



DEFENSE LOGISTICS AGENCY
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IN REPLY
REFER TO J627

April 24, 2012

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) AND JOINT
PHYSICAL INVENTORY WORKING GROUP (JPIWG) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC 489,
Administrative Change to Maintain Inventory Control Effectiveness (ICE) Report
Ammunition Procedures (DLMS/MILSTRAP)

The attached change to DOD 4000.25-M, DLMS, and DOD 4000.25-2-M, Military
Standard Transaction Reporting and Accounting Procedures (MILSTRAP), reflects the need to
explicitly detail the existing ICE Report Ammunition after ADC 415 changed the ICE Report
General Supplies and could no longer serve as a reference for the former report's procedures. This
change is approved for immediate implementation and will be published in the MILSTRAP and
DLMS manuals when they are reissued as Defense Logistics Manuals in June 2012.

Supply PRC representatives may direct questions to Ms. Mary Jane Johnson, email:
Mary.Jane.Johnson@dla.mil. JPIWG representatives may direct questions to Mr. Lou Madrigal,
email: Luis.Madrigal@dla.mil. Others must contact their Component designated Supply
PRC/JPIWG representative.

DONALD C. PIPP
Director
DLA Logistics Management Standards

Attachment
As stated

cc:
ODASD (SCI)



ATTACHMENT TO ADC 489
Administrative Change to Maintain Inventory Control Effectiveness (ICE) Report
Ammunition Procedures
(Supply/PICP)

1. ORIGINATOR:

- a. **Service/Agency:** DLA Logistics Management Standards, J627
- b. **Originators:** DLA Logistics Management Standards, 703-767-2011, ESN 427-2011

2. FUNCTIONAL AREA: Supply/Physical Inventory Control Program

3. REFERENCES:

- a. DOD 4000.25-M, DLMS, Volume 2, Chapter 6, as revised by Approved DLMS Changes (ADC) 307 and 415 (reference 3d), www.dla.mil/j-6/dlmso/elibrary/manuals/dlms/v2.asp
- b. DOD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), as revised by Approved DLMS Change (ADC) 415, www.dla.mil/j-6/dlmso/elibrary/Manuals/MILSTRAP/default.asp
- c. DLMSO memorandum, November 10, 2008, subject: ADC 307, Administrative Update to DLMS, Volume 2, Chapter 6, Physical Inventory Control, and DLMS Supplements (DS) 846P, 846R, and 888I, www.dla.mil/j-6/dlmso/eLibrary/Changes/approved4.asp
- d. DLA Logistics Management Standards memorandum, November 29, 2011, subject: ADC 415, Revise the DOD Inventory Control Effectiveness (ICE) Report (General Supplies) and Revise Type Physical Inventory/Transaction History Code C and Add Code Z, www.dla.mil/j-6/dlmso/eLibrary/Changes/approved2.asp
- e. DOD Instruction (DODI) 4140.01, December 14, 2011, DoD Supply Chain Materiel Management Policy, available at www.dtic.mil/whs/directives/corres/pdf/414001p.pdf

4. REQUESTED CHANGE:

- a. **Brief Overview of Change:** This ADC changes the procedures for ICE Report Ammunition from using references to the ICE Report General Supply procedures to explicit procedures specific to the ICE Report Ammunition.
- b. **Background:** Prior to ADC 415 (reference 3.d.), the ICE report procedures for general supplies and ammunition were similar. Since the procedures for general supplies precede those for ammunition, the section for ammunition largely used reference pointers to the procedures for general supplies. ADC 415 significantly changed the ICE report procedures for general supply and explicitly excluded any changes to the ICE report procedures for ammunition. However,

ADC 415 did not include an explicit line by line instructions for the ammunition ICE Report to replace the prior references to the General Supplies ICE Report which after ADC 415 are no longer applicable. Accordingly, this administrative ADC provides the explicit line by line procedures for the ICE Report Ammunition. The basis for the ICE Report Ammunition procedures applied in this ADC's enclosures are the pre-ADC 415 procedures for ICE Report General Supply (See references 3.a., 3.b., and 3.c.). There have been no ADCs since ADC 415 that impacted the procedures for ICE Report Ammunition.

c. Description of Change: For MILSTRAP Chapter 7 and DLMS Volume 2, Chapter 6, ICE Report Ammunition procedures replace all reference pointers with the applicable language of the pre-ADC 415 ICE Report General Supply procedures.

5. REASON FOR CHANGE: Ensure proper documentation of procedures for ICE Report Ammunition.

6. REVISIONS TO DOD 4000.25 SERIES OF MANUALS: The change of this ADC to MILSTRAP Chapter 7 and DLMS Volume 2, Chapter 6, are reflected in enclosures 1 and 2, respectively. Note that the DOD 4000.25 series of manuals will be reissued as Defense Logistics Manuals in June 2012, as required by DODI 4140.01 (reference 3.d.).

7. ADVANTAGES AND DISADVANTAGES

a. Advantages. Properly reflects in detail the existing procedures for ICE Report Ammunition, and avoids eliminates any potential confusion from using the references to ICE General Supplies procedures.

b. Disadvantages. None identified.

8. IMPLEMENTATION: These procedures are already the existing procedures for ICE Report Ammunition.

9. IMPACT:

a. DOD Component's Automated Information System (AIS): None.

b. DLMS Data: None.

c. DCA Translation Services. None

Enclosures
As stated

ENCLOSURE 1 TO ADC 489
Administrative Change to Maintain Inventory Control Effectiveness (ICE) Report
Ammunition Procedures

Revise DOD 4000.25-2-M, MILSTRAP, Chapter 7, Physical Inventory Control, Section C7.9.3 , as follows (changes are identified by **bold**, **red italic** and ~~strikethroughs~~):

C7.9.3. Ammunition Performance Standards and Data

C7.9.3.1. Performance - **Part I**

C7.9.3.1.1. Material Denials. ~~Complete as described in paragraphs C7.9.2.1.1.1., C7.9.2.1.1.2., and C7.9.2.1.1.3. For ammunition, include denial transactions classified by denial Management Codes 1, 2, 5, 6, and 7 (see appendix AP2.6) in the total.~~ Components shall identify denials separately for low-risk and high-risk items.

C7.9.3.1.1.1. (Line 1.A.) Lines Directed for Shipment. The total number of line items directed for shipment (DIC A5_ MRO, DIC A5J Disposal Release Order (DRO), DIC A4_ referral order, DIC A2_ redistribution order).

C7.9.3.1.1.2. (Line 1.B.) Total Material Release Denials. The total materiel denials represented by the sum of total and partial denials, and warehouse refusals). Include denial transactions classified by denial Management Codes 1, 2, 5, 6, and 7 (see appendix AP2.6) in the total. Components shall identify denials separately for low-risk and high-risk items.

C7.9.3.1.1.3. (Line 1.C.) Materiel Denial Rate. Compute this figure by dividing the total denials by the line items directed for shipment and multiplying by 100. $((1B / 1A) \times 100)$ The DoD performance goal for the materiel release denial rate is not greater than 1 percent.

C7.9.3.1.2. Receipt Processing Performance. ~~Complete as described in paragraphs C7.9.2.1.2.1., C7.9.2.1.2.2., and C7.9.2.1.2.3. The DoD goal for posting and storing ammunition receipts on time is 90 percent.~~

C7.9.3.1.2.1. (Line 2.A.) Receipts Posted and Stored. The total number of line-item receipts posted and stored to the total item property record.

C7.9.3.1.2.2. (Line 2.B.) Receipts Posted and Stored on Time. The total number of line item receipts that were effectively posted and stored within the MILSTRAP timeframes. Both storing and posting actions are considered complete when the item is in the storage location, or available for issue, and the quantity is posted to the total item property record.

C7.9.3.1.2.3. (Line 2.C.) On Time Receipt Rate. Compute this figure by dividing the total number of receipts posted and stored on time by the total number of receipts and multiplying by 100. $((2B / 2A) \times 100)$ The DoD performance goal for posting and storing receipts on time is 90 percent.

~~C7.9.3.1.3. Location Audit Program. Complete as described in paragraphs C7.9.2.1.3.1, C7.9.2.1.3.2, C7.9.2.1.3.3, C7.9.2.1.3.4, and C7.9.2.1.3.6. The DoD goals for location survey accuracy and location reconciliation accuracy for ammunition are 98 percent.~~¹⁴

C7.9.3.1.3.1. (Line 3.A.) Locations Surveyed. The number of storage activity locations surveyed.

C7.9.3.1.3.2. (Line 3.B.) Survey Errors. The total number of location discrepancies as defined in paragraph C7.6.1.8. of this chapter (report only one error per stock number per location).

C7.9.3.1.3.3. (Line 3.C.) Survey Accuracy. Compute this figure by dividing the locations with discrepancies by the total locations surveyed multiplying by 100, and subtracting the result from 100 percent. $(100 - ((B / 3A) \times 100))$ The DoD goal for location survey accuracy is 98 percent.

C7.9.3.1.3.4. (Line 3.D.) Locations Reconciled¹⁵. The total number of location records reconciled (i.e., the sum of line items on the Inventory Manager's record and line items which were not on the Inventory Manager's record but were on the storage activities' records).

C7.9.3.1.3.5. (Line 3.E.) Reconciliation Errors. The total number of discrepant location records as defined in paragraph C7.6.2.2. (count one error per location reconciliation request (line item) or unmatched Inventory Manager's record).

C7.9.3.1.3.6. (Line 3.F.) Reconciliation Accuracy. Compute this figure by dividing the number of discrepancies by the number of records reconciled, multiplying by 100, and subtracting the result from 100 percent. $(100 - ((3E / 3D) \times 100))$ The DoD goal for location reconciliation accuracy is 98 percent.

C7.9.3.2. Physical Inventory and Adjustments – Part II

C7.9.3.2.1. Physical Inventories

C7.9.3.2.1.1. (Line 1.A.) Number of Scheduled and Unscheduled Inventories Completed. The total number of line items inventoried (scheduled and unscheduled). Each supply condition code for a stock number at each storage activity is a line item.

C7.9.3.2.1.2. (Line 1.B.) Number of Inventories with Variances. The total number of line items inventoried (scheduled and unscheduled) that had an inventory variance.

¹⁴ The location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2. and C7.2.4.).

¹⁵ Performance data maintained by Owner/Manager regardless where materiel is stored.

C7.9.3.2.1.3. **(Line 1.C.) Inventory Record Accuracy.** Reflects the percent of lines inventoried without an inventory variance. Compute this figure by dividing the lines with an inventory variance by the total lines inventoried and multiplying by 100, and subtracting the result from 100 percent. $\{100 - ((1)(b) / (1)(a)) \times 100\}$ The DoD inventory record accuracy goal for ammunition is 95 percent.

C7.9.3.2.2. Number of Inventory Adjustments from Other Than Physical Inventories. ¹⁶ ~~Complete same as paragraph C7.9.2.2.2.~~

C7.9.3.2.2.1. (Line 2.A.) Number of Location Reconciliation Adjustments. The number of location reconciliation adjustments (DIC D8/9B).

C7.9.3.2.2.2. (Line 2.B.) Number of End of the Day Processing Adjustments. The number of end of the day processing adjustments (DIC D8/9B).

C7.9.3.2.2.3. (Line 2.C.) Total. Absolute total of adjustments from other than physical inventories. (2A + 2B)

C7.9.3.2.3. **(Line 3.) Total Inventory Adjustments.** ~~Complete same as paragraph C7.9.2.2.3. The sum of number of inventories with variances and the number of adjustments from other than physical inventories.~~ (1B + 2C).

C7.9.3.2.4. **Number of Reversals of Inventory Adjustments.** ~~Complete same as paragraph C7.9.2.2.4.~~

C7.9.3.2.4.1. (Line 4.A.) Number of Gain Reversals. The number of gain reversals of inventory adjustments.

C7.9.3.2.4.2. (Line 4.B.) Number of Loss Reversals. The number of loss reversals of inventory adjustments.

C7.9.3.2.4.3. (Line 4.C.) Total. Absolute total of inventory reversals (gains and losses).

C7.9.3.2.5. **Monetary Value.** ~~Complete same as paragraphs C7.9.2.2.5.1 through C7.9.2.2.5.3.5.~~

C7.9.3.2.5.1. (Line 5.A.) Average Value of Inventory. The average value of on-hand assets as reflected on financial records for the 12 months prior to the report cutoff date (i.e., current quarter plus last three quarters).

C7.9.3.2.5.2. (Line 5.B.) Record Value of Items Inventoried. The extended value prior to actual inventory of line items inventoried (scheduled and unscheduled) during the reporting period.

C7.9.3.2.5.3. Value of Inventory Adjustments

¹⁶ The end of day process and location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2 and C7.2.4.).

C7.9.3.2.5.3.1. Physical Inventory Adjustments

C7.9.3.2.5.3.1.1. (Line 5.C.(1)(A)) Gains. Monetary value of gains resulting from inventory less the monetary value of gain reversals (from current and prior quarters) processed during the report period.

C7.9.3.2.5.3.1.2. (Line 5.C.(1)(B)) Losses. Monetary value of losses resulting from inventory less the monetary value of loss reversals (from current and prior quarters) processed during the report period.

C7.9.3.2.5.3.1.3. (Line 5.C.(1)(C)) Gross Adjustments
Computed as lines (5C(1)(A) + 5C(1)(B))

C7.9.3.2.5.3.2. Reversals -- Current Quarter

C7.9.3.2.5.3.2.1. (Line 5.C.(2)(A)) Gains. The total monetary value of decreases to the record balances as a result of reversing gain adjustments processed during the reporting period. Compute the Fiscal Year (FY) to Date value for reversal of current quarter gains by adding the Quarter Ending value for reversal of current quarter gains to the prior quarter FY to Date value of reversal of current quarter gains.

C7.9.3.2.5.3.2.2. (Line 5.C.(2)(B)) Losses. The total monetary value of increases to the record balances as a result of reversing loss adjustments processed during the reporting period. Compute the FY to Date value for reversal of current quarter losses by adding the quarter ending value for reversal of current quarter losses to the prior quarter FY to Date value for reversal of current quarter losses.

C7.9.3.2.5.3.2.3. (Line 5.C.(2)(C)) Total. Absolute total of reversals of current quarter gains and losses. Computed as lines (5C(2)(A) + 5C(2)(B))

C7.9.3.2.5.3.3. Reversals -- Prior Quarters

C7.9.3.2.5.3.3.1. (Line 5.C.(3)(A)) Gains. The total monetary value of decreases to record balances as a result of reversing gain adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarters gains by adding the quarter ending value for reversal of current quarter gains to the prior quarter gains.

C7.9.3.2.5.3.3.2. (Line 5.C.(3)(B)) Losses. The total monetary value of increases to record balances as a result of reversing loss adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarters' losses to the prior quarter FY to Date value for reversal of prior quarters' losses.

C7.9.3.2.5.3.3.3. (Line 5.C.(3)(C)) Total. Absolute total of reversals of prior quarter gains and losses. Computed as lines (5C(3)(A) + 5C(3)(B))

C7.9.3.2.5.3.4. (Line 5.C.(4)) Total Reversals. The total of reversals of current quarter and prior quarter gains and losses. Computed as lines (5C(2)(C) + 5C(3)(C))

C7.9.3.2.5.3.5. (Line 5.C.(5)) Total Record Imbalances. The total of gross adjustments and total reversals. Computed as lines (5C(1)(C) + 5C(4))

C7.9.3.2.6. Gross Adjustments As a Percent of: ~~Complete same as paragraphs C7.9.2.2.6.1. and C7.9.2.2.6.2.~~

C7.9.3.2.6.1. (Line 6.A.) Average Value of Inventory. Divide the total value of gross adjustments by the average value of inventory and multiply by 100. $((5C)(1)(C) / 5A) \times 100$

C7.9.3.2.6.2. (Line 6.B.) Value of Items Inventoried. Divide the total value of gross adjustments by the record value of items inventoried and multiply by 100. $((5C)(1)(C) / 5B) \times 100$

C7.9.3.2.7. Total Record Imbalances As a Percent of: ~~Complete same as paragraphs C7.9.2.2.7.1. and C7.9.2.2.7.2.~~

C7.9.3.2.7.1. (Line 7.A.) Average Value of Inventory. Divide the value of the total record imbalances by the average value of inventory. $((5C)(5) / 5A) \times 100$

C7.9.3.2.7.2. (Line 7.B.) Value of Items Inventoried. Divide the value of the total record imbalances by the record value of items inventoried. $((5C)(5) / 5B) \times 100$

C7.9.3.2.8. Monetary Value of Location Reconciliation:¹⁷ ~~Complete same as paragraphs C7.9.2.2.8.1. through C7.9.2.2.8.4.~~

C7.9.3.2.8.1. (Line 8.A.) Value of Line Items Reconciled. The extended value of line items reconciled during the reporting period.

C7.9.3.2.8.2. (Line 8.B.) Gains. The monetary value of gains resulting from reconciliation during the period.

C7.9.3.2.8.3. (Line 8.C.) Losses. The monetary value of losses resulting from reconciliation during the period.

C7.9.3.2.8.4. (Line 8.D.) Total. Absolute total of location reconciliation gains and losses. $(8B + 8C)$

C7.9.3.2.9. Monetary Value of End of the Day Processing: ~~Complete same as paragraphs C7.9.2.2.9.1. through C7.9.2.2.9.3.~~

¹⁷ The end of day process and location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2. and C7.2.4.).

C7.9.3.2.9.1. (Line 9.A.) Gains. The value of gains resulting from end of the day processing.

C7.9.3.2.9.2. (Line 9.B.) Losses. The value of losses resulting from end of the day processing.

C7.9.3.2.9.3. (Line 9.C.) Total. Absolute total of end of the day processing gains and losses. (9A + 9B)

IMPLEMENTED

ENCLOSURE 2 TO ADC 489
Administrative Change to Maintain Inventory Control Effectiveness (ICE) Report
Ammunition Procedures

Revise DOD 4000.25-M, DLMS Volume 2, Chapter 6, Physical Inventory Control, Section C6.9.2, as follows (changes are identified by ***bold, red italic and strikethroughs***):

C6.9.2. Ammunition Performance Standards and Data. (The information in this section corresponds to information shown on DD Form 2338-1.)

C6.9.2.1. Performance - ***Part I***

C6.9.2.1.1. Material Denials. ~~***Complete as described in subparagraph C6.9.1.1.1. For ammunition, include denial transactions classified by denial Management Codes 1, 2, 5, 6, and 7 in the total.***~~ DoD Components shall identify denials separately for high-risk and low-risk items.

C6.9.2.1.1.1. (Line 1.A.) Lines Directed for shipment. The total number of line items directed for shipment (MROs, referral orders, redistribution orders (DLMS 940R Material Release)).

C6.9.2.1.1.2. (Line 1.B.) Total Material Denials. The total material denials (sum of total and partial denials, and warehouse refusals DLMS 945A, Material Release Advice). Include denial transactions classified by denial Management Codes 1, 2, 5, 6, and 7 in the total.

C6.9.2.1.1.3. (Line 1.C.) Material Denial Rate. Compute this figure by dividing total denials by the line items directed for shipment and multiplying by 100. The DoD performance goal for the material release denial rate is not greater than 1 percent.

C6.9.2.1.2. Receipt Processing Performance. ~~***Complete as described in subparagraph C6.9.1.2. DoD goal for posting and storing ammunition receipt on time is 90 percent.***~~

C6.9.2.1.2.1. (Line 2.A.) Receipts Posted and Stored. The total number of line item receipts posted and stored to the total item property record.

C6.9.2.1.2.2. (Line 2.B.) Receipts Posted and Stored on Time. The total number of line-item receipts which were effectively posted and stored within the timeframes. Both storing and posting actions are considered complete when the item is in the storage location or available for issue, and the quantity is posted to the total item property record.

C6.9.2.1.2.3. (Line 2.C.) On-Time Receipt Rate. Compute this figure by dividing the total number of receipts posted and stored on time by the total number of receipts and multiplying by 100. The DoD performance goal for posting and storing receipts on time is 90 percent.

C6.9.2.1.3. Record Reconciliation Program. ~~Complete as described in subparagraph C6.9.1.1.3. DoD goals for location survey and location reconciliation for ammunition are 98 percent~~ Shows the results of the location survey (ratio of accurate storage activity locator records to storage activity locations surveyed) and the location reconciliation¹².

C6.9.2.1.3.1. (Line 3.A.) Locations Surveyed. The number of storage activity locations surveyed.

C6.9.2.1.3.2. (Line 3.B.) Survey Errors. The total number of location discrepancies as defined in subparagraph C6.6.1.2. Report only one error per stock number per location.

C6.9.2.1.3.3. (Line 3.C.) Survey Accuracy. Compute this figure by dividing the locations with discrepancies by the total locations surveyed multiplying by 100, and subtracting the result from 100 percent. DoD goal for location survey accuracy is 98 percent.

C6.9.2.1.3.4. (Line 3.D.) Locations Reconciled¹³. The total number of location records reconciled (i.e., the sum of line items on the owner's/IMM's record and line items not on the IMM's record but were on the storage activities' records).

C6.9.2.1.3.5. (Line 3.E.) Reconciliation Errors. The total number of discrepant location records as defined in subparagraph C6.6.2.2. Count one error per location reconciliation request (line item) or unmatched IMM's record.

C6.9.2.1.3.6. (Line 3.F.) Reconciliation Accuracy. Compute this figure by dividing the number of discrepancies by the number of records reconciled, multiplying by 100, and subtracting the result from 100 percent. DoD goal for location reconciliation is 98 percent.

C6.9.2.2. Physical Inventory Adjustments – Part II

C6.9.2.2.1. Physical Inventories

C6.9.2.2.1.1. (Line 1.A.) Number of Scheduled and Unscheduled Inventories Completed. The total number of line-items inventoried (scheduled and unscheduled). Each SCC for a stock number at each storage activity is a line item.

C6.9.2.2.1.2. (Line 1.B.) Number of Inventories with Variances. The total number of line items inventoried (scheduled and unscheduled) that had an inventory variance.

¹² The location reconciliation process will not be required with the establishment of a single shared asset balances (see paragraphs C6.2.2. and C6.2.4.).

¹³ Performance data maintained by owner/IMM regardless where material is stored.

C6.9.2.2.1.3. **(Line 1.C.) Inventory Record Accuracy.** Shows the percent of lines inventoried without an inventory variance. Compute this figure by dividing the lines with an inventory variance by the total lines inventoried and multiply by 100, and subtracting the result from 100 percent. The DoD inventory record accuracy goal for ammunition is 95 percent.

C6.9.2.2.2. **Number of Inventory Adjustments from other than Physical Inventories**¹⁴. ~~Complete same as subparagraph C6.9.1.2.2.~~

C6.9.2.2.2.1. (Line 2.A.) Number of Location Reconciliation Adjustments. The number of location reconciliation adjustments (DLMS 947I with Quantity or Status Adjustment Reason Code 'AB' ; MILSTRAP legacy DIC D8B/D9B).

C6.9.2.2.2.2. (Line 2.B.) Number of End of the Day Processing Adjustments. The number of end of the day processing adjustments (DLMS 947I with Quantity or Status Adjustment Reason Code 'AB' ; MILSTRAP legacy DIC D8B/D9B).

C6.9.2.2.2.3. (Line 2.C.) Total. Absolute total of adjustments from other than physical inventories.

C6.9.2.2.3. **(Line 3.) Total Inventory Adjustments.** ~~Complete same as subparagraph C6.9.1.2.3.~~ The sum of number of inventories with variances and the number of adjustments from other than physical inventories.

C6.9.2.2.4. **Number of Reversals of Inventory Adjustments.** ~~Complete same as subparagraph C6.9.1.2.4.~~

C6.9.2.2.4.1. (Line 4.A.) Number of Gain Reversals. The number of gain reversals of inventory adjustments.

C6.9.2.2.4.2. (Line 4.B.) Number of Loss Reversals. The number of loss reversals of inventory adjustments.

C6.9.2.2.4.3. (Line 4.C.) Total. Absolute total of inventory reversals (gains and losses).

C6.9.2.2.5. **Monetary Value.** ~~Complete same as subparagraph C6.9.1.2.5.~~

C6.9.2.2.5.1. (Line 5.A.) Average Value of Inventory. The average value of on-hand assets as shown on financial records for the 12 months prior to the report cutoff date (i.e., current quarter plus last three quarters).

¹⁴ The end of day process and location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C6.2.2 and C6.2.4).

C6.9.2.2.5.2. (Line 5.B.) Record Value of Items Inventoried. *The extended value prior to actual inventory of line-items inventoried (scheduled and unscheduled) during the reporting period.*

C6.9.2.2.5.3. Value of Inventory Adjustments

C6.9.2.2.5.3.1. Physical Inventory Adjustments:

C6.9.2.2.5.3.1.1. (Line 5.C.(1)(A)) Gains. *Monetary value of gains resulting from inventory less the monetary value of gain reversals (from current and prior quarters) processed during the report period.*

C6.9.2.2.5.3.1.2. (Line 5.C.(1)(B)) Losses. *Monetary value of losses resulting from inventory less the monetary value of loss reversals (from current and prior quarters) processed during the report period.*

C6.9.2.2.5.3.1.3. (Line 5.C.(1)(C)) Gross Adjustments

C6.9.2.2.5.3.2. Reversals--Current Quarter

C6.9.2.2.5.3.2.1. (Line 5.C.(1)(A)) Gains. *The total monetary value of decreases to the record balances as a result of reversing gain adjustments processed during the reporting period. Compute the Fiscal Year (FY) to Date value for reversals of current quarter gains by adding the quarter ending value for reversal of current quarter gains to the prior quarter FY to Date value of reversal of current quarter gains.*

C6.9.2.2.5.3.2.2. (Line 5.C.(1)(B)) Losses. *The total monetary value of increases to the record balances as a result of reversing loss adjustments processed during the reporting period. Compute the FY to Date value for reversal of current quarter losses by adding the quarter ending value for reversal of current quarter losses to the prior quarter FY to Date value for reversal of current quarter losses.*

C6.9.2.2.5.3.2.3. (Line 5.C.(1)(C)) Total. *The absolute total of reversals of current quarter gains and losses.*

C6.9.2.2.5.3.3. Reversal--Prior Quarters

C6.9.2.2.5.3.3.1. (Line 5.C.(2)(A)) Gains. *The total monetary value of decreases to record balances as a result of reversing gain adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarters gains by adding the quarter ending value of reversal of current quarter gains to the prior quarter gains.*

C6.9.2.2.5.3.3.2. (Line 5.C.(2)(B)) Losses. *The total monetary value of increases to record balances as a result of reversing loss adjustments reported in prior quarters. Compute the FY to Date value for reversal*

of prior quarter losses to the prior quarter FY to Date value for reversal of prior quarter losses.

C6.9.2.2.5.3.3.3. (Line 5.C.(3)(C)) Total. The absolute total of reversals of prior quarter gains and losses.

C6.9.2.2.5.3.4. (Line 5.C.(4)) Total Reversals. The total of reversals of current quarter and prior quarter gains and losses.

C6.9.2.2.5.3.5. (Line 5.C.(5)) Total Record Imbalances. The total of gross adjustments and total reversals.

C6.9.2.2.6. Gross Adjustments as a Percent of. ~~Complete same as subparagraph C6.9.1.2.6.~~

C6.9.2.2.6.1. (Line 6.A.) Average Value of Inventory. Divide the total value of gross adjustments by the average value of inventory and multiply by 100.

C6.9.2.2.6.2. (Line 6.B.) Value of Items Inventoried. Divide the total value of gross adjustments by the record value of items inventoried and multiply by 100.

C6.9.2.2.7. Total Record Imbalances as a Percent of. ~~Complete same as subparagraph C6.9.1.2.7.~~

C6.9.2.2.7.1. (Line 7.A.) Average Value of Inventory. Divide the value of the total record imbalances by the average value of inventory.

C6.9.2.2.7.2. (Line 7.B.) Value of Items Inventoried. Divide the total value of gross adjustments by the record value of items inventoried and multiply by 100.

C6.9.2.2.8. Monetary Value of Location Reconciliation. ~~Complete same as subparagraph C6.9.1.2.8.1.~~

C6.9.2.2.8.1. (Line 8.A.) Value of Line Items Reconciled. The extended value of line-items reconciled during the reporting period.

C6.9.2.2.8.2. (Line 8.B.) Gains. The monetary value of gains resulting from reconciliation during the period.

C6.9.2.2.8.3. (Line 8.C.) Losses. The monetary value of losses resulting from reconciliation during the period.

C6.9.2.2.8.4. (Line 8.D.) Total. The absolute total of location reconciliation gains and losses.

C6.9.2.2.9. Monetary Value of End of the Day Processing. ~~Complete same as subparagraph C6.9.1.2.8.2.~~

C6.9.2.2.9.1. (Line 9.A.) Gains. Enter the value of gains resulting from end of the day processing.

C6.9.2.2.9.2. (Line 9.B.) Losses. Enter the value of losses resulting from end of the day processing.

C6.9.2.2.9.3. (Line 9.C.) Total. The absolute total of end of the day processing gains and losses.

IMPLEMENTED