORT RELEVANT DATA

ELEMENTS

Preceding text not shown

AP7.28.4. DISCREPANCY STATUS OR DISPOSITION (REPLY) CODES.

Action activities use the Discrepancy Status or Disposition (Reply) Codes to codify a response to an SDR. This data element may be referred to as an SDR Reply Code. It is a three position numeric code. Up to three reply codes may be used on a single report to provide complete financial and materiel disposition instructions and provide additional information as needed. Codes may be used to replace or supplement preprinted information on the reverse side of the SF 364. System design should accommodate clear text for ease of use and interpretation.

Intervening text not shown

The 900-series codes are intended for system/application use in processing transactions. When SDRs are processed manually, these codes may be user assigned as appropriate:

Intervening codes not shown

- 948 Transaction rejected. Unauthorized change in the Owner, Manager, or Source of Supply field.
- 949 Transaction rejected. Reply Code 504 can only be used for SDR Document Type Code 7 or R, and cannot be used with any other reply code.
- 950 *Transaction rejected. Unauthorized generation of completion notice (CN). Only the submitter of the SDR is authorized to generate a CN.***
- 951 *Reserved.²***
- 952 *Transaction rejected. A completion notice (CN) has processed against this SDR, no further transactions will process.***

² *Refer to ADC 1374.*