**C13. CHAPTER 13**

**MATERIEL RECEIPT**

C13.1. GENERAL

C13.1.1. Purpose.

C13.1.1.1. Wholesale Level Receipt Processing. This chapter prescribes standard procedures for processing wholesale materiel receipt information between inventory control points (ICP) and storage activities and between losing inventory managers (LIM) and gaining inventory managers (GIM). The procedures require expeditious showing of assets in the property accountability records and related financial accounts. Documentation covering consignment of materiel to storage activities is prescribed in other DoD and DoD Component regulations. These documents are used, together with information developed by inspection and classification procedures, as source data for documenting transactions in terms of this manual. The distribution of disbursement, procurement, and transportation documentation by storage activities is also governed by existing regulations and is, therefore, not a consideration here.

C13.1.1.2. Image of Receipt Transactions for Wholesale Assets. As required by DoDM 4140.01, Volume 5, Delivery of Materiel, DoD Component must transmit the image of receipt for materiel received from wholesale where the Component does not need to report the receipt of assets to an external automated information system (AIS) via DAAS. This requirement applies to lateral redistribution and depot level reparable orders directed by the ICP or integrated materiel manager as well as organic or commercial items shipped directly from maintenance.

C13.1.2. There are additional processing procedures over and above those contained in this chapter that must be applied for items identified as serially managed materiel requiring owner visibility at DLA Distribution Centers. The identity of the materiel and the additive procedures are in Chapter 30.

C13.1.3. Transactions. This chapter addresses the procedures applicable to the following Accredited Standards Committee (ASC) X12 transaction functions identified by their beginning segment transaction type code. Other DLMS formats, such as XML, are also available. See the Defense Enterprise Data Standards Office (DEDSO) Website for available formats on the DLMS IC page. The corresponding MILSTRAP legacy 80 record position transaction is identified for information purposes in a mixed DLSS/DLMS environment.

C13.1.3.1. Receipt Transaction is identified by the DLMS 527R ASC X12 beginning segment (1/BR02/020) Transaction Type Code D4 – Receipt. This transaction provides MILSTRAP legacy DIC D4\_ (Procurement Instrument Source)/D6\_ (Other Than Procurement Instrument Source) functionality.

C13.1.3.2. Receipt Inquiry Transaction is identified by the DLMS 527R ASC X12 beginning segment (1/BR02/020) Transaction Type Code IN – Inquiry. This transaction provides MILSTRAP legacy DIC DXA/DXB functionality.

C13.1.3.3. Response to Inquiry Transaction is identified by the DLMS 527R ASC X12 beginning segment (1/BR02/020) Transaction Type Code DG – Response. This transaction provides MILSTRAP legacy DIC DXC/DXD functionality.

C13.1.4. Materiel Receipt/Return Code Definitions. For materiel receipt/return code definitions, see DLMS 527R, Receipt, Inquiry, and Response, or the Defense Enterprise Data Standards Office Website.

C13.1.5. Use of DLMS 527R for Receipt. DLMS 527R will be used by receiving activities to report both receipts and historical receipt information to owners and other management control activities.

C13.1.6. Capital Equipment Candidate Receipts. In support of Financial Improvement and Audit Readiness (FIAR) compliance for accountability and management of capital equipment, capital equipment candidates require serialization data visibility. Submitters must prepare receipts for capital equipment candidate items to include the serial numbers (and UIIs if available). The DSS storage activity will send the receipt transaction to the owner and include the serialized data for the owner records. The owner will update the IUID registry using existing IUID registry procedures.

C13.1.7 Acquisition and Valuation History transaction is identified by the DLMS 536R ASC X12, beginning segment (1/BR02/0200) Transaction Type Code TS – Transfer Statement, J-Record. There is no legacy equivalent transaction. A materiel owner may use this functionality when there is a need to report any acquisition and valuation data upon shipment or in response to a request/inquiry.

C13.1.8 Acquisition and Valuation transaction is identified by the DLMS 536R ASC X12, beginning segment (1/BR02/0200) Transaction Type Code TS – Transfer Statement, CO-Correction. There is no legacy equivalent transaction. A materiel owner may use this functionality when there is a need to make a correction to previously submitted data.

C13.1.9 Acquisition and Valuation transaction is identified by the DLMS 536R ASC X12, beginning segment (1/BR02/0200) Transaction Type Code TS – Transfer Statement, 7-Request. There is no legacy equivalent transaction. A materiel owner may use this functionality to request acquisition and valuation information from the last organization who own the materiel.

C13.2. MATERIEL RECEIPT PROCESSING

C13.2.1. Receiving Activity Actions. Receiving activities will report receipts of materiel using a Materiel Receipt transaction and:

C13.2.1.1. Post receipts to the total item property record by changing or adding to data in the pre-positioned materiel receipt (PMR) file established under Chapter 12, Due-In And Pre-Positioned Materiel Receipt procedures, or by extracting data from the consignment documentation. For capital equipment candidates, receiving activities will maintain the serial numbers (and UIIs if available) on their records.

C13.2.1.2. For discrepant shipments, follow the guidelines provided in C13.2.8.

***C13.2.1.3. When the pre-positioned release order process is invoked during the receipt process, the storage activity will issue the materiel in accordance with any pending release order. See Chapter 12 for a complete description of the process.***

C13.2.2. Reversal of Incorrect Receipt Transactions. Receiving activities may use the Receipt Transaction to reverse incorrect Receipt Transactions. Include the reason for reversal code as applicable. Refer to Chapter 17 Supply Discrepancy Reporting (SDR) procedures for use of the SDR reply to request receipt reversal by the receiving activity when the wrong owner does not have systemic support to reject a receipt reported to the wrong owner.[[1]](#footnote-1)

C13.2.3. Rejection of Receipt Reported to Wrong Owner. If a receipt is erroneously reported to the wrong owner (e.g., due to missing or unmatched PMR), the recipient of the receipt transaction should reject the receipt back to the initiator using DLMS 824R Reject Advice with Reject Advice Code AB (Rejected. Submitted to incorrect manager). If known, include the correct manager to facilitate reprocessing of the receipt. Do not reject receipts reported to the owner designated by PMR or to the pre-designated Service owner for unauthorized return of consumable items.[[2]](#footnote-2)

C13.2.4. Central Procurement Receipts. Receipts from procurement can originate from central procurement or local procurement actions. Authorized procurement delivery documents should accompany each shipment as prescribed in the Federal Acquisition Regulation (FAR).

C13.2.5. Materiel Receipt Inspection Procedures. When shipments of materiel received from procurement instrument sources require inspection and/or acceptance at destination, receiving storage activities must do the inspection and/or acceptance and the in check operations as concurrent actions. Receiving activities will:

C13.2.5.1. Inspect shelf-life materiel for appropriate condition and type of shelf-life code in accordance with applicable DoD Component procedures based on DoDM 4140.27, “DoD Shelf-Life Management Program”, July 6, 2016.

C13.2.5.1.1. Mark materiel, as appropriate, for shelf-life code and supply condition code (SCC) upon receipt.

C13.2.5.1.2. Package markings must be in accordance with MIL-STD-129.

C13.2.5.2. Based on inspection, prepare a Materiel Receipt Transaction indicating the date inspected and the actual condition(s), by quantity, of the materiel received. Wholesale owners will make this date available to the office responsible for contractor payment for use in determining if an interest penalty applies.

C13.2.5.3. Shelf-life items in the category, Type I Non-Extendible items.

C13.2.5.3.1. Expired materiel identified as Type I, or whose expiration cannot be identified at time of receipt will result in automatic disposal, regardless of ownership, condition code, or unit price. The automatic disposal process only applies to Demilitarization (DEMIL) Code A materiel. The term automatic disposal refers to actions taken by the storage activity to identify and initiate disposal of qualifying materiel. Once the materiel is re-classified to Supply Condition Code H, existing procedures for the handling and the disposal of controlled items will take place.

C13.2.5.3.2. Exceptions to the Automatic Disposal Process:

C13.2.5.3.1.1. Other than DEMIL Code A materiel.

C13.2.5.3.1.2. New procurement materiel.

C13.2.5.3.1.3. Federal Supply Class 6505 – Medical Pharmaceuticals, is covered by the DoD Food and Drug Administration Shelf-Life Extension Program. This is the only FSC where the shelf life can be extended. Upon expiration of the materiel, manually execute a dual inventory adjustment from the existing supply condition code to Condition Code J and submit a storage quality control report (SQCR) to the materiel owner.

C13.2.5.3.1.4. Materiel identified as product quality deficiency report (PQDR) exhibits. This is materiel that has been receipted into Q Condition and identified with a PQDR Report Control Number (RCN).

C13.2.6. Army Medical Materiel Agreement Receipts. DLA, in coordination with Defense Medical Logistics Standard Support (DMLSS) and Theater Enterprise-Wide Logistics System (TEWLS), has implemented the Army Medical Materiel Agreement (AMMA). Under the AMMA program, DLA funds are used by the Army to purchase via DMLSS/TEWLS. The DLA Enterprise Business System (EBS) receives a Receipt Transaction from DMLSS/TEWLS to receipt purchased items into stock for inventory accountability. DLA owns the materiel until items are issued at the retail level and inventory is decremented in DLA's EBS.

C13.2.6.1. Purchase card receipts from AMMA sites must contain a purchase card account number and purchase card call number in order to uniquely identify transactions. A vendor reference number should also be included which is the Customer Automation and Reporting Environment invoice number. This value will help with issue resolution and reconciliation.

C13.2.7. Time Standards for Processing Receipts

C13.2.7.1. Purpose. The Department of Defense measures wholesale receipt processing performance in terms of the goal to process receipts and show them with minimal delay on both the accountable and owner records. Wholesale receipt processing performance is measured in two overlapping segments:

C13.2.7.1.1. The first segment is the time period between the date materiel is turned over by the carrier to the designated receiving activity and the date of posting the receipt to the total item property records (both accountable and owner records).

C13.2.7.1.2. The second segment is the time period between the date materiel is turned over by the carrier to the designated receiving activity and the date stored. Materiel is considered to be stored when it reaches the first location (either temporary or permanent) where actual storage control exists through locator data and the materiel can be issued without delay in response to materiel release documentation.

C13.2.7.2. Processing Standards. Performance standards for processing receipts through these time segments are as follows:

C13.2.7.2.1. Segment One. Materiel receipt must be posted to the accountable and the owner record no later than 5 business days from date materiel is received.

C13.2.7.2.2. Segment Two:

C13.2.7.2.2.1. Receipt from new procurement will be receipted and stored within 7 calendar days from the date materiel is turned over by the carrier.

C13.2.7.2.2.2 All other receipts, to include receipts from redistribution, will be receipted and stored within 10 calendar days from the date materiel is turned over by the carrier.

C13.2.7.3. Making asset records visible from the point of inspection and acceptance must be accomplished within 24 hours of recording receipts (holidays and weekends excepted). (This applies to receipts from a procurement source when required inspection and acceptance are not performed at origin.) The accounting and finance office will be notified of the item receipt within the 24-hour period.

C13.2.7.4. Wholesale Receipt Effectiveness. Report wholesale receipt processing effectiveness as prescribed by Chapter 6, C6.11.1.2.1. The acceptable DoD performance goals for receipt processing are: 90 percent posted within the time standard, 90 percent stored within the time standard. When computing the overall performance against the time standard, include Receipt Transactions frustrated for a long period of time prior to posting, storing, or reporting

C13.2.8. Control of Receipt Requirements. Receiving storage activities will comply with the following requirements:

C13.2.8.1. Establish Procedures. Establish receipt control procedures for posting information relating to the status of materiel in the storing cycle. The cycle begins when the carrier offers materiel to the receiving activity for custody and control. Receiving activities will record the carrier's date offered when different than the date the carrier released the materiel. The DoD Components should use the carrier's date offered to measure carrier performance.

C13.2.8.2. Actions after Materiel Receipt. Do the following actions after the materiel has been physically received but prior to or concurrent with movement to storage:

C13.2.8.2.1. Establish a transaction suspense record to record the materiel as an in-process receipt.

C13.2.8.2.2. Prepare and send a Receipt Transaction to the owner within 24-hours (holidays and weekends excepted) from the point of inspection and/or acceptance.

C13.2.8.3. Using In-Process Receipts to Satisfy Requirement. When the on-hand balance of the stock record (physically stored) is not enough to fill materiel release orders, use in-process receipts to fully or partially satisfy the requirement. When in-process receipts are recorded, fill priority 01-08 requirements from these receipts. Defer filling of priority 09-15 requirements from in-process receipts until proof of storage is recorded.

C13.2.8.4. Expediting Materiel Storage. Periodically refer to the in-process receipt suspense file to hasten storage of materiel delayed beyond authorized receipt processing timeframes and to hasten storing of materiel for issues deferred pending storage.

C13.2.8.5. Clearing Suspense Record. After receiving proof of storage, clear the suspense record, update the storage locator record, and release any deferred issues.

C13.2.8.6 Updating Storage Activity Record. As an additional aid in control of receipts, ensure that appropriate storage activity records (e.g., stock locator) show the date of the last receipt of an item and the storage information (i.e., date of storage or some other code indicating that storage has been reported).

C13.2.9. Discrepant/Deficient Receipts

C13.2.9.1. Discrepant/Deficient Reports. In addition to processing and reporting materiel receipts, receiving storage activities will submit reports for all discrepant/deficient receipts in accordance with the procedures and forms prescribed by the following:

C13.2.9.1.1. Chapter 17 of this manual, Supply Discrepancy Reporting procedures.

C13.2.9.1.2. DTR 4500.9-R, “Defense Transportation Regulation,” Part II, Cargo Movement.

C13.2.9.1.3. Joint Regulation DLAR 4155.24/AR 702-7/SECNAVINST 4855.5/AFR 74-6, "Reporting of Product Quality Deficiencies Report Program.”

C13.2.9.1.4. Joint Regulation DLAR 4155.3/AR 30-12/NAVSUPINST 4355.2/AFR 74-5/MCO 10110.21, "Inspection of Subsistence Supplies and Services."

C13.2.9.1.5. Other DoD and joint or intra-DoD Component regulations governing discrepancies/deficiencies not covered by the above.

C13.2.9.2. Exceptions. Neither the dollar value nor the timeframes for submitting discrepancy/deficiency reports apply for reporting the materiel receipt to the owner. The receipt reporting timeframes are prescribed by C13.2.7.The procedures for reporting receipt of discrepant/deficient shipments to the owner are prescribed by C13.2.9.3.

C13.2.9.3. Processing Discrepant/Deficient Receipts

C13.2.9.3.1. Discrepancy Determination. Upon receipt of all incoming materiel shipments, from procurement instrument and non-procurement instrument sources, receiving activities will research all available documentation and item markings (i.e., transaction or contract number, national stock number (NSN), or other, item identification number, PMR file, quantity, condition, inspection/acceptance requirements, etc.) to determine the receipt data. Using this data, receiving activities will determine if a discrepancy/deficiency (hereafter referred to as discrepancy or discrepant) exists and will identify its nature. For capital equipment candidate items, missing serial number(s) and mismatches on serial number (and UII) will be considered discrepancies.[[3]](#footnote-3) DLA Distribution will perform a kind, count, and condition (KCC) inspection during receipt to determine materiel condition and completeness and identify any discrepancies that may exist. KCC inspection is applicable to materiel received for storage at the DLA Distribution Center. “Kind” includes an inspection of the bare item verifying the part number against the assigned NSN, or a verification that the documentation corresponds with the identification label in accordance with MIL-STD-129 marking requirements.[[4]](#footnote-4)

C13.2.9.3.1.1. DLA Distribution Centers do not perform bare item part number verification for new procurement except when the materiel is identified as nuclear weapons related materiel (NWRM) or controlled (classified, sensitive, pilferable, and radioactive) or if directed by a systemic alert notification to verify a bare item part number.

C13.2.9.3.1.2. For all other receipts, DLA Distribution Centers will perform bare item part number verification unless specified under MIL STD 130 that no bare item marking exists.

C13.2.9.3.2. Unusual Circumstances. If unusual circumstances prevent normal receipt reporting of discrepant shipments, the receiving activity will communicate with the manager or Contract Administration Office (CAO)/Purchasing Office (PO) to determine how to submit the discrepancy report and report the receipt. When the owner delays receipt reporting, the receiving activity must control the receipt by physically segregating and monitoring the status of the materiel until they report the receipt, or the owner directs other disposition (e.g., reshipment, return to shipper, etc.). This paragraph applies only when circumstances exist that prevents normal receipt reporting. For non-procurement receipts with no PMR, see C13.2.8.2.10.11.

C13.2.9.3.3. Discrepancy Report Determination. Not all discrepant receipts require submission of discrepancy reports. Receiving activities will follow the procedures in C13.2.8.1. to determine whether a discrepancy report must be submitted. Use Receipt Transactions Management Codes R, S, and U to identify discrepant receipts that require submission of a discrepancy report. The purpose of the discrepant receipt management codes is to notify the owner in advance that a receipt was discrepant and that a discrepancy report is being submitted to give additional information relating to the reported item. Never process Receipt Transactions with Management Codes R, S, or U for a discrepant quantity when submission of a discrepancy report is not required. Use Management Codes S and U only for procurement instrument source receipts to identify vendor caused misdirected shipments and contract over shipments. Separate codes apply to these discrepancies, which occur more frequently and are more easily resolved than others, so owners can initiate immediate corrective action before the formal report of discrepancy is received.

C13.2.9.3.4. Receipts Lacking Documentation. When materiel arrives without accompanying documentation, or with inadequate documentation to process the receipt, receiving activities will use one of the following data sources to develop materiel Receipt Transactions:

C13.2.9.3.4.1. PMR files

C13.2.9.3.4.2. Authorized procurement delivery documents and vendor packing lists.

C13.2.9.3.4.3. Advance copies of DD Forms 1348-1A or 1348-2, or DD Form 1149,” Requisition and Invoice/Shipping Document.”

C13.2.9.3.4.4. Transportation and fiscal records.

C13.2.9.3.4.5. Container markings.

C13.2.9.3.4.6. Contract information available via the Electronic Document Access (EDA) Website reference archive.

C13.2.9.3.4.7. Federal Logistics Information System (FLIS) or WebFLIS data.

C13.2.9.3.4.8. The IUID Registry for serially managed assets.

C13.2.9.3.4.9. Advice provided by the owner, the shipper, or the U.S. Customs Inspector's Office upon request of the receiving activity if receipt documentation cannot otherwise be developed.

C13.2.9.3.5. Discrepant Receipt Posting. Normally when receiving activities keep a discrepant receipt in U.S. Government custody, whether or not it is U.S. Government-owned, they will post the receipt to the total item property record, store the materiel, and update the locator record, and hold the materiel pending receipt of disposition from the owner.

C13.2.9.3.6. Receipts from Outside the Normal Distribution System. When storage activities report receipts outside the normal distribution system for the NSN, the owner will record the receipt so assets are issued from that site first. Owners will make disposition of such materiel as quickly as possible. If the materiel is not issuable, the owner will direct repair induction, reclassification, relocation, or disposal using the appropriate DLMS transaction.

C13.2.9.3.7. Discrepant Receipt - Procurement Instrument Source - General

C13.2.9.3.7.1. Protective Measures. Procurement discrepancies imposing a health/safety hazard, classified risk, etc., may require separate and/or secure storage. When these situations exist, receiving activities will take protective measures in accordance with established DoD or DoD Component procedures.

C13.2.9.3.7.2. Receiving Activity Inspection. When acceptance is accomplished at a point other than destination, receiving activities may not re-inspect supplies at destination for acceptance purposes. However, receiving activities will examine such supplies at destination for identity, damage in transit, quantity, condition (including proper packing/packaging and labeling) and, for subsistence materiel, date packed and expiration date. The U.S. Government's right to litigate a discrepant receipt is not affected by the point of acceptance. Consequently, receiving activities will report discrepancies detected during the destination examination in accordance with the regulations cited in C13.2.9.1.

C13.2.9.3.7.3. Shipping Procurement Instrument Source Receipts to DLA Disposition Services. Shipment of procurement instrument source receipts directly to DLA Disposition Services is not authorized unless unusual circumstances (e.g., health or safety hazard, etc.) exist and separate/secure storage facilities are not available. When unusual circumstances require the receiving activity to ship materiel directly to the DLA Disposition Services activity (or take other disposal actions as prescribed by the DoD Components), the receiving activity will first report the receipt using a Receipt Transaction citing SCC L and Management Code R. (Navigate to LOGDRMS and enter “management code”).  
The disposal action will then be reported using a dual Inventory Adjustment Transaction, DLMS 947I citing SCC H and Management Code M or T.

C13.2.9.3.8. Reporting Discrepant Receipts from Procurement Instrument Source. Receiving activities will follow these procedures to report receipt of discrepant shipments from procurement instrument sources. Unless otherwise allowed by these procedures, report discrepant shipments from a procurement instrument source to the owner with a Receipt Transaction, citing SCC L for the discrepant quantity. With the exception of the receipt of incorrect items, use a single transaction to report the receipt showing both non-discrepant and discrepant quantities exclusive; multiple discrepancy conditions may exist for a single Receipt Transaction:

C13.2.9.3.8.1. Condition of Materiel. Report the actual discrepant quantity in SCC L.

C13.2.9.3.8.2. Documentation. Absence of the shipping documentation should not prevent receipt processing and reporting. ***New procurement materiel received without documentation, will be receipted using a local constructed document number to the PICA.*** The discrepancy reporting requirements in C13.2.8.1 still apply.

C13.2.9.3.8.3. Misdirected Shipments (improperly addressed by the procurement instrument source). Contact the owner to ensure compliance with the procurement requirements (i.e., inspection, acceptance, etc.). Report the total quantity in the actual condition received (normally SCC A) with a Receipt Transaction citing Management Code S. Upon receipt of the Receipt Transaction, and prior to posting the receipt as available for issue, owners will initiate immediate action to resolve the discrepancy. If the owner or CAO/PO directs reshipment/return of a reported receipt without issuing materiel release documentation, the receiving activity will submit a reversal of the previously submitted Materiel Receipt Transaction.

C13.2.9.3.8.4. Overage/Duplicate Shipment. Research the PMR file, receipt, and contract documentation to determine the discrepant quantity. Report confirmed duplicate shipments as discrepant with a Receipt Transaction citing SCC L. When overages are valued above the contract variance clause, or above the excess delivery clause (after considering any allowable variance), report the overage above the allowable variance as discrepant with a Receipt Transaction citing SCC L and Management Code U. Owners will initiate immediate action to resolve the discrepancy upon receipt of the Receipt Transaction. Overages within the allowable variance or within the excess delivery clause (after considering any allowable variance) are not discrepant. Report the total quantity in the applicable condition, and do not cite a management code for that quantity.

C13.2.9.3.8.5. Packaging Discrepancy. Report the total discrepant quantity as a SCC L receipt. The owner and/or the CAO/PO will determine whether litigation is required. If litigation is not required the owner will initiate a DLMS 846A, Asset Reclassification Transaction, to request the transfer of the suspended assets to the appropriate condition.

C13.2.9.3.8.6. Shortages/Nonreceipt of Materiel. Research the PMR file, receipt, and contract documentation to determine the discrepant quantity. For shortages, report the total quantity in the condition received. Except for shortages attributed to transportation discrepancies, the receipt is discrepant only if the shortage exceeds the allowable contract variance. When the receipt is discrepant, cite the management code in the Receipt Transaction. Non-receipts are addressed under C13.3.

C13.2.9.3.8.7. Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Report the discrepant quantity citing SCC L, and identify and describe the specific technical data discrepancy in the SDR or DLMS 842A/W, Standard SDR, Follow-up, Correction, Cancellation, & Reconsideration Request. If the owner determines the assets can be issued, the owner will initiate a DLMS 846A to transfer the suspended assets to the appropriate condition.

C13.2.9.3.8.8. Wrong Item. Report any assets in the shipment that are the correct item in the applicable condition and do not cite the discrepant receipt management code for that quantity. Report the total quantity of the incorrect item received in the Receipt Transaction citing SCC L using a separate Receipt Transaction. If the majority of the assets are the incorrect item, the receiving activity may report the total quantity in SCC L based on internal DoD Component procedure.

C13.2.9.3.8.9. Product Quality Deficiency. It is normally preferable to keep custody of the materiel, whether or not it has been accepted. Report the deficient quantity citing SCC Q in the Receipt Transaction. The owner or CAO/PO will determine if litigation or informal action with the procurement instrument source should be initiated. The owner will take action to transfer the assets.

C13.2.9.3.8.10. Transportation Discrepancy. When materiel is accepted by the Transportation Officer, process and report the Receipt Transaction in accordance with procedures cited above for the type of discrepancy that exists (e.g., condition of materiel for damage, etc.).

C13.2.9.3.8.11. Receipts Not Due-In (no PMR file exists). When a PMR is not available, the receiving activity will report the receipt using documentation, packaging, and other information, as available. DLA Distribution Centers will prepare an SDR to report the lack of a PMR to the manager (as the only discrepancy or in combination with other identified discrepancies). The distribution center will identify the SDR as informational or otherwise indicate requested action.

C13.2.9.3.8.11.1. Receipt Processing. Except for receipt of logistically reassigned items, see guidance in this section for processing receipts of misdirected shipments and overages/duplicate shipments, for which a PMR file is not normally available.

C13.2.9.3.8.11.2. Logistically Reassigned Items. For logistically reassigned items, research all available documentation and item markings to determine proper routing of the receipt. If unable to determine the correct routing, contact the integrated materiel manager (IMM) who will direct the appropriate routing of the receipt. If the IMM (e.g., the GIM) does not have a recorded due-in, did not initiate the procurement action and/or has a record of a memorandum due-in, and the item was involved in an LR, the GIM should instruct the storage activity to report the receipt to the LIM.

C13.2.9.3.8.12. Discrepancies in IUID Data. Report discrepancies involving IUID under DoD IUID supply policy, including but not limited to DoD Unique Item Tracking (UIT) programs, or as contractually required. IUID discrepancies may be related to the packaging label, including automated information technology (AIT) readable content; the item marking, including AIT readable marks; supply documentation; the due-in record; and/or a mismatch between the item and any of these. Discrepancies identified during receipt of new procurement materiel must be reported prior to acceptance (if not accepted at origin). Discrepant materiel may be placed in a suspended condition pending resolution. Discrepancies that resulted in incorrect information within the IUID registry must be reported and corrective action taken.

C13.2.9.2.8.13. Capital Equipment Candidate Item Serial Number (and UII if available). Report discrepancies on serial number (and UII if available) using the procedures contained in Chapter 17.

C13.2.9.3.8.14. Other Discrepancies. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to get guidance from the appropriate authority before reporting the receipt or submitting the discrepancy report. See C13.2.8.2. for storage and accountability requirements.

C13.2.9.3.9. Discrepant Receipt – Other than Procurement Instrument Source – General

C13.2.9.3.9.1. Identifying the NSN. When a receipt cannot be identified to an NSN, the receiving activity will attempt to identify the NSN or usage by following the procedures in C13.2.8.2.1., and report the receipt to the owner.

C13.2.9.3.9.1.1. Value Under $100. If the NSN cannot be identified and the estimated value of the item is under $100, receiving activities will not report the receipt to an owner. Ship the materiel directly to DLA Disposition Services using a local document number. Keep an accessible record of the transaction document and its backup in accordance with DoDI 5015.02, DoD Records Management Program.

C13.2.9.3.9.1.2. Value Over $100. If the NSN cannot be identified and the estimated value of the item is $100 or more, the receiving activity will contact the manager of like-items to determine disposition. If GSA is the manager of like items, process in accordance with the procedures for receipts not due-in. If the manager of like-items can identify the NSN, the manager will direct the receiving activity to submit the receipt and SDR to the owner. If the IMM of like-items cannot identify the NSN, the IMM will give disposition instructions to the reporting activity. These instructions will include an item identification number (part number, etc.) for reporting the receipt and submitting the SDR. If the owner directs shipment to DLA Disposition Services, the owner will keep an accessible record of the transaction and its backup in accordance with DoDI 5015.02, DoD Records Management Program.

C13.2.9.3.9.2. Discrepancy Reporting. Unless otherwise allowed by these procedures, receiving activities will report receipts of discrepant shipments from a non-procurement instrument source to the owner. For discrepant quantities, cite the SCC that most accurately describes the condition of the materiel in the Receipt Transaction. Classify and report the materiel using SCC K when the actual condition cannot be determined. Include Management Code R when a discrepancy report is required unless prescribed otherwise in this chapter.

C13.2.9.3.10. Reporting Discrepant Receipts - Other than Procurement Instrument Source. Receiving activities will follow these procedures to report receipt of discrepant shipments from non-procurement instrument source. With the exception of the receipt of wrong items, use a single Receipt Transaction to report the receipt showing both non-discrepant and discrepant quantities in their appropriate SCC. The following discrepancy categories are not mutually exclusive; multiple discrepancy conditions may exist for a single receipt:

C13.2.9.3.10.1. Condition of Materiel

C13.2.9.3.10.1.1. No PMR File Exists. When the PMR is not available, the receiving activity will report the receipt using documentation, packaging, and other information, as available and ***the distribution center will follow the procedures below and submit an informational Supply Discrepancy Report (if this is the only discrepancy) to the owner in addition to a DLMS 527R Receipt transaction with a receipt acknowledgment discrepancy code alerting the owner/manager of the posting without PMR (with or without documentation). When these procedures are used to assign ownership, Components will monitor informational SDRs and receipt postings and validate ownership was accurately assigned for those transactions.*** The distribution center will identify the SDR as informational or otherwise indicate requested action. This includes expired shelf-life materiel identified as Type I, or whose expiration cannot be identified at time of receipt regardless of ownership, supply condition code, or dollar value, except as listed in C13.2.5.3.2. When taking automatic disposal action, cite SCC H and Management Code M or T in the Receipt Transaction, in addition to the discrepant receipt management code, for the discrepant quantity. To establish an audit trail when materiel is condemned upon receipt and shipped directly to DLA Disposition Services, cite the disposal turn-in document number in the Receipt Transaction in addition to the original document number.

C13.2.9.3.10.1.1.***1***. Materiel identified to an obsolete DLA manager (RIC S9C, S9E, S9G, S9I or S9T) in FLIS is subject to automatic disposal at DLA Distribution Centers. Disposal of materiel will be subject to the existing exemption criteria stated in C13.2.9.2.10.1.1.3. When automatic disposal action applies, the receipt will cite SCC H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel). DLA Distribution will suppress transmission of outbound transactions associated with receipt and disposal action with the exception of Shipment Status and SDR transactions. The SDR will be prepared in accordance with SDR procedures for unscheduled receipts (no PMR) in Chapter 17.

***C13.2.9.3.10.1.1.2. The following business rules apply to post a DLMS 527R Receipt lacking a DLMS 527D PMR:***

***C13.2.9.3.10.1.1.2.1. Procurement (D4\_) - If no PMR is present, and paperwork contains a document number or delivery order number in addition to the contract number, receive materiel using the following table and the document number. If only a contract number is known, post to PICA using contract number (D4\_). If no paperwork is available, receipt to the PICA in FLIS using a local constructed document number (D6\_).***

***C13.2.9.3.10.1.1.2.2. Non-Procurement (D6\_) - If no PMR is present, based on the first position of the document number, post as shown on the following table, if no documentation exists, post to the PICA listed in FLIS using a local constructed document number.***

|  |  |  |  |
| --- | --- | --- | --- |
| ***Position 1 of Document (Sequence) Number*** | ***Position 2 of Document (Sequence) Number*** | ***PICA*** | ***Post to*** |
| ***B, C, W*** |  | ***Army*** | ***Army PICA*** |
| ***W*** |  | ***Non-Army*** | ***NAMI-AJ2*** |
| ***B*** |  | ***Non-Army*** | ***AG0*** |
| ***C*** | ***B*** | ***Non-Army*** | ***A12*** |
| ***C*** | ***D*** | ***Non-Army*** | ***B14*** |
| ***C*** | ***G*** | ***Non-Army*** | ***B16*** |
| ***C*** | ***H*** | ***Non-Army*** | ***B17*** |
| ***C*** | ***K*** | ***Non-Army*** | ***AKZ*** |
| ***C*** | ***L*** | ***Non-Army*** | ***B64*** |
| ***C*** | ***M*** | ***Non-Army*** | ***B14*** |
| ***N, R, V, Q, P*** |  | ***Navy*** | ***NRP*** |
|  |  | ***Non-Navy*** | ***NRP*** |
| ***F, E, D*** |  | ***USAF*** | ***USAF PICA*** |
|  |  | ***Non-USAF*** | ***FHZ*** |
| ***M, L*** |  | ***USMC*** | ***MPB*** |
|  |  | ***Non-USMC*** | ***MPB*** |
| ***S*** |  | ***DLA*** | ***SMS*** |
|  |  | ***Non-DLA*** | ***SMS*** |
|  | | | |
| ***Note - For USAF ALC receipts without PMR*** |  | ***Tinker = FHB***  ***Robins = FLB***  ***Hill = FGB*** | |

***C13.2.9.3.10.1.1.2.3. For receipts without PMR use a receipt acknowledgment discrepancy code as follows:***

***C13.2.9.3.10.1.1.2.3.1. Receipt Acknowledgment Discrepancy Code (Y) - No PMR. Receipt processed with documentation. Informational Supply Discrepancy Report (if this is the only discrepancy) required.***

***C13.2.9.3.10.1.1.2.3.2 Receipt Acknowledgment Discrepancy Code (2) - No PMR. Receipt processed without documentation. Informational Supply Discrepancy Report (if this is the only discrepancy) required.***

C13.2.9.3.10.1.1.3. Automatic disposal does not apply to the following:

C13.2.9.3.10.1.1.3.1. Materiel that is identified as requiring DEMIL or containing radioactive, classified, or NWRM properties will not be subject to automatic disposal. This includes:

• DEMIL Codes: B, C, D, E, F, G, or P

• CIIC: A-H, K, L, O, Q, R, S, T, 5, 6, 8, 9

• Radioactive Water Type Cargo Codes: A and 4

C13.2.9.3.10.1.1.3.2. Materiel owned by U.S. Army Aviation and Missile Command (AMCOM) (RIC B17), will not be subject to automatic disposal.

C13.2.9.3.10.1.1.3.3. Unidentified materiel will not be subject to automatic disposal. Follow procedures in paragraph *C13.2.9.3.10.1*.

C13.2.9.3.10.1.1.3.4. FMS materiel will not be subject to automatic disposal. Follow procedures in paragraph *C13.2.9.3.10.1*.

C13.2.9.3.10.1.1.3.5. Materiel owned by USAF will not be subject to automatic disposal except for non-AF managed material located at a DLA Distribution Center not co-located with a USAF depot maintenance site.

C13.2.9.3.10.1.1.4. Upon receipt, or subsequent storage activity determination, that materiel is in SCC H, where the above criteria prohibit automatic disposal, an SDR is prepared clarifying why automatic disposal is not possible and requesting specific disposition instructions. Where applicable the SDR remarks will inform the action activity that the materiel cannot be shipped to the local DLA Disposition Services Field Office and must be sent to an approved DEMIL/destruction center via MILSTRIP DIC A5J generated by the owner/manager.

C13.2.9.3.10.1.2. Discrepancy Reporting. Report discrepant quantities other than those mentioned above citing the applicable SCC in the receipt, or SCC K when the condition cannot be determined.

C13.2.9.3.10.2. Documentation. Absence of the shipping documentation should not preclude receipt processing. ***If materiel arrives without documentation but a TCN (Transportation Control Number) for the shipment is available, use the TCN to receive the materiel based on the table in section C13.2.9.3.10.1.1.2. of this document. If there is no TCN, and the materiel can be matched to a stock number, the materiel will be receipted to the PICA.*** Discrepancy reporting requirements still apply.

C13.2.9.3.10.3. Misdirected Shipments (improperly addressed by the supply activity). Report misdirected shipments as receipts to the cognizant IMM. The IMM will make disposition using DLMS 940R, Materiel Release.

C13.2.9.3.10.4. Overage. Report the total quantity received in the applicable condition.

C13.2.9.3.10.5. Packaging Discrepancy. Report the total quantity received in the applicable condition and schedule the discrepant quantity for preservation/packaging/marking/labeling in accordance with the DoD Component criteria.

C13.2.9.3.10.6. Shortages/Nonreceipt of Materiel. For shortages, report the total quantity received in the applicable condition. The owner will initiate any necessary financial adjustment action. Non-receipts are addressed under C13.3.

C13.2.9.3.10.7. Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Report the discrepant quantity using a receipt citing SCC D. Identify and describe the specific technical data discrepancy in the SDR for owner evaluation. If the owner determines the asset can be issued, the owner will initiate action to transfer the asset to the appropriate condition using DLMS 846A.

C13.2.9.3.10.8. Wrong Item. Report receipt of the total quantity of the incorrect item in the applicable condition citing the NSN of the incorrect item received and the discrepant receipt management code for the quantity. If both correct and incorrect items are received in the same shipment, submit a separate Receipt Transaction for the correct item.

C13.2.9.3.10.9. Product Quality Deficiency. An SCC Q entered in a PMR file shows that the receipt is related to a reported product quality deficiency. Report receipt of this materiel in SCC Q and do not cite a management code. Based on the results of the inspection or technical/engineering analysis, owners will direct the appropriate materiel disposition.

C13.2.9.3.10.9.1. When DLA directs the return of DLA-managed Product Quality Deficiency Report (PQDR) exhibits to a DLA distribution center, the exhibits are receipted into DLA ownership using information included on the exterior of the package that includes a DLA document number, the PQDR report control number, the NSN, and a barcode.

C13.2.9.3.10.9.2. Additionally, when the receipt is applicable to a PQDR exhibit, include the PQDR Report Control Number (RCN) and designate a copy of the receipt transaction for distribution to the Product Data Reporting and Evaluation Program-Automated Information System (PDREP-AIS). SCC Q is applicable to exhibits returned for evaluation and returned subsequent to testing.

C13.2.9.3.10.9.3. DAAS will recognize the inclusion of the PDREP-AIS DoDAAC in the receipt transaction and forward a copy of the transaction for use in exhibit tracking.

C13.2.9.3.10.10. Transportation Discrepancy. When the Transportation Officer turns the materiel over, report the receipt in accordance with the procedures cited above for the type of discrepancy which exists (e.g., condition of materiel for damage etc.).

C13.2.9.3.10.11. Receipts Not Due-In (no PMR file***). If the owner/manager fails to generate a PMR, an informational Supply Discrepancy Report (if this is the only discrepancy) will be submitted to the owner in addition to a DLMS 527R Receipt transaction with a receipt acknowledgment discrepancy code (Y or Z) alerting the owner/manager of the posting without PMR (with or without documentation). Follow the procedures found in C13.2.9.3.10.1.1.2.***

C13.2.9.3.10.12. Discrepancies in IUID Data. Report discrepancies involving IUID under DoD IUID supply policy, including but not limited to DoD UIT programs, or as contractually required. IUID discrepancies may be related to the packaging label, including AIT readable content; the item marking, including AIT readable marks; supply documentation; the due-in record; and/or a mismatch between the item and any of these. Discrepancies identified during receipt of new procurement materiel must be reported prior to acceptance (if not accepted at origin). Discrepant materiel may be placed in a suspended condition pending resolution. Discrepancies that resulted in incorrect information within the IUID registry must be reported and corrective action taken.

C13.2.9.3.10.13. Other Discrepancies. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to get guidance from the owner before reporting the receipt or submitting the discrepancy report.

C13.2.9.4. Resolution of Reported Receipt Discrepancies.

C13.2.9.4.1. Owner Accountability Records. Owners will maintain accurate materiel accountability records and audit trails for reported receipts with evidence of a supply discrepancy. Resolution of these discrepancies requires the establishment of interfaces among the materiel accountability, procurement, financial accounting, and discrepancy reporting systems.

C13.2.9.4.2. Owner Processing Discrepant Transactions. When discrepant receipts are reported, owners will process the transactions and complete the research required to resolve the discrepancy. When materiel received from a procurement instrument source will be kept in the wholesale inventory, coordinate with the CAO/PO for a contract modification that will recoup any administrative costs and any additional second destination transportation costs or onward shipment (redistribution) costs incurred by the U.S. Government as a result of the discrepancy. For all receipt discrepancies, ensure that procurement/supply due-in records and related financial accounts (including in-transit) are corrected to show any new receipt status and transmit updates to PMR to the storage activities involved, as required. Care must be taken to suppress PMR transaction output if the corresponding receipt has already been reported (e.g., for overages or misdirected shipments being kept where delivered).

C13.2.9.4.3. Owner Evaluation Data. Owners will develop management evaluation data for contract shortages/overages, wrong item, IUID mismatches, vendor caused misdirected shipments, and other discrepancies impacting cost or customer satisfaction, for use in identifying trends or indications of system problems and in initiating corrective action. When the same discrepancy is repeatedly reported on shipments from a given procurement instrument source, the owner, through the CAO/PO, will advise the source of the error and request action be taken to correct its repeated occurrence. When a procurement instrument source continues to commit the same error, initiate action to consider inclusion on the Awards Review List or other disciplinary action.

C13.2.10. Maintaining Accountability During Maintenance Actions

C13.2.10.1. Applicability.

C13.2.10.2 These procedures apply for returns to inventory including unused materiel, relocations of materiel for maintenance, and receipts from assembly, disassembly, reclamation, conversion, modification, repair and destructive or nondestructive test/evaluation consigned by the Department of Defense, other U.S. Government (non-DoD) agency, or commercial activities.

C13.2.10.3 These procedures exclude repair and return materiel owned below the wholesale distribution system; however, DoDM 4140.01 policy and, for commercial maintenance, the provisions of the FAR, apply.

C13.2.10.4. Accountability

C13.2.10.4.1. For organic maintenance, responsibility for maintaining the asset balance portion of the property accountability record for DoD-owned property being repaired resides with the activity having physical custody. Organic maintenance facilities will assume accountability of materiel upon receipt at the maintenance facility and while in its custody during maintenance actions.

C13.2.10.4.2. For Contractor maintenance, the owning DoD Component will maintain accountability for materiel in a contractor’s possession for repair. The contractor will have stewardship of the materiel in accordance with the requirements in Part 52.245-1 of the Federal Acquisition Regulation and associated clauses, terms, and conditions. The stewardship includes all government furnished property, including items furnished for repair, and remains until the repaired assets are returned to and received by the DoD Component.

C13.2.10.4.3. For both organic and contractor maintenance, the activity having physical custody will provide visibility and report changes to the on-hand balance to the materiel owner (the Principal for maintenance by DMISA).

C13.2.10.5. Requirements

C13.2.10.5.1. Dues-In and PMR. ***The DLMS 527D Due-in is a mandatory transaction for*** owners (principals for maintenance by DMISA) ***to*** establish a due-in when materiel is being returned from field activities to wholesale storage activities or to commercial activities for maintenance. Also, send a DLMS 527D (PMR) to receiving Government storage activities. These actions will be done upon receipt of MRP transactions, or equivalent intra-service documents, reporting return of materiel. The DoD Components may delegate the PMR requirement to intermediate level or transshipment activities.

C13.2.10.5.2. Materiel Relocation. When owners direct relocation of materiel from a remote storage activity to the storage activity collocated with the maintenance activity, ***owners must*** establish a DLMS 527D (Due-In) for the in transit materiel and ***will*** send a DLMS 527D (PMR) to the receiving storage ***activity prior to physical shipment to allow for the transaction to be present at the receiving facility*** following Chapter 12 ***business rules***.

C13.2.10.5.2.1. Receiving Storage Activity Reporting. Receiving storage activities will report receipt of reparable materiel based on the information contained in the PMR file.

C13.2.10.5.2.2. Inter-DoD Component Agreements. When materiel is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement will specify that the storage activity will report returns from maintenance to the owner (Principal) as receipts under this chapter.

C13.2.10.6. DoD Component Actions. Each DoD Component will ensure that:

C13.2.10.6.1. Owned Inventory Accounting. Owned inventory in the hands of the Department of Defense, other Government (non-DoD), and commercial activities, is properly accounted for under the provisions of Chapters 6, 7, 13, and 14 of this volume and, for commercial maintenance, the provisions of the Federal Acquisition Regulation. This includes returns from field activities for repair and reissue as wholesale inventory. The DoD Components will prescribe use of any required internal codes to meet this requirement (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.10.6.2. Property Accountability Records. Total item property records for materiel in the hands of maintenance activities are maintained and adjusted based on the quantity of materiel actually returned and will support the DoD 7000.14-R, “Department of Defense Financial Management Regulation”, accounting and reconciliation requirements (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.10.6.3. Commercial Maintenance Contracts. Contracts for commercial maintenance require the commercial activity to report or acknowledge receipt and report shipment or condemnation of materiel to the contracting officer (Responsibility of the agent for maintenance by DMISA).

C13.2.10.6.4. Procurement/Supply Interface. Any needed interface between the procurement and supply operations/functions exists to ensure that changes in the inventory segment data (stock number, quantity, supply condition code) are sent to the owner (Responsibility of the agent for maintenance by DMISA). Arrangements may be made for commercial activities to report directly to the contracting officer and/or the owner using DLMS transactions. Reported data affecting inventory balances is recorded in the total item property record (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.10.7. Item Owner Actions. Owners will establish due-in records for expected returns from commercial and Government maintenance activities and provide PMR to the storage activities to receive the materiel under Chapter 12. Storage activities will report receipts under this section.

C13.2.10.8. Issue from Commercial Activity. When materiel is issued to a customer directly from a DoD or commercial maintenance activity, ensure that appropriate supply transactions are processed to establish the property accountability and financial accounting audit trails, as well as visibility within the supply system used by the materiel owner.

C13.2.10.9. Condemned Materiel. When materiel is condemned by maintenance activities, ensure the condemnation action is recorded (issue to disposal) to adjust the DoD inventory and financial accounts. This includes automatic disposals (Management Code M).

C13.2.10.10. Reclaimed Items

C13.2.10.10.1. Identification of Serviceability. When reclamation activities do not have adequate facilities to test and classify the serviceability condition of reclaimed assets, activities will identify such assets as SCC R (Suspended Reclaimed Items Awaiting Condition Determination). When receiving storage activities determine that immediate classification of such SCC R assets is not possible, they will ensure assets are checked/tested and classified to actual condition within established parameters.

C13.2.10.10.2. Assigning Condition Code. When reclamation activities cite an actual SCC (i.e., other than R) for returned materiel, storage activities will cite that condition code when recording and reporting the receipt. However, if inspection upon receipt reveals that the condition assigned by the reclamation activity is incorrect, the storage activity will record and report the receipt citing the actual condition to which the item is classified or SCC K if the actual condition cannot be determined. Classify materiel reported in SCC K to the actual condition within established parameters.

C13.2.11. Loaned Materiel

C13.2.11.1. Materiel Inspection. Receiving activities will inspect loaned materiel upon receipt. Submit a Receipt Transaction in accordance with C13.2., citing Reason for Materiel Receipt/Return Code H, to provide information about the condition and quantity of the returned loaned materiel.

C13.2.11.2. Resolution of Loaned Materiel. The owner is responsible for final determination and resolution of returned U.S. Government property from loan. Establish controls to ensure the materiel is returned in an appropriate condition, i.e., as good as or better than the condition of the original loan issue. Take appropriate action to resolve any discrepancies and ensure reimbursement to the loaning activity.

C13.2.12. Logistics Reassignment Receipt Processing after Effective Transfer Date

C13.2.12.1. Procurement Instrument Processing. The storage activity will process procurement instrument source receipts for LR materiel received after 1 year past the effective transfer date (ETD), in the same manner that they process procurement instrument source receipts received during the ETD to 1-year period.

C13.2.12.2. Storage Activity Actions. For receipt of materiel that has been logistically reassigned, after the ETD, the receiving storage activity will perform the following:

C13.2.12.2.1. Report Receipts. Report receipts of items having PMR files, in accordance with C13.2.

C13.2.12.2.2. Report Procurement Instrument Source Receipt. Report procurement instrument source receipts for which there is no PMR file in accordance with the guidance in C13.2.9.3.4. for processing receipts not-due-in.

C13.2.12.2.3. Report Non-procurement Instrument Receipt. Report non-procurement instrument receipts for which there is no PMR file in accordance with the guidance in C13.2.9.3.4.for processing receipts not-due-in.

C13.2.12.3. LIM Actions. The LIM will do the following actions:

C13.2.12.3.1. Process Storage Activity. Process the storage activity initiated Receipt Transactions to reduce the due-in record and record assets on the LIM record for the quantity received.

C13.2.12.3.2. Process Logistics Transfer Transaction. Process the associated logistics transfer/decapitalization transaction, adjustment transaction, and LR storage ownership transfer transaction in accordance with Chapter 9.

C13.2.12.3.3. Record Litigation Assets. For materiel received for which litigation is required, record assets on the LIM owner record in SCC L and reduce the due-in record.

C13.2.12.3.3.1. At this time, no action will be taken by the LIM to remove or change the GIM's memorandum due-in.

C13.2.12.3.3.2. When litigation is completed and the materiel is reclassified to an issue condition, process the associated adjustment transaction and LR transfer/decapitalization transactions in accordance with Chapter 9.

C13.2.12.3.3.3. If materiel is returned to the contractor due to litigation proceedings notify the GIM in accordance with Chapter 9.

C13.2.12.3.3.4. The LIM must take appropriate action to reestablish a due-in, in accordance with Chapter 12 if the materiel being returned to the contractor for deficiency correction will eventually be returned to the LIM.

C13.2.12.4. Reject Receipt as Appropriate. If a procurement instrument source receipt for an LR item is incorrectly reported to the LIM or the GIM, and the LIM or GIM does not have a recorded due-in, did not initiate the procurement action, and/or has a record of a due-in or memorandum due-in and is able to determine the appropriate reporting for the receipt, the LIM or GIM should reject the receipt back to the initiator using DLMS 824R, Reject Advice, and citing Reject Advice Code AB (Navigate to LOGDRMS and enter advice code AB in the “Enter a Specific Data Code to Search for” text box, click “Search”).

C13.3. INQUIRY ON IN-TRANSIT DUE-INS

C13.3.1. Submission Timeframe. When a maximum of 45 calendar days has elapsed since the shipping date shown in shipment notification, and receipt of the total quantity has not been reported, the owner will submit a Receipt Inquiry Transaction for information on the in-transit quantities to the storage activities designated to receive the materiel. (Extension of the 45 calendar day timeframe is authorized when long in-transit times are involved.)

C13.3.2. Tracer Action. When the storage activity response shows that the materiel has not been received, initiate any shipment tracer and/or discrepancy reports required under the procedures cited in C13.2.9. Coordinate with the CAO/PO for in-transit contract receipts. Storage activities will submit shipment tracers and discrepancy reports for materiel not received as shown in the DoD Component implementing procedures or when directed to do so by the owner.

C13.4. STORAGE ACTIVITY RESPONSE TO INQUIRY ON MATERIEL RECEIPT[[5]](#footnote-5)

C13.4.1. Materiel Receipt Previously Processed. When materiel has been received, and a receipt was previously submitted, storage activities will submit a duplicate Receipt Transaction citing Advice Code 3P.

C13.4.2. Receipt in Process. When the storage activity has the receipt in process, storage activities will reply using the Response to Inquiry Transaction citing Advice Code 3K

C13.4.3. No Receipt but Record of Due-In. When the storage activity has no receipt in process but there is a PMR file, the storage activity will reply using the Response to Inquiry Transaction citing Advice Code 3M.

C13.4.4. No Receipt and No Record of Due-in. When the storage activity has no receipt in process and no record of a PMR file, the storage activity will reply using the Response to Inquiry Transaction citing Advice Code 3N.

C13.5. ARMY EXCHANGE PRICING PROCESS

C13.5.1. The Army approach to the Exchange Pricing (EP) interim approach is a multi-system functionality implementation. EP employs a dual pricing system for repairable NSN items based upon Standard Price (latest acquisition cost plus cost recovery rate) and Exchange Price (latest repair cost plus cost recovery rate) and a “buy one – return one” relationship with the customer. That is, a qualified exchange pricing customer buys at the Exchange Price and pays a penalty if a reparable is not turned-in within a specified period of time from the issue date. This process is applicable to the Army customers and Army-managed materiel only; other Services will continue to pay Standard Price and receive 65 percent credit exchange upon receipt of carcass by the Army primary inventory control activity (PICA).

C13.5.2. Once an item of supply is identified for a national repair program and the national item identification number (NIIN) has an established Exchange Price, all requisitions for the item will be priced at the Exchange Price if the customer is an authorized EP customer.

C13.5.3. When a requisition submitted to the Supply Support Activity (SSA) is processed by the Standard Army Retail Supply System (SARSS), SARSS will determine if both the customer DOD activity address code (DoDAAC) is an EP customer, and the NIIN has an established Exchange Price. If the customer is an EP customer the requisition will be updated to include the EP Indicator. As this transaction is processed through the Army supply system, middleware, Funds Control Module (including EP Tracking) DAAS, Commodity Control Supply System (CCSS), and Army Logistics Modernization Program (LMP), the EP Indicator will be used to identify the transaction as EP related. All the legacy systems will continue processing the MILS transactions, LMP will process DLMS transactions that are converted by the Defense Automatic Addressing System (DAAS).

C.13.5.4. All related supply transactions prepared by the Army will carry and perpetuate the EP Indicator. As a result of the EP implementation the following transactions will be impacted, Requisition, Requisition Modifier, Requisition Follow-Up, Materiel Release Order and Supply Status. The returns process will also process EP related transactions. The Materiel Receipt transaction will be generated by SARSS for all returns of EP NIINs, and will include an EP Type of Credit indicator for Unserviceable credit when applicable, as well as an EP Conversion Indicator to identify the need to provide credit according the pre-EP credit policy, which will last for 60 calendar days following the implementation of Exchange Pricing.

C.13.5.5. If the return is in an un-repairable condition code or the item is not returned within the established timeframe (Delta Delay Days), the national level systems (LMP, CCSS) will create an obligation adjustment based on the receipt from Middleware Funds Control Module of a materiel returns supply status (Delta Bill Trigger) transaction. As a result of processing the delta bill trigger the national systems will create the logistics/interfund bill transaction with an EP Indicator and Type Bill code to identify the specific type of Exchange Pricing bill to the Army financial systems.

C13.6. OPTIONAL INTRA-SERVICE USE OF RECEIPT FOR MATERIEL PROVIDED TO CONTRACTORS AS GOVERNMENT FURNISHED MATERIEL. Under the Government Furnished Materiel (GFM) business process contractors are authorized to receive specific items and quantities of GFM from Government supply sources. Materiel may be issued to the contractor based upon a contract schedule/bill of material (BOM) or issued in response to a requisition made by the contractor or a responsible Government representative. It is normally required that the contractor (or authorized Government representative) submit a materiel receipt acknowledgment (MRA) Transaction to the ICP under MRA procedures (refer to Chapter 10, C10.2.5.6). However, on an intra-Service basis, if the Service requires the contractor to send a Receipt Transaction to their issuing ICP rather than an MRA, the contractor must cite the DoD contract number which authorized the provision of GFM. This establishes GFM accountability to the contract. The GFM contract number, and call/order number, when applicable, is required in addition to the controlling document number for the Receipt Transaction. Under the MRA exclusions, MRA is not required for shipments to contractors, commercial, or industrial activities which are receipt reported to the owning ICP.

C13.7. ACCOUNTABLE PROPERTY SYSTEM OF RECORD TRANSFERS. Upon ownership transfer of materiel, the sending and receiving activities may use the Acquisition and Valuation transaction to facilitate exchange of acquisition and valuation data between APSRs. The losing activity may transmit the appropriate information upon shipment, or the gaining activity may request the data to the losing activity. The losing activity may also send a correction to the gaining activity when there is a need to modify any information previously transmitted.

1. Refer to ADC 1273. [↑](#footnote-ref-1)
2. Ibid. [↑](#footnote-ref-2)
3. Refer to ADC 1198 and ADC 1198A. [↑](#footnote-ref-3)
4. Refer to ADC 1269. [↑](#footnote-ref-4)
5. Refer to ADC 313. DoD components must provide Defense Enterprise Data Standards Office with their Component implementation date for ADC 313. [↑](#footnote-ref-5)