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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Defense Logistics Management Systems (DLMS) Finance Process Review
Committee (FPRC) Meeting 08-01, May 20, 2008

The attached minutes of the DLMS Finance PRC Meeting (08-01) are forwarded for your
information and appropriate action. The next meeting will be scheduled at a later date.

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DONALD C. PIPP
Director
Defense Logistics Management
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Attachment

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

DLMSO

MEMORANDUM FOR RECORD

SUBJECT: Defense Logistics Management System (DLMS) Finance Process Review
Committee (FPRC) Meeting 08-01, May 20, 2008

   Purpose: Defense Logistics Management Standards Office (DLMSO) hosted the subject
meeting at a conference facility located at 2750 Prosperity Avenue, Fairfax, VA. 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 PRC Web page (refer to the meeting agenda):
http://www.dla.mil/j-
6/dlmso/Archives/Finance/meetings/111307/FINANCE_PRC_AGENDA_200711updateNov7.doc

   Brief Summary of Discussion: Bob Hammond, Finance PRC Chair facilitated the discussion.

   Review of Meeting Topics:

1. **XML/EDI Transaction Standards.** Sandra Bryant of BTA was to discuss with
   BTA leadership, the need to standardize information exchanges to achieve
   compliance with the Standard Financial Management Structure. There have been two
   discussions between DLMSO and BTA; however, BTA is still researching this.
   ACTION: Bob Hammond, DLMSO, will follow up with BTA by 16 June 2008.

2. **Inter-Service Obligation.**
   a. Buz Sawyer (DLA) was to research whether the Common Food Management
      System (CFMS) would use an 821 EDI Transaction for obligation and, if so,
      draft a Proposed DLMS Change to use that 821 transaction as a standard for
      DOD. It was determined that CFMS is not using the 821 EDI Transaction.
      Bob Hammond indicated that this item is completed and closed.
   b. Off-line requisition systems (such as eMALL and GSA Advantage) have been
      established by DLA and GSA to allow customer requisitioning capabilities
      using the latest technology. However, these systems do not include interfaces
      with the requisitioning Services to establish the financial obligation, which is
      an issue raised by Army. Ronnie Daniels, Army, is to determine if Army is
      ready to staff Draft PDC 266 which was proposed as a funds availability
      interface (rather than an inter-Service obligation transaction). Ellen Hilert
      indicated that the Army Audit Agency is now addressing this issue, and it will
      receive more attention. Overall the group agreed that this issue should be
      addressed as a BTA initiative. **ACTION:** Buz Sawyer, DLA, will contact
      BTA regarding this issue. A meeting with BTA, all of the services, GSA and

DLA should be conducted to look at existing processes and to come up with a solution for this issue, including proper documentation. Buz Sawyer will provide initial status by 30 June 2008.

3. **DLMS MILSBILLS Manual Updates/Proposed Fund Code Edit.**
   a. Patricia Davis, DESC-RP, had indicated that a change to MILSBILLS might be needed to address the Financial Management Regulation (FMR), Volume 4, Chapter 3 issue of not performing reimbursable work for Federal Agencies more than 90 days in arrears in payment of previous bills. However, since this requirement is stipulated in FMR, Patricia concluded that no change to MILSBILLS is needed. Bob Hammond indicated that this item is completed and closed.
   b. 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, 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. **ACTION:** Each Service is to verify feasibility of this approach and identify all DODAAC criteria that should be authorized to use Fund Code XP, along with justifications, by 15 July 2008. Once these are identified, Bob Hammond will work with Buz Sawyer, DLA, to update the PDC appropriately and send it out for review by 15 August 2008.

4. **812L, 812R and 810L EDI Transactions.**
   a. Bob Hammond, DLMSO, evaluated these transactions to ensure consistency and drafted PDC 287 to correct discrepancies, which is out for review with comments due by 11 June 2008. **ACTION:** All are to provide any input on PDC 287 by 11 June 2008.

5. **DLA (S9M) Billings on Medical Service Contracts Via Interfund.**
   a. DLA has been billing via the Interfund for maintenance contracts, which does not allow for ensuring that receiving reports are in hand prior to making progress payments. Buz Sawyer, DLA, says that DSCP indicates that they are still using the Interfund process to bill customers for "services". In one example, DSCP bills the customer for medical equipment yearly maintenance services. Buz Sawyer indicated that he is not sure where DLA currently stands on this issue and will have to follow up. **ACTION:** Buz Sawyer will follow up to find the latest status by 15 July 2008.

6. **FAA RIC PROBLEM.**
   a. Some FAA billings have RIC 570 vice RIC G69. Zenaida Westbrook, DFAS DE, indicated that this is still occurring, and that they are using a work around, which was intended to only be a temporary measure. **ACTION:** Billie Davis, FAA, is tasked to provide FAA status on this item and to identify a permanent solution by 30 June 2008.

7. **MILS Migration Status**
    a. DLMSO is aware that DLA EBS (formerly BSM) is using the 810 and 812 transactions. The ILS-S/SBSS Air Force, LMP Army, and Marine Corps systems at Albany, Georgia, are currently making system changes to migrate to the DLMS with implementations beginning in March and ending in the fall of 2008. The current design of Navy ERP (NERP) is to use DLMS 810 for sending the interfund bills to VISTA. It will be the responsibility of DAASC to translate the billing transactions from DLMS to DLSS and to provide them to VISTA for processing. NERP does not anticipate using the 812R Logistics Bill Adjustment Request or the 812L Logistics Bill Adjustment Reply. Bob Hammond indicated that the Navy needs to implement the 812R Logistics Bill Adjustment Request or the 812L Logistics Bill Adjustment Reply, in order to comply with DLMS migration policy. **ACTION:** Mark Johnson, Navy, will determine why the Navy is not planning to use the 812R and 812L transactions by 31 July 2008.

8. **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 Air Force and Army transactions. The AF scenario was described as a prerequisition inquiry from the ILCO to obtain the correct source of supply (SOS) from DAASC. Kay Daly, Air Force, indicated that the AF does not put on the fund code, because they do not know the Source of Supply (SOS), but rather, they send the transaction to DAASC with the DAASC Routing Identifier Code for DAASC to assist in determining the SOS. This transaction is never forwarded outside of DAASC as a requisition. If DAASC is able to provide the SOS, Air Force then enters the proper fund code, and submits the requisition back to DAASC. Air Force has provided a draft PDC to authorize this exception to the fund code edit. The Army scenario involves requisitions used by FMS customers to purchase major end items. Army (Ronnie Daniels, Sarah Cook and Kathy Heikel) indicated that a change to their Centralized Integrated System for International Logistics (CISIL) program is being implemented to allow Army to comply with ADC 20. An implementation date is pending. Army still needs to provide their input on any required exceptions to ADC 20 along with the implementation date for the change to CISIL. After an answer is received from Army, DLMSO can proceed with the PDC. Navy has no issues with complying with ADC 20. **ACTION:** Ronnie Daniels, Army, will provide status on the implementation date for the CISIL program change, along with input on any exception to the fund code edits needed by Army by 15 June 2008. Once all inputs are received, Bob Hammond will coordinate the required PDC. Ms. Hilert, Supply PRC Chair, authorized DAAS implementation for ADC 20 for FMS with the DAAS exceptions for the Air Force pre-requisition query and the Army situation, while awaiting

implementation of the CISIL change and formal approval of the Air Force requirement.

9. **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 DSS confirms based on partial shipments, and DLA EBS bills based on these confirmations, (AR<u>O</u>) 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 is causing manual work, and is increasing the bill processing charge from DFAS to the Services. Air Force indicates that this is a problem for them, while Army indicates that it is not a problem for them, and Navy is not aware of any problems, but is awaiting one more data call. Some possible solutions discussed 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 has been included in PDC 287; however, this is a long term solution. Zenaida Westbrook, DFAS DE, indicated that she was told that she could not make changes to the Air Force system to accommodate this problem, as it is a legacy system. She indicated that at the present time, there were 276 duplicate lines per month. The group determined that it would be best to correct this problem through a change to EBS. **ACTION:** Mark Johnson, Navy, will identify any problems experienced by the Navy by 30 June 2008. Zenaida Westbrook, DFAS DE, indicated that she will provide statistics on the problems experienced by the Air Force by 30 June 2008. Once all of the information is received, Buz Sawyer, DLA, will take action to submit this as a change request for EBS by 31 July 2008.

10. **Treasury Suspense Account Elimination.**
    a. Treasury is eliminating suspense accounts F3875 and F3885. MILSBILLS uses F3885 to place interfund bills/details in suspense when no due-in or obligation exists. Bob Hammond indicated that the PDC 310 is out for review, with comments due by 29 May 2008. **ACTION:** All are to provide any input by 29 May 2008.

11. **PDC 284 Product Quality Deficiency Report (PQDR/Supply Discrepancy Report (SDR/Transportation Discrepancy Report TDR) Credit Tracking**
    a. This change to MILSBILLS will allow for better tracking of credits for PQDRs, SDRs and TDRs by establishing new Type of Bill Codes for each. There is currently no way to easily capture PQDR/SDR/TDR credits from a financial aspect. There are general codes that exist to capture PQDR/SDR/TDR credits, but they need to be more specific. Capturing these

codes on the detail billing record will allow instantaneous identification of a PQDR/SDR/TDR credit issue. PDC 284 was approved, and a Request for Implementation Date (RFID) was issued. Thus far, DLA has responded with an implementation date of 10/01/2009, and Navy has responded with an implementation date of 02/01/2010. Bob Hammond and Ellen Hilert, DLMSO, asked if it would be possible to implement this change using staggered implementation, where DAASC would translate between trading partners who have and who have not implemented the new Type of Bill Codes, rather than waiting until the last implementation date for simultaneous implementation. The group indicated that a staggered implementation date for credit tracking would be beneficial. Buz Sawyer and Susan Eldrige, DLA, indicated that an SCR would need to be established for EBS. DAASC needs to investigate whether staggered implementation can be accommodated. **ACTION:** Components who have not responded to the Request for Implementation Date are to respond by 30 June 2008. Pam Meredith, DAASC, will determine by 30 June 2008 if DAASC can accommodate translation for staggered implementation of Type of Bill Codes. If this is feasible, Bob Hammond, DLMSO, will release by 22 July 2008 the Approved DLMS Change for PDC 284, incorporating a staggered implementation. Buz Sawyer and Susan Eldrige, DLA, will establish the SCR for this change to EBS.

12. Standard Financial Information Structure (SFIS) Briefing

Mike Shannon, BTA, presented a briefing on the Standard Financial Information Structure (SFIS). Buz Sawyer, DLA, asked if requirements are being finalized to ensure that the requirements for unit of measure are included in the list of values. Mr. Shannon indicated that there are workshops being conducted to address the value issues, such as unit of measure, and that users should attend these workshops to ensure that all of their requirements are included. He indicated that they are working to the DoD standards. Buz Sawyer asked if they are developing SFIS test scripts to ensure that ERP system configuration is programmed correctly. Mike Shannon indicated that this is not happening anymore, because BTA felt the test scripts needed to be developed for each specific system.

13. Jump Start Briefing

    a. Dale Yeakel, DLMSO, presented a briefing on the DLMS Jump Start program, where BTA provides seed funding for legacy systems to convert to DLMS. Buz Sawyer, DLA, asked if there is an estimated timeframe when MILS will go away. Dale Yeakel estimated a that MILS may be in use until 2016.

14. 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 an 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. **ACTION:** 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 by 31 July 2008. This will also need to be reviewed by Reggie Norwood, GSA, who was not available for this meeting.

Enclosure