



**DEFENSE LOGISTICS AGENCY
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January 19, 2021

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

**SUBJECT: Approved Standards Change (ASC) 1397, Redistribution Order (RDO) and 300
Series Reply Code Requirements (SDR)**

The attached change to Enterprise Business Standards, as outlined in the attachment, is approved for implementation.

Addressees may direct questions to Mr. Ben Breen, e-mail: EBSO.SDR@dla.mil. Others must contact their designated PRC representative available at <http://www.dla.mil/HQ/InformationOperations/DLMS/allpoc/>

THOMAS A. DELANEY
Director, Enterprise Business Standards Office

Attachment
As stated

cc:
ODASD(Logistics)

ASC 1397
Redistribution Order (RDO) Supply Discrepancy Reports (SDR) and
300 Series Reply Code Requirements

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION: Mr. Corbin Austin, DLA J344 Technical and Quality Programs, e-mail: john.austin@dla.mil.

2. FUNCTIONAL AREA LOGISTICS AND TRANSACTION CHANGES: Supply Discrepancy Reporting (SDR).

3. REFERENCE: DLM 4000.25, Defense Logistics Management Standards, Volume 2, Supply, Chapter 17, Supply Discrepancy Reporting.

4. APPROVED CHANGE(S):

a. Brief Overview of Change: This change updates current procedures for shipping activities to no longer respond with disposition Reply Code 123 when confirming balances associated with RDO shortages and wrong item discrepancies. For customer SDRs (document type code 7) shipping activities will also be required to provide a 300 series forwarding reply code in combination with Reply Code 105, 118 and 119.

b. Background: Currently when an SDR is reported for a RDO involving a shortage or wrong item discrepancy, the shipping activity conducts an inventory and determines whether an inventory balance error exists. If the inventory confirms a balance error, the shipping activity will respond using Reply Code 123 citing inventory conducted and verified shipment error. For customer-generated type 7 SDRs, when a Reply Code 105 is sent without an applicable 300-series reply code it prevents the source of supply from establishing a pre-positioned material receipt (PMR) for the return shipment which ultimately leads to the material being receipted without PMR and a type 8 SDR being submitted. When the shipping activity responds with Reply Code 118 without an applicable 300-series reply code prevents the source of supply from billing the customer for the material overage they retained. A shipping activity should not provide a Reply Code 119 without an applicable 300-series reply code because the shipping activity does not own the material which was shipped and the source of supply should determine if the financial impact is acceptable.

c. Approved Change in Detail:

(1) When the shipping activity conducts an inventory associated with a RDO shortage and confirms a balance error, the shipping activity will reply with Reply Code 126 citing inventory conducted confirm shipment error; accountable record corrected; no materiel will be shipped.

(2) When the shipping activity conducts an inventory associated with a RDO wrong item and confirms an overage of the correct national stock number (NSN), the shipping activity will respond with Reply Code 126, citing inventories conducted on both NSNs confirm shipment error; accountable record corrected; no materiel will be shipped.

(3) When the shipping activity replies to a customer type 7 SDR directing the customer to forward the material received (Reply Code 105), a debit is processed for material retained (Reply Code 118), or the customer retain the material received at no charge (Reply Code 119) the shipping activity must include the applicable 300-series reply code.

d. **Revisions to Defense Logistics Manuals:** Update Defense Logistics Management Standards Volume 2, Chapter 17 Supply Discrepancy Reporting as shown in the enclosure.

e. **Approved Transaction Flow:** Standard SDR flow.

5. **REASON FOR CHANGE:** Allowing a shipping activity to process the above SDR reply codes without forwarding the SDR to the source of supply, prevents the source of supply from creating the MRO, PMR and debiting the customer.

6. **ADVANTAGES AND DISADVANTAGES:**

a. **Advantages:**

(1) Improves Component's Auditability

(2) Physical APSR and Financial APSR records are aligned.

b. **Disadvantages:** None identified.

7. **ADDITIONAL COMMENTS TO CONSIDER:** None noted.

8. **ADDITIONAL FUNCTIONAL REQUIREMENTS:** None noted.

9. **ESTIMATED TIME LINE/IMPLEMENTATION TARGET:** Components did not provide the estimated implementation time line with their official staffing response.

10. **ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE:** None identified.

11. **IMPACT:**

a. **New/Changes to Data Elements:** None identified.

b. **Automated Information Systems (AIS):** DLA Distribution Standard System (DSS), DLA Warehouse Management System (WMS), Product Deficiency Reporting and Evaluation Program (PDREP), GSA Vision, DLA Distribution Standard System (DSS) and Warehouse Management System (WMS), Army Logistics Modernization Program (LMP), Air Force Security Assistance and Cooperation (AFSAC), Air Force Wholesale DO35K, Air Force Integrated Logistics System Supply (ILS-S) SDR.

c. **Defense Automatic Addressing System (DAAS):** N/A.

d. **Non-DLM Series Publications:** None identified.

12. PSC 1397 RESPONSE/COMMENT RESOLUTION:

	Component	Response/Comment	Disposition
1.	DAAS	Concur as written.	As noted.
2.	DLA	Concurs without comment	As noted.
3.	ODASD(Logistics)	Concurs as written.	As noted.
4.	US Air Force	Concurs as written.	As noted.
5.	US Army	Concurs as written.	As noted.
6.	USMC	Concurs.	As noted.
7.	US Navy	Concurs as written.	As noted.

Enclosure

Defense Logistics Manual (DLM) 4000.25, Volume 2, Supply Standards and Procedures

Make the following changes to Volume 2. Additions are shown in *red bold italics*, and deletions are shown with double strikethrough text.

Chapter 17, Supply Discrepancy Reporting

Preceding text not shown

C17.3.3. SDRs Resulting from Redistribution Orders (RDOs). The following procedures are applicable to DLA Distribution Centers and may be applied to other storage activities as directed by the responsible Service/Agency. Only the current DLA Distribution Center can update the owner, manager, or source of supply field. Submitters must cancel and resubmit their SDR if they need to update this field. Only the current ~~DLA Distribution Center~~ **action activity** can update the owner, manager, or source of supply field. Submitters must cancel and resubmit their SDR if they need to update this field. When a storage activity receives a shipment based upon a redistribution order and the materiel is short, over, wrong, quality deficient, or otherwise discrepant the receiving activity will:

C17.3.3.1. RDO Shortage. Prepare the SDR to report shortage and use Action Code **1G (Reshipment not required; item to be re-requisitioned)** ~~4D (materiel still required)~~. The shipping activity will receive the action copy; the ICP will receive an information copy. The shipping activity receiving the SDR will treat it as a priority and conduct inventories as appropriate. If the inventory confirms ~~an over-balance error~~, the shipping activity will respond **with Reply Code 126 citing inventory conducted confirm shipment error; accountable record corrected; no materiel will be shipped.** ~~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 shipping activity will reply with Disposition/Status (Reply) Code 126 (materiel not available for reshipment) or A Reply Code 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.~~

Intervening text not shown

C17.3.3.3. RDO Wrong Item. Prepare the SDR to report receipt of wrong item using Action Code **1G (Reshipment not required; item to be re-requisitioned)** ~~4D (materiel still required)~~. The shipping activity will receive the action copy; the ICP will receive an information copy. The shipping activity receiving the SDR will 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 DLA Distribution Center will request or authorize return or movement of wrong materiel received as an RDO; the ICP/IMM will make all materiel movement decisions. If the inventory confirms an overage of the correct NSN, the shipping depot will respond **with Reply Code 126, citing inventories conducted**

on both NSNs confirm shipment error; accountable record corrected; no materiel will be shipped. ~~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 activity will 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.

Intervening text not shown

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. Such interim replies will identify any other action activities involved and, when feasible, indicate when additional status will be provided. Identify the interim disposition/status using the appropriate reply code. Interim reply codes in the 300 or 500 series are typically used to designate an interim reply involving forwarding to another organization (Appendix 7.28). The storage activity will provide an interim reply when recommending credit be provided by the source of supply based upon a validated discrepancy. For this purpose, the storage activity will cite Reply Code 525 and forward the SDR using the applicable 300-series applicable to the source of supply for processing. ~~of MILSBILLS financial adjustments under Volume 4, Chapter 4.~~ When the storage activity forwards an SDR to the source of supply for action using a 300-series interim reply code, the SDR transaction must be formatted to identify the source of supply RIC as the action activity. WebSDR will provide notification of forwarding action to the SDR initiator. This “forwarding” process and associated format will allow the reply transaction, including the initial responder’s reply remarks, to be transmitted to the new action activity. WebSDR will recognize the new action activity for reports and Web responder role access. If no coding exists to specifically identify the reasons for the delay, select Reply Code 137 and provide a clear-text explanation.

Intervening text not shown

C17.3.12.1.3.3.1. The storage activity may recommend credit, ~~debit~~ **debit for material retained, forwarding of material received, or material be retained at no charge** via ~~interim~~ reply forwarded to the source of supply (must include applicable 300-series reply code). The storage activity response will be based upon research to include review of inventory records and physical inventory, as appropriate. WebSDR will provide an information copy of the storage activity reply to the SDR submitter.