



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO DLMSO

NOV 20 2008

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Defense Logistics Management Systems (DLMS) Finance Process Review
Committee (FPRC) Meeting 08-02, November 13, 2008

The attached minutes of the DLMS Finance PRC Meeting (08-02) are forwarded for information and appropriate action. The next meeting will be scheduled at a later date.

The Defense Logistics Management Standards Office point of contact is Robert Hammond, 703-767-2117 or email Robert.Hammond@dla.mil.

A handwritten signature in black ink, appearing to read "Donald C. Pipp".

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

Cc:
DUSD (L&MR) SCI
Finance PRC Committee





DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY DLMSO
REFER TO

MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management System (DLMS) Finance Process Review
Committee (PRC) Meeting 08-02, November 13, 2008

Purpose: Defense Logistics Management Standards Office (DLMSO) hosted the subject meeting at a conference facility located at 2750 Prosperity Avenue, Fairfax, VA. Defense Connect Online (DCO) was used to provide real-time viewing on off-site computer screens of the presentations for those participants who were calling into the meeting. Specific discussion topics are noted below. A list of attendees is shown at Enclosure 1. All meeting handouts and briefing material are available on the Finance Process Review Committee (FPRC) Web page (refer to the meeting agenda): http://www.dla.mil/j-6/dlms0/Archives/Finance/meetings/13Nov08/agenda_FinancePRC_2008-11-13.doc

Brief Summary of Discussion: Bob Hammond, FPRC Chair facilitated the meeting discussions

Review of Meeting Topics:

1. XML/EDI Transaction Standards.

- a. DLMSO requested assistance from BTA in identifying standard information exchanges to achieve compliance with Standard Financial Information Structure (SFIS). Bob Hammond indicated that meetings have been held with DLMSO, BTA DFAS, DAASC and other interested parties toward identifying SFIS data elements that need to be carried in the DLMS transactions. A summary of the 4 November 2008 meeting follows:
 - i. The meetings focused on the process for modifying DLMS transactions to carry SFIS data elements to support SFIS compliant systems. The intent was to identify changes to DLMS now, so that systems can program for them as future enhancements. It is noted that many current financial systems are not DLMS compliant and have no current plans to migrate, so the legacy data elements of signal code, fund code and bill-to DODAAC will continue to be carried in the DLMS transactions to support mapping to non-DLMS compliant systems. To support SFIS, changes may be required to many DLMS transactions in the areas of requisitioning, billing and others to be determined. Since data must be present in the requisition to be perpetuated to the bill the initial focus will be on the DLMS 511R Requisition.
 - ii. **ACTION:** BTA will draft a Proposed DLMS Change (PDC) to modify the 511R. The PDC should contain text update for the DLMS manual and



a listing of the proposed SFIS data elements with the data construct, definition, cross-walk to existing data elements, and explanation for why each data element is needed in the 511R, in order to facilitate review by Components and Agencies.

- b. Dale Yeakel, of KGS, supporting DLMSO, indicated that approximately 33% of current logistics business transactions are DLMS. He indicated that it is projected that by the year 2015, 80-90% of all logistics business transactions will be DLMS. **ACTION:** Dan Martin, DFAS, will provide an estimate concerning when DFAS non-DLMS systems will be sunseting and their related status by 13 December 2008.

2. Inter-Service Obligation.

- a. Ronnie Daniels (Army) was to determine the status of Draft PDC 266 which was proposed as a funds availability interface (rather than an inter-service obligation transaction). Army is currently holding meetings toward revising Draft PDC 266 for staffing. Bob Hammond indicated that this item will remain open.

3. DLMS MILSBILLS Manual Updates.

- a. Susan Scott (USAF) drafted a rough PDC for use of fund code XP for non-interfund billing, prior to her accepting another position and leaving the Finance PRC. Ellen Hilert, DLMSO, previously suggested a rework of the PDC to have the edit for authorized use of Fund Code XP at DAASC when the order processes based upon a combination of rules (e.g. allowing EMALL SP5200 purchase card orders to process with XP), Service/Agency code, and pre-determined DoDAAC series. Each Service was to verify feasibility of this approach and was to identify all DODAAC criteria that should be authorized to use Fund Code XP, along with justifications. The FPRC members indicated that there were no current problems concerning use Fund Code XP, and agreed to close this item.

4. DLA (S9M) Billings on Medical Service Contracts Via Interfund.

- a. It was reported that DLA was billing via the Interfund for maintenance contracts, which does not allow for ensuring that receiving reports are in hand prior to making progress payments. Susan Eldridge, DLA, indicated that after further investigation this problem is no longer occurring. Based on this information, the FPRC agreed to close this item.

5. FAA RIC PROBLEM.

- a. Some FAA billings have RIC 570 vice RIC G69. Billie Davis, FAA, indicates that FAA is sending RIC G69. An [FAA RIC Document](#) was provided, which indicates that the correct RIC of G69 is being provided by FAA in the Detailed Bill but that GSA, who submits the bills for FAA, is entering the incorrect RIC of 570 in the Summary Bill. Shirley Reed, Air Force, indicated that it looks like the Treasury Code is being picked up erroneously. **ACTION:** Reggie Norwood, GSA, will research this problem provide status by 30 January 2009.

6. MILS Migration Status

- a. Mark Johnson, Navy, was to research why Navy ERP is not planning to use the 812R Logistics Bill Adjustment Request or the 812L Logistics Bill Adjustment Reply. Mark Johnson indicated that the Navy is looking into the efforts required to incorporate the 812R and 812L into their system. **ACTION:** Mark Johnson, will determine the current status of the Navy's effort to incorporate the 812R and 812L into their ERP and provide status by 1 December 2008.

7. Fund Code Validation on FMS Requisitions.

- a. [ADC 20](#), which has been incorporated into Chapter 9 of MISBILLS, specifies mandatory use rules for the Fund Code. Subsequent to implementation, DAASC excluded FMS from the logic due to reported problems with Army and Air Force transactions. The Army scenario involves requisitions used by FMS customers to purchase major end items. Kathleen Heikel, Army, reports that changes were made to the Army Centralized Integrated System for International Logistics to comply with ADC 20. The Air Force scenario was described as a prerequisite inquiry from the ILCO to obtain the correct source of supply from DAASC. DLMSO requested that the Air Force document this process; however, since this is not an actual requisition a waiver for ADC 20 is not required. The Air Force process is as follows:
 - i. DAASC and Air Force have had an agreement for approximately 20 years where the Air Force Security Assistance Management Information System (SAMIS) sends transactions/inquiries to DAASC (pre-requisition) to search for a Source of Supply (SOS) when there is no SOS listed in the Air Force catalog. SAMIS transmits these transactions to DAASC (RIC SGA) with a blank fund code because SAMIS is unable to assign a fund code when the SOS is unknown. DAASC then searches to identify a SOS. If successful, DAASC returns the transaction with the SOS identified; if they are unsuccessful, DAASC also returns the transaction, but with a notation that they could not find a SOS. Either way, these types of transactions are not requisitions processed by DAASC. For the successfully identified SOS, SAMIS assigns a fund code based on the SOS and submits a requisition; if not successful, the document number is researched for possible further action. **ACTION:** DAASC will remove the exception for FMS fund code edit and implement a procedure to accommodate the Air Force pre-requisition inquiry.

8. Air Force Billing Problems Resulting from Partial Shipments.

- a. This issue came up in the Supply PRC, but it also has financial implications. ADC 247 provides some background. Since DLA Distribution Standard System (DSS) confirms based on partial shipments, and DLA Enterprise Business System (EBS) bills based on these confirmations, (ARO) vice the material release order (A5_), the possibility exists that some bills will appear as duplicate billings. These bills don't contain suffixes on the document numbers, and the Air Force finance system considers the same document number with the same quantity to be a duplicate. This causes manual work, and increased the bill processing charge from DFAS to the Services. Air Force indicates that this is a problem for them, while Army and Navy indicate that it is not a problem for them. Some possible solutions identified

include: (1) Fix EBS not to bill until the shipment is complete; (2) Change DFAS systems to accommodate partial billings by accumulating the billed dollar amount, so that bills based upon partial shipments are not rejected unless the dollar total exceeds the amount obligated. (3) In DLMS, add the TCN to the bill or add a partial shipment indicator for future use. The inclusion of the TCN in the bill under DLMS is included in ADC 290; however, this is a long term solution. Susan Eldridge, DLA, indicated that it is not feasible to modify EBS in the near term to correct this problem. Shirley Reed, Air Force, will review the process the Army has taken to address this issue through discussions with Ronnie Daniels, Army. **ACTION:** Shirley Reed, Air Force will talk with Ronnie Daniels, Army, regarding the Army process, and will look at the Air Force edit to determine if the Air Force edit can be modified to resolve this problem. Subsequent to the meeting, DLMSO recommended that AF provide a DLMS Change proposal to establish DoD rules for billing of partial shipments if internal AF solution is not acceptable and/or volume of billing associated with partial supply actions is shown to be a significant expense to the Service resulting from DFAS charges for processing of electronic separate bills for each partial action. She will provide status by 15 January 2009.

9. GSA-Directed Shipments Lost at DLA-Operated Consolidation and Containerization Point (CCP).

- a. GSA directs vendor shipment to customers through the DLA CCPs. If material is lost and GSA has transporter proof of delivery (TPD) from the vendor neither the vendor nor GSA will reimburse the customer. DLA has no policy/process to provide credit for CCP losses based upon submission of a Supply Discrepancy Report (SDR) to DLA. GSA does not accept responsibility for CCP losses. Ellen Hilert, DLMSO, suggested that the best way for the credit to occur is to have GSA reimburse the customer and then have DLA reimburse GSA. GSA would bill DLA for the customer's credits. Buz Sawyer, DLA, indicated that this would have to be negotiated between GSA and DLA. The volume of these types of lost items is small, but users get upset when they don't get credit. Ellen Hilert, DLMSO, will establish a proposed DLMS change for SDR processing and work with Buz Sawyer and Susan Eldridge, DLA, to document the financial procedures. This will also need to be reviewed by Reggie Norwood, GSA. Ellen Hilert of DLMSO is still working this effort. The action will remain open.

10. DLMS Training

- a. [DLMS Financial Training, Module 5](#). Bob Hammond, DLMSO, provided the DLMS Financial training presentation to the Finance PRC group.
- b. [810L Training](#). Bob Hammond, DLMSO, provided training on the 810L Logistics Bill. During the training Bob Hammond pointed out an error at 2/LQ01/310 of the 810L, and indicated that it is important to read the DLMS notes carefully. In this instance, the DLMS note for qualifier DG (fund code) incorrectly indicates that this qualifier cannot be used when the summary record 1/BIG07/020 identifies an Interfund bill. **ACTION:** Bob Hammond, DLMSO,

will develop a DLMS PDC/ADC by 30 December 2008 to remove the incorrect note from the 810L.

Enclosure