

# C1. CHAPTER 1

## GENERAL INFORMATION

C1.1 AUTHORITY DoD Directive 4140.1 prescribes the publication and use of this manual.

### C1.2 PURPOSE

C1.2.1 This manual provides policies and prescribes uniform procedures for recording inventory management data passed between elements of a single Service or Agency distribution system or between the various distribution systems of the Department of Defense. The procedures govern the interchange of information for all materiel in the supply control/distribution systems and financial management of the DoD and other participating Agencies, unless specifically exempted by the Deputy Under Secretary of Defense (Logistics) (DUSD(L)).

C1.2.2 The forms, formats, and codes prescribed herein were developed on the basis of the Components' requirement for standard transaction reporting and accounting procedures used in item accounting and financial inventory of Department of Defense materiel. The prescribed codes are mandatory for inter- and intra-Component use when data are interchanged among elements of a distribution system.

C1.2.3 The requirements of other logistics functional areas (exclusive of the specific codes and procedures for accomplishment) related to MILSTRAP have been considered and are included to provide procedural clarity and/or to describe procedural interface with other DoD logistics standard systems. Certain techniques for deriving financial billing data are provided within the purview of this manual. Financial billing procedures are prescribed in appropriate DoD publications.

C1.3 APPLICABILITY. This manual applies to the Office of the Secretary of Defense, Unified and Specified Commands, the Organization of the Joint Chiefs of Staff, the Army, Navy, Air Force, Marine Corps, Coast Guard, Defense Nuclear Agency, Defense Logistics Agency, and, in part (chapter 11 and appendix AP2.5), to the General Services Administration (hereafter referred to collectively as "DoD Components" or "Components").

C1.3.1 The U.S. Coast Guard, as established by Title 14 of the United States Code, "...shall be a Military Service and a branch of the armed forces of the United States at all times." While the Coast Guard is an element of the Department of Transportation, it functions as a specialized Service in the Navy during times of war.

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C1.3.2 As a Military Service, the Coast Guard relationship, with regard to MILSTRAP will be the same as the DoD Military Services.

**C1.4 EXCLUSIONS**

C1.4.1 Supply transactions below the Inventory Control Point (ICP) and storage activity level in the distribution system; i.e., transactions at post, camp, station, base (or equivalent) level or between post, camp, station, base (or equivalent) and using organizations, unless a Component establishes an internal requirement for use at this level. Materiel receipt acknowledgment, as provided for in chapter 6, is required below the wholesale level and is not excluded. Transaction and asset status reporting, as provided for in chapter 8, is required below the wholesale level and is also not excluded. MILSTRAP further excludes:

C1.4.1.1 Bulk petroleum and packaged fuel products.

C1.4.1.2 Forms and publications.

C1.4.1.3 Industrial plant equipment.

C1.4.1.4 Communications Security (COMSEC) and Signal Intelligence equipment, COMSEC aids (keying materiel), and those spare and repair parts which are classified as CRYPTO items or which are normally obtained through CRYPTO channels.

C1.4.1.5 Aircraft and missile propulsion units.

C1.4.1.6 Nuclear ordnance items designated by DNA for unique item tracking control.

C1.4.1.7 Coal and coke.

C1.4.1.8 National Defense Stockpile assets.

C1.4.2 Financial transactions are generated independently of inventory control record maintenance. The financial accounting aspects of this manual pertain only to that financial data produced as a by-product of receipt, issue, and adjustment processing.

C1.4.3 Chapter 7 addresses exclusions from the requirements of the DoD Physical Inventory Control Program.

**C1.5 POLICY**

C1.5.1 DoD 4140.1-R provides the primary DoD policies governing procedures in this manual.

C1.5.2 Federal Information Processing Standard (FIPS) 161-2 electronic data interchange (EDI) standards, such as American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12, will be used for electronic business transaction exchanges in new and planned logistics business processes to include major modifications to existing legacy systems.<sup>1</sup>

C1.5.3 This manual shall be disseminated, as required, to the using levels of DoD Components. Supplemental instructions issued by DoD Components are authorized when additional detailed instructions are required within their Component.

C1.5.4 These procedures shall be implemented uniformly between DoD Components and at all levels within each DoD Component.

C1.5.4.1 Requests for deviations or waivers shall be considered when it can be demonstrated that the system in question cannot provide a workable method or procedure or cannot accommodate interim requirements.

C1.5.4.2 Deviations or waivers may not be requested solely to accommodate existing internal systems and procedures or organizational environments.

C1.5.5 Recommended changes to these procedures will be forwarded through the Component Supply Process Review Committee (PRC) representative, listed in section C1.9, to the MILSTRAP Administrator for review and coordination with all DoD Components. Implementation dates for approved changes will be as coordinated with Components or as directed by the DUSD(L).

## C1.6 RESPONSIBILITIES

C1.6.1 The DoD MILSTRAP System Administrator is assigned as the DoD Focal Point responsible for administering MILSTRAP in accordance with the policy guidance of the DUSD(L). The system administrator shall:

C1.6.1.1 Perform analysis and design functions, in coordination with the DoD Components, to implement guidance and instructions provided by the DUSD(L) and to ensure the involvement of telecommunications planning in an integrated system design.

C1.6.1.2 Recommend system improvements and additional policy, as required, during the development of procedures.

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<sup>1</sup> The logistics electronic business transactions, data, and business rules prescribed in the DLMS (DoD 4000.25-M) satisfy the FIPS 161-2 requirement and have been developed to replace the DoD unique transactions and requirements prescribed by this and other Defense Logistics Standard System (DLSS) manuals. This and other DLSS manuals will be maintained during the transition to DLMS. DLMS, rather than DLSS, must be incorporated in DoD logistics systems as part of the ongoing modernization programs. MILSTRAP will be deactivated with the DoD wide implementation of DLMS. Relevant MILSTRAP procedures and policies have been incorporated into DLMS. For additional information regarding DoD logistics migration to commercial EDI standards see <http://www.dla.mil/j-6/log-edi>.

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C1.6.1.3 Develop, publish, and maintain this manual in a current status consistent with DoD 5025.1-M. This includes the responsibility to:

C1.6.1.3.1 Evaluate and coordinate proposed changes with the Components, foreign governments, and industrial organizations and furnish a copy of all change proposals to the DUSD(L).

C1.6.1.3.2 Resolve issues concerning procedural matters within 90 calendar days after receipt of all comments from the Components. Issues affecting resources or policy shall be referred, together with comments of the Components and a recommendation of the system administrator, to the DUSD(L) for decision.

C1.6.1.3.3 Make available to the DUSD(L), and to the DoD Components, a status review of all change proposals which have not yet been approved for publication, or, that if approved, have not been implemented. (Report Control Symbol (RCS) DD-AT&L(AR))1419 applies.)

C1.6.1.3.4 Ensure compatibility of assigned systems. Coordinate, when appropriate, among DLMSO PRC functional areas, with designated system administrators of other DoD logistics systems, and with related DoD logistics task groups. Attain compatibility among these systems and groups, when appropriate, before coordination with the Components.

C1.6.1.4 Ensure uniform implementation of MILSTRAP, consistent with DoDD 4140.1, by taking action to:

C1.6.1.4.1 Review implementation plans and implementation dates of Components and make recommendations for improvements.

C1.6.1.4.2 Conduct periodic evaluations to determine the effectiveness of the system.

C1.6.1.4.3 Conduct periodic staff assistance visits to Component activities to review selected system segments in order to determine compliance with prescribed MILSTRAP requirements and to furnish clarification to ensure uniform interpretation of MILSTRAP requirements. When planning staff assistance visits, develop and submit a coordinated Component staff assistance visit program to the DUSD(L). The staff assistance visit program will reflect a tentative schedule of activities to be visited and general areas of concentration.

C1.6.1.4.4 Report to the DUSD(L) the findings and recommendations of evaluations and staff assistance visits, along with comments of the Components concerned.

C1.6.1.4.5 Secure semiannually from the Components status information concerning implementation of approved system revisions. (RCS DD-AT&L(AR))1419 applies.)

C1.6.1.5 Participate in Supply PRC meetings. DLMSO will conduct PRC meetings in accordance with the procedures in DoD 4000.25-M, volume 1.

C1.6.1.6 Review and evaluate curricula of DoD and other participating organization training schools offering courses related to MILSTRAP and make recommendations for improvements.

C1.6.1.7 Assist in resolving problems, violations, and deviations that arise during system operations and that are reported to the system administrator. Unresolved problems and continued violations shall be referred to the DUSD(L) for resolution or corrective action.

C1.6.1.8 Review and coordinate with the Components, affected foreign governments, and industrial organizations all requests for systems deviations and exemptions and make appropriate recommendations to the DUSD(L) based on fact-finding studies or analysis of accompanying justification.

C1.6.2 Heads of DoD Components and Other Participating Components will:

C1.6.2.1 Designate an office of primary responsibility for MILSTRAP to serve as the system focal point and coordinate MILSTRAP issues/changes with the Component Supply PRC representative, when the MILSTRAP Focal Point office differs from the Supply PRC representative office. Identify by name to the system administrator a primary representative for MILSTRAP/Supply PRC to:

C1.6.2.1.1 Participate in Supply PRC meetings, provide the Component or participating organization position, and has authority to make decisions regarding procedural aspects. MILSTRAP and Supply PRC representative offices are identified in section C1.9.

C1.6.2.1.2 Ensure continuous liaison with the system administrator and other Components.

C1.6.2.1.3 Evaluate all suggested changes to MILSTRAP that originate within their organization. The Supply PRC representative shall initially evaluate beneficial suggestions originating within their Component. If the system administrator receives a suggestion directly for evaluation, the system administrator shall forward the suggestion to the appropriate Component PRC representative for review and evaluation. If the PRC representative considers the suggestion worthy of adoption, the PRC representative shall submit a change proposal to DLMSO, stipulating specific narrative changes to the publication. Such proposed changes shall be coordinated in the normal manner with awards determined by the PRC representative in accordance with current procedures.

C1.6.2.1.4 Submit revision proposals to the system administrator in accordance with section C.1.8.2.

C1.6.2.1.5 Provide the Supply PRC a single, coordinated Component position on all MILSTRAP change proposals within the time limit specified (normally 60 calendar days) by the system administrator.

C1.6.2.1.6 Participate in system staff assistance visits in coordination with the system administrator.

C1.6.2.2 Provide DLMSO with a semiannual status report concerning implementation of approved MILSTRAP and DLMS changes. (RCS DD-AT&L(AR) 1419 applies.) Report information as of May 1 and November 1 of each year for each approved change beginning with the first report following publication of the approved change letter and ending with the report in which the approved change is identified as fully implemented. In the final report, provide the Component implementing publication and change numbers/system identification/subsystem identification, as applicable. Attach a copy of the publication change if DLMSO is not on automatic distribution for the publication. By May 30 and November 30 of each year, forward the reports to DLMSO, via electronic mail at: MaryJane\_Johnson@hq.dla.mil. Traditional mail may be sent to:

Director Defense Logistics Management Standards Office ATTN: DLMSO/J-673 STE 1834 8725 John J Kingman Rd Fort Belvoir, VA 22060-6217
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C1.6.2.3 Accomplish internal training to assure timely and effective implementation and continued operation of MILSTRAP/DLMS.

C1.6.2.4 Review, evaluate, and update, at least annually, curricula of internal MILSTRAP/DLMS training programs to ensure adequacy of training.

C1.6.2.5 Provide representation to joint system design and development efforts and evaluations of MILSTRAP in coordination with the system administrator.

C1.6.2.6 Review internal procedures continually to eliminate and prevent duplication of records, reports, and administrative functions related to information provided by MILSTRAP/DLMS.

C1.6.2.7 Ensure that operating activities that support a MILSTRAP/DLMS function comply with these procedures.

C1.6.2.8 Furnish to the system administrator copies of supplemental and internal procedures, and changes thereto, related to operation of MILSTRAP. Review all such supplemental procedures to ensure continuing conformance of revisions to MILSTRAP/DLMS.

C1.6.2.9 Report to the system administrator problems, violations, and deviations that arise during system operations.

C1.6.2.10 Review the Materiel Receipt Acknowledgement (MRA) Management Information report for their reporting activities and initiate action to assure proper supply

accountability and accounting control over intransit wholesale stock and compliance with the chapter 6 MRA requirements.

C1.7 PUBLICATION AND DISTRIBUTION OF THE MANUAL. This manual, and related documentation, is published electronically at <http://www.dla.mil/j-6/dlmsso/Manuals>.

## C1.8 SYSTEM MAINTENANCE

C1.8.1 Revisions to MILSTRAP result from release or revision of DoD instructions, directives, policy changes, and recommendations of the system administrator and the Components.

### C1.8.2 Submitting Proposed MILSTRAP Changes:

C1.8.2.1 DoD Component Supply PRC representatives, authorized in section C1.9, and the heads of DoD logistics task groups may submit proposed critical changes to MILSTRAP in accordance with the instructions in DoD 4000.25-M, volume 1.

C1.8.2.2 The proposal and all related correspondence should be forwarded to DLMSO, via electronic mail at: MaryJane\_Johnson@hq.dla.mil. Traditional mail may be forwarded to:

Director  
Defense Logistics Management Standards Office  
ATTN: DLMSO/J-673 STE 1834  
8725 John J Kingman Rd  
Fort Belvoir, VA 22060-6217

C1.8.3 As a minimum, proposed changes will include the following information:

#### C1.8.3.1 Originator.

C1.8.3.1.1 Component. Identify the Component or joint group submitting the requested change.

C1.8.3.1.2 Originator. Identify the person who can discuss the concepts, requirements, and rationale underlying the proposed change. Include the name, organization and office symbol; DSN and commercial telephone number; and electronic-mail address.

C1.8.3.2 Functional Area. Identify the Primary and, if applicable, secondary DLSS/DLMS functional area(s) which may be affected by, or have interest in the problem or requested change

#### C1.8.3.3 Requested change:

- Title. A brief descriptive title for the change requested.

- Description of change. A brief description of the change being proposed and the fundamental problem or issue the change seeks to resolve.
- Procedures. Identify needed changes to MILSTRAP/DLMS and any other affected DoD publications, to include specific wording. Include changes to the procedural text, transaction formats, DLMS Supplements, data element, code value and any other relevant information.
- Alternatives. Identify and discuss alternate approaches to resolving the problem or issue.

C1.8.3.4 Reason for change. Provide background and support for the problem or issue this change attempts to resolve. Elaborate on the need for the change and place the problem in a context which allows evaluators, who are generally familiar with the process, to understand the full impact of the problem or issue, and the impact of maintaining the status quo.

C1.8.3.5 Advantages and Disadvantages.

C1.8.3.5.1 Advantages. Identify both tangible and intangible benefits which would result from adoption of the proposed change, especially benefits accruing to DoD. Include benefits both within and beyond the primary functional area of MILSTRAP/DLMS Address the impact if nothing is done. Demonstrate why the proposed solution is more advantageous than the alternatives.

C1.8.3.5.2 Disadvantages. Indicate known or potential problems associated with the proposal. Consider disadvantages both within and beyond the primary functional area of the MILSTRAP/DLMS.

C1.8.3.6 Interface/Impact.

C1.8.3.6.1 Interface. A statement of known interface requirements which identifies changes requiring coordination with other DoD logistics systems.

C1.8.3.6.2 Impact. Identify other DoD publications which will need to be revised to remain compatible with the DLSS/DLMS. Include suggested wording changes. Identify any additional specific information requirements which will be added, revised, or deleted as a result of this change.

C1.8.4 System Administrator Evaluation of Proposed Changes

C1.8.4.1 The system administrator will review all proposed changes to determine their completeness (see previous section C.1.8.3.) and will return proposed changes which are not complete to the submitter.

C1.8.4.2 The system administrator will evaluate all proposed changes prior to formal staffing with the Components. The evaluation of the proposed revision will

include, but not be limited to, the accuracy, validity, necessity, and urgency of the change.

C1.8.4.3 The system administrator will return to the submitting focal point any requested change which is not deemed critical and does not demonstrate significant inter-Service and/or inter-Agency benefit. When requested changes are critical and do demonstrate significant benefit, the system administrator will formalize the request as a proposed DLMS change for staffing with the participating Components and with the administrators of other DoD logistics systems which are impacted by the proposed change.

#### C1.8.5 Processing Proposed Changes

C1.8.5.1 Proposed changes will be consecutively numbered as Proposed DLMS Changes and will normally request the Components to respond within 60 calendar days or less.

C1.8.5.2 PRC representatives will provide a single coordinated position on all proposed changes.

C1.8.5.3 If responses are not received within the specified timeframe, the system administrator will follow up with the delinquent Component. When a Component fails to respond, the system administrator may refer the matter to the DUSD(L).

#### C1.8.6 Review and Evaluation of Responses

C1.8.6.1 The system administrator will, when necessary, schedule proposed changes not receiving complete Component concurrence for discussion and resolution at a meeting of the Supply PRC.

C1.8.6.2 The system administrator will attempt to resolve issues which involve procedural matters normally within 90 calendar days after the receipt of all comments from the participating Components.

C1.8.6.3 The system administrator will refer unresolved matters affecting policy, together with the Component comments and a recommendation of the system administrator, to the DUSD(L) for resolution.

#### C1.8.7 Establishment of Implementation Dates

C1.8.7.1 Following resolution of Component comments on the proposed change, the system administrator will prepare and disseminate to the Component Supply PRC representative a letter requesting the Component preferred implementation date. Requests for implementation dates (RFIDs) will normally request that Component implementation dates be provided within 60 calendar days.

C1.8.7.2 When one Component provides an extended implementation date which would delay implementation by the other Components by 12 months or more, the system administrator will attempt to resolve the issue with the appropriate Component.

When a satisfactory implementation date cannot be jointly agreed upon, the system administrator will forward the matter to the DUSD(L) for resolution.

#### C1.8.8 Announcement of Implementation Dates

C1.8.8.1 After receiving and evaluating Component preferred cyclic implementation dates, the system administrator will select and announce a DoD implementation date through dissemination of a consecutively numbered Approved DLMS Change.

C1.8.8.2 Approved changes are planning documents provided to assist the Components in the system/program design efforts which may be necessary to implement the change. To prevent degradation of this publication, approved changes must be maintained separately.

C1.8.8.3 The system administrator will incorporate each approved change into an interim and/or formal change to this publication immediately preceding the implementation date for the change.

#### C1.8.9 Preparation and Distribution of Interim and Formal Changes

C1.8.9.1 Interim Changes. When it is necessary to disseminate modifications to this publication more expeditiously than formal changes permit, the system administrator may distribute interim changes. Interim changes will be numbered consecutively, and will indicate the current year. For example, interim changes for 2003 will be numbered 03-1, 03-2, etc. Interim changes will be published electronically at <http://www.dla.mil/j-6/dlms0>. Text changes will be identified by bold and italicized print, unless otherwise noted. To prevent degradation of this publication, interim changes must not be posted until their effective date.

C1.8.9.2 Formal Changes. The system administrator will publish formal changes. Formal changes will incorporate, and identify therein, all approved changes having the same implementation date, and all previously implemented interim changes. Formal changes will be numbered in sequence (CH 1, CH 2, etc.). Within 30 days of the effective date of an approved change, the change will be formally incorporated in this manual electronically at <http://www.dla.mil/j-6/dlms0>. Text changes will be identified by bold and italicized print, unless otherwise noted.

#### C1.9 SUPPLY PROCESS REVIEW COMMITTEE (PRC) REPRESENTATIVES.

Unless noted otherwise, the following offices have been designated as the Component office for both the MILSTRAP Focal Point and the Supply PRC representative (representative's names, phone numbers, and email addresses are available on line at: <http://www.dla.mil/j-6/dlms0/Committees>):

DoD MILSTRAP System Administrator	DIRECTOR DEFENSE LOGISTICS MANAGEMENT STANDARDS OFFICE (DLMSO), ATTN: DLMSO/J673 SUITE 1834 8725 JOHN J KINGMAN ROAD FORT BELVOIR, VA 22060-6217
Army	COMMANDER US ARMY MATERIEL COMMAND ATTN: AMCLG-SM 5001 EISENHOWER AVENUE ALEXANDRIA, VA 22333-0001
Navy	COMMANDER NAVAL SUPPLY SYSTEMS COMMAND ATTN: NAVSUP 4C2B6 5450 CARLISLE PIKE MECHANICSBURG, PA 17055-0791
Air Force	COMMANDER HQ AIR FORCE MATERIEL COMMAND ATTN: HQ AFMC/LGIA 4375 CHIDLAW ROAD, ROOM B101 WRIGHT-PATTERSON AFB, OH 45433-5006
Marine Corps	COMMANDANT OF THE MARINE CORPS INSTALLATION & LOGISTCS ATTN: LPC-3 2 NAVY ANNEX WASHINGTON, DC 20380-1775
Defense Logistics Agency (Supply PRC only)	DIRECTOR DEFENSE LOGISTICS AGENCY ATTN: J-3322, ROOM 4146 8725 JOHN J KINGMAN ROAD FORT BELVOIR, VA 22060-6221
Defense Logistics Agency (MILSTRAP only)	DIRECTOR DEFENSE LOGISTICS AGENCY ATTN: J-3331, ROOM 4134 8725 JOHN J KINGMAN ROAD FORT BELVOIR, VA 22060-6221
National Imagery and Mapping Agency	NATIONAL IMAGERY AND MAPPING AGENCY ATTN: ST D 101 4600 SANGAMORE ROAD BETHESDA, MD 20816-5003
Defense Threat Reduction Agency	COMMANDER DEFENSE THREAT REDUCTION AGENCY ATTN: NSOCM 1680 TEXAS STREET, SE KIRTLAND AFB, NM 87117-5669

National Security Agency	DIRECTOR NATIONAL SECURITY AGENCY ATTN: S711 9800 SAVAGE ROAD FORT GEORGE G. MEAD, MD 20755-6000
Coast Guard	COMMANDANT U.S. COAST GUARD ATTN: G-SLP 2100 SECOND STREET, SW WASHINGTON, DC 20593-0001
Defense Automatic Addressing System Center	DEFENSE AUTOMATIC ADDRESSING SYSTEM CENTER ATTN: DAASC-SL 5250 PEARSON ROAD AREA C, BUILDING 207 WRIGHT PATTERSON AFB, OH 45433-5320
Defense Security Cooperation Agency	DEFENSE SECURITY COOPERATION AGENCY ATTN: DSCA PSD PMD 1111 JEFFERSON DAVIS HIGHWAY, SUITE 303 ARLINGTON, VA 22202-4306
Federal Aviation Administration	FEDERAL AVIATION ADMINISTRATION NAS LOGISTICS PROPERTY MANAGEMENT DIV ATTN: AFZ 500 800 INDEPENDENCE AVE SW WASHINGTON, DC 20591-0001
General Services Administration	COMMISSIONER GENERAL SERVICES ADMINISTRATION FEDERAL SUPPLY SERVICE ATTN: FCSI 1941 JEFFERSON DAVIS HIGHWAY ARLINGTON, VA 22202-4502

## C1.10 COMMUNICATIONS

C1.10.1 General. The Defense Automatic Addressing System Center (DAASC) provides multiple methods for exchanging computer-readable DoD logistics transactions.

C1.10.1.1 Defense Information Systems Network (DISN)/Non-Secure Internet Protocol Router Network (NIPRNET). The DAASC is connected to the DISN/NIPRNET which supports data exchange using File Transfer Protocol (FTP) employing Transfer Control Protocol/Internet Protocol (TCP/IP). As a value-added service to the Components, the DAASC developed a specific file naming convention to ensure data integrity and provide a method for identifying, tracking and accounting for transferred files. Follow the procedures in section C1.10.1.4 to obtain DAASC's documentation and format requirements. The actual format of the data may be in either of the following formats:

C1.10.1.1.1 ACP 128(A) Allied Telecommunications Record System (ALTERS) Operating Procedures format. Data formatted as data pattern ACP 128(A) messages.

C1.10.1.1.2 DAASC Defense Data Network (DDN) Format. Data formatted in the DAASC DDN Format.

C1.10.1.2 DAASC Integrated E-mail Logistics (DIELOG). DAASC supports data exchange using the DIELOG service. This service allows data exchange via email by using a specific format for embedding the transactions in the body of an email message and using Simple Mail Transfer Protocol (SMTP) for the delivery mechanism. Follow the procedures in section C1.10.1.4 to obtain documentation on using DIELOG.

C1.10.1.3 DAASC Automated Message Exchange Service (DAMES). DAASC has developed and distributes a product called DAMES. DAMES allows a user to connect via the DISN or switched dial-up telephone lines for the exchange of logistics transactions and narrative messages. The messages use the data pattern and narrative ACP 128(A) format. Follow the procedures in section C1.10.1.4 to obtain documentation on using DAMES.

C1.10.1.4 Documentation and software download procedures:

C1.10.1.4.1 Logon to the DAASC website at <http://www.daas.dla.mil>.

C1.10.1.4.2 Select <Product Support>.

C1.10.1.4.3 Select <Software and Documentation>

C1.10.1.4.4 Select appropriate product information.

C1.10.1.5 MILSTRAP is designed for use of electronically transmitted computer-readable transactions. All DoD activities having the capability to send computer-readable transactions, and non-DoD activities by agreement, will use DAASC methodologies for data exchange in the MILSTRAP process. Activities lacking an ability to prepare computer-readable transactions and/or send them electronically, will arrange for preparation and/or transmission of such transactions by the nearest facility having such capability.

C1.10.1.6 Whenever it is necessary to send classified data relating to MILSTRAP documentation by any means of communication, establish controls which are commensurate with the security classification of the data being sent. Data pattern classified messages will be addressed directly to the intended recipient and not routed to or through the DAASC. Prepare such messages in accordance with ACP 128(A).

C1.10.1.7 DAASC routing procedures for specific MILSTRAP transactions are provided in chapter 9.

C1.10.2 Electronic Communications

C1.10.2.1 The DISN/NIPRNET are worldwide DoD computerized general purpose communications networks which provide for transmission of narrative and data pattern (computer-readable) traffic.

C1.10.2.2 The Content Indicator Code (CIC) in communications message headers, as prescribed by ACP 128(A) identifies various types of traffic and provides a reference/indicator to communications personnel for routing, handling, and speed of processing messages received based on the local command policies and procedures. For MILSTRAP traffic, the second position of the CIC should always be an alpha A or B, except when an alphabetic H is required by chapter 14. Establish appropriate local rules for communications terminal routing and handling of MILSTRAP transactions received to ensure that the transactions reach the appropriate functional elements for processing.

C1.10.2.3 MILSTRAP participants should be familiar with and establish local procedures to provide for efficient use of the facilities and capabilities of the supporting communications terminal which provides communications services.

C1.10.3 Selection of Communications Media. MILSTRAP is designed to permit transmission and receipt of transactions by electronic communications. To assure fast and correct processing, use the following media in their listed order of preference:

C1.10.3.1 Data Pattern Message. A computer-readable, fixed-length format sent electronically via the DAASC. This method is the most desirable, fastest, and surest and it provides for receipt of transactions in a format suitable for automated processing.

C1.10.3.2 Narrative Message. Narrative electronically transmitted messages are a less desirable method due to inherent delay and potential for error in transcribing into machine-readable format for processing. Narrative messages may be used to send MILSTRAP transactions electronically in prescribed formats only when there is no capability to send data pattern messages via the DAASC.

C1.10.3.3 Telephone. The telephone is not a desirable medium due to potential for error in transcribing into machine-readable format for processing. Use the telephone to send MILSTRAP transactions only when all the other means of communication are temporarily not available and the degree of urgency requires immediate transmission. Do not confirm telephone transactions by submitting the transactions by other media.

C1.10.4 Communications Precedence. Assign an appropriate communications precedence to all electronic transmissions in accordance with ACP 128(A). Communications precedence applies to data pattern messages and narrative messages. It applies to speed of transmission and handling in the communications system. The assignment of precedence is the responsibility of the message originator as determined by the subject matter and time factors involved. The communications precedence for all MILSTRAP transactions is routine.

## **C2. CHAPTER 2**

### **MILSTRAP FEATURES**

#### **C2.1 GENERAL**

C2.1.1 This chapter discusses the relationship of MILSTRAP to the Military Standard Requisitioning and Issue Procedures (MILSTRIP), DoD 4000.25-1-M; the principles and objectives of the system; and the inventory management data codified by this manual around which the system is designed.

C2.1.2 The subject matter of this chapter is purposely held to broad guidance. Procedures applying to a particular type of transaction or processing action are contained in the procedural chapters of this manual.

#### **C2.2 RELATIONSHIP OF MILSTRAP TO MILSTRIP**

C2.2.1 MILSTRIP standardized transaction formats and coding are utilized for the basic function of requisitioning and preparing related documents. Among elements of supply distribution systems, uniform communicating procedures were provided only to the extent necessary for determining supply action on a requisition and for preparing the shipping document. While MILSTRIP did not extend its uniform procedures beyond the requisitioning process, it recognized the fundamental need within any supply distribution system for communicating data pertinent to the inventory accounting and reporting process. Consequently, its design took into account the eventual development of a complementary system standardizing transaction formats and coding for receipts, issues, adjustments, and allied management actions.

C2.2.2 In structural design, MILSTRAP follows the precepts of MILSTRIP. MILSTRAP makes use of many codes and techniques originating in MILSTRIP and it identifies products of the inventory accounting and reporting function in the pattern of MILSTRIP. In brief, MILSTRAP is an adaptation of the MILSTRIP method to the processing of receipt, issue, and adjustment transactions and related management actions.

#### **C2.3 PRINCIPLES AND OBJECTIVES OF MILSTRAP**

C2.3.1 MILSTRAP holds to the principle that the structure of the system provides essential information to Inventory Control Points (ICPs) for the exercise of supply and financial management without encumbering the system with details peculiar to differing types of materiel. A standard system of this design then imparts uniformity without

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impairing the latitude of an ICP in the selection of internal management techniques appropriate to the items of supply it controls.

C2.3.2 MILSTRAP establishes standard codes, forms, formats, and procedures for the inventory accounting and reporting process which is mandatory for use by Components. These procedures are designed to provide:

C2.3.2.1 A standardized coding structure for inventory transactions and related management actions which conveys the information required for effective management of inventories.

C2.3.2.2 Uniformity in the interchange of inventory accounting information within and between the Military Services.

C2.3.2.3 An integrated system of item and financial accounting which permits the accumulation of financial data for financial reporting as an adjunct of updating the inventory record.

C2.3.2.4 An individual transaction reporting capability which accommodates any combination or variation of existing methods for centralized, decentralized, or regional processing of transactions.

C2.3.3 MILSTRAP does not claim to accommodate every transaction relevant to an inventory control system nor does it embody all data elements integral to existing systems. Rather, MILSTRAP isolates and concentrates on transactions which are fundamental to any inventory control system and on related data elements which are interchanged between distribution systems or elements of systems with sufficient frequency to justify standardization and universal recognition.

C2.3.4 The design of MILSTRAP recognizes that applied supply policy may obviate use of a prescribed code or may demand system oriented codes. Accordingly, the procedure allows selectivity in the application of codes and permits intra-Component assignment of certain supplemental codes within the basic coding structure. Codes established under this option shall not duplicate or circumvent the intent of codes utilized in the basic uniform system nor shall use of these codes exceed the confines of applicable distribution system(s).

C2.3.5 Needs for internal Component data are met by allowing multi-use data in certain record positions and fields. Multi-use record positions will be blank in inter-Component supply transactions, unless otherwise stated in this manual. However, internal data may be entered in these fields in intra-Component supply transactions. Internal data will be defined by each Component. Such data will be meaningful only within the distribution system(s) of the Component. Record positions and fields labeled blank will be left blank. Components will not define internal entries in these fields or record positions; they are reserved for future assignments by DoD.

## **C2.4 INVENTORY SEGMENTATION CODES**

C2.4.1 Information regarding the stock balance of an item will be obtained by dividing the inventory of an item into meaningful categories having distinctive characteristics. This process is called inventory segmentation. The inventory control system designed to account for items of supply controlled, managed, or stocked in the distribution system, is based on the concept of inventory segmentation by ownership/purpose, condition, and location. The information thus provided by the coding indicates who owns the assets (ownership), for what purpose the materiel is held within an ownership (purpose), the condition of the materiel in terms of serviceability and readiness for issue (condition), and where the materiel is physically stored (location). These basic elements of data are required for management of inventories, for requisition processing, and for distribution management. This information is also required for preparing financial and supply status reports required for management and decision making.

C2.4.2 The range of the inventory segmentation codes is designed to accommodate the distribution system as a whole. The full range of codes may not have application to the materiel managed by any one ICP, but use of the codes having application is mandatory. Codes provided but not required by an ICP will not be used for another purpose.

### **C2.4.2.1 OWNERSHIP/PURPOSE CODES**

C2.4.2.1.1 Ownership codes segment and identify on the inventory control record maintained by other than the owner, the Military Service or other activity having title to the assets. This is shown by a numeric code assignment (see appendix AP2.3). Purpose codes segment and identify on the inventory control record maintained by the owner, the purpose or reservation for which the materiel is held. This is shown by an alphabetic code assignment prescribed by the individual Component (see appendix AP2.4).

C2.4.2.1.2 To preclude unwarranted sophistication in accounting, identifying and reporting of assets, ownership and purpose codes -- although separate and distinct elements of data -- shall be entered in the accountable inventory control record as a single element of data. Accordingly, when one Component is accounting for assets owned by another, the entire balance is maintained by the accounting activity under the numeric code assigned to the owning Component. Further breakout by purpose (alphabetic code) is neither prescribed nor intended.

C2.4.2.1.3 In summary, any numeric entry reflects ownership by another activity and the numeric itself identifies the owner. Conversely, any alphabetic entry reflects ownership by the activity maintaining the inventory control record and the alphabetic code itself identifies the purpose for which the materiel is reserved.

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C2.4.2.2 **CONDITION CODES.** Condition codes segment and identify, on the inventory control record, the physical state of the materiel or actions underway to change the status of the materiel (see appendix AP2.5).

### **C2.4.2.3 LOCATION CODES**

C2.4.2.3.1 Location codes segment and identify on the inventory control record, the activity where materiel is physically stored or located.

C2.4.2.3.2 The three-digit routing identifier (RI) code structure established by MILSTRIP provides a standard system for identifying activities within established supply distribution systems including those that store materiel. To make use of this existing system, location codes used to identify activities storing materiel correspond to the RI codes established by MILSTRIP.

C2.4.2.3.3 Location codes need not be entered on the inventory control record in their RI code configuration. If an alternate means is used to identify the physical storage site for record purposes, the storage record code will be directly relatable to the RI code of the storage activity entered on input and output documentation.

## **C2.5 INVENTORY TRANSACTION CODING**

C2.5.1 An inventory transaction is a full description of a supply action furnished to or developed by an ICP for use in the management of items under its control, from both a financial and supply point of view. In turn, inventory transactions, when properly aggregated form the essential information required by an ICP for review and for reporting to higher authority the results of its management effort.

C2.5.2 Standard Document DI codes in the A\_ series identify inventory transactions related to the requisitioning and issuing process. For identification of inventory transactions pertinent to the inventory accounting and reporting process, standard DI codes in the D\_ series have been provided. The D\_ series DI codes are listed in appendix AP2.1.

## **C3. CHAPTER 3**

### **ISSUE, BACKORDER, DEMAND, LOAN, AND SMCA FREEZE/UNFREEZE ACTIONS**

#### C3.1. GENERAL

C3.1.1. This chapter provides a standard procedure for processing issue transaction information to an ICP for the purpose of:

C3.1.1.1. Updating the central inventory control record.

C3.1.1.2. Recording the appropriate financial transaction.

C3.1.1.3. Providing a basis for billing the customer.

C3.1.2. Processing points receiving requisitions, passing actions, followups and cancellations, irrespective of format or method of transmission, will process such transactions in accordance with their respective internal procedures.

C3.1.3. Internal processing methods may vary due to automated capability and related procedures; however, the forms and formats for output from processing point to requisitioner and between processing points will be in the form and formats prescribed in [DoD 4000.25-1-M \(MILSTRIP\)](#) and this manual.

***C3.1.4. This chapter also provides for processing by the Single Manager For Conventional Ammunition (SMCA) of freeze and unfreeze actions.***

**C3.2. ISSUE TRANSACTIONS.** Issue transactions are used to convey issue data to the ICP *or IMM*. Issue transactions are identified by DI codes in the D7 series which are assigned and explained in appendix AP2.1. Issue transactions resulting from a backorder release are identified by issue transaction related Management Code M in record position 72 (see appendix AP2.6). See appendix AP3.3 for format.

#### **C3.3. MAINTAINING ACCOUNTABILITY DURING MAINTENANCE ACTIONS**

***C3.3.1. Applicability. When responsibility for maintaining the property accountability record for DoD-owned property has been assigned to an activity(s) other than the owner, the responsible activity shall execute the owner's actions set forth in this section.***

**C3.3.1.1. These procedures apply to issues from inventory for assembly, disassembly, reclamation, conversion, modification, repair, and destructive or nondestructive test/evaluation by DoD, other Government (non-DoD), and commercial activities. Transfers to SCC M are covered under chapter 5, section C5.6.**

**C3.3.1.2. These procedures exclude repair and return of materiel owned below the wholesale distribution system. However, storage activities will maintain visibility and the property accountability record for these assets pending issue to maintenance and upon their return from maintenance.**

### **C3.3.2. Requirements**

**C3.3.2.1. When the maintenance activity is collocated with a DoD storage activity, owners shall direct materiel into maintenance only from the collocated storage activity. When necessary, owners shall relocate materiel from remote storage activities to the storage activity collocated with the maintenance activity to accomplish this requirement using a MILSTRIP materiel release transaction. The action shall be posted to the property accountability record using either a DI Code D7K issue transaction or the MILSTRIP transaction coded to indicate a relocation between storage activities without change in ownership. The due-in and PMR for controlling such relocations, which are processed under the chapter 4 procedures, may include Management Code V<sup>1</sup> to identify materiel intended for immediate issue (under the chapter 3 procedures) or transfer (under the chapter 5 procedures) to maintenance. Services/Agencies may apply processing techniques triggered by Management Code V to preclude physical storage of the materiel pending its release to the maintenance activity.**

**C3.3.2.2. When materiel is scheduled for organic maintenance by DMISA or other Inter-DoD Component agreement, the agreement shall specify the property accountability and materiel control requirements. The agreement shall also indicate whether the owner (Principal) will direct the issue of materiel to the maintenance activity under this section or the storage activity will transfer the materiel to the maintenance activity based on the repair schedule and report the transfer to SCC M under chapter 5, section C5.2.**

**C3.3.2.3. Each DoD Component shall ensure that:**

**C3.3.2.3.1 Owned inventory which is in the hands of DoD, other Government (non-DoD), and commercial activities is properly accounted for under the provisions of chapters 3, 4, 5, and 7 (including paragraphs C7.2.3. and**

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<sup>1</sup> Management Code V is being proposed for deletion by Proposed DLMS Change (PDC) 208. It is not known at the time of publication of MILSTRAP Change No. 5, whether PDC 208 will be approved.

**C7.2.4.) of this manual and, for commercial maintenance, the provisions of the FAR. This includes returns from field activities for repair and reissue as wholesale inventory. Components shall prescribe use of any required internal codes to meet this requirement. (Responsibility of the owner (Principal for maintenance by DMISA.)**

**C3.3.2.3.2. Total item property records for materiel released to maintenance activities are maintained and adjusted based on the quantity of materiel actually returned and will support the DoD 7000.14-R financial accounting and reconciliation requirements. (Responsibility of the owner (Principal for maintenance by DMISA.)**

**C3.3.2.3.3. Contracts for commercial maintenance require the commercial activity to report shipment or condemnation of materiel to the contracting officer. (Responsibility of the Agent for maintenance by DMISA.)**

**C3.3.2.3.4. Any needed interface between its procurement and supply operations/functions exists to assure that reported data is transmitted 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 MILSTRAP transactions.**

**C3.3.2.3.5. Reported data affecting inventory balances is recorded in the owner's total item property record. (Responsibility of the owner (Principal for maintenance by DMISA).**

**C3.3.2.4. Owners (Principals for maintenance by DMISA) shall issue materiel from storage for maintenance action using MILSTRIP transactions. Issues shall be posted to the property accountability record using either MILSTRAP transactions containing the appropriate DI code D7 series from appendix AP2.1 or an image of the MILSTRIP transaction. Include any internal coding needed for proper financial accounting in the transaction.**

**C3.4. ISSUE TO DRMO OF SUPPLY CONDITION CODE (SCC) Q MATERIEL.** When an inspection or technical/engineering analysis reveals a product quality deficiency which prohibits further DoD use of the materiel, the ICP will direct the transfer of the materiel to the DRMO in SCC Q. Disposal release orders and related issue transactions for this materiel must cite either Management Code O (alpha) to identify deficient materiel which does not require mutilation or Management Code S to identify deficient materiel which requires mutilation. The DRMS will perform mutilation in accordance with existing guidance for the NSN/type of materiel. The ICP should identify to the DRMS any unique instructions for disposal requiring specific methods or information regarding hazardous constituents contained in the item.

C3.5. BACKORDER TRANSACTIONS. Backorder transactions may be used to report establishment or cancellation of a backorder to ICPs. Backorder transactions are identified by document identifiers in the DG series. See appendix AP3.13 for format.

C3.6. DEMAND TRANSACTIONS. Demand transactions, DI Code DHA, 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 MILSTRIP requisitions, passing orders, or other forms of supply system demands. See appendix AP3.14 for format.

### C3.7. LOAN TRANSACTIONS

C3.7.1. 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 materiel loaned.

C3.7.2. If accountability is dropped, issue (loan) transactions (DI Code D7N) will normally be used to loan materiel from depot inventory to authorized recipients. Some centralized systems do not use the D7 series for effecting issues; however, the method applied should reflect the issue of loan materiel for audit and accountability purposes. For a decentralized system, the D7N transaction, if created by other than the IMM, may be used. See appendix AP3.3 for format.

### C3.8. SMCA FREEZE/UNFREEZE ACTIONS

C3.8.1. Processing of MILSTRAP and MILSTRIP transactions such as mismatched Location Audit Reconciliation Request Cards (DI Code DZH) or Materiel Release Denials (DI Code A6\_) 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.

C3.8.2. When such freeze or unfreeze actions are taken, the SMCA will provide SMCA freeze/unfreeze action (DI Code DA1 or DA2, as appropriate) to the owning Service ICP for update of the ICP wholesale financial accountable records. See appendix AP3.7 for format.

## **C4. CHAPTER 4**

### **RECEIPT AND DUE-IN**

#### C4.1. GENERAL

C4.1.1. This chapter prescribes standard procedures for transmitting information about incoming materiel between ICPs and storage activities. It also provides for processing materiel receipt documentation from the storage activity where materiel is received to the owner. The procedures require timely establishment of procurement on-order records and expeditious reflection of assets in the owner's records and related financial account.

C4.1.2. 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.

When data reflected in consignment documentation are converted into MILSTRAP receipt transactions, recording of receipts within the DoD is standardized and complements the principles established in other chapters of this manual.

#### C4.2. **CONTROL OF MATERIEL DUE-IN.**

C4.2.1. Due-in transactions are used in establishing and canceling due-in records and when transmitting due-in establishment and cancellation actions. These transactions are identified by DI codes in the DD series for materiel due-in from procurement instrument sources and in the DF series for materiel due-in from other than procurement instrument sources. Prepare due-in transactions in the appendix AP3.10 or AP3.12 format.

C4.2.2. When ICPs direct materiel for return based on a reported product quality deficiency, they will prescribe use of Supply Condition Code (SCC) Q in the disposition instructions to the returning activity. ICPs shall establish and monitor due-ins for all returns of potential/confirmed product quality deficiency related materiel, citing the document number included in the report. Provide PMRs for the returns to receiving storage activities, under section C4.3, citing the due-in document number and SCC.

***C4.2.3. Due-in records shall be established to maintain property accountability or visibility of materiel due-in to inventory, as required under chapter 7, paragraphs C7.2.3. and C7.2.4.***

***C4.2.4. Due-in records shall be maintained in a current status. Use revised delivery schedules, notification of shipment or delayed shipment, repair schedules and repair schedule changes, contracts and contract changes, customer and ICP cancellations, materiel receipts, and completion of shipment tracer/discrepancy reporting actions to establish, revise, or delete due-in records and maintain appropriate delivery dates.***

***C4.2.5. An audit trail shall be established when due-in quantities are deleted or reversed and all due-in deletions and reversals shall interface with the financial system. Due-in deletions are prohibited without advance coordination between the supply and financial functions, and with the procurement function for dues-in from procurement instrument sources, unless the supply, financial, and procurement systems are fully integrated. When due-in quantities are deleted or reversed, action shall be initiated to correct receiving storage activity PMR records under section C4.3. of this chapter.***

***C4.2.6. Components shall establish the necessary interface between the supply and financial operations/functions to account for materiel intransit as required under DoD 7000.14-R. For shipments between Government activities, property accountability passes to the recipient upon release of materiel to carrier and notification of the shipment. For contract shipments, property accountability passes upon transfer of title, as specified in the contract.***

***C4.2.7. Owners shall monitor due-in records and follow up to storage activities for intransit dues-in under section C4.10 of this chapter.***

#### **C4.3. PRE-POSITIONING DOCUMENTS FOR RECEIPTS**

C4.3.1. Owners/Managers shall transmit advance notification of scheduled materiel receipts to ***maintenance and*** storage activities. Use PMRs, prepared in the appendix AP3.42 or AP3.43 format and identified by DI codes in the DU or DW series, for this purpose.

C4.3.2. Storage activities receiving PMRs will maintain them in a suspense file pending receipt of the materiel or of PMR updates from the ICP.

C4.3.3. Upon arrival of the materiel, storage activities will use the PMR suspense records to report the receipt to the ICP. Change or add only those suspense record data elements which are required to prepare the materiel receipt transactions shown in appendix AP3.1 or AP3.2. Assure that DI Codes in the materiel receipt transaction are

changed to D4\_ for DU suspense records and to D6\_ for DW\_ suspense records. Absence of a PMR is not to delay prompt recording and reporting of materiel receipts. Deletion of pre-positioned suspense records is controlled by the ICP. To delete a suspense record, the ICP will transmit a reversal (reversal indicator in record position 25) of the original PMR to the storage activity. New PMRs and replacement PMRs for deleted documents do not contain the reversal indicator. Proper and accurate maintenance of the PMR suspense file by storage activities is extremely important. Timely updates by the owner/manager are essential to proper and accurate maintenance of the PMR suspense file by the storage activity.

C4.3.4. Under the National Inventory Management Strategy (NIMS) concept of operation, the Integrated Materiel Manager (IMM) may own materiel for managed NSNs down to the retail level. Such arrangements will be based on agreements between participating DoD Components. Replenishment of the IMM-owned retail will be accomplished under a push scenario. Redistribution from depot inventory will be accomplished using the MILSTRIP DI Code A2\_ Redistribution Order transaction. When assets are available to push, DI Code DWK PMR will be sent to the NIMS site using standard PMR procedures. Optionally, the DoD Component agreements may authorize the use of DI Code DWK for the IMM to notify the NIMS site that materiel to support a NIMS site requirements is delayed. In this instance, the DI Code DWK will contain the quantity not available for push replenishment, the delay notification status code "BD" and Estimated Shipping Date. If at the time push replenishment is required only a partial quantity is available, then two DWKs will be generated; one for the quantity pushed and one for quantity delayed. These two DWKs will have different document numbers and the delayed one will have the "BD" notification. Subsequently, if only a partial amount of the quantity previously delayed becomes available to push, two DWKs will be generated. The one for the quantity pushed will maintain the document number of the original delayed notification with the "BD" indicator eliminated. The DWK for the quantity still delayed will be assigned a new document number and a "BD" delayed indicator. If the total quantity is initially delayed and subsequently the total quantity is shipped, the DWK will have the same document number throughout the process. The IMM will update/replace the DWK delayed notification any time either the replenishment quantity or the estimated shipping date changes. New delayed notification will maintain the same document number unless a partial push occurs. Replacement delayed notification under the same or new document number will not require the reversal of the previous DWK. Reversal logic for DWKs indicating that a push shipment has been initiated will follow the requirement in paragraph C.4.3.3 above.

#### C4.4. MATERIEL RECEIPTS (PROCUREMENT INSTRUMENT SOURCE)

C4.4.1. Storage activities will report receipts of materiel from procurement instrument sources to ICPs using materiel receipt transactions citing a DI code in the D4 series (see appendix AP3.1). (For logistically reassigned items, report receipts after the

ETD in accordance with chapter 11. However, also see section C4.8 procedures for reporting receipts of discrepant/deficient shipments.) DI codes for reporting procurement receipts for depot inventory are assigned and explained in appendix AP2.1.

C4.4.2. Receipts from vendors can emanate from central procurement or local procurement actions. Authorized procurement delivery documents should accompany each shipment as prescribed in the FAR.

C4.4.3. When shipments of materiel received from commercial sources require inspection and/or acceptance at destination, storage activities will accomplish the inspection and/or acceptance and the incheck operations concurrently.

C4.4.3.1. Inspect shelf-life materiel for appropriate condition and type of shelf-life code in accordance with applicable DoD Component prescribed procedures based on [DoD 4140.27-M](#). Mark materiel, as appropriate, for shelf-life code and supply condition code upon receipt. Package markings will be in accordance with [MIL-STD-129](#).

C4.4.3.2. Based on inspection, storage activities will prepare separate materiel receipt transactions indicating the actual condition of the materiel received. Prepare materiel receipt transactions for discrepant shipments from commercial sources in accordance with the guidelines provided in section C4.8.

C4.4.4. Complete the materiel receipt transaction by changing or adding to data in the PMR suspense record, or by extracting data from the consignment documentation.

#### C4.5. MATERIEL RECEIPTS (OTHER THAN PROCUREMENT INSTRUMENT SOURCE)

C4.5.1. Storage activities will report receipts of materiel from other than procurement instrument sources to ICPs using materiel receipt transactions citing a DI code in the D6 series (see appendix AP3.2). (For logistically reassigned items, report receipts after the ETD in accordance with chapter 11. However, also see section C4.8. procedures for reporting receipts of discrepant/deficient shipments.) DI codes to report nonprocurement receipts for depot inventory are assigned and explained in appendix AP2.1.

C4.5.2. Complete the materiel receipt transaction by changing or adding to data in the PMR suspense record or by extracting data from the consignment documentation.

#### C4.6. TIME STANDARDS FOR PROCESSING RECEIPTS

C4.6.1. One objective of the MILSTRAP system is to process receipts and reflect them on both the accountable and owner records with minimal delay. Wholesale activity receipt processing performance will, therefore, be measured in two segments:

C4.6.1.1. Date materiel is turned over by the carrier to the designated receiving activity to date when storage location/proof of storage is posted in storage activity records. Materiel is considered to be in storage when it reaches the first location (either temporary or permanent) where actual storage control exists through locator data and the materiel can be issued in response to materiel release documentation.

C4.6.1.2. Date materiel is turned over by the carrier to the designated receiving activity to date of posting to the total item property record.

C4.6.2. MILSTRAP performance standards for processing receipts through these time segments are as follows:

C4.6.2.1. Receipts from new procurement and redistribution<sup>1</sup> will be processed through segments one and two within 7 calendar days.

C4.6.2.2. All other receipts will be processed through segments one and two within 10 calendar days.

C4.6.3. Recording asset receipts and making asset records visible from the point of inspection and/or acceptance normally shall be accomplished within 24 hours (holidays and weekends excepted). The accounting and finance office shall be notified of the item receipt within the 24-hour period.

C4.6.4. Address wholesale activity receipt processing effectiveness as prescribed by chapter 7, subparagraph C7.9.2.1.2. The acceptable DoD performance goals for receipt processing are: percent posted within the time standard, 90 percent; percent stored within the time standard, 90 percent. When computing the overall performance against the above time standards, include receipt transactions frustrated for a long period of time prior to posting/storing.

#### C4.7. CONTROL OF RECEIPTS

C4.7.1. Storage activities will establish these receipt control procedures for posting information relating to the status of materiel in the storing cycle. The cycle begins with the release of materiel and documents into custody and control of the receiving activity.

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<sup>1</sup>A deviation granted to DLA allows DLA to process redistribution receipts through segments one and two within 10 calendar days.

C4.7.2. After the materiel has been physically received but prior to or concurrent with movement to storage, storage activities will accomplish the following actions:

C4.7.2.1. Establish a transaction suspense record to record the materiel as an in-process receipt.

C4.7.2.2. Prepare and transmit the materiel receipt transaction to the ICP within the prescribed timeframe (see section C4.6.).

C4.7.3. When the storage activity receives requisitions or materiel release orders and there is not sufficient materiel available on the onhand balance of the stock record (physically stored), a check will be made of the in-process receipt suspense file to determine if there is an in-process quantity to fully or partially satisfy the requisition document. When in-process receipts are recorded, fill priority 01-08 requirements from these receipts. Defer the filling of priority 09-15 requirements from in-process receipts until proof of storage is recorded.

C4.7.4. Storage activities will periodically refer to the suspense file of in-process receipts to expedite the storage of materiel delayed beyond authorized receipt processing timeframes. Expedite the storing of materiel for which issues have been deferred pending storage.

C4.7.5. After proof of storage is received, storage activities will clear the suspense record, update the storage locator record, and release the deferred issues.

C4.7.6. As an additional aid in control of receipts, ensure that appropriate storage activity records (e.g., stock locator) reflect the date of the last receipt of an item and storage information (e.g., date of storage or some other code indicating that storage has been reported).

#### C4.8. SUBMITTING REPORTS FOR DISCREPANT/DEFICIENT RECEIPTS

C4.8.1. In addition to processing and reporting materiel receipts, storage activities will submit reports for all discrepant/deficient receipts in accordance with the procedures and forms prescribed by the following:

C4.8.1.1. Reporting of Supply Discrepancies per [DLAI 4140.55/AR 735-11-2/SECNAVINST 4355.18A/AFJMAN 23-215](#)

C4.8.1.2. Transportation Discrepancy Report (TDR) per [DoD 4500.9-R](#), Part II, Chapter 210.

C4.8.1.3. Product Quality Deficiency Report (PQDR) per DLAR 4155.24/AR 702-7/SECNAVINST 4855.5A/AFR 74-6 and DLAI 4155.24 (including Enclosures 1 and 2).

C4.8.1.4. Inspection of Subsistence Supplies and Services per Joint Regulation DLAR 4155.3/AR 30-12/NAVSUPINST 4355.2D/AFR 74-5/MCO 10110.21E.

C4.8.1.5. Other DoD and joint or intra-DoD Component regulations governing discrepancies/deficiencies not covered by the above.

C4.8.2. Neither the dollar value nor the timeframes for submitting discrepancy/deficiency reports apply for reporting the materiel receipt to the cognizant ICP. The receipt reporting timeframes are prescribed by section C4.6. above. The procedures for reporting receipt of discrepant/deficient shipments to the ICP are prescribed by section C4.9 below.

#### C4.9. PROCESSING DISCREPANT/DEFICIENT RECEIPTS

##### C4.9.1. General

C4.9.1.1. Upon receipt of all incoming materiel shipments, from procurement and nonprocurement sources, storage activities will research all available documentation and item markings to determine the receipt data (i.e., document number, NSN, or other item identification number, PMR or due-in data, quantity, condition, inspection/ acceptance requirements, etc.). Using this data, storage activities will determine if a discrepancy/deficiency (hereafter referred to as discrepancy or discrepant) exists and will identify its nature.

C4.9.1.1.1. Not all discrepant receipts require submission of discrepancy reports. Storage activities will follow the section C4.8 procedures to determine whether a discrepancy report must be submitted.

C4.9.1.1.2. Management Codes R, S, and U have been assigned in appendix AP2.6 for use in receipt transactions to identify discrepant receipts for which the section C4.8 procedures require submission of a discrepancy report. The purpose of the codes is to notify the ICP in advance that a receipt was discrepant and that a discrepancy report is being submitted which will provide additional information relating to the reported item. Codes S and U are entered only for DI Code D4 series receipts and identify vendor caused misdirected shipments and contract over shipments. These discrepancies, which occur more frequently and are more easily resolved than others, are separately identified so ICPs can initiate immediate corrective action before the formal report of discrepancy is received.

C4.9.1.1.3. When part of a receipt is not affected by a discrepancy requiring submission of a discrepancy report, the following receipt reporting procedures may require storage activities to report the nondiscrepant quantity in a separate transaction without citing the discrepant receipt management code. Additionally, the discrepant receipt management code is not used when special circumstances require the use of another management code (e.g., M for automatic disposal by the storage activity, P for storage activity created document number, or Z for explanatory remarks) even though submission of a discrepancy report is required. Prescribed omission or replacement of the discrepant receipt management code in the receipt transaction does not negate the section C4.8 requirements to submit a discrepancy report.

C4.9.1.1.4. Never enter the discrepant receipt management code in transactions for discrepant receipts if the section C4.8 procedures do not require submission of a discrepancy report.

C4.9.1.2. When materiel is received without accompanying documentation, or with inadequate documentation to process the receipt, storage activities will use one of the following data sources to develop materiel receipt transactions:

C4.9.1.2.1. Pre-positioned materiel receipt documents.

C4.9.1.2.2. Authorized procurement delivery documents and vendor packing lists.

C4.9.1.2.3. Advance copies of DD Forms 1348-1A or 1149.

C4.9.1.2.4. Transportation and fiscal records.

C4.9.1.2.5. Container markings.

C4.9.1.2.6. Advice provided by the ICP upon request of the storage activity if receipt documentation cannot otherwise be developed.

C4.9.1.2.7. Advice provided by the shipper upon request of the storage activity if receipt documentation cannot otherwise be developed.

C4.9.1.2.8. Advice provided by the U.S. Customs Inspector's Office upon request of the storage activity if the receipt documentation cannot otherwise be developed for receipts which passed through customs.

C4.9.1.3. Normally when a discrepant receipt is retained in U.S. Government custody, whether or not it is U.S. Government-owned, storage activities will store the materiel, submit a DI Code D4\_/D6\_ receipt to the cognizant ICP, and hold the materiel

pending receipt of disposition. For improbable situations, storage activities will use exception transactions (i.e., code Z in the third position of the DI code and/or Management Code Z in record position 72). In these situations, storage activities will provide to the cognizant ICP a separate written explanation which includes the receipt transaction document number and the discrepancy report number when a discrepancy report was required. For nonprocurement receipts with no PMR, see subparagraph C4.9.3.3.11 of this section.

C4.9.1.4. If unusual circumstances prevent normal receipt reporting of discrepant shipments, the storage activity will communicate with the ICP or the CAO/PO to determine how the discrepancy report should be submitted and the receipt reported. When the ICP determines that receipt reporting will be delayed pending subsequent action, the storage activity must control the receipt by physically segregating and monitoring the status of the materiel until the receipt is reported or until the ICP directs other disposition (e.g., reshipment, return to shipper, etc.). This paragraph applies only when circumstances exist which prevent normal receipt reporting.

C4.9.1.5. Report discrepant receipts on items which have been logistically reassigned as follows:

C4.9.1.5.1. Report all receipts for which PMRs are established to the LIM or to the GIM under Chapter 11, Logistic Reassignments, procedures.

C4.9.1.5.2. Research procurement receipts for which no PMR is recorded in coordination with the recorded item manager. The item manager will direct the appropriate reporting of the receipt under Chapter 11, Logistic Reassignments, procedures to assure accurate accountability and reporting of the assets is maintained.

C4.9.1.5.3. Report nonprocurement receipts for which no PMR is **recorded following subparagraph C4.9.3.3.11.**

C4.9.1.6. When receipts are reported by a storage activity outside the normal distribution system for the NSN, the ICP will record the receipt so assets are issued from that site first. ICPs will effect disposition of such materiel as quickly as possible. If the materiel is not issuable, the ICP will direct repair induction, reclassification, relocation, or disposal using the appropriate transaction prescribed by this manual or MILSTRIP.

C4.9.1.7. When receipts are reported by a storage activity outside the normal distribution system for the NSN, the ICP will record the receipt so assets are issued from that site first. ICPs will effect disposition of such materiel as quickly as possible. If the materiel is not issuable, the ICP will direct repair induction, reclassification, relocation, or disposal using the appropriate transaction prescribed by this manual or MILSTRIP.

C4.9.1.8. Separate and/or secure storage may be required for procurement discrepancies, discrepancies imposing a health/safety hazard, classified risk, etc. When these situations exist, storage activities will take protective measures in accordance with established DoD or DoD Component procedures.

#### C4.9.2. Receipt Reporting For Discrepant Shipments From Procurement Instrument Sources

C4.9.2.1. When acceptance is accomplished at a point other than destination, storage activities may not reinspect supplies at destination for acceptance purposes. However, storage activities will examine such supplies at destination for identity, damage in transit, quantity, and condition (including proper packing/packaging and labeling). The U.S. Government's right to litigate a discrepant receipt is not affected by the point of acceptance. Consequently, storage activities will report discrepancies detected during the destination examination under the regulations cited in section C4.8.

C4.9.2.2. Shipment of procurement receipts directly to disposal is not authorized unless unusual circumstances (e.g., health/safety hazard, etc.) exist and separate/ secure storage facilities, addressed in subparagraph C.4.9.1.7. above, are not available. When unusual circumstances require that materiel be shipped directly to the property disposal activity (or that other disposal actions be taken as prescribed by the Services/Agencies), the storage activity will first report the receipt using a DI Code D4 series, Materiel Receipt transaction, citing Supply Condition Code L and Management Code R (discrepant receipt management code). The disposal action will then be reported using a DI Code DAC, Dual Inventory Adjustment transaction citing Supply Condition Code H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel).

C4.9.2.3. When the receipt cannot initially be identified to an NSN, the procurement instrument and subparagraph C4.9.1.2. sources will be used to identify the item.

C4.9.2.4. Unless otherwise allowed by these procedures, storage activities will report discrepant shipments from a procurement instrument source to the ICP using a DI Code D4 series Materiel Receipt transaction, the NSN of the item received, and the applicable ownership/purpose code (normally taken from the DI Code DU series PMR). In receipt transactions for discrepant quantities, cite Supply Condition Code L as noted in the next paragraph. Include Management Code R (discrepant receipt management code) when a discrepancy report was required, except as prescribed in subparagraph C4.9.1.3. or the following subparagraph.

C4.9.2.5. Follow the subsequent procedures to report receipt of discrepant shipments from procurement instrument sources (these categories are not mutually exclusive; multiple discrepancy conditions may exist for a single receipt):

C4.9.2.5.1. Condition of Materiel. Storage activities will report the actual discrepant quantity as a condition L receipt. Report the nondiscrepant quantity in the actual condition received and do not cite a discrepant receipt management code in the transaction.

C4.9.2.5.2. Supply Documentation. Absence of the supply documentation should not preclude receipt processing and reporting or subsequent issue of the materiel. Storage activities will research in accordance with subparagraph C4.9.1.2. to report the receipt. The section C4.8. discrepancy reporting requirements still apply.

C4.9.2.5.3. Misdirected Shipments (improperly addressed by the procurement instrument source). Storage activities will contact the cognizant ICP to ensure that the procurement instrument requirements (i.e., inspection, acceptance, etc.) are complied with. Report the total quantity in the actual condition received (normally A) and enter Management Code S in record position 72 of the transaction. Upon receipt of the DI Code D4\_ transaction and prior to posting the receipt as available for issue, owner/managers will initiate immediate action to resolve the discrepancy in accordance with the paragraph C4.9.3.4. procedures. If the ICP or CAO/PO directs reshipment/return of a reported receipt without issuing MILSTRIP materiel release documentation, the storage activity will submit a reversal (reversal indicator in record position 25) of the previously submitted materiel receipt transaction.

C4.9.2.5.4. Overage/Duplicate Shipment. Storage activities will research PMR, receipt, and contract documentation to determine the discrepant quantity. Report confirmed duplicate shipments as discrepant condition L receipts. 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 a discrepant condition L receipt and enter Management Code U in record position 72 of the transaction. ICPs will initiate immediate action to resolve the discrepancy upon receipt of the DI Code D4 series transaction (see paragraph C4.9.3.4.). Overages within the allowable variance or within the excess delivery clause

(after considering any allowable variance) are not considered discrepant. Report the total quantity as a single receipt in the applicable condition, and do not cite a discrepant receipt management code in the transaction.

C4.9.2.5.5. Packaging Discrepancy. Storage activities will report the total discrepant quantity as a condition L receipt. Report any acceptable quantity in the applicable condition and do not cite the discrepant receipt management code in the transaction. The ICP and/or the CAO/PO will determine whether litigation is required. If litigation is not required the ICP will request that the suspended assets be transferred to the appropriate condition.

C4.9.2.5.6. Shortages/Nonreceipt of Materiel. Storage activities will research PMR, 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 will be considered discrepant only if the shortage exceeds the allowable contract variance. When the receipt is discrepant, cite the discrepant receipt management code in the receipt transaction. **Nonreceipts are addressed under section C4.10. of this chapter.**

C4.9.2.5.7. Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Storage activities will report any nondiscrepant quantity as a receipt in the applicable condition without citing the discrepant receipt *management code* in the transaction. Report the discrepant quantity as a condition L receipt, and identify and describe the specific technical data discrepancy in the SF 364 for ICP evaluation. If the ICP determines the assets can be issued, the ICP will initiate action to transfer the suspended assets to the appropriate condition.

C4.9.2.5.8. Wrong Item. Storage activities will report the total incorrect quantity of the item received in condition L. Report any assets in the shipment which are the correct item in the applicable condition and do not cite the discrepant receipt management code in the transaction. If the majority of the assets are the incorrect item, the storage activity may report the total quantity in condition L based on internal Service/Agency procedure.

C4.9.2.5.9. Product Quality Deficiency. It is normally preferable for the receiving activity to retain custody of the materiel, whether or not it has been accepted. Report the deficient quantity as a condition Q receipt<sup>2</sup>. The ICP or CAO/PO will determine if litigation or informal action with the procurement instrument source should

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<sup>2</sup> SCC Q not implemented by Navy. Navy implementation deferred to their Enterprise Resource Planning system modernization initiative

be initiated. The ICP will initiate action to transfer the suspended assets under chapter 5, subparagraph C5.2.2.

C4.9.2.5.10. Transportation Discrepancies. When materiel is accepted by the Transportation Officer, the receipt will be processed and reported in accordance with procedures cited above for the type of discrepancy which exists (e.g., subparagraph C4.9.2.5.1, Condition of Materiel, for damage, etc.).

C4.9.2.5.11. Procurement Receipts Not Due-in (no PMR/due is recorded). See subparagraphs C4.9.2.5.3. and C4.9.2.5.4. for processing receipts of misdirected shipments and overages/duplicate shipments, for which PMRs are not normally available.

C4.9.2.5.12. Other Discrepancies. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receipt and discrepancy reporting requirements provide sufficient time for the storage activity to obtain guidance from the appropriate authority before reporting the receipt or submitting discrepancy report. See subparagraph C4.9.1.4. for storage and accountability requirements.

#### C4.9.3. Receipt Reporting For Discrepant Shipments From Non-Procurement Instrument Sources

C4.9.3.1. When the receipt cannot initially be identified to an NSN, the storage activity will attempt to identify the NSN or usage by following the subparagraph C4.9.1.2. procedures and report the receipt to the cognizant ICP.

C4.9.3.1.1. If the NSN cannot be identified and the estimated value of the item is under \$100, storage activities will not report the receipt to an ICP. Ship the materiel directly to reutilization and marketing using a local document number. Retain an accessible record of the transaction and its backup for two years.

C4.9.3.1.2. If the NSN cannot be identified and the estimated value of the item is \$100 or more, the storage activity will contact the ICP managing like items to determine disposition. [EXCEPTION: If GSA is the manager of like items, process as prescribed in subparagraph C4.9.3.3.11.] If the ICP can identify the NSN, the ICP will direct the storage activity to submit the receipt and supply discrepancy report (SDR) to the cognizant ICP. If the ICP cannot identify the NSN, the ICP will provide disposition instructions to the reporting activity. These instructions will include an item identification number (part number, MCN, LCN, etc.) for reporting the receipt and submitting the SDR. If the ICP directs shipment to reutilization and marketing, the ICP will maintain an accessible record of the transaction and its backup for 2 years.

C4.9.3.2. Unless otherwise allowed by these procedures, storage activities will report discrepant shipments from a nonprocurement instrument source to the ICP using a DI Code D6 series Materiel Receipt, the NSN of the item received, and the applicable ownership/purpose code (normally from the DI Code DW series PMR). In receipt transactions for discrepant quantities, cite the supply condition code which most accurately describes the condition of the materiel. Classify and report the materiel in condition K when the actual condition cannot be determined. Include Management Code R (discrepant receipt management code) when a discrepancy report was required, except as prescribed in subparagraph C4.9.1.3. above, or the following subparagraph.

C4.9.3.3. The following procedures apply for reporting receipt of discrepant/deficient shipments from nonprocurement sources (these categories are not exclusive; multiple discrepancy conditions may exist for a single receipt):

C4.9.3.3.1. Condition of Materiel

C4.9.3.3.1.1. When inspection of inter-Service/Agency receipts reveals materiel to be Supply Condition Code H and no PMR is recorded, storage activities will automatically ship discrepant materiel valued at less than \$100 per item direct to the property disposal activity or take other automatic disposal actions based on criteria promulgated by the Services/Agencies. This includes Type I shelf-life materiel which has passed the expiration date regardless of value. When automatic disposal action is taken, cite Supply Condition Code H and Management Code M (excludes shelf-life materiel) or Management Code T (expired shelf-life materiel), in lieu of the discrepant receipt management code, in the receipt transaction for the discrepant quantity.

C4.9.3.3.1.2. Report discrepant quantities other than those mentioned above citing the applicable supply condition code, or code K when the condition cannot be determined.

C4.9.3.3.1.3. Report receipt of nondiscrepant quantities in the normal manner and do not cite the discrepant management code in the transaction.

C4.9.3.3.2. Supply Documentation. Absence of the supply documentation should not preclude receipt processing and reporting or subsequent issue of the materiel. Storage activities will research in accordance with subparagraph C4.9.1.2. to report the receipt. The above section C4.8 discrepancy reporting

requirements still apply. When the document number in the receipt transaction must be created by the storage activity, cite Management Code P in lieu of the discrepant receipt management code in the transaction.

C4.9.3.3.3. Misdirected Shipments (improperly addressed by the supply activity). Storage activities will report misdirected shipments as receipts to the cognizant ICP. ICPs will effect disposition using the appropriate MILSTRIP (reference (h)).

C4.9.3.3.4. Overage. Report the total quantity received as a single receipt in the applicable condition.

C4.9.3.3.5. Packaging Discrepancy. Storage activities will report the total quantity received as a single transaction in the applicable condition. The storage activity will schedule the discrepant quantity for preservation/packaging in accordance with Service/Agency criteria.

C4.9.3.3.6. Shortages/Nonreceipt of Materiel. For shortages, storage activities will report the total quantity received in the applicable condition. The ICP will initiate any necessary financial adjustment action. **Nonreceipts are addressed under section C4.10. of this chapter.**

C4.9.3.3.7. Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Storage activities will report any nondiscrepant quantity in the applicable condition without citing discrepant receipt management code in the transaction. Report the discrepant quantity as a condition D receipt. Identify and describe the specific technical data discrepancy in the SF 364 for ICP evaluation. If the ICP determines the asset can be issued, the ICP will initiate action to transfer the asset to the appropriate condition.

C4.9.3.3.8. Wrong Item. Storage activities will report the receipt in the applicable condition. If both correct and incorrect items are received in the same shipment, report each separately. Omit the discrepant receipt management code in the transaction for the correct item.

C4.9.3.3.9. Product Quality Deficiency. SCC Q entered in PMRs will indicate that the receipt is related to a reported product quality deficiency. Storage activities will report receipt of this materiel in condition Q. Do not cite a discrepant management code in the transaction. Based on the results of the inspection or technical/engineering analysis, ICPs will direct the appropriate material disposition (see chapter C5. section C5.2.)

C4.9.3.3.10. Transportation Discrepancies. When materiel is turned over by the Transportation Officer, the receipt will be reported in accordance with the procedures cited above for the type of discrepancy which exists (e.g., condition of materiel for damage, etc.).

C4.9.3.3.11. Receipts Not Due-In (no PMR/due-in recorded).

C4.9.3.3.11.1. GSA Managed Items. GSA does not normally authorize return of assets to DoD storage activities. Receipts not due-in are, therefore, considered DoD-owned assets which have not been reported to GSA under the MILSTRIP/DLMS MRP. The DoD Components are responsible for providing DLA with an organization to which the DLA storage activity can record these assets. The DoD Components shall establish internal procedures for processing the receipts from the depot for these assets for subsequent issue, excess reporting under MILSTRIP MRP, or release for reutilization and marketing. In the absence of guidance from the DoD Components for reporting receipt of unauthorized return of GSA assets to their DoD Component, DLA storage activities shall receipt the assets to the local Base Operating Supply System (BOSS) for use by the depot. If the material cannot be used locally it is sent to disposal. This procedure assures the assets are recorded on a DoD record.<sup>3</sup>

C4.9.3.3.11.2. DoD Managed Items.

**C4.9.3.3.11.2.1. Reparable Items. Report receipt to the managing ICP of the shipping Service in the applicable condition using DI Code D6A. Do not include a discrepant receipt management code in the transaction. For materiel shipped between wholesale storage activities, report the receipt using DI Code D6K. ICPs receiving transactions reporting returns not-due-in of phase I reparable, for which they are not the IMM, shall follow the MILSTRIP MRP procedures to report/ship the materiel as prescribed by the IMM.**

**C4.9.3.3.11.2.2. Consumable Items. Report receipt to the IMM in the applicable condition and do not include a discrepant receipt management code in the transaction. However, Services may prescribe reporting to their own item manager for returns from their own Service activities.**

C4.9.3.3.12. Other Discrepancies. Receipt reporting will depend upon the type of discrepancy involved. When unusual circumstances exist, the receipt and discrepancy reporting requirements provide sufficient time for the storage activity to obtain guidance from the ICP before reporting the receipt or submitting the discrepancy report. See subparagraph C4.9.1.4. for storage and accountability requirements.

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<sup>3</sup> To date, no DoD Component has identified an organization to which DLA storage activities should report receipts not due-in for GSA assets.

#### C4.9.3.4. Resolution Of Reported Receipt Discrepancies

C4.9.3.4.1. ICPs will maintain accurate 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.

C4.9.3.4.2. When discrepant receipts are reported, ICPs will process the transactions and effect the research required to resolve the discrepancy. When materiel received from procurement will be retained in the wholesale inventory, coordinate with the CAO/PO for a contract modification which 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 intransit) are corrected to reflect any new receipt status and transmit required update PMR(s) to the storage activity(ies) involved. Care must be taken, however, to suppress PMR output if the corresponding receipt has already been reported (e.g., for overages or misdirected shipments being retained where delivered).

C4.9.3.4.3. Management Evaluation and Corrective Action. ICPs will develop management evaluation data for contract overages and vendor caused misdirected shipments 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 source, the ICP through the CAO/PO will advise the source of the error and request action be taken to correct its repeated occurrence. When a procurement source continues to commit the same error, initiate action to consider inclusion on the Awards Review List or other disciplinary action.

#### C4.10. FOLLOW-UP ON **INTRANSIT DUES IN**

***C4.10.1. When a maximum of 45 calendar days have elapsed since the shipping date indicated in shipment notification and receipt of the total quantity has not been reported, the owner shall follow up, for the intransit quantity(s) to the storage activity(s) designated to receive the materiel. (Extension of the 45 day calendar timeframe is authorized when long intransit times are involved.)***

***C4.10.2. Prepare follow-ups on receipts due from procurement sources using DI Code DXA. Prepare follow-ups on receipts due from nonprocurement sources using DI Code DXB.***

***C4.10.3. When the storage activity reply indicates that the materiel has not been received (DI Code DXC or DXD), any required shipment tracer and/or***

**discrepancy reports are to be initiated under the procedures cited in section C4.8 of this chapter. Coordinate with the CAO/PO for intransit contract receipts.**

**C4.10.4. Storage activities will submit shipment tracers and discrepancy reports for materiel not received as indicated in DoD Component implementing procedures or when directed to do so by the owner.**

#### **C4.11. REPLY TO MATERIEL RECEIPT FOLLOW-UPS**

C4.11.1. When materiel has been received, storage activities will respond with a materiel receipt transaction prepared in the appendix AP3.1 or AP3.2 format citing the appropriate DI Code in the D4 or D6 series.

C4.11.2. When materiel has not been received, the response will be as follows:

C4.11.2.1. Prepare replies to DI Code DXA Materiel Receipt Follow-Ups (Procurement Instrument Source) in the appendix AP3.46 format citing DI Code DXC.

C4.11.2.2. Prepare replies to DI Code DXB Materiel Receipt Follow-Ups (Other Than Procurement Instrument Source) in the appendix AP3.47 format citing DI Code DXD.

#### **C4.12. MAINTAINING ACCOUNTABILITY DURING MAINTENANCE ACTIONS**

**C4.12.1. Applicability. When responsibility for maintaining the property accountability record for DoD-owned property has been assigned to an activity(s) other than the owner, the responsible activity shall execute the owner's actions set forth in this section.**

**C4.12.1.1. 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 DoD, other Government (non-DoD) Agency, or commercial activities.**

**C4.12.1.2. These procedures exclude repair and return of materiel owned below the wholesale distribution system. However, storage activities will maintain visibility and the property accountability record for these assets pending issue to maintenance and upon their return from maintenance.**

#### **C4.12.2. Requirements**

**C4.12.2.1. Owners (Principals for maintenance by DMISA) shall establish a DI Code DFA, DFB, or DFC due-in when materiel is being returned from field activities to wholesale storage activities or to commercial activities for maintenance. Also, provide a DI Code DWA, DWB, or DWC PMR to receiving Government storage activities. Take these actions upon receipt of MILSTRIP MRP transactions, or equivalent intra-service documents, reporting return of the materiel. (Services/Agencies may delegate the PMR requirement to intermediate level or transshipment activities.)**

**C4.12.2.2. When owners direct relocation of materiel from a remote storage activity to the storage activity collocated with the maintenance activity (as required under chapter 3, section C3.3.), they shall establish a DI Code DFK due-in for the intransit materiel and provide a DI Code DWK PMR to the receiving storage activity following the sections C4.2. and C4.3. procedures of this chapter.**

**C4.12.2.3. Storage activities shall report receipt of reparable materiel based on the information contained in the PMR. If a PMR is not available, report the receipt to the cognizant ICP in accordance with section C4.9.3.3.11.2.1.**

**C4.12.2.4. When materiel is scheduled for organic maintenance by DMISA or other inter-Service/ Agency agreement, the agreement shall specify the materiel control requirements. The agreement shall also specify whether the storage activity will report returns from maintenance to the owner (Principal) as receipts under this section or as transfers from SCC M under chapter 5, section C5.6.**

**C4.12.2.5. Each DoD Component shall ensure that:**

**C4.12.2.5.1. Owned inventory which is in the hands of DoD, other Government (non-DoD), and commercial activities is properly accounted for under the provisions of chapters 3, 4, 5, and 7 (including paragraphs C7.2.3. and C7.2.4.) of this manual and, for commercial maintenance, the provisions of the FAR. This includes returns from field activities for repair and reissue as wholesale inventory. DoD Components shall prescribe use of any required internal codes to meet this requirement. (Responsibility of the owner (Principal for maintenance by DMISA).)**

**C4.12.2.5.2. 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 accounting and reconciliation requirements. (Responsibility of the owner (Principal for maintenance by DMISA).)**

**C4.12.2.5.3. 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.)**

**C4.12.2.5.4. Any needed interface between the procurement and supply operations/functions exists to assure that reported data is transmitted 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 MILSTRAP transactions.**

**C4.12.2.5.5. Reported data affecting inventory balances is recorded in the total item property record. (Responsibility of the owner (Principal for maintenance by DMISA).)**

**C4.12.2.6. Owners shall establish dues-in for expected returns from commercial and Government maintenance activities using the appropriate Appendix AP2.1 MILSTRAP DI codes in the DD or DF series. Provide PMRs to storage activities to receive the materiel under section C4.3. of this chapter using the corresponding DI codes in the DU or DW series. Storage activities shall report receipts under section C4.4 or C4.5 and C4.9., of this chapter, using the corresponding DI codes in the D4\_ or D6\_ series.**

**C4.12.2.7. When materiel is issued to a customer directly from a commercial activity, assure that appropriate supply transactions are processed to establish the property accountability and financial accounting audit trails. Depending on the Component system business rules, this may necessitate either a receipt and issue, or a condition code change and issue.**

**C4.12.2.8. When materiel is condemned by maintenance activities, assure that the condemnation action is recorded (inventory adjustment-decrease) to adjust the DoD inventory and financial accounts.**

#### C4.13. RECLAIMED ITEMS

C4.13.1. When reclamation activities do not have adequate facilities to test and classify the serviceability condition of reclaimed assets, they will identify such assets as Supply Condition Code R (Suspended Reclaimed Items Awaiting Condition Determination). When receiving storage activities determine that immediate classification of such condition R assets is not possible, they will ensure that the assets are checked/tested and classified to actual condition within established parameters under chapter 5, paragraph C5.2.3. of this manual.

C4.13.2. When reclamation activities cite an actual supply condition code (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 condition K if the actual condition cannot be determined. Materiel reported in Supply Condition Code K must be classified to actual condition within established parameters under chapter 5, paragraph C5.2.3.

#### C4.14. LOAN TRANSACTIONS

C4.14.1. Use appropriate MILSTRAP adjustment and/or receipt transactions to reflect the onhand/due-in and subsequent receipts. Reflect materiel on loan on accountable activity records in the appropriate purpose code (as prescribed by DoD Component procedures--usually code L to denote loan) or as a DI Code DFN Due-In (Other Than Procurement Instrument Source) depending on the method/system applied. Format for these due-in transactions are contained in appendix AP3.12.

C4.14.2. DI Code DWN Pre-positioned Materiel Receipt (Other Than Procurement Instrument Source) may be used to provide advance notification to activities scheduled to receive returned loaned materiel. Alignment and format for PMRs are contained in appendix AP3.43.

C4.14.3. Receiving activities will inspect loaned materiel upon receipt. Submit DI Code D6N Materiel Receipts (Other Than Procurement Instrument Source) using the appendix AP3.2 format to provide information about the condition and quantity of the returned loaned materiel.

C4.14.4. The ICP is responsible for final determination and resolution of Government property returned 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.

# **C5. CHAPTER 5**

## **ADJUSTMENTS**

### 5.1. GENERAL

C5.1.1. This chapter provides procedures relating to the following types of adjustment actions:

C5.1.1.1. Adjustments caused by catalog change actions.

C5.1.1.2. Reidentification of improperly identified materiel.

C5.1.1.3. Offsetting adjustments to purpose and condition codes.

C5.1.1.4. Discrepancies disclosed by physical inventory.

C5.1.1.5. Ownership gains and losses applicable to the single Manager for Conventional Ammunition (SMCA).

C5.1.2. MILSTRAP provides two methods for effecting adjustments--single or dual actions.

C5.1.2.1. The single adjustment method accommodates those processing techniques which employ individual increase or decrease adjustment actions against the accountable and owner records. DI codes in the D8 or D9 series, prepared as outlined in appendix AP3.4, apply to these transactions. When processing DI Codes D8S and D9S, see appendix AP3.6 for format.

C5.1.2.2. The dual adjustment method provides for offsetting adjustments to condition or purpose code in a single adjustment transaction. This is possible by using the FROM and TO data fields in the transaction. DI Code DAC or DAD, prepared as outlined in appendix C9, applies to these transactions. When processing DI Code DAS, see appendix AP3.9 for format.

C5.1.2.3. When DoD Component practice prescribes the use of single transactions in the DI Code D8 and D9 series internally for condition or purpose transfer, provisions will be made for acceptance and processing of DI Code DAC and DAD documents from other DoD Components.

C5.1.3. Changes between ownership codes, from purpose code to ownership code, or from ownership code to purpose code will not be made by an adjustment

action. Process appropriate issue and receipt transactions to make the necessary accounting actions. An exception to this rule is the use of the dual Inventory Adjustment Transaction, DI Code DAS, and corresponding single adjustments, D8S/D9S, to effect ownership gain/loss under the SMCA concept. (See section C5.3.)

C5.1.4. Changes in project or distribution codes maintained on the owner record will be accomplished by utilizing individual increase and decrease materiel adjustment transactions containing appropriate DI codes in the D8 and D9 series (other than D8A/D9A).

C5.1.5. Inventory adjustments, resulting from clerical or automated information system errors but which cannot be corrected by reversing the original transaction, or from reconciliation between the storage activity and owner, will contain DI Code D8B if the adjustment is an increase and DI Code D9B if the adjustment is a decrease.

C5.1.6. Inventory adjustments, for which a specific DI code is not otherwise provided, will contain DI Code D8Z when the adjustment is an increase and DI Code D9Z when the adjustment is a decrease. (Assignor of these codes will maintain detailed backup information as to the use and requirement for the transaction.)

C5.1.7. Inventory adjustments for losses resulting from shrinkage, theft, contamination, deterioration, and expired shelf-life will contain DI Code D9G. Losses resulting from major disasters, fire, enemy action, acts of God, etc., will be identified by DI Code D9H.

C5.1.8. DI codes in the DI Code DB series (for gains) and DI Code DC series (for losses) are to be used for financial adjustments and the transactions will be prepared in accordance with the regulatory procedures prescribed by the DoD Components. No formats are currently prescribed in the MILSTRAP manual.

## C5.2. CHANGES IN CONDITION OF MATERIEL

### C5.2.1. Condition Reclassification of Assets in Storage.

C5.2.1.1. When inspection of stocks on hand reveals that a condition reclassification is required, storage activities will report the variance to the owner within 3 calendar days using a DI Code DAC Inventory Adjustment--Dual. Enter the new supply condition code (SCC) in record position 66 of the dual adjustment. Enter the SCC under which the item is carried on the records in record position 71.<sup>1</sup>

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<sup>1</sup>Storage activities may not transfer stored materiel into SCC K or R.

C5.2.1.2. When immediate reclassification of suspect stocks is beyond current capabilities, transfer the materiel to SCC J. In the dual adjustment, show the new SCC in record position 66. Show the SCC under which the item is carried on the record in record position 71.

C5.2.1.2.1. With the exception of ammunition, complete the materiel reclassification within 90 calendar days after reporting the original transfer to the owner. Complete the reclassification of ammunition within 270 calendar days after reporting the original transfer.

C5.2.1.2.2. When the reclassification is complete, report the change to the owner using the dual adjustment transaction. Use the same document number used to report the materiel in SCC J. Enter the new SCC in record position 66 and SCC J in record position 71 of the dual adjustment transaction.

#### C5.2.2. Reclassification of Condition Q Product Quality Deficiency Related Materiel

C5.2.2.1. Storage activities will report discrepant receipts in condition Q as prescribed by the chapter C4., subparagraph C4.9.2.5.9. and C4.9.3.3.9., receipt processing procedures. When directed by the owner, storage activities will also transfer stored, including suspended, materiel to SCC Q and report the action using a dual adjustment transaction following subparagraph C5.2.1.1. procedures in this section.

C5.2.2.2. When inspection or technical/engineering analysis of materiel confirms a product quality deficiency, possibilities for other use of materiel within Department of Defense, as well as public health/safety and national security interests, must be considered. Owners will determine if further use of the item can be made within Department of Defense.

C5.2.2.3. When inspection or technical/engineering analysis of material indicates that litigation action is required, the owner will direct transfer of the materiel to SCC L.

C5.2.2.4. If the deficiency does not prohibit further DoD use (e.g., the defect is minor or the item meets specification for another NSN), owners will direct storage activities to re-identify and/or transfer the suspended condition Q materiel to the appropriate condition. Storage activities will, within 3 calendar days from receipt of the ICP direction, reclassify the condition Q materiel to the appropriate condition. Report completion of this action with a DI Code DAC Inventory Adjustment – Dual, using the same document number originally used to report the materiel in condition Q (i.e., the document number of the original receipt or adjustment transaction). Enter the new SCC in record position 66 and SCC Q in record position 71 of the dual adjustment. For re-identifications, storage activities will follow the section C5.7 procedures.

C5.2.2.5. If the deficiency prohibits further DoD use, the materiel will remain in SCC Q and owners will direct transfer of the materiel to DRMOs following the chapter C3 procedures. Improperly documented, unauthorized source, defective, non-repairable, and time-expired Aviation CSI/FSCAP materiel that is not mutilated by the holding activity, will be directed to the DRMO in SCC Q with Management Code S. All such materiel will be mutilated. When turning such Aviation CSI/FSCAP in to a DRMO, the turn-in document must be clearly annotated that the part is defective, non-repairable, time-expired, or otherwise deficient and that mutilation is required.

### C5.2.3. Reclassification of Condition L Receipts

C5.2.3.1. Storage activities will report discrepant receipts from procurement and materiel held pending resolution of a transportation discrepancy in SCC L as prescribed by the chapter 4 receipt processing procedures. When directed by the owner, storage activities will also transfer materiel to SCC L and report the action using a dual adjustment transaction following the subparagraph C5.2.1.1. procedures.

C5.2.3.2. Owners are responsible for monitoring materiel suspended in SCC L and directing transfer of the materiel to its correct condition when litigation or other action to resolve the discrepancy is completed. If inspection or technical/engineering analysis confirms that a product quality deficiency prohibits further use of the materiel within DoD, the owner shall direct transfer of the materiel to SCC Q.

C5.2.3.3. When directed by the owner, storage activities will, within 3 calendar days from receipt of the direction, reclassify the suspended materiel to its correct SCC. Report completion of the action with a DI Code DAC Inventory Adjustment--Dual using the same document originally used to record the materiel in SCC L (i.e., the document number of the original receipt or adjustment transaction). Enter the new SCC in column 66 and SCC L in record position 71 of the dual adjustment.

### C5.2.4. Reclassification of Condition K and R Receipts

C5.2.4.1. In accordance with the chapter 4 receipt processing procedures, storage activities may suspend materiel in SCC K upon receipt for condition determination. Storage activities may also receive materiel identified as SCC R (suspended) from reclamation activities which do not have the capability to determine the materiel condition.

C5.2.4.2. Storage activities will reclassify these suspended receipts to their correct SCC within the timeframes prescribed in the following subparagraphs. When materiel has been reclassified to its correct SCC, submit a DI Code DAC Inventory Adjustment--Dual to the owner using the same document number cited in the original

receipt transaction. Show the new SCC in record position 66 and the suspended SCC in record position 71 of the dual adjustment.

C5.2.4.2.1. With the exception of ammunition, reclassify materiel reported in SCC K within 10 calendar days after reporting the receipt; reclassify ammunition within 45 calendar days after reporting the receipt.

C5.2.4.2.2. When materiel identified as SCC R is received from reclamation activities, reclassify the materiel within 180 calendar days after reporting the receipt or prior to induction into maintenance facilities for repair/modification, whichever is sooner.

C5.2.4.2.2.1. When the capability to test/check SCC R assets for actual condition does not exist, the materiel may be forwarded to a maintenance facility for condition determination.

C5.2.4.2.2.2. The actual SCC of the assets must be recorded on the-owner record before the assets may be included in a scheduled maintenance program.

C5.2.5. Automatic Disposal of Reclassified Stock. When materiel is reclassified to SCC H, storage activities may also, based on criteria promulgated by the DoD Components, automatically turn condemned and expired shelf-life materiel into reutilization and marketing or take other authorized automatic disposal action. Advise the owner of such simultaneous reclassification and automatic disposal action by entering Management Code M (materiel condemned--excludes expired shelf-life materiel) or Management Code T (materiel condemned--expired shelf-life materiel) in record position 72 of the dual adjustment transaction.

C5.2.6. Exceptions to Prescribed Timeframes for Condition Reclassification:

C5.2.6.1. When additional time is required to reclassify materiel held in SCCs J, K, or R, because of large quantities, lack of facilities, nonavailability of personnel and/or test equipment, or other circumstances considered justified by the storage activity Commander, the storage activity will forward an extension request to the owner.

C5.2.6.1.1. When appropriate, the owner will approve the request for extension, notify the storage activity, and establish a suspense to ensure that classification action is taken within the agreed upon timeframe.

C5.2.6.1.2. If the owner does not approve the request for extension, the storage activity will make every effort to comply with the established timeframe.

C5.2.6.2. Owners may request expedited reclassification of SCC J, K, and R assets whenever it is deemed necessary based on their stock position and overall management responsibility.

C5.2.7. Monitoring Assets Recorded in Suspended SCCs:

C5.2.7.1. Owners will review records for all materiel suspended in SCCs J, K, and R at least monthly and ensure that storage activities accomplish reclassification actions within prescribed timeframes.

C5.2.7.2. Although there is no prescribed timeframe for transferring suspended materiel from SCC L, owners will review all records for materiel suspended in SCC L at least quarterly and will take necessary action to ensure expeditious litigation/negotiation with contractors or common carriers.

C5.2.7.3. Although there is no prescribed timeframe for transferring suspended materiel from SCC Q, supply sources will review all records for materiel suspended in condition Q at least monthly. Supply sources will take necessary action to ensure expeditious inspection or technical/engineering analysis of suspect assets and prompt transfer of the assets, under paragraph C5.2.2. of this section, based on the inspection results.

C5.3. OWNERSHIP GAINS AND LOSSES

C5.3.1. Based on the unique requirements of the SMCA and the Military Services, authorized by DoD Directive 5160.65, separate inventory adjustment transactions DAS, D8S, and D9S have been developed to permit:

C5.3.1.1. Retaining the integrity of the document number from the requisitioner's original demand throughout total processing, when payback actions are necessary.

C5.3.1.2. Online recording and reconciliation of materiel debit and credit balances of the SMCA and affected Military Services.

C5.3.1.3. The Military Services to have an audit trail when their inventory/financial records are affected.

C5.3.2. The DI Code DAS transaction (see appendix AP3.9) is designed for use as a dual transaction limited to effecting paybacks of SMCA items from one owning Service to another Service, in accordance with current DoD policy and inter-Service agreements. The SMCA will always initiate a DI Code DAS transaction for processing internal adjustments to custodial/accountable records and for notification of SMCA storage activities. The use of the M modifier in record position 29, to express

thousands when the quantity exceeds 99,999, is an optional feature that can be applied intra-Component and, by agreement, inter-Component. M modifiers are only applicable to ammunition items in Federal Supply Group 13.

C5.3.3. The DI Code D8S and D9S transactions (see appendix AP3.6) are designed for use as a single transaction limited to effecting paybacks of SM for conventional ammunition items from one owning Service to another Service, in accordance with current DoD policy and inter-Service agreements. The SMCA will always initiate the DI Code D8S/D9S transactions for updating internal custodial/accountable records and for notification to affected Military Services of actions to be accomplished. The use of the M modifier in record position 29, to express thousands when the quantity exceeds 99,999, is an optional feature that can be applied intra-Component and, by agreement, inter-Component. M modifiers are only applicable to ammunition items in Federal Supply Group 13.

C5.4. PURPOSE TRANSFERS. Based on authorized programs, materiel may be reserved for specific purposes and retained on inventory control records until requisitioned. To effect the transfer of assets between purpose codes, the single inventory adjustment transactions, DI Codes D8D and D9D (see appendix AP3.4), or the dual inventory adjustment transaction, DI Code DAD (see appendix AP3.8), will be processed against the inventory control records.

C5.5. INVENTORY GAINS AND LOSSES. Procedures concerned with adjustments due to physical inventory losses or gains are contained in chapter 7.

C5.6. **MAINTAINING ACCOUNTABILITY DURING MAINTENANCE**

***C5.6.1. Applicability. When responsibility for maintaining the property accountability record for DoD-owned property has been assigned to an activity(s) other than the owner, the responsible activity shall execute the owner's actions set forth in this section.***

***C5.6.1.1 These procedures apply to transfers of inventory to SCC M for maintenance, assembly, disassembly, reclamation, conversion, modification, repair, and destructive or nondestructive test/evaluation and transfer to their correct condition classification upon return from maintenance.***

***C5.6.1.2. These procedures exclude repair and return of materiel owned below the wholesale distribution system. However, storage activities will maintain visibility and the property accountability record for these assets pending transfer to maintenance and upon their return from maintenance.***

### **C5.6.2. Requirements**

***C5.6.2.1. When materiel is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement shall specify the materiel control requirements to include whether the storage activity will report returns from maintenance to the owner (Principal) transfers from SCC M under this section or as receipts under chapter 4, section C4.12.***

***C5.6.2.2. Each DoD Component shall ensure that:***

***C5.6.2.2.1. Owned inventory which is in the hands of DoD, other Government (non-DoD), and commercial activities is properly accounted for under the provisions of chapters 3, 4, 5, and 7 (including paragraphs C7.2.3. and C7.2.4.) of this manual and, for commercial maintenance, the provisions of the FAR. This includes returns from field activities for repair and reissue as wholesale inventory. DoD Components shall prescribe use of any required internal codes to meet this requirement. (Responsibility of the owner (Principal for maintenance by DMISA).)***

***C5.6.2.2.2. Total item property records for materiel in the hands of maintenance activities are maintained and adjusted based on the quantity of items actually returned and will support the DoD 7000.14-R financial accounting requirements. (Responsibility of the owner (Principal for maintenance by DMISA).)***

***C5.6.2.2.3. Contracts for commercial maintenance require the reporting of materiel loss or damage to the contracting officer. Contracts may also require the contractor to report the start and completion of maintenance action for each unit of materiel. (Responsibility of the Agent for maintenance by DMISA.)***

***C5.6.2.2.4. Any needed interface between the procurement and supply operations/functions exists to assure that reported data is transmitted to the owner. (Responsibility of the agent for maintenance by DMISA.) Arrangements may be made for commercial activities to report directly to these activities using MILSTRAP transactions.***

***C5.6.2.2.5. Reported data affecting inventory balances is recorded on the total item property record. (Responsibility of the owner (Principal for maintenance by DMISA).)***

***C5.6.2.3. Storage activities shall report the following actions, as indicated, to the owner of the materiel. In DoD Component systems which do not use dual adjustment transactions, use the corresponding DI Code D8\_ and D9\_ single adjustment transactions. Follow the appendix AP3.8 format for preparing***

**DI Code DAC transactions or the appendix AP3.4 format for preparing DI Code D8/D9\_ transactions.**

**C5.6.2.3.1. When materiel is inducted for maintenance (repair/modification, assembly, etc.), process a DI Code DAC dual adjustment to transfer the materiel from the SCC on the record to SCC M.**

**C5.6.2.3.2. When materiel is returned from maintenance (repair/modification, assembly, etc.), process a DI Code DAC dual adjustment to transfer the materiel from SCC M to the SCC in which the materiel is received (for example; SCC A for completed materiel, SCC G for materiel awaiting repair parts, or SCC H for condemned materiel). In DoD Component systems which do not use the dual adjustment, process the equivalent loss and gain transactions to accomplish the transfer.**

**C5.7. REIDENTIFICATION OF STOCK, STOCK NUMBER CHANGES, AND UNIT OF ISSUE CHANGES**

**C5.7.1. Reidentification of Stock**

C5.7.1.1. When inspection reveals that an item in stock has been misidentified, storage activities will prepare and transmit two or more materiel adjustment transactions prepared as outlined in appendix Ap3.4. The first transaction will contain the misidentified stock number, the quantity misidentified, DI Code D9J (Decrease - Reidentification of Stock), and Suffix Code A.

C5.7.1.2. When one new stock number is picked up due to reidentification, the second materiel adjustment transaction will contain the same document number as the first transaction, the identified stock number, the quantity of the identified stock number, DI Code D8J (Increase - Reidentification of Stock), and Suffix Code B.

C5.7.1.3. When more than one new stock number is picked up due to reidentification, an additional DI Code D8J adjustment transaction for each newly identified stock number will be prepared and transmitted. The additional DI Code D8J adjustment transaction(s) will be prepared in the same manner as the second transaction except that the suffix codes will progress to C, D, etc., as each transaction is prepared. The suffix codes in the second and ensuing transactions will serve to correlate the transactions to the misidentified stock number.

C5.7.1.4. The owner/manager and storage activity will process the adjustment transactions against their inventory control records to effect the decrease under the incorrectly identified stock number and increase(s) against the correct stock number(s).

C5.7.2. Stock Number and/or Unit of Issue Changes:

C5.7.2.1. When only a stock number change occurs, the owner/manager and storage activity will each prepare and process two materiel adjustment transactions prepared as outlined in appendix AP3.4. The first transaction will contain the replaced stock number, DI Code D9K (Decrease - Catalog Data Change), and Suffix Code A. The second transaction will contain the same document number as the first transaction, DI Code D8K (Increase - Catalog Data Change), and Suffix Code B.

C5.7.2.2. When only a unit of issue change occurs, the owner/manager and storage activity will each prepare and process two materiel adjustment transactions prepared as outlined in appendix AP3.4. The first transaction will contain the quantity and unit of issue prior to change of unit of issue, DI Code D9K (Decrease - Catalog Data Change), and Suffix Code A. The second materiel adjustment transaction will contain the same document number and stock number as the first transaction, the new unit of issue, the new adjusted quantity based on the new unit of issue, DI Code D8K (Increase Catalog Data Change), and Suffix Code B.

C5.7.2.3. When a simultaneous stock number and unit of issue changes occur, the owner/manager and storage activity will each prepare and process two materiel adjustment transactions. The first transaction will contain the replaced stock number and its unit of issue and quantity, DI Code D9K (Decrease - Catalog Data Change), and Suffix Code A. The second materiel adjustment transaction will contain the same document number, the replacing stock number and unit of issue, the adjusted quantity based on the new unit of issue, DI Code D8K (Increase - Catalog Data Change), and Suffix Code B.

C5.8. CONDITION CHANGES FOR ITEMS BEING REPORTED/TURNED IN TO REUTILIZATION AND MARKETING ACTIVITIES

C5.8.1. When materiel is not identified by an NSN and is actually scrap, Components may prescribe that it be classified in SCC S for turn in to Defense Reutilization and Marketing Offices (DRMOs). Otherwise, only materiel recorded in SCCs A through H and Q will be reported or turned in to the DRMO.

C5.8.2. When excess, serviceable, or unserviceable materiel is classified in SCC J, K, L, M, N, P, or R, activities must initiate action to reclassify the materiel to an acceptable SCC (A through H, S, or Q) before preparing the turn-in documentation. Section C5.2 contains the materiel reclassification procedures.

C5.8.3. Activities not reporting or turning in materiel to DRMOs in an appropriate SCC will risk having the materiel rejected/returned by the DRMO for proper classification.

C5.8.4. Reutilization and marketing activities will use the appendix AP2.5 disposal condition codes to accurately describe the physical condition of the materiel based on its inspection at time of receipt. Reutilization and marketing activities will record both the supply and the disposal condition code for the materiel and will reflect both codes as management data for reutilization program screening and review. Within the reutilization and marketing process, Disposal Condition Code S is assigned for "property that has no value except for its basic materiel content." Consequently, Disposal Condition Code S may be assigned by DRMOs to materiel with or without NSN identification.

## **C6. CHAPTER 6**

### **MATERIEL RECEIPT ACKNOWLEDGMENT**

#### **C6.1 PURPOSE**

C6.1.1 This chapter provides policy and procedures for a DoD automated, closed-loop system to provide accountability and monitor receipt of shipments of DoD and General Services Administration (GSA) wholesale stocks and Defense Reutilization and Marketing Service (DRMS) stock which are issued from onhand assets or procured for direct vendor delivery (DVD). These procedures interface with customer wait time (CWT) for measuring receipt take-up time by requisitioners and with MILSTRIP (DoD 4000.25-1-M) for providing 100 percent shipment status on stock issues, including DVDs.

C6.1.2 These procedures provide for the control of due-in records below the wholesale level and the interface among the transportation, quality, supply, and financial operations/systems below the wholesale level and between the supply and purchasing operations/systems at the wholesale level to provide proper control over intransit assets and document receipt in the payment files.

#### **C6.2 APPLICABILITY<sup>1</sup>**

C6.2.1 These procedures apply to shipment of DoD wholesale stocks and DRMS stocks and in part, to shipments of GSA wholesale stocks—whether pushed or pulled, delivered or picked up, issued from onhand assets, or procured for DVD from commercial sources.

C6.2.2 These procedures, therefore, apply to:

C6.2.2.1 All DoD wholesale inventory control points (ICPs) and the DRMS.

C6.2.2.2 Recipients of DoD and GSA wholesale stocks and DRMS stock—including DoD intermediate/retail level and end use activities; contractors which receive GFM, and defined under DoD 4140.1-R and implemented in MILSTRIP; DoD ICPs which requisition materiel from GSA, DRMS, or other DoD ICPs; and DoD maintenance facilities which receive items for maintenance when the maintenance activity

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<sup>1</sup>For the purpose of this chapter, the DRMS is the DoD ICP for shipments from reutilization and marketing.

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accountable office assumes property accountability for the inducted items—hereafter called reporting activities.

C6.2.3 Implementation of the materiel receipt acknowledgment concept is optional for intra-Component shipments of retail stock. However, DoD Components which choose to implement the concept for such shipments will prescribe use of these procedures.

**C6.3 EXCLUSIONS.** These procedures are not applicable to the following:

C6.3.1 Commodities excluded from requisitioning under MILSTRIP, except that receipt of forms and publications requisitioned under MILSTRIP will be acknowledged.

C6.3.2 Shipments to Foreign Military Sales and Grant Aid customers except when the shipment concerns an unconfirmed materiel release order (MRO) as described in MILSTRIP, chapter 3, section 3.21 (Processing Follow-Ups).

C6.3.3 Inter-Component lateral redistributions of retail stock not directed by the Integrated Materiel Manager (IMM).

C6.3.4 Shipments to state, civil, or Federal Agency activities.

C6.3.5 Receipts into DoD wholesale stock which are controlled under chapter 4, including relocations/shipments to contractors, commercial, or industrial activities which are receipt reported to the owning ICP. However, when ICPs requisition materiel from another ICP or the DRMS and the receipt is reported under chapter 4, the requisitioning ICP will acknowledge the receipt.

C6.3.6 Shipments to defense reutilization and marketing which are covered under the MILSTRIP procedures for intransit control of shipments to Defense Reutilization and Marketing Offices (DRMOs).

C6.3.7 Shipments of fresh fruit and vegetables (FF&V).

C6.3.8 Shipments to Army/Air Force Exchange Service (DoDAACs HX1–, HX2–, HX3–, and HX4–).

**C6.4 COMMUNICATIONS**

C6.4.1 Chapter 1, section C1.10, states the responsibilities for reporting activities to make arrangements for the preparation and transmission of MILSTRAP transactions.

C6.4.2 Reporting activities will direct MRAs to the managing ICP, as identified from the instructions in appendix AP3.29. The Defense Automatic Addressing System

(DAAS) will pass the MRA to the designated ICP and provide images to other designated activities based upon DoD Component rules.

C6.4.3 ICPs will send all MRA follow-ups to the DAAS for transmission. The DAAS will route MRA follow-ups for U.S. forces to the “ship-to” activity identified by the signal code. If DAAS cannot determine the “ship-to” activity, DAAS will return the document to the ICP for mailing. The DAAS will route MRA follow-ups for security assistance requisitions to the applicable service International Logistics Control Office (ILCO) based on the entries in record position 30 (service code) and record position 54 (distribution code).

## C6.5 POLICY

C6.5.1 Reporting Activities and ICPs shall meet the time limits stated throughout this chapter and summarized in appendix AP4.1.

C6.5.2 Reporting Activities, excluding ILCOs, shall:

C6.5.2.1 Establish supply due-in records for all requisitions (pulled or pushed) being supplies from wholesale stock. It is not required to establish a due-in record when shipment status is received after the materiel has been received.

C6.5.2.2 Update (or establish, when no previous record of the due-in/materiel receipt exists) due-in records and estimated delivery dates, based on supply and shipment status received. Establish due-in record estimated delivery dates which equal the appendix AP4.1 timeframes (i.e., the shipment status release day (DI Code AS\_/AU\_ record positions 57-59) plus 30 or 90 calendar days for shipments to continental United States (CONUS) or overseas activities, respectively).

C6.5.2.3 Post receipts from wholesale stock to a stock record/property, or equivalent, account and acknowledge materiel receipt under these procedures.

C6.5.2.4 Whenever materiel is taken into U.S. Government custody at final destination, whether it has been accepted or not, ensure that the receipt is posted to the stock record/property, or equivalent, account. Establish any needed interface among the transportation, quality, and supply operations/processes to meet this requirement.

C6.5.2.5 Monitor due-in records and report nonreceipt under these procedures when materiel is not received within the timeframes prescribed by appendix AP4.1. MILSTRIP requires that 100 percent shipment status be sent to all reporting activities so they can meet this requirement.

C6.5.2.6 Coordinate with the financial operation/function before clearing a due-in record by any action other than materiel receipt. Maintain an auditable record of all due-in records so cleared.

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C6.5.2.7 Establish an interface with financial accounting operations/processes to maintain proper financial accounting control for intransit assets, as prescribed by DoD 7000.14-R.

C6.5.3 ILCO reporting activities shall screen history records for valid shipment status or coordinate with freight forwarders/customers to determine shipment status/receipt data, for unconfirmed MROs and send an MRA within the timeframes prescribed in appendix AP4.1.

C6.5.4 ICPs shall:

C6.5.4.1 Have a closed-loop system to monitor materiel receipt on all shipments of wholesale stock to DoD activities.

C6.5.4.2 Control MRA data based on quantity within document number. When the MRA does not match a shipped record, use the data only for quality control/management evaluation purposes. Do not reject MRAs to the submitter.

C6.5.4.3 Keep an accessible record or requisitions, by document number and suffix code shipped, until materiel receipt is confirmed, nonreceipt is reported for the quantity shipped, or failure to acknowledge is included in management evaluation reports.

C6.5.4.4 Establish an interface between the supply and disbursing functions/operations to provide receipt acknowledgment data for all direct vendor deliveries for documentation of payment files.

C6.5.4.5 Consider MRA data in the Supply Discrepancy Report (SDR) validation process.

C6.5.5 DoD Components:

C6.5.5.1 Shall establish the internal interface among the logistics, financial, and contracting operations/systems necessary to accomplish the requirements of this chapter. When operations are geographically removed from each other, DoD Components may prescribe use of intra-DoD Component transactions to accomplish the required interface.

C6.5.5.2 May, for intra-DoD Component shipments, elect to have their shipping activity or CCP create an MRA and send it with the shipment for completion and submission by the reporting activity.

C6.5.5.3 May prescribe, where appropriate, that intermediate levels of supply (i.e., organizations that are not the ultimate materiel recipient but maintain due-in records for referred user requisitions) post receipts to their due-in records and acknowledge materiel receipt for the user.

C6.5.5.4 May record MRA data in requisition history and use such acknowledgment to close unconfirmed materiel release orders.

C6.5.6 GSA will not use the MRA to monitor materiel receipt but will use the data to interface with the discrepancy reporting process. Therefore, GSA will not follow up to reporting activities to request an MRA.

C6.5.7 Components may prescribe additional internal follow-up requirements using the appendices AP3.29 and AP3.30 formats.

## C6.6 PREPARING AND SENDING MATERIEL RECEIPT ACKNOWLEDGMENT

C6.6.1 Reporting activities will submit an MRA when a materiel receipt is posted to the retail stock record, stock record account, property account, or equivalent record. Also, submit an MRA when due-in dates are reached and materiel has not been received. Send an MRA to the ICP:

C6.6.1.1 within 5 calendar days of materiel receipt.

C6.6.1.2 30 calendar days from the release date when a shipment to a CONUS activity has not been received.

C6.6.1.3 90 calendar days from the release date when a shipment to an overseas activity has not been received.

C6.6.2 ILCOs in receipt of DI Code ASH pseudoshipment status (see MILSTRIP, chapter 3, section 3.21 (Processing Follow-Ups)), will screen history records for valid shipment status. If valid shipment status is not available, ILCOs may coordinate with freight forwarders/customers to determine shipment status/receipt data. Submit an MRA to reflect the shipment status, receipt data, or nonreceipt within 120 calendar days from the DI Code ASH pseudoshipment status release date.

C6.6.3 Follow the AP3.29 instructions for preparing the MRA. Send the MRA to the ICP.

C6.6.4 To acknowledge receipt of a nondiscrepant shipment, submit the MRA leaving record position 63 blank and entering the day posted to the stock record/property, or equivalent, account in record positions 60-62.

C6.6.5 When a shipped line item (requisition document number and suffix code) is consigned as a split or partial shipment, send an MRA for the shipment segments as they are received. If the total quantity for the shipped line item is not received by the due-in date, report the missing quantity under paragraph C6.6.6.3.

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C6.6.6 To acknowledge receipt of a discrepant/deficient shipment, submit an MRA, except as noted below, with the appropriate discrepancy indicator code (appendix AP2.17) in record position 63. Note that these requirements and timeframes are independent from prescribed shipment tracing and discrepancy/deficiency reporting requirements and timeframes to which the receiving facility must also adhere.

C6.6.6.1 If the document number cannot be identified, post the receipt using a local document number. Do not submit an MRA.

C6.6.6.2 If the stock number/part number of the item received cannot be fully entered in record positions 8-22, level blank. If stock number/part number cannot be fully entered in record positions 8-22 and is a wrong item or cannot be identified, leave record positions 8-22 blank and enter discrepancy indicator code A in record position 63.

C6.6.6.3 For total or partial nonreceipt, enter the quantity not received in record positions 25-29, Discrepancy Indicator Code F in record position 63, and the transaction preparation day in record positions 60-62.

C6.6.6.4 Except for shortage and partial or total nonreceipt, covered in paragraph C6.6.6.3., enter a code X in record position 63 of the MRA if the discrepancy does not meet discrepancy reporting criteria.

C6.6.6.5 When the discrepancy causes the receipt to be posted using more than one transaction (e.g., multiple supply condition codes or multiple stock numbers are received), send an MRA for each transaction posted. If needed, also send an MRA for any quantity not received.

## **C6.7 FOLLOW-UPS FOR DELINQUENT MATERIEL RECEIPT ACKNOWLEDGMENT**

C6.7.1 When materiel shipment is confirmed or when the requisition involves an unconfirmed MRO as described in MILSTRIP chapter 3, section C3.21 (Processing Follow-Ups), the ICP will monitor for receipt of MRA(s). MRA must be received for the total quantity shipped within 45 calendar days from the date released to carrier for shipments to CONUS activities, within 105 calendar days from the date released to carrier for shipments to overseas activities, or within 135 days from the DI Code ASH pseudoshipment status release date for security assistance requisitions. Otherwise, the ICP will send a DI Code DRF follow-up, prepared in the appendix AP3.30 format.

C6.7.2 To answer the follow-up, the reporting activity will fill out an MRA following the section C6.6. procedures but entering DI Code DRB in record positions 1-3. Send the MRA to the ICP within 15 calendar days from the transaction day in the follow-up.

C6.7.3 If a reply is not received within 30 calendar days from the follow-up transaction date, the ICP will include the delinquency information in the management evaluation report (section C6.10). Also, if the requisition involves an unconfirmed MRO

(see MILSTRIP, chapter 3, section C3.21 (Processing Follow-Ups)), then the ICP will resolve the record as described in MILSTRIP, chapter 3, section C3.22 (Force Closed Materiel Release Confirmation).

## C6.8 CORRECTING OR CANCELING MATERIEL RECEIPT ACKNOWLEDGMENT

### C6.8.1 MRA Errors

#### C6.8.1.1 *Invalid Quantity (quantity field is blank or contains alphas or special characters):*

C6.8.1.1.1 *DAASC will reject MRA transactions (DI Codes DRA/DRB) received with an invalid quantity field (rp 25-29) to the reporting activity with a narrative reject stating: Correct and resubmit. The quantity in rp 25-29 is invalid.*

C6.8.1.1.2 *Reporting activities which acknowledged receipt using an invalid quantity are to correct and resubmit the MRA upon receipt of the narrative message reject.*

#### C6.8.1.2 *Blank Unit of Issue*

C6.8.1.2.1 *DAASC will reject MRA transactions (DI Codes DRA/DRB) received with a blank unit of issue (rp 23-24) to the reporting activity with a narrative reject message stating: Unit of Issue contains blanks or special characters.*

C6.8.1.2.2 *Reporting activities which acknowledged receipt using a blank unit of issue are to correct and resubmit the MRA upon receipt of the narrative message reject.*

C6.8.1.3 **Other Errors.** Activities which acknowledge a materiel receipt in error, **other than an invalid quantity or blank unit of issue**, will not correct the MRA. However to ensure validation of any SDR for the shipment, the reporting activity must identify the erroneous MRA information in the SDR remarks. ***MRAs with an invalid quantity field or blank unit of issue will be processed as addressed in paragraph C6.8.1.1 and C6.8.1.2.***

C6.8.2 When an ICP receives an MRA that does not match a shipment record, or contains errors, the ICP will document the error in the management evaluation report or quality control data, as applicable.

## C6.9 QUALITY CONTROL

C6.9.1 To comply with the requirements of chapter 7, ICPs and reporting activities shall include the evaluation of internal MRA processing in their quality control programs. The following work processes shall be included: accuracy of MRA initiation of follow-up,

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submission timeliness, and investigative research to determine and correct processing errors.

C6.9.2 Command managers shall assign to specific organizations the responsibility for directing and monitoring corrective action. The purpose of the program is to assist management in identifying those human, procedural, or system errors which adversely affect the MRA process or indicate potential deficiencies in the control over intransit assets.

C6.9.3 Command managers must ensure effective organizational interrelationships among the functional operations/processes concerned with MRA, such as; supply, procurement, financial, inventory management, transportation, quality assurance, and storage.

## C6.10 MANAGEMENT EVALUATION

C6.10.1 DoD Components shall establish a management evaluation program which monitors and evaluates MRA submission to ensure compliance with MRA requirements. Execute timely processing and perform response rate analyses to identify nonresponsive activities and initiate corrective actions.

C6.10.2 The program shall provide for:

C6.10.2.1 Review of the MRA Management Information report (Report Control Symbol DD-AT&L(AR)1113 applies). DAASC will prepare the report and provide access by electronic means. The report content is determined by the Supply Process Review Committee. Each MILSTRAP focal point is responsible for analysis of the report to identify potential deficiencies in their Service or Agency MRA operations or procedures contributing to breakdowns in internal controls for intransit wholesale stock. MILSTRAP focal points are responsible for initiating corrective action with delinquent and nonreporting activities.

C6.10.2.2 The MRA Management information report shall include as a minimum:

C6.10.2.2.1 ***Documentation of nonresponses for a reporting period to include: the number of qualifying shipments made to an activity (by “ship to” DoDAAC); the number of MRA responses received from that activity; the number of nonresponses.***

C6.10.2.2.2 ***Breakdown of nonresponses by DVD and stocked shipment to include the number, percentage, and dollar value of each category.***

C6.10.2.2.3 ***Report of MRAs having a discrepancy indicator; report by shipping activity to indicate total shipments that qualified for an MRA during the report period; total MRAs received with a discrepancy indicator and a subset to identify them by “ship to” activity.***

C6.10.2.3 The MRA Management Information report will provide the capability to access information by specific categories of DoDAACs such as subsistence, ammunition, contractor, and Army Total Package Fielding. Additionally it will provide the capability to request highlight listing showing DoDAACs with a high number of nonresponses (for example, all DoDAACs with over 500 nonresponses) to assist in identifying organizations not complying with MRA procedures.

C6.10.3 ICPs shall maintain accessible records of shipments and MRA transactions to support the reporting requirements.

# **C7. CHAPTER 7**

## **PHYSICAL INVENTORY CONTROL**

C7.1. GENERAL. This chapter provides procedures, performance objectives, and reporting requirements for maintaining accurate records of the physical inventory, conducting physical inventory counts, and reconciling record variance for materiel within the DoD supply system.

C7.1.1. Applicability. Basic elements of the physical inventory control program prescribed by this chapter apply to the Military Departments and the Defense Agencies, hereafter referred to as DoD Components, and establish:

C7.1.1.1. Uniform procedures, based on existing DoD policy, for maintaining accurate records, conducting physical inventories, and location surveys/reconciliations, researching inventory discrepancies, and causes for adjustments, performance assessment, and for quality control of work processes prescribed by the DoD Physical Inventory Control Program.

C7.1.1.2. Management control of all DoD wholesale supply system materiel to include:

C7.1.1.2.1. principal items,

C7.1.1.2.2. packaged petroleum, oil, and lubricants,

C7.1.1.2.3. secondary items regardless of whether assets are purchased with stock fund or procurement appropriations,

C7.1.1.2.4. ammunition,

C7.1.1.2.5. forms and publications, and

C7.1.1.2.6. subsistence.

C7.1.1.3. Management data and performance standards necessary to measure the effectiveness of physical inventory control in the DoD supply system.

C7.1.2. Exclusions

C7.1.2.1. These procedures are not applicable to bulk petroleum; complete ships, aircraft, ballistic missiles, nuclear weapons, space vehicles; assets located at contractor-owned and/or contractor-operated facilities which are not maintained on the

DoD wholesale property accountability records; Industrial Plant Equipment reportable to the Defense Industrial Plant Equipment Center; National Security Agency/Central Security Service assets; and National Defense Stock Pile assets. Loaned materiel and materiel in transit will be accounted for in accordance with chapter 4 of this manual and DoD Component procedures.

C7.1.2.2. Physical inventory control procedures for bulk petroleum are contained in [DoD 4140.25-M](#).

C7.1.2.3. Nuclear weapons for which DoD has custodial responsibility. Inventories are in accordance with Joint Publication 6, Volume II, Joint Reports; part 4, Nuclear Weapons Reports; section 5, Stockpile Inventories and Inventory Reports.

C7.2. POLICY. DoD policy is contained in [DoD 4140.1-R](#).

C7.2.1. Purpose. The purpose of the DoD physical inventory control process is to:

C7.2.1.1. Ensure materiel accountability is properly executed within the DoD;

C7.2.1.2. Ensure accurate property accountability records for the physical inventory are maintained in support of customer requirements and readiness by performing physical inventories and location surveys/reconciliations;

C7.2.1.3. Identify and help resolve problems in supply system work processes affecting property accountability records by performing quality control of the work processes; and

C7.2.1.4. Identify repetitive processing errors and maintain accurate records for supply system transactions generated within the supply system by researching and reconciling property accountability record imbalances and potential discrepancies.

C7.2.2. Philosophy

C7.2.2.1. The dynamic nature of the physical inventory control function, and the cost of counting and reconciling records, requires that the approach be more selective than the "100 percent wall-to-wall total item count" concept. Available inventory resources must be directed toward those potential and actual discrepancies, controlled inventory items, and weapon system critical items for which the maximum returns will be derived from the resources which are applied.

C7.2.2.2. A fundamental requirement of inventory integrity is to implement the technical capability that provides for the total item property record which includes a single shared asset balance maintained by the storage activity.

C7.2.3. Security of Materiel. Security is the first line of defense for physical inventory control; therefore, DoD Components shall pay special attention to the safeguarding of inventory items. This shall include analysis of loss rates through inventories, financial liability investigation of property loss reports (DD Form 200), and criminal incident reports, to establish whether repetitive losses indicate criminal or negligent activity. Physical security procedures for supply system materiel are contained in [DoD 5200.8-R](#).

C7.2.4. Asset Management. A single total item property record shall be shared to provide materiel asset information. The total item property record shall, as a minimum, include materiel that is due in, in transit, in organic maintenance facilities, in a contractor's custody, on loan, on hand in distribution centers, reported on hand at retail activities, and for reported assets in the custody of users. The record or record set shall identify the quantity, condition, and value of the item assets for each organizational entity having physical custody of these assets.

C7.2.5. Maintaining Property Accountability/Responsibility. The property accountability responsibility for segments of the total item property record may be delegated to, but not shared by, one or more organizational entities. However, asset balance information for a particular segment (such as the storage activity balance for an item) will be shared, duplicative records will not be maintained.

C7.2.5.1. The storage activity maintains the property accountability record for all materiel in storage and is responsible, as a minimum, for materiel custody, care, receipt, storage, and issue; safeguarding, and re-warehousing materiels; physical inventory, and research; location survey/reconciliation; quality control checks; supply discrepancy report initiation, research and resolution; investigating and assessing financial liability for loss, damage, and destruction of Government property; and appropriate actions necessary to ensure that the physical on-hand quantity and the total item property record quantity are in agreement.

C7.2.5.2. The owning DoD Component shall assume or assign the accountability for materiel not in the physical custody of a storage activity, including materiel inducted for organic repair, test assembly/disassembly, conversion, modification, or reclamation; materiel in a contractor's hands (in accordance with provisions of the FAR; materiel in transit; materiel on loan, etc.

C7.2.5.3. The Integrated Materiel Manager is responsible for initiating and directing the conduct of physical inventories; discrepancy research, and reports; resolving discrepancies, investigating, and assessing liability for loss, damaged, and destruction of Government property; and take appropriate actions necessary to ensure that the on-hand quantity and the total item property record quantity are in agreement for all DoD materiel that is not in the physical custody of DoD Activities.

C7.2.6. End of the Day Processing. Use the following end of the day processing procedures pending the established of single shared asset balances (See paragraphs

C7.2.2. and C7.2.4., above.). End of the day processing shall be accomplished as follows:

C7.2.6.1. Owners/managers and storage activities shall match all active record (i.e., stock numbers which had any transactions affecting record balances) on-hand balances daily. The storage activity shall submit the daily closing on-hand balance to each affected owner/manager using DI Code DZH, Location Reconciliation Request, prepared in the appendix AP3.63 format, citing Type of Location Reconciliation Request Code 1 in record position 7.

C7.2.6.2. Storage activities shall prepare **location reconciliation request** transactions by line item (stock number + supply condition code (**SCC**) = line item), type of pack, and date packed /expiration date for subsistence, for each record experiencing transactions affecting the balance (including zero balance) and for no physical inventory adjustment required (DI Code D8A with zero quantity) transactions. The storage activity shall also submit DI Code DZM, End of Day Accountable Transaction Count, prepared in the appendix AP3.66 format, to advise the owner/ manager of the number of balance affecting transactions that were forwarded during the daily course of business. This transaction is compared to the actual number of transactions received by the owner/manager to identify missing transactions and aid in unreconciled balance (URB) research.

C7.2.6.3. Owners shall match the storage activity **location reconciliation requests** to the affected records. Imbalances will be programmatically researched to assure consideration of in-float documents, delayed transactions, and duplicate transactions. For unresolved mismatched quantities, the owner/manager will update the affected record on-hand balance with the storage activity's closing on-hand balance. The mismatched quantity (gains and losses) shall be adjusted with a DI Code D8B/D9B, Inventory Adjustment Increase/Decrease (Accounting Error) transaction.

C7.2.6.4. Owners/managers will request assistance from the storage activity to isolate causes of record imbalances to maintain transaction level integrity. The storage activity assistance should focus on data transmission, e.g., lost transactions, etc.

C7.2.7. Reconciling Total Item Property Records with Financial Records. Owning DoD Components shall reconcile total item property records and financial records as prescribed by [DoD 7000.14-R](#) to ensure compatibility of the total inventory value reflected by these records and associated reports.

C7.2.8. Item Management/Control. DoD materiel is managed and controlled by stock number, and **SCC**, and by type of pack, and date packed/expiration date for subsistence; therefore, physical inventories shall be conducted and the results reported to owners/managers by stock number and **SCC** and by type of pack and date packed/expiration date for subsistence.

C7.2.9. Storage Activity Record Keeping. Storage activities shall maintain quantitative balance records for all materiel on hand regardless of ownership. Storage activities shall maintain transaction histories to support the balance records. Maintenance of these records shall provide the capability to detect theft or diversion of materiel and improve the ability to determine the cause of inventory variances for corrective action.

C7.2.10. Inventory Prioritization. DoD Components shall select and prioritize items for inventory for which they are accountable as follows:

C7.2.10.1. Inventory Sampling. A stratified, hierarchal inventory sample will be accomplished at least once annually for the purpose of validating the accuracy of the accountable record. The results of the sample will be reported in accordance with the stratification and tolerances cited in paragraph C7.2.12.5.

C7.2.10.2. Complete inventories shall be accomplished as follows:

C7.2.10.2.1. Controlled Inventory Items. The following controlled inventory items (identified in [DoD 4100.39-M](#)) require complete physical inventory and do not qualify for use of a random statistical sampling approach:

C7.2.10.2.1.1. Top secret.

C7.2.10.2.1.2. Narcotics, drug abuse items, and alcohol.

C7.2.10.2.1.3. Category I non-nuclear missiles and rockets (semiannually in accordance with [DoD 5100.76-M](#)).

C7.2.10.2.1.4. Precious metals.

C7.2.10.2.1.5. Small arms.

C7.2.10.2.1.6. Radioactive items.

C7.2.10.2.1.7. Inert nuclear ordnance materiel.

C7.2.10.2.1.8. Other items that may be designated by OSD or the DoD Component.

C7.2.10.2.2. If ammunition or subsistence is subjected to complete inventory, physical inventory and location survey may be conducted concurrently.

C7.2.10.2.3. Controlled inventory items not subject to annual complete physical inventory must be subjected to annual random statistical sampling. Acceptable statistical sampling techniques are widely prescribed and may be used so long as every

item included in the population has an equal probability of being selected in the sample. The statistical sampling technique must provide reasonable assurance (as a minimum) that the property accountability records are accurate with a 95 percent level of confidence, accuracy level of 95 percent, and a maximum margin of error of 2 percent. If the sample inventory results do not satisfy the above criteria, complete physical inventory of the population from which the sample was selected, will be performed.

C7.2.10.3. Inventories for items not designated for complete inventory under subparagraph C7.2.10.2., shall be accomplished as a result of:

C7.2.10.3.1. Total or partial materiel release denials (spot inventory-- see subparagraph C7.3.4.2. and appendix AP2.2, Type of Physical Inventory/Transaction History Code E).

C7.2.10.3.2. Location reconciliation variances.

C7.2.10.3.3. Location survey errors.

C7.2.10.3.4. Owner/manager request (special inventory); or

C7.2.10.3.5. Owners may select items for inventory based on the owner physical inventory prioritization methodology or model which considers characteristics identified by each Service based on Service priorities, readiness drivers; etc. The owner and depot would negotiate projected workload at least once annually (prior to each Fiscal Year). The owner would provide the prioritization methodology/model results to the distribution depot annually by submission of a DI Code DJA transaction with a Type Physical Inventory Code I.<sup>1</sup> Items selected for inventory based on the owner priority selection system shall not be given priority over items in subparagraphs C7.2.10.1., C7.2.10.2, C7.2.10.3.1, C7.2.10.3.2, and C7.2.10.3.3.

C7.2.11. Potential Discrepancies. Potential discrepancies between the actual physical count of materiel and the property accountability record on-hand balance shall be researched and resolved in accordance with figure 7-1, page C7-27, either by:

C7.2.11.1. Correctly posting supply transactions (e.g., receipts, issues, adjustments, etc.) discovered during the research process that were previously incorrect or unposted resulting in the record imbalance; and/or

C7.2.11.2. Posting an inventory adjustment to correct the record imbalance.

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<sup>1</sup> The Distribution Standard System is capable of accepting DI Code DJA with Type of Physical Inventory/Transaction History Code I, however the Services have not yet implemented this capability. Service Supply PRC representatives are to notify DLMSO when implementation date is known per Approved DLMS Change (ADC) 33 (available at <http://www.dla.mil/j-6/dlmso/Changes>.)

C7.2.12. Accuracy and Performance Goals. The acceptable DoD accuracy and performance goals are as follows:

C7.2.12.1. Materiel Denial Goal: Not greater than 1 percent.

C7.2.12.2. Receipt Processing Performance Goal: 90 percent stored and posted within MILSTRAP, chapter 4, time standards.

C7.2.12.3. Location Audit Program Goal:

C7.2.12.3.1. Location Survey Accuracy:

C7.2.12.3.1.1. General Supplies: 97 percent.

C7.2.12.3.1.2. Ammunition: 98 percent.

C7.2.12.3.2. Location Reconciliation Accuracy:

C7.2.12.3.2.1. General Supplies: 97 percent.

C7.2.12.3.2.2. Ammunition: 98 percent.

C7.2.12.4. Ammunition Property Accountability Record Accuracy Goal: 95 percent.

C7.2.12.5. General Supplies Record Accuracy Goals<sup>2</sup>

Table C7.T.1. <u>GENERAL SUPPLIES RECORD ACCURACY GOALS</u> <u>STRATIFICATION SUB-POPULATIONS AND ASSOCIATED GOALS AND TOLERANCE LEVELS</u>			
CATEGORY	SUB-POPULATION	GOAL (PERCENT)	TOLERANCE (PERCENT)
A	UNIT PRICE $\geq$ \$1,000	99	0
B	UNITS OF ISSUE WHICH MAY BE NONDEFINITIVE OR DIFFICULT TO MEASURE <sup>3</sup> OR (ON-HAND BAL > 50 AND EXTENDED VALUE < \$50,000) OR NSN ACTIVITY (# transactions affecting balance in one year) > 50	95	10
C	DATE OF LAST INVENTORY > 24 MONTHS AND ON-HAND BALANCE < 50	95	5
D	ALL OTHER MATERIEL NOT MEETING ABOVE CRITERIA	95	0

95 percent Confidence Level  
 $\pm 4$  percent Bound applicable to each category

C7.3. PHYSICAL INVENTORY PROCEDURES

C7.3.1. Inventory Program Accomplishment. Storage activities will monitor program accomplishment throughout the fiscal year to ensure that the requirements of paragraph C7.2.10. are met.

C7.3.2. Pre-inventory Planning. The potential for count inaccuracies will be reduced by conducting pre-inventory planning to include:

C7.3.2.1. Actions to ensure location integrity by correcting such situations as unbinned/loose materiel; questionable identity of materiel in location; and single locations containing multiple **SCCs** or stock numbers, inadequately labeled shelf-life items (date of manufacture/assembly/pack or date of expiration/ inspection/test, as appropriate); and/or materiel lots stored in a single location.

<sup>2</sup>Within 30 days after the end of the 4<sup>th</sup> quarter each fiscal year, Components must submit record accuracy goals information to ADUSD SCI, via electronic mail. Submit to: [Debra.Bennett@osd.mil](mailto:Debra.Bennett@osd.mil). Data may be obtained throughout the year.

<sup>3</sup>Applicable Units of Issue: AT, AY, BF, BK, CD, CF, CZ, DZ, FY, FT, FV, GP, GR, HD, KT, LB, MR, OZ, OT, PG, PR, SE, SF, SO, SP, SY, TD, TE, TF, TN, TO, TS, MC, MX, YD

C7.3.2.2. Document cleanup to ensure to the extent possible that receipts, adjustments, transaction reversals, and other transactions are posted to the property accountability record and that in-process receipts are stored in location prior to the established physical inventory cutoff date.

#### C7.3.3. Scheduled Inventories

C7.3.3.1. Storage activities will initiate all scheduled inventories based on item characteristics, specifically the controlled inventory item code and any other category codes designated by DoD Components that require physical inventory not less than once each fiscal year, with DI Code DJA, Physical Inventory Requests, prepared in the appendix AP3.15 format, using Type of Physical Inventory/Transaction History Code G.

C7.3.3.2 Storage activities will initiate all scheduled inventories based on selection and prioritization model criteria with DI Code DJA requests, using Type of Physical Inventory/Transaction History Code I.

C7.3.3. Storage activities will initiate the scheduled random statistical sample inventory to meet the Departments' requirement to validate the accuracy of the supply records with DI Code DJA requests using Type of Physical Inventory/Transaction History Code N.

C7.3.3.4. Owners may initiate a scheduled random statistical sample inventory of line items owned to determine the overall accuracy of their records with DI Code DJA, using Type of Physical Inventory/Transaction History Code L. Storage activities may also initiate a scheduled random statistical sample inventory of line items in storage to determine the overall accuracy of their records with DI Code DJA, using Type of Physical Inventory/Transaction History Code P.

#### C7.3.4. Unscheduled Inventories

C7.3.4.1. Owners, AOs, and storage activities will initiate special inventories using DI Code DJA transactions, prepared in the appendix AP3.15 format. If an inventory has not been taken within the past 90 calendar days, cite Type of Physical Inventory/Transaction History Code C, D, J, or K in the transaction. If an inventory has been taken within the past 90 calendar days, an effort will be made to construct a transaction history and from it determine what the item balance should be or what discrepancy may have caused an imbalance. Only when these efforts fail to produce satisfactory results will special inventories be generated. In this case, cite Type of Physical Inventory/Transaction History Code H in the DI Code DJA transaction. The procedure for restricting special inventories may be waived when the inventory manager has recorded backorders for the item involved.

C7.3.4.2. Storage activities will initiate spot inventories as a result of a total or partial materiel denial on classified and sensitive items regardless of value, pilferable items when the value of the variance is greater than \$100, and for non-controlled items variances greater than \$5000. These requests will cite Type of Physical Inventory/Transaction History Code E.

C7.3.4.3. Storage activities shall accomplish all requests for spot inventories.

C7.3.4.4. Storage activities may initiate unscheduled inventories as a result of on-hand balance mismatches between the locator and property accountability records with DI Code DJA, using Type of Physical Inventory/Transaction History Code M.

#### C7.3.5. Canceling Inventories

C7.3.5.1. When conditions exist which preclude accurate completion of an inventory which has been established, the inventory will be canceled by the storage activity or the owner/manager. Conditions which may require cancellation include, but are not limited to, catalog changes, re-warehousing of materiel under inventory, insufficient resources, insufficient time to meet established inventory timeframes to notify other affected owners/managers, and acts of God.

C7.3.5.2. When an owner/manager cancels an inventory, the owner/manager will notify all affected storage activities using a DI Code DJA Physical Inventory Request citing Management Code N.

C7.3.5.3. When a storage activity cancels an inventory, or when an owner/manager requests cancellation of an inventory, the storage activity will notify the requesting owners using the DI Code DJA Physical Inventory Request citing Management Code N. When a canceled inventory is required to meet annual inventory schedule requirements, it must be rescheduled by the storage activity within the current fiscal year. When a spot inventory (Type of Physical Inventory/Transaction History Code E) is canceled, it must be rescheduled within 15 calendar days.

#### C7.3.6. Conducting, Recording, and Reporting the Inventory

C7.3.6.1. Physical inventory procedures at storage activities will provide the required asset-to-record accuracy with positive control of materiel and documentation which are in float, including materiel release orders, receipts, condition transfers, catalog, and other data changes, etc.

C7.3.6.2. The storage activity may reduce the volume of in-float accountable documents, during the period required for an item count, by suspending the issue of low priority materiel release transactions from items undergoing inventory. However, materiel will be released for items undergoing inventory when such release is necessary

to meet the order/ship timeframes prescribed by DoD 4140.1-R, to include the recognition of the RDD. The storage activity may also reduce the volume of in-float accountable documents by deferring routine **SCC** changes, providing the chapter 5 control requirements are complied with.

C7.3.6.3. Storage activities will complete physical inventories and transmit the appropriate DI Code D8A/D9A Inventory Adjustments to the owner/manager within 30 calendar days subsequent to the Physical Inventory Cutoff Date (PICD) for scheduled inventories and within 15 calendar days subsequent to the PICD for unscheduled inventories.

C7.3.6.4. The storage activity will compare the adjusted count with the balance maintained by the storage activity to determine the potential variance and initiate post count validation and preadjustment research as required under section C7.4.

C7.3.6.5. Immediately upon completion of post-count validation and preadjustment research, the storage activity will record the count and date of last inventory on the storage activity quantitative balance record.

C7.3.6.6. When no adjustment is required, the storage activity will update the storage activity record with the date of last inventory and transmit a DI Code D8A with zero quantity for each line item to the owner/manager to indicate completion of the inventory. The owner/manager will update the date of last inventory using the adjustment transaction date.

C7.3.6.7. When the storage activity record reflects more than one owner for commingled materiel, the storage activity will apply all gains and losses to the wholesale manager. The storage activity will prorate any losses that cannot be applied to the wholesale manager among all owners having balances. Storage activities will not consider foreign owner balances in the prorating process. Foreign owner and Special Defense Acquisition Fund balances will not be altered unless they are the only remaining balances for reporting a loss. Resolution of these losses will be in accordance with DoD Security Assistance Program policy.

C7.3.6.8. The storage activity will process DI Code D8A/D9A adjustments by line item, and by each date packed/expiration date and type of pack for subsistence, to update the storage activity quantitative balance record and each owner/manager record.

C7.3.7. Reconciling Manual Records for Controlled Items. When manual records are maintained for control of assets in secured storage, the storage activity, as a minimum, will reconcile these records at the time of inventory with the corresponding storage activity records and physical counts of materiel.

C7.3.8. Unscheduled Physical Inventory Follow-up

C7.3.8.1. When the owner/manager has requested an unscheduled inventory and no adjustment or completion transaction has been received within 40 calendar days of the date of the request, the owner/manager will follow up using a DI Code DJA request which cites Management Code X in record position 72 and duplicates the remaining data from the DI Code DJA transaction which established the inventory.

C7.3.8.2. The storage activity will respond to the owner/manager follow-up within 5 calendar days by providing the appropriate adjustment, completion, or cancellation transaction. If an adjustment or completion transaction was previously submitted and a follow-up is received, the storage activity will reply by submitting a DI Code DJA with Management Code Y to the owner/manager and Transaction History Transmittal (DI Code DZK) reflecting the actual physical inventory adjustment.

C7.3.8.3. If the storage activity does not have a record of the owner/manager original DI Code DJA request, the storage activity shall process the DI Code DJA with Management Code X as an original DI Code DJA.

#### C7.4. RESEARCH OF POTENTIAL OR ACTUAL PHYSICAL INVENTORY ADJUSTMENTS

C7.4.1. Policy. DoD Components will ensure that potential or actual adjustments are researched in accordance with the value of the adjustment and type of item involved. The DoD criteria for this research are set forth in figure 7-1 and will be used as the basis for selective research for supply system materiel. A reduction of the volume of erroneous adjustments can only be achieved by conducting specified degrees of research before posting the adjustment transaction. More stringent research requirements may be imposed by DoD Components based upon the limits of resources available and upon specific asset control problems. However, in no case will adjustments be processed against items without required preadjustment research having been performed (see Figure C7.F.1., page C7-27).

C7.4.2. Objectives. Analysis of inventory adjustments is vital in order to:

C7.4.2.1. Identify failures in the control systems so improvements can be made.

C7.4.2.2. Reduce similar discrepancies in the future.

C7.4.2.3. Ensure that the proper adjustment was made.

C7.4.2.4. Evaluate indicators of trends or system problems for corrective action.

C7.4.2.5. Detect negligence, abuse, or theft of materiel. Known or suspected negligence, abuse, or theft will be researched in accordance with DoD **7000.14-R** and figure C7.F.1.

C7.4.3. Timeliness of Research. Timely completion of the research of potential adjustments is essential. Delay only increases the complexities of adequate research and reduces the probability of conclusive findings.

C7.4.3.1. Storage activity preadjustment research must be completed and the physical inventory adjustment/completion action posted to the owner/manager record within 30 calendar days from the PICD for scheduled inventories and 15 calendar days from the PICD for unscheduled inventories.

C7.4.3.2. The storage activity must complete mandatory causative research within 45 calendar days from the date the adjustment transaction was posted. Sample causative research must be completed within 45 calendar days from the date the sample causative research listing is created.

C7.4.4. Transaction History Requests. For intra-Component (or inter-Component, based on agreement of the DoD Components involved) reconciliation, the owner/manager may request transaction history for analyzing inventory discrepancies.

C7.4.4.1. The owner/manager will request the history using a DI Code DZJ Transaction History/Custodial Balance Request, prepared in the appendix AP3.64 format, citing in record position 7 the appropriate type of physical inventory/transaction history code from appendix AP2.2. Transaction history will consist of all transactions affecting the balance for the requested timeframe.

C7.4.4.2. The storage activity will provide the transaction history data using the DI Code DZK, Transaction History Transmittal, prepared in the appendix AP3.65 format. Transmit the history using the media specified by the type of media code (see appendix AP2.15) entered in record position 60 of the DI Code DZJ request.

C7.4.5. Error Classification Coding. Causes of potential/actual inventory adjustments are determined by research. Causes will be classified, analyzed, and evaluated so action may be taken to correct situations that are causing the errors. Error classification codes will be entered in positions 63-65 of DI Code D8A/D9A Inventory Adjustment Transactions<sup>4</sup>. For analysis and evaluation, error conditions will be identified to the operation in which they occurred (e.g., receiving, issue, etc.) and classified by type within each operation. For reporting purposes, each operation and each error type have been identified by an alphabetic or numeric code as shown in appendix AP2.16. The error classification system is structured to provide the DoD

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<sup>4</sup> The Integrated Materiel Manager may use the error classification codes in record positions 63-65 in DI Codes D8B/D9B Inventory Adjustment Transactions (Accounting Errors) pending the establishment of single shared asset balances (see paragraphs C7.2.2 and C7.2.4.).

Components the latitude to amplify the DoD defined error classifications; however, DoD Components will summarize internally defined error classifications to the appropriate DoD classification for all reports provided to higher authorities, auditors, etc.

#### C7.4.6. Error Classification Feedback and Correction

C7.4.6.1. The storage activity will prepare a quarterly summary of the causative research results -- by the error **classification** code -- and provide feedback to the commander of the storage activity concerned. As a minimum, the activity will include a summary of the number and value of adjustments by error **classification** codes.

C7.4.6.2. Storage activities will use this information in conjunction with other local indicators to identify and correct recurring errors in their operations (e.g., through initiation of training, increased frequency of quality control checks, and other actions as required).

C7.4.7. Controlled Inventory Item Adjustments. Unresolved physical inventory adjustments for all classified and sensitive items regardless of value, and for pilferable items when the adjustment is in excess of \$2,500, as prescribed by DoD **7000.14-R**, will be referred to security officials of the storage activity at which the adjustment occurred to determine whether there is culpability or when fraud, waste, or abuse is suspected (see figure 7-1).

C7.4.8. Materiel Release Denials. [MILSTRIP \(DoD 4000.25-1-M\)](#) prescribes DoD standard document formats, data codes, and criteria for the preparation and processing of materiel release denials at storage activities and inventory control points.

C7.4.8.1. Upon initiation of a materiel release denial citing Management Code 1, 2, 3 (applies to subsistence only), or 4 (applies to subsistence and ammunition only), storage activities will:

C7.4.8.1.1. Reverse the issue, adjust the storage activity record on-hand quantitative balance to zero, and transmit a DI Code D9A for the adjusted quantity to the owner/manager attempting to issue the materiel, citing denial Management Code 1, 2, 3, or 4, and a DI Code D9A to any other owners affected by the denial loss, citing denial Management Code Q.

C7.4.8.1.2. Initiate a spot inventory as required under paragraph C7.3.4.2 of this chapter.

C7.4.8.2. If an inventory can be accomplished without delaying the processing of the Materiel Release Order beyond the prescribed UMMIPS timeframes (see DoD 4140.1-R), it may be conducted prior to processing a denial transaction.

**C7.5. REVERSAL OF INVENTORY ADJUSTMENTS.** Reversal of DI Code D8A/D9A Inventory Adjustments is a required capability which must be implemented with proper controls and supported by proper documentation. (See appendix AP3, introduction, paragraph AP3.3.2., for processing adjustment reversals.) Procedures for reversing adjustments will contain, as a minimum, the following control features:

C7.5.1. Posted/Unposted Source Documents. Reversals required to correct inventory records when posting previously unposted or incorrectly posted supply transactions (e.g., receipts, issues, etc.), regardless of age, are limited to those transactions that can be properly documented to reference the specific transaction document number(s) that will be processed to offset the reversal.

C7.5.2. Inventory Adjustment Corrections. Reversals required to correct physical inventory adjustments which were made based on incorrect/incomplete information are limited to 2 years from the date of the original adjustment unless the requirements of paragraph C7.5.1., are met. All reversals must be properly documented.

C7.5.3. Limitations. Reversals will not be processed solely on the basis of a previous offsetting physical inventory adjustment.

C7.5.4. Performance Assessment. Reversals against transactions processed within the adjustment period will be separated and identified as follows:

C7.5.4.1. Gross adjustment during the current period,

C7.5.4.2. Reversal of prior quarters' adjustment transactions,

C7.5.4.3. Reversal of current quarters' adjustment transactions, and

C7.5.4.4. Total value of net adjustments during the current period (i.e., value of net gains added to value of net losses).

**C7.6. LOCATION AUDIT PROGRAM.** Each DoD Component will implement a location audit program which will consist of both a location survey and a location reconciliation.<sup>5</sup> The DoD acceptable accuracy goals are provided in paragraph C7.2.12.3. The DoD Components may impose more stringent standards internally. The location audit program is subject to the quality control checks delineated in section C7.8., Quality Control Program. Errors will be subject to validation and research before they are counted as an error. DoD Components will collect and analyze all type III errors (see paragraphs C7.6.1.1.8.3 and C7.6.2.2.3) by element.

C7.6.1. Location Survey

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<sup>5</sup> The location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2 and C7.2.4.).

C7.6.1.1. Location survey requires a physical verification, other than actual count, between physical assets and recorded location data to ensure that all assets are properly recorded. When a discrepancy is identified during the location survey program (type I or type II error (see paragraphs C7.6.1.8.1 and C7.6.1.8.2)), the storage activity will conduct prompt research and determine the need for a special inventory (DI Code DJA request with Type of Physical Inventory/Transaction History Code K). In some instances, location survey and physical inventory will be conducted concurrently for ammunition.

C7.6.1.2. Location survey will be accomplished at each storage activity not less than once each fiscal year, by (1) performing complete location survey of all locations; (2) using a statistical sampling methodology that ensures all locations are included in the population and have a probability of selection; or (3) a combination of complete and statistical sampling.

C7.6.1.3. A location survey will be conducted in both the gaining and losing storage areas following the accomplishment of re-warehousing projects. A location survey conducted as a result of re-warehousing projects may be considered to have satisfied the annual survey requirement for the area surveyed.

C7.6.1.4. The proper sequence of operating a location survey requires the comparing of assets in storage locations with locator records. This sequence of operation is important to detect assets in unrecorded locations.

C7.6.1.5. As an objective, it is desirable to identify items to location survey lots or segments. Lots/segments will be of a manageable size (number of items) to permit location survey in a minimum time period, to ensure maximum uninterrupted service to customers, and to obtain the greatest degree of accuracy from the location survey.

C7.6.1.6. Items within a lot/segment which have been subject to a complete item inventory will be considered to have satisfied the annual survey requirement when the entire lot/segment is located in a clearly designated, coterminous warehouse space. These inventoried lots/segments may be excluded from the complete survey for the fiscal year in which they were counted.

C7.6.1.7. When permanent locations are reserved for items, recorded locations which are unoccupied will be identified and/or verified during the location survey.

C7.6.1.8. To measure the accuracy of the results of the location survey, discrepancies will be classified in one of the three categories listed below. Only one error per stock number per location is charged when locator delete, locator establish, or locator record correction is required for the same location. When the stock number and actual assets differ, the discrepancy will be classified as a locator establish action only.

C7.6.1.8.1. Locator Record Deleted. The removal or change of a locator record when there is a recorded location but there are no physical assets -- unless the location is being held open for new receipts. (Type I location survey error.)

C7.6.1.8.2. Locator Record Established. The recording of locations when assets are physically found in storage and no locator records exist, or when the recorded stock number disagrees with the materiel in the location. (Type II location survey error.)

C7.6.1.8.3. Locator Record Corrected. Changes to the locator record when physical materiel characteristics differ from any of the following data elements (Type III location survey error):

C7.6.1.8.3.1. Unit of issue.

C7.6.1.8.3.2. **SCC**.

C7.6.1.8.3.3. Controlled inventory item code (see DoD 4100.39-M, volume 10, table 61). Verification of the code will consist of ensuring that assets are stored in areas providing the degree of security commensurate with the assigned code.

C7.6.1.8.3.4. Type of pack code (for subsistence only). (See [MILSTRIP \(DoD 4000.25-1-M.\)](#))

C7.6.1.8.3.5. Lot number or serial number (for ammunition only).

C7.6.1.8.3.6. Completeness and accuracy of magazine data card (for ammunition only).

C7.6.1.8.3.7. To ensure accuracy of property accountability records, special inventories should be performed when assets are found in an erroneous or unrecorded location or when there are mismatches in the unit of issue that may result in a quantity variance.

## C7.6.2. Location Reconciliation<sup>6</sup>

C7.6.2.1. Location reconciliation requires a match between storage activity records and owner/manager records in order to identify and to correct situations when there is: (1) an owner/manager record with no corresponding storage activity record, (2) a storage activity record with no corresponding owner/manager record, (3) common elements of data that do not match, and (4) quantity discrepancies. Mismatches will be researched and special inventories conducted when required to effect corrective action.

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<sup>6</sup>The location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2. and C7.2.4.).

C7.6.2.2. To measure the accuracy of the results of the location reconciliation program, discrepancies will be classified in one of the four categories listed below (report only one error per location reconciliation request or unmatched accountable error):

C7.6.2.2.1. Owner/manager record reflects balance for storage activity; no location reconciliation transaction received. (Type I location reconciliation error.)

C7.6.2.2.2. Location reconciliation transaction received from storage activity; no corresponding owner/manager record. (Type II location reconciliation error.)

C7.6.2.2.3. Mismatch on any of the following data elements (Type III location reconciliation error):

C7.6.2.2.3.1. Unit of issue.

C7.6.2.2.3.2. Ownership/manager identifier.

C7.6.2.2.3.3. Controlled inventory item code (see [DoD 4100.39-M](#), Volume 10, Table 61).

C7.6.2.2.3.4. Type of pack code (subsistence only).

C7.6.2.2.3.5. Shelf-life code.

C7.6.2.2.3.6. Date packed/expiration date (subsistence only).

C7.6.2.2.4. Quantity discrepancy. (Type IV location reconciliation error.)

C7.6.2.3. Location reconciliation will be accomplished by DoD Components in accordance with the following guidance:

C7.6.2.3.1. Owners/managers and storage activities will reconcile all records annually. The annual reconciliation will be accomplished in accordance with paragraph C7.6.2.3.3.

C7.6.2.3.2. Storage activities will prepare location reconciliation request transactions by line item, and by type of pack and date packed/expiration date for subsistence, for each stock number regardless of the balance (including zero balances). Location reconciliation requests will be identified by DI Code DZH, prepared in the appendix AP3.63 format, using Type of Location Reconciliation Request Code 2 in record position 7, and transmitted to the owner/manager. Storage activities preparing DI Code DZH requests will assure that consecutive transaction numbers by RI code are assigned to location reconciliation requests for control purposes.

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:

Table C.7.T.1. Location Reconciliation Preparation  
Schedule When No Agreement Exists

<u>Service or Agency</u>	<u>Preparation Date</u>
	Second Tuesday in:
Army	January
Navy	March
Marine Corps	May
Air Force	July
Defense Logistics Agency	September

C7.6.2.3.4. Storage activities and owners/managers will establish the following provisions for controlling location reconciliation:

C7.6.2.3.4.1. Storage activities will advise intended recipients (owners/managers) of the number of transactions being forwarded, transmission date, and the medium (ex. DDN) using DI Code DZN Location Reconciliation Notification transaction (appendix AP3.67).

C7.6.2.3.4.2. When transaction history (DI Code DZK Transaction History Transmittal) is required to accompany DI Code DZH, the storage activity will advise intended recipients (owners/managers) of the number of DI Code DZK transactions being forwarded, the cutoff date, and the medium (ex. DDN) using DI Code DZP Location Reconciliation History Notification transaction (appendix AP3.68).

C7.6.2.3.4.3. Owners/managers will use the DI Code DZN and DI Code DZP transactions to determine receipt of all DI Code DZH and DI Code DZK transactions. Where the number of DI Code DZH or DI Code DZK transactions to be transmitted does not match what was actually received, the owner/manager may reject the DI Code DZN or DI Code DZP transaction using DI Code DZG Transaction Reject with Reject Advice Code AY.

C7.6.2.3.5. In processing location reconciliation requests, owners/managers will match the requests to the owner/manager records. When a mismatch is programmatically unresolved, DI Code D8B/D9B will be processed to

adjust the owner/manager records. All Type I, II, and IV mismatches meeting the criteria for causative research (see figure 7-1) will be resolved as follows:

C7.6.2.3.5.1. Research of owner/manager active and historical records.

C7.6.2.3.5.2. Research of storage activity active/historical record (DI Code DZJ, Transaction History Request, citing Type of Physical Inventory/Transaction History Code X).

C7.6.2.3.5.3. Request physical inventory (DI Code DJA, using Type of Physical Inventory/Transaction History Code J).

C7.6.2.3.5.4. If the above actions fail to resolve the mismatch, the DI Code D8B/D9B transaction will remain on the owner/manager records.

C7.6.2.3.3.6. A physical inventory is not required under the following conditions, except when the mismatch involves classified, sensitive, or pilferable items when the extended dollar value of the variance is greater than \$100.

C7.6.2.3.6.1. The owner/manager record may be adjusted without special inventory when the extended value of the variance is \$5,000 or less and 10 percent or less of the beginning value of the variant owner/manager record for Type IV, errors (see paragraph C7.6.2.2.4.).

C7.6.2.3.6.2. The owner/manager record may be adjusted without special inventory when the extended value of the variance is \$5,000 or less for Type I and Type II errors (see paragraph C7.6.2.2.1. and C7.6.2.2.2.).

C7.6.2.3.7. When a discrepancy is identified during the location reconciliation program, transmit the following transactions, as appropriate, to the submitting activity:

C7.6.2.3.7.1. DI Code DZG Transaction Reject, as prescribed in chapter 9, prepared in the appendix AP3.62 format.

C7.6.2.3.7.2. DI Code DZB Storage Item Data Correction, as prescribed in chapter 10, prepared in the appendix AP3.57 format.

**C7.7. RETENTION OF ACCOUNTABLE DOCUMENTATION.** Audit capability is required for a period of time following the processing of documents and data and completion of the research effort. The following retention criteria will apply:

C7.7.1. Source Documents. Retain original source documents or facsimiles, i.e., microform (microfilm, microfiche), Compact Disk-Read Only Memory (CD-ROM), etc.,

for at least 2 years. Where source documents are produced, these include only accountability change documents such as receipts, issues, shipments, transfers, **SCC** changes, and inventory and financial adjustments. Retain source documents providing evidence of shipment to Foreign Military Sales recipients for 2 years from date of materiel shipment.

C7.7.2. Transaction Histories. Retain registers, records, files, tapes, and data for at least 2 years in a format useful for audit trail purposes. Automated inventory control systems will be designed to facilitate the printout of transaction histories which indicate the date the last physical inventory was conducted for each item.

C7.7.3. Adjustment Research. Retain backup documentation that directly pertains to individual cases of physical inventory adjustment research efforts for at least 2 years.

C7.7.4. Annual Statistical Sample. Retain the annual statistical sample inventory line item detail data for at least 2 years.

## C7.8. QUALITY CONTROL

C7.8.1. Goals and Objectives. DoD Components will establish a quality control program at each owner/manager and storage activity which encompasses the objectives of DoD Directive 5010.38, and the physical inventory objectives contained in DoD 4140.1-R. Portions of the program can be accomplished during ongoing practices within inventory processes. Quality control results will assist management in identifying those human, procedural, or system errors which adversely affect record accuracy and in achieving better control over physical materiel and warehousing practices. Within the scope of this quality control program, those work processes directly related to the control of physical materiel will be monitored for attained quality levels and performance evaluated on improvements, not numerical goals. Accordingly, all quality control programs will include reviews to assess the accuracy/quality of the following work processes:

C7.8.1.1. Warehousing practices -- to include checks of storage practices, stock rotation, shelf-life management, identification of materiel in store, mixed stock, location accuracy and re-warehousing projects.

C7.8.1.2. Receiving practices -- to include checks of documentation, materiel identity, quantity, and **SCC**; checks for processing timeliness; and verification of daily input data to the location system.

C7.8.1.3. Issuing practices -- to include checks of legibility of issue documents; accuracy of stock selection as to identity, quantity, unit of issue, shelf life, **SCC**, and type of pack (subsistence only); marking of outgoing shipments; and release to carriers.

C7.8.1.4. Validity of automated data -- to include checks of receipt, issue, and adjustment transaction data entries against input documentation.

C7.8.1.5. Inventory practices -- to include checks of inventory counts, location surveys, location reconciliation corrective actions, causative research, and adjustments at both the owner/manager and storage activities.

C7.8.1.6. Catalog practices -- to include checks of catalog change processing, accuracy, and timeliness, using the affected recorded locations as the universe.

C7.8.1.7. Locator file updates -- to include checking the accuracy of changes posted to the locator file (e.g., all additions, deletions, and changes of unit of issue, **SCC**, shelf life, etc.).

C7.8.1.8. Report of discrepancy processing -- to include checks for processing timeliness and checking the accuracy of SDR initiation, follow up and reply, investigative research including identification and correction of supply errors, adjustment of accountable and financial records, and preparation of financial liability investigation of property loss reports (DD Form 200).

C7.8.1.9. Logistics reassignment processing -- checks to determine if the logistic reassignment actions were completed; e.g., LIM/GIM records were changed to reflect decapitalization/ transfer, LIM directed the storage activity to change the decapitalized/ transferred assets to GIM ownership, the storage activity effected and advised the LIM of the change, and the LIM initiated action to resolve any quantity variances.

C7.8.1.10. Suspended asset processing -- to include checks of the timeliness in reclassifying suspended (**SCCs** J, K, L, Q, and R) materiel.

C7.8.2. Assignment of Responsibility. Whenever possible, quality control checks of these work processes will include identification of the individual performing the tasks. This will facilitate the placement of responsibility for appraising and improving quality with each manager within the chain of command.

C7.8.3. Command Emphasis. Continued command management emphasis and review of performance are essential for the success of the quality control program. Command managers must ensure effective organizational interrelationships among the functional elements concerned with the physical inventory control program such as: comptroller, data systems, transportation, warehousing, maintenance, quality control, and supply management. The quality control program will include provisions for initiation of corrective action when acceptable quality levels are not met.

## C7.9. PHYSICAL INVENTORY CONTROL PROGRAM PERFORMANCE ASSESSMENT

C7.9.1. General. Each DoD Component will collect and maintain performance standards and management data prescribed in sections C7.9.2 and C7.9.3 for all materiel for which the Component maintains the property accountability record. This includes all DoD wholesale supply system assets of principal and secondary items, including package fuels, less all materiel exclusions listed in DoD 4140.1-R. When required to report this information to higher authorities, Report Control Symbol DD-AT&L(AR)935 applies. [DD Form 2338-1](#) (Inventory Control Effectiveness Report Ammunition) and [DD Form 2338-2](#) (Inventory Control Effectiveness Report General Supplies) are provided at appendices [AP1.1](#) and [AP1.2](#) respectively, for intra-Component use, when required by a Component.

### C7.9.2. General Supplies Performance Standards and Data

#### C7.9.2.1. Performance

##### C7.9.2.1.1. Materiel Denials<sup>7</sup>

C7.9.2.1.1.1. Lines Directed for Shipment. The total number of line items directed for shipment (A5\_ MRO, A5J DRO, A4\_ referral order, A2\_ redistribution order).

C7.9.2.1.1.2. Total Materiel Release Denials. The total materiel denials (sum of total and partial denials, and warehouse refusals). Include denial transactions classified by denial Management Codes 1, 2, 3 (subsistence only), 4, 5, 6, and 7 (see appendix AP2.6) in the total.

C7.9.2.1.1.3. Materiel Denial Rate. Compute this figure by dividing the total denials by the line items directed for shipment and multiplying by 100.  $\{(1)(b) / (1)(a) \times 100\}$  The DoD performance goal for the materiel release denial rate is not greater than 1 percent.

##### C7.9.2.1.2. Receipt Processing Performance<sup>8</sup>

C7.9.2.1.2.1. Receipts Posted and Stored. The total number of line-item receipts posted and stored to the total item property record.

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<sup>7</sup> Performance data maintained by DLA for materiel stored at DSS locations regardless of ownership. Maintained by Service for materiel stored at Service depots.

<sup>8</sup> Performance data maintained by DLA for materiel received at DSS locations regardless of ownership. Maintained by Service for materiel received at Service depots.

C7.9.2.1.2.2. Receipts Posted and Stored on Time. The total number of line item receipts which were effectively posted and stored within the MILSTRAP timeframes. Both storing and posting actions are considered complete when the item is in the storage location, or available for issue, and the quantity is posted to the total item property record.

C7.9.2.1.2.3. On Time Receipt Rate. Compute this figure by dividing the total number of receipts posted and stored on time by the total number of receipts and multiplying by 100.  $\{(2)(b) / (2)(a) \times 100\}$  The DoD performance goal for posting and storing receipts on time is 90 percent.

C7.9.2.1.3. Location Audit Program. Reflects the results of the location survey (ratio of accurate storage activity locator records to storage activity locations surveyed) and the location reconciliation<sup>9</sup> (ratio of valid storage activity locations to inventory manager's records).

C7.9.2.1.3.1. Locations Surveyed<sup>10</sup>. The number of storage activity locations surveyed.

C7.9.2.1.3.2. Survey Errors. The total number of location discrepancies as defined in paragraph C7.6.1.8. of this chapter (report only one error per stock number per location).

C7.9.2.1.3.3. Survey Accuracy. Compute this figure by dividing the locations with discrepancies by the total locations surveyed multiplying by 100, and subtracting the result from 100 percent.  $\{100 - ((3)(b) / (3)(a) \times 100)\}$  The DoD goal for location survey accuracy is 97 percent.

C7.9.2.1.3.4. Locations Reconciled<sup>11</sup>. The total number of location records reconciled (i.e., the sum of line items on the Inventory Manager's record and line items which were not on the Inventory Manager's record but were on the storage activities' records).

C7.9.2.1.3.5. Reconciliation Errors. The total number of discrepant location records as defined in paragraph C7.6.2.2. (count one error per location reconciliation request (line item) or unmatched Inventory Manager's record).

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<sup>9</sup> The location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2 and C7.2.4.).

<sup>10</sup> Performance data maintained by DLA for locations surveyed at DSS locations regardless of ownership. Maintained by Service for locations surveyed at Service depots.

<sup>11</sup> Performance data maintained by Owner/Manager regardless where materiel is stored.

C7.9.2.1.3.6. Reconciliation Accuracy. Compute this figure by dividing the number of discrepancies by the number of records reconciled, multiplying by 100, and subtracting the result from 100 percent.  $\{100 - ((3)(e) / (3)(d) \times 100)\}$  The DoD goal for location reconciliation accuracy is 97 percent.

## C7.9.2.2. Physical Inventory and Adjustments

### C7.9.2.2.1. Physical Inventories

C7.9.2.2.1.1. Number of Scheduled and Unscheduled Inventories Completed. The total number of line items inventoried (scheduled and unscheduled). Each **SCC** for a stock number at each storage activity is a line item.

C7.9.2.2.1.2. Number of Inventories with Variances. The total number of line items inventoried (scheduled and unscheduled) which had an inventory variance.

C7.9.2.2.1.3. Inventory Variance Rate. Reflects the percent of line items inventoried which had an inventory variance. Compute this figure by dividing the lines with an inventory variance by the total line items inventoried and multiplying by 100.  $\{((1)(b) / (1)(a)) \times 100\}$ .

C7.9.2.2.1.4. Number of Inventories with Major Variances. The total number of line items inventoried (scheduled and unscheduled) which had a major inventory variance (overage or shortage exceeding \$5,000) and all variances on controlled items.

C7.9.2.2.1.5. Major Variance Rate. Reflects the percent of line items inventoried which had major inventory variances. Compute this figure by dividing the lines with a major inventory variance by the total line items inventoried and multiplying by 100.  $\{((1)(d) / (1)(a)) \times 100\}$

### C7.9.2.2.2. Number of Adjustments from Other Than Physical Inventories<sup>12</sup>

C7.9.2.2.2.1. Number of Location Reconciliation Adjustments. The number of location reconciliation adjustments (DI Code D8/9B).

C7.9.2.2.2.2. Number of End of the Day Processing Adjustments. The number of end of the day processing adjustments (DI Code D8/9B).

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<sup>12</sup>The end of day process and location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2 and C7.2.4.).

C7.9.2.2.2.3. Total. Absolute total of adjustments from other than physical inventories. {(2)(a) + (2)(b)}

C7.9.2.2.3. Total Adjustments. The sum of number of inventories with variances and the number of adjustments from other than physical inventories. {(1)(b) + (2)(c)}

#### C7.9.2.2.4. Number of Reversals of Inventory Adjustments

C7.9.2.2.4.1. Number of Gain Reversals. The number of gain reversals of inventory adjustments.

C7.9.2.2.4.2. Number of Loss Reversals. The number of loss reversals of inventory adjustments.

C7.9.2.2.4.3. Total. Absolute total of inventory reversals (gains and losses).

#### C7.9.2.2.5. Monetary Value

C7.9.2.2.5.1. Average Value of Inventory. The average value of on-hand assets as reflected on financial records for the 12 months prior to the report cutoff date (i.e., current quarter plus last three quarters).

C7.9.2.2.5.2. Record Value of Items Inventoried. The extended value prior to actual inventory of line items inventoried (scheduled and unscheduled) during the reporting period.

#### C7.9.2.2.5.3. Value of Inventory Adjustments

##### C7.9.2.2.5.3.1. Physical Inventory Adjustments

C7.9.2.2.5.3.1.1. Gains. Monetary value of gains resulting from inventory less the monetary value of gain reversals (from current and prior quarters) processed during the report period.

C7.9.2.2.5.3.1.2. Losses. Monetary value of losses resulting from inventory less the monetary value of loss reversals (from current and prior quarters) processed during the report period.

C7.9.2.2.5.3.1.3. Gross Adjustments {(5)(c)1 a + (5)(c)1 b}

##### C7.9.2.2.5.3.2. Reversals -- Current Quarter

C7.9.2.2.5.3.2.1. Gains. The total monetary value of decreases to the record balances as a result of reversing gain adjustments processed during the reporting period. Compute the FY to Date value for reversal of current quarter gains by adding the Quarter Ending value for reversal of current quarter gains to the prior quarter FY to Date value of reversal of current quarter gains.

C7.9.2.2.5.3.2.2. Losses. The total monetary value of increases to the record balances as a result of reversing loss adjustments processed during the reporting period. Compute the FY to Date value for reversal of current quarter losses by adding the Quarter Ending value for reversal of current quarter losses to the prior quarter FY to Date value for reversal of current quarter losses.

C7.9.2.2.5.3.2.3. Total. Absolute total of reversals of current quarter gains and losses.  $\{(5)(c)2\ a + (5)(c)2\ b\}$

#### C7.9.2.2.5.3.3. Reversals -- Prior Quarters

C7.9.2.2.5.3.3.1. Gains. The total monetary value of decreases to record balances as a result of reversing gain adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarters gains by adding the quarter ending value for reversal of current quarter gains to the prior quarter gains.

C7.9.2.2.5.3.3.2. Losses. The total monetary value of increases to record balances as a result of reversing loss adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarters' losses to the prior quarter FY to Date value for reversal of prior quarters' losses.

C7.9.2.2.5.3.3.3. Total. Absolute total of reversals of prior quarter gains and losses.  $\{(5)(c)3\ a + (5)(c)3\ b\}$

C7.9.2.2.5.3.4. Total Reversals. The total of reversals of current quarter and prior quarter gains and losses.  $\{(5)(c)2\ c + (5)(c)3\ c\}$

C7.9.2.2.5.3.5. Total Record Imbalances. The total of gross adjustments and total reversals.  $\{(5)(c)1\ c + (5)(c)4\}$

#### C7.9.2.2.6. Gross Adjustments as a Percent of:

C7.9.2.2.6.1. Average Value of Inventory. Divide the total value of gross adjustments by the average value of inventory and multiply by 100.  $\{(5)(c)1\ c / (5)(a) \times 100\}$

C7.9.2.2.6.2. Value of Items Inventoried. Divide the total value of gross adjustments by the record value of items inventoried and multiply by 100.  $\{(5)(c)1\ c / (5)(b) \times 100\}$

C7.9.2.2.7. Total Record Imbalances as a Percent of:

C7.9.2.2.7.1. Average Value of Inventory. Divide the value of the total record imbalances by the average value of inventory.  $\{((5)(c)5 / (5)(a)) \times 100\}$

C7.9.2.2.7.2. Value of Items Inventoried. Divide the value of the total record imbalances by the record value of items inventoried.  $\{((5)(c)5 / (5)(b)) \times 100\}$

C7.9.2.2.8. Monetary Value of Location Reconciliation<sup>13</sup>

C7.9.2.2.8.1. Value of Line Items Reconciled. The extended value of line items reconciled during the reporting period.

C7.9.2.2.8.2. Gains. The monetary value of gains resulting from reconciliation during the period.

C7.9.2.2.8.3. Losses. The monetary value of losses resulting from reconciliation during the period.

C7.9.2.2.8.4. Total. Absolute total of location reconciliation gains and losses.  $\{(8)(b) + (8)(c)\}$

C7.9.2.2.9. Monetary Value of End of the Day Processing

C7.9.2.2.9.1. Gains. The value of gains resulting from end of the day processing.

C7.9.2.2.9.2. Losses. The value of losses resulting from end of the day processing.

C7.9.2.2.9.3. Total. Absolute total of end of the day processing gains and losses.  $\{(9)(a) + (9)(b)\}$

C7.9.3. Ammunition Performance Standards and Data

C7.9.3.1. Performance

C7.9.3.1.1. Materiel Denials. Complete as described in paragraphs C7.9.2.1.1.1, C7.9.2.1.1.2, and C7.9.2.1.1.3. For ammunition, include denial transactions classified by denial Management Codes 1, 2, 5, 6, and 7 (see appendix

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<sup>13</sup>The end of day process and location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2 and C7.2.4.).

AP2.6) in the total. Components will identify denials separately for low-risk and high-risk items.

C7.9.3.1.2. Receipt Processing Performance. Complete as described in paragraphs C7.9.2.1.2.1, C7.9.2.1.2.2, and C7.9.2.1.2.3. The DoD goal for posting and storing ammunition receipts on time is 90 percent.

C7.9.3.1.3. Location Audit Program. Complete as described in paragraphs C7.9.2.1.3.1., C7.9.2.1.3.2., C7.9.2.1.3.3., C7.9.2.1.3.4., and C7.9.2.1.3.6. The DoD goals for location survey accuracy and location reconciliation accuracy for ammunition are 98 percent.<sup>14</sup>

### C7.9.3.2. Physical Inventory and Adjustments

#### C7.9.3.2.1. Physical Inventories

C7.9.3.2.1.1. Number of Scheduled and Unscheduled Inventories Completed. The total number of line items inventoried (scheduled and unscheduled). Each **supply condition code** for a stock number at each storage activity is a line item.

C7.9.3.2.1.2. Number of Inventories with Variances. The total number of line items inventoried (scheduled and unscheduled) which had an inventory variance.

C7.9.3.2.1.3. Inventory Record Accuracy. Reflects the percent of lines inventoried without an inventory variance. Compute this figure by dividing the lines with an inventory variance by the total lines inventoried and multiplying by 100, and subtracting the result from 100 percent.  $\{100 - ((1)(b) / (1)(a)) \times 100\}$  The DoD inventory record accuracy goal for ammunition is 95 percent.

C7.9.3.2.2. Number of Inventory Adjustments from Other Than Physical Inventories. Complete same as paragraph C7.9.2.2.2.

C7.9.3.2.3. Total Inventory Adjustments. Complete same as paragraph C7.9.2.2.3.

C7.9.3.2.4. Number of Reversals of Inventory Adjustments. Complete same as paragraph C7.9.2.2.4.

C7.9.3.2.5. Monetary Value. Complete same as paragraphs C7.9.2.2.5.1 through C7.9.2.2.5.3.5.

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<sup>14</sup> The location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2 and C7.2.4.).

C7.9.3.2.6. Gross Adjustments As a Percent of: Complete same as paragraphs C7.9.2.2.6.1 and C7.9.2.2.6.2.

C7.9.3.2.7. Total Record Imbalances As a Percent of: Complete same as paragraphs C7.9.2.2.7.1 and C7.9.2.2.7.2.

C7.9.3.2.8. Monetary Value of Location Reconciliation.<sup>15</sup>: Complete same as paragraphs C7.9.2.2.8.1 through C7.9.2.2.8.4.

C7.9.3.2.9. Monetary Value of End of the Day Processing.<sup>15</sup> Complete same as paragraphs C7.9.2.2.9.1 through C7.9.2.2.9.3.

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<sup>15</sup> The end of day process and location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C7.2.2 and C7.2.4.).

Figure C7.F.1.

**MINIMUM RESEARCH REQUIREMENTS**  
**FOR POTENTIAL OR ACTUAL PHYSICAL INVENTORY ADJUSTMENTS**

CONDITION OF DISCREPANCY		REQUIRED RESEARCH		
		Post Count Validation	Preadjustment Research	Causative Research
1.	≤ \$1,000	NO	NO	NO
2.	> \$1,000 but ≤ \$5,000 and ≤ 10 percent unit variance	YES	NO	NO
3.	> \$1,000 but ≤ \$5,000 and > 10 percent unit variance	YES	YES	NO
4.	> \$5,000 but ≤ \$16,000 and ≤ 25 percent unit variance	YES	YES	SAMPLE
5.	> \$5,000 but ≤ \$16,000 and > 25 percent unit variance	YES	YES	YES
6.	> \$16,000	YES	YES	YES
7.	Controlled Inventory Item	YES	YES	YES <sup>16</sup>
8.	Suspected Fraud, Waste, or Abuse	YES	YES	YES

<sup>16</sup> Sample causative research in lieu of complete causative research for pilferable, and CIIC 7, item discrepancies with a value from \$.01 to \$2,500 may be accomplished to serve as a deterrent to fraud, waste, or abuse and to identify systemic inventory and security problems. Causative research will be conducted on all adjustments (gains and losses) of classified and sensitive items regardless of dollar value of item or extended dollar value of adjustment. Causative research will be conducted on all adjustments (gains and losses) of pilferable items, and CIIC 7 items, with an extended value greater than \$2,500, and all adjustments with an extended value of greater than \$16,000 or greater than 25 percent unit variance and greater than \$5,000.

# C8 CHAPTER 8

## ASSET STATUS REPORTING

C8.1. GENERAL. This chapter prescribes procedures for the interchange of asset status information:

C8.1.1. Between Component distribution systems and, in decentralized distribution systems, between inventory control points (ICPs) of a Component.

C8.1.2. Between Service activities below the distribution system and ICPs of the Services/Defense Logistics Agency (DLA).

### C8.2. ASSETS WITHIN THE DISTRIBUTION SYSTEM

C8.2.1. Prepare DI Code DZA asset status transactions as outlined in appendix AP3.56. Due to the number of record positions devoted to entries prescribed by the Components for use within distribution systems, each Component is authorized to procure a printed format suitable to its needs.

C8.2.2. Transmit asset status transactions between Components based on schedules established by mutual agreement.

### C8.3. ASSETS BELOW THE DISTRIBUTION SYSTEM

C8.3.1. Use DI Code DZE asset status reporting request transactions, prepared as outlined in appendix AP3.60:

C8.3.1.1 To request asset status reporting by activities below the distribution system.

C8.3.1.2 To request the report of assets above the requisitioning objective using MILSTRIP DI Code FTE, for the total asset visibility program.<sup>1</sup>

C8.3.2 Entry of the appropriate appendix AP2.9 asset status reporting code in record position 7 of the transaction will indicate whether the request is for commencement, change, or termination of asset status reporting.

C8.3.3 Transmit DI Code DZE request transactions to central points designated by other Services. Each Service designated activity will be responsible for notifying

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<sup>1</sup> Use with the asset visibility program is based on agreement of the Components involved.

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their reporting activities of the reporting requirements reflected in the DI Code DZE request transactions received from the other Components. The Service activities designated to receive the requests are:

<u>SERVICE</u>	<u>ACTIVITY</u>	<u>ROUTING IDENTIFIER CODE</u>
Army	<b>USAMC Logistics Support Activity</b> <b>ATTN: AMXLS-V</b> <b>Building 5307, Sparkman Center</b> <b>Redstone Arsenal, AI 35898-7466</b>	<b>AGT</b>
Navy	Navy Fleet Materiel Support Office Mechanicsburg, PA 17055-5000	N47
Air Force	Headquarters Air Force Materiel Command 4375 Chidlaw Road, Suite 6 Wright-Patterson Air Force Base Dayton, OH 45433-5006	FNA
Marine Corps	Commanding General Marine Corps Logistics Base Albany, GA 31704-1128	MPB

C8.3.4. Always reflect dates for commencement of reporting (reporting codes **C and D**) and change of reporting (reporting codes **H and J**) in record positions 23-26 of the DI Code DZE request transaction as the first day of a month. In these instances, transmit the request transaction not later than 60 calendar days before the date entered in record positions 23-26.

C8.3.5. Provision is made for requesting earlier commencement of reporting by use of *reporting code M* in record position 7 of the DI Code DZE request transaction. In *this instance*, the Services' central points will assure that reporting commences as soon as possible after receipt of the request.

C8.3.6. When a one-time asset status report is required on an expedited basis, the DI Code DZE request transaction will contain reporting code Z in record position 7 and the date the report is required in record positions 23-26. The Service central point or the reporting activity in receipt of the request will take no further action if the date in record positions 23-26 is already past.

C8.3.7. When a one-time asset status report is required for the asset visibility/redistribution program, the DI Code DZE request transaction will contain

reporting code N in record position 7 and the date the report is required in record positions 23-26.<sup>2</sup>

C8.3.8. Use the DI Code DZE request transaction to request termination of reporting by utilizing reporting code E in record position 7. Reflect dates for termination of reporting positions 23-26 of the request transaction as the last day of the month. Transmit the termination requests not later than 60 calendar days prior to the date entered in record positions 23-26.

C8.3.9. Activities below the distribution system (base, post, camp, or station) will use asset status reporting transactions containing DI Code DZF, prepared as outlined in appendix AP3.61, to report assets to the requesting ICP. Report on hand balances by each separate condition (MILSTRAP) of materiel held. The DI Code DZF transaction is designed to provide for use of multiple transactions when either or both of the following apply:

- More than two conditions of materiel are held.
- Requisitioning objective, due-in, or reserved quantities exceed 999,999.

C8.3.10. The reporting code entered in record position 7 of the DI Code DZF reporting transaction will indicate the type of reporting being accomplished.

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<sup>2</sup> See footnote 1 on page C8-1.

# **C9. CHAPTER 9**

## **REJECTION AND ROUTING OF TRANSACTIONS**

C9.1 GENERAL. This chapter provides procedures for the rejection and routing of MILSTRAP transactions.

### **C9.2 REJECTION OF TRANSACTIONS**

C9.2.1 General. During the processing of MILSTRAP transactions, the receiving activity will edit the transactions prior to updating inventory and financial records. Errors detected during this edit process fall into three basic categories:

C9.2.1.1 Errors which the receiving activity can correct and continue processing.

C9.2.1.2 Errors which concern a specific data element in the transaction and cannot be processed (see paragraph C9.2.3.).

C9.2.1.3 Errors which indicate that the submitter has not received or processed the latest cataloging management data. This category of transactions is corrected and processed by the Inventory Control Point (ICP) and an item correction/change notification is forwarded to the submitter in the form of a DI Code DZB Storage Item Data Correction/Change transaction (see chapter 10).

C9.2.2 DoD Component Responsibilities. DoD Components will establish editing procedures related to the processing of MILSTRAP transactions. Components will correct errors which can be corrected and processed without rejection to the submitter. Components will reject, to the submitter for action, transactions with errors which cannot be corrected and processed.

### **C9.2.3 Rejected Transactions.**

C9.2.3.1 Transactions will be rejected using DI Code DZG, Transaction Reject (see appendix AP3.62). The DI code of the incoming rejected transaction will be shown in record positions 57-59 and the appropriate reject advice code (see appendix AP2.8) or MILSTRIP (DoD 4000.25-1-M) status code will be placed in record positions 79-80. Since the reject advice code identifies only one error in the transaction, activities will review all other fields of rejected transactions prior to resubmission to ensure that all data entries are correct.

C9.2.3.2 Activities in receipt of DI Code DZG Transaction Rejects will take such action as indicated by the reject advice code.

### **C9.3 ROUTING OF TRANSACTIONS**

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C9.3.1 Submission of MILSTRAP Transactions via the Defense Automatic Addressing System Center (DAASC). Whenever the submitter has access to the Defense Information Systems Network (DISN)/Non-Secure Internet Protocol Router Network (NIPRNET), the following MILSTRAP Logisitics Asset Support Estimate (LASE) and Special Program Requirements (SPR) transactions will be submitted by DISN/NIPRNET via the DAASC for routing to the source of supply (SOS):

<b><u>CODE</u></b>	<b><u>DOCUMENT TITLE</u></b>
DTA	Asset Support Request
DTD	Asset Support Request Follow-Up
DYA	Special Program Requirement Request
DYC	Special Program Requirement Request Cancellation
DYD	Special Program Requirement Request Modifier
DYG	Special Program Requirement Request Substitute Item Acceptance
DYH	Special Program Requirement Request Substitute Item Rejection
DYJ	Special Program Requirement Follow-Up
DYL	Special Program Requirement Request (Cooperative Logistics Supply Support Arrangement)

C9.3.2 DAASC Processing for LASE and SPR Transactions. Upon receipt of the LASE and SPR transactions identified in section C9.3.1, DAASC will edit the National Stock Number (NSN) field of the incoming transactions. This edit will determine if the National Item Identification Number (NIIN) can be identified, if the Federal Supply Class (FSC) is compatible with the NIIN, and if the transaction is directed to the correct SOS. The DAASC will pass the transaction, reject the transaction, or effect necessary changes to process the transaction and provide appropriate status notification to the submitter as follows:

C9.3.2.1 If the NIIN is valid (including NIINs coded obsolete/inactive) but the FSC and NIIN are not compatible, correct the FSC and provide NSN change status notification to the submitter as prescribed in paragraph C9.3.3., below.

C9.3.2.2 If the NIIN is valid (including NIINs coded obsolete/inactive), screen the SOS file Service record (or Integrated Materiel Manager record when the Service record source is either another DoD Component activity or matches the input transaction RI "from") and process as follows:<sup>1</sup>

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<sup>1</sup> SOS for obsolete/inactive items will be taken from the SOS file when possible; otherwise, the SOS will be the activity identified by the RI code in record positions 4-6 of the incoming transaction.

C9.3.2.2.1 If the incoming transaction is directed to a correct non-GSA SOS, pass the transaction to the activity indicated in record positions 4-6.

C9.3.2.2.2 If the incoming transaction is directed to an incorrect SOS and the correct SOS is not GSA, provide reroute status notification to the submitter as prescribed in paragraph C9.3.3. and reroute the transaction to the correct SOS.

C9.3.2.2.3 If the incoming transaction is directed to a correct GSA SOS or to an incorrect SOS but the correct SOS is GSA, reject the transaction to the submitter as prescribed in paragraph C9.2.3., citing Reject Advice Code AX in record positions 79-80.

C9.3.2.3 If the NIIN cannot be identified, reject the transaction to the submitter as prescribed in paragraph C9.2.3. citing Reject Advice Code AD in record positions 79-80.

C9.3.3 DAASC Preparation of Status Notifications. The DAASC will prepare and transmit appropriate DI Code DZ9 Status Notification(s) (see appendix AP3.55) to the submitter based on the action(s) taken.

C9.3.3.1 Prepare a status notification whenever the FSC is corrected in the incoming transaction. Reflect the correct FSC in record positions 8-11 and MILSTRIP Status Code BG in record positions 79-80.

C9.3.3.2 Prepare a status notification whenever the incoming transaction was rerouted. Reflect the RI code of the correct SOS in record positions 67-69 and MILSTRIP Status Code BM in record positions 79-80.

C9.3.3.3 Whenever a status notification is prepared, enter the DI code of the incoming transaction in record positions 57-59 of the status notification.

#### C9.3.4 Processing Status Notifications and Transaction Rejects by Recipients

C9.3.4.1 When MILSTRAP DI Code DZ9 Status Notifications with MILSTRIP Status Code BM are received on MILSTRAP transactions, the recipient will update internal LASE/SPR records to reflect the SOS RI code entered in record positions 67-69 of the status notification.

C9.3.4.2 When DI Code DZ9 MILSTRAP Status Notifications with MILSTRIP Status Code BG are received on MILSTRAP transactions, the recipient will update internal LASE/SPR records to reflect the FSC entered in record positions 8-11 of the notification. If the status notification is for an SPR transaction, the originator will review the NSN (FSC and NIIN) to ensure the SPR being processed is for the desired item. If the NSN is not the desired item, the originator will submit an SPR cancellation, DI Code DYC, to the SOS.

C9.3.4.3 DI Code DZG Transaction Rejects will be processed under paragraph C9.2.3., above. However, recipients of code AB transaction rejects for LASE and SPR documents will advise their designated Component contact point for cataloging data of a DAASC SOS file discrepancy. If the LASE/SPR requirement still exists, requestors

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must submit a new LASE/SPR document directly to the correct SOS, bypassing the DAASC.

C9.3.4.4 Recipients of a MILSTRAP status notification will notify other activities requiring knowledge of the change and will ensure all future transactions submitted for the document number reflect the change identified by the MILSTRIP status code in the notification.

# **C10. CHAPTER 10**

## **CORRECTION/CHANGE OF STORAGE ITEM RECORDS**

C10.1 GENERAL. This chapter provides standard procedures required by Inventory Control Points (ICPs) to provide for the correction and/or updating of storage activity records when:

C10.1.1 Reported transactions indicate an inconsistency with ICP records.

C10.1.2 A catalog/stock list change is processed against an ICP record which will affect stock control data maintained at storage activities.

C10.1.3 An item is being logistically reassigned.

C10.2 ITEM CORRECTION/CHANGE NOTIFICATION.

C10.2.1 Prepare Storage Item Data Correction/Change transactions citing DI Code DZB (see appendix AP3.57). The Storage Item Data Correction/Change code (see appendix AP2.7) entered in record position 7 of this transaction serves to provide information as to the nature of the change, actions to be taken, and data field(s) affected by the change.

C10.2.2 STORAGE ACTIVITY ACTION. Storage activities will use the Storage Item Data Correction/Change transactions to update stock records, item locator records, and bin tags.

C10.3 LOGISTICS REASSIGNMENT

C10.3.1 The Losing Inventory Manager (LIM) prepares Logistics Reassignment Storage Information transactions, DI Code DZC (see appendix AP3.58), to transfer quantities between ownership segments on the distribution depot records as a result of logistics reassignment.

C10.3.2 Storage activities will use the logistics reassignment storage information transactions to update stock records, item locator records, and bin tags.

C10.3.3 Storage activities will prepare a Logistics Reassignment Storage Information Reply, DI Code DZD (see appendix AP3.59), within 5 working days to advise the LIM of the quantity transferred to the GIM ownership. Quantity available for transfer is subject to the retention quantity contained in record positions 76-80 of the DI Code DZC.

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C10.3.4 If the storage activity does not receive a DI Code DZC for an item being logistically reassigned, the depot will transmit a DI Code DZD, with A in record position 7, to the LIM for each balance, by condition code. The LIM will use the DI Code DZD to conduct research or to request a special inventory, as appropriate, to correct the accountable balances. The assets will be logistically reassigned as outlined in chapter 11.

# **C11. CHAPTER 11**

## **LOGISTICS REASSIGNMENT**

### C11.1. GENERAL

C11.1.1. This chapter provides procedures designed to:

C11.1.1.1. Ensure successful logistics reassignment (LR) of both consumable and nonconsumable items.

C11.1.1.2. Provide adequate management control of items in a transitional situation.

C11.1.1.3. Assure uninterrupted supply support of items during the transition period.

C11.1.2. To facilitate the comprehension of this chapter, the LR process has been divided into three periods of time based upon the Effective Transfer Date (ETD). These periods are identified as pre-ETD, ETD, and post-ETD. The pre-ETD period commences on the date the Gaining Inventory Manager (GIM) assignment/ETD is disseminated to the GIM/Losing Inventory Manager (LIM) and terminates at ETD. The ETD is the date of the LR. Although the ETD is a specific point in time, for the purpose of this manual, any actions involving data requirements that reflect conditions as of the ETD will be discussed as if such actions took place on the ETD, even though they may have been taken immediately before or after the actual ETD. The post-ETD period begins immediately following the ETD and includes all actions that do not specifically involve data requirements that reflect conditions as of the ETD. The specific events required to take place during the LR are delineated under the appropriate period.

### C11.2. POLICY

C11.2.1. DoD policy for LR of consumable items is contained in DoD 4140.26-M, Defense Integrated Materiel Management Manual for Consumable Items.

C11.2.2. DoD policy for LR of nonconsumable items is contained in [AMC-R 700-99/ NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22](#), Wholesale Inventory Management and Logistics Support of Multi-Service Used Nonconsumable Items.

### C11.3. REQUIREMENTS

C11.3.1. The LIM, GIM, and storage activities will effect the actions required by this manual to reassign asset accountability to the GIM in a timely manner to assure uninterrupted supply support. Direct communication, coordination and assistance are required in resolving problems affecting supply operation.

C11.3.2. The GIM will accept, as of the ETD, those items and book balances submitted by the LIM. (The following policy covering transfer of assets for LR is implemented from DoD 4140.26-M and AMC-R 700-99/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22.) The LIM will transfer all onhand wholesale balances, in place, except:

C11.3.2.1. Assets committed to the support of special projects, programs, and/or plans including the ILP, e.g., staged shipments, packaged shipments. Onhand wholesale assets in support of the ILP will not be transferred to the GIM nor will any ongoing procurement action in support of the ILP be terminated.

C11.3.2.2. Consumable assets in Supply Condition Codes (SCCs) F, H, J, K, L, M, P, Q, R, and S. (See DoD 4140.26-M for complete criteria.)

C11.3.2.3. Nonconsumable assets in SCCs G, H, J, K, L, M, P, and Q. SCCs H and P materiel will never be decapitalized. (See AMC-R 700-99, et al. for complete criteria.)

C11.3.3. On an expedited basis the LIM will decapitalize to the GIM wholesale assets, other than the SCCs shown in subparagraphs C11.3.2.2 and C11.3.2.3., above, generated during the first year subsequent to the ETD. The LIM will report assets generated after 1 year of ETD under the [MILSTRIP \(DoD 4000.25-1-M\)](#) Materiel Returns Program. Except as noted in section C11.7, the GIM will reject assets decapitalized more than 1 year after the ETD using DI Code DZG, Transaction Reject with Reject Advice Code AW.

### C11.4. PRE-ETD ACTIONS

#### C11.4.1. General

C11.4.1.1. The LIM procurement office will provide the GIM with contractual status on contracts either retained by the LIM or assigned to DCMC for contract administration. Contract status includes, but is not limited to, delivery status,

acceleration of delivery, follow-up status requests, and executing appropriate modifications to basic contracts.

C11.4.1.2. For nonconsumable items, the LIM will furnish the GIM listings of all purchase requests (procurement actions that have not reached the award stage) throughout the pre-ETD period. The GIM will, within 15 calendar days subsequent to the receipt of the purchase request listing from the LIM, annotate required changes and return one copy to the LIM. For consumable items, provide purchase request data in accordance with subparagraph C11.4.5.2.

C11.4.1.3. The LIM will reclassify consumable assets, in SCCs Q and R, to the appropriate condition code before the LIM provides the GIM the updated LR supply management data transactions (DI Codes DLS through DLX) prescribed by subparagraph C11.4.6.3.

C11.4.1.4. For assets in SCC H, the LIM will either forward the assets to disposal or reclassify the item to its true condition as authorized by chapter 5.

C11.4.2. One Hundred and Fifty Days Prior to ETD, or upon notification, if less than 150 days:

C11.4.2.1. The LIM will perform physical inventories under the MILSTRAP chapter 7 procedures, as stated in [DoD 4140.26-M](#) for consumable items, and [AMC-R 700-99/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22](#) for nonconsumable items, as follows:

C11.4.2.1.1. For consumables, inventory stock on hand for wholesale assets designated as classified or sensitive (see definitions and terms for explanation of terms).

C11.4.2.1.2. For nonconsumables, inventory onhand wholesale assets.

C11.4.2.2. The LIM will advise the GIM of assets being held for litigation action.

C11.4.3. One Hundred and Twenty Days Prior to ETD, or upon notification, if less than 120 days: For consumable items being transferred, the LIM will furnish the GIM LR supply management data transactions, DI Codes DLS, DLT, DLU, DLV, DLW and DLX (see appendices AP3. 22 through AP3.27).

C11.4.4. Sixty Days Prior to ETD: When a MILSTRIP DI Code FTE Excess Report is submitted to the LIM and the LIM stockage position indicates that disposal action is appropriate, the LIM will furnish the reporting activity with a DI Code FTR Reply to Excess Report, using Excess Transaction Status Code SM. This will indicate to the reporting activity that disposal action is appropriate but the item is in process of migrating and further action is deferred until after ETD.

C11.4.5. Forty-five Days Prior to ETD:

C11.4.5.1. By mutual agreement between the GIM and the LIM, the LIM will initiate action to amend existing LR item contracts/purchase orders which are not reassigned to the GIM to provide for diversion of shipments of stock by quantities into storage activities of the GIM. The GIM will provide addresses of the shipping destinations to the LIM, as appropriate. The LIM will retain the due-in.

C11.4.5.2. For consumable items, the LIM will furnish listings of all purchase requests (procurement actions that have not reached the award stage) to the GIM in accordance with DoD 4140.26-M. The GIM will, within 15 calendar days subsequent to the receipt of the purchase request listing from the LIM, annotate required changes and return one copy to the LIM.

C11.4.6. Thirty Days Prior to ETD:

C11.4.6.1. The LIM will furnish the GIM a WMR data listing sequenced by NSN and DoD component (and RI code within component when the requirements have been allocated), major to minor, reflecting the current computed data. Include the quantity and value of the OWMR; OWRMR; OWRMRP; forecasted reparable return data, if applicable; PWRMR; PWRMRP; dollar value subtotals for FSC, RI code if allocated, and DoD component; and grand total dollar value.

C11.4.6.2. The LIM will mail the WMR data listing to the GIM together with WMR transactions, DI Code DM\_. The DI Code DM\_ transactions (see appendix AP3.28) will reflect the original input from which the WMR computed data was generated. Upon receipt of the DI Code DM\_ transactions, the GIM will process them to recompute the WMR data as prescribed in chapter 15, paragraph C15.2.3.

C11.4.6.3. For consumable items being transferred, the LIM will furnish the GIM updated LR supply management data transactions, DI Codes DLS, DLT, DLU, DLV, DLW and DLX (see appendices AP3.22 through AP3.27).

C11.4.6.4. The LIM will furnish the GIM the latest status of assets being held for litigation action.

### C11.5. ETD PERIOD ACTIONS

C11.5.1. The LIM will issue an LR Storage Information transaction, DI Code DZC (see appendix AP3.58), to their storage activities which serves as a notification that wholesale stocks stored are now under the ownership and accountability of the GIM.

C11.5.2. The LIM will process inventory adjustment transactions to decrease the inventory control record using DI Code D9E, Decrease - Logistics Transfer, or DI Code D9F, Decrease - Decapitalization as appropriate (see appendix AP3.5).

C11.5.3. The LIM will prepare and transmit to the GIM, DI Code DEE (Logistics transfer) or DEF (Decapitalization) transactions (see appendix AP3.11), as appropriate, by condition and location. Telephone communication between the GIM and LIM is authorized to resolve transactions that reject from the validation process.

C11.5.4. The LIM will furnish memorandum due-in information as of the ETD to the GIM using DI Code DDX (see appendix AP3.10) or DI Code DFX (see appendix AP3.12). Quantities will reflect only that which is available for transfer.

C11.5.5. The LIM will furnish the GIM storage activity a PMR, DI Code DU\_ (see appendix AP3.42), for each due-in from procurement on which the destination has been changed to the GIM. In addition, the LIM will furnish the LIM storage activity a PMR reversal (entry of a reversal indicator in record position 25) for deletion of the PMR from their file.

C11.5.6. Transfer of backorders to the GIM will be accomplished by means of referral/passing orders prepared in accordance with MILSTRIP. Backorders transferred between DoD Components will be funded.

C11.5.7. For items with SPR, the LIM will prepare and transmit to the forecasting activity an SPR Status transaction as outlined in chapter 13.

C11.5.8. The LIM will advise the GIM of the latest data available on assets being held for litigation action.

### C11.6. POST ETD ACTIONS

C11.6.1. The GIM will convert the DI Code DEE or DEF transaction received from the LIM to DI Code D8E (Increase - Logistics Transfer) or D8F (Increase - Capitalization), as appropriate to establish or increase the inventory balances (see appendix AP3.5). (This action is not required upon receipt of a DI Code DEE/DEF with

a zero quantity.) The GIM may automatically reject invalid DI Code DEE or DEF transactions using DI Code DZG Transaction Rejects, processed in accordance with chapter 9. Telephone communication between the GIM and LIM is authorized to resolve DI Code DEE or DEF transactions that reject from the validation process.

C11.6.2. The GIM will process DI Code DDX and DFX transactions, received from the LIM, to establish memorandum dues-in. In the event materiel, other than procurement, has not been received within 6 months of ETD, the memorandum due-in will be deleted by the GIM. However, the GIM will not delete memorandum due-in from procurement sources unless advised by the LIM that procurement action has been cancelled.

C11.6.3. The GIM, when appropriate, will furnish reconsignment instructions to the LIM for items due-in from undelivered contracts of the LIM. Reporting of receipts from these contracts subsequent to the ETD will be in accordance with section C11.7.

C11.6.4. The GIM will accept and process DI Code DEE/DEF reversal (reversal indicator in record position 25) transactions, adjust the accountable records, and discontinue processing any other transactions against the LR assets until new DI Code DEE/DEF transactions from the LIM are processed. If the DI Code DEE/DEF reversal transactions are received with an incorrect reversal indicator, the GIM may elect to contact the LIM to verify that the reversal action is appropriate, correct the transaction and continue to process or reject the transactions using the DI Code DZG Transaction Reject document with Reject Advice Code AE (Rejected-Quantity field invalid).

C11.6.5. The LIM will take action to change the destination of undelivered purchases upon request of the GIM. Upon changing the quantity due-in/destination, prepare and transmit a due-in reversal and a new due-in to the GIM. Additionally, when an award is made for an unawarded purchase request, the LIM will prepare and transmit to the GIM a memorandum due-in transaction, DI Code DDX (see appendix AP3.10), and a PMR, DI Code DU\_ (see appendix AP3.42), to the applicable storage activity.

C11.6.6. The LIM will enter litigation proceedings on all items in SCC L which are either on hand at ETD or subsequently received by either the GIM or LIM on LIM negotiated contracts. The LIM will notify the GIM of actions being taken to resolve the litigation actions.

C11.6.7. When an item previously transferred to the GIM is restored to an issuable condition, or when inspection of stock on hand reveals a change in condition of the materiel, the GIM will be notified of the condition transfer. Notification will be

accomplished by preparation and submission of an Inventory Adjustment Transaction, DI Code DAC (see appendix AP3.8).

C11.6.8. The LIM's storage activity will prepare an LR Storage Information Reply, DI Code DZD (see appendix AP3.59), within 5 working days advising the LIM of the quantity transferred to the GIM ownership. In the event the LIM's storage activity does not receive a DI Code DZC, the storage activity will prepare, and transmit to the LIM, a DI Code DZD with an A in record position 7, reflecting each balance by SCC. Additional processing instructions pertaining to the LR Storage Information transactions are outlined in chapter 10.

C11.6.9. Upon receipt of the DI Code DZD (LR Storage Information Reply) the LIM will review the quantity. When the quantity in the DI Code DZD is greater than the quantity reflected in the DI Code DZC (LR Storage Information transaction) the LIM will take action to transfer the additional quantity to the GIM on a new DI Code DEE/DEF transaction. When the quantity in the DI Code DZD is less than the quantity in the DI Code DZC the LIM shall (1) within 24 hours initiate action to reverse the previously submitted DI Code DEE/DEF (total quantity) transactions for that location, (2) conduct research and/or request a special inventory when deemed appropriate, (3) determine whether the quantity reported by the LIM's storage activity is correct (based on the best data available after research/inventory), (4) provide the GIM new DI Code DEE/DEF transactions which will contain new document numbers with the revised quantity and (5) complete this action within 30 days after the ETD to prevent a time lag between the ETD and corrective action. If extenuating circumstances prevent a LIM from accomplishing this task within 30 calendar days, the LIM should notify the GIM of the problem and the expected date when the problem should be resolved (not to exceed 60 calendar days past the ETD). If the DI Code DZD transaction is for an item for which the LIM provided a DI Code DEE/DEF transaction with a zero balance, and contains a transferable quantity, the LIM will provide a new DI Code DEE/DEF to the GIM reflecting the appropriate quantity, condition, and location. When this condition exists, the LIM will not prepare a DI Code DEE/DEF reversal.

C11.6.10. Ninety Days After the ETD. For consumable items being transferred the LIM will furnish the GIM updated LR Contract History Data Transactions, DI Code DLW (see appendix Ap3.26).

C11.6.11. Two Hundred and Seventy Days After the ETD. For consumable items being transferred the LIM will furnish the GIM updated LR Contract History Data Transactions, DI Code DLW (see appendix AP3.26).

## C11.7. RECEIPT PROCESSING AFTER ETD

### C11.7.1. Receipts from Procurement

C11.7.1.1. Upon receipt of assets from procurement by either the GIM or LIM storage activity, forward a Materiel Receipt Transaction (DI Code D4S) (see appendix AP3.1) to the LIM.

C11.7.1.2. Procurement receipts received after 1 year past the ETD will be processed by the LIM and GIM in the same manner that procurement receipts would be processed when received during the ETD to 1 year period.

C11.7.1.3. The LIM will:

C11.7.1.3.1. Process the storage activity initiated D4S receipt transaction to reduce the due-in record and record assets on the accountable record for the quantity received.

C11.7.1.3.2. Decrease the inventory control record utilizing DI Code D9E/D9F, as appropriate.

C11.7.1.3.3. Transmit a Materiel Receipt Transaction (DI Code D4X) to the GIM.

C11.7.1.3.4. Prepare and transmit a Logistics Transfer/Decapitalization Transaction (DI Code DEE/DEF) to the GIM.

C11.7.1.4. The GIM will utilize the DI Code D4X transaction to reduce the memorandum due-in record and will use the DEE/DEF transaction to record assets on the accountable record for the quantity received.

C11.7.1.5. For materiel received for which litigation is required, the LIM will record assets on the accountable record in SCC L and reduce the due-in record. At this time, no action will be taken by the LIM to remove or change the GIM's memorandum due-in by producing a DI Code D4X transaction. When the litigation proceedings are completed and the materiel is reclassified to an issuable condition, the LIM will provide the GIM DI Code DEE/DEF and D4X transactions to effect the LR and reduce the memorandum due-ins. If materiel is returned to the contractor due to litigation proceedings the LIM will notify the GIM via written communication. Appropriate action must be taken by the LIM to reestablish a due-in if the materiel being returned to the contractor for deficiency correction will eventually be returned to the LIM's storage activity.

C11.7.1.6. If assets from procurement are received for which there are no PMRs recorded at the receiving storage activity, the receiving activity will report the receipt to the cognizant Item Manager. If the GIM does not have a recorded due-in and the item was recently involved in an LR, the GIM should research/contact the LIM to determine proper reporting of the receipt to maintain accountability accuracy. If the procurement receipt is incorrectly reported to the LIM (and the LIM did not initiate the procurement action), the LIM should reject the receipt back to the initiator with a DI Code DZG Transaction Reject and Reject Advice Code AB (see appendices AP3.62. and AP2.8. for appropriate format and definition).

#### C11.7.2. Receipts From Other Than Procurement

C11.7.2.1. The LIM's Storage Activity, upon receipt of assets from other than procurement, will prepare and forward a Materiel Receipt Transaction (DI Code D6\_) to the LIM.

##### C11.7.2.2. The LIM will:

C11.7.2.2.1. Process the storage activity initiated DI Code D6 series receipt transaction to reduce the due-in record and record assets on the accountable record for the quantity received.

C11.7.2.2.2. Decrease the inventory control record utilizing DI Code D9E/D9F, as appropriate.

C11.7.2.2.3. Prepare and transmit a Materiel Receipt Transaction, DI Code D6X, to GIM.

C11.7.2.2.4. Prepare and transmit a Logistics Transfer/Decapitalization Transaction (DI Code DEE/DEF) to the GIM.

C11.7.2.3. The GIM will utilize the DI Code D6X transaction to reduce the memorandum due-in record and will use the DEE/DEF transaction to record assets on the accountable record for the quantity received.

C11.7.2.4. If no PMR is recorded, the storage activity will report *materiel* received from nonoprecurement sources *following the chapter 4, paragraph C4.9.3.3.11 procedures.*

C11.8. FOLLOW-UP FOR ASSET DATA. The GIM will transmit DI Code DLA, Logistics Transfer/Decapitalization Follow-Ups, for all items logistically reassigned for which the LIM transferred no assets and/or provided no due-in data within 10 days of the ETD. The GIM will prepare the DI Code DLA follow-up (see appendix AP3.16). For additional follow-up procedures, see section C11.10.

#### C11.9. REPLY TO FOLLOW-UP FOR ASSET DATA

C11.9.1. The LIM will submit DI Code DLB Replies to Logistics Transfer/Decapitalization Follow-Ups (see appendix AP3.17), to the GIM in response to DI Code DLA follow-ups.

C11.9.2. The DI Code DLB replies will contain the appropriate asset transfer status codes (see appendix AP2.10) to advise the GIM of the action being taken.

#### C11.10 FOLLOW-UP FOR DUE-IN DATA

C11.10.1. To follow up for due-in data, the GIM will transmit a DI Code DLC Logistics Reassignment Delinquent Due-In Follow-Up (see appendix AP3.18).

C11.10.2. Follow-Up for Dues-In with Expired EDDs. The GIM will initiate a due-in follow-up when the EDD for delivery of materiel is delinquent by more than 30 calendar days. The delinquent date will be computed from the DI Code DDX/DFX memorandum due-in which the LIM provided on the ETD. The GIM will also initiate a due-in follow-up when a revised due-in date subsequently becomes delinquent by 30 calendar days.

C11.10.3. Follow-Up for Dues-In with Blank or Invalid EDDs. The GIM will initiate a due-in follow-up 30 calendar days after the ETD when the DI Code DDX/DFX memorandum due-in, which the LIM provided on the ETD, contains a blank or invalid EDD (e.g., for materiel pending procurement/contract action by the LIM). The GIM will initiate a second follow-up 60 calendar days after the ETD for all dues-in with invalid or blank EDDs. The second follow-up will have code 2 in record position 7. Nonresponse to the second follow-up will result in off-line intervention by the GIM. All dues-in with invalid or blank EDDs 90 calendar days after the ETD will be included in the reconciliation (see section L). Based on the response, the GIM will determine if additional reconciliation/reconciliation action is required.

### C11.1. REPLY TO FOLLOW-UP FOR DUE-IN DATA

C11.11.1. The LIM will reply to DI Code DLC follow-ups using DI Code DLD Logistics Reassignment Delinquent Due-In Responses (see appendix AP3.19). The DI Code DLD response will contain the appropriate asset transfer status code (see AP2.10).

C11.11.2. To preclude the need for follow-up transactions by the GIM, the LIM will provide revised due-in dates as changes occur using DI Code DLD transactions with Asset Transfer Status Code AF.

### C11.12. DoD COMPONENT DUE-IN RECONCILIATION

C11.12.1. The reconciliation process is used to verify that the GIM is in receipt of all procurement/contract award data for assets due-in and the most current EDDs available. This process will also insure that all items still pending procurement/contract award on ETD are still valid.

C11.12.2. The GIM will initiate reconciliation of dues-in for logistically reassigned materiel 90 calendar days after the ETD and semiannually thereafter for all materiel which has not been received.

C11.12.3. To initiate the reconciliation, the GIM will submit DI Code DLE Logistics Reassignment Due-In Reconciliation Requests for all items with materiel still due-in to the LIM, regardless of the presence of a current EDD for delivery of the materiel. The DI Code DLE requests may be submitted by magnetic tape in lieu of transceived via DAASC when agreed to by the GIM and the LIM.

C11.12.4. The LIM will ensure that due-in information for all items still pending procurement/contract action, pending delivery, or in litigation is readily available to respond to the reconciliation request. The LIM will prepare replies to due-in reconciliation requests using DI Code DLF Logistics Reassignment Due-In Reconciliation Responses containing the appropriate asset transfer status code (see appendix AP2.10).

# **C12. CHAPTER 12**

## **SMALL ARMS SERIAL NUMBER REGISTRATION AND REPORTING**

C12.1 SCOPE. The provisions of this chapter apply to the DoD Components responsible for inventory management of small arms.

### C12.2. GENERAL

C12.2.1. This chapter provides procedures for reporting small arms serial number data between DoD Components and the DoD Registry. Small arms, as defined in Definitions and Terms, including those mounted on aircraft, vehicles, and vessels, that are accounted for in unclassified property records, will be reported (included will be foreign and commercial weapons, and museum pieces with serial numbers).

C12.2.2. In addition to requirements contained in MILSTRIP (DoD 4000.25-1-M), the shipping activity will provide a listing of the weapon serial numbers contained in each shipment with the shipment documentation accompanying small arms shipments between DoD Components. When shipments consist of multiple containers, the listing will identify which serial numbers are within each of the containers.

C12.2.3. Small arms without an NSN and/or small arms (except museum pieces) with missing, obliterated, mutilated, or illegible serial numbers, when discovered, will be reported to the DoD Registry by the DoD Component Registry, for review and assignment of an MCN/NSN and/or serial number. Assignment of LCN or MCN will not replace or be used in lieu of procedures to request assignment of an NSN where applicable. The DoD Component Registry will report all small arms without an NSN and/or small arms serial number, by message or letter, for assignment of serial number and/or NSN in the following format:

NSN	Unique Item Identifier	Description
(NSN or none)	(Serial Number or none)	(Make, model, caliber, and other nomenclature data)

C12.2.4. LCNs/MCNs will be used by the DoD Components for all weapon identification until a valid NSN can be obtained from the DoD Registry in accordance with paragraph C12.2.3 or notification that the MCN/LCN will not be assigned an NSN.

C12.2.5. Lost, abandoned, or unclaimed privately-owned small arms that are processed through a Board of Officers for actions described in DoD 4160.21-M, chapter

4, and subsequently, turned in to a DRMO, will be registered immediately when they come under Government control.

C12.2.6. Nonappropriated funded small arms turned in to a DRMO and privately-owned weapons classified as claims property will be registered immediately when they come under the control of DoD. Small arms that are claimed (private property whose title has passed to DoD as a result of a claim against the Government due to its damage in connection with Government activities, usually movement of household goods) and confiscated (private property whose title has passed to DoD as a result of being confiscated by appropriate authority, usually as a result of being abandoned and/or unauthorized for personal possession) by DoD activities will be reported immediately to Component Registries.

C12.2.7. The DoD Components will take action to obtain a new NSN (or currently assigned NSN) from the DoD Registry for modified weapons rendered inoperable that are used for ceremonial or training purposes. These weapons will be retained on the Component Registries as weapons subject to the reporting criteria.

C12.2.8. The DoD Components shall establish procedures to assure reporting of lost, stolen, unaccounted for, and/or recovered small arms under the provisions of DoD 5100.76-M.

C12.2.9. In the event of mobilization or other emergency, the DoD Registry and the DoD Component Registries will continue to operate and be maintained. Transaction Code J, Suspension of Reporting Requirements, may be utilized in emergency situations as authorized by the individual Services.

### C12.3. OBJECTIVES

C12.3.1. Establish continuous visibility over all small arms by serial number from the contractor to depot; in storage; in transit to requisitioners; in post, camp, and station custody; in the hands of users; during turn-ins; in renovation; and during disposal/demilitarization.

C12.3.2. Interface the small arms serial number reporting between the DoD Components using standard procedures.

C12.3.3. Provide follow-up procedures for delinquent shipment/receipt transactions.

C12.3.4. Provide reconciliation procedures.

C12.3.5. Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity having a specific serial numbered small arm.

### C12.4. EXCLUSIONS

C12.4.1. Small arms purchased with nonappropriated funds and privately-owned weapons are exempt from being reported to the DoD Central Registry since these weapons are controlled by civil authorities under the Gun Control Act of 1968. (This does not include weapons turned in for disposal. See paragraphs C12.2.5 and C12.2.6.)

C12.4.2. Classified activities, which determine that specific small arms should not be registered under these procedures, should request guidance through appropriate channels from the DoD Component.

C12.4.3. Deviations from MILSTRAP requirements by DoD activities with small static inventories require concurrence of the JSACG and approval of the DoD MILSTRAP System Administrator. Submit requests for deviations, to include appropriate justification, via electronic mail to: DLMSO@dla.mil (when using electronic mail, include "ATTN: JSACG Chair" in the subject line), or by traditional mail to:

ATTN DEFENSE LOGISTICS MANAGEMENT STANDARDS OFFICE J- 6251 SUITE 1834 DEFENSE LOGISTICS AGENCY J6 8725 JOHN J KINGMAN RD STOP 6205 FORT BELVOIR VA 22060-6217
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## C12.5. DELINEATION OF RESPONSIBILITIES

C12.5.1. DoD Registry will:

C12.5.1.1. Be operated and maintained by the Department of the Army. The DoD registry address is: Commander, USAMC Logistics Support Activity, ATTN: DoD Small Arms Registry Army, Redstone Arsenal, AL 35898-7466.

C12.5.1.2. Provide a central repository of small arms serial numbers from the Component Registries, to include those which are on hand, in transit, lost, stolen, demilitarized, or shipped outside the control of DoD.

C12.5.1.3. Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity (to include telephone number) having a specific serial numbered small arm (see paragraph C12.7.6). Respond as expeditiously as possible to other inquiries, depending on volume and existing workload.

C12.5.1.4. Enter all inquiries from law enforcement agencies and inquiries from appropriate Military and civilian activities for weapons located in foreign countries on the DoD Registry file when no record exists on the active or inactive file. This will be accomplished by using the DI Code DSM transactions with Small Arms Transaction Code I and entering the message/inquiry form number in the document number field for cross-reference purposes. For weapons identified as belonging to a DoD Component,

these entries will remain in the DoD active master file until the weapon is returned to DoD control and properly recorded on a Component Registry. Weapons identified as other than DoD in origin will be placed in the inactive file of the DoD registry.

C12.5.1.5. Identify duplicate serial numbers on files received from the Component Registries, as a minimum, on a quarterly basis. Contact the appropriate Services/DLA to verify duplicates and the DoD Registry will issue selected suffixes to modify affected serial number(s) for all but one of the duplicate numbers. Weapons with duplicate serial numbers located in the wholesale system will be modified first, to the extent possible. In order to maintain an audit trail for all modification actions:

C12.5.1.5.1. Provide appropriate corrective instructions to Component Registries reporting duplicate serial numbers.

C12.5.1.5.2. Establish a complete historical cross-reference record (mechanical or hard copy).

C12.5.2. DoD Component Registries will:

C12.5.2.1. Maintain and control a mechanized active, and inactive, history file to control small arms serial numbers for which they maintain or had maintained accountability.

C12.5.2.2. Update files based on transaction reporting; e.g., receipts, issues, turn-ins, and inter-Service transfers. Perpetuate suffix codes from all receipt/issue/adjustment transactions when updating files.

C12.5.2.3. Use standard data elements prescribed in appendix AP2 and transactions prescribed in appendix AP3 to interface between DoD Component Registries for reporting changes affecting the small arms status in the master file of the DoD Component Registries.

C12.5.2.4. Provide for monthly electronic file transfer to the DoD Registry, reflecting active and inactive files in serial number sequence.

C12.5.2.5. Identify duplicate serial numbers recorded on file and request altering instructions from the DoD Registry for all but one of the duplicate numbers. Suspend movement of these weapons pending verification of the record and/or receipt of instructions for modification of the serial number on the weapon.

C12.5.2.6. Provide data available upon receipt of an inquiry from a law enforcement agency, and initiate action as deemed appropriate.

C12.5.2.7. Perform an annual records verification utilizing the registry files to obtain records compatibility with depot files and ICP files by stock number and quantity.

C12.5.2.8. Report weapons lost, damaged or destroyed in accordance with DoD 7000.14-R, volume 12, chapter 7. Small Arms Transaction Code Q is applicable for reporting potential lost or stolen small arms, pending full investigation/report of survey. Transaction code U is applicable for reporting if the missing weapon is found or recovered. Use the WSN control transaction, DI Code DSM for updating the registries.

C12.5.2.9. Identify on the DoD Component Registry, with Small Arm Transaction Code L, weapons determined to be lost or stolen after all investigative requirements have been initiated, including a report of survey. Use DI Code DSM prepared in the appendix AP3.36 format. (Note: DoD Components are required to submit semiannual reports to the chair, Physical Security Review Board, in accordance with DoD 5100.76-M for all weapons where theft, loss, and recovery occur.)

C12.5.2.10. Perform an annual reconciliation with all activities recorded on the registry as having possession and/or accountability of reported small arms by serial number, stock number, and quantity. The method of performing the reconciliation will depend on the DoD Components' capability of utilizing DISN/NIPRNET transactions or listings. When listings are used to perform the annual reconciliation, identify them by the appropriate transaction DI code either as header information or reflected with each line entry (see paragraph C12. 7.8).

C12.5.2.11. Report to the chairman of the JSACG all new weapons or devices that could be construed as weapons. The chairman will identify the reportability and notify the Services. Weapons or devices for which no determination can be made will be discussed by the full JSACG.

C12.5.3. The JSACG responsibilities are as set forth in DoD 4140.1-R. The electronic mailing address for the JSACG Chair is DLMSO@dla.mil (when using electronic mail, include "ATTN: JSACG Chair" in the subject line.) Traditional mail may be sent to:

ATTN DEFENSE LOGISTICS MANAGEMENT STANDARDS OFFICE J-6251 SUITE 1834, JSACG CHAIR DEFENSE LOGISTICS AGENCY J6 8725 JOHN J KINGMAN RD STOP 6205 FORT BELVOIR VA 22060-6217
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C12.5.4. The MILSTRAP System Administrator/Supply PRC chair responsibilities are set forth in chapter 1 and in DoD 4140.1-R.

## C12.6. SAFEGUARDING AND PHYSICAL SECURITY OF ADP RECORDED DATA

C12.6.1. The small arms data contained in the ADP records of the DoD Registry could produce classified data if the total number of serial numbers by weapon type were summarized. Consideration should be given to security of the small arms records due to their sensitive nature. Security of ADP records will be in accordance with DoD 5200.1-R.

C12.6.2. A determination to classify shall be made when there is sound reason to believe that knowledge of the information would provide a foreign national with an insight into the war potential, war defense plans, or posture of the United States and could reasonably be expected to cause a degree of harm to the national security.

C12.6.3. The operation of this program does not relieve units/activities from the requirements for physical security of weapons in accordance with DoD Component regulations.

## C12.7. OPERATING PROCEDURES

C12.7.1. The DoD Component Registries will provide for electronic file transfer of their active and inactive files, in serial number sequence, to arrive at the DoD Registry not later than the 10th of each month. The format will be in accordance with DI Code DSM, appendix AP3.36. The DoD Registry will verify record counts as indicated on the files.

C12.7.2. The DoD Registry will combine the DoD Components' electronic files into a single file, in serial number sequence, not later than the 15th day of each month. The DoD Registry will identify duplicate serial numbers, as a minimum quarterly, in accordance with section C12.5.1.5.

C12.7.2.1. If the duplicate serial numbers appear during the next check, and are owned by a single Service, the DoD Component Registry will be notified to validate the serial numbers. If duplicate serial numbers remain after this validation, the DoD Component Registry will take action to request altering instructions from the DoD Registry to modify affected serial number(s). The DoD Registry will issue modified serial numbers (utilizing selected alpha suffix(es)) and maintain a complete historical cross-reference record.

C12.7.2.2. If the duplicate serial numbers appear during the next check, and are owned by more than one DoD Component, the DoD Registry will notify each DoD Component Registry to validate its serial numbers. If duplicates remain after this validation process, the DoD Registry will issue modified serial numbers to one of the Component Registries (utilizing selected alpha suffix(es)) and maintain a complete historical cross-reference record.

C12.7.3. Weapons recovered by law enforcement agencies or foreign countries and returned to the custody of a DoD Component will be registered on the Component Registry using Small Arms Transaction Code U and DI Code DSM.

C12.7.4. WSN control transactions, DI Code DSM, are used to report inter-Component transfers between the DoD Component Registries. The data flow for reporting shipments will be as indicated in the following subparagraphs.

C12.7.4.1. Shipments between DoD Components:

C12.7.4.1.1. When small arms are selected for shipment by the shipping activity, provide the WSN transaction data for the weapons to the shipping DoD Component Registry using DI Code DSM (see appendix AP3.36). The shipping DoD Component Registry enters the small arms data in the active file to indicate the intransit shipment. The shipping DoD Component Registry then forwards the WSN transaction to the destination Component Registry for all inter-Component shipments.

C12.7.4.1.2. The receiving DoD Component Registry enters the small arms data into the active file to open the record. This record is maintained until confirmation of receipt of the weapon is provided by the receiving activity. The receiving activity verifies the serial number(s) and provides the WSN transaction to their DoD Component Registry. The receiving DoD Component Registry matches the small arms data against the intransit record. A match constitutes a reconciliation and completes the record. Discrepant serial number(s) will be verified by electronic mail, telephone, or letter and corrective action taken as required. The receiving DoD Component Registry provides the DSM transaction with transaction code R to the shipping Component Registry.

C12.7.4.1.3. Weapon shipments from one DoD Component to another for maintenance purposes will also be reported to appropriate DoD Component Registries. This requirement will be included in any maintenance support agreement.

C12.7.4.1.4. If 30 calendar days from date of shipment for CONUS and 90 calendar days for overseas is exceeded, the shipping Component Registry will initiate coordination to determine the status of the outstanding S transaction(s) (see paragraph C12.8.1.5) (for receiving DoD Component Registry procedures, see paragraph C12.8.2). A monthly overage shipment listing will also be provided to the receiving Component Registry.

C12.7.4.2. Shipments from Procurement. When small arms are shipped from a contractor to activities within the DoD, the contractor is required to prepare three WSN control transactions. Transaction code P will be in the one transaction provided to the shipping DoD Component Registry giving notification of shipment. The data are entered in the shipping Component Registry to open the record. This record will be maintained in suspense until confirmation of receipt of the weapon is provided by the

receiving activity. The receiving activity will submit the DSM transaction to update its DoD Component Registry. The two remaining WSN transactions will have the RI code of the shipping DoD Component Registry to which the confirmation of receipt will be provided. The WSN transactions will accompany the shipment documentation. When shipments consist of multiple containers, a listing will identify which serial numbers are within each of the containers.

C12.7.4.3. Shipments to Foreign Military Sales/Grant Aid and Other Agencies Outside the Control of DoD. When small arms are selected for shipment by the shipping activity, **or when a DoD agency assumes title and accountability for U.S. weapons purchased or produced under a DoD contract, then shipped directly to Security Assistance or other customers outside DoD**, the WSN transactions for the weapons will be provided to the shipping DoD Component Registry giving notification of shipment. The shipping DoD Component Registry codes each weapon in the shipment, utilizing transaction code N, Shipment to Other Agencies or F, Shipment to FMS/Grant Aid, depending on type of transaction. The shipping DoD Component Registry then enters the small arms shipment data into the inactive file. Weapons returned to the DoD supply system from previous shipments to FMS/Grant Aid and other agencies outside the control of DoD will be registered by the receiving activity on its DoD Component Registry.

C12.7.5. When small arms are selected for destruction at the demilitarization activity, the small arms data (DI Code DSM) is provided to the Component Registry once the demilitarization has been completed. The DoD Component Registry codes each of the weapons demilitarized, using transaction code V. The DoD Component Registry then enters the small arms demilitarization data into the inactive file.

C12.7.6. The DoD Small Arms Serialization Program is designed to provide investigative agencies with the identification of the last accountable activity having a specific serial numbered small arm within 72 hours. Investigative agencies will process all inquiries by electronic mail, message, letter, or telephone to the DoD Registry. The DoD Registry will identify the accountable DoD Component Registry from the data contained in its master record and query that registry as to the last activity accountable for the specific serial numbered weapon. Once the DoD Component Registry identifies the last accountable activity, response is provided to the investigative agency through the DoD Registry.

C12.7.7. Invalid or erroneous transactions, except DI Code DSA (see paragraph C12.7.10), will be rejected by the DoD Component Registry to the originator of the transaction using DI Code DSR (see appendix AP3.37). Reject codes and corrective action required are contained in appendix AP2.13. Since the reject advice code identifies only one error condition in the transaction, activities will review all other fields of the rejected transactions, prior to resubmission, to ensure that all data entries are Correct.

C12.7.7.1. Rejected transactions will be held in a suspense file by the Component Registry until corrective action has been received from the DoD Component. DI Code DSC transactions, prepared in the appendix AP3.33 format, will be used to respond to rejected transactions.

C12.7.7.2. In the event no corrective action is received by the Component Registry within 14 calendar days, a DI Code DSF follow-up (appendix AP3.35), will be forwarded to the DoD Component.

C12.7.8. The annual reconciliation of all small arms on the Component Registry will be performed utilizing DI Code DSR (appendix AP3.37) and transaction code E (appendix AP2.12). Matching records will be considered reconciled. Duplicate small arms serial numbers detected during the reconciliation will require modification instructions from the DoD Registry. DoD Component Registries that perform the annual reconciliation utilizing other than transaction reporting will ensure that listings contain DI Code DSR in the heading. Transaction code E need not be identified on the listing or posted to the Component Registry.

C12.7.8.1. Records not matched, or for small arms for which no reconciliation was received by the DoD Component Registry, will result in a reject, DI Code DSR, to the DoD Component. The appropriate reject codes are contained in appendix AP2.13.

C12.7.8.2. In the event corrective transactions and/or notification of a problem is not received from the DoD Component within 60 calendar days, the Component Registry will follow up utilizing DI Code DSF (appendix AP3.35).

C12.7.9. Accomplish mass stock number changes using DI Code DSB (appendix AP3.32).

C12.7.10. Reporting activities will use the Small Arms Multi-Field Corrections Transaction, DI Code DSA (appendix AP3.31), to change erroneous information on the Component Registry active/inactive file. The DoD Component Registry will reject DI Code DSA transactions that do not match the file or contain invalid data.

C12.7.10.1. Reporting activities will prepare DI Code DSA when the Component Registry contains erroneous information. Changes can be made to the NSN/MCN/LCN/DoDAAC/UIC of the accountable activity and serial number. When using the DI Code DSA transaction to correct erroneous entries recorded on the DoD Component Registry, data previously reported in record positions 8 through 41 shall remain the same. Transaction code K will be entered in record position 7.

C12.7.10.2. DI Code DSA transactions received by the DoD Component Registry that do not match the NSN/MCN/LCN, reporting activity DoDAAC/UIC, or serial number contained on the active/inactive file will be rejected to the reporting activity. The rejected transaction will contain the appropriate error transaction reject code, as contained in appendix AP2.13, in record positions 76-77 and the date rejected in record

positions 78-80. Rejected transactions will be suspended in the DoD Component Registry pending receipt of a corrected DI Code DSA transaction. Since only one reject code can be reflected in the rejected transaction, the reporting activity must review all entries for additional invalid data before resubmitting the corrected transaction.

C12.7.10.3. DoD Component Registries will not include the DI Code DSA transaction on their electronic file transfer to the DoD Registry. The DoD Component Registry will convert the DI Code DSA received from the reporting activity to DI Code DSM with transaction code K in record position 7 and the old serial number in the document number field (record positions 30-43) for all changes to the serial number field for the monthly electronic file transfer.

## C12.8. TIME STANDARDS FOR PROCESSING UPDATES AND FOLLOW-UPS FOR SHIPMENTS AND RECEIPTS

C12.8.1. One objective of the small arms serial number registration and reporting procedures is to provide visibility of actual location of all weapons by the timely update of the DoD Component Registries during the shipment or receipt process. The timeframe requirements for processing the WSN Control (DI Code DSM) for Small Arms Transaction Codes R and S are established for normal process time of 10 calendar days from date of action.

C12.8.1.1. Within 10 calendar days of selection for shipment, the shipping activity will enter the WSN transaction data on the shipping DoD Component Registry to indicate which serial numbers are included in the intransit shipment. Activities that do not have mechanized capability will provide the WSN transaction or hard copy information to the shipping DoD Component Registry by the fastest means available, leaving the shipping activity within 10 calendar days of selection for shipment.

C12.8.1.2. Within 10 calendar days of receipt of the WSN data from the shipping activity, the shipping DoD Component Registry will use the WSN transaction with transaction code S to update its files, establish the intransit record, and forward the WSN transaction to the receiving DoD Component Registry for all inter-Component shipments.

C12.8.1.3. Within 10 calendar days of receipt of the small arms, the receiving activity will use the WSN transaction data that accompanied the shipment to verify the serial number(s) received and provide the WSN data with transaction code R to the receiving DoD Component Registry. Activities that do not have mechanized capability will provide the WSN transaction or hard copy information to the receiving Component Registry by the fastest means available.

C12.8.1.4. Within 10 calendar days of receipt of the WSN data from the receiving activity, the receiving DoD Component Registry will forward a WSN transaction utilizing transaction code R to the shipping DoD Component Registry providing notification of receipt of weapons. The 10 calendar days requirement for

notification of shipments/receipts also applies to weapon shipments from one DoD Component to another for maintenance purposes. This requirement will be included in any maintenance support agreements between the DoD Components.

C12.8.2. The shipping DoD Component Registry will take follow-up action for all weapons intransit 30 calendar days for CONUS shipments and 90 calendar days for overseas shipments, from date of shipment, for which no confirmation of receipt (DI Code DSM with transaction code R) has been received. DI Code DSD Small Arms Receipt/ Shipment Follow-Up (appendix AP3.34) will be transmitted to the receiving DoD Component Registry. The transaction date (record positions 76-80) will be the 2-digit year and 3-digit ordinal day of the calendar year that the weapon(s) was shipped. Allow 10 calendar days for response to the follow-up transaction.

C12.8.2.1. If the weapon has been received, the receiving Component Registry will submit a DI Code DSM with transaction code R (record position 7) and date received (record positions 76-80).

C12.8.2.2. If the weapon has not been received, the receiving Component Registry will submit a DI Code DSM with transaction code A (record position 7) and leave the date (record positions 76-80) blank.

C12.8.2.3. If no response is received, an electronic transmission (message) will be sent to the receiving DoD Component Registry with an information copy to the receiving activity and its higher headquarters.

C12.8.2.4. Negative response or no response to the message will result in the shipping DoD Component Registry reporting the weapon(s) as missing, lost, or stolen, to their appropriate investigative agency and the DoD Registry (see paragraphs C12.5.2.8 and C12.5.2.9).

C12.8.3. The receiving DoD Component Registry will initiate follow-up procedures for all weapons received for which no WSN with transaction code S was provided by the shipping DoD Component Registry. The follow-up procedure is necessary to confirm that the serial number(s) reported as received matches the serial number(s) selected and shipped. The receiving DoD Component Registry will take the follow-up action with the shipping DoD Component Registry within 10 calendar days after a weapon(s) has been confirmed as received using DI Code DSD Small Arms Receipt/ Shipment Follow-Up transaction (appendix AP3.34). The transaction date (record positions 76-80) will be the 2-digit year and 3-digit ordinal day of the calendar year that the weapon(s) was received. Lack of response within 10 calendar days will result in an electronic transmission (message) being sent to the shipping DoD Component Registry with an information copy to the shipping activity and its higher headquarters.

C12.8.4. The standard timeframes for inter- DoD Component submission of transaction codes R and S, as prescribed above, also apply to intra-DoD Component shipments and receipts.

# **C13. CHAPTER 13**

## **SPECIAL PROGRAM REQUIREMENTS**

C13.1 GENERAL. This chapter provides procedures for forecasting of requirements for items required to support special programs or projects which are of a nonrepetitive nature and cannot be forecast by the inventory control point (ICP) based on demand data, and which have the greatest probability of materializing and resulting in the eventual submission of requisitions.

C13.1.1 Special Program Requirement (SPR) requests will be submitted for those requirements which meet any of the following criteria as to purpose:

C13.1.1.1 One-time training exercises or maneuvers.

C13.1.1.2 Repair or rebuild programs which are either nonrecurring or which are seldom or irregularly programmed.

C13.1.1.3 New constructions (ships, buildings, etc.).

C13.1.1.4 One-time alterations, modifications, or conversion programs.

C13.1.1.5 Initial issue of existing items (i.e., outfittings, activations, and changes in authorized allowances).

C13.1.1.6 Initial requirements for special operational projects.

C13.1.1.7 Requirements for initial testing.

C13.1.1.8 Requirements for Government-furnished property.

C13.1.1.9 Requirements for infrequently planned support operations such as Arctic and Antarctic resupply missions.

C13.1.1.10 Special situations of a nonrepetitive nature when required in support of authorized Security Assistance Program requirements (e.g., initial pipeline stockage requirements in support of approved Cooperative Logistics Supply Support Arrangement, etc.).

C13.1.2 The following types of requirements are excluded from identification as SPRs:

C13.1.2.1 Provisioning, recurring type.

C13.1.2.2 War Materiel Requirements.

C13.1.2.3 Requirements for which the DoD Component has a recurring demand.

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C13.1.2.4 Subsistence, all categories.

### **C13.2 SPR SUBMISSION AND ROUTING**

C13.2.1 Submission of SPRs will be limited to materiel required not less than 90 calendar days in advance of or more than 5 years prior to the support date (the first day of the month which it is anticipated materiel will be requisitioned for the program) indicated in record positions 62-64 of the request. When procurement is necessary, delivery for an early support date may not be possible since the procurement lead time for most items will be greater than 90 calendar days. Therefore, forecasting activities should submit SPRs to ICPs as far in advance of the support date as practical.

C13.2.2 Forecasting activities will prepare SPR requests citing DI Code DYA, DYB, DYL or DYM (see appendix AP3.48), as appropriate, to transmit SPR data to the ICP. When the requirement for an individual item is such that materiel will be required in phases (e.g., 100 each per month), the forecasting activity will forward a separate request for each phase.

C13.2.3 Requirements for submitting SPR requests, cancellations, modifiers, substitute item acceptance/rejections, and follow-ups (DI Codes DYA, DYC, DYD, DYG, DYH, DYJ, and DYL) via the DAASC are specified in chapter 9 of this manual. The DAASC will edit, pass, route, or reject these transactions; and transmit appropriate DI Code DZ9 Status Notification and/or DI Code DZG Transaction Rejects to originators. These transactions and related processing requirements are also covered in chapter 9 of this manual.

### **C13.3 ICP PROCESSING OF SPR REQUESTS**

C13.3.1 ICPs measure the size of the requirement being forecasted to determine its acceptability in terms of the risk of long supply being generated. This measurement requires consideration of the size of the forecasted quantity in relation to the normal demand estimated for the item being forecasted, the value (cost) of this quantity, the supply status of the item being forecasted, funding capability of the ICP, accuracy of past forecasts, and the degree of assurance that requisitions will follow.

C13.3.2 ICPs will determine action to be taken on SPR requests and within 15 calendar days after receipt of the request will provide appropriate status. SPR status transactions will include an SPR status code (see appendix AP2.11) to advise the forecasting activity of acceptance, rejection (other than for correction and resubmission), or other action required on the SPR. When an ICP receives an SPR request which cannot be processed due to erroneous or missing data, the ICP will reject the request for correction and resubmission in accordance with chapter 9.

C13.3.3 ICPs will prepare SPR status transactions citing DI Code DYK (see appendix AP3.54)

#### **C13.4 FOLLOW-UP ON SPR REQUESTS**

C13.4.1 When the forecasting activity has not received a DI Code DYK SPR Status transaction or a DI Code DZG Transaction Reject within 21 calendar days from the SPR request submission date, the forecasting activity may submit an SPR follow-up, to the ICP.

C13.4.2 Forecasting activities will prepare SPR follow-ups citing DI Code DYJ (see appendix AP3.53).

#### **C13.5 ICP ACTION ON SPR FOLLOW-UP**

C13.5.1 When there is no record of receipt of the original SPR request, the ICP will process the SPR follow-up as an original SPR request.

C13.5.2 ICPs will prepare replies to SPR follow-ups as specified in section C13.3.

#### **C13.6 MODIFICATION OF SPR REQUESTS**

C13.6.1 The forecasting activity may submit changes for a previously submitted SPR request to replace data in the original request. The SPR modifier document will be used for such changes and will be submitted only to change the quantity, the supplementary address, the project code, the coast designator, the support date and/or the record positions 67-69 routing identifier (from).

C13.6.2 Forecasting activities will prepare SPR modifiers citing DI Code DYD (see appendix AP3.50).

C13.7 RESPONSE TO SPR MODIFIER. ICPs will prepare replies to SPR modifiers as specified in section C13.3.

#### **C13.8 CANCELLATION OF SPR REQUESTS**

C13.8.1 The forecasting activity may submit an SPR cancellation for a previously submitted SPR request. Cancellations must be for the total quantity applicable to the SPR.

C13.8.2 Forecasting activities will prepare SPR cancellations citing DI Code DYC (see appendix AP3.49).

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C13.9 RESPONSE TO SPR CANCELLATION. ICPs will prepare replies to SPR cancellations as specified in section C13.3.

C13.10 ACCEPTANCE/REJECTION OF SUBSTITUTE ITEM. Forecasting activities in receipt of SPR responses offering a substitute item will take the appropriate following action:

C13.10.1 When the offered substitute is acceptable, transmit a DI Code DYG SPR Substitute Item Acceptance (see appendix AP3.51) to the ICP.

C13.10.2 When the offered substitute is unacceptable, transmit a DI Code DYH SPR Substitute Item Rejection (see appendix AP3.52) to the ICP.

C13.11 RESPONSE TO SUBSTITUTE ITEM REJECTION. The ICP will initiate action to provide status to the forecasting activity on the item originally requested. ICPs will prepare status responses as specified in section C13.3.

C13.12 RETENTION OF SPR REQUESTS. The ICP will retain SPR requests until:

C13.12.1 The support date of those requirements for which SPR Status Code PA was furnished or until a requisition is received which can be identified to all or a portion of a particular SPR quantity.

C13.12.2 One procurement lead time/assembly time away from the support date when procurement/assembly is required in support of those requirements for which SPR Status Code PB was furnished.

C13.12.3 Assembly time prior to support date when extra time is required for assembly in support of those requirements for which SPR Status Code PC was furnished.

C13.13 FOLLOW-ON STATUS. The ICP will provide revised status when the situation changes (e.g., change in procurement lead time, procurement is required for materiel originally anticipated to be available from stock, etc.). Generally, these situation changes are unusual in nature, are not programmed for, and require off-line processing. ICPs will prepare the status documents as specified in section C13.3.

C13.14 PREPARATION OF SPR REQUISITIONS

C13.14.1 When SPR status citing SPR Status Code PA is received, requisitions citing Demand Code P should be submitted for the SPR related requirements in time to allow for delivery within the appropriate time standard prescribed by UMMIPS. Demand

Code P indicates to the ICP that the requisition is for materiel previously forecasted as an SPR. This enables the ICP to control and apply the appropriate logic for the demand generated by the requisition. (See MILSTRIP (DoD 4000.25-1-M) for requisition format and demand codes.)

C13.14.2 When SPR status is received citing SPR Status Code PR, the SPR is being deleted and the item is a procurement lead time/assembly time away from the support date. If the requirement is still valid, the requiring activity must immediately submit a MILSTRIP requisition(s) citing Demand Code O in record position 44 and MILSTRIP Advice Code 2L in record positions 65-66. When requisitioners desire that specific materiel shipments not be released prior to 50 calendar days before the expiration of an extended RDD, they will express the RDD using code S in record position 62 as prescribed in MILSTRIP, appendix AP2.14.

### **C13.15 LOGISTICS REASSIGNMENT**

C13.15.1 When the logistics loss is to an IMM of another DoD Component, the LIM will transmit an SPR status to the forecasting activity. The DI Code DYK SPR status transaction (see appendix AP3.54) will contain SPR Status Code PV. This status indicates that the item has been involved in an LR and a new SPR must be submitted to the GIM.

C13.15.2 When the logistics loss is to an IMM within the same DoD Component, the LIM will forward the record of the SPR to the GIM. No status need be furnished the forecasting activity.

# C14. CHAPTER 14

## LOGISTICS ASSET SUPPORT ESTIMATE

C14.1 GENERAL. This chapter provides an automated procedure for authorized activities of the DoD Components to determine the ability of the Integrated Materiel Managers (IMM) to support contingency or operational plans, projects, and other important programs.

C14.2 SCOPE. The provisions of this chapter are applicable to HQ DLA, Defense Supply Centers except the Defense Fuel Supply Center, Service Inventory Control Points (ICP) functioning as IMMs, and **authorized wholesale and below wholesale** activities of the Army, Navy, Air Force, Marine Corps, and Coast Guard.

### C14.3 ASSET SUPPORT REQUESTS

C14.3.1 Submission of asset support requests to IMMs is limited to the authorized activities listed in section C14.8. All authorized activities do not qualify for assignment of a Routing Identifier (RI) code. However, the activity address, DoDAAC, and the RI code which each activity will use to submit requests are identified in section C14.8. IMMs will validate the RI code (from) and DoDAAC in incoming requests and reject those with invalid or unauthorized entries as prescribed in paragraph C14.7.2.

C14.3.2 This program is not intended for routine stock status inquiries where normal MILSTRIP (DoD 4000-25-1-M) should be employed. Rather, this program is to obtain a general estimate of the type of supply support which might be anticipated when a specific MILSTRIP requisition is not pertinent to the inquiry. Asset support requests will be initiated in conjunction with particular programs or projects by personnel responsible for scheduling, planning, or reporting on the overall supply support status of major equipment or systems.

C14.3.3 Authorized activities will determine the type of logistic data required and will submit DI Code DTA Asset Support Requests(see appendix AP3.38). Output data are dependent upon the request code entered in record position 7 of the request and will be reflected in the asset support replies (DI Code DTB for asset data and DTC for backorder data as prescribed in appendices AP3.39 and AP3.40, respectively).

C14.3.3.1 When the occasion requiring data dictates that the information needed should consist basically of asset data (onhand and due-in), authorized activities will submit a DI Code DTA request with code A in record position 7 to the appropriate IMM. This request will generate a DI Code DTB Asset Support Reply (Asset Data) (see AP3.39).

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C14.3.3.2 If the information desired is oriented toward the backorder condition, authorized activities will submit a DI Code DTA request with code B in record position 7 to the appropriate IMM. This request will generate a DI Code DTC Asset Support Reply (Backorder Data) (see appendix AP3.40).

C14.3.3.3 If both asset and backorder data are desired, authorized activities will submit a DI Code DTA Asset Support Request with code C in record position 7 to the appropriate IMM. This request will generate both an asset data and a backorder data asset support reply as outlined in appendices AP3.39 and AP3.40, respectively.

C14.3.4 Authorized activities will transmit asset support requests through the DAASC for routing, as prescribed by chapter 9 of this manual, using CIC IAZZ. The DAASC will recognize DI Code DTA and place CIC IHAC in the header card of the transmitting message upon passing or routing the request to the appropriate IMM. When the authorized requesting activity is collocated with the IMM, the asset support request may be submitted directly to the appropriate office.

#### **C14.4 ASSET SUPPORT REPLIES**

C14.4.1 IMMs will normally respond to asset support requests within 5 working days after receipt and, in all instances, must respond within 10 working days.

C14.4.2 IMMs will prepare DI Code DTB and/or DTC Asset Support Replies (see appendices AP3.39 and AP3.40) to contain the data specified by the submitting activity.

C14.4.3 When an asset support request is received on a nonpreferred NSN, the IMM may provide data for the replacing preferred NSN. When this option is exercised, the asset support reply(s) will cite the replacing preferred NSN in record positions 8-20 and a code 1 in record position 76 (see appendices AP3.39 and AP3.40).

C14.4.4 IMMs will submit asset support replies to DAASC for transmission using CIC IAZZ. The DAASC will recognize DI Codes DTB and DTC and pass the replies to the activity indicated by the RI code in record positions 4-6 using CIC IHAD.

C14.4.5 Listings of the data contained in each batch of asset support replies will be prepared and used by the IMMs for review and control. These listings will be retained for at least 90 days and then destroyed.

#### **C14.5 FOLLOW-UP ON ASSET SUPPORT REQUESTS**

C14.5.1 When a DI Code DTB or DTC Asset Support Reply or a DI Code DZG Transaction Reject has not been received by the authorized activity within 15 calendar days from the date the request was submitted to the IMM, the authorized activity may

submit a DI Code DTD Asset Support Request Follow-Up (see AP3.41) to the appropriate IMM.

C14.5.2 Authorized activities will transmit asset support request follow-ups through the DAASC for routing, as prescribed by chapter 9 of this manual, using CIC IAZZ. The DAASC will recognize DI Code DTD and place CIC IHAC in the header of the transmitting message upon passing or routing the request to the appropriate IMM. When the authorized activity is collocated with the IMM, the asset support request follow-up may be submitted directly to the appropriate office.

C14.6 IMM ACTION ON ASSET SUPPORT REQUEST FOLLOW-UP. The IMM will process the follow-up as an asset support request as outlined in sections C14.3. and C14.4., above. Output will be as shown in appendices AP3.39 and/or AP3.40, as appropriate, except that record position 7 will be changed from code A, B, or C to code J, K, or L, respectively. Codes J, K, and L will indicate to the submitting activity that replies are in response to a follow-up and not to an initial request.

#### C14.7 TRANSACTION REJECTS AND STATUS NOTIFICATIONS

C14.7.1 DAASC will edit, pass, route, or reject DI Code DTA and DTD LASE transactions, and transmit appropriate DI Code DZ9 Status Notifications and/or DI Code DZG Transaction Rejects to originators. These transactions and related processing requirements are covered in chapter 9 of this manual.

C14.7.2 IMMs will validate the RI code (record positions 27-29) and DoDAAC (record positions 30-35) in all asset support requests. IMMs will reject requests containing an invalid DoDAAC using a DI Code DZG Transaction Reject (see AP3.62) citing Reject Advice Code AF (see AP2.8). Reject requests containing an RI code and/or a DoDAAC not authorized in section C14.8., below, using a transaction reject citing Reject Advice Code AV.

C14.7.3 When asset support requests are received for an obsolete/inactive NSN which cannot be supported, IMMs may reject the request using a transaction reject citing MILSTRIP Status Code CJ (see MILSTRIP, AP2.16).

C14.7.4 IMMs will prepare transaction rejects as prescribed in chapter 9 of this manual.

C14.7.5 Authorized activities will process DI Code DZG Transaction Rejects and DI Code DZ9 Status Notifications as prescribed in chapter 9 of this manual. Reject advice codes applicable to asset support requests are AA, AB, AD, AF, AT, AU, AV, and AX (see AP2.8). MILSTRIP Status Code CJ, which may be received in transaction rejects,

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and MILSTRIP Status Codes BG and BM, which may be received in status notifications, are defined in MILSTRIP.

**C14.8 ACTIVITIES AUTHORIZED TO SUBMIT ASSET SUPPORT REQUESTS<sup>1</sup>**

<b><u>ARMY</u></b>			
Submission Routing Identifier	Authorized Activity DoDAAC	Submission Routing Identifier	Authorized Activity DoDAAC
A12	W58HZ1	B16	W80YBX
A35	W25PVR	B16	W80YBY
AKZ	W56HZV	B17	W58H0Z
AKZ	W56KXS	B29	W62G2W
AKZ	W80KTY	B40	W16G1A
AP5	W25LMQ	B46	W73HYT
B1O	W52G2J	B5O	W45N7V
B14	W52H09	B64	W31G3H
B14	W81YWB	B69	W23MWR
B16	W15GK8	BAO	W31G1Y
B16	W15P61	BGO	W22L11
B16	W15P62	BKO	W25G1Q
B16	W15P66	BLO	W22G1F
B16	W15P7U	BRO	W45G18
B16	W15P86	BTO	W67G22
B16	W15QPC	BYO	W25GIV
B16	W80KQR	BY7	W25P02
B16	W80SLL	C17	WK4NP7
B16	W80YB0	W82	W23RYX

<sup>1</sup> DoD Component focal points are responsible for ensuring that information listed is maintained in a current status by submitting changes, including RI codes and DoDAACs, to the DoD MILSTRAP System Administrator as they occur.

**NAVY**

Submission Routing Identifier	Authorized Activity DoDAAC	Submission Routing Identifier	Authorized Activity DoDAAC
N21	N00019	P58	N00197
N22	N00023	P61	N00446
N23	N00024	P64	N00164
N25	N00025	P65	N60478
N32	N00383	P71	N60701
N35	N00104	P72	N00109
N47	N00367	P73	N00253
N77	N00039	P83	V53825
N79	N0708A	PGZ	N00311
N87	V57016	PJZ	N00207
NAZ	N68860	PPZ	N00204
NDZ	N00244	PTZ	N00146
NHZ	N00102	Q32	N00191
NJZ	N00151	Q6A	N65885
NKZ	N00181	Q6C	N65923
NNZ	N00189	Q6J	N65886
NOZ	N00228	Q6N	N65887
NQZ	N00221	Q6P	N65889
NRZ	N00612	Q6S	N65888
NUZ	N00406	R22	N65584
NWZ	N00251	R24	N65580
P14	N00163	R34	N60258
		R41	N00249

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<u>Submission Routing Identifier</u>	<u>Authorized Activity DoDAAC</u>	<u>Submission Routing Identifier</u>	<u>Authorized Activity DoDAAC</u>
DB6	FB5270	FPK	FD2388
DCG	FB2180	FWA	FA5000
DLE	FB2006	FWB	FB7000
DSA	FA2833	FWD	FA5612
F46	FB2373	FWF	FB2300
FA9	FB2008	FWH	FA2812
FFB	FB2049	FWJ	FA3012
FFZ	FD2040	FWK	FA3300
FGB	FB2029	FWM	FA6600
FGZ	FD2020	FWO	FA2500
FHB	FB2039	FWQ	FA4413
FHZ	FD2030	FWR	FA5260
FLB	FB2065	FWS	FA4502
FLZ	FD2060	FWT	FA4826
FNH	FA2303	FWU	FA7037
FPB	FB2059	FWY	FA3115
FPZ	FD2050	FWZ	FB6251

**MARINE CORPS**

Submission Routing Identifier	Authorized Activity DoDAAC	Submission Routing Identifier	Authorized Activity DoDAAC
MBB	M93728	MR1	MMR100
MC1	MMC100	Q4L	R57079
ML3	MML100	Q4M	V57080
MPB	M98820	Q4N	R57081

**DEFENSE LOGISTICS AGENCY**

Submission Routing Identifier	Authorized Activity DoDAAC	Submission Routing Identifier	Authorized Activity DoDAAC
S9C	SC0700	S9I	SC0500
S9E	SC0900	S9M	SC0200
S9G	SC0400	S9T	SC0100
S9H	SL4703		

**COAST GUARD**

Submission Routing Identifier	Authorized Activity DoDAAC	Submission Routing Identifier	Authorized Activity DoDAAC
ZIC	ZZ0001		
ZNC	ZZ0003		
ZQC	ZZ0002		

# **C15. CHAPTER 15**

## **WAR MATERIEL REQUIREMENTS AND SIMULATED MOBILIZATION EXERCISES**

### **C15.1 GENERAL**

C15.1.1 This chapter prescribes procedures and responsibilities for:

C15.1.1.1 Submission of War Materiel Requirements (WMR) from the DoD Components, to the Integrated Materiel Managers (IMMs) of the Military Departments, DLA, and GSA.

C15.1.1.2 Edit and validation of WMR data by IMMs and rejection of incomplete or invalid input.

C15.1.1.3 Providing output from the Losing Inventory Manager (LIM) to the Gaining Inventory Manager (GIM) upon logistics reassignment of an item.

C15.1.1.4 Providing guidelines which affect simulated mobilization exercises.

### **C15.2 WAR MATERIEL REQUIREMENTS**

C15.2.1 DoD policy for management and development of WMR is contained in DoD Directive 3110.6.

C15.2.2 DoD Components will transmit WMR data to reach IMMs by 15 Feb each year and will submit corrections and/or changes as required. Do not submit zero quantity requirements. Prepare the transactions citing the appropriate DI code in the DM series (see appendix AP3.28). Use multiple transactions, when required, to accommodate submission of the number of months data specified in the Defense Guidance issued each year. Transmit the data by the Defense Information Systems Network (DISN)/ Non-Secure Internet Protocol Router Network (NIPRNET) using data pattern message or by mail, as a total package, using tape.

C15.2.2.1 When tapes are mailed, affix an exterior label which cites the following tape specifications:

- Identification - "War Materiel Requirements Data."
- Tape density.
- Reel number.
- Data set name, or "unlabeled."

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- Track.
- Record and block size.
- Record count.

C15.2.3 The IMM will control each DoD Component's input WMR data transactions by NSN. Edit the DI Code DM series transactions and validate the edited transactions for adequacy and accuracy of data. Consider validated requirements in both the annual computation of the OWRMR and OWRMRP, and in any recomputation of these requirements upon receipt of corrected or revised DM series input. When any transaction(s) for an NSN contains invalid, inadequate, or inaccurate data, or when transactions are missing, reject the entire submission for the NSN to the submitting DoD Component. Include all rejections on a listing reflecting the image of the input DM series transaction and a code identifying the reason for rejection. Mail the listing together with a letter explaining the rejection code and action required by the submitter.

C15.2.4 When items are logistically reassigned, the LIM will furnish the GIM a listing of WMR data with supporting DI Code DM series transactions as prescribed in chapter 11, section C11.4.6.

### **C15.3 SIMULATED MOBILIZATION EXERCISES**

C15.3.1 When establishing plans which require simulated mobilization exercises, DI codes in the E series have been assigned for MILSTRAP type transactions. These transactions will not be processed in the supply distribution system(s) as action documents which affect accountable/unit records. DoD Component activities, responsible for initiating these exercises, must use extreme caution to ensure procedures are explicit and complete coordination with all participants is accomplished.

C15.3.2 MILSTRIP (DoD 4000.25-1-M) prescribes Project Codes in the 3E series which are reserved for use in simulated mobilization exercises.