**C14. CHAPTER 14**

**ISSUE, LOAN, DEMAND, AND SINGLE MANAGER FOR CONVENTIONAL AMMUNITION FREEZE/UNFREEZE ACTION**

C14.1. GENERAL

C14.1.1. This chapter provides a standard procedure for processing Issue, Demand, and Single Manager for Conventional Ammunition (SMCA) Freeze/ Unfreeze Action. This chapter also addresses the materiel loan process.

C14.1.2. Transactions. This chapter addresses the procedures applicable to the following Defense Logistics Management Standards (DLMS) transactions, identified by their Accredited Standards Committee (ASC) X12 beginning segment report type code. Other DLMS formats, such as extensible markup language (XML), are also available. See the Defense Enterprise Data Standards Office Website for available formats on the DLMS IC page. The corresponding Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP) legacy 80 record position transaction functionality is identified for information purposes in a mixed Defense Logistics Standard System (DLSS)/DLMS environment.

C14.1.2.1. Issue Transaction. Issue Transaction is DLMS 867I Issue, identified by ASC X12 beginning segment (1/BPT04/20) Report Type Code 01 – Product Transfer. This transaction provides MILSTRAP legacy Document Identifier Code (DIC) D7\_ functionality. The Issue Transaction function is further broken down by the 2/PTD01/10 Product Transfer Type Code which provides the functionality of the third position or the MILSTRAP legacy DIC. Table C14.T1 shows the specific product transfer type code corresponding to the MILSTRAP legacy DICs.

Table C14.T1. Product Transfer Type Codes

| MILSTRAP Legacy DIC | MILSTRAP Title | DLMS 867I PTD01 PRODUCT TRANSFER TYPE CODE |
| --- | --- | --- |
| D7A | Issue (Own Service/Agency) | SS |
| D7B | Issue (DoD Activities) | BD |
| D7C | Issue (Non-DoD Activities) | BC |
| D7D | Issue (Grant Aid) | BE |
| D7E | Issue (Foreign Military Sales) | BF |
| D7G | Issue (Destructive Test/Evaluation) | BG |
| D7H | Issue (Furnished Materiel for Consumption) | BH |
| D7J | Issue (Reutilization and Marketing) | BI |
| D7K | Issue (Relocation) | BJ |
| D7L | Issue (Assembly/Disassembly/ Reclamation/Conversion/Modification) | BK |
| D7M | Issue (Repair or Nondestructive Test/Evaluation) | BL |
| D7N | Issue (Loan) | BM |
| D7P | Issue (Returned Purchases) | BN |
| D7P | Issue (Designated Items) | BO |
| D7R | Issue (Exchange Items) | BR |
| D7Z | Issue (Other) | BQ |

C14.1.2.2. Demand Transaction. Demand Transaction is DLMS 867D Demand Reporting identified by beginning segment (1/BPT04/20) Report Type Code TO – Demand Report. This transaction provides MILSTRAP legacy DIC DHA functionality.

C14.1.2.3. Single Manager for Conventional Ammunition Freeze/Unfreeze Action Transaction. SMCA Freeze/Unfreeze Action Transaction is DLMS 846F SMCA Freeze/Unfreeze Action, identified by beginning segment (1/BIA02/20) Report Type Code ZB – Conventional Ammunition Suspension Report. This transaction provides MILSTRAP legacy DIC DA1/DA2 functionality.

C14.2. ISSUE

C14.2.1. General

C14.2.1.1. This section provides a standard procedure for processing Issue information to owner/inventory control point (ICP) for the purpose of:

C14.2.1.1.1. Updating the owner/ICP record.

C14.2.1.1.2. Recording the appropriate financial transaction. Conformance with standard line of accounting (SLOA)/accounting classification requires any initiation of a financial business event to include SLOA mandated standard financial information system (SFIS) elements.[[1]](#footnote-1) The DLMS issue transaction supports inclusion of SLOA required elements. Pending full implementation of SLOA, DAAS will facilitate interoperability by updating selected SLOA data fields based upon the initiating activity’s Service/Agency and Fund Code. If discrete values for the SLOA data elements in the transaction do not match data elements from the SFIS Fund Code to Fund Account Conversion Table for the Fund Code in the transaction, reject with the DLMS 824R Reject Advice citing Reject Advice Code BU.

C14.2.1.1.3. Providing a basis for billing the customer.

C14.2.1.2. Processing points receiving requisitions, passing actions, follow-ups and cancellations, irrespective of format or method of transmission, will process such transactions in accordance with their respective internal procedures.

C14.2.1.3. Internal processing methods may vary due to automated capability and related procedures; however, the formats for output from processing point to requisitioner and between processing points will use the formats prescribed in this manual.

C14.2.1.4. Issue transactions are used to convey issue data to the ICP. Issue Transactions resulting from a backorder release are identified by Issue Transaction related Management Code M.

C14.2.1.5. Materiel from an Army Medical Materiel Agreement (AMMA) site may be issued using local catalog identification numbers.

C14.2.2. Maintaining Accountability During Maintenance Actions

C14.2.2.1. Applicability

C14.2.2.1.1 These procedures apply to issues from inventory for assembly, disassembly, reclamation, conversion, modification, repair, and destructive or nondestructive test/evaluation consigned by the Department of Defense, other Government (non-DoD) Agencies, and commercial activities.

C14.2.2.1.2. These procedures exclude repair and return of materiel owned below the wholesale distribution system. However, DoDM 4140.01 policy and, for commercial maintenance, the provisions of the FAR, apply.

C14.2.2.2. Accountability

C14.2.2.2.1. 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.

C14.2.2.2.2. 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.

C14.2.2.2.3. 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).

C14.2.2.3. Requirements

C14.2.2.3.1. Collocated Storage Activity. When the maintenance activity is collocated with a DoD storage activity, owners will direct materiel into maintenance only from the collocated storage activity. When necessary, owners will relocate materiel from remote storage activities to the storage activity collocated with the maintenance activity using DLMS 940R, Materiel Release. The action will be posted to the property accountability record using either the Issue Transaction (Issue Relocation) or DLMS 945A, Materiel Release Advice.

C14.2.2.3.2. Organic Maintenance. The owner (Principal) will direct the issue of materiel to the maintenance activity from the co-located storage activity. Based on the repair schedule, the maintenance activity (Agent for maintenance by DMISA) may initiate induction to maintenance by requisitioning the unserviceable asset from the owner (Principal for maintenance by DMISA) under the provisions of ***DLM 4000.25, Volume 2, Chapter 4, paragraph C4.2.20***.

C14.2.2.3.3. DoD Component Actions. Each DoD Component will ensure that:

C14.2.2.3.3.1. 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 Volume 2, Chapter 6, Chapter 7, Chapter 12 and Chapter 13 of the DLMS Manual 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).)

C14.2.2.3.3.2. Total item property records for materiel in the hands of maintenance activities are maintained and adjusted based on the quantity of returned materiel 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).)

C14.2.2.3.3.3. 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.)

C14.2.2.3.3.4. Any needed interface between the procurement and supply operations/functions exists to ensure that changes in 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.

C14.2.2.3.3.5. Reported data affecting inventory balances is recorded in the total item property record. (Responsibility of the owner (Principal for maintenance by DMISA).)

C14.2.2.3.4. Owners (Principals for maintenance by DMISA) will release materiel from storage for maintenance action using the process in subparagraph C14.2.2.1. Issues should be posted to the property accountability record using either the Issue Transaction, or a DLMS 945A. Include any internal coding needed for proper financial accounting in the transaction.

C14.2.3. Issue Supply Condition Code ***(SCC)*** Q Materiel to DLA Disposition Services Field Office. When an inspection or technical/engineering analysis reveals a product quality deficiency that prohibits further DoD use of the materiel, the ICP will direct the transfer of the materiel to the DLA Disposition Services Field Office in SCC Q. Disposal release orders and related issue transactions for this materiel must cite either Management Code O (alpha) to identify deficient materiel that does not require mutilation or Management Code S to identify deficient materiel that requires mutilation. DLA Disposition Services will perform mutilation in accordance with existing guidance for the national stock number (NSN)/type of materiel. The ICP should identify to DLA Disposition Services any unique instructions for disposal requiring specific methods or information regarding hazardous contents contained in the item.

C14.2.4. Issue Reversal

C14.2.4.1. Issue reversals are used to correct owner and storage activity inventory records due to erroneous input by the storage activity.

C14.2.4.2. By Component agreement, issue reversals are authorized as a method to adjust inventory balances as the result of a validated supply discrepancy report (SDR). The issue reversal transaction will serve as an auditable record of this action within storage activity and owner systems. When used for this purpose the storage activity must include the reason for reversal code in the issue reversal transaction to indicate a correlation with a supporting discrepancy report. Issue reversals used to adjust inventory records will systemically trigger a financial adjustment by the owner system, when applicable, for discrepant shipments including, but not limited to, shortage, wrong item, or incorrect condition. The issue for wrong item shipments will not be reversed until after the incorrect materiel has been returned to the storage activity (with exception by direction of the ICP to correct records where a wrong item received is not returned).[[2]](#footnote-2)

C14.2.4.3. Navy use only. Storage activities will cite Reason for Reversal Code S in the issue reversal transaction when a cancellation request is issued for a materiel/disposal release order (MRO/DRO) and the item was not shipped. The reversal requirement stems from a timing issue. The MRO/DRO is in process, the storage activity property accountability record was decremented and the issue transaction was sent to the ICP to decrement to the owner balance. Subsequent to this action, but prior to the materiel being physically shipped and a materiel release confirmation being generated, the MRO/DRO issue action is cancelled and the materiel is returned to stock, if necessary. An issue reversal transaction is then required to increment the storage activity’s property accountability record and the ICP's record to the original quantity.

C14.3. BACKORDER TRANSACTIONS. Backorder transactions are not considered essential to supply operations under DLMS (consensus reached by the DLMS Supply Process Review Committee (PRC)). Accordingly, there is no DLMS backorder transaction. Under legacy MILSTRAP, Backorder transactions may be used to report establishment or cancellation of a backorder to ICPs[[3]](#footnote-3). MILSTRAP legacy Backorder transactions are identified by the DIC DG series transactions.

C14.4. DEMAND TRANSACTIONS. The Demand Transaction may be used between supported activities and ICPs to report the establishment or cancellation of supply system demands, or may be used by ICPs as a technique for recording and accumulating demands for NSN items resulting from processing DLMS requisitions, passing orders, or other forms of supply system demands.

C14.5. LOAN TRANSACTIONS

C14.5.1. When authority is given to loan Government-owned materiel, supporting documentation pertaining to the terms and conditions of the loan will be maintained in a manual jacket file. As a minimum, the file should contain appropriate records to provide information on the purpose of the loan/authorization; location(s) of the materiel; condition of materiel at time of loan; loan duration; quantity; and value of loaned materiel.

C14.5.2. If accountability is dropped, the Issue Transaction (Loan) will be used to loan materiel from depot inventory to authorized recipients. Some centralized systems do not use Issue Transactions for ***the issue of loan materiel***; however, the applied method should show the issue for audit and accountability purposes. For a decentralized system, the Issue Transaction, if created by other than the ICP, may be used.

C14.6. SINGLE MANAGER FOR CONVENTIONAL AMMUNITION FREEZE/UNFREEZE ACTIONS

C14.6.1. Processing of transactions***,*** such as mismatched record reconciliation requests ***(DLMS 846R, Location Reconciliation Request)*** or materiel release denials (DLMS 945A, Materiel Release Advice)***,*** may require the SMCA to freeze and, when resolved, to unfreeze wholesale assets at a specific storage activity for a given stock or part number, ownership/purpose code, and SCC.

C14.6.2. When freeze or unfreeze actions are taken based on C14.6.1, the SMCA will provide the SMCA Freeze/Unfreeze Action Transaction to the owning DoD Component ICP for update of the ICP wholesale financial accountable records.

1. Refer to ADC 1043/ADC 1043A [↑](#footnote-ref-1)
2. Refer to ADC 1160. Implementation delayed. [↑](#footnote-ref-2)
3. Backorder transactions were eliminated from DLMS by intent after coordination with the DoD Supply Process Review Committee (SPRC). [↑](#footnote-ref-3)