

DLMSO

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Approved DLMS Change (ADC) 64, Flexibility in Annual Location Reconciliation Scheduling (Staffed by PDC 77, Supply/MILSTRAP)

This forwards an approved change to DoD 4000.25-M, Defense Logistics Management System (DLMS) and DoD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP). Flexible scheduling of annual location reconciliation is optional based upon Component agreement, accordingly this change allowing for such flexibility is effective immediately.

Addressees may direct questions to the DLMSO point of contact Ms. Mary Jane Johnson, 703-767-0677, DSN 427, email: maryjane_johnson@hq.dla.mil. Others must contact their Component designated Supply Process Review Committee representative (refer to: <http://www.dla.mil/j-6/dlmsso/Committees>.)

JAMES A. JOHNSON
Director
Defense Logistics Management
Standards Office

Attachment

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Joint Physical Inventory Working Group (JPIWG)

APPROVED DLMS CHANGE (ADC) 64

Flexibility in Annual Location Reconciliation Scheduling

1. ORIGINATOR:

a. **Service/Agency:** Defense Logistics Management Standards Office (DLMSO).

b. **Originator:** Mary Jane Johnson, MILSTRAP System Administrator and Chair, Joint Physical Inventory Working Group (JPIWG), 703-767-0677, DSN 427-0677, Email: MaryJane_Johnson@hq.dla.mil.

2. FUNCTIONAL AREA: Supply

3. REQUESTED CHANGE

a. **Title:** Flexibility in Annual Location Reconciliation Scheduling.

b. **Description of Change:**

(1) Allow owner/managers and Storage Activities to negotiate documented flexible agreements for conducting location reconciliation any time during the fiscal year so long as location reconciliation is accomplished annually at all activities. Provides more flexibility than current requirement that all reconciliation be accomplished on a single date for each Component.

(2) Removes current requirement for a transmission date by the 15th of the month, for those reconciliations prepared by the 2nd Tuesday of the month. Rationale: Per Navy and DLA JPIWG representative comments, once an application program generates the transactions they should be exited. There would be no reason to hold them, and no reason to specify a transmission date.

c. **Procedures:**

(1) Revise DoD 4000.25-2-M, MILSTRAP, Chapter 7, paragraph C7.6.2 Location Reconciliation, sub-paragraph C7.6.2.3.3 as follows:

“C7.6.2.3.3 All owner/manager and storage activity records (active and inactive records, including zero balances) will be reconciled not less than once each fiscal year. ***Storage Activities and Components may negotiate agreements for conducting annual location reconciliation any time during the fiscal year. When no such agreement exists,*** location reconciliation requests will be prepared on the second Tuesday of the month indicated in the following schedule: and transmitted prior to the 15th day of the scheduled month.

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

(2) Revise DoD 4000.25-M, Defense Logistics Management System Manual, as needed to incorporate change.

4. REASON FOR CHANGE:

a. Army (Mr. Don Hartzell/Single Stock Fund/DSN 767-0452/Email: hartzelld@hqamc.army.mil) contacted the MILSTRAP Administrator/JPIWG Chair to advise that Army's move to a Single Stock Fund capitalizes all the assets above the unit level into the wholesale Army Working Capital Fund (AWCF). Army indicated this will add approximately 520 storage activities as wholesale distribution activities. This presents a problem with capacity of communications lines and CPU processing if Army must reconcile all Army sites with the IMMCs on the same day. To alleviate this problem, Army recommends allowing for its annual reconciliation (called location reconciliation in MILSTRAP) with its own wholesale storage activities at any time during the fiscal year, as long as it is conducted at least annually with each storage site.

b. During the April 1999 JPIWG meeting, the Navy representative questioned the MILSTRAP requirement that location reconciliation request will be prepared on a single specific day each year. The JPIWG agreed that flexibility in arranging for location reconciliation by agreement between the storage activity and the Components was warranted, with a fall back to the specific day cited in MILSTRAP when no such agreement was negotiated.

5. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Provides option for flexibility for negotiated location reconciliation, while maintaining the annual requirement cited in MILSTRAP.

b. **Disadvantages.** None known.

6. **IMPACT:** Owner/managers and Storage Activities processing schedules.