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

August 12, 2015

MEMORANDUM FOR SUPPLY, SUPPLY DISCREPANCY REPORT (SDR) AND FINANCE PROCESSS REVIEW COMMITTEES (PRCs)

SUBJECT: Proposed Addendum to Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1043 (Staffed as PDC 1043E), Invalid Fund Code Edit and Remove Suspense Account F3885 (Finance/Supply/SDR)

We are forwarding the attached proposed change to DLM 4000.25, Defense Logistics Management Standards, for evaluation and submission of a single coordinated Component/Agency position. It is the PRC representatives' responsibility to ensure full coordination of this proposal within their Component/Agency.

Request you review the attached proposed change and provide your comments/ concurrence to Defense Logistics Management Standards Office not later than **30** days from the date of this memorandum. If non-concurrence is provided, please provide an alternate method to meet the requirement being addressed.

Addressees may direct questions to Mr. Robert Hammond, Chair, Finance PRC, email financehq@dla.mil; Ms. Ellen Hilert, Co-Chair, Supply PRC, email: ellen.hilert@dla.mil or; Ms. Heidi Daverede, DOD MILSTRIP Alternate, 703-767-5111; DSN 427-5111, e-mail: heidi.daverede@dla.mil. Others must contact their Component/Agency designated representative shown at https://www2.dla.mil/j-6/dlmso/CertAccess/SvcPointsPOC/allpoc.asp (DOD Common Access Card restricted).

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD (SCI)
ODASD DPAP (PDI)
ODCMO

Attachment to PDC 1043E
Proposed Addendum to Approved Defense Logistics Management Standards (DLMS) Change (ADC) 1043 (Staffed as PDC 1043E), Invalid Fund Code Edit and Remove Suspense Account F3885

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

a. Technical POC:

(1) Office of the Under Secretary of Defense (Comptroller) (OUSD(C))

(2) Office of the Deputy Chief Management Officer (ODCMO)

b. Functional POC: Defense Logistics Management Standards Office

(1) Finance: Robert Hammond, Chair, Finance PRC, email finance@hq.dla.mil

(2) Supply/SDR: Ellen Hilert, Co-Chair, Supply PRC and SDR PRC, email: ellen.hilert@dla.mil

2. FUNCTIONAL AREAS: Joint Finance and Supply

3. REFERENCES:

a. Joint Deputy Chief Management Officer and Under Secretary of Defense (Comptroller) Chief Financial Officer memorandum of September 14, 2012, subject "Department of Defense Standard Line of Accounting/Accounting Classification"

b. Approved DLMS Change (ADC) 1043, Revisions for Department of Defense (DOD) Standard Line of Accounting (SLOA)/Accounting Classification (Finance/Supply), dated September 18, 2013

c. ADC 1043A, Revised Procedures for Department of Defense (DOD) Standard Line of Accounting (SLOA)/Accounting Classification to Support Transaction Rejection Requirements, dated August 20, 2014

d. ADC 20, Revision of Status Code CX and SK (MILSTRIP/Supply), dated February 28, 2000

e. ADC 20A, Revision of Status Code CX; Application of Status Code D7 for Modifier Rejects, dated June 6, 2003

f. ADC 1068, Enhanced Procedures for Requisitioning via DOD EMALL and GSA Internet Ordering: Component Verification of Funds Availability and Materiel Identification using the Supplier-Assigned Part Number and/or Supplier Commercial and Government Entity (CAGE) Code, dated October 3, 2013

g. ADC 1068B, Revised Procedures for Requisitioning via DOD EMALL and GSA Internet Ordering: Component Verification of Funds Availability, October 23, 2014

h. ADC 294, Elimination of Treasury Suspense Account F3885, dated July 31, 2008

i. DLM 4000.25, Defense Logistics Management Standards, Volume 4, Military Standard Billing System – Finance, dated April 11, 2012

j. DLM 4000.25-1, Military Standard Requisitioning and Issue Procedures (MILSTRIP), Table C3.T2. Requisition Processing and Related Actions, dated June 13, 2012

k. DLM 4000.25, Defense Logistics Management Standards, Volume 2, Supply Standards and Procedures, Table C4.T4 Requisition Processing and Related Actions, dated June 13, 2012

4. REQUESTED CHANGE(S):

a. Brief Overview: This change proposes extending Defense Automatic Addressing System (DAAS) edits for invalid or missing fund codes to include transactions with Signal Codes A, B, J and K and one scenario pertaining to Signal Codes C and L that had previously been omitted. It excludes image and post-post transactions, such as bearer walk-through or "over the counter" issues, where the order did not originate in the Component's ordering system and route through DAAS first. Post-post and image transactions are excluded since validating these transactions would be after the fact for the materiel being provided, and allowing the transaction to proceed does not hold up the bill even though it will process against a default account. To fill the void for such processes, this PDC requires sources of supply perform similar fund code edits/validation prior to accepting the requisition. This change proposes delayed, phased implementation of the new fund code validation edit for the DLMS 810L Logistics Bill, along with elimination of default lines of accounting in MILSBILLS. This PDC also proposes removing references to the Interfund suspense account (F3885) from Chapter 5 and Appendix 2.2 of DLM 4000.25, Volume 4, as it is no longer authorized or used.

b. Background:

(1) Reference 3.a. established SLOA data requirements. References 3.b. and 3.c implement the SLOA in DLMS and prescribe procedures for DAAS edits to reject transactions with financial implications where SLOA data in a transaction does not match the SLOA data for the fund code on the SFIS Fund Code to Fund Account Conversion Table and to add select SLOA data elements to DLMS transactions during conversion of legacy transactions to DLMS or when missing from identified incoming DLMS transactions. This cannot be performed if the fund code is invalid or missing in the transaction (when required). In the case of an Inventory Control Point (ICP) Directed Lateral Redistribution Order (LRO), a DLMS 856S, Shipment Status, providing credit could fail the SLOA edit and be rejected even though the material is already being transferred, risking the material arriving without successful transmission of a shipment status.

(2) Currently, the only enterprise DAAS Fund Code edit is for Signal Codes C and L (see References 3.d. and 3.e.). Signal Codes A, B, J, and K are not edited at the enterprise

level for all Components and are only edited for Army through a Component unique agreement. Signal codes identify the ship-to and bill-to party. In the case of Signal Codes C and L transactions, the bill-to party is determined referentially from the Fund Code to Billed Office Table from the fund code in the transaction and the service code of the requisitioner. DAAS would be unable to route bills to the bill-to party if the fund code is invalid for Signal Codes C and L. So, edits are in place to reject transactions identified in paragraph 4.d(2) below where this occurs. However, a scenario of the 940R (Document Identifier Code (DIC) A5J, Disposal Release Order) is not identified as one of the transactions for this edit, and it should be included.

(3) An invalid or missing fund code may lead the billing office to cite the Component's default line of accounting prescribed in DLM 4000.25, Volume 4, Appendix 2.2 (MILSBILLS). Consequently, transactions with invalid/missing fund codes are labor intensive to resolve, may require internal adjustments by the billed office and may require adjustments to Treasury records. This is also an audit readiness issue.

(4) References 3.f. and 3.g. created a standard web interface to execute near real time verification of funds availability, validation of requisitioning authority, and recording of the obligation. They also documented updates to the process and routing rules for the funds verification process between DOD EMALL and GSA Advantage (soon to be combined into FEDMALL) and the financial systems for Army and Marine Corps. The funds verification process is available for use in other ordering processes and by all DOD Components.

(5) Regarding suspense account F3885, Reference 3.h. was issued to implement changes required by Treasury Bulletin No. 2007-07 to discontinue use of suspense account F3885 for interfund bill reconciliation. However, Navy was granted a waiver to continue using the F3885 suspense account. So, reference to its usage in suspending a questionable or erroneous portion of a Navy interfund bill to the interfund clearing account (treasury account symbol F3885) was restored to Reference 3.i. But, Navy recently confirmed that they are no longer using the suspense account and are now in compliance with Treasury Bulletin No. 2007-07.

c. Procedures, Transactions, Data Elements, Processing Details in Use Today:

(1) Current MILSTRIP policy and DAAS edits only require DAAS fund code edits for requisitions with Signal Codes C and L in order to identify the bill-to party on the Fund Code to Billed DoDAAC Table for routing logistics bills. References 3.j. and 3.k. state that for the fund code data element, "no edit is required unless signal code is C or L. Reject if signal code is C or L and fund code does not identify valid bill-to activity as prescribed by MILSBILLS."

(2) DAAS edits can only determine if a fund code is valid, not whether its use in the transaction is appropriate.

(3) DAAS does not edit fund code in requisitions or other order initiating transactions at the enterprise level for all Components when the signal code is A, B, J or K. The Component unique DAAS edit for Army rejects requisitions with invalid or missing Army fund codes using supply status code CX, which is not documented in DLMS. Billing for such orders with invalid or missing fund codes must be charged to the default line of accounting for the

Component or billed via non-interfund procedures, which is problematic, as discussed in background above.

(4) Current DAAS SLOA edits only apply to instances where there is a valid fund code for the Component on the SFIS Fund Code to Fund Account Conversion Table and not to instances where the fund code is missing or invalid.

(5) In the many logistics processes where the order initiating transaction does not originate in the Component's logistics system and is not routed through DAAS before going to the source of supply, there are no systemic edits/validations for fund code.

(6) A **"**post-post" issue involves accepting and updating records after the event (or issue) has occurred. DLA and the Components use post-post processing in various contexts, including high priority shipments requested through the DLA call center and procedures in support of maintenance operations. For DLA, one form of the post-post process includes the Directed Materiel Release Order (MRO) which may be entered by authorized personnel to direct release of materiel from a Distribution Standard System (DSS) storage site without prior ICP processing of the requisition. When this process is used, the first transaction available is the DLMS 511R for the DLA Directed MRO (Requisition) (equivalent to DLA legacy C0A/C01) or DLA Directed MRO (Referral Order) (equivalent to DLA legacy CQA/CQ1). In other scenarios, the issue transaction is the first available DLMS transaction.

(7) DLA Transaction Services provides system-to-system exchange of data from the SFIS Fund Code to Fund Account Conversion Table to validate fund codes.

(8) The funds verification procedures approved by References 3.f. and 3.g. incorporates the edit check for a valid fund code based upon internal Component tables; however, DOD EMALL and GSA Advantage (soon to be combined into FEDMALL) do not validate fund code at the time of customer registration.

d. Requested Change in Detail:

(1) Component supply systems must validate fund codes against the DLA Transaction Services SFIS Fund Code to Fund Account Conversion Table data for inbound and outbound transactions as specified below in 4.d.(2)(a). Components sponsoring applications that support ordering outside the originating Component's supply system must incorporate an edit for valid fund codes using the DLA Transaction Services SFIS Fund Code to Fund Account Conversion Table data. This validation of the fund code must occur prior to acceptance of the order for further processing. Implementation is a significant risk mitigation approach to avoid rejection at DAAS.

Staffing Note. System owners may coordinate with DLA Transaction Services to receive system-to-system exchange of data from the SFIS Fund Code to Fund Account Conversion Table to perform this validation.

(2) DLA Transaction Services apply DAAS fund code edit to transactions with a financial implication identified below where the signal code is A, B, C, J, K, or L to validate that the fund code exists on the SFIS Fund Code to Fund Account Conversion Table. Reject invalid

transactions having a financial implication as identified in ADC 1043 (Reference 3.b.) with exceptions for image and post-post scenarios, as noted below:

(a) Requisitioning Process:

1. Requisition (DLMS 511R / Document Identifier Code (DIC) A0_/A3_/A4_). Applicable to requisition, referral order, and passing order, except for post-post and image requisitions as the materiel has already been issued. Rejected transactions will result in a status message (DLMS 870S/DIC AE9) with Status Code CF.

2. Requisition Modification (DLMS 511M / DIC AM_). Applicable because it repeats information from original requisition due to MILSTRIP requirement to support capability to use modification as original requisition if original requisition is not on file. Rejected transactions will result in a status message (DLMS 870S/DIC AE9) with Status Code CF.

3. Requisition Follow-Up (DLMS 869F / DIC AT_). Applicable because it repeats information from the original requisition due to MILSTRIP requirement to support capability to use a follow-up transaction as an original requisition if the original requisition is not on file. Rejected transactions will result in a status message (DLMS 870S/DIC AE9) with Status Code CF.

(b) Materiel Obligation Validations (MOV) (DLMS 517M / DIC APR). Applicable to requisition re-instatement only. Repeats information from original requisition due to MILSTRIP requirement to support capability to re-instate a requisition cancelled by the source of supply during MOV. Rejected transactions will result in a status message (DLMS 870S/DIC AE9) with Status Code CF.

(c) Inventory Control Point-Directed Lateral Redistribution: Shipment Status (DLMS 856S / DIC AS6). Applicable only to shipment status to ICP from reporting activity (i.e., storage activity executing order fulfillment action) for lateral redistribution order shipments of retail assets. Rejected transactions will result in a reject advice message (DLMS 824R) back to the submitter with Reject Advice Code BU. As materiel will proceed with being redistributed despite transaction rejection, there is the risk a rejection could lead to the materiel arriving prior to successful transmission of the shipment status information. Paragraph 4.d.(1) advises Components on the recommended risk mitigation approach.

(d) Materiel Returns Program: Materiel Returns Reporting (DLMS 180M / DIC FTA/FTE/FTG). Applicable to automatic return notification (equivalent to MILSTRIP legacy DIC FTA and customer asset report/customer asset report for part-numbered items) (equivalent to MILSTRIP legacy DIC FTE/FTG). Retail reporting activity offers to sell back unneeded materiel to the ICP; depending upon the ICP's asset position, the ICP may provide credit. Rejected transactions will result in a DAAS Customer Asset Report Information Status message (DLMS 870S/DIC FTQ) back to the submitter with status code CF.

(e) Turn in to DLA Disposition Services: Materiel Release (DLMS 940R / DIC A5J). Applicable to the disposal release order for hazardous materiel/waste and

creditable turn-in only. Rejected transactions will result in a reject advice message (DLMS 824R) back to the submitter with Reject Advice Code BU.

(f) Supply Discrepancy Reports (DLMS 842A/W SDR). Applicable to DLMS enhancement capability to facilitate proper construct of the debit/credit billing where the original requisition document number is not known to the submitter. The submitter uses a constructed document number when reporting the discrepancy and provides the fund code to be credited, and can designate the party to receive credit. This is a restricted use process and is not applicable to Foreign Military Sales. Rejected transactions will result in an SDR Reply message (DLMS 824A/R) back to the submitter with Reply Code 943.

(3) DLMSO modify the following codes to also note rejection for an invalid fund code as documented in section 4.e. below for changes to DLM 4000.25.

(a) Code CF of Status Code (X12 qualifier LQ01 = 81) for requisitions and customer asset reporting.

(b) Code 943 of Discrepancy Status or Disposition (Reply) Code (X12 qualifier LQ01 = HD).

(c) Code BU of Reject Advice Code (X12 qualifier LQ01 = ET).

(4) DLA Transaction Services extend the ADC 20 edit for Signal Code C and L validation against Fund Code to Billed DoDAAC table for turn ins to DLA Disposition Services: 940R (DIC A5J, Disposal Release Order). Applicable to the disposal release order for hazardous materiel/waste and creditable turn-in only.

(5) DLMSO, remove references to suspense account F3885 from DLM 4000.25, Volume 4 per section 4.e.(12) and 4.e.(13) below.

e. Revisions to DLM 4000.25 Manuals:

(1) In DLM 4000.25-1, Chapter 3, update the Table C3.T2 requisition processing rule for Fund Code.

CODE OR DATA ELEMENT	ENTRY IS BLANK OR INCORRECT
Fund	~~No edit is required unless signal code is C or L.~~ ***1. Where signal code is A, B, C, J, K, or L, reject if blank or if invalid on the SFIS Fund Code to Fund Account Conversion Table.*** ***2.*** Reject if signal code is C or L and fund code does not identify a valid bill-to activity ***on the Fund Code to Billed DoDAAC Table*** ~~as prescribed by MILSBILLS~~. ***3. Requisitions prepared outside the originator's supply system must be edited by the ordering application prior to acceptance of the order for further processing.*** ***4. Image and post-post transactions will not be rejected.***

(2) In DLM 4000.25, Chapter 4, update the Table C4.T4 requisition processing rule for Fund Code.

CODE OR DATA ELEMENT	ENTRY IS BLANK OR INCORRECT
Fund	~~No edit is required unless signal code is C or L.~~ ***1. Where signal code is A, B, C, J, K, or L, reject if blank or if invalid on the SFIS Fund Code to Fund Account Conversion Table.*** ***2.*** Reject if signal code is C or L and fund code does not identify a valid bill-to activity ***on the Fund Code to Billed DoDAAC Table*** ~~as prescribed by MILSBILLS.~~ ***3. Requisitions prepared outside the originator's supply system must be edited by the ordering application prior to acceptance of the order for further processing.*** ***4. Image and post-post transactions will not be rejected.***

(3) In DLM 4000.25-1, MILSTRIP Appendix 2.16 modify Status Code CF for requisitioning and customer asset reporting status codes:

"CF Rejected. ***Failed validation with SFIS Fund Code to Fund Account Conversion Table. Issues with content of the SFIS Fund Code to Fund Account Conversion Table are to be communicated to the Fund Code Monitor designee(s) of the cognizant Component.***
(1) Discrete values for the Standard Line of Accounting 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. If still required, submit a new requisition[1] with valid data entries.
(2) Invalid/missing fund code[2].

1 Submit a new requisition using a new document number with a current ordinal date."
2 Ibid.

(4) In DLM 4000.25-2, MILSTRAP Appendix 2.8, and corresponding DLMS Data Dictionary for ASC X12 Data Element 1270 qualifier ET, Reject Advice Code, modify Reject Advice Code BU.

"BU Rejected. ***Failed validation with SFIS Fund Code to Fund Account Conversion Table. Issues with content of the SFIS Fund Code to Fund Account Conversion Table are to be communicated to the Fund Code Monitor designee(s) of the cognizant Component.***
(1) 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 cited in the transaction.
(2) Invalid/missing fund code. Resubmit with a valid fund code."

(5) Modify DLM 4000.25, Volume 1 Appendix 2 to reflect the billed error mismatch with the SFIS Fund Account to Fund Conversion Table.

"BILLED ERROR. An error in a bill, at the ***summary*** bill or detail billing record level, which has one or more of the following characteristics: duplicates a previous bill or detail record; contains an error in amount; contains a SLOA data mismatch (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); ***provides an invalid fund code;*** assigns the wrong billed office, (i.e., designates the billed office in a manner that violates the requirements of Volume 4, Finance; was not billed under the proper method (noninterfund versus interfund); should not have been billed, (e.g., was nonreimburseable, the requisition was cancelled, or accessorial charge was inappropriate)."

(6) Update DLM 4000.25, Volume 2, Chapter 4:

"C4.2. PREPARATION OF REQUISITIONS. Requisitioning organizations must use the DLMS 511R, Requisition, to submit requisitions for all materiel requirements. 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] DLMS requisition transactions support inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the requisitioner'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 870S Supply Status citing Status Code CF. ***If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DLMS 870S/DIC AE9 Supply Status citing Status Code CF. Requisitions must be edited by the ordering application prior to acceptance of the order for further processing. Image and post-post transactions will not be rejected by the source of supply or DAAS.***[2]

---

[1] Refer to ADC 1043/ADC 1043A
[2] ***Refer to PDC 1043E.***"

(7) Update DLM 4000.25-1, Chapter 2:

"C2.1.15 If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DIC AE9 Supply Status citing Status Code CF. Requisitions must be edited by the ordering application prior to acceptance of the order for further processing. Image and post-post transactions will not be rejected by the source of supply or DAAS.[1]

---

[1] ***Refer to PDC 1043E.***"

(8) Revise DLM 4000.25, DLMS, Vol. 2, Chapter 8:

"C8.1.2. Materiel Obligation Reinstatement Request. This is a request by an organization to reinstate requisition(s) previously canceled due to that organization's nonresponse to an MOV request. Use the DLMS 517M, to reinstate previously canceled requisition(s). 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] The DLMS requisition reinstatement transaction supports inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the requisitioner'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 870S Supply Status citing Status Code CF. ***If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DLMS 870S/DIC AE9 Supply Status citing Status Code CF.[2]***

---

[1] Refer to ADC 1043/ADC 1043A
[2] Refer to PDC 1043E."

[Intervening text not shown.]

C8.1.8.5. Receipt of Confirmed Cancellations. Organizations in receipt of confirmed cancellations may request reinstatement of their canceled requisitions for a period not to exceed 60 calendar days after the BS cancellation transaction date. Use a DLMS 517M, to request the reinstatement of canceled requisitions and indicate the quantity required. The reinstated quantity may be equal to or less than, the canceled quantity canceled. The reinstated quantity will not exceed the canceled quantity. ***DLA Transaction Services will revalidate fund codes for Signal Code A, B, C, J, K, or L, and provide rejections back to the sender with the DLMS 870S/DIC AE9 Supply Status citing Status Code CF[1].***

---

[1] Refer to PDC 1043E."

(9) Revise DLM 4000.25-1, Chapter 7:

C7.1.1.5. An MOV reinstatement request[1] is submitted by a requisitioner to reinstate a previously canceled requisition due to the requisitioner's nonresponse to an MOV request. 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[2]. The DLMS requisition reinstatement transaction supports inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the requisitioner's Service/Agency and Fund Code. ***If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DIC AE9 Supply Status citing Status Code CF.[3]***

---

[1] Established procedures to reinstate canceled requisitions last reported as not implemented by USN. Refer to AMCL 150C.
[2] Refer to ADC 1043.
[3] Refer to PDC 1043E."

[Intervening text not shown.]

C7.1.11.7. Requisitioning activities in receipt of confirmed cancellations (Status Code BS) as a result of the MOV program may request reinstatement[1] of their canceled requisitions for a period not to exceed 60 days following the transaction date (rp 62-64) of the BS cancellation. Reinstatement of canceled requisitions shall be accomplished online; off-line reinstatement requests shall not be honored. When reinstatement is required, the requisitioner shall furnish the source of supply a DIC APR transaction, MOV Reinstatement Request, for the quantity required, in the format shown in Appendix AP3.51. The reinstated quantity may be equal to or less than the canceled quantity. The reinstated quantity shall not exceed the canceled quantity. ***DLA Transaction Services will revalidate fund codes for Signal Code A, B, C, J, K, or L, and provide rejections back to the sender with the DIC AE9 Supply Status citing Status Code CF.[2]***

---

[1] Established procedures to reinstate canceled requisitions last reported as not implemented by USN. Refer to AMCL 150C.
[2] Refer to PDC 1043E.

(10) Revise DLM 4000.25, DLMS, Vol. 2, Chapter 11:

" C11.9.1. Items Designated by a Supply Source for Automatic Return. DLMS 180M Automatic Return Notification is used for items by a source of supply for automatic return. Supply sources shall notify reporting activities of the location to which items so designated are to be shipped. 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] The DLMS shipment status for ICP/IMM-directed lateral redistribution supports inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the returning 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 870M Materiel Returns Supply Status citing Status Code CF. ***If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DLMS 870M/DIC FTQ Materiel Returns Supply Status citing Status Code CF.[2]***

---

[1] Refer to ADC 1043/ADC 1043A
[2] Refer to PDC 1043E."

[Intervening text not shown.]

"C11.17.3.3. Ensure Shipment. Ensure materiel is shipped, using DD Form 1348-1A, to the activity identified in the LRO as the "ship-to" addressee. When the materiel is shipped, send DLMS 856S, Shipment Status (To ICP/IMM From Reporting Activities for LRO Shipments of Retail Assets), to the activity identified as the receiving activity in the LRO. The DLMS 856S must include the DoDAAC and fund code of the activity to which the credit for the materiel and reimbursement for the packing, crating, handling, and transportation (PCH&T) costs is to be provided; and Signal Code B and Distribution Code 2 or 3. Conformance with SLOA/accounting classification requires any initiation of a financial business event to include SLOA mandated standard financial information system (SFIS) elements.[1] The DLMS shipment status for ICP/IMM-directed lateral redistribution supports inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the reporting 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. Retail activities will use Uniform Materiel Movement and Issue Priority System (UMMIPS) time standards for processing LROs directed by the ICP/IMM. ***If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DLMS 824R Reject Advice citing Reject Advice Code BU.***[2]

---

[1] Refer to ADC 1043/ADC 1043A
[2] ***Refer to PDC 1043E***."

(11) Revise DLM 4000.25-1, Chapter 9:

C9.10.6. 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. The DLMS shipment status for ICP/IMM-directed lateral redistribution supports inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the returning activity's Service/Agency and Fund Code. ***If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DIC FTQ Materiel Returns Supply Status citing Status Code CF.***[2]

---

[1] Refer to ADC 1043
[2] ***Refer to PDC 1043E.***"

[Intervening text not shown.]

C9.19.3.3. Ensure that materiel is shipped using DD Form 1348-1A or DD Form 1348-2 to the activity identified in the LRO as the "ship-to" addressee. When the materiel is shipped, transmit a DIC AS6 to the activity identified in rp 74-76 of the LRO. The DIC AS6 will include the DoD activity address code (DoDAAC) (rp 45-50) and fund code (rp 52-53) of the activity to which the credit for the materiel and reimbursement for the PCH&T costs are to be provided, Signal Code B (rp 51), and Distribution Code 2 or 3 (rp 54). Conformance with SLOA/accounting classification requires any initiation of a financial business event to include SLOA mandated standard financial information system (SFIS) elements. The DLMS shipment status for ICP/IMM-directed lateral redistribution supports inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the reporting activity's Service/Agency and Fund Code when converting legacy formats to DLMS. ***If invalid/missing fund code for Signal Code A, B, C, J, K, or L, DAAS will reject the transaction and notify the sender .***[2] Retail activities will use Uniform Materiel Movement and Issue Priority Sytem (UMMIPS) time standards for processing LROs directed by the ICP/IMM. Refer to DoDM 4140.01, Supply Chain Materiel Management Procedures, Volume 8, Materiel Data Management and Exchange, February 10, 2014.

---

[1] Refer to ADC 1043
[2] ***Refer to PDC 1043E.***"

(12) Revise DLM 4000.25, DLMS, Vol. 2, Chapter 16:

"C16.5.2. Requirements for Shipments of Hazardous Materiel and Hazardous Waste. The following guidance outlines basic documentation requirements for turn-in of Hazardous Materiel (HM), Hazardous Waste (HW), and other types of wastes (e.g., Polychlorinated Biphenyl (PCBs), Friable Asbestos, etc.). The turn-in activity will enter the bill-to fund code for reimbursable actions associated with the disposal, (e.g., HW contractor costs, in the DD Form 1348-1A or DD Form 1348-2), in order to provide reimbursement to DLA Disposition Services. To ensure compliance with federal, state, DoD, and host nation regulations, turn-in activities will obtain and become familiar with applicable Code of Federal Regulations (CFR), state regulations, DoD regulations, and Overseas Environmental Baseline Guidance Documents (OEBGD), or the Final Governing Standards (FGS) for the host nation. When initiated electronically the HM/HW turn-in will be directed using the DLMS 940R, Disposal Release Order (DRO). 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] The DLMS DRO transaction supports inclusion of SLOA required elements. Pending full implementation of SLOA, DLA Transaction Services will facilitate interoperability by updating selected SLOA data fields based upon the initiator'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. ***If invalid/missing fund code for Signal Code A, B, C, J, K, or L, reject with the DLMS 824R Reject Advice citing Reject Advice Code BU.***[2]

---

[1] Refer to ADC 1043/ADC 1043A
[2] ***Refer to PDC 1043E***."

(13) Revise DLM 4000.25-1, Chapter 3:

"C3.39 DIRECTING MATERIEL TO DLA DISPOSITION SERVICES

C3.39.1 Sources of supply will utilize the disposal release order (DRO) (DIC A5J) and related transactions to direct and control issue of supply system stocks on their records to DLA Disposition Services. DROs are transmitted to the storage site having custody of the stock and result in the preparation of the DD Form 1348-1A (or DD Form 1348-2) as outlined in Chapter 5, Paragraph C5.5. Preparation of DROs will be performed using the Appendix AP3.13 format. If the item is classified in SCC Q and is being transferred to DLA Disposition Services, the DRO will contain Management Code O (alpha) or S, as appropriate, to indicate whether the materiel is hazardous to public health/safety and mutilation is required. Aviation critical safety item (CSI)/flight safety critical aircraft part (FSCAP) materiel in SCC Q directed to DLA Disposition Services will always cite Management Code S. (See MILSTRAP, Appendix AP2.6). Where credit is provided, the fund code is subject to validation per Table C3.T2. DLA Disposition Services will perform mutilation in accordance with existing guidance for the NSN/type of material. The ICP/IMM should identify to DLA Disposition Services any unique instructions for disposal requiring specific methods or information regarding hazardous constituents contained in the item. When the quantity to be transferred to DLA Disposition Services exceeds the capability of the quantity field, rp 25-29, multiple DROs with new document numbers will be utilized. When multiple DROs are required; each DRO prepared for the same item will contain the total retention quantity in rp 55-61. When the quantity to be retained exceeds the capability of the retention quantity field, rp 55-61, the transactions will be processed off-line."

(14) Revise DLM 4000.25, DLMS, Vol. 2, Chapter 17:

"C17.3.2.6.2. Concealed Overage/Shortage. U.S. Government customers must report overages or shortages discovered while opening a sealed vendor pack regardless of dollar value or shipper. These reports must contain, if available, the contract number from the packaging, the lot number, and original document number. A constructed document number must be provided when the original number is not known. When using a constructed document number in an SDR coordinate with the applicable Component finance office ~~and~~ ***Use the credit-to/bill-to DoDAAC as the basis for constructing the document number,*** follow MILSBILLS procedures citing Code U in the first position of the constructed document number serial number (DLMS Utilization Code U), ***and*** include fund code ~~and credit-to/bill-to DoDAAC,~~ to ensure that credit/billing is appropriate. Conformance with standard line of accounting (SLOA)/accounting classification requires any initiation of a financial business event (e.g., credit or debit) to include SLOA mandated standard financial information system (SFIS) elements. The DLMS SDR transaction supports inclusion of SLOA required elements.

[Intervening text not shown.]

C17.3.2.11.2. Incorrect item discrepancies discovered while opening a sealed vendor pack will be reported regardless of dollar value or shipper. These reports must contain the contract number from the packaging and, if available, the lot number and the original document number. A constructed document number will be provided when the original number is not known. When using a constructed document number in an SDR coordinate with the applicable Component finance office. ~~and~~ ***Use the credit-to/bill-to DoDAAC as the basis for constructing the document number,*** follow MILSBILLS procedures citing Code U in the first position of the constructed document number serial number (DLMS Utilization Code U), ***and*** include fund code ~~and credit-to/bill-to DoDAAC~~ to ensure that credit/billing is appropriate. Conformance with standard line of accounting (SLOA)/accounting classification requires any initiation of a financial business event (e.g., credit or debit) to include SLOA mandated standard financial information system (SFIS) elements. The DLMS SDR transaction supports inclusion of SLOA required elements. Include identity of the incorrect item received in the discrepancy report.

[Intervening text not shown.]

C17.3.20.1.2. Edit SDR transactions in accordance with business rules specified below. Additionally, DoD WebSDR will edit SDRs to improve data consistency and the appropriateness of data content as follows:

[Intervening text not shown.]

C17.3.20.1.2.7. If the SDRs contain a constructed document number, check if fund code is invalid/missing. If fund code is invalid/missing, reject with the DLMS 842A/R SDR Reply citing Reply Code 943.[1]

---

[1] Refer to PDC 1043E."

(15) Revise DLM 4000.25, Volume 2, Appendix 3, Supply Discrepancy Report Relevant Data Elements, paragraph AP3.4 to modify the Discrepancy Status or Disposition (Reply) Code 943.

Reply Codes

"943 Transaction rejected. ***Failed validation with SFIS Fund Code to Fund Account Conversion Table. Issues with content of the SFIS Fund Code to Fund Account Conversion Table are to be communicated to the Fund Code Monitor designee(s) of the cognizant Component. Fund Code or*** Standard Line of Accounting (SLOA) data elements do not match SFIS Fund Code to Fund Account Conversion Table.***"***

(16) Revise DLM 4000.25, Volume 4, Chapter 6 to include requirement to pass the edit for validating the fund code:

"***C6.2.2.1.7. Fund code is not valid on the SFIS Fund Code to Fund Account Conversion Table for the Service / Agency Code.***"

(17) In DLM 4000.25, Volume 4, Chapter 5 apply the following edit to C5.2.3.

"C5.2.3. Billed offices shall, upon receipt of the "bill", either accept and record the charge for the complete or partial bill or, when the charge is questionable or erroneous at the detail bill level or in dispute, record the charge into the designated default account for further research. Charges shall remain uncleared pending completion of research and resolution. ~~The Department of the Navy has been granted a waiver as an exception to this procedure. A questionable or erroneous portion of a Navy interfund bill will suspend to the interfund clearing account (treasury account symbol F3885). When the charge is acceptable, but the account disbursed by the billing office is not, the billed office shall accept and record the charge to the proper account. The billed office shall also follow procedures prescribed by its disbursing officer to correct the account reported to the Treasury Department.~~"

(18) In DLM 4000.25, Volume 4, Appendix 2.2 apply the following edit to the second bullet of AP2.1.

- "Only valid appropriations and sub allocations may be associated with fund codes. ~~The undistributed intergovernmental payments account, F3885 may not be associated with fund codes or used on interfund bills.~~"

f. Alternatives: none noted.

5. REASON FOR CHANGE: Implement edit checks for a valid fund code early in the supply process to avoid costly research and adjustments when invalid fund codes make it all the way to the bill.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Improved auditability of the interfund billing process. Recurring reduction in costs for researching and clearing unmatched financial transactions resulting from invalid fund codes.

b. Disadvantages: Increase in requisition rejections, which will have to be corrected before orders can be processed. Initial cost of system changes to implement.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET:

a. Staggered implementation is authorized for Component systems.

b. DLA Transaction Services implement DAAS edits within 150 days with exception of the 810L edit, which will be approved by an ADC addendum expected to be issued within eighteen months.

c. DLMS manual changes are effective upon issuance of the Approved DLMS change and will be included in the next formal change, with exception of removing default lines of accounting from DLM 4000.25, Volume 4, Appendix 2.2-1,which will be approved by a separate ADC addendum expected to be implemented within eighteen months.

8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: None noted.

9. ADDITIONAL FUNCTIONAL REQUIREMENTS: A future PDC will be required to reject 810L Logistics Bills where the fund code is invalid or missing for the Component on the SFIS Fund Code to Fund Account Conversion Table and to remove use of default lines of accounting authorized in DLM 4000.25, Volume 4, Appendix 2.2 by deleting the third bullet as shown below:

"~~• When a fund code used in the billing and adjustment process is not found on the fund code to disbursement fund account conversion table the appropriation charged shall be assigned as follows:~~

~~Organization (Billed Service Code)~~	~~Interfund Default Appropriation~~
~~Contractor (C, E, L, Q, U)~~	~~Not applicable, noninterfund~~
~~Non-DoD (G, Z, HX, Numeric)~~	~~Not applicable, noninterfund~~
~~Army (A, W)~~	~~21*2020~~
~~Air Force (D, F)~~	~~57*3400~~
~~Navy (N, P, R, V)~~	~~17*1804~~
~~Marine Corps (K, M)~~	~~17*1106~~
~~Defense Logistics Agency (S, T)~~	~~97X4930.5999~~
~~Other Defense Agency (H)~~	~~Not applicable, noninterfund~~."

Staffing Note. Though not being proposed in this PDC, request Components comment on future removal of default lines of accounting and rejection of 810 Logistics Bills with invalid or missing fund codes.

10. IMPACT:

a. New and Changed DLMS Data Elements: Per code changes documented in 4.e. above:

(1) Update Status Code CF.

(2) Update Reject Advice Code BU.

(3) Update Discrepancy Status or Disposition (Reply) Code 943.

b. Automated Information Systems (AIS):

(1) Changes will be required to source of supply systems to setup replication of SFIS Fund Code to Fund Account Conversion Table data with DAAS and validate fund codes before accepting requisitions. A partial list of systems includes: DLA DSS, DOD EMALL (soon to be FEDMALL), Defense Medical Logistics Standard Support (DMLSS), and DLA Troop Support - Subsistence Total Order and Receipt Electronic System (STORES).

(2) DLA Enterprise Business System: Implement the verification of valid fund codes using SFIS Fund Code to Fund Account Conversion Table data already being replicated from DAAS.

c. DLA Transaction Services: Changes will be required to

(1) Implement edit check for invalid fund codes and status message back to submitter explaining the reason for rejection.

(2) Apply the DoDAAC verification when Signal Code is C or L to the DLMS 940R/DIC A5J for turn in of hazardous waste.