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IN REPLY  
REFER TO

J627

April 24, 2012

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 488,  
Republication of DLMS Supply Discrepancy Report (SDR) Guidance  
(Supply/SDR) (Staffed as PDC 506)

The attached change to DOD 4000.25-M, Defense Logistics Management System (DLMS) is effective immediately. The attached DLMS guidance shall be published as Defense Logistics Manual (DLM) 4000.25, scheduled for June 2012. Upon formal publication of the DLM, DLAI 4140.55, AR 735-11-2 SECNAVINST 4355.18A, AFJMAN 23-215, Reporting of Supply Discrepancies, shall be cancelled.

Addressees may direct questions to Ellen Hilert, DLA Logistics Management Standards, DOD SDR Administrator, 703-767-0676; DSN 427-0676; e-mail: ellen.hilert@dla.mil. Others must contact their Component designated Supply PRC representative.

DONALD C. PIPP  
Director  
DLA Logistics Management Standards

Attachment  
As stated

cc:  
ODASD(SCI)

**ADC 488**  
**Republication of DLMS SDR Guidance**

**1. ORIGINATOR:**

**a. Service/Agency:** DLA Logistics Management Standards

**b. Originator:** Ms. Ellen Hilert, DOD SDR System Administrator, 703-767-0676 (DSN 427), e-mail: ellen.hilert@dla.mil.

**2. FUNCTIONAL AREA:** Supply/SDR/DLMS

**3. REFERENCES:**

**a.** DOD 4000.25-M, DLMS, Volume 2, Chapter 17, Supply Discrepancy Reporting, available on the DLMS Publication Web at:

<http://www.dla.mil/j-6/dlms/elibrary/manuals/dlms/v2.asp>

**b.** DOD 4000.25-M, DLMS, Volume 2, Appendix 3, Supply Discrepancy Report Distribution (same URL as 3.a., above)

**c.** DOD 4000.25-M, DLMS, Volume 2, Appendix 4, Instructions for Preparation of Standard Form 364 (same URL as 3.a., above)

**d.** DLAI 4140.55, AR 735-11-2 SECNAVINST 4355.18A, AFJMAN 23-215, Reporting of Supply Discrepancies, dated August 6, 2001, available on the SDR Subcommittee Web page at: <http://www.dla.mil/j-6/dlms/Programs/Committees/Supply/supplySDR.asp>

**e.** SDR Code Lists (printer friendly version) (same URL as 3.d., above)

**f.** DODI 4140.01, DoD Supply Chain Materiel Management Policy, dated December 16, 2011

**4. APPROVED CHANGES:**

**a. Overview:** This approved change is provided to consolidate documentation associated with SDR guidance in preparation for re-issuance of the DLMS Manual as a Defense Logistics Manual (DLM). Additionally, this change:

(1) deletes obsolete Appendix 3, SDR Distribution, and integrates SDR distribution rules within the chapter guidance,

(2) establishes a new DLMS Manual appendix for SDR-relevant data element code sets, and

(3) clarifies requirements for cancellation of the DLAI 4140.55, AR 735-11-2 SECNAVINST 4355.18A, AFJMAN 23-215, Reporting of Supply Discrepancies, concurrent with re-issuance of the DLMS manual.

**b. Background:**

(1) The procedures associated with the SDR program are maintained in the DLMS manual (reference 3.a.). Many years ago it was planned that the redundant joint guidance (reference 3.d.) would be replaced or cancelled (with transition to the DLMS) when the preponderance of SDR information exchange followed the DLMS standard. The joint guidance was no longer maintained after 2001; however, its cancellation was postponed pending the re-issuance of the DLMS manual. Re-issuance of the DLMS manual was postponed pending issuance of the DODI 4140.01 (reference 3.f.). In the interim, updates to the procedures were primarily coordinated and published as Approved DLMS Changes.

(2) DODI 4140.01 (reference 3.f.) authorizes and directs the conversion of the DOD issuances supporting the Defense Logistics Standard Systems (DLSS) into Defense Logistics Manuals (DLMs). DLMs are a relatively new category of publication that carries the same authority as a DOD manual. The instruction requires the publication of the DLMs in the Defense Logistics Agency (DLA) publication system (DLAPS) within 180 days of the DODI 4140.01 publication, after which time those DOD issuances shall be removed (cancelled) from the DOD Directives system. The joint SDR guidance was authorized as one of the Defense Logistics Standard Systems (DLSS), but must be cancelled independently, concurrent with the re-issuance of the DLMS due to its status as a joint instruction/regulation/manual (hereafter referred to as joint SDR guidance).

(3) The joint guidance for SDR processing published three data elements with specific code sets to support SDR processing by Standard Form (SF) 364, Report of Discrepancy. The guidance included separate enclosures for each of these: Discrepancy Code, Disposition Status/Reply Code, and Discrepancy Action Code. With the transition to DLMS, these data elements were entered into the Logistics Data Resources Management System (LOGDRMS). It was intended that the LOGDRMS dictionary would provide the required visibility for the data element code sets. However, because the dictionary does not provide a printer friendly option and is not widely known, a consolidated SDR Code List (reference 3.e.) was prepared, and is maintained on the SDR Subcommittee Web page. Two additional data elements, Document Type Code and Disposition Services Document Type Code, were included in the consolidated list. With the re-issuance of the DLMS guidance, a new appendix is being created to formally publish the SDR-related code sets.

(4) The joint SDR guidance contained an SDR distribution enclosure to provide addresses and contact information relevant to SDR action activities. This type of information was perpetuated to the DLMS manual as an appendix. However, the DLMS process relies on transaction/email exchange for SDRs and prohibits the use of hard-copy SDRs in most situations. Physical address information is rarely required for submission of SDRs. With the re-issuance of the DLMS manual, specific address and communication information is being removed from the appendix. This is consistent with other types of contact information that were previously published in the DLSS manuals but have been removed over time (some replaced by free

standing documents hosted on the DLMS Web Site.) If continued consolidation and publication of this SDR action activity contact/address information is required, alternative approaches will be discussed.

**c. Approved Change In Detail:** There are no substantive changes to SDR procedures identified in this ADC.

(1) Cancel the joint SDR guidance (reference 3.d.) concurrent with the reissuance of DLM 4000.25, Volume 2.

(2) Revise DLMS manual SDR guidance for publication of the DLM. This includes administrative updates for formatting consistent with the DLMS DLM and integration of Approved DLMS Changes (ADCs) issued since the last manual change publication. Outstanding Proposed DLMS Changes (PDCs) are not reflected in this document; these will be incorporated upon release of the corresponding ADC. Note that the actual chapter and appendix numbers may differ upon formal publication. Administrative revisions have been incorporated to correct terminology, office name changes, and grammar. Obsolete information has been corrected where identified and coordinated with the applicable parties. This includes removal of applicability of SDR procedures for personal property shipments with packaging discrepancies and SDR distribution to Military Surface Deployment and Distribution Command (SDDC). Clarification to procedures has also been included with no change to the original intent is required. Significant revisions associated with this change are identified in *red, bold italics*.

(a) Updated Chapter 17, Supply Discrepancy Reporting, is provided at Enclosure 1.

(b) Updated Appendix 4, Instructions for Preparation of Standard Form 364, is provided at Enclosure 2.

(c) New Appendix 3, Supply Discrepancy Report (SDR) Relevant Data Elements, is provided at Enclosure 3. This is a replacement for the existing Appendix 3 containing SDR distribution rules and action activity contact/address information. This new DLM appendix identifies primary SDR data elements and applicable code values:

- Shipping, Packaging, and Storage Discrepancy Code,
- SDR Requested Action Code,
- Discrepancy Status or Disposition (Reply) Code,
- Discrepancy Report Document Type Code, and
- DLA Disposition Services SDR Type Code.

(3) Delete Appendix 3, SDR Distribution. General distribution guidance has been updated to reflect current procedures and has been incorporated in Chapter 17. Specific addresses and contact information for distribution of hard copy SDRs are no longer included in the DLMS guidance. SDR Committee representatives may contact the SDR Administrator to discuss alternatives for maintaining distribution addresses and contact information if still considered relevant.

**d. Alternatives:** Not identified. The updated guidance is required for the reissuance of the DLMS manual.

e. **Comment Resolution:** Refer to Enclosure 4 for comments received in response to PDC 506 staffing.

5. **REASON FOR CHANGE:** Dissemination of this change provides Components an opportunity to review the consolidated/updated SDR guidance and clarifies the timing for the impending cancellation of the joint SDR guidance under reference 3.d.

## 6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Provides recent SDR publication changes in context for final review prior to reissuance of the DLMS manual as a DLM. The new appendix for data elements provides a formal document for visibility of authorized code values and easy reference.

b. **Disadvantages:** None identified.

## 7. IMPACT:

a. **Publication:** DOD Components may need to coordinate with their internal publications offices regarding the cancellation of the joint SDR guidance (reference 3.d.).

### b. DLMS Data Elements:

(1) There are new data elements.

(2) Enclosure 3 contains minor revisions to the text definition associated with existing code values for capitalization, punctuation, and to spell out some lesser known acronyms.

(a) Revise text associated with the existing reply code as shown to correct an administrative error.

936 ~~Transaction rejected~~ SDR processing suspended. Request DoD WebSDR provide an information copy of the original report.

(b) Revise text associated with existing discrepancy codes as shown.

D4 *Receiving report*/Materiel Inspection and Receiving Report, DD 250 (or equivalent) omitted

S9 Incomplete sets/kits/outfits. Do not use to report cannibalization of *Supply System Responsibility Item (SSRI)*, *Components Of End Item (COEI)*, or *Basic Issue Item (BII)*. See Discrepancy Code C4.

c. **Automated Information Systems (AIS):** This change is administrative and does not impact AIS other than SDR code text per Enclosure 3.

**d. DLA Distribution:** The two paragraphs directly below were moved to Chapter 17 from the Appendix 4 guidance for completion of the SF 364 because Distribution Depots no longer prepare hard copy SDRs. The PDC 506 contained staffing notes for DLA Distribution asking for review of the guidance for potential update as the wording may no longer be accurate.

**(1) Paragraph C17.3.2.8.2. Packaging Discrepancies Noted at DLA Distribution Depots.** To ensure proper billing, indicate if the materiel is a major item, i.e., ships, aircraft, missiles, ammunition, vehicles, etc., or secondary item, i.e., any item that supports a major item such as reparables, consumables, assemblies, etc. Distribution Depots shall include projected or actual costs for labor and repackaging materials. If actual, indicate the date corrective action was completed.

**(2) Paragraph C17.3.12.4.3. Packaging Discrepancies Noted at a Distribution Depot.** The ICP shall annotate the SDR to indicate that distribution depot repackaging is approved or not approved. If the ICP authorizes corrective action, the SDR will also show the appropriate funding/ authorization document, e.g., job order number, Military Interdepartmental Purchase Request (MIPR) number, or SF 1080, to which the distribution depot may charge the corrective action costs. After completing corrective action, the distribution depot will annotate the actual cost of the work performed, note the date completed, and forward a copy to the ICP for close-out.

## Enclosure 1, Chapter 17, Supply Discrepancy Reporting

### C17. CHAPTER 17

### SUPPLY DISCREPANCY REPORTING<sup>1</sup>

#### C17.1 GENERAL

C17.1.1. Purpose. This chapter establishes information requirements for reporting and processing of discrepancy reports under the supply discrepancy report (SDR) Program. The SDR is a tool used to report shipping or packaging discrepancies attributable to the responsibility of the shipper, (including U.S. Government sources and contractors/manufacturers/vendors) and to provide appropriate responses and resolution, *including financial action when appropriate*. The purpose of the SDR exchange is to determine the cause of such discrepancies, effect corrective action, and prevent recurrence.

C17.1.2. Standard SDR Transactions. Under DLMS, the SDR shall be considered a common logistics information exchange to be integrated with transaction processing through DAAS. The DoD approved standard for electronic transmission of SDR transactions is prescribed by the DLMS Supplement using an ASC X12-compliant variable-length transaction format. Multiple DLMS Supplements are provided to support different SDR related functions. The DLMS 842A/W, Standard SDR, shall be employed for transactional exchange of initial reports and associated follow-on actions. The DLMS 842A/R, DoD SDR Reply, shall be employed for transactional exchange of the SDR reply by the action point. The DLMS Supplements for SDRs are available via the [Implementation Convention/DLMS Supplement page](#) of the DLA Logistics Management Standards Website.

C17.1.3. DoD WebSDR. The [DoD WebSDR](#) supports DLMS implementation via a DLA Transaction Services-maintained application, that enables SDR transaction exchange; provides a web-based entry method to assist users who are not supported by a Component DLMS-compliant SDR application; and provides visibility of SDRs for research and trend analysis via management report/query capability. The term “DoD WebSDR” (or “WebSDR”) refers to both the overall business process and supporting automation, including both direct web-input and transaction exchange.

C17.1.3.1. The DoD WebSDR application automates the Standard Form (SF) 364 SDR paper form facilitating the DoD standard transactional exchange described above. It brings the SDR into an integrated transactional environment, supporting both direct input (under Component business rules) and transaction exchange originating within Component applications. The WebSDR system facilitates communication and interoperability between U.S. Military and Federal Agencies and the International Logistics Control Office (ILCO) on behalf of the Security Assistance customer. It controls routing of web submissions and logistics transactions according to business rules. It supports information exchange between the customer, the ICP/IMM, the shipper, and other interested parties. It encompasses new report submission, correction/modification, cancellation, follow-up, requests for reconsideration, and *forwarding of SDR replies (including interim responses, additional information requests, and resolution responses)*, in addition to the capture of report and response management statistics.

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<sup>1</sup> Chapter 17 supersedes and replaces Joint Publication DLAI 4140.55/AR 735-11-2/SECNAVINST 4355.18A/AFJMAN 23-215, Reporting of Supply Discrepancies, August 6, 2001.



C17.1.3.2. DoD WebSDR shall provide an automated process for tracking SDR response information. Data collected shall enable the Department of Defense to identify trends, establish volume and dollar values of SDRs, bring management attention to problems with shipping activities as necessary, and improve the requisitioning and distribution process within logistics operations. This provides an effective means to report, resolve, and measure discrepancies related to pipeline performance. Ultimately, the goal is to incorporate SDR metrics into other logistics response measurements in support of perfect order fulfillment.

C17.1.3.3. The DoD WebSDR process reduces manual SDR form creation and eliminates dual entry where multiple Component systems are used. The DoD requirement is that paper submission of SDRs and non-DLMS compliant SDR applications will be phased out with migration to DLMS. By exception, until electronic reporting under DLMS is universally available, SDRs and associated responses may be reported via hard-copy SF 364, ~~ROD, non-DLMS applications~~, email, through customer service help lines (e.g. the DLA Customer Interaction Center, [dlacontactcenter@dla.mil](mailto:dlacontactcenter@dla.mil)) 1-877-352-2255 (1-877-DLA-CALL)), or any other manner acceptable to the submitter and recipient. All manner of reporting must meet the criteria described in this publication.

C17.1.3.4. Access for DoD WebSDR input and management reports requires submission of a System Access Request (SAR) available from the DAAS home page at: <https://www.transactionservices.dla.mil/daashome/homepage.asp>. [DoD WebSDR training](#) is available on the DLA Logistics Management Standards Website.

C17.1.3.5. DoD Components with an established interface with DoD WebSDR shall designate primary and alternate representatives for the Component SDR application to DLA Transaction Services. These representatives will be notified via email when transactions fail during WebSDR processing due to failure to meet minimum format/content requirements for processing. Components shall provide name, telephone, and email address to the DoD SDR System Administrator and DLA Transaction Services WebSDR Program Manager.

C17.1.4. DLMS Subcommittees. The DoD Component members of the SDR Subcommittees (U.S. and Security Assistance) of the DoD Supply Process Review Committee are identified on the [SDR Subcommittee page](#) of the DLA Logistics Management Standards Website.

C17.1.5. Applicability. These SDR procedures are applicable to the DoD Components, *participating Federal Agencies*, and *other* external organization elements as defined in Volume 1, [Chapter 1](#). This includes shipments made from working capital funds (WCF) and non-WCF funded activities, Security Assistance shipments made under the International Logistics Program, ~~personal property shipments~~, and shipments received from commercial sources. *By agreement, contractors receiving U.S. Government furnished property (GFP) under MILSTRIP procedures shall comply with U.S. Government SDR procedures provided herein. Discrepancies related to GFP that do not meet minimum dollar value criteria in paragraph C17.3.2., may be reported for information only, as a means of notifying the shipper or Inventory Control Point/Integrated Materiel Manager (ICP/IMM) of the discrepant condition.*

C17.1.6. Exclusions. The following types of discrepancies are excluded from the provisions of this publication:

C17.1.6.1. Discrepancies found while materiel is in storage. Two exceptions to this exclusion are: 1) short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack may be reported by U.S. Government customers only, and 2) materiel in storage in a sealed vendor's pack that is later discovered



to have been shipped with discrepancies relating to Item unique item identification (IUID) data. These may be reported as SDRs and are not subject to submission timeframes. Refer to IUID discrepancies below.

C17.1.6.2. Discrepancies involving local deliveries to, or returns from, internal or satellite activities. This exclusion is not applicable to on-site distribution depot shipments.

C17.1.6.3. Discrepancies involving shipments of privately-owned vehicles.

C17.1.6.4. Discrepancies involving shipments on requisitions or purchase orders from personnel services activities citing non-appropriated funds.

C17.1.6.5. Transportation discrepancies covered by DTR [4500.9-R](#), Defense Transportation Regulation, Part II, Cargo Movement, Chapter 210, Transportation Discrepancy Report (TDR), except as specifically permitted under Security Assistance procedures in this chapter.

C17.1.6.6. Product quality deficiencies to the extent covered by Joint [DLAR 4155.24 /AR 702-7/SECNAVINST 4855.5B/ AFR 74-6I](#), except as specifically permitted under Security Assistance procedures in this chapter.

C17.1.6.7. Discrepancies involving personal property shipments, ~~with the exception of packaging discrepancies relative to personal property.~~

C17.1.6.8. Billing discrepancies, except as specifically permitted under Security Assistance procedures in this chapter. Price verifications and/or challenges are not reportable on an SDR.

#### C17.1.7. Types of Discrepancies

C17.1.7.1. Supply Discrepancy. Supply discrepancy is a general term used to describe any variation in goods received from data shown on any authorized shipping document that is not the result of a transportation discrepancy or product quality deficiency. Supply discrepancies include both shipping and packaging discrepancies.

C17.1.7.1.1. Shipping (Item) Discrepancy. A shipping discrepancy is any variation in quantity or condition of goods received from what is shown on the authorized shipping documents, to include incorrect or misdirected materiel, receipts of cancelled requirements, and/or improper or inadequate technical or supply/~~shipping~~ documentation, that is not the result of a transportation error or product quality deficiency. Discrepancies involving IUID are reportable under shipping discrepancy criteria.

C17.1.7.1.2. Packaging Discrepancy. A packaging discrepancy is any unsatisfactory condition due to improper or inadequate packaging (including preservation, packing, marking, or utilization) that causes the item, shipment, or package to become vulnerable to loss, delay, damage, or unnecessary expense to the U. S. Government, such as excessive packing. Discrepancies involving passive radio frequency identification (pRFID) are reportable under packaging discrepancy criteria.

C17.1.7.2. Transportation Discrepancy. A transportation discrepancy is any variation in quantity or condition of materiel received from that shown in the piece count by type of pack on the bill of lading or governing transportation document and other deficiencies in transportation when discrepant materiel is not involved. These discrepancies involve motor, air, water, rail, and small package commercial carriers (excludes USPS shipments that are lost or damaged). Follow TDR policy found in the Defense Transportation

Regulation, Part II, Cargo Movement (DTR 4500.9-R). TDRs are entered and distributed under the Electronic Transportation Acquisition (ETA) system at <https://eta.sddc.army.mil/>.

C17.1.7.3. Product Quality Deficiency. A product quality deficiency is a defective or non-conforming condition that limits or prohibits the item from fulfilling its intended purpose. These include deficiencies in design, specification, materiel, manufacturing, and workmanship. These are reportable on an SDR only by a Security Assistance customer. All others follow PQDR policy found in [DLAR 4155.24/AR 702-7/SECNAVINST 4855.5B, AFR 74-6](#) Product Quality Deficiency Report Program. Quality deficiencies reported via SDR shall be investigated within the ICP/IMM under procedures associated with Product Quality Deficiency Reports. PQDR resolution provided via SDR reply to the submitting ILCO shall identify the associated PQDR record control number (RCN) as a cross-reference to the PQDR identification used by the ICP/IMM.

C17.1.7.4. Billing Discrepancy. Billing discrepancies are those discrepancies related to duplicate or multiple billing per individual shipment, or a single billing with no ship line, which are reportable to the ILCO on an SDR by Security Assistance customers only. Within U.S. Government channels, the billing discrepancy shall be processed in accordance with [MILSBILLS procedures in DLM 4000.25, Volume 4, Finance](#), Chapter 4. This means the ILCO shall convert the discrepancy to the appropriate DLMS 812R, Request for Adjustment of Non-Fuel Billing, MILSBILLS DIC FAE with appropriate [Billing Advice Code](#).

C17.1.7.5. Financial Discrepancies. Financial discrepancies are those discrepancies related to administrative and accessorial charges. The ILCO, ICP/IMM, or GSA shall forward to ***Defense Finance & Accounting Service Indianapolis (DFAS-IN), Security Assistance Accounting Customer Accounting Branch*** for processing all financial discrepancies received directly from a Security Assistance purchaser. Responses to these will be returned to the ILCO. Only financial discrepancies related to Security Assistance purchases are reportable on an SDR.

***C17.1.7.6. Military Personal Property Shipments. This category includes both shipping and packaging discrepancies associated with the movement/storage of household goods under the DoD Personal Property Shipment and Storage Program. Any discrepancies related to personal property shipment shall be referred to Military Surface Deployment and Distribution Command (SDDC) Personal Property at: [USARMY.Scott.SDDC.mbx.omb-for-pp-ops@mail.mil](mailto:USARMY.Scott.SDDC.mbx.omb-for-pp-ops@mail.mil) or [USARMY.Scott.SDDC.mbx-omb-for-pp-quality@mail.mil](mailto:USARMY.Scott.SDDC.mbx-omb-for-pp-quality@mail.mil).***

## C17.2. POLICY

C17.2.1. Use of SDR. The DoD Components shall use the SDR to report shipping or packaging discrepancies attributable to the responsibility of the shipper (including contractors/manufacturers or vendors) and to provide appropriate responses. The purposes of this exchange are to determine the cause of such discrepancies, effect corrective action, and prevent recurrence.

C17.2.2. Operations Security (OPSEC) Applicability. Due to an identified OPSEC requirement, SDRs have been designated as controlled unclassified information (CUI) by the DLA Headquarters, and must be identified as “For Official Use Only (FOUO).” Handling and electronic transmission of SDRs must comply with DoD rules for this level of sensitive unclassified information, to include proper labeling and protection. DLA has further directed encryption of all SDR email transmissions. This requirement has been levied on the DoD WebSDR and impacts all participating DoD Components.

C17.2.2.1. In order to receive encrypted e-mail, individual and group e-mail accounts must have their associated e-mail certificate registered at DLA Transaction Services. SDRs directed to e-mail accounts that do not have a registered certificate will be significantly abridged to display minimal information, thereby allowing the SDR to be transmitted in an unprotected environment.

C17.2.2.2. All action activities using e-mail SDRs must register their certificate, so that all information is available for SDR resolution. For low volume customers relying on e-mail SDRs, especially those supported by third party direct WebSDR input, registration is encouraged, but not required. These users will receive an abridged SDR reply that will provide disposition instructions and financial action, without the accompanying shipment detail.

C17.2.2.3. Unencrypted e-mails with minimal shipment information will include instructions for certificate registration and access to DoD WebSDR. Full WebSDR data content will be available to authorized users of DoD WebSDR. Refer to DAAS SDR processing for further details in the abridged SDR procedures and content.

C17.2.2.4. SDR management reports shall be distributed only via e-mail if the corresponding certificate has been signed.

C17.2.3. Documentation Maintenance. The SF364 (or the electronic version DLMS 842A/W) and the action activity's response (or electronic DLMS 842A/R) shall be used to support adjustments to inventory and financial accounting records and shall be maintained as required.

C17.2.4. Receivers of discrepant materiel shall use the SDR to:

C17.2.4.1. Report shipping discrepancies, packaging discrepancies, and discrepancies or non-receipt of United States Postal Service (USPS) shipments.

C17.2.4.2. Modify, cancel, or follow-up on a previously submitted report.

C17.2.4.3. Request reconsideration of a response.

C17.2.4.4. Security Assistance customers may use SDRs to contest the decision stated in a reconsideration response.

C17.2.4.5. Provide information copies of the report to interested parties.

C17.2.5. Responsible action activities as identified in this chapter shall use SDRs to:

C17.2.5.1. Notify the report initiator of interim status or resolution of the SDR.

C17.2.5.2. Request additional information on incomplete submissions.

C17.2.5.3. Reroute/forward the SDR to the appropriate party.

C17.2.5.4. Forward recommendations to the source of supply or other designated activity for determination of financial resolution or materiel disposition.

C17.2.5.5. Provide information copies of the response to interested parties.

C17.2.6. Non-Receipt of Shipments. Non-receipts, shipped by traceable means such as Government or Commercial Bill of Lading, shall not be reported using the SDR, unless the non-receipt is for other than a transportation discrepancy, or for damaged items shipped via modes other than USPS. SDRs shall not be submitted for non-receipt of shipments made by traceable USPS registered, insured, or certified mail until appropriate tracer action has been completed. If tracer action results confirm non-receipt, then submit an SDR and include results of the tracer action. Customers without automated access to in transit visibility information should contact the ICP/storage activity to determine which shipments are traceable. (Not applicable to Security Assistance customers.)

C17.2.7. Interface with Other Materiel Management Functions. Under DLMS, discrepancy processing may be used to trigger other standard materiel management functions.

C17.2.7.1. IMM shall use the SDR response to establish a due-in record for return of discrepant materiel under [Chapter 12](#) of this volume. ICPs/IMMs shall use the prepositioned materiel receipt (PMR) to advise storage activities to which a return is directed using MILSTRAP *procedures for the* DLMS 527D, Due-In/Advance Receipt/Due Verification. Refer to paragraph [C11.19.](#), this volume, for additional guidance.

C17.2.7.2. DLMS capable activities returning discrepant materiel shall prepare shipment status for materiel returns using the DLMS 856R, Shipment Status Materiel Returns, under paragraph C11.19.

C17.2.8. Discrepancy Reports Relating to Interchangeability/Substitutability (I&S) or Quantity Unit Pack (QUP) Issues. Incorrect item SDRs shall not be submitted for authorized substitution. The DoD Components and *participating Agencies (e.g., GSA)*, shall follow the policy of automatic shipment of an item, unless the requisition contains an appropriate [requisition advice code](#) in accordance with Chapter 4, limiting the request to a specific item. Therefore, incorrect item SDRs shall not be submitted for authorized substitutions. Similarly, quantities may be adjusted to the quantity unit pack, unless restricted by the appropriate advice code in the customer requisition. Such adjustments resulting in quantity variance are not reportable as discrepant.

C17.2.9. Responsibility for Costs Incurred Due to Discrepancies in Returned Materiel. U.S. Government activities returning materiel are cautioned that the returning activity may be held responsible for costs incurred by the receiving activity when discrepancies are reported and validated in accordance with this publication. This includes returns made in violation of prescribed procedures, returns exhibiting packaging discrepancies, and returns of reparable items unaccompanied by required technical data. Recoupment action by the ICP against the initiator may include all cost reimbursable actions performed by the receiving activity such as repackaging, marking, and disposal.

C17.2.10. Multiple Requisitions. Multiple requisitions received under a consolidated shipment cannot be combined for discrepancy reporting purposes. Individual SDRs must be submitted for each discrepant requisition received in the shipment. An exception to this is authorized for consolidation and containerization points (CCP)/transshippers. Refer to guidance for CCP/transshipper-originated SDRs below. When both item discrepancies and packaging discrepancies are noted on the same shipment, both types of discrepancy shall be included on the same report.

~~C17.2.11. Government Furnished Materiel (GFM). By agreement, contractors receiving GFM shall comply with U.S. Government SDR procedures provided herein. Discrepancies related to GFM which do not meet minimum dollar value criteria below, may be reported for information only, as a means of notifying the shipper/IMM of the discrepant condition.~~

## C17.3. PROCEDURES

### C17.3.1. Original Submission of SDR

C17.3.1.1. Discrepancy Identification. The receiving activity, or transshipment activity noting packaging deficiencies on shipments in transit, shall prepare an SDR when one or more of the conditions described under reporting criteria exist.

C17.3.1.1.1. Pending improved processing techniques, it is required that DLMS SDRs identify the type of SDR using the Discrepancy Report Document Type Code (*Appendix 3*). ***Within the context of SDR processing, this data element is known as the SDR Document Type Code.*** This is a one position code used to describe the type of discrepant report and the type of shipment involved, e.g., depot shipment to the customer = Type 7; direct vendor shipment to the customer = Type 6.

C17.3.1.1.2. Identify the discrepancy using the Shipping, Packaging, and Storage Discrepancy Code (*Appendix 3*). ***Within the context of SDRs this data element is known as the SDR Discrepancy Code.*** Use up to three different codes to describe the discrepancy. If no code exists to adequately describe the discrepancy, select Code Z1 and use a clear-text description. The goal of the initial SDR submission is to provide as much relevant information as possible to the action activity, ***including clarifying remarks to supplement discrepancy codes***, so that they can take timely action to correct the problem and provide a timely response and disposition to the customer.

C17.3.1.2. Shipment Information. SDRs must contain a document number. Identify the original requisition document number when known; otherwise a constructed document number is required. ***DoD requisitioners reporting discrepant shipments may only use a constructed document number for selected discrepancies as discussed below.*** A constructed document number identifying the receiving distribution depot is required for depot receipts reported electronically, including new procurement receipts. A constructed document number may also be prepared by a transshipper based upon the CCP or port DoDAAC. Additional information, such as transportation numbers (TCN, bill of lading number, etc.) or procurement information (procurement instrument number, line item number, vendor shipment number) shall be provided in accordance with the DLMS transaction format/SF 364. When reporting new procurement receipts, the distribution depot shall cite a “pseudo shipment number,” equivalent to that cited on the receipt, when the actual vendor shipment number is not available from shipping documentation. The pseudo shipment number shall be constructed to identify the receiving depot and a constant 01 (that is, the serial number will not be incremented; therefore, the pseudo shipment number will not be unique). In order to systematically identify pseudo shipment numbers the third position must be numeric (vendor assigned shipments use a three digit alpha prefix to identify the vendor). For example, pseudo shipment numbers prepared by Distribution Depot San Joaquin, California (DDJC), will be reported as DD1JC01.

### C17.3.1.3. Requested Action

C17.3.1.3.1. The SDR originator must indicate what action has been taken concerning the discrepant materiel and/or the desired response from the responsible *action* activity. ***Identify the action code using the SDR Requested Action Code (Appendix 3). Within the context of SDR processing, this data element is known as the Action Code.*** If no code exists to adequately describe the action taken or requested disposition, select Code 1Z and use a clear-text description.

C17.3.1.3.2. When an SDR is submitted using Action Code 1H, “No Action Required, Information Only,” the SDR must be processed to verify the discrepancy does not require further action. SDRs with Action Code 3B, “Discrepancy Reported for Corrective Action and Trend Analysis. No Reply Required.” must be reviewed to determine the appropriate corrective action to prevent recurrence. A reply transaction from the action activity is not required, for Action Codes 1H or 3B, but when provided, it shall be accepted by the customer application. Systematically, this may be interpreted to mean that customer applications may auto-close these SDRs, but must allow them to re-open automatically to process a reply transaction if one is provided. ***A non-significant reply e.g. indicating acknowledgment of the SDR, may be dropped or posted, but shall not require further attention.***

C17.3.1.4. Shipping Documentation. Retain shipping and associated documentation to provide a copy if requested. Do not mail hard-copy documentation if data is otherwise accessible to the responsible action activity. ***Where relevant to the discrepancy, shipping documentation may be provided electronically as an SDR attachment.***

### C17.3.2. Reporting Criteria

C17.3.2.1. U.S. Forces and participating non-Security Assistance fall under the reporting criteria based upon dollar value and/or condition as follows:

C17.3.2.1.1. GSA and DLA Directed Shipments Dollar Value Criteria. Optionally, recipients of DLA and GSA directed shipments may submit an SDR for all types of shipments regardless of dollar value. Otherwise, report discrepant shipments when they meet the conditions and value criteria cited in the paragraphs below.

C17.3.2.1.2. Contractor/Manufacturer or Vendor Shipments. Report discrepant shipments from contractors/manufactures or vendors that meet conditions cited under reporting criteria regardless of dollar value.

C17.3.2.2. DoD action activities shall recognize the ILCO’s determination whether SDRs fall within submission time standards and dollar limitation contained in the United States of America Department of State Letter of Offer and Acceptance controlling the case, or any other sales agreement with a Security Assistance purchaser. Once accepted by the ILCO and forwarded to the responsible action activity, further evaluation for time standard and dollar criteria is not appropriate.



### C17.3.2.3. Condition of Materiel

C17.3.2.3.1. Condition Misrepresented. Report when the condition of an item valued in excess of \$100 per line-item is found to be other than shown on the shipping document, or, in the case of subsistence, on supporting inspection/test certificates or records. Use the hazardous materiel discrepancy code when applicable.

C17.3.2.3.2. Hazardous Materiel. Report discrepant receipt of hazardous materiel under the appropriate H-series discrepancy code. Use in place of the C-series codes for condition/shelf-life discrepancies when a hazardous item is received in a condition other than shown on the supply document or on the supporting inspection/test certificate. Report receipt of hazardous item requiring repair and lack of a material safety data sheet (MSDS) in Hazardous Material Information Resource System (HMIRS). Also use to report receipt of a non-radioactive item classified as radioactive, or non-hazardous item classified as hazardous.

C17.3.2.3.3. Missing Part. Report materiel received for repair that has been cannibalized of nonexpendable parts or components (including cannibalization of nonexpendable basic issue item (BII) or nonexpendable supply system responsibility item (SSRI) without the authorization of the inventory manager when the total value of the missing item(s) is in excess of \$100). Expendable BII and SSRI are not subject to these procedures.

C17.3.2.3.4. Expired Shelf Life. Report receipt of materiel for which the shelf life either has expired (Type I non-extendible item) or the inspect/test date has lapsed (Type II extendible item), regardless of dollar value. Use the hazardous materiel discrepancy code when applicable.

C17.3.2.3.4.1. For Type I DoD and GSA managed items: submit an SDR.

C17.3.2.3.4.2. For Type II DoD-managed items: prior to submitting an SDR, access the DoD Shelf-Life Extension System (SLES) through the DoD Shelf-Life Program Website at: <https://www.shelflife.hq.dla.mil/default.aspx> or through the shelf life program secure site if you have a .mil address.

C17.3.2.3.4.2.1. Type II items requiring laboratory test: query the DoD Quality Status Listing (QSL) to determine if the specified Type II item is listed as having passed the required laboratory testing and has been extended. Items that are listed on the QSL as passed may be extended and remarked accordingly if the item has been stored in accordance with its storage standard. For items not on the QSL, prior to submitting an SDR, contact the DLA call center at 1-877-DLA-CALL if the shipment originated from a DLA storage activity.

C17.3.2.3.4.2.2. Type II items requiring visual inspection: query the Materiel Quality Control Storage Standards for the specified Type II item, perform visual inspection in accordance with the items storage standard, and extend and remark if the item has been stored in accordance with its storage standard. If the item fails the visual inspection, dispose of as required by local procedures.

C17.3.2.3.4.3. For Type II GSA-managed shelf-life-items: prior to submitting an SDR, contact the GSA Shelf-Life Hotline at 1-209-547-8634 to determine if the inspect/test date has been extended.

C17.3.2.4. Canceled Requisitions. An SDR is required when materiel received is valued in excess of \$100 per line-item for canceled requisitions. Confirmation of the cancellation must be on file. The submitter



should request disposition instructions for unwanted materiel. Exception: an SDR must be submitted when controlled inventory items are received on previously canceled requisitions regardless of dollar value.

C17.3.2.5. Documentation. Report when supply documentation is missing, incomplete, or improperly prepared regardless of dollar value.

C17.3.2.6. Overage/Shortage, Nonreceipt, or Duplicate Discrepancies

C17.3.2.6.1. Overage/Shortage. An item overage or shortage discrepancy occurs when the quantity received is greater or less than that shown on the shipping document. This type of variance is not evident on delivery but is discovered when the article of freight, as described on the transportation document, is opened and the contents are checked. Report DoD shipper overages or shortages valued in excess of \$100 per line item, except for controlled inventory items, that are reported regardless of dollar value. Customers may use a clear text description to indicate that erroneous or conflicting Materiel Receipt Acknowledgement information was previously submitted.

C17.3.2.6.2. Concealed Overage/Shortage. U.S. Government customers shall report overages or shortages discovered while opening a sealed vendor pack regardless of dollar value or shipper. These reports must contain, if available, the contract number from the packaging, the lot number, and original document number. A constructed document number should be provided when the original number is not known. When using a constructed document number in an SDR ***coordinate with the applicable Component finance office and follow MILSBILLS procedures citing Code U in the first position of the constructed document number serial number (DLMS Utilization Code U)***, include fund code and credit-to/bill-to DoDAAC, to ensure that credit/billing is appropriate.

C17.3.2.6.3. Quantity Variances. Quantity variances on receipts from procurement authorized by the terms of the contract are not reportable as discrepant.

C17.3.2.6.4. Quantity Unit Pack (QUP) Variances. Report quantity variance due to incompatibility of unit of issue (U/I) between documentation and materiel received. Automatic adjustment for unit pack is allowable by policy, unless the requisition contains an appropriate advice code, in accordance with Chapter 4, restricting the quantity.

C17.3.2.6.5. Exceptions to Reporting Overage/Shortage. For U.S. Government customers, this does not include transportation discrepancies as follows:

C17.3.2.6.5.1. Overages or shortages of boxes, packages, or loose articles of freight in a commercial/Government-owned/leased shipping container (commonly called SEAVAN), Military SEAVAN (MILVAN), a Military Sealift Command SEAVAN (MSCVAN or MILVAN), roll-on/roll-off (RORO) trailer, or CONEX.

C17.3.2.6.5.2. Overages or shortages of freight (packaged or loose), upon delivery by a carrier, found to be in excess of the quantity of articles recorded on the bill of lading or transportation document covering the shipment.

C17.3.2.6.5.3. Average Net Weight Lotting System. DLA's subsistence commodity will use the average net weight lotting system when shipping perishable specification freeze and chill items. Actual weight received may differ from actual weight requisitioned or shown on the supply documentation. Do not

submit a discrepancy report if the number of cases/containers received agrees with the number shown on supply documentation, and actual weight received is within weight range variation.

#### C17.3.2.6.6. Total Nonreceipts

C17.3.2.6.6.1. Report non-receipt of items shipped via traceable means, e.g., GBL or CBL, registered, insured, certified USPS, or small package carrier shipments, regardless of dollar value only when it has been determined that non-receipt is not the result of a transportation discrepancy. In all cases, U.S. Government customers must have received supply/shipment status and employed materiel follow-up procedures. It is strongly recommended that the customer check for requisition status on Web Visual Logistics Information Processing system (WebVLIPS), for proof of shipment data on DLA Distribution Standard System (DSS) Materiel Release Order (MRO) Tracker or on the Integrated Data Environment/Global Transportation Network (IGC/IDE), or ~~check SDR status in the~~ **use the DoD WebSDR ~~system~~ [hyperlink to WebVLIPS to check requisition status](#)** before creating an SDR for total non-receipt. This may preclude the need for an SDR or may enable the action activity to resolve the problem more quickly.

C17.3.2.6.6.2. Security Assistance customers reporting non-receipt are required to provide documentation from the freight forwarder indicating that no materiel has been received on the requisition and transportation control numbers that apply. The ILCO shall deny and return as incomplete any SDRs that do not have the documentation attached.

C17.3.2.6.6.3. An SDR is required when items valued in excess of \$100 dollars per line-item, reported shipped by non-traceable USPS (i.e., not shipped registered, insured, certified mail) are not received or are received in a damaged condition.

C17.3.2.6.7. Duplicate Shipments. Report duplicate shipments regardless of dollar value.

C17.3.2.6.8. SDRs for Air Force Maintenance Denials Under BRAC Supply, Storage and Distribution (SS&D) Agreement. SDRs resulting from distribution depot denial of an Air Force-directed release order for inventory previously requisitioned from DLA and receipted into Air Force ownership as the result of a “wash” (issue/receipt in-place), shall be reported to the depot for initial action. This is an automatic SDR generation triggered by a warehouse refusal citing Denial Management Code 1 (stock exhausted) or 2 (materiel not available in condition requested). The SDR shall identify the original requisition document number (under which the materiel was purchased from DLA) and the maintenance denial document number (identified by the Air Force maintenance site M-series identifier in the first six characters of the document number). The maintenance denial document number shall be carried as the customer-assigned SDR number to facilitate depot research. The discrepancy may be reported as total non-receipt (total denial) or as a shortage (partial denial). DLA shall issue credit based upon the depot recommendation and confirmation of prior billing. If materiel is still required, a new requisition shall be generated perpetuating the applicable denial management code. The replacement requisition shall also cite the prior (original) document number for cross-reference.

C17.3.2.7. Misdirected Materiel. Report when materiel, regardless of dollar value, is improperly addressed and shipped to the wrong activity. The document number assigned to the SDR will be the document number from the shipping documentation of the misdirected shipment received. (If the customer requisitioned materiel that was not received, it must be reported on a separate SDR for total non-receipt using the document number for the requisitioned materiel.) Misdirected shipments received by Security Assistance customers identify the location of the discrepant materiel and the country reporting the receipt (which may differ from the intended customer). All customers (U.S. and Security Assistance) are required to report misdirected controlled

inventory, arms, arms parts, and explosives within 24 hours of discovery. (Properly addressed materiel incorrectly shipped to the wrong activity while under U.S. Government-controlled transportation is reportable as a transportation discrepancy.)

#### C17.3.2.8. Packaging Discrepancies

C17.3.2.8.1. Improper Packaging. Report any unsatisfactory condition resulting from improper packaging that causes the item, shipment, or package to be vulnerable to any loss, delay, or damage according to the specific conditions cited. Unless otherwise indicated, the minimum dollar value reporting criteria is when the estimated/actual cost of correction exceeds \$100; or the value of the item, shipment, or package is \$2500 or over, regardless of the estimated or actual cost to correct the packaging discrepancy. This may include loss or damage to the item, shipment, or package except when a report is otherwise required by [DTR 4500.9-R](#), Defense Transportation Regulation, Part II, Cargo Movement. Where encoded information on the SDR is not sufficient, the submitter should provide detailed descriptions of how the materiel was packaged, as well as the actual damages incurred to the materiel. The submitter should also include, when available, the estimated cost of correction of packaging on the initial SDR.

C17.3.2.8.2. ***Packaging Discrepancies Noted at DLA Distribution Depots. To ensure proper billing, indicate if the materiel is a major item, i.e., ships, aircraft, missiles, ammunition, vehicles, etc., or secondary item, i.e., any item that supports a major item such as reparables, consumables, assemblies, etc. Distribution Depots shall include projected or actual costs for labor and repackaging materiels. If actual, indicate the date corrective action was completed.***

C17.3.2.8.3. Mission or Life Endangering. Report packaging discrepancies, regardless of dollar value, resulting in damaged materiel that may endanger life, impair combat or deployment operations, or affect other materiel. Report immediately to the shipping activity, contracting office, or control point by the quickest communication medium to enable the shipper to take immediate corrective action. Submit an SDR within 24 hours of the initial report.

C17.3.2.8.4. Hazardous Materiel (Includes Ammunition and Explosives). Report any packaging discrepancy, regardless of dollar value, if a potentially hazardous condition could result or if damage or an unsatisfactory condition has occurred involving any hazardous DLA materiel. This includes improper identification markings of items and packaging and/or unitized loads. Use hazardous materiel discrepancy codes when applicable.

C17.3.2.8.5. Excessive Packaging. Report excessive packaging by contractors that result in additional costs to the U.S. Government, regardless of dollar value.

C17.3.2.8.6. Improper Packing. Report any type of inadequate or improper packing to include incorrect blocking or bracing, oversized or incorrect container, and inadequate closure, resulting in an unsatisfactory condition or damage. Report when materiel is not packed in required reusable container regardless of dollar value.

~~C17.3.2.8.7. Personal Property. Report packaging discrepancies involving shipments of personal property not conforming to specifications. Packaging discrepancy reports on personal property shipments shall be prepared at aerial and water terminals only.~~

C17.3.2.8.7. Delay or Additional Costs. Report packaging discrepancies resulting in delay or additional packaging costs at aerial or water terminals or at consolidation and containerization points. The activity responsible for operating the terminal or port of embarkation/debarkation shall be responsible for the preparation and submission of an SDR on discrepancies noted on shipments moving through the activity. These SDRs shall be prepared using Discrepancy Document Type Code W.

C17.3.2.8.8. Improper Packaging of Customer Returned Materiel. Distribution Depots shall send an SDR to the materiel owner for packaging discrepancies related to customer returned materiel or inter-depot transferred materiel. The materiel owner is responsible for funding packaging costs associated with preparing materiel for storage and reissue. Packaging discrepancies occurring in materiel returns are subject to recoupment action at the discretion of the materiel owner. If the packaging is so bad that the item must be disposed, the shipper may be required to reimburse the receiver for any packing required to effect the shipment and the cost of turn in to DLA Disposition Services. The distribution depot shall always include the estimate of the costs of repackaging or disposal on the initial SDR submission, in the remarks section and complete the appropriate data element entries for electronic submission.

C17.3.2.8.9. Wood Packaging Materiel (WPM). Report WPM that is not consistent with the international standards for the regulation of WPM transiting international borders and Department of Agriculture regulation governing importation of regulated WPM. Compliant WPM must display certification marking as prescribed in reference. Use discrepancy code P215 and provide remarks as applicable. Also see guidance for CCP-originated SDRs below.

C17.3.2.8.10. Repetitive Packaging Discrepancies. Include Discrepancy Code Z1, Repetitive Discrepancy, with the other specific packaging discrepancy code(s) to report repetitive packaging discrepancies that impose a significant burden on receiving or transshipment activities. Total costs to correct packaging shall be included in the SDR.

C17.3.2.8.11. Improper Preservation. Report any type of inadequate or improper preservation or physical protection resulting in an unsatisfactory condition or damage. Report improper preservation of any materiel identified as being electrostatic/electromagnetic (ES/EM) sensitive, regardless of the dollar value.

C17.3.2.8.12. Improper Marking. Prepare an SDR to report any omitted, incomplete, illegible, or misplaced markings. Report improper identification of containers, or items that require opening the container, or result in improper storage of the materiel, regardless of cost. Improper marking includes discrepancies related to passive radio frequency identification (pRFID) tags as follows:

C17.3.2.8.12.1. Report all missing, damaged, or unreadable pRFID tags when such tags are required by contract provisions, DoD policy, or specified by prior shipment notice/status reflecting pRFID content. Report duplication of tag identification associated with a previously processed receipt.

C17.3.2.8.12.2. SDRs may be used to report a tag read formatted for DoD use, but which does relate to an advance shipment notification containing pRFID content when such advance shipment notification is required by contract provisions or DoD policy.

C17.3.2.8.13. Improper Unitization. Report improper unitization that includes inadequate wrapping/strapping or lack of unitization, where appropriate, resulting in an unsatisfactory condition or damage. Report multiple consignees in a single consignee consolidation container as improper unitization.

C17.3.2.8.14. Latent Packaging Discrepancies. Prepare a late SDR for materiel found in storage with latent preservation and packaging discrepancies. Confine these reports to stocks that constitute a problem resulting from a particular specification, preservation, or packaging method. Reports relative to packaging discrepancies found in storage shall be annotated "not incident to shipment."

C17.3.2.9. Quality Related Issues Identified During Distribution Depot Receipt. Three-position Q-series discrepancy codes have been developed to accommodate materiel owners with special programs requiring immediate visibility and notification of quality deficient (or potentially deficient) materiel received at the distribution depot. These codes are applicable for reporting to ICP/IMMs via the SDR process, based upon special inspection requests by the materiel owner. These reports are contingent upon pre-existing receipt restriction requirements that identify the National Stock Number (NSN) and specific actions the materiel owner expects the distribution depot to perform. Some of the specific programs that require reporting of quality-related concerns for receipts, including new procurement and customer returns, are: PQDR exhibits, items identified as customer return improvement initiative (CRII) items, critical safety items, items that failed under use, and items requiring First Article Testing.

C17.3.2.10. Technical Data. Report item technical information, e.g., name plate, operating handbook, logbook, precautionary markings, warranty data, engineering drawings and associated lists, specifications, standards process sheets, manuals, technical reports, catalog item identifications, and related information that are missing, illegible, incomplete and/or incorrect regardless of dollar value. When reparable are returned and the appropriate historical information/documentation, operator/maintenance logbooks, engine oil analysis, etc., as required by Government regulations, and/or technical manuals are not included, the receiving activity shall submit an SDR regardless of dollar value. Any additional costs incurred by the repairing depot/arsenal because of the missing data shall be charged to the originating activity. The submitter shall ensure that the specific description of what documentation is missing is included in the remarks section.

#### C17.3.2.11. Incorrect Item

C17.3.2.11.1. Report incorrect or misidentified materiel or unacceptable substitutes regardless of dollar value. However, unless the requisition contains an appropriate advice code in accordance with Chapter 4, limiting the request to a specific item, automatic shipment of an interchangeable or substitute item is allowed by policy. See Interchangeability & Substitutability (I&S) guidance. Report wrong item receipts of controlled inventory, arms, arms parts, and explosives within 24 hours.

C17.3.2.11.2. Incorrect item discrepancies discovered while opening a sealed vendor pack shall be reported regardless of dollar value or shipper. These reports must contain the contract number from the packaging and, if available, the lot number and the original document number. A constructed document number shall be provided when the original number is not known. When using a constructed document number in an SDR ***coordinate with the applicable Component finance office and follow MILSBILLS procedures citing Code U in the first position of the constructed document number serial number (DLMS Utilization Code U)***, include fund code and credit-to/bill-to DoDAAC to ensure that credit/billing is appropriate. Include identity of the incorrect item received in the discrepancy report.

C17.3.2.11.3. Where two separately managed items are involved in a wrong item SDR, e.g., a DLA-managed item was ordered and a Military Service-managed item was received due to shipper error, the SDR initiator shall forward the report to the shipping depot or manager of the item ordered, in accordance with Component rules. It is the responsibility of the SDR action activity (receiver of the SDR) to ensure full and appropriate resolution by coordinating with the other involved ICP/IMM or transferring the SDR (manually), so

that the initiator receives all applicable and appropriate response information from the responsible party. This may be interpreted to mean two separate SDR replies, or a single coordinated response identifying financial resolution from the Component that sourced the order, and materiel disposition instructions provided by the owner of the materiel shipped.

C17.3.2.11.4. Report part number discrepancies when the part number marking appears to be inconsistent with the specified NSN. This includes when the part number received is not associated with the applicable NSN or when the part number cannot be matched to Federal Logistics Information System (FLIS) catalog data/FEDLOG. The SDR must include the part number and manufacturer's Commercial and Government Entity (CAGE) Code for the item received. Part discrepancies shall be submitted directly to the item manager.

C17.3.2.11.5. DoD WebSDR requires identification of the incorrect item received using discrete data elements (refer to the DLMS Supplement 842A/W). If multiple incorrect items are received under the same document number, use the appropriate discrepancy code for mixed stock and identify the first (highest quantity or controlled item) and use the remarks text to explain the mixed content shipment.

C17.3.2.12. Repetitive or Other Discrepancies. Receiving activities shall report repetitive discrepancies, regardless of dollar value. Additionally, receiving activities may report any other discrepant condition of an item not specifically identified in this chapter at the time of receipt, unless listed specifically under exclusions.

C17.3.3. SDRs Resulting from Redistribution Orders (RDOs). When a distribution depot receives an RDO from another distribution depot and the materiel is short, over, wrong, or quality deficient, the receiving depot shall:

C17.3.3.1. RDO Shortage. Prepare the SDR to report shortage and use Action Code 1D (materiel still required). The shipping depot shall receive the action copy; the ICP shall receive an information copy. The depot receiving the SDR shall treat it as a priority and conduct inventories as appropriate. If the inventory confirms an over balance, the depot shall respond using Disposition/Status (Reply) Code 123 (materiel will be reissued at no charge) citing inventory conducted and verified shipment error. If the inventory confirms correct balance or the balance is short, the depot shall reply with Disposition/Status (Reply) Code 126 (materiel not available for reshipment) or 701 (SDR rejected) citing inventory conducted and no overage was discovered; no materiel will be shipped, OR, inventory conducted and shortage was identified; loss adjustment recorded on depot accountable record, no materiel will be shipped.

C17.3.3.2. RDO Overage. Prepare the SDR to report overage using Action Code 1B (materiel being retained). The shipping depot will receive the action copy; the ICP shall receive an information copy. The depot receiving the SDR shall treat it as a priority and conduct inventories as appropriate. If the inventory confirms an over-shipment error, the shipping depot shall respond with Disposition/Status (Reply) Code 137, annotating that inventories were conducted and balances were adjusted to show correct on hand balance. If inventory confirms no over-shipment was made, the shipping depot shall respond with Disposition/Status (Reply) Code 701 (SDR rejected), citing inventory conducted and on-hand balances are correct.

C17.3.3.3. RDO Wrong Item. Prepare the SDR to report receipt of wrong item using Action Code 1D (materiel still required). The shipping depot shall receive the action copy; the ICP shall receive an information copy. The depot receiving the SDR shall treat it as a priority and conduct inventories on both the wrong item that was shipped and the correct item that was not shipped. No distribution depot shall request or



authorize return or movement of wrong materiel received as an RDO; the ICP/IMM shall make all materiel movement decisions. If the inventory confirms an overage of the correct NSN, the shipping depot shall respond using Disposition/Status (Reply) Code 123 (materiel will be reissued at no charge), citing inventory conducted and shipment error confirmed; materiel will be shipped to correct shipment error. If the inventory fails to confirm an overage of the correct NSN, but an inventory of the wrong NSN reveals a shortage, the shipping depot shall reply using Disposition/Status (Reply) Code 126 (materiel not available for shipment), citing inventories conducted on both NSNs confirm shipment error; accountable record corrected; no materiel will be shipped. Report wrong item receipts of controlled inventory, arms, arms parts, and explosives within 24 hours.

C17.3.3.4. RDO Quality-Related Issues. Prepare an SDR when quality-related issues are noted upon receipt, or when materiel received on the RDO must be suspended prior to stow. The action copy shall be sent to the ICP/IMM using Action Code 1A (disposition instructions requested). The ICP/IMM shall respond to the receiving depot with disposition instructions, to include condition code change requirements where appropriate. Refer to quality-related issues in paragraph C17.3.2.9.

#### C17.3.4. Materiel Returns

17.3.4.1. Discrepancy Greater Than \$100. Continental United States (CONUS) and Outside Continental United States (OCONUS) activities receiving materiel returns (excess or redistributed materiel, or reparable materiel, including returns from FMS customers) shall submit an SDR for discrepancies specified above regardless of condition when the dollar value is equal to or greater than \$100 per line-item. Discrepancies pertaining to controlled inventory items shall be reported by SDR regardless of dollar value or condition.

17.3.4.2. Exception for Returns Between U.S. Activities. When the materiel return shipments are classified as unserviceable and uneconomically reparable upon receipt, the receiving activity shall report to the shipping activity. The report shall include materiel return document number, quantity, and an explanation of condition classification.

C17.3.5. Discrepancies Resulting from Lateral Redistribution Orders (LROs) on Total Asset Visibility (TAV) Shipments. ***Coordination with the Military Service shipping activity is recommended prior to ICP resolution of the SDR.*** An exception from normal routing exists for SDRs entered via DoD WebSDR on LROs for TAV shipments between DLA and the Army's ***Non-Army Managed Items Group, Supply Directorate (NAMI Group, RIC AJ2)***".

C17.3.5.1. All SDRs submitted for DLA directed LROs where the item is managed by DLA, owned by NAMI (RIC AJ2), and shipped from an Army CONUS site, shall be sent to NAMI for investigation, with an information copy to DLA (RIC SMS). NAMI will research the discrepancy and forward recommended disposition to DLA for final action. The NAMI action activity shall provide recommended disposition to DLA within 25 calendar days. After 25 calendar days have elapsed and NAMI recommended resolution has not been received, DLA shall follow-up for recommended disposition.

C17.3.5.2. Upon receipt of recommended disposition, DLA shall review and provide final decision to the customer, along with an information copy to NAMI. DLA shall be responsible for reversing ~~all credits~~ ***previously paid to the TAV shipping activity***, issuing credit ~~debits~~ to the requisitioner, and deleting activities from the TAV process due to poor performance, in coordination with NAMI.



C17.3.5.3. If Army shipped the wrong item or an overage, NAMI shall be responsible to provide the customer with disposition instructions and/or directions for returning the item back to Army. If the item is to be retained by the customer, NAMI shall be responsible for financial actions as appropriate. DLA shall not reimburse the shipper for wrong item or over shipments of Army issues relative to TAV.

C17.3.6. Distribution Depot Receipt with no Due In. Distribution Depots shall report receipt of unscheduled materiel from new procurement to the owner/IMM, regardless of condition of materiel, as a discrepancy. Other unexpected materiel receipts, including returns and/or redistributions that are not ICP/IMM directed, and unscheduled returns to/from maintenance, may be reported by prior direction of the owner/IMM.

C17.3.6.1. New procurement materiel with other applicable discrepancies, e.g., missing receiving report/[DD Form 250](#), improper packaging, shall be placed in Supply Condition Code (SCC) L pending resolution. Exception: discrepant critical safety item (CSI) materiel shall be placed in SCC J regardless of whether it is new procurement or returned materiel. Initial SDR shall include estimated costs of disposal or repackaging in the remarks section and complete the appropriate data element entries for electronic submission.

C17.3.6.2. If other than new procurement, the SDR should show receipt in SCC K when the actual condition cannot be determined. Materiel returned with other identified discrepancies, e.g., without associated technical data, shall also be reported as indicated under the appropriate discrepancy category. Returns of excess materiel that are not ICP/IMM directed are subject to recoupment of costs associated with disposal or repackaging costs incurred by the distribution depot.

#### C17.3.7. DLA Disposition Services Discrepancies

C17.3.7.1. Dollar Value Greater Than \$100. Receiving activities shall submit an SDR for discrepancies specified above in shipments to and from DLA Disposition Services Field Offices when the dollar value is greater than \$100 per line item.

C17.3.7.2. Exception. Activities shall submit a discrepancy for overages and shortages in shipments of controlled inventory items regardless of dollar value.

C17.3.7.3. DLA Disposition Services and DLA Disposition Field Office SDR Procedures. During the receiving process, if the DLA Disposition Services Field Office identifies a supply discrepancy, an outgoing SDR shall be generated consistent with Chapter 16.

C17.3.8. Discrepancies in Item Unique Identification (IUID) Data. Report discrepancies involving IUID under Unique Item Tracking (UIT) program requirements or as contractually required under IUID program policy. Discrepancies may be related to the packaging label, including automated information technology (AIT); the item marking, including AIT; supply documentation; the due-in record; and/or a mismatch between the item and any of these. The elements which may comprise unique identification are: unique item identifier (UII), UII type, issuing agency code, enterprise identifier (or manufacturer's CAGE), part number (original or current), serial number, and batch/lot number. The application of these elements vary according to multiple factors such as the type of item and the specific contract requirements. Discrepancies identified during receipt of new procurement materiel must be reported prior to acceptance. Materiel may be placed in a suspended condition pending resolution. Discrepancies that result in incorrect information within the IUID registry at DLA Logistics Information Service must be reported and corrective action taken.

C17.3.9. Transshipper Prepared SDRs. CCPs shall prepare an SDR to report packaging discrepancies as described above.

C17.3.9.1. Supply Discrepancies Requiring Transshipper Reporting. SDRs shall be prepared for supply discrepancies related to hazardous shipments and non-compliant wood packaging material (WPM). The following discrepancy codes apply, although this does not exclude other item/packaging discrepancies that may result in frustrated shipments:

C17.3.9.1.1. H3 – Lack of a material safety data sheet (MSDS) in Hazardous Material Information Resource System (HMIRS).

C17.3.9.1.2. H6 – Shipper’s declaration for dangerous goods missing or incorrect.

C17.3.9.1.3. P209 – Improper packing of hazardous materials.

C17.3.9.1.4. P215 – Non-conformance to specified requirements for WPM.

C17.3.9.1.5. P302 – Improper marking of hazardous materials.

C17.3.9.2. CCP SDRs for Non-Compliant WPM. CCPs shall notify ICPs that their OCONUS WPM shipment is not in compliance with [DoD 4140.65-M](#), “Compliance For Defense Packaging: Phytosanitary Requirements for Wood Packaging Material (WPM),” and ISPM 15 requirements. The expiration of the DoD Pest Free mark and the requirement to use the International Plant Protection Convention (IPPC) stamp to indicate WPM compliance brings the requirement to remediate all noncompliant WPM destined for OCONUS. WPM shipments can be remediated by repackaging or by use of a heat chamber. SDRs shall be prepared for noncompliant shipments received by the CCPs. Noncompliant shipments will not be held for disposition. Shipments on noncompliant pallets will immediately be re-palletized onto compliant wood pallets. Boxes, crates, etc. shall be sent to a remediation area through use of DSS packing, packaging, preservation & marking (PPP&M) process, and placed in a Hold Status W until remediation is completed. SDRs shall be generated for both pallet replacements and box/crate rebuilds. The SDR will normally cite SDR Action Code 3B, Discrepancy Reported for Corrective Action and Trend Analysis. No reply is required. This type of SDR does not require a response from the source of supply or other designated activity; but is provided so that the source of supply may take appropriate action with the Component shipper or vendor and track trends and associated repackaging costs. The SDR shall be auto-closed in the DSS, based on the P215 discrepancy code (indicating noncompliant WPM), and will not be reopened. The point of contact (POC) may be contacted if SDR was sent to the wrong supply source. Labor and material to remediate will be charged to a CCP Cost Code. If a frustrated shipment requires an expedited SDR reply to the CCP, use of Action Code 3A, Transshipper (Aerial/Water port or CCP) Requests Expedited Response; Shipment Frustrated, is authorized.

C17.3.9.3. Aerial or Water Port Prepared SDRs. The port (identified by DoDAAC) shall prepare an SDR to report packaging or documentation discrepancies as described above. If the shipment is not frustrated and forward movement is not stalled awaiting the action activity response, the SDR shall cite Action Code 3B, Discrepancy Reported for Corrective Action and Trend Analysis. No reply is required. If the shipment is frustrated, the SDR shall cite Action Code 3A, Transshipper (Aerial/Water port or CCP) Requests Expedited Response; Shipment Frustrated, is Authorized. The submitter shall use the remarks block to clarify desired actions and shipment information where specific data fields in the SDR are not available pending full implementation.

C17.3.9.4. Expected Data Content for Transshipper SDRs. These SDRs shall be identified by Discrepancy Document Type Code W and will include the number and type of discrepant pieces. The transportation control number (TCN) will be the primary reference number for operational processes. If the shipment is received at the CCP without a TCN, one shall be assigned in accordance with the DTR. SDRs prepared at the shipment level may include multiple items, or there may not be due-in or documentation available. Because a document number is mandatory within DoD WebSDR, the CCP or other transshipment activity may need to generate a document number based upon the submitter's DoDAAC if multiple documents are included or the original document number is unavailable. **Action activities shall not reject Transshipper SDRs for unmatched document numbers without researching by TCN and other identifying shipment information.** Multiple document numbers, when available, shall be recorded in the SDR remarks. Materiel identification may be identified as "UNKNOWN" or "MIXED" (multi-pack or other consolidation of different items). When this occurs, quantity and U/I shall be left blank. When possible, the shipper shall be perpetuated from the due-in notification (e.g. **DLMS (US TRANSCOM-maintained)** 856A) or shipping documentation. The owner/manager (source of supply) shall be identified as the ICP/IMM that directed the shipment when applicable.

C17.3.10. **SDR Distribution**. *This section addresses those organizations that must be identified on the SDR as initial action recipient or as receiver of information copies. Such determination is based upon the type or origin of the shipment involved, the DoD Component that directed shipment, and the type of discrepancy. Applicable action activities include Inventory Control Point (ICP), International Logistics Control Offices (ILCO), and DLA Distribution Depots. For items requiring special handling and/or reporting, such as controlled inventory items, the responsible action activity must ensure additional distribution of the report as required. The submitter shall provide a copy of the Serious Incident Report, or other Component-required report, regarding controlled inventory items believed to be stolen, lost, or unaccounted for. Where access to an electronic SDR application and associated supply information is available, hard-copy documents shall not be mailed. Where electronic attachment capability is not available, an exception is provided for mailing of information not readily available to the responsible/action activity and photographic/pictorial evidence of the discrepancy.*

**C17.3.10.1. Security Assistance Shipments**. *All Security Assistance SDRs shall be sent directly to the applicable ILCO for initial screening and processing. SDRs may be submitted to the ILCO via SF 364, Report of Discrepancy, or authorized electronic/automated formats. The ILCO shall forward the SDR electronically to the appropriate action activity. Security Assistance SDRs bypassing the ILCO shall not be accepted by DoD and participating Agency action activities.*

**C17.3.10.2. SDR Distribution for Shipment (Item) Discrepancies**

**C17.3.10.2.1. DoD Originated Shipments**

**C17.3.10.2.1.1. Army Directed Shipments**. *Initial action shall be directed to the source of supply (SoS). The only valid Army action activity/SoS RICs are AKZ, A12, A35, AJ2, B14, B16, B17, B46, B64, and B69. Army users are advised not to submit SDRs to single stock fund (SSF) site RICs or to Army shipping depot RICs via DoD WebSDR. There are currently no WebSDR interfaces to support SSF sites or Army shipping depots. The Army action activity can be determined from the shipping documentation (e.g., the RIC in record position 67-69 of the DD 1348-1A), or as part of a search of a NIIN/NSN or Part Number search on WebFLIS (<http://www.dlis.dla.mil/webflis/>) Note that the FLIS SoS will not apply if the requisition was filled by AJ2, Non-Army Manager Item (NAMI) SoS.*

*C17.3.10.2.1.2. Total nonreceipt SDRs for Security Assistance Shipments from DLA Distribution Depots. SDRs shall be forwarded by the ILCO directly to the DoD shipping depot regardless of implementing Component. Where the shipping depot is not known, forward to the ICP/IMM.*

*C17.3.10.2.1.3. Defense Logistics Agency (DLA) Directed Shipments. Initial action to the DoD shipping activity. Where the shipping activity is not known, forward the SDR to the ICP/IMM. WebSDR will provide an information copy to the ICP when identified on the SDR and when the SDR response is provided by the shipping activity. The ICP shall provide additional response to the submitter with final resolution and providing financial action when applicable. For contact information for DLA action activities refer to the DLA Customer Handbook. For assistance contact the Customer Support - Virtual Contact Center at 1-877-352-2255 (1-877-DLA-CALL) or DSN 661-7766; or the DLA Distribution Customer Support Team Point of Contact for SDRs at DSN 977-8749 (717)770-8749.*

*C17.3.10.2.1.4. GSA Directed Shipments*

*C17.3.10.2.1.4.1. GSA shipped from a GSA Supply Distribution Facility. Initial action to GSA (GSA National Customer Service Center).*

*C17.3.10.2.1.4.2. GSA shipped from a DLA Distribution Depot. Initial action to the shipping activity. DoD WebSDR will provide a copy to GSA.*

*C17.3.10.2.1.4.3. Purchases made by DoD Activities from Federal Supply Schedules or GSA Open-End Contracts. The customer may coordinate off-line with the supplier for resolution. Identify GSA to receive the SDR under the following conditions:*

- *repetitive discrepancies,*
- *cases of dispute that cannot be resolved between the ordering office and the supplier, or*
- *product quality deficient materiel in Security Assistance shipments where GSA has provided inspection at source.*

*C17.3.10.2.1.5. All Other DoD Component or Participating Agency Directed Shipments. Initial action to the DoD shipping activity. Where the shipping activity is not known, forward to the ICP/IMM. WebSDR will provide an information copy to the ICP, when identified, and/or the SDR response is provided by the shipping activity.*

*C17.3.10.2.2. DoD Central Procurement and Direct Vendor Delivery. For materiel procured centrally by a DoD Component ICP, distribution will be as follows irrespective of the point of inspection and acceptance.*

*C17.3.10.2.2.1. Initial action to the procuring ICP for internal distribution to the contracting officer or designated personnel.*

*C17.3.10.2.2.2. Copy to office administering the contract/purchase order, if different from the purchasing office, except as otherwise prescribed for purchases made from federal supply schedules or GSA open-end contracts below. If not identified on the SDR, the initial action activity may forward as appropriate.*

*C17.3.10.3. Materiel Returns*

*C17.3.10.3.1. Initial action to manager's ICP.*

*C17.3.10.3.2. Copy to shipping activity.*

*C17.3.10.4. Shipments to DLA Disposition Services*

*C17.3.10.4.1. Initial action to the turn-in activity, as identified on the defense turn-in document (DTID) (DD 1348-1A, Block 2). The SDR will be sent directly to the generator's email address when available as the result of an electronic turn-in (DLA Disposition Services ETID). If ETID email address is not available, WebSDR distribution shall be to the turn-in activity SDR monitor or Component-sponsored SDR application.*

*C17.3.10.4.2. If distribution via ETID email address, a WebSDR generated copy will also be provided to the turn-in activity SDR monitor or Component-sponsored SDR application.*

*C17.3.10.5. Shipments from DLA Disposition Services. Initial action to the Disposition Services Field Office or Recycling Control Point (RCP) as applicable. If not known, SDRs may be directed to DLA Disposition Services (RIC S9D).*

*C17.3.10.6. Local Purchase. Follow DoD Component guidance. A copy will be furnished the Government inspector when inspection is at origin. DoD WebSDR does not support SDRs applicable to local purchase discrepancies.*

*C17.3.10.7. Industrial Plant Equipment Shipments. DLA, shall review all SDRs from the initiator, make further distribution as necessary, request appropriate action from the consignor, and provide the initiator with replies from the consignor and other closeout action.*

*C17.3.10.8. SDR Distribution for Packaging Discrepancies*

*C17.3.10.8.1. Contractor/Vendor Shipments*

***C17.3.10.8.1.1. Initial action to the ICP.***

***C17.3.10.8.1.2. Copy to Contract Administration Office (CAO). The submitter is encouraged to identify the applicable Defense Contract Management Agency (DCMA) office as a distribution copy recipient when applicable (see block 10 of DD Form 250, Material Inspection and Receiving Report or comparable receiving report). When applicable and not identified by the submitter on the SDR, the initial action activity shall forward the SDR to the DCMA or other applicable CAO. When the contract is administered by the Service or Agency issuing the contract, the ICP is responsible for insuring the CAO has access to the SDR information.***

***C17.3.10.8.2.3. Copy to Administrative Contracting Office (ACO). The initial action activity shall furnish a copy of the SDR to the ACO (or otherwise provide visibility), if a different organizational entity is involved.***

***C17.3.10.8.2.4. Copy to Procuring Contracting Office (PCO). The initial action activity shall furnish a copy of the SDR to the PCO (or otherwise provide visibility), if a different organizational entity is involved.***

***C17.3.10.8.2.5. Copy to Component Packaging Monitor. SDRs for Air Force ICP-directed shipments shall be provided to the designated Air Force ICP packaging monitor by DoD WebSDR under Component-unique routing rules.***

***C17.3.10.8.2. DoD Originated Shipments***

***C17.3.10.8.2.1. Initial action as indicated above for DoD originated shipments.***

***C17.3.10.8.2.2. Information copy to be provided systemically by DoD WebSDR per Component guidance. SDRs for Air Force ICP directed shipments shall be provided to the designated Air Force ICP packaging monitor.***

***C17.3.10.10. The Exchange (formerly Army and Air Force Exchange Service (AAFES)). SDRs may be routed to the Exchange via DoD WebSDR to the SoS RIC.***

***C17.3.11. Follow-Up on Original SDR***

***C17.3.11.1. When the action activity does not respond to an SDR within the prescribed timeframe specified in this chapter, the submitting activity shall provide an SDR follow-up. Prior to submitting a follow-up, the reporting activity should first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the WebSDR-assigned control number when known. Follow-up transactions should include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up.***

***C17.3.11.2. If no response is received to the follow-up within 30 calendar days, the originator shall contact DLA Distribution for distribution depot shipments (direct email to: [DDC.ISDR@dla.mil](mailto:DDC.ISDR@dla.mil)) or the SoS for all other shipments to request assistance. Off line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and later follow-up. DLA***



Distribution or SoS will ensure that a response with disposition or interim status is provided within 30 calendar days.

### C17.3.12. Responsible Action Activity Response to an SDR

#### C17.3.12.1. Procedures

C17.3.12.1.1. Processing. Responsible action activities shall process all discrepancy reports under the policies and procedures set forth in this publication and the DoD Component implementing regulations. Responsible action activities include all activities required to take action on a reported discrepancy. Action activities shall consider the associated MRA during validation of SDRs. Conflicting information shall be investigated as appropriate.

C17.3.12.1.2. Replies. Responsible activities shall reply to SDRs by submission of a DLMS 842A/R to WebSDR or via direct WebSDR input. Pending implementation of DLMS, other previously authorized SDR response formats may be used. SDR replies shall indicate the appropriate disposition, e.g., acknowledgment of the report, disposition of the materiel, validation of the report with authorization of financial adjustment, and/or instructions for repackaging, repair or other types of corrective action. SDR replies must contain the appropriate discrepancy code consistent with all information provided by the customer. This may require updating of the discrepancy codes used by the customer to assign the appropriate discrepancy code for the scenario described in the SDR remarks. The action activity shall identify the disposition/status using the appropriate Reply Code (Appendix 3). Action activities shall ensure that inappropriate reply codes are blocked from use when responding to transshipper SDRs (Document Type Code W)<sup>2</sup>. Shipment information applicable to direct vendor deliveries, new procurement, etc., must be completed by the action activity where incomplete or inaccurate on the original report. This includes identification of the shipping activity or vendor (by CAGE), contract number, and identifying shipment numbers. DLMS compliant applications must also ensure that direct vendor delivery shipments are identified by Document Type Code 6 on the SDR reply, regardless of what the customer originally designated. Historical replies (transactions citing Transaction Set Purpose Code 49) shall be used to fulfill these requirements where the submitter indicated that an SDR reply was not required.

C17.3.12.1.2.1. Interim Replies. Interim replies may be used to inform the submitter that an SDR has been forwarded to another organization for investigation or resolution. Responsible activities must provide an interim reply where a final reply cannot be provided within the established timeframes. Failure to meet the established timeframes must be caused by reasons outside the control of the ICP/IMM or GSA. Such interim replies shall indicate when additional status will be provided. Identify the interim disposition/status using the appropriate Reply Code (Appendix 3). If no coding exists to specifically identify the reasons for the delay, select Code 137 and provide a clear-text explanation.

C17.3.12.1.2. 2. Denials. SDRs not meeting the reporting criteria or timeframes specified in this chapter or not including sufficient justification, shall be considered for information only, or denied, as appropriate. DoD ICP/IMM action activities are encouraged to accept late submissions lacking justification for trend analysis/corrective action; with associated financial credit provided at the discretion of the action activity. The responsible activity shall use the SDR response and cite the appropriate disposition/status (reply) code.

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<sup>2</sup> Refer to [Approved DLMS Change 317B](#), Action Activity Replies to Transshipper-Prepared SDRs



C17.3.12.1.3. DoD ICP/IMM, Shipping Depot, or GSA Actions. The ICP/IMM, shipping depot, or GSA shall:

C17.3.12.3.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation. This includes SDRs which the customer has reported as requiring no action (Action Code 1H or 3B).

C17.3.12.3.2. Provide the SDR response to include disposition instructions as needed to the customer or the ILCO for Security Assistance SDRs. The responsible activity shall provide point of contact information for each SDR response.

C17.3.12.3.3. Based upon validated SDRs, request that DFAS or integrated financial process authorize adjustment/credit in accordance with MILSBILLS procedures in DLM 4000.25, Volume 4, Finance.

C17.3.12.3.4. Provide signed evidence of shipment to the ILCO for Security Assistance SDR for non-receipt of materiel. If this documentation cannot be provided, appropriate credit is required.

C17.3.12.3.5. Provide documentation to the ILCO that is matched to the quantity shipped for Security Assistance SDRs for concealed shortages. Examples of such documentation are those containing size, total weight, and cube accepted by the carrier. Credit is denied if the documentation, in conjunction with the unit weight, supports shipment of the total quantity billed. Otherwise, appropriate credit for the differences is required.

C17.3.12.4. Disposition of Materiel. Use the SDR response as an action reply for those discrepant conditions requiring disposition instructions to the reporting activity, e.g., overages, damages (USPS), deficient materiel (Security Assistance), or erroneous or misdirected materiel.

C17.3.12.4.1. Returning Discrepant Materiel. When discrepant materiel is directed to be returned, the responsible activity shall direct the customer to reship the materiel using the same document number under which the materiel was originally shipped. The SDR reply shall include the date by which the customer is requested to return the materiel to the designated location. The ICP shall 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. The return-to location shall be identified by DoDAAC or CAGE (contractors where no DoDAAC is assigned). Clear text addresses may be included in addition to the coded address since all customers may not have access to the authoritative address source. The SoS shall provide reimbursement for packing, crating, handling, and transportation for directed returns under MILSBILLS procedures in DLM 4000.25, Volume 4, Finance, procedures. Use of the Defense Transportation System (DTS) for the return movement is encouraged. As an alternative to providing transportation reimbursement, the responsible action activity may provide the transportation account code (TAC) chargeable for the transportation services and supporting information, e.g., the bill of lading number, or small package carrier account information. 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 shall 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 shall 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 shall be included with the shipment. No statement adversely affecting the Government's claim shall 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.

C17.3.12.4.2. Corrective Action for Packaging Discrepancies. Responsible activities shall immediately investigate reported discrepancies and take action to prevent their recurrence. An indication of what corrective action shall normally be included in the SDR reply. An information copy shall be sent to the appropriate Component packaging monitor. For shipments of ammunition, explosives, or other hazardous materiel, the DoD or GSA responsible activities must provide reports of corrective action in all cases. Wherever possible, use the reply code and SDR remarks to show the corrective action. A corrective action statement may be recorded on a separate document if additional space is required. Statements of corrective action shall also be sent when requested by the SDR initiator or upon special request of the Component packaging monitor. For contractor originated shipments, investigating activities shall send an information copy of the results of their investigation to the responsible procurement activity or commodity command. Reports of corrective action must not be delayed pending final determination of the contracting officer when reimbursement is warranted. Report final actions when completed. When a Contract Administration Office (CAO) investigating activity finds corrective or preventive action is outside the scope of contract administration and requires action by the procuring activity, the SDR and investigation report shall be forwarded to the procuring activity for action, with information copies to the appropriate Component packaging monitor and the initiator.

C17.3.12.4.3. Packaging Discrepancies Noted at a Distribution Depot. The ICP shall annotate the SDR to indicate that distribution depot repackaging is approved or not approved. If the ICP authorizes corrective action, the SDR will also show the appropriate funding/ authorization document, e.g., job order number, Military Interdepartmental Purchase Request (MIPR) number, or SF 1080, to which the distribution depot may charge the corrective action costs. After completing corrective action, the distribution depot will annotate the actual cost of the work performed, note the date completed, and forward a copy to the ICP for close-out.

C17.3.12.4.4. Corrective Action for Non-Compliant WPM. Action activities in receipt of SDRs reporting WPM non-compliance under generic packaging discrepancy codes must reassign the discrepancy code to P215 on their responses. This supports mandatory tracking and trend analysis using automated SDR applications. In the event the shipment becomes frustrated, the action activity will provide instructions for corrective action in order to bring the shipment into conformance or otherwise direct remedial action. Corrective actions and options shall be based upon the circumstances of the quarantined/frustrated shipment, value and priority of the shipment, access to the shipment by DoD personnel, and location of the consignee. Alternatives include:

C17.3.12.4.4.1. Inspection, certification, and marking of compliant WPM,

C17.3.12.4.4.2. Replacement of the WPM,

C17.3.12.4.4.3. Consignee pick-up of the materiel only, or

C17.3.12.4.4.4. Return to origin or designated location.

C17.3.12.4.4.5. Repacking and disposal costs associated with non-compliant WPM receipts that shall be the responsibility of the owner of the stock directing shipment (i.e. last identified shipper

or item manager). Photographic evidence may be requested to substantiate a claim for the recoupment of funds expended in bringing the shipment into compliance. Where applicable, the reporting activity may submit an [SF 1080](#), “Voucher for Transfers between Appropriations and/or Funds.”

### C17.3.13. Time Standards

C17.3.13.1. Submitting SDRs and SDR Responses. This section provides standard timeframes for submission of SDRs and SDR responses.

#### C17.3.13.1.1 Timeframes for SDR Submission by Non-Security Assistance Customers.

An SDR shall be submitted by receiving activities and/or transshipment activities as soon as possible, but not later than the time standards listed below. SDRs not meeting the reporting criteria or timeframes specified in this guidance that do not present sufficient justification shall be processed for information only. Routine time standards, special rules, and exceptions are:

C17.3.13.1.1.1 CONUS Destinations: 60 calendar days from date of shipment.

C17.3.13.1.1.2. Overseas Destinations: 120 calendar days from the date of shipment

C17.3.13.1.1.3. Discrepant Controlled Inventory Items, Arms, Arms Parts, Ammunition, and Explosives. Report discrepancies within 24 hours of discovery for shortage, overage, wrong item, misdirected shipments. This includes stock number materiel with a catalogued controlled inventory item code (CIIC) indicating the item is identified as classified or sensitive. In addition, pilferable codes associated with arms and ammunition are also included (codes N and P) in this category.

#### C17.3.13.1.1.4. Exceptions:

C17.3.13.1.1.4.1. Time limits do not apply to short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack.

C17.3.13.1.1.4.2. Time limits do not apply to those IUID discrepancies that must be reported to ensure the IUID registry and/or owner records are properly maintained.

C17.3.13.1.1.4.3. Time limits for reporting discrepancies relating to contractor warranties are prescribed in individual warranty clauses and/or contracts. Those time limits override other time limits specified in this chapter.

C17.3.13.1.1.5. Late Submission. When circumstances prevent compliance with the above time standards, e.g., response to a tracer action reveals a supposed transportation discrepancy to be a shipping/packaging discrepancy, the reasons for delay shall be provided in a brief clear-text explanation. If appropriate, the responsible activities will honor the discrepancy report. Reporting activities are required to send SDRs to report a shipping or packaging discrepancy even after the above submission time standard has elapsed. If lacking justification, action activities shall process for use in reporting metrics and corrective action, if appropriate. The SoS shall not be responsible for financial resolution on late submission SDRs unless shipment history is available and the circumstances warrant such action

C17.3.13.2. Time Standards for SDR Response. Responsible action activities shall reply to all SDRs received within the following time standards. Interim responses shall be provided when extenuating circumstances necessitate additional processing time.

C17.3.13.2.1. Discrepant controlled inventory items, arms, arms parts, ammunitions, and explosives (shortage/overage/wrong item/misdirected): Total response time, to include sequential processing by multiple action activities when necessary, shall not exceed 25 calendar days. Wrong item receipts identified as controlled/sensitive and unidentified items shall be returned to the designated location within 30 calendar days of the SDR reply. Sources of supply shall monitor for the return and follow-up with the SDR submitter if materiel is not returned.

C17.3.13.2.2. Expedited processing is required for transshipper prepared SDRs requiring positive action from the action activity (e.g., preparation of MSDS or verification of label/marketing information. Where forward movement of the shipment is delayed pending a response as indicated by Action Code 3A, the response time shall not exceed 5 calendar days.

C17.3.13.2.3. Distribution depots shall respond to SDRs submitted directly to the shipping activity within 25 calendar days. Responses from distribution depots may be confirmed or superseded/corrected by a later response when Component business rules require sequential processing by the source of supply and the finance center.

C17.3.13.2.4. ICP/IMMs shall respond to SDRs submitted directly to the SoS within 50 calendar days. Where sequential process by distribution depot and ICP/IMM are required, total processing time shall not exceed 50 calendar days.

C17.3.13.2.5. Action activities receiving SDRs inappropriately shall make every effort to forward to the correct action activity within 5 calendar days. Customers should be aware that misrouting of SDRs may extend total processing time beyond the authorized 50 calendar day processing time.

### C17.3.13.3. Transfers of IMM Responsibilities

C17.3.13.3.1. Logistics Reassignment. Under the logistics reassignment procedures, IMM responsibility for an item may have been transferred to another DoD Component after the date of shipment. In these instances, a single discrepancy reported on a requisition line-item may require action and/or reply from two different DoD Components (e.g., shipper's ICP/IMM and gaining item manager (GIM)). For example, on receipt of an incorrect item, one DoD Component could be responsible for the investigation (shipping activity) and the initiation of a billing adjustment (shipper's ICP/IMM) for the item billed (but not received), and the GIM would be responsible for providing disposition instructions for the erroneous materiel.

C17.3.13.3.2. Response Coordination. It is not the responsibility of the SDR initiator to forward copies of the SDR to all parties involved. Instead, it shall be the responsibility of the shipping activity or losing item manager (LIM) to coordinate with the GIM for an appropriate response/disposition to the submitter.

C17.3.14. Contested Decisions for Non-Security Assistance Related Discrepancies. When the SDR originator does not concur with a reply/disposition received in response to an SDR, they shall forward the SDR indicating a contested decision. Requests for reconsideration pertaining to distribution depot shipments shall be forwarded to the shipping depot; all others shall be forwarded to the SoS. Requests for reconsideration must be

submitted within 45 calendar days from date of action activity response. Cite the SDR report number of the original report. For transactional exchange, SDR applications shall include the WebSDR-assigned control number when known. Requests for reconsideration transactions require all data that was in the previous SDR submission. In addition, a narrative entry is required to provide justification for reconsideration. POC information for the new submission and submission date is required. An SDR must be in a closed status before a request for reconsideration can be submitted (this means the action activity reply to the SDR must be recorded within the applicable Component application). The designated recipient of the request for reconsideration shall review all data relating to the problem and provide a response to the reporting activity with information to all concerned parties within 45 calendar days. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SoS for resolution (when the SDR is forwarded, the 45 calendar days for processing and evaluation will begin when the SDR is received by the SoS). The resulting decision shall be final.

C17.3.15. Correction and Modification/Update of Original Report. When the originator needs to modify discrepancy information or requested action concerning a previously submitted SDR, a new transmission of the SDR may be used. Indicate that the SDR is a modification or correction and forward to all parties who received the original submission. Cite the nonconformance report number of the original report. SDR applications shall include the WebSDR-assigned control number when known. SDR applications shall include revised content and the original unchanged discrepancy information from the original report using the DLMS 842A/W. POC information applicable to the revised SDR is required. A brief narrative description of the revision must be included. Significant errors, such as an incorrect requisition document number *or document number suffix* must be corrected by canceling the original SDR and submitting a new report.

C17.3.16. Cancellation of an Original Report. When an SDR originator discovers a previously reported SDR is not valid or appropriate for any reason and should be withdrawn, a new SDR cancellation must be prepared to cancel the original. Forward to all parties that received the original submission. Cite the original report number. SDR applications shall include the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DLMS 842A/W. POC information applicable to the cancelled SDR is required. A brief narrative description of the reason for cancellation should be included.

C17.3.17. Consignor Replies on Industrial Plant Equipment (IPE) Packaging Deficiencies. Consignor (shipper) replies on IPE packaging deficiencies, which DLA Aviation in Richmond, Virginia, has previously funded for packaging, crating, and handling (PC&H) will provide necessary documents to transfer or reimburse funds for any required corrective action. Handling for PC&H is based on specified requirements for IPE in MIL-HDBK-701, Military Standardization Handbook Blocking, Bracing, and Skidding of Industrial Plant Equipment, and [MIL-STD-107](#), Military Standard Preparation and Handling of Industrial Plant Equipment.

C17.3.18. Follow-up on Credit Adjustments on SDRs. When an action activity has indicated that a credit adjustment has been authorized, reimbursement is normally provided to the fund code and bill-to address cited on the original requisition. When concerned about an apparent non-receipt of credit and 60 calendar days has elapsed, the SDR submitter should consult the bill-to finance office for verification. When non-receipt of credit is confirmed, the financial office shall submit a request for billing adjustment as prescribed by MILSBILLS procedures in DLM 4000.25, Volume 4, Finance.

C17.3.19. Materiel Receipt Acknowledgment (MRA). ICPs shall monitor for discrepancies reported on MRAs (DLMS 527R) to ensure identified discrepancies have been properly reported.

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

C17.3.20.1. Under DLMS, SDRs shall be 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 Supplements available at [www.dla.mil/j-6/dlms/elibrary/transforms/140\\_997.asp](http://www.dla.mil/j-6/dlms/elibrary/transforms/140_997.asp). DoD WebSDR shall perform the following actions:

### C17.3.20.1.1. Pass/route SDR transactions.

C17.3.20.1.1.1. Generate and route an information copy of each SDR reporting packaging discrepancies associated with Air Force-directed shipments to the Air Force packaging monitoring office.

C17.3.20.1.1.2. Route the action copy of SDRs reporting distribution depot receipt of PQDR exhibits (Discrepancy Code Q11) to the materiel owner by agreement with DLA. For Air Force owners, this process shall use an electronic (e-mail-based) interface with the Air Force processing system for product quality deficiencies.

C17.3.20.1.1.3. Provide special e-mail routing of the action or distribution copy of transshipper prepared SDRs upon Component request.

C17.3.20.1.1.4. Return unroutable transshipper prepared SDRs to the submitter for continued processing off-line.<sup>3</sup>

C17.3.20.1.2. Edit SDR transactions in accordance with business rules specified below. Additionally, DoD WebSDR shall edit SDRs to improve data consistency and the appropriateness of data content as follows:

C17.3.20.1.2.1. The owner/manager may not be identified by a routing identifier associated with a Distribution Depot or a CCP.

C17.3.20.1.2.2. The shipping activity may not be identified by the routing identifier associated with an inventory control point or item manager.

C17.3.20.1.2.3. Inappropriate entries will be overlaid with the correct value, if available, from DAAS history.<sup>4</sup>

C17.3.20.1.3. Provide translation capability to the Army User Defined File (UDF) format to support Army Web-Based Tool (WBT) SDR application transaction processing pending DLMS implementation.<sup>5</sup> No other transactional non-DLMS formats are authorized for SDRs.

C17.3.20.1.4. Convert SDRs for e-mail distribution where SDR transactions are not feasible due to lack of an established SDR application interface.

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<sup>3</sup> Refer to ADC 317, Revised Business Rules for Transshipper-Prepared Supply Discrepancy Reports. Implementation delayed.

<sup>4</sup> Refer to ADC 425, Revised SDR Codes and Procedures, including Incorrect Part Number Discrepancy Codes and DoD WebSDR Data Edits and Forwarding Enhancement.

<sup>5</sup> Refer to ADC 452, Implementation of DOD WebSDR Automated SDR Rejection Capability.



C17.3.20.1.4.1. Upon determination that an e-mail (vice transaction) is to be prepared for a specific SDR communication, DLA Transaction Services will check to determine if the appropriate e-mail certificate has been registered. If registered, the SDR e-mail transmission shall be encrypted as FOUO. The e-mail SDR shall contain all associated SDR content as well as clear text addresses and code explanations to facilitate interpretation. If not registered, an abridged content SDR report, confirmation, distribution copy, or reply, as appropriate, will be prepared. The e-mail sent to the user will also provide information on how to access WebSDR and instructions on registering the e-mail certificate.

C17.3.20.1.4.1.1. Abridged SDR. The abridged unencrypted version of the SDR e-mail will include the following data content. Coded information shall not include the corresponding clear-text explanation. The submitter and action activities shall not be identified by clear-text addresses.

- DoD Web SDR Report Control Number
- Additional System SDR Control Number
- Customer-Assigned Control Number
- Document Number/Suffix
- Contract Number
- Transportation Control Number
- Date of Preparation
- Document Type Code
- DLA Disposition Services SDR Type Code
- Discrepancy Code(s)
- Action Code
- Submitter (Activity From)
- SDR Point of Contact
  - Name
  - Commercial Phone or DSN
  - E-mail
- Attachment/Off-line Flag

C17.3.20.1.4.1.2. Abridged SDR Reply. The abridged unencrypted version of the SDR Reply e-mail shall include the following data content. Coded information shall not include the corresponding clear-text explanation with the exception of the Reply Disposition Code which must include text for understanding. The submitter and action activities shall not be identified by clear-text addresses.

- DoD WebSDR Report Control Number
- Additional System SDR Control Number(s)
- Original Reference Number
- Document Number/Suffix
- Contract Number
- Transportation Control Number

- Reply Date
- Document Type Code
- DLA Disposition Services SDR Type Code
- Reply Code(s)
- Action Activity (Activity From)
- Submitter (Activity To)
- Comments/Remarks
- Reply POC
  - Name
  - Commercial Phone or DSN
  - E-Mail
- Attachment/Off-line Flag

C17.3.20.1.4.1.3. Organizations that are not supported by an SDR application for transactional reference shall provide to DLA Transaction Services an e-mail address to be linked with their DoDAAC/RIC for e-mail distribution.

C17.3.20.1.4.1.4. Each DoD Component shall designate to the DoD SDR System Administrator a specific e-mail account or point of contact to receive unroutable SDRs for manual attention. This is required to ensure operational support where no SDR application or e-mail address has been identified for an SDR recipient, or an attempted e-mail distribution has failed due to an invalid address.

C17.3.20.1.5. Maintain historical records of SDRs and associated transactions.

C17.3.20.1.6. Provide access to SDR information via Web Visual Logistics Information Processing System (WEBVLIPS).

C17.3.20.1.7. Provide ad-hoc queries and management reports.

C17.3.20.1.8. Maintain the DoD WebSDR as a value-added service to support submission, reply, and other functions related to SDR processing.

C17.3.20.1.9. Convert CCP-generated SDRs for e-mail distribution pending owner/manager ability to process electronically.

C17.3.20.1.10. Post for history, but not forward SDR replies to the SDR submitter (i.e., distribution depots or CCP) identifying passive RFID or WPM discrepancies based upon addressing to the DAAS RIC (SGA). This will suppress unnecessary transmission of SDR transactions where the SDR submitter has closed the SDR with no expectation/requirement for a reply under these conditions.<sup>6</sup>

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<sup>6</sup> Refer to ADC 425, Revised SDR Codes and Procedures including Incorrect Part Number Discrepancy Codes and DoD WebSDR Data Edits and Forwarding Enhancement, Implementation delayed.

C17.3.20.2. WebSDR shall edit SDR transactions prior to passing/routing to ensure minimal standards of acceptability.<sup>7</sup> Reject to the generating activity SDR and follow-on transactions that do not meet the following conditions:

C17.3.20.2.1. SDR transactions must contain valid values as appropriate to the transaction purpose: discrepancy code, action code, and reply code. Reject with Disposition/Status Code (Reply) Code 915, 916, or 927.

C17.3.20.2.2. SDR must include materiel identification. Materiel identification may consist of the NSN, manufacturer's part number and manufacturer's CAGE, or as authorized under DLMS for unique business processes (e.g. "mixed" or "unknown" for transshipper SDRs and local catalog identification number<sup>8</sup>). Where wrong item discrepancies are reported, materiel identification of the wrong item must be included. Wrong item received may be identified as previously indicated or by description alone (citing "UNKNOWN" as the wrong item part number). Reject with Disposition/Status (Reply) Code 931.

C17.3.20.2.3. SDRs reporting materiel received is not in the correct condition must include valid condition codes to identify the received conditions. Only valid condition codes shall be permitted. The condition code must be appropriate for the discrepant materiel and associated action activity or source of supply (i.e., Supply Condition Code N, V, and T may not be directed to the DLA ICP). Reject with Disposition/Status (Reply) Code 928.

C17.3.20.2.4. SDRs coded to indicate narrative is required must provide applicable narrative. Reject with Disposition/Status (Reply) Code 924.

C17.3.20.2.5. SDRs must include minimal point-of-contact information to include name and phone/email. Reject with Disposition/Status (Reply) Code 920 or 921.

C17.3.20.2.6. Only valid DoDAACs and RICs will be permitted. Reject with Disposition/Status (Reply) Code 929.

C17.3.20.2.7. Quantity fields will only allow entry of numeric values. Reject with Disposition/Status (Reply) Code 917 or 918.

C17.3.20.2.8. SDR replies coded to indicate that a ship-to/mail-to address or additional information is associated with the reply, must include the specified additional address or information as transaction data fields and must include narrative remarks to reflect the address (due to limited implementation of the separate address fields). Reject with Discrepancy Status/Disposition Code (Reply) 924.

C17.3.20.2.9. SDR follow-ups must comply with follow-up submission timeframes. Follow-ups submitted without allowing sufficient action activity response time will be rejected (*see section C17.3.13. a minimum of 30 calendar days will apply*). Reject with Discrepancy Status/Disposition Code 933 (implementation pending).

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<sup>7</sup> Refer to ADC 452, Implementation of DOD WebSDR Automated SDR Rejection Capability.

<sup>8</sup> Refer to ADCs 282, CCP-Originated SDRs including Noncompliant WPM Procedures and Shipment Hold Code; 317, Revised Business Rules for Transshipper-Prepared SDRs; and 322, Addition of Local Catalog ID qualifier to Support Requirements for Theater Enterprise-Wide Logistics System (TEWLS) Requisitions. Local Catalog ID implementation delayed.

C17.3.20.2.10. SDR follow-ups and contested SDR/reconsideration requests shall not be submitted against cancelled SDRs. Reject with Discrepancy Status/Disposition Code 907.

C17.3.20.2.11. Reply with Discrepancy Status/Disposition Code 504 forwarding action may not be used to forward SDRs where incomplete information is available to construct the new forwarded SDR, or the SDR is otherwise not suitable for automated forwarding action. Reject with Discrepancy Disposition/Status (Reply) Code 935.

C17.3.20.2.12. SDR document numbers and associated suffix codes must conform to MILSTRIP standards. A temporary exception is allowed for Air Force maintenance document numbers used between the Air Force item manager and the supporting depot. The full document number edit does not apply to transshipper SDRs (Document Type W) due to the potential for reporting against the shipment unit rather than a specific document number. For these SDRs, the document number must be filled and must be 14 positions. It may contain a 14 position purchase request number, the first 14 positions of the transportation control number, or a constructed document number based upon the DoDAAC of the port submitting the SDR. Reject with Discrepancy Status/Disposition Code 910.

C17.3.20.2.13. SDRs must contain valid transaction set purpose codes and document type codes as shown in the applicable DLMS Supplement. Reject with Discrepancy Disposition/Status (Reply) Code 938 and 939, respectively. Submitting system personnel will be notified of invalid transaction set purpose codes.

C17.3.20.2.14. SDRs associated with new procurement (Document Type 9 or P) must contain the applicable contract number and contractor-assigned shipment number. Reject with Discrepancy Disposition/Status (Reply) Code 940.

C17.3.20.2.15. Inter-Component SDR replies citing 200-series reply codes may be used only for Security Assistance SDRs. Reject with Discrepancy Disposition/Status (Reply) Code 941.

C17.3.20.2.16. Duplicate SDRs defined as a new submission matching an existing SDR on document number/suffix, discrepancy code, and transportation control number (if provided). Reject with Discrepancy Disposition/Status (Reply) Code 719. Note: DoD Components may use this code based on internal business rules.

C17.3.20.3. WebSDR will edit SDR submissions via DoD WebSDR at the point of entry to improve the accuracy of the data content. All of the above criteria apply. In addition, web-specific functionality includes:

C17.3.20.3.1. The SDR submission process will be facilitated by the auto-population of data content based upon the shipment and cataloging data available to DAAS.

C17.3.20.3.2. Address information will be retrieved based upon DoDAAC and RICs. User generated updates to initiator's address are permitted and will be passed to the receiving system for information, but will not impact SDR processing.

C17.3.20.3.3. SDR replies coded to indicate that an address or additional information is associated with the reply must include the specified additional address or information.

C17.3.20.4. DAAS shall provide the support to SDR transaction exchange to facilitate DLMS processes.

C17.3.20.4.1. WebSDR shall facilitate appropriate distribution when the action party receiving the initial distribution employs the Distribution/Status (Reply) Code 504 indicating the SDR must be forwarded to a new action activity. When the new action activity is a distribution depot, the original SDR will be retransmitted to the designated depot. The customer shall receive notification of interim status.

C17.3.20.4.2. WebSDR shall facilitate appropriate distribution when the action party receiving the initial distribution employs distribution status codes in the 300 series indicating that the SDR must be sent to the SoS for disposition. The SDR reply shall be sent to the designated SoS and to the SDR initiator for notification of interim status.

C17.3.20.4.3. WebSDR will respond to DAAS-directed rejected reply transactions indicating no matching original report or information copy of the SDR is found in the automated application (Reply Code 926), by providing an information copy of the original report to the activity which rejected the reply. Unmatched requests for an information copy will be returned by DAAS as rejected (Reply Code 926) to the sending organization. DAAS will create and forward an information copy of the DLA SoS for all customer SDRs based upon the storage site reply where an information copy was not previously provided.

C17.3.20.4.4. WebSDR shall provide information copies of SDRs in accordance with Component business rules and as designated by the initiator.

C17.3.20.4.4.1. WebSDR shall ensure DLA Enterprise Business System (EBS) receives an information copy of all SDRs routed to a distribution depot for initial action where EBS is the SoS.

C17.3.20.4.4.2. All parties receiving an information copy of the original SDR as designated by the initiator or by a Component business rule will receive a copy of all changes, cancellation, and replies associated with the SDR.

C17.3.20.4.5. WebSDR shall accept and forward supporting documentation associated with SDRs using DLMS attachment exchange procedures.

C17.3.20.4.5.1. SDR attachments may be uploaded directly to the DoD WebSDR or exchanged electronically in association with the SDR transaction.

C17.3.20.4.5.2. SDR attachments must be referenced/uploaded under a SDR Attachment File Name constructed in accordance with DLMS rules. Up to five attachments may be associated with a new SDR report and subsequent change, reply, request for reconsideration. Attachments may be submitted with follow-up and cancellation transactions for archive, but these will not be forwarded to the action activity.

C17.3.20.6. DoD WebSDR shall restrict the use of inappropriate discrepancy status/disposition reply codes in responses to transshipper prepared SDRs.

#### C17.4. MANAGEMENT EVALUATION

C17.4.1 Purpose. The supply discrepancy reporting program is designed to promote evaluation, correction, and improvement of logistics operations. To accomplish this objective, discrepancies as specified in this publication must be reported and investigated in accordance with established policies and procedures. DoD

Components shall institute SDR quality programs that will include periodic reviews to assess the accuracy and quality of work processes applicable to supply discrepancy processing. In addition, DoD Components shall require, as a minimum, semi-annual summary reporting to an appropriate headquarters for review and analysis. The DoD Components unable to support the full scope of the required data collection under legacy systems shall incorporate this reporting requirement under business system modernization efforts. The DoD WebSDR management reports and canned queries may be used to supplement internally prepared reports. DoD Components and USTRANSCOM shall monitor SDR program performance applicable to transshipper SDRs. Data collected must be sufficient to enable monitoring activities to:

C17.4.1.1. Identify trends.

C17.4.1.2. Establish volume and dollar values of SDRs.

C17.4.1.3. Bring management attention to problems with shipping activities as necessary.

C17.4.1.4. Prevent recurrence of discrepancies.

C17.4.1.5. Measure quality and responsiveness of action activities.

C17.4.2. IMM/ICP Summary Reporting. As a minimum, the IMM/ICP and shipping activities must have visibility of detail/summary reports that show:

C17.4.2.1. The number of SDRs received during a particular timeframe by shipping activity, dollar value, and discrepancy type. Reports will measure compliance with SDR submission timeframes.

C17.4.2.2. The number of SDR responses processed during a particular timeframe by action activity, dollar value, and discrepancy type. Reports will show a breakdown of SDR actions taken to include dollar value of credit authorized and reshipped materiel. Reports will measure compliance with SDR processing timeframes and show age of ongoing investigations.

C17.4.3. Receiving Activity Reporting. As a minimum, the U.S. Government receiving activity and the ILCO must have visibility of detail/summary reports that show:

C17.4.3.1. The number of SDRs prepared during a particular timeframe by shipping activity, dollar value, and discrepancy type. Reports will measure compliance with SDR submission, processing, and follow up timeframes.

C17.4.3.2. Responses received from the responsible action activity, and dollar values recovered, either in the form of reshipped materiel or credit received.

## C17.5. SECURITY ASSISTANCE DISCREPANCY REPORTS

C17.5.1. General. This section provides specific procedural guidance relevant to the processing of Security Assistance SDRs. Based upon United States of America Letter of Offer and Acceptance (LOA) agreements, Security Assistance customers will use SDRs to report all supply, billing/financial, and product quality deficiencies/discrepancies associated with Security Assistance shipments. Supply discrepancies are identified under paragraph C17.3.2., Reporting Criteria, except as specifically excluded for Security Assistance and as supplemented below. In addition to the routine data content, Security Assistance SDRs shall include the location of the discrepant materiel (in-country depot, freight forwarder, U.S. Government facility, or contractor



facility) and the country that received the discrepant materiel. Security Assistance discrepancy reports below dollar limitations contained in the United States of America Department of State LOA controlling the case, or any other sales agreement with a Security Assistance purchaser, shall not be accepted by the ILCO for subsequent processing by the DoD Components or participating Agencies unless a valid justification for the submission is also provided.

C17.5.1.1. All Security Assistance SDRs will be submitted directly to the applicable ILCO for initial screening and processing in accordance with this manual and [DoD 5105.38-M](#), SDRs may be forwarded via SF 364, Report of Discrepancy, or authorized electronic/automated formats. Incorrect item SDRs must provide supporting documentation to include photographs of the wrong item received.

C17.5.1.2. Acceptable SDRs will be forwarded for further processing to DoD ICP/IMM, shipping depot, GSA, or other organization as applicable. ILCOs shall submit SDRs using a DLMS-compliant SDR application or, pending full implementation, via direct DoD WebSDR input. Total non-receipt SDRs shall normally be forwarded directly to the shipping depot. All responses to discrepancy reports shall be returned to the ILCO.

C17.5.1.3. Responding action activities shall provide the SDR reply for Security Assistance SDRs using a DLMS-compliant SDR application via DoD WebSDR or, pending full implementation, via direct DoD WebSDR input or authorized electronic/automated equivalent format. SDR replies must include, at a minimum, the applicable document number, the Security Assistance report number (item 2 of the SF 364), point of contact information, and pertinent information from the data blocks on the reverse side of the SF 364 or the expanded SDR data element code lists (*Appendix 3*).

C17.5.1.4. The DoD shipping activity will retain paper copies of the Security Assistance shipping documentation (signed carrier's receipt and shipping document) at the shipping site for a period of 2 years following the shipping date. After this point, the paper records shall be retired to the appropriate Federal Records Center for a period of 28 years. The stored records must be segregated by country and the container marked accordingly. Billing documentation will be retained by the Military Departments and DoD agencies as specified in MILSBILLS procedures and DoD 7000.14-R, Vol. 15, Department of Defense Financial Management Regulation (Security Assistance Policy and Procedures).

## C17.5.2. Time Standards

C17.5.2.1. Time Standards for SDR Submission by Security Assistance Customers. Discrepancy report preparation and submission time by the Security Assistance purchaser is limited to the time standards cited in the United States of America Department of State LOA, and amendments thereto, as explained in DoD 5105.38-M.

C17.5.2.2. Security Assistance customers receiving misdirected shipments or shipments containing incorrect items that are identified as classified/sensitive materiel, and/or arms, arms parts, or explosives, must report within 24 hours of discovery regardless of dollar value for disposition. Where estimated dollar values are unknown or fall below the minimum criteria, report using Action Code 1A, Disposition instructions for discrepant materiel requested; financial action not applicable.

C17.5.2.3. ILCOs are permitted 15 calendar days from the time of discrepancy report receipt for processing prior to forwarding to the appropriate action activity. Upon return of the SDR response from the

action activity, ILCOs are permitted 15 calendar days for processing and forwarding to the Security Assistance customer.

### C17.5.3. Directed Returns

C17.5.3.1. Whenever materiel is directed for return to U.S. custody, the purchasing country will be instructed to reship the materiel using the same document number under which the materiel was originally shipped. The country will be advised that they must return the materiel to U.S. Government custody within 180 calendar days from date of approval/instructions. However, the time standard allowed for the return of wrong item controlled/sensitive materiel or unidentified materiel is 30 calendar days from date of the ILCO reply. The ILCO shall monitor directed returns and follow-ups with customers where controlled/sensitive materiel has not been returned. In those instances when materiel is to be returned to the United States at U.S. Government expense, every effort will be made to utilize the DTS for the return movement. Action activities shall provide the Service/Agency transportation account code (TAC) chargeable to return the discrepant materiel to the appropriate U.S. Government activity or other designated location. In lieu of the TAC, the action activity may provide commercial package carrier account information. In addition, the SoS shall provide reimbursement for packing, crating, handling for directed returns under MILSBILLS procedures in DLM 4000.25, Volume 4, Finance. The SoS shall also provide reimbursement for in-country transportation of the original shipment to the Security Assistance customer (when a directed return applies) under procedures prescribed by DoD 5105.38-M, as amended. When appropriate, the action activity may direct the submitter to return an exhibit of the discrepant materiel. The activity requesting this action will pay for exhibit shipment costs. The exhibit shall be returned to U.S. Government custody within 90 calendar days from the date of instructions. Action activities or the ILCO shall furnish [DD Form 1348-1A](#) for materiel to be returned. A copy of the SDR and DD Form 1348-1A should be included with returned materiel and annotated as an "SDR RETURN." Upon evidence of materiel being returned, a credit adjustment will be processed for the return of the discrepant materiel if previously authorized. This evidence releases the Security Assistance customer of liability for the materiel.

C17.5.3.2. Discrepant Security Assistance materiel not being returned to the stocks of the Department of Defense or GSA, or retained, or sent to disposal by the foreign government at the direction of the ILCO, shall be turned in to the nearest U.S. accountable military activity (regardless of the DoD Component responsible for the materiel). This is in accordance with the governing regulation serving as the authority for the turn-in. The local U.S. military activity shall pick up the materiel up in stock as a gain to inventory and determine if materiel is required or is in excess to requirements. If materiel is required, it shall be retained. If excess to requirements of the local military activity, the materiel must be reported under Chapter 12.

C17.5.4. Incorrect Items. Incorrect item SDRs are not permitted for authorized substitution, unless the substitute item does not meet fit, form, or function standards. DoD Components and GSA follow the policy of automatic shipment of an interchangeable item unless the requisition contains an appropriate advice code, in accordance with MILSTRIP, limiting the request to a specific item. Similarly, quantities may be adjusted to the unit pack quantity, when appropriate, unless restricted by the appropriate advice code in the customer requisition. Such adjustments resulting in quantity variance are not reportable as discrepant.

C17.5.5. Non-receipt. When an SDR is initiated for non-receipt, the Security Assistance customer is required to provide documentation from the freight forwarder indicating that no materiel has been received on the requisition and transportation control numbers that apply. The ILCO shall deny any non-receipt SDRs received that do not have this documentation attached. The ILCO shall return these SDRs to the customer as incomplete.

C17.5.6. SDR Follow-Up. When the action activity does not respond to an SDR within the prescribed time standard specified in this chapter, the ILCO, acting on behalf of the Security Assistance customer, shall submit an SDR follow-up. Prior to submitting a follow-up, the ILCO must first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the WebSDR-assigned control number when known.

C17.5.6.1. Follow-up transactions should include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up.

C17.5.6.2. If no response is received to the follow-up within 30 calendar days, the ILCO may contact DLA Distribution for distribution depot shipments or the SoS to request assistance. Off-line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and subsequent follow-up. DLA Distribution or the SoS shall ensure that a response with disposition or interim status is provided within 30 calendar days.

C17.5.7. Cancellation of an Original Report. When an SDR originator discovers a previously reported SDR is not valid or appropriate for any reason and should be withdrawn, an SDR cancellation must be prepared to cancel the original. The ILCO via the DoD WebSDR will forward to all parties that received the original submission. Cite the original report number and the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DLMS Supplement. Provide POC information. A brief narrative description of the reason for cancellation should be included.

C17.5.8. Contested Decisions and Requests for Reconsideration. These procedures allow the report originator to voice disagreement with disposition decisions. The Security Assistance purchaser has recourse through the ILCO to the ICP/IMM or GSA and, if still not satisfied, to the ILCO's Service focal point.

#### C17.5.8.1. Requests for Reconsideration

C17.5.8.1.1. The Security Assistance purchaser may ask the U.S. Government to reconsider the disposition for a reported supply discrepancy. ***Purchasers must send a Request for Reconsideration to the ILCO within 45 calendar days from the date of the ILCO final reply to the customer concerning disposition, except when materiel/exhibit return to the customer is required subsequent to US Government-directed evaluation/testing/repair. This exception is applicable only when the materiel/exhibit must be re-inspected by the customer to confirm that the reported discrepancy/deficiency has been resolved and, therefore, additional transportation time is necessary for the return shipment. Under this scenario only, the SA purchaser is authorized up to 90 days from the date of the final ILCO reply to submit the Request for Reconsideration to the ILCO. The ILCO shall be responsible for monitoring that requests for reconsideration are submitted within the allowable time standards.***

C17.5.8.1.2. The request for reconsideration shall use the nonconformance number associated with the original report. When the customers ask for reconsideration, the ILCO shall add a Suffix Code R to the SDR number. The ILCO shall convert the request for reconsideration to electronic transmission and forward to the appropriate DoD ICP/IMM or GSA action activity for reconsideration within 20 calendar days of receiving the request for reconsideration from the customer. If relevant information is not accessible by the responsible activity, the ILCO may forward supporting documentation. The designated recipient of the

request for reconsideration shall review all data relating to the problem and provide a response to the reporting activity with information to all concerned parties within 45 calendar days (*90 days for security assistance shipments where materiel was returned to country when previous SDR resubmission was closed*)<sup>9</sup>. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SoS for resolution (when the SDR is forwarded, the 45 calendar days for processing and evaluation will begin when the SDR is received by the SoS).

#### C17.5.8.3. Second Request for Reconsideration (Contested Reconsideration Response).

Security Assistance customers may further contest the ICP/IMM or GSA decision given after the request for reconsideration. To do so, the customer must send a written request to the ILCO within 45 calendar days from the date of the ILCO reply to the request for reconsideration. The customer must indicate why the ICP/IMM or GSA decision is not satisfactory. Cite the nonconformance number on the original SDR. The ILCO shall add a Suffix Code C to the report number, which shall be used in all references to the SDR. The ILCO shall convert the request to electronic transmission and forward the SDR, with an appropriate advice code, within 20 calendar days to the appropriate focal point who shall review all the information and send the ILCO the final decision within 50 calendar days from the date of receipt of the ILCO information. *A contested reconsideration may only be submitted transactionally to DoD WebSDR and will be forwarded to the original action activity(ies). Additional distribution may be accomplished manually. Pending full DLMS implementation, contested reconsideration requests may be forwarded manually.* If relevant information is not accessible by the focal point, the ILCO may forward supporting documentation. The ILCO shall ensure all interested parties receive the SDR resolution.

#### C17.5.9. Follow-up on Credit Adjustments on SDRs

C17.5.9.1. When an action activity has indicated that a credit adjustment has been authorized, reimbursement is normally provided to the fund code and bill-to address cited on the original requisition. When concerned about an apparent non-receipt of credit, the ILCO should consult with the appropriate finance office for verification. Allow a minimum of 60 calendar days from the date of the SDR response before initiating a follow-up action. To facilitate research of supply and financial records, it is suggested that follow-up action for non-receipt of credit associated with the return of discrepant materiel occur within a reasonable period (e.g., not longer than 45 calendar days after the ILCO provides the action activity the initial notice with evidence of discrepant materiel return).

C17.5.9.2. When non-receipt of credit is confirmed, the ILCO will submit a request for billing adjustment as prescribed by MILSBILLS procedures under DLM 4000.25, Volume 4, Finance, using DLMS 812R (DIC FAE) and Billing Advice Code 26. Do not send a hardcopy of the SDR or reply, as this may create duplicate work for the finance centers and may cause improper processing of your request.

C17.5.10. Product Quality. Product quality deficiencies relative to Security Assistance shipments are reportable via SDR. *If product quality is for latent defect, the ~~However,~~* the Security Assistance customer must provide evidence that a receipt inspection was done and the defect could not be detected at that time and that the defect is present for reasons other than deterioration or damage incurred during storage or handling. Quality deficiencies include deficiencies in design, specifications materiel, manufacture, and/or workmanship. The submitter must identify by discrepancy code any quality deficiencies (including latent defects) that result in a safety hazard. Include the following information in the SDR, as applicable: manufacturer's name; contract/purchase order number; date of manufacture, pack, or expiration; lot/batch number; location of

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<sup>9</sup> *ADC 430, Timeframe Change for Security Assistance SDR Requests for Reconsideration*

materiel; point of contact information (if other than the preparing official); along with a detailed description of the complaint if needed to supplement encoded information. ***Include the following information in all product quality SDR packages, as applicable: In addition, provide*** photographs, test data, and related documentation. When submitting a latent defect discrepancy code on the SDR, the report must include substantiating documentation to validate the latent defect such as the applicable test report used to identify the latent defect. Latent defects must be submitted to the ILCO with substantiating documentation. Following is a list of potentially applicable forms of substantiating documentation:

C17.5.10.1. Receipt tests conducted and test reports (including test equipment model, serial number and software version), or documentation of receipt tests not conducted, and justification for tests not conducted.

C17.5.10.2. Subsequent tests conducted and results including test equipment model, serial number, and software version along with test readings.

C17.5.10.3. Justification that initial receipt inspection and testing could not have detected the deficiency.

C17.5.10.4. Documentation of storage and handling of the item since receipt including type of storage.

C17.5.11. Billing Discrepancy. Billing discrepancies reported to the ILCO on a SDR shall be converted to the appropriate transaction format per MILSBILLS procedures under DLM 4000.25, Volume 4, Finance, for the DLMS 812R (DIC FAE).

C17.5.12. Financial Discrepancy. Financial discrepancies reported to the ILCO on a SDR shall be forwarded to DFAS-DE/I for processing.

C17.5.13. Management Evaluation. As a minimum, the ILCO must have visibility of detail/summary reports that show:

C17.5.13.1. The number of SDRs received during a particular time standard by customer with breakdown by shipping activity showing dollar value and discrepancy type. Reports will measure customer compliance with SDR submission time standards and ILCO compliance with SDR processing time standards.

C17.5.13.2. A breakdown of SDR action activity response showing actions taken to include dollar value of credit authorized and reshipped materiel.

#### C17.5.14. Responsibilities

C17.5.14.1. The ILCO shall:

C17.5.14.1.1. Complete initial SDR screening in accordance with this manual and DoD 5105.38-M.

C17.5.14.1.2. Review all SDRs received for processing and determine proper course of action based on available case history data. Reject discrepancy reports that fail to meet Security Assistance time and dollar standards (with exception of those that require disposition instructions for wrong item received or misdirected shipments) or do not contain required data, unless such data is readily available, at the ILCO. Forward SDRs to the appropriate ICP/IMM, shipping depot, or GSA action activity.

C17.5.14.1.3. Reject duplicate SDRs, except those that are resubmitted to request reconsideration of previous decision.

C17.5.14.1.4. Review all requests for reconsideration that contest a reconsideration decision (second request for reconsideration). Reject those requests that lack sufficient justification or were not received within the established time standards.

C17.5.14.1.5. Process to the Security Assistance customer initial acknowledgment of receipt of SDR replies and/or denials.

C17.5.14.1.6. Report the disposition of SDRs applicable to materiel and services to the DFAS-DE/I as required in the [DoD 7000.14-R](#), Volume 15.

C17.5.14.1.7. Review SDR replies from action activities for completeness and reject those that do not specify necessary information, e.g. disposition instructions for discrepant materiel. ***Under DLMS transactional exchange, the ILCO reject transaction may be directed to the action activity to identify necessary corrections. After three ILCO reject transactions, the action activity should be contacted off-line to clarify the issues involved.***

C17.5.14.1.8. Maintain records of all Security Assistance-related discrepancy reports to completion.

C17.5.15.2. The DoD ICP/IMM, shipping depot, or GSA shall:

C17.5.15.2.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation.

C17.5.15.2.2. Furnish properly completed SDRs to the ILCO for further processing to the Security Assistance customer. The action activity shall cite the appropriate reply code (***Appendix 3***).

C17.5.15.2.3. Based upon the validated SDR, request that DFAS authorize adjustment/credit in accordance with MILSBILLS procedures under DLM 4000.25, Volume 4, Finance.

C17.5.15.2.4. Provide signed evidence of shipment to the ILCO when non-receipt of materiel is involved. If this documentation cannot be provided, appropriate credit is required.

C17.5.15.2.5. Provide documentation that is matched to the quantity shipped for concealed shortages. Examples of such documentation are those that contain size, total weight, and cube accepted by the carrier. Credit is denied if the documentation, in conjunction with the unit weight, supports shipment of the total quantity billed. Otherwise, appropriate credit for the difference is required.



## Enclosure 2, Instructions for Preparation of Standard Form 364

### AP4. APPENDIX 4.

#### INSTRUCTIONS FOR PREPARATION OF STANDARD FORM 364

AP4.1. ORIGINAL REPORT. A hard copy Supply Discrepancy Reports (SDR) shall only be used by exception under Chapter 17 guidance. When reported manually via hard copy, the following instructions for use of the [SF 364](#), Report of Discrepancy, apply.

AP4.1.1. Indicate whether shipping discrepancy or packaging discrepancy by placing an "X" in appropriate boxes at the top of the form.

- Item 1      Date of Preparation. Use month, day, and four-position year format for the date the reporting activity prepares the SDR (e.g., January 10, 2012).
  
- Item 2      Report Number. Provide the locally assigned report number. For Security Assistance shipments, this consists of one alpha character to identify the initiating office in-country, four numeric characters for number control, two alpha characters for the foreign customer country and three to six alphanumeric characters for the master and line item case designator, i.e., A0010-JA-KBD/001. For any unnumbered reports received, the International Logistics Control Office (ILCO) will assign number x9000 to x9999 and so advise the foreign country customer on the receipted copy. Suffix code R added to the report number indicates the purchaser has asked for reconsideration of the report disposition. Suffix code C added to the report number indicates that the purchaser has contested the U.S. Government's decision on a request for reconsideration.
  
- Item 3      To. In-the-clear name, address, ZIP code and DoD Activity Address Code (DoDAAC) and/or Routing Identifier Code (RIC) (if assigned), and attention symbol/code of action activity. The action activity is based upon the origin of the shipment. If forwarding to the ICP, the RIC of the ICP is located in positions 67-69 of the DD Form 1348-1A. If forwarding to the Defense Distribution Depot, the RIC of the shipping depot is located in positions 4-6 of the DD Form 1348-1A.
  
- Item 4      From. DoDAAC, name, address and ZIP code of the reporting activity or Security Assistance customer (consignee). The in-the-clear address shall be entered.
  
- Item 5a     Shipper's Name. Enter name, DoDAAC and/or RIC (for DoD activities) or commercial and government entity (CAGE) code (if available, for commercial contractor facilities), and address of shipper (consignor) when different from

Item 3. If applicable, the RIC of the shipping depot is located in positions 4-6 of the DD Form 1348-1A.

- Item 5b Number and Date of Invoice. Applicable to Security Assistance billing discrepancies. Enter number and date of vendor's invoice or shipper's bill number. Attach copy of invoice to SF 364.
- Item 6 Transportation Document. Enter the type of transportation document, Transportation Control Number (TCN), Government Bill of Lading (GBL), Commercial Bill of Lading (CBL), manifest, waybill, insured/certified U.S. Postal Service, or transportation control and movement document (TCMD) and the identifying number assigned to such document. This is a mandatory entry when shipment received was made via traceable means, e.g., GBL, CBL. Further for U.S. SDRs, for discrepancies involving shortages, include following statement in Item 12--"Shortage has been verified as not being transportation related."
- Item 7a Shipper's Number. Enter shipment number (when more than one shipment is made under a contract or requisition) and contract/contract line item number/document number (e.g., contract, purchase order). For Security Assistance, also include the shipment date to distinguish multiple shipments from a contractor source.
- Item 7b Office Administering Contract. Name, address, and ZIP code of the Contract Administration Office (CAO) activity that directed/arranged shipment.
- Item 8 Requisitioner's Number. Enter the requisitioning activity's number, e.g., requisition, purchase request, and suffix code, if applicable. Entry of the applicable requisition document number is mandatory in all instances, even though a contract/purchase order is involved. Only one document number will be included on each SF 364. For U.S. SDRs only, when the original requisition number cannot be identified for discrepancies in sealed vendor packs, the reporting activity must include a constructed document number. When using a constructed document number in an SDR, use block 13 to cite the fund code and bill-to/credit-to DoDAAC, if different from that in the document number.
- Item 9a NSN/Part Number and Nomenclature. If item received is different from item shown on shipping documents, or different from item ordered, show each item on a separate line. For serial numbered principal items, sets, kits and outfits, list the item individual serial number first, followed by the discrepancies applicable to that serial number. (Sets, kits and outfits showing an assembly order number, the assembly order number should also be listed.)
- Item 9b Unit of Issue. Enter unit of issue as billed or indicated on shipping document for each item listed in Item 9a.

- Item 9c Quantity Shipped/Billed. Enter quantity of item shipped or billed. When code C1 is applicable, enter the quantity and the supply condition code of the item when shipped, e.g., 980A as shown on shipping document.
- Item 9d Quantity Received. Enter the quantity of item received.
- Item 10a Discrepancy Quantity. Enter the discrepant quantity. If code C1 is applicable, enter the quantity and the supply condition code of the item received. If total quantity received is classified under more than one condition code, enter separately each partial quantity so classified, followed by the applicable condition code, e.g., 960A, 20F.
- Item 10b Discrepancy Unit Price. Enter the unit price as billed or shown on shipping document.
- Item 10c Discrepancy Total Cost. For shipping discrepancies, enter the total value of materiel (10a x 10b). For U.S. SDR packaging deficiencies, enter total cost for corrective packaging of all discrepant items. For SDRs reporting both a packaging and a shipping discrepancy on the same item, enter on separate lines both the total value of the materiel and the total cost for corrective packaging.
- Item 10d Discrepancy Code. Nature of the discrepancy using the applicable discrepancy code. See **Appendix 3** for discrepancy codes that supplements those listed on the face of the form. If a condition exists that is not listed, use code Z1 and describe discrepancy in Item 12, Remarks. Use up to three discrepancy codes. When Discrepancy Code Q1, Product Quality Deficiency, or C2, Expired Shelf Life, is applicable, enter the following information under Item 12, Remarks:

1. Manufacturer's name and commercial and government entity (CAGE) code (if available).
2. Contract/purchase order number if not shown in Item 7a.
3. Date manufactured, date cured, date assembled, date packed (apply one as appropriate), and expiration date for Type I (nonextendible) shelf-life items and inspection or test date for Type II (extendible) shelf-life items. Include the date overhauled/rebuilt if pertinent.
4. Lot/batch number.
5. Location of materiel.
6. Name, address, and telephone number of point of contact.
7. Nature of complaint stating in detail why materiel is unsatisfactory.

Item 11 Action Code. Nature of the action requested identified by action code. See *Appendix 3* for action codes that supplements those listed on the face of the form.

Item 12 Remarks.

General Conditions. Use for any supplemental information when the combination of discrepancy codes and action codes needs clarification; when discrepancies need explanation; and when a breakdown of cost to report, in terms of labor man-hours and materials, is required. Specific data such as appearance, lot/batch number, manufacture/packaging date, inspector number and inspection date, probable cause of improper packaging, and suggested corrective action should be entered here. Provide photos where it would assist in determining the cause/validity of the discrepancy/deficiency.

~~Packaging Discrepancies Noted at Defense Distribution Depots. To ensure proper billing, indicate if the materiel is a major Item, i.e., ships, aircraft, missiles, ammunition, vehicles, etc., or secondary item, i.e., any item that supports a major item such as reparables, consumables, assemblies, etc. Annotate projected or actual costs for labor and repackaging materials. If actual, indicate the date corrective action was completed.~~

Information Contact. Include name and communication numbers, e.g., DSN and commercial telephone numbers, facsimile number, and e-mail address of the person to be contacted for additional information if different from that entered in Item 14a.

~~For Distribution Depots That Mail Hard Copies. Indicate the type of receipt involved, e.g., a receipt from procurement, a customer return, or a receipt for the retail supply account, etc.~~

Discrepancies in Sealed Vendor Packs. Enter, if available, the contract number and lot number from the item package and the words "concealed discrepancy found upon opening sealed vendor pack," or cite the appropriate discrepancy code.

Special conditions. For shortages or nonreceipt of GSA items shipped via U.S. Postal Service--cite whether all packages shown as shipped in Item 5 of GSA or DD Form 1348-1A were received. For medical materiel requiring refrigeration or frozen storage--cite the information requested on the special instruction sheet, which is included with shipments of such materiel. For classified materiel--cite whether indications of container tampering were or were not evident; indicate whether a security deviation inquiry may be necessary at the origin.

Security Assistance SDRs. Cite the specific violation of specification, regulation, packaging instruction, or contract.

Item 13 Funding and Accounting Data. (Not applicable to Security Assistance SDRs.)

For packaging discrepancies, the accounting/appropriation fund cite may be entered in this block by the SDR initiator if reimbursement funds/credits are expected for costs incurred to correct reported deficiencies. Use only when a billing document such as the SF 1080, Voucher for Transfer Between Appropriation and/or Funds, will not be prepared.

When using a constructed document number under authorized SDR procedures ***and prior coordination with the applicable Component finance office (Code U in the first position of the constructed document number serial number (DLMS Utilization Code U) per MILSBILLS procedures)***, include fund code and credit-to/bill-to DoDAAC, to ensure that credit/billing is appropriate.

Item 14a Typed or Printed Name, Title, and Phone Number of Preparing Official. Self-explanatory. Include both full commercial, DSN, and facsimile communication numbers and e-mail address, if available.

Item 14b Signature. Self-explanatory.

Item 15 Distribution Addressees for Copies. Enter other addressees receiving copies of the report. Not applicable to Security Assistance SDRs.

AP4.2 SDR REPLY. The reverse of SF 364 shall be completed by the action activity as required by this publication.

Item 16 From. The name, DoDAAC and/or RIC, and address of the activity preparing the reply.

Item 17 Distribution Addressees for Copies. Enter addressees (including DoDAAC and/or RIC (if assigned)) receiving copies of the reply in addition to addressee listed in Item 18.

Item 18 To. Enter address (including DoDAAC and/or RIC (if assigned)) of the activity indicated in Item 4 on face of the form. For Security Assistance, use the address for the appropriate ILCO.

Item 19 Enter action taken by responsible action office by placing an "X" in appropriate box(es). Do NOT check box 19f(2) for U.S. SDRs; the regulation(s) citation(s) applies only for shipments to Security Assistance customers. Also, see instructions for Item 23.

Item 20 Enter disposition instructions by placing an "X" in appropriate box(es). Also, see instructions for Item 23.

Item 21 Enter an "X" to indicate to the reporting activity that a new requisition is required if the materiel is still needed. Also, see instructions for Item 23.

Item 22 Enter an "X" to indicate a replacement shipment will be made and the approximate shipment date. Also, see instructions for Item 23.

Item 23 Remarks

General Conditions. Enter any clarification or information necessary for a complete reply. Enter corrective action taken to preclude future packaging discrepancies and/or record the SDR reply code (*Appendix 3*). This code and applicable narrative may be used rather than marking equivalent boxes for Items 19, 20, and 21.

~~Packaging Discrepancies Noted at Distribution Depot:~~

~~The ICP shall annotate the SDR to indicate that DD repackaging is approved or not approved. If the ICP authorizes corrective action the SDR will also show the appropriate funding/authorization document, e.g., job order number, Military Interdepartmental Purchase Request (MIPR) number, or SF 1080, to which the DD may charge the corrective action costs. After completing corrective action, the DD will annotate the actual cost of the work performed, note the date completed, and forward a copy to the ICP for close-out.~~

Item 24a Typed or Printed Name and Phone Number of Preparing Official. This is the individual authorized to provide an SDR response. Include both DSN and full commercial telephone numbers.

Item 24b Signature. Self-explanatory.

Item 24c Date. Use month, day, and four-position year (e.g., January 10, 2012).

AP4.3. SDR FOLLOW-UPS, CORRECTIONS, AND CANCELLATIONS

AP4.3.1. At the top of the original report annotate the appropriate word ("FOLLOW-UP," "CORRECTION," or "CANCELLATION") and the date the follow-up, correction, or cancellation was prepared and forward to the same distribution addresses as the initial report.

AP4.3.2. Where there is any change to the point of contact information provided in block 14a of the original SF 364, enter the new point of contact name and telephone number(s) and e-mail address.

AP4.3.3. For corrected or cancelled SDRs, the initiator will explain the clarifying data in detail in the "Remarks" block. Include the signature, date, DSN number, complete commercial telephone number, and e-mail address, if available, of the person preparing the revised report.



# SF364, Supply Discrepancy Report Form (Front)

<b>REPORT OF DISCREPANCY (ROD)</b>				1. DATE OF PREPARATION		2. REPORT NUMBER			
<input type="checkbox"/> SHIPPING <input type="checkbox"/> PACKAGING									
3. TO (Name and address, include ZIP Code)				4. FROM (Name and address, include ZIP Code)					
5a. SHIPPER'S NAME				5b. NUMBER AND DATE OF INVOICE		5. TRANSPORTATION DOCUMENT NUMBER (GBL, Waybill, TCM, etc.)			
7a. SHIPPER'S NUMBER (Purchase order/shipment, Contract, etc.)		7b. OFFICE ADMINISTRATION CONTRACT			8. REQUISITIONER'S NUMBER (Requisition, Purchase Request, etc.)				
9. SHIPMENT, BILLING, AND RECEIPT DATA					10. DISCREPANCY DATA			11. AC-2 TION CODE	
NSN/PART NUMBER AND NOMENCLATURE (a)		UNIT OF ISSUE (b)	QUANTITY SHIPPED/ BILLED (c)	QUANTITY RECEIVED (d)	QUAN- TITY (e)	UNIT PRICE (f)	TOTAL COST (g)	CODE (h)	
12. REMARKS (Continue on separate sheet of paper if necessary)									
1 DISCREPANCY CODES					2 ACTION CODES				
<b>CONDITION OF MATERIAL</b> C1 — In condition other than that indicated on release/receipt document C2 — Expired shelf life C3 — Damaged parcel post shipment <b>SUPPLY DOCUMENTATION</b> D1 — Not received D2 — Illegible or mutilated D3 — Incomplete (proper or without authority) (Copy when receipt cannot be properly processed) <b>MISDIRECTED MATERIAL</b> M1 — Addressed to wrong activity <b>OVERAGE/DUPLICATE SHIPMENTS</b> O1 — Quantity in excess of that on receipt document O2 — Quantity in excess of that requested (Other than unit of issue pack) O3 — Quantity duplicates shipment <b>PACKING DISCREPANCY</b> P1 — Improper preservation P2 — Improper packing P3 — Improper marking P4 — Improper utilization			<b>PRODUCT QUALITY DEFICIENCIES</b> Q1 — Deficient material (Applicable to Grant Aid and FMS shipments only) <b>SHORTAGE OF MATERIAL</b> S1 — Quantity less than that on receipt document S2 — Quantity less than that requested (Other than unit of issue pack) S3 — Non-receipt of parcel post shipments <b>ITEMS TECHNICAL DATA MARKINGS (i.e., Name Plates, Log Books, Opening Handbooks, Special Instructions, etc.)</b> T1 — Missing T2 — Illegible or mutilated T3 — Precautionary operational markings missing T4 — Inspection data missing or incomplete T5 — Serviceability operating data missing or incomplete T6 — Warranty data missing <b>WRONG ITEM (Identify requested item as a separate copy in item 9 above)</b> W1 — Incorrect item received W2 — Unacceptable substitute <b>OTHER DISCREPANCIES</b> Z1 — See remarks			1A — Disposition instructions requested (Reply on reverse) 1B — Material being retained (See remarks) 1C — Supporting supply documentation requested 1D — Material still required expedite shipment (Not applicable to FMS) 1E — Local purchase material to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 days (Reply on reverse) (Not applicable to FMS) 1F — Replacement shipment requested (Not applicable to FMS) 1G — Reshipment not required, item to be re-requisitioned. 1H — No action required, information only 1J — Other action requested (See remarks)			
13. FUNDING AND ACCOUNTING DATA									
14a. TYPED OR PRINTED NAME, TITLE, AND PHONE NUMBER OF PREPARING OFFICIAL					14b. SIGNATURE				
15. DISTRIBUTION ADDRESSEES FOR COPIES									

# SF364, Supply Discrepancy Report Form (Reverse Side)

16. FROM:	17. DISTRIBUTION ADDRESSEES FOR COPIES	
18. TO:	<p>Use window envelope to mail this document. Insert name, and address, including ZIP Code, starting one typing space below the left dot. Each address line must NOT extend beyond right dot. Address must not exceed four single space typing lines.</p>	
19. IN ACCORDANCE WITH NOTICE OF DISCREPANCY ON FACE OF THIS FORM:		
a. MATERIAL <input type="checkbox"/> HAS BEEN SHIPPED <input type="checkbox"/> WILL BE SHIPPED	DOCUMENT NUMBER	b. <input type="checkbox"/> NO RECORD OF SHIPMENT. RESUBMIT REPORT TO PROPER OFFICE UNDER APPROPRIATE REGULATION.
c. <input type="checkbox"/> AN ADJUSTMENT IN BILLING HAS BEEN / WILL BE PROCESSED AS A: <input type="checkbox"/> CREDIT <input type="checkbox"/> DEBIT	d. <input type="checkbox"/> INVOICE/BILL ATTACHED	e. <input type="checkbox"/> PROOF OF DELIVERY (Parcel Post Shipments) OR EVIDENCE OF SHIPMENTS ENCLOSED
f. <input type="checkbox"/> AN ADJUSTMENT IN BILLING FOR THE REPORTED DISCREPANCY WILL NOT BE PROCESSED FOR THE FOLLOWING REASON WHICH IS CITED IN THE INDICATED REGULATION.		
(1) REASON FOR NOT PROCESSING	(2) PRESCRIBING REGULATION	
(a) DISCREPANCY WAS NOT REPORTED WITHIN THE TIME FRAMES ALLOWED AND/OR	(a) CHAPTER 5 OF THE GSA HANDBOOK, DISCREPANCIES OR DEFICIENCIES IN GSA OR DOD SHIPMENTS, MATERIAL, OR BILLINGS (PPMR 193-28-8)	
(b) DOLLAR VALUE DOES NOT MEET THE CRITERIA PRESCRIBED IN THE REGULATION OR AGREEMENT INDICATED IN 19(2)	(b) CHAP 2 AND/OR 7 OF DOD 4006.25-7-M, MILITARY STANDARD BILLING SYSTEM (MILSBILLS) AND/OR DD 1513, U.S. DOD OFFER AND ACCEPTANCE, AS APPLICABLE.	
20. THE FOLLOWING DISPOSITION IS TO BE MADE OF THE REFERENCED MATERIAL:		
a. <input type="checkbox"/> PROCESS FOR DISPOSAL IN ACCORDANCE WITH SERVICE/AGENCY DIRECTIVES.	b. <input type="checkbox"/> REPRESENTATIVE WILL CALL FOR DISCUSSION CONCERNING DISPOSITION IN: _____	DAYS
c. <input type="checkbox"/> RETAIN MATERIAL AT NO CHARGE.	d. <input type="checkbox"/> MATERIAL WILL BE PICKED UP IN: _____	DAYS
e. <input type="checkbox"/> SHIP MATERIAL (Specify location):		
(1) <input type="checkbox"/> GBL APPROPRIATIONS CHARGEABLE:		
(2) <input type="checkbox"/> CHARGES COLLECT-VIA: <input type="checkbox"/> FREIGHT <input type="checkbox"/> EXPRESS <input type="checkbox"/> PARCEL POST <sup>(5 _____ postage advanced herewith)</sup>		
(3) <input type="checkbox"/> PARCEL POST LABEL ATTACHED (4) <input type="checkbox"/> FREIGHT PREPAID <small>NOTE: Please enclose postage. Material cannot to returned Parcel Post collect.</small>		
f. <input type="checkbox"/> OTHER (Specify) _____		
21. <input type="checkbox"/> IF MATERIAL IS STILL REQUIRED, SUBMIT NEW REQUISITION	22. <input type="checkbox"/> REPLACEMENT WITH SATISFACTORY MATERIAL WILL BE MADE ON OR BEFORE: _____	DATE
23. REMARKS (Continue on separate sheet of paper if necessary)		
24a. TYPED OR PRINTED NAME AND PHONE NUMBER OF PREPARING OFFICAL	24b. SIGNATURE	24c. DATE

STANDARD FORM 364 BACK (REV. 2-89)

## Enclosure 3, Supply Discrepancy Report Relevant Data Elements Code Sets

Publish new DLM Appendix to DLM 4000.25-M, Volume 2. The appendix number used in this ADC may change during the publication process. The wording is derived from the joint guidance enclosures and has been updated to contain applicable ADCs.

### AP3. APPENDIX 3.

#### SUPPLY DISCREPANCY REPORT RELEVANT DATA ELEMENTS

##### AP3.1. GENERAL

AP3.1.1. This appendix provides a consolidated reference resource for data elements and their associated code sets applicable to supply discrepancy report (SDR) submissions and responses. These data elements are applicable in all DoD SDR applications under the DLMS. The following data elements are included in this appendix. Within the context of SDR procedures, these data elements may be recognized by abbreviated names as indicated.

- Shipping Packaging and Storage Discrepancy Code. Also referred to as Discrepancy Code.
- SDR Requested Action Code. Also referred to as Action Code.
- Discrepancy Status or Disposition (Reply) Code. Also referred to as Reply Code.
- Discrepancy Report Document Type Code. Also referred to as SDR Document Type.
- DLA Disposition Services SDR Type Code. Also referred to as Disposition Services Sub-Type.

##### AP3.2. SHIPPING AND PACKAGING DISCREPANCY CODES

AP3.2.1. The following codes are used to provide a description of the discrepant condition. Multiple codes may be used on a single report. Customer-prepared SDRs may use up to three discrepancy codes per SDR. SDRs associated with Distribution Depot receipts may identify up to two discrepancy codes per SDR. Preprinted codes on the face of the SF 364 may be supplemented from this list of codes. Use of the expanded list of codes is encouraged to clearly identify the discrepant situation, reduce the reliance on narrative descriptions, and facilitate capture of SDR metrics.

#### DISCREPANCY CODES

##### **Condition of Materiel**

- |    |   |
|----|---|
| C1 | In a condition other than shown on supply document or on the supporting inspection/test certificate (if hazardous materiel use code H1)   |
| C2 | Expired shelf life item (if hazardous materiel use code H5)   |
| C3 | Damaged U.S. Postal Service shipment. (Security Assistance customers are authorized to use this code for all types of damaged shipments.) |
| C4 | Materiel received stripped of parts or components (cannibalized). Applicable to materiel returns or repairs only.                         |
| C5 | Incomplete item received. Do not use for incomplete sets/kits/outfits. See discrepancy S9.  |

## DISCREPANCY CODES

### **Supply Documentation**

- D1 Supply documentation not received with materiel.
- D2 Supply documentation illegible or mutilated.
- D3 Supply documentation incomplete, improper, or without authority. Use only when receipt cannot be properly processed.
- D4 **Receiving report**/Materiel Inspection and Receiving Report, DD 250 (or equivalent) omitted
- D5 Transportation-specific documentation discrepancy (select specific detail-level code if applicable)
- D501 Special Handling Data/Certification, DD Form 1387-2, omitted.
- D502 Special Handling Data/Certification, DD Form 1387-2, incomplete or incorrect.
- D503 Transportation control and movement document (TCMD), DD Form 1384 or equivalent, omitted.
- D504 TCMD, DD Form 1384 or equivalent, incomplete or incorrect.
- D505 Shipper's Declaration for Dangerous Goods omitted.
- D506 Shipper's Declaration for Dangerous Goods incomplete or incorrect.
- D601 Hazardous Waste Profile Sheet omitted.
- D602 Hazardous Waste Profile Sheet incomplete or incorrect.
- D701 Hazardous Waste Manifest omitted.
- D702 Hazardous Waste Manifest incomplete or incorrect

### **Billing and Financial Discrepancies (Security Assistance Only)**

- B1 Requisitioned materiel received. No record of billing.
- B2 Duplicate billing.
- B3 Wrong amount billed.
- F1 Financial discrepancy involving Security Assistance surcharge.

### **Hazardous Materiel**

- H1 Hazardous item in a condition other than shown on supply document or on the supporting inspection/test certificate.
- H2 Hazardous item in storage damaged or requires repair.
- H3 Lack of a material safety data sheet (MSDS) in Hazardous Material Information Resource System (HMIRS).
- H4 Non-radioactive item classified as radioactive, or non-hazardous item classified as hazardous
- H5 Expired hazardous shelf life item.

### **Lumber**

- L1 Moisture exceeds allowable percentage.
- L2 Not treated in accordance with specification.
- L3 Product off grade.
- L4 Improper size.

## DISCREPANCY CODES

- L5 Improper tally.
- L6 Improper or no grade mark on product.
- L7 Rotten product.
- L8 Splits, excessive wane, scant, or not end trimmed (one or all).

### **Misdirected**

- M1 Materiel improperly addressed and shipped to wrong activity.

### **Overage, Duplicate, Or Receipt of Canceled Materiel**

- O1 Quantity received is more than quantity shown on the supply document.
- O2 Quantity received is more than quantity requested plus variance, if applicable (other than unit of issue or unit of pack).
- O3 Quantity duplicates another shipment.
- O4 Materiel received after cancellation.
- O5 Concealed overage discovered in a sealed shipping container.
- O6 Overage due to unit of issue/unit of pack incompatibility. Use only when requisition specified no unit of issue/unit of pack variance.

**Packaging Discrepancy Codes.** *Use of four-position packaging discrepancy codes is strongly encouraged (pending formal transition to mandatory use). Four-position discrepancy codes provide more accurate identification of the discrepancy and are useful in management reports for metrics and identification of recurring problems.*

### **P1 Improper preservation**

- P101 Cleaning inadequate, incorrect, or omitted.
- P102 Preservative inadequate, incorrect, or omitted.
- P103 Barrier materiel inadequate, incorrect, or omitted.
- P104 Unit pack cushioning inadequate, incorrect, or omitted.
- P105 Unit container inadequate, incorrect, omitted or oversized.
- P106 Desiccant incorrect, improperly located, or omitted.
- P107 Tape/closure of unit container incorrect or inadequate.
- P108 Hazardous materiel not removed as required.
- P109 Improper preservation of hazardous materiel (includes ammunitions/ explosives).
- P110 Level of protection excessive or inadequate.
- P111 Minimum protection not applied (materiel returns).
- P112 Non-conformance to specified requirements for preservation (explanation required).
- P113 Electrostatic/electromagnetic device preservation inadequate or omitted.
- P114 Concealed preservation defect found in storage (retail only).

### **P2 Improper packing**

- P201 Container inadequate, incorrect, or oversized.
- P202 Intermediate container inadequate, incorrect, oversized, or omitted.

## DISCREPANCY CODES

- P203 Exterior container inadequate, incorrect, oversized, or omitted.
- P204 Blocking and bracing inadequate, incorrect, or omitted.
- P205 Cushioning inadequate, incorrect, or omitted.
- P206 Level of protection excessive or inadequate.
- P207 Container deteriorated.
- P208 Skids incorrect or omitted.
- P209 Improper packing of hazardous materials (includes ammunitions/explosives).
- P210 Non-conformance to specified requirements for packing (explanation required).
- P211 Improper foam-in-place.
- P212 Reusable container not used or improperly prepared.
- P213 Closure incorrect or inadequate.
- P214 Concealed packing defect found in storage (retail only).
- P215 Non-conformance to specified requirements for wood packaging materiel (WPM).
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- P3 **Improper markings**
- P301 Identification markings omitted, incomplete, incorrectly located, or not legible.
- P302 Improper marking of hazardous materials (includes ammunitions/explosives).
- P303 Labels omitted or improperly affixed.
- P304 Contract data omitted, incomplete, incorrectly located, or not legible.
- P305 Precautionary or handling markings omitted, incomplete, or not legible.
- P306 Shelf-life markings omitted, incorrect, or not legible.
- P307 Bar code markings omitted, or not legible.
- P308 Incorrect lot number.
- P309 Set or assembly markings omitted.
- P310 Address incorrect or not legible.
- P311 Non-conformance to specified requirements for marking (explanation required).
- P312 Electrostatic/electromagnetic device markings inadequate or omitted.
- P313 Packing list omitted or incorrectly located.
- P314 Passive RFID tag is missing.
- P315 Passive RFID tag is visibly damaged and unreadable.
- P316 Passive RFID tag is present but unreadable (not visibility damaged).
- P317 Passive RFID tag read has no corresponding advance shipment notification.
- P318 Passive RFID tag read duplicates previously used tag identification.
- P319 Military Shipment Label (MSL), DD Form 1387, omitted; no transportation control number (TCN).
- P320 MSL, DD Form 1387, improperly affixed, incorrect, or incomplete.
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- P4 **Improper unitization (includes palletization and containerization)**
- P401 Cargo not unitized.
- P402 Shrink/stretch wrap inadequate or omitted.
- P403 Strapping inadequate or omitted.
- P404 Multiple consignees in single consignee consolidation container.



## DISCREPANCY CODES

- P405 Protective covering/wrapping inadequate, improper, or omitted.  
P406 Contents of multipack container inadequately packaged, stuffed or missing unit packs.

### **Product Quality (Item) Deficiency (Security Assistance Only)**

- Q1 Product Quality Deficiency  
Q2 Quality deficiency, contractual noncompliance.  
Q3 Design deficiency, item requires change in design.  
Q4 Contracting deficiency, specification, and/or technical data deficient.  
Q7 Safety hazard.  
Q8 Latent defect.

### **Quality Deficiency Receipts/Stock Screening (Distribution Depot Only)**

- Q11 Returned or stock screen item, PDQR exhibit deficiency.  
Q22 New procurement receipt, customer return, redistribution order or stock screen item quality deficiency, contractual non-compliance.  
Q33 Returned, redistribution order, or stock screened item suspected materiel deficiency (DLA CRII items only).  
Q44 New procurement receipt, customer return, redistribution order or stock screen item contracting deficiency, for specification and/or technical data deficiency.  
Q55 Item under investigation.  
Q66 Customer return or stock screen item failed under use.  
Q77 New receipt, customer return, redistribution order to stock screen item identified as a critical safety item (CSI).  
Q99 New receipt item received for First Article Testing.

### **Shortage or Nonreceipt**

- S1 Quantity received less than quantity indicated on supply documentation.  
S2 Quantity received is less than quantity requested minus variance, (other than unit of issue or unit of pack).  
S3 Total nonreceipt of U.S. Postal Service shipment.  
S4 Total nonreceipt; not transportation related. (U.S. only)  
S5 Total nonreceipt (Security Assistance only).  
S6 Shortage due to unit of issue/quantity unit pack unit of pack incompatibility. Use only when requisition specified no unit of issue/quantity unit pack unit of pack variance.  
S7 Shortage or nonreceipt of an item in a multipack or sealed shipping container.  
S8 Concealed shortage discovered upon opening a sealed vendor's pack. Not applicable to Security Assistance.  
S9 Incomplete sets/kits/outfits. Do not use to report cannibalization of *Supply System Responsibility Item* (SSRI), *Components Of End Item* (COEI), or *Basic Issue Item* (BII). See Discrepancy Code C4.

### **Technical Markings (Name Plates, Log Books, Operating Handbooks, Special Instructions)**

- T1 Technical data markings missing.

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- T2 Technical data markings illegible or mutilated.
- T3 Precautionary operational markings missing.
- T4 Inspection data missing or incomplete.
- T5 Serviceability operating data missing or incomplete.
- T6 Warranty data missing.
- T7 Missing part number on bare item.
- T8 Discrepancy Code discontinued; see W7 and W8.
- T9 Operating handbooks, log books, and/or special instructions missing.

### **Unique Identification**

- U01 Unique identification data on label missing, damaged or unreadable.
- U02 Unique identification data on item missing, damaged or unreadable.
- U03 Unique identification data on supply documentation missing, damaged or unreadable.
- U04 Unique identification data not provided on shipping notice.
- U05 Non-conformance to unique identification requirements under terms of contract.
- U06 Multiple containers without separate unique identification data listings.
- U07 Mismatch between unique identification data on item and label.
- U08 Mismatch between unique identification data on item and shipping documentation.
- U09 Mismatch between unique identification data on item and due-in or shipping notice.
- U10 Mismatched or unique identification discovered upon opening a sealed pack.
- U11 Materiel unidentifiable; stock number missing or damaged.
- U12 Duplicate unique identification.

### **Incorrect Item**

- W1 Incorrect item received.
- W2 Unacceptable substitute received.
- W3 Incorrect item received, but not identifiable to an NSN or part number.
- W4 Misidentified item received.
- W5 Mixed stock received.
- W6 Incorrect item discovered upon opening a sealed vendor's pack. Not applicable to Security Assistance.
- W7 Part number unmatched to FEDLOG/FLIS.
- W8 Incorrect part number for NSN received.

### **Other Discrepancies**

- Z1 Other discrepancy - see remarks.
- Z2 Repetitive discrepancy. Must use in combination with other codes or describe in remarks. Not applicable to Security Assistance.
- Z3 Distribution Depot receipt not due-in.
- Z4 No record exists for document number cited on supply document. Not used by distribution depot/not applicable to Security Assistance.
- Z5 Discrepancy under DLA industrial activity support agreement recorded and corrective

## **DISCREPANCY CODES**

action taken.

- Z6 SDR resubmitted following inappropriate cancellation. Must use in combination with other discrepancy codes.
- Z7 Property not authorized or not acceptable for turn-in to DLA Disposition Services.

AP3.3 SDR REQUESTED ACTION CODES. The SDR Requested Action Code is used to provide a description of the action requested by the initiator of the SDR. This data element may be referred to as the SDR Action Code. This is a two position alphanumeric code. Only one action code may be used per SDR under DLMS. Preprinted codes on the face of the SF 364 may be supplemented from this list.

### **SDR Action Codes**

- 1A Disposition instructions for discrepant materiel requested; financial action not applicable.
- 1B Materiel being retained.
- 1C Supporting supply documentation requested.
- 1D Materiel still required; expedite shipment. Not applicable to Security Assistance.
- 1E Local purchase materiel to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 calendar days. Not applicable to Security Assistance or DLA customers.
- 1F Replacement shipment requested. Not applicable to Security Assistance.
- 1G Reshipment not required. Item to be re-requisitioned.
- 1H No action required. Information only.
- 1Z Other action requested (see remarks).
- 2A Disposition of materiel and financial adjustment (credit) requested.
- 2B Materiel being retained. Financial adjustment (debit) requested.
- 2C Technical documentation/data requested.
- 2F Materiel being held for disposition instructions, request funds citation. Not applicable to Security Assistance.
- 2J Financial adjustment requested.
- 2K Evidence of shipment requested (Security Assistance only).
- 2L Request billing status (Security Assistance only)
- 2Z Additional information is being submitted off-line. Use with electronic SDR submission only.
- 3A Transshipper (aerial/water port or CCP) requests expedited response; shipment frustrated.
- 3B Discrepancy reported for corrective action and trend analysis. No reply required.
- 3C Receiving activity not authorized to accept property. Pick-up by original owner required.

AP3.4 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.

### Reply Codes

**The 100-series codes provide status of financial resolution, materiel disposition instructions, or other appropriate information.**

- 101 Credit authorized/recommended.
- 102 Credit not authorized. See remarks.
- 105 Forward materiel received to address shown. Must use traceable and most economical means available.
- 106 Forward materiel received to contractor address shown. Must use traceable and most economical means available.
- 110 Disposal authorized in accordance with local procedures.
- 111 Disposal authorized, monetary reimbursement from contractor.
- 112 Disposal authorized, contractor will provide replacement.
- 113 Provide disposal documentation to address shown.
- 114 Provide disposal documentation by date indicated to address shown. 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.
- 118 Debit authorized for materiel retained.
- 119 Retain materiel received at no charge.
- 120 Retain materiel with consideration from contractor.
- 121 Retain materiel without consideration from contractor.
- 122 Retain materiel for future supply decision.
- 123 Materiel will be reshipped (estimated date of replacement shipment provided, when known).
- 124 Materiel is no longer procurable.
- 125 Incomplete part/missing component being forwarded.
- 126 Stock not available or will not be reshipped in response to SDR Contractor to reship.
- 128 Balance of contract materiel will not be shipped.
- 129 Reimbursement for repackaging discrepancy cannot be authorized until submitter provides cost for repackaging.
- 130 Place materiel in stock as is.
- 131 Remark/repackage materiel and place in stock.
- 132 Inspect and place in depot stock.
- 133 Upgrade materiel to Condition Code A, correction made by government with reimbursement from contractor.

## Reply Codes

- 134 Upgrade materiel to Condition Code A, correction made by U.S. Government without reimbursement from contractor.
- 135 Documentation/technical data is being forwarded.
- 136 Confirmed canceled requisition shipped.
- 137 Additional comments provided. See remarks.
- 138 Shipment shortage based on pieces, weight, and cube.
- 139 Warehouse denial total shipment.
- 140 Warehouse denial partial shipment.
- 141 Duplicate shipment from stock or procurement.
- 142 Proof of Delivery/Evidence of Shipment not available.
- 143 SDR canceled by submitter.
- 144 Recorded for information only. No action taken.
- 145 No contractor liability found.
- 146 Materiel return acknowledged.
- 147 Corrected shipment document (DD Form 250) provided.
- 148 Representative will contact you for discussion concerning disposition.
- 149 Materiel will be picked up in number of days indicated.
- 150 Your requisition will be reinstated and placed on backorder.
- 151 Replacement/revised disposition/status; prior response is superseded.

### **The 200-series codes provide additional information relevant to Security Assistance SDRs.**

- 201 Incorrect information provided by U.S. Government contract.
- 202 MAPAD information not current by U.S. Government error.
- 203 Materiel erroneously returned to U.S. Government stock.
- 204 Overage of Repair and Replace materiel.
- 205 Shortage of Repair and Replace materiel.
- 206 Administrative write-off recommended.
- 207 No financial adjustment required. Excess Defense Articles (EDA). Overage not billed.
- 208 Repaired in-country by contractor or U.S. Government personnel.

### **The 300-series codes indicate Distribution Depot status on SDRs forwarded to the owner/manager for action.**

- 301 SDR forwarded for disposition by USA as indicated.
- 302 SDR forwarded for disposition by USAF as indicated.
- 303 SDR forwarded for disposition by USMC as indicated.
- 304 SDR forwarded for disposition by USCG as indicated.
- 305 SDR forwarded for disposition by USN as indicated.
- 306 SDR forwarded for disposition by GSA as indicated.
- 307 SDR forwarded for disposition by DLA as indicated.

### **The 400-series codes indicate the SDR has been closed for the reason provided.**

- 400 SDR closed. Non-compliance with disposition instructions.
- 401 SDR closed. Non-response to additional information request.
- 402 SDR closed. Wrong materiel returned.

## Reply Codes

### **The 500-series (and some 100-series) codes indicate an interim reply.**

- 103 Discrepancy report receipt acknowledgment.
- 104 Additional clarification required from customer. See remarks.
- 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.
- 501 SDR assigned to Defense Contract Management Agency (DCMA) for investigation.
- 502 SDR resolution deferred pending receipt of exhibit.
- 503 SDR currently under investigation.
- 504 SDR forwarded to new action activity as shown.
- 505 SDR under investigation. SDR has been forwarded to activity identified for additional action.
- 506 Item has been transferred to new item manager. Referred to gaining item manager (GIM) for disposition.
- 507 SDR forwarded to shipping depot for Proof of Delivery.
- 508 SDR forwarded to shipping depot for Evidence of Shipment.
- 509 SDR forwarded to local procurement office for action.
- 510 SDR forwarded to Item Manager for research and/or disposition instructions.
- 511 SDR forwarded to Industrial Operations Command for action.
- 513 SDR forwarded to IL Directorate or Repair and Return Office for research of R&R case.
- 514 SDR forwarded to the packaging specialist for research.
- 515 Procurement/Defense Contract Management Agency awaiting response from contractor. SDR suspended.
- 516 Receipt of materiel returned by customer has not posted to date. Under investigation.
- 517 Defense Finance and Accounting Service (DFAS) billing information requested.
- 518 Your SDR identifies a transportation discrepancy and is being processed as a transportation discrepancy report (TDR).
- 519 Your SDR identifies a quality deficiency and is being processed as a product quality deficiency report (PQDR).

### **The 600-series codes indicate an ICP reply to the distribution depot.**

- 601 Change supply condition code and submit as new complaint (original complaint cannot be modified to show new supply condition code).
- 602 Item(s) unsuitable; destroy.
- 603 Remark and return to stock.
- 604 Repackage and return to stock.
- 605 Reidentify and return to stock.
- 606 Safety hazard; destroy.
- 607 Safety hazard; dispose.

### **The 700-series codes indicate SDR rejection:**

- 701 SDR rejected. See remarks.
- 702 SDR rejected. Materiel shipped as requisitioned.
- 703 SDR rejected. Overage/shortage is within contract variation clause.
- 704 SDR rejected. Evidence of shipment/proof of delivery forwarded.



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- 705 SDR rejected. Records indicate the inspection or test date or this shelf-life item has been extended to date indicated.
- 706 SDR rejected. Shelf-life not applicable for this item.
- 707 SDR rejected. Acceptable substitute issued for materiel requisitioned.
- 708 SDR rejected. Materiel shipped prior to cancellation request.
- 709 SDR rejected. Discrepant quantity shipped after SDR submission.
- 710 SDR rejected. Discrepant quantity on backorder.
- 711 SDR rejected. Materiel shipped via insured/certified/registered mail. Request you contact local postal authority to verify delivery of materiel.
- 712 SDR rejected. Submit offer of materiel under materiel returns program.
- 713 SDR rejected. Discrepancy does not meet required minimum dollar value.
- 714 SDR rejected. Billing adjustments may not be requested on a SDR (except Security Assistance). Contact local finance office.
- 715 SDR rejected. Discrepancy not reported within required timeframe.
- 716 SDR recorded for information and possible corrective action.
- 717 SDR identifies a carrier discrepancy. Resubmit as a transportation discrepancy report (TDR).<sup>10</sup>
- 718 SDR identifies a quality deficiency. Resubmit as a PQDR.<sup>11</sup>
- 719 SDR rejected. Duplicate of previously submitted SDR.

### **The 800-series codes provide additional rejection notices relevant to Security Assistance SDRs:**

- 800 SDR rejected. No U.S. Government liability.
- 801 SDR rejected. No billing discrepancy exists.
- 802 SDR rejected. Bill reflects pre-positioning costs/non-recurring costs.
- 803 SDR rejected. Bill reflects contract termination charge.
- 804 SDR rejected. Item proven serviceable when shipped (repair & return, exhibits).
- 805 SDR rejected. Freight forwarder tracking system indicates materiel received. Customer should challenge freight forwarder.
- 806 SDR rejected. Repair/adjustment procedures provided by source.
- 807 SDR rejected. Materiel shipped to address specified on LOA in lieu of country.
- 808 SDR rejected. SDR does not meet latent defect criteria and is, therefore, beyond the allotted timeframe for submission.
- 809 SDR returned without action. Credit cannot be granted since debit billing has not processed. (ILCO use only.)
- 810 Freight forwarder notification not submitted for total nonreceipt.

### **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:**

- 901 Transaction rejected. SDR submitted to wrong source of supply. Resubmit to the correct action activity.
- 902 Transaction rejected. Invalid action code for type of discrepancy submitted.

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<sup>10</sup> Use of this code is discouraged. Every effort should be made to process the discrepancy report and resolve the situation without requiring the initiator to resubmit. See preferred codes 518.

<sup>11</sup> Use of this code is discouraged. Every effort should be made to process the discrepancy report and resolve the situation without requiring the initiator to resubmit. See preferred codes 519.

## Reply Codes

- 904 Transaction rejected. Open suffix must be closed before SDR can be reopened.
- 906 Transaction rejected. Record already closed.
- 907 Transaction rejected. Record closed, canceled, or a final reply has been provided.
- 908 Transaction rejected. Record is currently open and cannot be reopened for reconsideration until closed.
- 909 Transaction rejected. SDR must be reopened for reconsideration before it can be contested.
- 910 Transaction rejected. Missing or invalid document number (or document number/suffix).
- 911 Transaction rejected. Missing or invalid case designator.
- 912 Transaction rejected. Missing or invalid SDR number.
- 915 Transaction rejected. Missing or invalid type of discrepancy code.
- 916 Transaction rejected. Missing or invalid action desired code.
- 917 Transaction rejected. Missing or invalid discrepant quantity.
- 918 Transaction rejected. Missing or invalid quantity received.
- 920 Transaction rejected. Missing or invalid point of contact name.
- 921 Transaction rejected. Missing or invalid point of contact phone number/e-mail.
- 923 Transaction rejected. Missing or invalid transaction date.
- 924 Transaction rejected. Narrative missing.
- 926 Transaction rejected. No record found.
- 927 Transaction rejected. Missing or invalid disposition/reply code
- 928 Transaction rejected. Missing or invalid condition code.
- 929 Transaction rejected. Missing, invalid, or unauthorized use of DoDAAC, MAPAC, or RIC.
- 930 Transaction rejected. Missing information associated with disposition/reply
- 931 Transaction rejected. Missing or invalid materiel identification.
- 932 Transaction rejected. Missing or invalid wrong item information.
- 933 Transaction rejected. SDR follow-up submitted before action activity response time has elapsed.
- 934 Transaction rejected. Forwarding action not authorized. Submit new SDR.
- 935 Transaction rejected. Forwarding action cannot be processed due to incomplete SDR history. Contact originator to resubmit with updated action activity.
- 936 ~~Transaction rejected.~~ SDR processing suspended. Request DoD WebSDR provide an information copy of the original report.
- 937 Transaction rejected. DoD WebSDR unable to provide requested SDR information copy.
- 938 Transaction rejected. Missing or invalid Transaction Set Purpose Code.
- 939 Transaction rejected. Missing, invalid, or inappropriate SDR Document Type Code.
- 940 Transaction rejected. Missing either contract number or contractor-assigned shipment number on SDR associated with vendor shipment.
- 941 SDR failed during processing. SDR cannot be transmitted electronically to the designated action activity.
- 942 Transaction rejected. Unauthorized use of Reply Code. The 200-series reply codes may only be used for Security Assistance SDRs.

## AP3.5 DISCREPANCY REPORT DOCUMENT TYPE CODES

AP3.5.1. The following codes are used to identify report categories for appropriate automated processing. Discrepancy Report Document Type Codes and DLA Disposition Services SDR Type Codes are one position alphanumeric codes.

AP3.5.2. The Discrepancy Report Document Type Code (DLMS Qualifier D) is used on SDRs to identify the type of discrepancy report and type of shipment involved. In the context of SDR processing, this data element may be referred to as an SDR Document Type; however, there are many other code values assigned that are not applicable to SDRs. This data element is mandatory on SDR transactions.

AP3.5.3. The DLA Disposition Services SDR Type Code (DLMS Qualifier ST) is used as a sub-type code in conjunction with the SDR Document Type to further clarify the shipment scenario. This data element may be referred to as an SDR Sub-Type Code. This data element is conditional; it is used when applicable.

### SDR Document Type Codes

#### **Available for DoD WebSDR and Component-Sponsored SDR applications:**

- 6 Customer originated, direct vendor delivery
- 7 Customer originated, depot/lateral shipment

#### **Restricted Use. Authorized user only:**

- A Storage Site receipt, customer return/Other
- N Storage site receipt, depot shipment (RDO)
- P Storage Site receipt, vendor delivery (new procurement)
- V Customer originated, lateral shipment under TAV
- W Transshipment SDR

#### **Available for Distribution Standard System Originated SDRs only:**

- 8 Depot originated, depot receipt from non-procurement source (other than RDO)
- 9 Depot originated, vendor delivery to depot
- D DLA Disposition Services Field Office originated<sup>12</sup>
- R Depot originated, redistribution order receipt

### DLA Disposition Services Document Type Codes

Available for Distribution Standard System Originated SDRs only. Must use in conjunction with SDR Document Type Code D:

- B Distribution depot shipment to a DLA Disposition Services Field Office
- E DLA Disposition Services Field Office Redistribution
- T DLA Disposition Services Field Office Turn-in

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<sup>12</sup> SDR Document Type Code D must be used in conjunction with the applicable DLA Disposition Services Document Type Code

Available for DoD WebSDR only. Restricted Use. Must use in conjunction with SDR Document Type Code 7:

- D DLA Disposition Services donated materiel
- F DLA Disposition Services transferred materiel
- O Other DLA Disposition Services shipment
- R DLA Disposition Services reutilization
- S DLA Disposition Services sale

Restricted. No longer available for new submissions after March 30, 2012:

- L DLA Disposition Services DEMIL
- P DLA Disposition Services Field Office SDR, depot shipment

Enclosure 4, Comment Resolution

PDC 506 Comments			
	Submitter	Response	Resolution
1.	SDDC	<p>The SDR System Administrator requested updated guidance from Military Surface Deployment and Distribution Command (SDDC) to replace the obsolete guidance and SDDC address shown in the SDR distribution instructions. In response SDDC provided the following information:</p> <p>Personal Property Shipments: Any questions/concerns with personal property shipments please contact the Military Surface Deployment and Distribution Command (SDDC) Personal Property at:            USARMY.Scott.SDDC.mbx.omb-for-pp-ops@mail.mil            &lt;mailto:USARMY.Scott.SDDC.mbx.omb-for-pp-ops@mail.mil&gt;            USARMY.Scott.SDDC.mbx-omb-for-pp-quality@mail.mil</p>	<p>Chapter 17 has been updated to exclude all personal property shipment discrepancies. References to submitting SDRs applicable to personal property packaging discrepancies have been removed. Guidance has been updated as follows: <b><i><u>Military Personal Property Shipments</u></i></b>. <b><i>This category includes both shipping and packaging discrepancies associated with the movement/storage of household goods under the DoD Personal Property Shipment and Storage Program. Any discrepancies related to personal property shipment shall be referred to Military Surface Deployment and Distribution Command (SDDC) Personal Property at: USARMY.Scott.SDDC.mbx.omb-for-pp-ops@mail.mil or USARMY.Scott.SDDC.mbx-omb-for-pp-quality@mail.mil.</i></b></p>
2.	Air Force	<p>Concur with comments:</p> <p>The following comments were provided by AFSAC:</p> <ul style="list-style-type: none"> <li>- Preliminary comments provided as follows: ADC change 430 did not get into this version of Ch 17 (paragraph C17.5.8.1) and this is the most critical of the changes below.</li> <li>- Secondary is the C17.5.2.2 change because we are still getting inconsistency in processing on low dollar wrong item/misdirected shipments. I unsuccessfully tried to find emails/etc., but there is still a lot of confusion as to whether the customer gets credit if they are directed or return a low dollar value wrong item/misdirected shipment (maybe changing this paragraph to 2A rather than 1A would help with that confusion).</li> </ul>	<p>Noted</p> <ul style="list-style-type: none"> <li>- Agree. ADC 430 changes have now been posted to this document.</li> <li>- Noted. This issue needs to be addressed through a proposed DLMS change which must be made in coordination with a SAMM change. The procedures as written should be updated in light of the intent of the original policy. However, the original DSCA policy memo is no longer effective and, therefore, the SDR System Administrator cannot make a substantive change to the procedures independently (as a result of a comment, rather than a coordinated PDC). As previously discussed, DLA and GSA will provide credit on low</li> </ul>

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	<p>1. C17.3.1.3.2 1H requires a response for security assistance SDRs. SoS should input reply that they have reviewed reply and will take corrective action as necessary, check bins for bad items, etc.</p> <p>2. C17.5.2.2 For Security Assistance, shouldn't this be a 2A since DLA is supposed to issue credit for materiel returns regardless of \$ value if requesting materiel back? 1A says no financial adjustment required. I looked all through the ADCs and correspondence, and thought that the DLMS office had added a statement to say that SA customers would be reimbursed transportation and provided credit for directed return of wrong item or misdirected shipments and couldn't find it. I don't know if it fell through the cracks or was only issued unofficially but it should be stated in this regulation.</p> <p>3. C17.5.8.1 Change implemented by ADC 430 not included. This is a critical change that should be updated. Sentence 2 should be updated to say:</p> <p>“Purchasers must send a Request for Reconsideration to the ILCO within 45 calendar days from the date of the ILCO final reply to the customer concerning disposition, except when materiel/exhibit return to the customer is required subsequent to US Government-directed evaluation/testing/repair. This exception is applicable only when the materiel/exhibit must be re-inspected by the customer to confirm that the reported discrepancy/deficiency has been resolved and, therefore, additional transportation time is necessary for the return shipment. Under this scenario only, the SA purchaser is authorized up to 90 days from the date of the final ILCO reply to submit the Request for Reconsideration to the ILCO. The ILCO shall be responsible for monitoring that requests for reconsideration are submitted within the allowable time standards.”</p> <p>4. C17.5.8.2 Recommend the paragraph c17.5.8.1 wording be added here or add to end of sentence 2:</p>	<p>dollar wrong item shipments and all Services/Agencies are supposed to fund a directed return regardless of the action code. Current DSCA guidance prohibits the customer from asking for the low dollar credit, and therefore the Chapter 17 guidance indicates use of the Action Code 1A as appropriate. This issue and ensuring proper financial action applicable to the transportation costs for directed returns will require policy and procedure guidance that must be addressed outside this PDC/ADC document. Recommend submission of a DLMS change proposal which will be coordinated with DSCA for SAMM update.</p> <p>1. Do not agree - 1H does not require a reply. A PDC would need to be submitted to require a reply transaction. Current procedures state: “A reply transaction from the action activity is not required, for Action Codes 1H or 3B, but when provided, it shall be accepted by the customer application.” However, note that current procedures also require the ICP/IMM, shipping depot, or GSA to “review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation. This includes SDRs which the customer has reported as requiring no action (Action Code 1H or 3B).”</p> <p>2. No change at this time.</p> <p>3. Fixed.</p> <p>4. Concur. Updated.</p> <p>5. Concur. Updated.</p>

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	<p>(90 days for security assistance shipments where materiel was returned to country when previous SDR resubmission was closed)</p> <p>5. C17.5.10: paragraph jumps back and forth between a general product quality discrepancy and latent defect discrepancy (Q8). Recommend sentence 2 be changed to read, "If product quality is for latent defect, the Security Assistance customer must provide evidence that ....." Also change sentence 5 to read "Include the following information in all product quality SDR packages, as applicable: ....."</p> <p>6. C17.5.10.3 Add to end in parentheses (latent defects)</p> <hr/> <p>Additional Air Force comments:</p> <p>7. C17.1.1. The flow of the very last sentence doesn't make sense where it says "effect of corrective action". Perhaps change "effect corrective" action to read "submit corrective" action.</p> <p>8. C17.1.5. Change the sentence that reads: "Discrepancies related to GFP that do not meet minimum dollar value criteria below." Add reference to the part that reads "criteria below". For example: "criteria below (para C17.3.2.8.1.) "</p> <p>9. AP3.2.1 Remove two position packaging discrepancy codes. This may not happen until PDC 176B is completed but just wanted to point it out.</p> <p>9. AP3.2.1 Use of four-position packaging discrepancy codes (replacing the two-position non-specific discrepancy codes) is mandatory A data metric that just identifies 80 percent of AF packaging discrepancies are due to two-digit packaging discrepancy type code (e.g., improper packing (P2)) does not really help anyone fix the problem.</p> <p>"Recommend greater emphasis on utilizing only the full four position Packaging Discrepancy</p>	<p>6. Fixed.</p> <hr/> <p>7. Fixed. Now reads: <b><i>"The purpose of the SDR exchange is to determine the cause of such discrepancies, effect corrective action, and prevent recurrence."</i></b></p> <p>8. Fixed.</p> <p>9. Noted. Procedures will be updated upon approval of the proposed change. This change is not yet coordinated.</p> <p>10. Agree. Following guidance has been added: <b><i>"Use of four-position packaging discrepancy codes is strongly encouraged (pending formal transition to mandatory use). Four-position discrepancy codes provide more accurate identification of the discrepancy and are useful in management reports for metrics and identification of recurring problems."</i></b></p>



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	Codes to thoroughly capture the degree of packaging discrepancies"	
3. DLA	<p>Concur with comment:</p> <p>1. C.17.1.3.1 Currently "It encompasses new report submission, correction/modification, cancellation, follow-up, requests for reconsideration, and forwarding of SDR resolution responses, in addition to the capture of report and response management statistics."</p> <p>Recommend "It encompasses new report submission, correction/modification, interim response, additional information request, follow-up, reconsideration request, cancellation and forwarding of SDR resolution responses, in addition to the capture of report and response management statistics."</p> <p>2. C17.2.11 is marked in red as being deleted. However, it is in the general section C17.1.5 addressed as GFP.</p> <ul style="list-style-type: none"> <li>Should C17.2.11 be changed to read GFP instead of GFM and be retained?</li> </ul> <p>3. C17.3.2.3.4.2.1. "For items not on the QSL, prior to submitting an SDR, contact the DLA call center at 1-877-DLA-CALL if the shipment originated from a DLA storage activity." I'm not sure what they are contacting the CIC for? Do we need to clarify?</p> <p>4. C17.3.2.6.6.1. I don't understand how you can check SDR status before the SDR is created? "or check SDR status in the DoD WebSDR system before creating an SDR for total non-receipt."</p> <p>5. Page 21: "This may be interpreted to mean a two separate SDR replies", recommend "to mean two separate". Remove "a".</p> <p>6. Page 23: C17.3.5 – recommend adding language that states disposition and financial adjust recommendation must come from the TAV</p>	<p>Noted</p> <p>1. Agree with intent recommendation – slightly different wording used to retain original intent which is aligned with the major transaction functions (versus usage of the transaction): "It encompasses new report submission, correction/ modification, cancellation, follow-up, requests for reconsideration, and <b>replies (including interim responses, additional information requests, and resolution responses)</b> in addition to the capture of report and response management statistics."</p> <p>2. No change required. Terminology for GFM revised to GFP under MILSTRIP procedures and moved to applicability section.</p> <p>3. No action pending addition information.</p> <p>4. Revised to read: "...or <b>use the DoD WebSDR hyperlink to WebVLIPS to check requisition status</b> before creating an SDR for total non-receipt."</p> <p>5. Fixed.</p> <p>6. Agree with intent. Procedures have been included to state: <b>Coordination with the Military Service shipping activity is recommended prior to ICP resolution of the SDR.</b> DLA may prefer to submit a DLMS change for stronger or more specific guidance.</p> <p>7. Fixed.</p>

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	<p>shipping activity and will be included in response. I say this because on non-Army TAV shipments users are skipping the step of contacting the shipping activity for disposition because of the issues we have getting responses. Or, if they don't receive a reply they just debit the TAV shipper and credit the customer without any authorization. The policy should clearly state that coordination must be completed and results documented.</p> <p>7. C17.3.5.2 - DLA shall be responsible for reversing all credits previously paid, issuing debits to the requisitioner, and deleting activities from the TAV process due to poor performance, in coordination with NAMI.</p> <ul style="list-style-type: none"> <li>Should read "DLA shall be responsible for reversing all credit to the TAV shipping activity, issuing credit to the requisitioner..."</li> </ul> <p>8. C17.3.10.8.2.3. I think this should be C17.3.10.8.1.3</p> <p>9. Page 33 - C17.3.13.1. "This paragraph provides..." should be changed to "This section provides..."</p> <p>10. C17.3.13.2 – Recommend adding an appendix that shows the applicable CIIC or list like the pilferable codes were listed.</p> <p>11. "Controlled Inventory Item Code (CIIC) code indicating" need to remove "code" after (CIIC). It's repeated from before (CIIC).</p> <p>12. C17.3.13.3. Refers to Discrepant Controlled Inventory... After that the time standards for non-controlled inventory, etc. are given in C17.3.13.3.1 through C17.3.13.3.4. Recommend the following: C17.3.13.4 be used for material other than controlled inventory items, arms,... Use C17.3.13.4.1 for CONUS and C17.3.13.4.2 for Overseas. Use C17.3.13.5 for Exception. Use C17.3.13.6 for Late Submission.</p>	<p>8. Paragraph number fixed prior to formal publication.</p> <p>9. Fixed.</p> <p>10. Under consideration.</p> <p>11. Fixed.</p> <p>12. Agree with intent. Entire section has been re-ordered for more logical progression.</p> <p>13. Fixed.</p> <p>14. Fixed.</p> <p>15. Fixed.</p> <p>16. No change required. Both names are acceptable. The formal data element name is Disposition/Status Code (Reply) Code. This element is commonly referred to as "reply code."</p> <p>17. Agree. Revised.</p> <p>18. Fixed.</p> <p>19. Fixed.</p> <p>20. Fixed.</p> <p>21. Agree. Revised.</p> <p>22. The ILCO rejection process is identified under ILCO responsibilities. Additional clarification has been added due to recent miscommunication between AFSAC and DLA. ILCO responsibility revised as follows:  " C17.5.14.1.7. Review SDR replies from action activities for completeness and reject those that do not specify</p>

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	<p>13. Page 34 – C17.3.13.4.3. “Distribution Depots shall respond to SDRs submitted directly to the submitter within 25 calendar days.” Recommend “...submitted directly to the shipping activity...”</p> <p>14. Page 35 - C17.3.14. the document states “DAAS-assigned control number”, then in C17.3.15. the document states “the WebSDR-assigned control number”. Recommend changing “the DAAS-assigned control number” to “the WebSDR assigned control number”. This change should be made for the entire document. There are numerous references to “the DAAS-assigned...”.</p> <p>15. C17.3.17. – Change “Defense Supply Center Richmond” to DLA Aviation</p> <p>16. Page 39 – “C17.3.20.2.1. SDR transactions must contain valid values as appropriate to the transaction purpose: discrepancy code, action code, and r code. Reject with Disposition/Status Code (Reply) Code 915, 916, or 927.”</p> <ul style="list-style-type: none"> <li>• Current policy has “and disposition/status code” in highlighted area. Should that be added back in or were you changing the wording?</li> </ul> <p>17. C17.3.20.2.9. SDR follow-ups must comply with follow-up submission timeframes. Follow-ups submitted without allowing sufficient action activity response time will be rejected (a minimum of 30 calendar days will apply). Reject with Discrepancy Status/Disposition Code 933 (implementation pending).</p> <ul style="list-style-type: none"> <li>• Recommend changing the highlighted statement to “Prescribed time standard specified in C17.3.13”. Submitters are trying to submit follow-ups at 30 days on SDRs that require processing by both the DD and ICP and they are getting rejected because the 50 day timeframe has not been exceeded.</li> </ul> <p>18. Page 41 - C17.3.20.2.16. “...this code based internal business rules.” change to “this code based</p>	<p>necessary information, e.g. disposition instructions for discrepant materiel.  <b><i>Under DLMS transactional exchange, the ILCO reject transaction may be directed to the action activity to identify necessary corrections. After three ILCO reject transactions, the action activity should be contacted off-line to clarify the issues involved.</i></b></p>

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	<p>on internal business rules.”</p> <p>19. Pages 40/41 - C17.3.20.2.10. and C17.3.20.2.17. are the same. Recommend removing C17.3.20.2.17. (Both say: “SDR follow-ups and contested SDR/reconsideration requests shall not be submitted against cancelled SDRs. Reject with Discrepancy Status/Disposition Code 907.”)</p> <p>20. Page 45 – C17.5.3.1. “US Government”, correct spelling of Government</p> <p>21. C17.5.3.2. “shall take the materiel up in stock” recommend “shall pick the materiel up in stock”</p> <p>22. Page 46 - C17.5.8. Recommend adding clarification. There is no mention of the ILCO reject transaction. This led to EBS programming limiting rejects to one and now requires a system change. Also, clarify how many reconsiderations are allowed and if they have to be done prior to contesting. It is our understanding that reconsiderations have to be done prior to contesting, is this correct?</p>		
4.	<p>SDR System Administrator</p> <p>DCMA representatives indicated during discussion that SDR distribution rules for vendor shipments with packaging discrepancies require clarification and update. After review, the SDR Administrator agreed stronger wording was needed to clarify responsibility for distribution of the SDR information copy to ensure that DCMA (or other CAO) is provided an information copy when applicable. Additionally, the final version reinstated the guidance for customers to identify the CAO from the receiving report and provide an information copy.</p> <p><b>Staffing Note:</b> This original guidance in the DLMS manual read:</p> <p>SDR DISTRIBUTION FOR PACKAGING DISCREPANCIES AP3.5.1. Contractor/Vendor Shipments</p>	<p>Guidance reworded as follows:</p> <p><b><i>C17.3.10.8.1. Contractor/Vendor Shipments</i></b> <b><i>C17.3.10.8.1.1. Initial action to the ICP.</i></b> <b><i>C17.3.10.8.1.2. Copy to Contract Administration Office (CAO). The submitter is encouraged to identify the applicable Defense Contract Management Agency (DCMA) office as a distribution copy recipient when applicable (see block 10 of DD Form 250, Material Inspection and Receiving Report or comparable receiving report). When applicable and not identified by the submitter on the SDR, the initial action activity shall forward the SDR to the DCMA or other applicable CAO. When the</i></b></p>	

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	<p>AP3.5.1.1. Initial action to Administrative Contracting Office (ACO). When released by the ACO, any required repackaging at Defense Distribution Depots must be directed and reimbursed by the ICP.</p> <p>AP3.5.1.2. Copy to applicable Contract Administration Office (CAO) (block 10 of DD Form 250, Material Inspection and Receiving Report). When GSA is CAO, send SDR to GSA National Customer Service Center (NCSC).</p> <p>AP3.5.1.3. Copy to applicable ICP/IMM. When GSA is IMM send to GSA NCSC marked: IM Copy.</p>	<p><i>contract is administered by the Service or Agency issuing the contract, the ICP is responsible for insuring the CAO has access to the SDR information.</i></p> <p><i>C17.3.10.8.2.3. Copy to Administrative Contracting Office (ACO). The initial action activity shall furnish a copy of the SDR to the ACO (or otherwise provide visibility), if a different organizational entity is involved.</i></p> <p><i>C17.3.10.8.2.4. Copy to Procuring Contracting Office (PCO). The initial action activity shall furnish a copy of the SDR to the PCO (or otherwise provide visibility), if a different organizational entity is involved.</i></p> <p><i>C17.3.10.8.2.5. Copy to Component Packaging Monitor. SDRs for Air Force ICP-directed shipments shall be provided to the designated Air Force ICP packaging monitor by DoD WebSDR under Component-unique routing rules.</i></p>	
5.	Navy	<p>After reviewing PDC506, Navy submits the following comments:</p> <p>a. Referencing paragraphs C17.3.20.1.4.1.1 Abridged SDR and C17.3.20.1.4.1.2 Abridged SDR Reply, Navy requests that a COG code is added to represent Ammunition and Explosive (A&amp;E) SDRs. The COG code is the only data element which permits segregation of A&amp;E related SDRs from SDRs associated with other supply classes. The COG in association with the SoS information allows Navy to accurately collect data queries associated with only A&amp;E and related details. This would be a practical method for Navy to comply with Management Evaluation of SDRs as addressed in paragraph C17.4.1.</p> <p>b. Referencing paragraphs C17.3.10.2.2 and C17.3.10.2.2.1, if Navy has provided funding for DLA to provide material and DLA contracts to</p>	<p>a. No action required. These references are to email SDRs. However, the Navy no longer uses email SDRs, but instead receives SDRs by transaction (sent to PDREP) that includes the COG code when provided by the submitter. The COG can also be added by the action activity in the SDR reply so that WebSDR will have the code available for use in reports (if needed).</p> <p>b. Refer to ADC 371, Marine Corps SDR Distribution Rules and Navy and Marine Corps SDR and Storage Quality Control Report (SQCR) Procedures and Data Content under BRAC (Staffed as PDC 387A).</p>

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		<p>acquire that material, will DLA be responsible for resolving any resulting SDRs?</p> <p>c. Is Navy to assume that all SDRs that result due to a non-compliance or other issues related to DLA contracting actions should be responsibility of the DLA sponsoring ICP and not a Navy ICP?</p> <p>d. Reference paragraph C17.3.2.6.8. SDRs for Air Force Maintenance Denials Under BRAC Supply, Storage and Distribution (SS&amp;D) Agreement, is there an opportunity for Navy to also have access to those special procedures being applied to Air Force material that is requisitioned from DLA?</p>	<p>c. No. Refer to ADC 371. The SDR goes to the applicable action activity responsible for shipment (DLA gets a copy of the report and the reply).</p> <p>d. Submission of a proposed DLMS change would be required to amend the procedures. Suggest coordination with DLA BRAC team.</p>
6.	Army	<p>Army concurs with PDC 506 with the below exception for NAMI identification:</p> <p>C17.3.5 "Army's Non-Army Managed Items Product Support Integration Directorate (NAMI-PSID) (RIC AJ2)."</p> <p>Since NAMI is no longer a PSID, please replace with: "Army's Non-Army Managed Items Group, Supply Directorate (NAMI Group, RIC AJ2)"</p>	Fixed.
7.	USTRANS COM	USTRANSCOM abstains.	Noted.
8.	Navy ILCO	<p>Financial discrepancies related to FMS administrative and accessorial charges are no longer sent to DFAS Denver. They are now sent to:</p> <p>Security Assistance Accounting Customer Accounting Branch DFAS-IN/JAXBC 8899 E. 56th Street Indianapolis, IN 46249</p>	<p>Procedures updated to read: Financial discrepancies are those discrepancies related to administrative and accessorial charges. The ILCO, ICP/IMM, or GSA shall forward to <b><i>Defense Finance &amp; Accounting Service Indianapolis (DFAS-IN), Security Assistance Accounting Customer Accounting Branch.</i></b></p>