



SUSTAINMENT

OFFICE OF THE ASSISTANT SECRETARY OF WAR
3500 DEFENSE PENTAGON
WASHINGTON, DC 20301-3500

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE

SUBJECT: Approved Defense Logistics Management Standards Change 1501, Key Supporting Document Inclusions for Government-Furnished Property Audit Compliance

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

Addressees may direct questions to Steven Nace, e-mail: DEDSO.Supply@dla.mil. Others must contact their designated PRC representative available at [www.dla.mil/ Defense-Data-Standards/Committees/Contacts/](http://www.dla.mil/Defense-Data-Standards/Committees/Contacts/).

Kevin Kachinski
Performing the Duties of Deputy Assistant
Secretary of War for Logistics

Attachments:
As stated

cc:
OASD(A)/DPCAP
DLA J6DS

Approved Defense Logistics Management Standards Change 1501 Key Supporting Document Inclusions for Government-Furnished Property Audit Compliance

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. **Technical POC:** Pam Rooney, Office of the Assistant Secretary of Defense for Acquisition, Defense Pricing, Contracting, and Acquisition Policy (OASD(A)/DPCAP), pamela.p.rooney.ctr@mail.mil

b. **Functional POC:** Carol Brown, OASD(A)/DPCAP, carol.a.brown160.civ@mail.mil

2. REASON FOR CHANGE: Significant changes after staffing the approved change are in green highlighting.

a. **Bottom Line Up Front:** To ensure financial audit compliance, the Defense Logistics Management Standards (DLMS) 947I (Inventory Adjustment) transaction needs to carry the case number so the Accountable Property Officer (APO) can identify and retrieve the case summary document as the key supporting document when decrementing items from a DoD property system (Accountable Property System of Record (APSR)) and Integrated Material Management System. **Property Systems managing Government-Furnished Property (GFP) inventories must implement this change to ensure association between the transaction and the digitally signed key supporting document. See paragraph 5.b.**

b. Background:

(1) After all the procedures required for the contractor to report and DoD to adjudicate a Property Loss or a Plant Clearance case have been executed, ~~this~~ the DLMS 947I is the transaction that is generated at ~~completion of that case completion.~~ Contractors must report lost, or destroyed, or excess GFP in their custody to the GFP Module in the Procurement Integrated Enterprise Environment (PIEE) system. After adjudication by DoD, the case is closed, which triggers the DLMS 947I to be transmitted to the property system indicating the items are out of DoD inventory. The APO, or other designated responsible person, will decrement the item from the DoD Property System, or the Property System will automatically make the adjustments. Audit compliance requires the ability to trace back to the key supporting document that proves the item is out of DoD inventory which can be in the form of a 1) property loss case number, or 2) proof of disposal the removal of materiel from DoD inventory in the form of a Plant Clearance case number, or 3) disposal turn-in document (DTID) ~~received by Defense Logistics Agency's Disposition Services.~~ To enable the APO to locate the case, the case number needs to be transmitted with the DLMS 947I transaction. This change adds the case number as a data element in the DLMS 947I transaction.

(2) The Defense Contract Management Agency currently has a complementary user entity control imposed on APOs to periodically review the enterprise award file in electronic data access, view the closed Property Loss or Plant Clearance cases, and adjust the property system based on the information. This change directly provides the case number, so the APO does not have to open every case.

3. CHANGE IN DETAIL:

a. **Technical Details:** Open Position 0900, N9 segment, Reference Identification, in the DLMS 947I transaction to allow the inclusion of the following case number formats. The PIEE GFP module will populate the data element with the case number when transmitting an inventory adjustment loss due to a property loss, proof of disposal materiel removal (by way of the Proof of Disposal Number code qualifier) from DoD inventory referencing the Plant Clearance case, or DTID. The case number structures are (AN = alphanumeric):

(1) Property Loss: 12-position AN – Example: M67854200001

(2) Proof-of-Disposal Number:

(a) Plant Clearance: 13-position AN with a hyphen – Example: M67854-001224

(b) DTID: 14 position AN – Example: M678540011224

b. **Revised Transaction Flow:** This change does not impact the existing transaction flow; it only adds ~~an~~ these optional elements to the existing implementation convention at 1/N901/0900.

4. **IMPLEMENTATION TARGET:** No definitive information provided.

5. TECHNICAL IMPACT:

a. **Additions or Changes to Data Elements:** Addition of data element to carry case number.

b. **Automated Information Systems:**

(1) Property Systems will need:

(a) To expect the N9 segment and add the qualifiers listed in Enclosure 2.

(b) Code to consume and expose/display the case number.

(2) Reported trading partner systems include, but are not limited to:

System Name	Responsible Component	DoD Information Technology Portfolio Repository Identification
Army Enterprise Systems Integration Program (AESIP)	U.S. Army	13267
Global Combat Support System - Army (GCSS-ARMY)	U.S. Army	621
Logistics Modernization Program (LMP)	U.S. Army	232
Base Level Support Application (BLSA)	Defense Logistics Agency	14283
Enterprise Business System (EBS)	Defense Logistics Agency	488
Enterprise Logistics Management System (ELMS)	Defense Logistics Agency	3266
Procurement Integrated Enterprise Environment (PIEE)	Defense Logistics Agency	432
Global Combat Support System - Marine Corps (GCSS-MC)	U.S. Marine Corps	303
Marine Ammunition Knowledge Enterprise (MAKE)	U.S. Marine Corps	4730
Naval Tactical Command Support System (NTCSS)	U.S. Navy	299
Decision Knowledge Programming for Logistics Analysis and Technical Evaluation (DECKPLATE) System	U.S. Navy	1664
Navy Enterprise Resource Planning (ERP)	U.S. Navy	802
Ordinance Information System (OIS)	U.S. Navy	727
Reliability, Availability, and Maintainability for Pods (RAMPOD)	U.S. Air Force	213
Reliability and Maintainability Information System (REMIS)	U.S. Air Force	201
Stock Control System (SCS)	U.S. Air Force	197
Theater Integrated Combat Munitions System (TICMS)	U.S. Air Force	26769
Integrated Logistics System - Supply (ILS-S)	U.S. Air Force	198
Comprehensive Engine Management System (CEMS)	U.S. Air Force	224

c. **Defense Automatic Addressing System (DAAS)**: DAAS will need to know the N9 segment may exist, and to repackage it properly, if they disassemble the transaction. DAAS will need to accept the N9 and transmit it to the recipient system.

6. PUBLICATION/POLICY IMPACT:

a. **Defense Logistics Manual (DLM) 4000.25**: See Enclosure 1.

b. **Non-DLM 4000.25 Publications**:

(1) Defense Logistics Agency Manual 5000.02, Volume 1, General Equipment (GE): Determination of Needs, Acquisition, Management (Sustainment), and Disposal, July 11, 2022

(2) Defense Logistics Agency Manual 5000.02, Volume 2, General Equipment (GE): Determination of Needs, Acquisition, Management (Sustainment), and Disposal, July 11, 2022

7. ASSUMPTIONS: N/A

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

a. **Notices of Findings and Recommendations**: N/A

b. **Corrective Action Plan References**: N/A

9. **Other FIAR, Material Weakness, and Audit-Related Information**: The Secretary of Defense memorandum (Reference 11.a.) requires systems to show 50 percent progress toward integrating with the GFP module by September 30, 2025. Transmission of the DLMS 947I to property systems is one of the key interface points. The 2023 FIAR report (Reference 11.b.) indicates that the ability of DoD to track Government property in the possession of contractors is a scope limiting material weakness. Addition of the case number to the Inventory Adjustment Transaction for property loss and plant clearance enables rapid association to the foundational key supporting document in support of audit traceability.

10. **END-TO-END TESTING REQUIREMENTS**: Coordinate testing between the PIEE GFP Module and Property Systems with DAASTesting@dla.mil.

11. REFERENCES:

a. Secretary of Defense Memorandum: Secretary of Defense Fiscal Year 2025 Financial Statement Audit Remediation Priorities, December 7, 2024

b. Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer United States Department of Defense Financial Improvement and Audit Remediation Report, July 2024, page 4

c. DoDI 5000.64 Accountability and Management of DoD Equipment and Other Accountable Property

12. IMPLEMENTATION TIMELINE AND ESTIMATED COMPLETION DATE:

#	DoD Component	Response/Comment
1.	DLA	No comment provided.
2.	U.S. Air Force	System information provided without implementation timelines.
3.	U.S. Army	No comment provided.
4.	U.S. Marine Corps	No comment provided.
5.	U.S. Navy	No comment provided
6.	GSA	No comment provided.
7.	USTRANSCOM	No comment provided.
8.	USSOCOM	No comment provided.
9.	DCSA	No comment provided.
10.	FAA	No comment provided.

Enclosure 1. Defense Logistics Manual (DLM) 4000.25 Revisions

Revise the DLM 4000.25, Volume 2, Chapter 6 as shown. Changes are identified by **bold red** font and deletions by ~~red strikethrough~~ text. Renumber as necessary.

(Preceding text not shown.)

C6.2.5.5. Government-Furnished Property (GFP) Decrements.

C6.2.5.5.1. After all the procedures required for the contractor to report and DoD to adjudicate a Property Loss or a Plant Clearance case have been executed, this is the transaction that is generated at completion of that case. Contractors must report lost, or destroyed, ~~or excess government-furnished property (GFP)~~ in their custody to the GFP module of the Procurement Integrated Enterprise Environment (PIEE). The case is closed ~~After after DoD adjudication by DoD, the case is closed~~ which triggers the DLMS 947I to be transmitted to the property system indicating the items are out of DoD inventory. The Accountable Property Officer (APO), or other responsible DoD person, will decrement the item from the DoD property system, or the property system will do it automatically. Audit compliance¹ requires the ability to trace back to the key supporting document that proves the item is out of DoD inventory, which can be in the form of a 1) Property Loss case number, or 2) proof of ~~disposal~~removal of materiel from DoD inventory in the form of a Plant Clearance case number, or 3) ~~disposal turn-in document (DTID) receipted by DLA Disposition Services~~. The case is that key supporting document and must be included in all DLMS 947I transactions submitted through PIEE related to lost, or destroyed ~~or excess~~GFP. To enable the APO to locate the case, the case number needs to be transmitted with the DLMS 947I transaction for GFP reporting inventory losses.

¹ Refer to ADC 1501.

Enclosure 2

Revise the following Defense Logistics Management Standards (DLMS) implementation conventions as shown. Changes are identified by **bold red** font and deletions by **red strikethrough** text.

#	Location	DLMS 4030 947I Inventory Adjustment	Reason
1.	DLMS Introductory Note	<u>Add ADC 1501 to DLMS Introductory Note:</u> - ADC 1501, Key Supporting Document Inclusions for Government-Furnished Property Audit Compliance	New coding requirement.
2.	1/N901/0900	<u>Add new code and update DLMS Note:</u> AHE – Property Loss Case Number DLMS Note: Use to indicate the property loss number when formatted as a 12-position alphanumeric number. AHF – Proof of Disposal Number DLMS Note: 1. Use to indicate proof of disposal removal in the form of a 13-position alphanumeric Plant Clearance case number. 2. Use to indicate proof of disposal with DLA Disposition Services in the form of a alphanumeric 14-position disposal turn-in document number.	New codes to support government-furnished property audit compliance.

Enclosure 3

PDC 1501 Comment Matrix

Component Input			Action Officer Response		
Org	Comment	Recommended Change	Commentor	Accept or Reject	DEDSO Notes
DLA HQ	Concur with Comment 1. As a process owner, I need to understand the scenarios and business processes in which I would expect these values. The PDC is missing business rules that further explain when and how these codes will be used for GFP.	Add to paragraph 5a or 5b the business scenarios where these new qualifiers will be used and clearly articulate whether one or all are expected and for which scenario. As is, the PDC is unclear.	Rafael Gonzalez Castro, DLA J345	Reject	DLA Logistics Operations, OASD(A) and DEDSO met to discuss this comment resulting and DLA accepting the scenarios as is.
	2. Clarification needed: Will the dollar value stay at 5,000 and is to cover all class of supplies? (Refer to: DoDI 5000.64 Accountability and Management of DoD Equipment and Other Accountable Property.)	Clarification in class of supplies for dollar value.	Elizabeth Ellingson, DLA Aviation	Reject	This is about what the contractor is required to do regarding GFP Module reporting. The contractor requirement is to report all losses regardless of value and should not be confused with APSR requirements.
	3. Missing reference to the DoD 4160.21: Defense Materiel Disposition: Disposal Guidance and Procedures. This manual (cover the DoD turn-in requirement for processing through DLA Disposition Services.	Add d. DoDM 4160.21, Volume 1, "Defense Materiel Disposition: Disposal Guidance and Procedures" to this reference list (cover the turn-in requirement to DLA Disposition Services.	Coleen Jewell, DLA J345		Materiel disposition portions of the PDC have been removed in an adjudication with the Air Force.
	4. Paragraph is not clear, missing terms used within DLAM, consistent with language used in the DLAM ...last sentence is duplicative.	Recommend changes in red: C6.2.5.5. Government Furnished Property (GFP) Decrements. C6.2.5.5.1. Contractors must report lost, destroyed, or excess government-furnished property (GFP) in their custody to the GFP module of the Procurement Integrated Enterprise Environment (PIEE). After adjudication by DoD, the case is closed which triggers the DLMS 947I transaction to be transmitted to the APSR indicating the items are out of DoD inventory or transferred to DLA Disposition Services . The APO, or designee will manually or systematically decrement the item from their APSR . Audit compliance requires the ability to trace the transaction to the key supporting document(s) to validate the item(s) status, as out of DoD inventory or transferred . Key supporting documents will be in the form of 1) property loss case number, 2) a plant clearance case number , or 3) disposal turn-in document (DTID) receipted by DLA Disposition Services. The case is the key supporting document and must be included in all DLMS 947I transactions related to the lost, destroyed or excess GFP.	Coleen Jewell, DLA J345	Reject	Materiel disposition portions of the PDC have been removed in an adjudication with the Air Force.

PDC 1501 Comment Matrix

Component Input			Action Officer Response		
Org	Comment	Recommended Change	Commentor	Accept or Reject	DEDSO Notes
	<p>5. First Sentence. Remove "PIEE."</p> <p>6. Second Sentence. Spell out the acronym "DLMS."</p> <p>7. Third Sentence. Change to read, "The spell out (APO), will decrement the item from the DoD property system."</p> <p>8. Fourth Sentence. Spell out "DTID."</p> <p>9. Fifth Sentence. Change to read, "Supporting document must be included in all 947I transactions related to lost, destroyed or excess Government Furnished Property."</p> <p>10. Sixth Sentence. Change to read. "Include the case number with the DLMS 947I transaction so the APO can locate."</p> <p>11. Sixth Sentence. Change to read. "Include the case number with the DLMS 947I transaction so the APO can locate."</p>		DLA J76	<p>5. Reject</p> <p>6. Reject</p> <p>7. Reject</p> <p>8. Accept</p> <p>9. Reject</p> <p>10. Reject</p> <p>11. Reject</p>	<p>5. The acronym was added later in the citation to clarify that it is for all DLMS 947Is submitted through PIEE for lost or destroyed GFP.</p> <p>6. The spelling out of DLMS takes place earlier in the chapter, which is not listed here.</p> <p>7. The spelling out of APO takes place earlier in the chapter, which is not listed here.</p> <p>8. Updated as recommended.</p> <p>9. Materiel disposition portions of the PDC have been removed in an adjudication with the Air Force.</p> <p>10. Materiel disposition was removed, and the paragraph was updated based on a recommendation from the Air Force.</p> <p>11. The last sentence already provides similar language.</p>

PDC 1501 Comment Matrix

Component Input			Action Officer Response		
Org	Comment	Recommended Change	Commentor	Accept or Reject	DEDSO Notes
U.S. Air Force	<p>Concur with Comment.</p> <p>1.“The following paragraph either has a grammatical error or is missing verbiage as displayed in the underlined bold text below: “C6.2.5.5. Government Furnished Property (GFP) Decrements. C6.2.5.5.1. Contractors must report lost, destroyed, or excess government-furnished property (GFP) in their custody to the GFP module of the Procurement Integrated Enterprise Environment (PIEE). After adjudication by DoD, the case is closed which triggers the DLMS 947I to be transmitted to the property system indicating the items are out of DoD inventory. The APO, or other responsible DoD person, will decrement the item from the DoD property system, or the property system will do it automatically. Audit compliance¹ requires the ability to trace back to the key supporting document that proves the item is out of DoD inventory which can be in the form of a 1) property loss case number, 2) proof of disposal in the form of a plant clearance case number, or 3) disposal turn-in document (DTID) receipted by DLA Disposition Services. The case is that key supporting document and must be included in all 947I transactions related to lost, destroyed or excess GFP. To enable the APO to locate the case, the case number needs to be transmitted with the DLMS 947I transaction.”</p>	<p>1. Corrective Action required by initiator of this change to ensure either the grammatical error or missing verbiage is provided in the DLM400.25 update.</p>	Wes Wenzel, GS-14, AF/A4LR	Accept	<p>1. Language updated as follows: After all the procedures required for the contractor to report and DoD to adjudicate a Property Loss or a Plant Clearance case have been executed, this is the transaction that is generated at completion of that case.</p>

PDC 1501 Comment Matrix

Component Input			Action Officer Response		
Org	Comment	Recommended Change	Commentor	Accept or Reject	DEDSO Notes
	2. In reference to contractors reporting lost, destroyed, or excess GFP in their custody to the GFP module in the PIEE system. Is this before, during, or after FAR guidelines are administered? FAR 45.105(d) - requires property administrators to make determinations about loss cases and provide written notifications. Assumption: Automated DLMS 947I triggering after “DoD adjudication” may not include required property administrator consultation. FAR 45.105(d) - FAR 45.104(d) places determination authority with contracting officers “in consultation with the property administrator” Assumption: PDC doesn't specify how this consultation occurs in the automated process or is this post procedures.	2. a. Clarify that property administrators retain decision-making authority per FAR 45.105(d) b. Specify that PIEE reporting supplements, not replaces, existing property administrator communications.	HQ AETC/A4RM (Mr. Matthew Micklos)	Accept	Language adjusted above addresses the clarity requested by Air Force for this comment.
	3. “Excess GFP materiel should be reported to the SOS (via DLMS 180M). The SOS will respond with an 870M to either return or dispose of the materiel. In addition, if materiel is sent to disposal, there should be an 867I/D7J transaction sent to the SOS, not the 947I. If PIEE provides both transactions then the SOS would reduce the inventory twice.”	3. Remove the excess and disposal process from this PDC.	Michelle Valley, AFSC/A4R 937-787-5376	Accept	Details regarding the DTID or excess materiel disposition have been removed to alleviate confusion with the DLMS 867I (Issue) decrement process.
	4. “How will DAF CICIPs receive the transactions from PIEE? Will these transactions be sent to DAAS and routed to the source of supply’s COMMRI? The DAF CICIP’s property management system updates the APSR not PIEE.”	4. PDC needs to clarify 947I transaction path from PIEE to the DAF CICIP's property management system (which feeds the APSR - ELMS).	Dillon, John R, AFMC/A4NL; john.dillon.2.ctr@us.af.mil	Accept	All parties agree to move forward with the other adjudications and they will address this concern in a future change.

PDC 1501 Comment Matrix

Component Input			Action Officer Response		
Org	Comment	Recommended Change	Commentor	Accept or Reject	DEDSO Notes
	5.The DTID is reported via the 867I / D7J transaction, not the 947I. 6.Disposals are reported under the 867I, not the 947I. 7.Disposals are reported under the 867I, not the 947I. 8.Disposals are reported under the 867I, not the 947I. 9.Disposals are reported under the 867I, not the 947I.	5. Remove the excess and disposal process from this PDC. 6. Remove “excess government-furnished Property (GFP).” 7. Remove “3) disposal turn-in document.” 8. Remove “excess GFP.” 9. No need for the 06 qualifier – Proof of Disposal Number and DLMS notes.	Michelle Valley, AFSC/A4R 937-787-5376	Accept	Details regarding the DTID or excess materiel disposition have been removed to alleviate confusion with the DLMS 867I (Issue) decrement process.
U.S. Army	No response/concur				No response within 30 days represents concurrence
U.S. Navy	Concur with Comment 1. OIS - How will PIEE know what APSR to send the 947I transaction to?	1.Add clarification how the ‘Property System will automatically make the adjustments:’	Gerald O'Sullivan, SUP62 SPRC Alt, gerald.f.osullivan.civ@us.navy.mil	Reject	The contractor will submit the transaction back to the materiel owner which will determine the correct APSR, the same as normal transaction routing.
	2.CAV-ORM & ERMS: If we add fields to our application making the case numbers mandatory, what do our users do if they don't have that data to input? Without field will transaction fail?	2.Impact if not data in field, e.g., no ‘case number’ available.	Gerald O'Sullivan, SUP62 SPRC Alt, gerald.f.osullivan.civ@us.navy.mil	Reject	The data is only required when it is associated with a loss investigation or Plant Clearance action, and sending the transaction will take place at the conclusion of the investigation or Plant Clearance action.
U.S. Marine Corps	No response/concur				No response within 30 days represents concurrence.
DAAS	Concur without Comment				As noted.
USSOCOM	No response/concur				No response within 30 days represents concurrence.
DSCA	No response/concur				No response within 30 days represents concurrence.

PDC 1501 Comment Matrix

Component Input			Action Officer Response		
Org	Comment	Recommended Change	Commentor	Accept or Reject	DEDSO Notes
USTRANSCOM	Concur without comment				As noted.
GSA	No response/concur				No response within 30 days represents concurrence.
FAA	No response/concur				No response within 30 days represents concurrence.