

DEFENSE LOGISTICS AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22304-6100



IN REPLY
REFER TO

DLMSO (DLA-LMC)

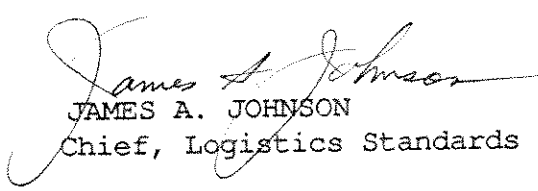
20 AUG 1992

SUBJECT: DoD Joint Physical Inventory Working Group (JPIWG)
Meeting, 28-30 July 1992

To: SEE DISTRIBUTION

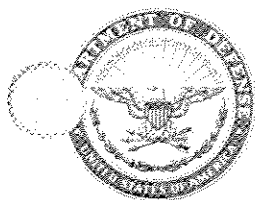
1. The enclosed Memorandum of Meeting is forwarded for your information. The next JPIWG meeting is scheduled for 25-28 August 1992.
2. The DLMSO point of contact is Mr. Frank St. Mark, (703)274-4701, DSN 284-4701.

1 Encl


JAMES A. JOHNSON
Chief, Logistics Standards

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IN REPLY
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19 AUG 1992

DLMSO (DLA-LMC)

MEMORANDUM OF MEETING

SUBJECT: Summary of DoD Joint Physical Inventory Working Group
(JPIWG) Meeting, 28-30 July 1992

I. **PURPOSE:** DoD Instruction 4140.35, Physical Inventory Control of DoD Supply System Materiel requires that the JPIWG meet quarterly; however, due to the involvement of the JPIWG representative in support of Defense Management Review Decision 902 - Consolidation of Defense Supply Depots, the JPIWG has not met as an official group since March 1991. The subject meeting was hosted by the Defense Logistics Management Standards Office (DLMSO), at 6301 Little River Turnpike, Alexandria, VA. The list of attendees and agenda for the meeting are at Enclosures 1 and 2.

II. **BRIEF SUMMARY OF DISCUSSIONS:**

A. **Administrative.** The JPIWG Chairperson opened the meeting with introductions and provided administrative comments.

B. **Agenda Items:**

1. **OVERVIEW OF THE LOGISTICS SYSTEMS DEVELOPMENT
DIRECTORATE (OASD(P&L)LS)**

a. **Discussion:** Mr. Dick Allen of the subject office briefed the role of the directorate and its relationship with the Joint Logistics Systems Center (JLSC) and Defense Distribution Systems Center (DDSC). Mr. Allen indicated that in addition to monitoring the overall Logistics Corporate Information Management process, the Directorate provides functional oversight of the JLSC and DDSC. The Directorate also provides Office of the Secretary of Defense coordination of the JLSC and DDSC activities and ensures that DoD functional policies are fully supported in the JLSC and DDSC design, development, integration, implementation, and maintenance of the logistics process system. Further, the Directorate mission is to ensure standard systems and business processes across the Department. Initially, the Department is focusing on wholesale inventories and

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SUBJECT: Summary of DoD Joint Physical Inventory Working Group
(JPIWG) Meeting, 28-30 July 1992

will move to retail inventories in the near future. With the aid of initiatives such as inventory reduction, total asset visibility, and electronic data interchange, the Department's goal is to have a standard operating system in the 1996-1997 timeframe.

b. Disposition: The subject briefing was used to understand the function of the OASD(P&L)LS Directorate.

2. ENHANCEMENTS TO AMCL 8

a. The DLA representative provided a handout that addressed the shortfalls in AMCL 8 that require resolution prior to incorporation in the Distribution Standard System (DSS). The first issue addressed was the use of DI Code D8/9B, Inventory Adjustment Increase/Decrease (Accounting Error) transactions. Since there are possibly three processes that require a decision to use the DI Code D8/9B transaction (materiel release denials, location reconciliation, and end of the day processing), the group decided to focus on the location reconciliation process.

At the March 1991 meeting, the group discussed the possibility of eliminating the location reconciliation process and replace it with daily end of the day processing. The rationale was that the approved monthly location reconciliation could possibly leave the owner/manager and Defense Distribution Depot (DDD) records out of agreement for up to 29 days. The out-of-balance condition would also exist when a material release order was denied. In deciding to focus on the location reconciliation process, the group decided that: (1) there is a need for the location reconciliation process; (2) the location reconciliation process must include all items, i.e., active and inactive; and (3) the location reconciliation process must be performed annually pending implementation of the single record concept. The rationale for reconsidering the location reconciliation process is that as prescribed by AMCL 8, the location reconciliation process primarily focuses on active records (stock numbers which had any transaction affecting record balance). Further, the proposal to institute end of the day processing would continue to focus on active records. With the emphasis on inventory reduction, total asset visibility, etc., the need for ensuring all records are accurate (active and inactive) is now considered paramount.

b. Disposition: The draft revised AMCL 8 Location Reconciliation paragraph is at Enclosure 3.

SUBJECT: Summary of DoD Joint Physical Inventory Working Group
(JPIWG) Meeting, 28-30 July 1992

3. GENERAL DISCUSSIONS:

a. **Defense Business Operating Fund (DBOF).** Prior to the subject meeting, the Army representative recommended the DBOF be an agenda item. The reason for the recommendation was to determine how or if the DDD should "pay" for physical inventory losses under DBOF. The Chairperson attempted to arrange for a DBOF briefing but was unable due to scheduling conflicts; however, the Chairperson was able to contact a representative of the DoD Comptroller's office and surface the concern. Based on the conversation, the Chairperson agreed to solicit and document the JPIWG DBOF concerns. The concerns are as follows:

(1) Will Service/Agency owners/managers be reimbursed for physical inventory losses?

(2) If the DDD is required to reimburse the owners/managers for physical inventory losses, will the owners/managers reimburse the DDD for physical inventory gains?

(3) What is included in the owner/manager and DDD unit costing as related to physical distribution?

(4) Will the owner/manager be reimbursed for deteriorated and/or damaged materiel if the DDD fails to take appropriate care-of-materiel-in-storage actions?

b. **Inventory Control Effectiveness (ICE) Report.** The ICE Report was an agenda item; however, due to the length of time required to revise the AMCL 8 paragraph, the group only briefly touched on general ICE Report concerns. To prepare for the next meeting, it is requested that representatives be prepared to address the following issues:

(1) How is the inventory in storage valued, latest acquisition cost or standard price?

(2) What entity (owner/manager or DDD/storage activity) is reporting the various ICE Report columnar entries (e.g., lines directed for shipment, denials, etc.)?

(3) Based on depot consolidation, should the Components start using the AMCL 8 ICE Report?

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III. DECISIONS REACHED: Described in paragraph II.

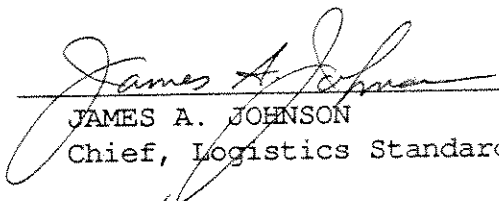
IV. FOLLOWUP ACTIONS REQUIRED: The follow-on meeting is scheduled for 25-28 August 1992. The meeting will convene at 0830, 25 August at Cameron Station, Alexandria, VA, building T41 (Defense Distribution Systems Center Conference Room) and adjourn at 1600, 28 August. The remainder of the Enclosure 1 agenda will be discussed.

3 Encl


Prepared By:


for Frank St. Mark
Chairperson, DoD JPIWG

Reviewed By:


JAMES A. JOHNSON
Chief, Logistics Standards

Approved By:


HORACE E. PERDIEU
Director, Defense Logistics
Management Standards Office

DOD JOINT PHYSICAL INVENTORY WORKING GROUP

(JPIWG) MEETING

28 - 30 JULY 1992

<u>DATE/TIME</u>	<u>TOPIC</u>
Tuesday, 28 July 1992	
0830-0900	Administrative Comments
0900-1000	Overview of the Logistics Systems Directorate (OASD(P&L)LS) Mr. Dick Allen
1000-1100	Overview of the Defense Distribution Systems Center (DDSC) Mr. Bruce Burbage
1100-1200	Enhancements to AMCL 8
1300-1400	Distribution Standard System (DSS) - AMCL 8 Implementation and Milestones
1400-1600	AMCL 8 Deficiency - End of Day Processing
Wednesday, 29 July 1992	
0800-1200	AMCL 8 Deficiency - Levels Of Research Letters Of Investigation - DD Form 200
1300-1600	AMCL 8 Deficiency - Materiel Release Denials
Thursday, 30 July 1992	
0800-1000	Physical Inventory Control Program Plan Revision
1000-1200	Inventory Control Effectiveness Reporting
1300-1400	Quality Control Program
1400-1600	Open Agenda - Wrap Up

- (g) Lot number or serial number (for ammunition only).
- (h) Completeness and accuracy of magazine data card (for ammunition only).

i. To ensure accuracy of property accountability records, special inventories should be performed when assets are found in an erroneous or unrecorded location or when there are mismatches in the unit of issue that may result in a quantity variance.

2. Location Reconciliation

a. Location reconciliation requires a match between storage activity records and owner/manager records in order to identify and to correct situations when there is: (1) an owner/manager record with no corresponding storage activity record, (2) a storage activity record with no corresponding owner/manager record, (3) common elements of data that do not match, and (4) quantity discrepancies. Mismatches will be researched and special inventories conducted when required to effect corrective action.

b. Location reconciliation will be accomplished by DoD Components in accordance with the following guidance:

(1) Owners/managers and storage activities will reconcile all active records (i.e., stock numbers which had any transactions affecting record balance) monthly. The monthly reconciliation will be accomplished at the close of business on the first Tuesday of the month and will include infloat document control and 7 calendar days transaction history. DI Code DZK, Transaction History Transmittals, will be used by the storage activity to submit the history data. 5/ The DI Code DZK transactions will be prepared in the appendix C61 format and will cite Type of Physical Inventory/Transaction History Code W in record position 7 to identify automatic history submission.

(2) Storage activities will prepare location reconciliation request transactions by supply condition code, and by type of pack and date packed/expiration date for subsistence, for each stock number

5/ When DoD Component procedures require automatic depot submission of 15 calendar days transaction history along with the DI Code DZH, Location Reconciliation Request transaction(s), the DI Code DZK, Transaction History Transmittal, will be used to submit the history data.

experiencing transactions affecting the balance since the previous reconciliation, regardless of the balance (including zero balances). Location reconciliation requests will be identified by DI Code DZH, prepared in the appendix C59 format, and transmitted to the owner/manager. Storage activities preparing DI Code DZH requests will assure that consecutive transaction numbers by RI code are assigned to location reconciliation requests for control purposes.

(3) All owner/manager and storage activity records (active and inactive records, including zero balances) will be reconciled not less than once each fiscal year. Location reconciliation requests will be prepared on the **second** Tuesday of the month indicated in the following schedule and transmitted **prior** to the 15th day of the scheduled month.

<u>Service or Agency</u>	<u>Preparation Date</u>	<u>Transmission Date</u>
Army	2nd Tuesday - Jan	15 Jan
Navy	2nd Tuesday - Mar	15 Mar
Marine Corps	2nd Tuesday - May	15 May
Air Force	2nd Tuesday - Jul	15 Jul
Defense Logistics Agency	2nd Tuesday - Sep	15 Sep

(4) Storage activities and owner/managers will establish the following provisions for controlling location reconciliations:

(a) Storage activities will advise intended recipients (owners/managers) of the number of transactions being forwarded, the transmission date, and the medium (AUTODIN, mail, etc.) using DI Code DZL Location Reconciliation Notification transaction (appendix C62).

~~(b) Owners/managers will initiate a DI Code DZM Followup for Location Reconciliation transaction, prepared in the appendix C63 format, when a location reconciliation notification is not received and the owner/manager record indicates a balance greater than zero.~~

~~(c) The storage activity will initiate a DI Code DZP Followup for Location Reconciliation Acknowledgment transaction, prepared in the appendix C65 format, when a DI Code DZP Location Reconciliation Acknowledgment transaction is not received within 7 calendar days for DI~~

~~Code DZH transactions forwarded via AUTODIN, and within 10 calendar days for transactions forwarded via mail.~~

~~(d) Upon receipt of the DI Code DZL notification, the owner/manager will establish a location reconciliation suspense file to:~~

~~[1] Initiate a DI Code DZM Followup for Location Reconciliation transaction to storage activities when DI Code DZH reconciliation requests are not received or when consecutive transaction number(s) are missing.~~

~~[2] Initiate a DI Code DZN Location Reconciliation Acknowledgment transaction, prepared in the appendix C64 format, when all consecutive transaction numbers forwarded by the storage activity are received.~~

~~(e) The storage activity will establish a location reconciliation suspense file to:~~

~~[1] Initiate followup for location reconciliation acknowledgment transactions when DI Code DZN acknowledgments are not received.~~

~~[2] Monitor for receipt of DI Code DZN acknowledgment from the owner/manager. Retransmit DI Code DZL notification when DI Code DZM followup indicates the notification was not received. Retransmit location reconciliation requests when DI Code DZM followup indicates the DI Code DZH requests were not received or that transaction number(s) were missing.~~

(5) In processing location reconciliation requests, owners/managers will match the requests to the owner/manager records. All initial rejects/mismatches from the location reconciliation match will be resolved. ~~researched to assure consideration of all infloat documents.~~ When quantity mismatches occur that cannot be reconciled by the owner/manager using the 7 days transaction history, the owner/manager may ~~will~~ request 30 calendar days transaction history from the storage activity using a DI Code DZJ, Transaction History Request, citing Type of Physical Inventory/Transaction History Code X in record position 7.

(6) For unresolved quantity ~~When record mismatches are discovered during the location reconciliation process,~~ the owner/manager will process DI Code D8/9B, Inventory Adjustment - Increase/Decrease

(Accounting Error) ~~inventory adjustments 6/~~ to the owner/manager record. ~~and request a physical inventory. A physical inventory is not required~~ under the following conditions, except when the mismatch involves classified or sensitive items, or pilferable items when the extended value of the mismatch is greater than \$100.

(a) The owner/manager record may be adjusted without special inventory when the extended value of the variance is \$5,000 or less and 10 percent or less of the beginning value of the variant owner/manager record for type I, type II, and type IV errors (see paragraphs F.2.b(10) (a), F.2.b(10) (b), and F.2.b(10) (d).

~~(b) If the total dollar value automatically adjusted (i.e., not subject to physical inventory) is greater than the inverse of the percent of the dollar value of reconciliation variances required under subparagraph B.7.c(2), the Component must adjust the above criteria so that the paragraph B.7.c(2) requirement is met. SEE ATTACHED~~

(7) Owners/managers will immediately initiate requests for special inventories required as a result of location reconciliation mismatches (Type of Physical Inventory/Transaction History Code J).

(8) When reconciliations result in quantity mismatches that exceed the Service/Agency capability to complete the required inventory and research prior to the next reconciliation, the Service/Agency may establish criteria to prioritize the workload so that inventory and research of the most significant quantity mismatches is accomplished within the reconciliation period. Reconciliation inventory/research workload which cannot be accomplished within the period will be carried over to the next reconciliation period and reprioritized with that reconciliation period's inventory/research workload. Reconciliation mismatches are counted as errors the first time they occur; however, if the inventory/research workload is carried over to succeeding periods, the quantity mismatches will not be counted again.

(9) When a discrepancy is identified during the location reconciliation program, transmit the following transactions, as appropriate, to the submitting activity:

6/ Requires resolution to determine whether DI Code D8A/D9A or D8B/D9B adjustments apply.

(a) DI Code DZG Transaction Reject, as prescribed in chapter 9, prepared in the appendix C58 format.

(b) DI Code DZB Storage Item Data Correction, as prescribed in chapter 10, prepared in the appendix C53 format.

~~(c) DI Code DJA, Request for Inventory (special), as prescribed in paragraph C.5. of this chapter, prepared in the appendix C16 format. SEE ATTACHED~~

(10) To measure the accuracy of the results of the location reconciliation program, discrepancies will be classified in one of the four categories listed below (report only one error per location reconciliation request or unmatched accountable record):

(a) Owner/manager record reflects balance for storage activity; no location reconciliation transaction received. (Type I location reconciliation error.)

(b) Location reconciliation transaction received from storage activity; no corresponding owner/manager record. (Type II location reconciliation error.)

(c) Mismatch on any of the following data elements (Type III location reconciliation error):

[1] Unit of issue.

~~[2] Supply condition code.~~

~~[3] Stock number is under the cognizance of another inventory manager.~~

[4] Ownership/Manager Identifier code.

[5] Controlled inventory item code (see DoD 4100.39-M (reference (nn)), Volume 10, Table 61).

[6] Type of pack code (subsistence only).

[7] Shelf-life code.

[8] Date packed/expiration date (subsistence only).

(d) Quantity discrepancy. (Type IV location reconciliation error.)

G. RETENTION OF ACCOUNTABLE DOCUMENTATION

Audit capability is required for a period of time following the processing of documents and data and completion of the research effort. The following retention criteria will apply:

1. Source Documents. Retain original source documents or facsimiles, i.e., microform (microfilm, microfiche), etc., for at least two years. These include only accountability change documents such as receipts, issues, shipments, transfers, supply condition code changes, and inventory and financial adjustments. Retain source documents providing evidence of shipment to Foreign Military Sales recipients for two years from date of materiel shipment.

2. Transaction Histories. Retain registers, records, files, tapes, and data for at least two years in a format useful for audit trail purposes. Automated inventory control systems will be designed to facilitate the printout of transaction histories which indicate the date the last physical inventory was conducted for each item.

3. Adjustment Research. Retain backup documentation that directly pertains to individual cases of physical inventory adjustment research efforts for at least two years.

4. Annual Statistical Sample. Retain the annual statistical sample inventory line item detail data for at least two years.

AMCL 8 LOCATION RECONCILIATION

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- (c) Request physical inventory (DI Code DJA).
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(6) A physical inventory is not required under the following conditions, except when the mismatch involves classified or sensitive items, or pilferable items when the extended dollar value of the variance is greater than \$100.

- (a) See AMCL 8.

- (g) Lot number or serial number (for ammunition only).
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a. Location reconciliation requires a match between storage activity records and owner/manager records in order to identify and to correct situations when there is: (1) an owner/manager record with no corresponding storage activity record, (2) a storage activity record with no corresponding owner/manager record, (3) common elements of data that do not match, and (4) quantity discrepancies. Mismatches will be researched and special inventories conducted when required to effect corrective action.

b. Location reconciliation will be accomplished by DoD Components in accordance with the following guidance:

(1) Owners/managers and storage activities will reconcile all active records (i.e., stock numbers which had any transactions affecting record balance) monthly. The monthly reconciliation will be accomplished at the close of business on the first Tuesday of the month and will include infloat document control and 7 calendar days transaction history. DI Code DZK, Transaction History Transmittals, will be used by the storage activity to submit the history data. 5/ The DI Code DZK transactions will be prepared in the appendix C61 format and will cite Type of Physical Inventory/Transaction History Code W in record position 7 to identify automatic history submission.

(2) Storage activities will prepare location reconciliation request transactions by supply condition code, and by type of pack and date packed/expiration date for subsistence, for each stock number

5/ When DoD Component procedures require automatic depot submission of 15 calendar days transaction history along with the DI Code DZH, Location Reconciliation Request transaction(s), the DI Code DZK, Transaction History Transmittal, will be used to submit the history data.

experiencing transactions affecting the balance since the previous reconciliation, regardless of the balance (including zero balances). Location reconciliation requests will be identified by DI Code DZH, prepared in the appendix C59 format, and transmitted to the owner/manager. Storage activities preparing DI Code DZH requests will assure that consecutive transaction numbers by RI code are assigned to location reconciliation requests for control purposes.

(3) All owner/manager and storage activity records (active and inactive records, including zero balances) will be reconciled not less than once each fiscal year. Location reconciliation requests will be prepared on the **second** Tuesday of the month indicated in the following schedule and transmitted **prior** to the 15th day of the scheduled month.

<u>Service or Agency</u>	<u>Preparation Date</u>	<u>Transmission Date</u>
Army	2nd Tuesday - Jan	15 Jan
Navy	2nd Tuesday - Mar	15 Mar
Marine Corps	2nd Tuesday - May	15 May
Air Force	2nd Tuesday - Jul	15 Jul
Defense Logistics Agency	2nd Tuesday - Sep	15 Sep

(4) Storage activities and owner/managers will establish the following provisions for controlling location reconciliations:

(a) Storage activities will advise intended recipients (owners/managers) of the number of transactions being forwarded, the transmission date, and the medium (AUTODIN, mail, etc.) using DI Code DZL Location Reconciliation Notification transaction (appendix C62).

~~(b) Owners/managers will initiate a DI Code DZM Followup for Location Reconciliation transaction, prepared in the appendix C63 format, when a location reconciliation notification is not received and the owner/manager record indicates a balance greater than zero.~~

~~(c) The storage activity will initiate a DI Code DZP Followup for Location Reconciliation Acknowledgment transaction, prepared in the appendix C65 format, when a DI Code DZP Location Reconciliation Acknowledgment transaction is not received within 7 calendar days for DI~~

~~Code DZH transactions forwarded via AUTODIN, and within 10 calendar days for transactions forwarded via mail.~~

~~(d) Upon receipt of the DI Code DZL notification, the owner/manager will establish a location reconciliation suspense file to:~~

~~[1] Initiate a DI Code DZM Followup for Location Reconciliation transaction to storage activities when DI Code DZH reconciliation requests are not received or when consecutive transaction number(s) are missing.~~

~~[2] Initiate a DI Code DZN Location Reconciliation Acknowledgment transaction, prepared in the appendix C64 format, when all consecutive transaction numbers forwarded by the storage activity are received.~~

~~(e) The storage activity will establish a location reconciliation suspense file to:~~

~~[1] Initiate followup for location reconciliation acknowledgment transactions when DI Code DZN acknowledgments are not received.~~

~~[2] Monitor for receipt of DI Code DZN acknowledgment from the owner/manager. Retransmit DI Code DZL notification when DI Code DZM followup indicates the notification was not received. Retransmit location reconciliation requests when DI Code DZM followup indicates the DI Code DZH requests were not received or that transaction number(s) were missing.~~

(5) In processing location reconciliation requests, owners/managers will match the requests to the owner/manager records. All initial rejects/mismatches from the location reconciliation match will be resolved. ~~researched to assure consideration of all infloat documents.~~ When quantity mismatches occur that cannot be reconciled by the owner/manager using the 7 days transaction history, the owner/manager may ~~will~~ request 30 calendar days transaction history from the storage activity using a DI Code DZJ, Transaction History Request, citing Type of Physical Inventory/Transaction History Code X in record position 7.

(6) For unresolved quantity ~~When record mismatches are discovered during the location reconciliation process,~~ the owner/manager will process DI Code D8/9B, Inventory Adjustment - Increase/Decrease

(Accounting Error) ~~inventory adjustments 6/~~ to the owner/manager record. ~~and request a physical inventory. A physical inventory is not required~~ under the following conditions, except when the mismatch involves classified or sensitive items, or pilferable items when the extended value of the mismatch is greater than \$100.

(a) The owner/manager record may be adjusted without special inventory when the extended value of the variance is \$5,000 or less and 10 percent or less of the beginning value of the variant owner/manager record for type I, type II, and type IV errors (see paragraphs F.2.b(10) (a), F.2.b(10) (b), and F.2.b(10) (d).

~~(b) If the total dollar value automatically adjusted (i.e., not subject to physical inventory) is greater than the inverse of the percent of the dollar value of reconciliation variances required under subparagraph B.7.c(2), the Component must adjust the above criteria so that the paragraph B.7.c(2) requirement is met. SEE ATTACHED~~

(7) Owners/managers will immediately initiate requests for special inventories required as a result of location reconciliation mismatches (Type of Physical Inventory/Transaction History Code J).

(8) When reconciliations result in quantity mismatches that exceed the Service/Agency capability to complete the required inventory and research prior to the next reconciliation, the Service/Agency may establish criteria to prioritize the workload so that inventory and research of the most significant quantity mismatches is accomplished within the reconciliation period. Reconciliation inventory/research workload which cannot be accomplished within the period will be carried over to the next reconciliation period and reprioritized with that reconciliation period's inventory/research workload. Reconciliation mismatches are counted as errors the first time they occur; however, if the inventory/research workload is carried over to succeeding periods, the quantity mismatches will not be counted again.

(9) When a discrepancy is identified during the location reconciliation program, transmit the following transactions, as appropriate, to the submitting activity:

6/ Requires resolution to determine whether DI Code D8A/D9A or D8B/D9B adjustments apply.

(a) DI Code DZG Transaction Reject, as prescribed in chapter 9, prepared in the appendix C58 format.

(b) DI Code DZB Storage Item Data Correction, as prescribed in chapter 10, prepared in the appendix C53 format.

~~(c) DI Code DJA, Request for Inventory (special), as prescribed in paragraph C.5. of this chapter, prepared in the appendix C16 format. SEE ATTACHED~~

(10) To measure the accuracy of the results of the location reconciliation program, discrepancies will be classified in one of the four categories listed below (report only one error per location reconciliation request or unmatched accountable record):

(a) Owner/manager record reflects balance for storage activity; no location reconciliation transaction received. (Type I location reconciliation error.)

(b) Location reconciliation transaction received from storage activity; no corresponding owner/manager record. (Type II location reconciliation error.)

(c) Mismatch on any of the following data elements (Type III location reconciliation error):

[1] Unit of issue.

~~[2] Supply condition code.~~

~~[3] Stock number is under the cognizance of another inventory manager.~~

[4] Ownership/Manager Identifier code.

[5] Controlled inventory item code (see DoD 4100.39-M (reference (nn)), Volume 10, Table 61).

[6] Type of pack code (subsistence only).

[7] Shelf-life code.

[8] Date packed/expiration date (subsistence only).

(d) Quantity discrepancy. (Type IV location reconciliation error.)

G. RETENTION OF ACCOUNTABLE DOCUMENTATION

Audit capability is required for a period of time following the processing of documents and data and completion of the research effort. The following retention criteria will apply:

1. Source Documents. Retain original source documents or facsimiles, i.e., microform (microfilm, microfiche), etc., for at least two years. These include only accountability change documents such as receipts, issues, shipments, transfers, supply condition code changes, and inventory and financial adjustments. Retain source documents providing evidence of shipment to Foreign Military Sales recipients for two years from date of materiel shipment.

2. Transaction Histories. Retain registers, records, files, tapes, and data for at least two years in a format useful for audit trail purposes. Automated inventory control systems will be designed to facilitate the printout of transaction histories which indicate the date the last physical inventory was conducted for each item.

3. Adjustment Research. Retain backup documentation that directly pertains to individual cases of physical inventory adjustment research efforts for at least two years.

4. Annual Statistical Sample. Retain the annual statistical sample inventory line item detail data for at least two years.

AMCL 8 LOCATION RECONCILIATION

(5) In processing location reconciliation request, owner/managers will match the requests to the owner/manager records. When a variance is unresolved, DI Code D8/9B will be processed to the owner/manager records. All Type I, II, and IV mismatches will be resolved as follows:

- (a) Research of owner/manage active/historical records.
- (b) Research of storage activity active/historical record (DI Code DZJ, Transaction History Request, citing Type of Physical Inventory/Transaction History Code X in record position 7).
- (c) Request physical inventory (DI Code DJA).
- (d) If the above actions fail to resolve the (owner/manager) variance, DI Code D8/9B transaction will remain on the owner/manager records.

(6) A physical inventory is not required under the following conditions, except when the mismatch involves classified or sensitive items, or pilferable items when the extended dollar value of the variance is greater than \$100.

- (a) See AMCL 8.