



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO

October 07, 2013

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Proposed Defense Logistics Management Standards (DLMS) Change (PDC) 1085, Revise Procedures for End of Day Processing to Include and Clarify Programmed Research of Imbalances using Transaction History Data and Authorize Up to Seven Work Days to Complete Programmatic Research.

We are forwarding the attached proposed change to DLM 4000.25, Defense Logistics Management System and DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), for evaluation and submission of a single coordinated DOD Component position. It is the responsibility of the Component Supply PRC representative to ensure full coordination of the proposal within your Component.

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

Addressees may direct questions to Mr. Lou Madrigal, 703-767-2011 or DSN: 427-2011 or email to: luis.madrigal@dla.mil. Others may direct questions to their Component designated Supply PRC representative.

DONALD C. PIPP
Director
DLA Logistics Management
Standards Office

Attachment
As stated

cc: ODASD(SCI)

ATTACHMENT TO PDC 1085
**Revise Procedures for End of Day Processing to Include and Clarify
Programmed Research of Imbalances using Transaction History Data and
Authorize Up to Seven Work Days to Complete Programmatic Research.**

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

- a. **Technical POC:** DLA HQ, J62
- b. **Functional POC:** DLA HQ Inventory Management, J332, DSN 427-3605

2. FUNCTIONAL AREA:

- a. **Primary/Secondary Functional Area:** Supply/Logistics
- b. **Primary/Secondary Functional Process:** Physical Inventory Control

3. REFERENCES: (available at www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/dlm_pubs.asp):

- a. DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), Chapter 7; and equivalent procedures under
- b. DLM 4000.25, Defense Logistics Management System (DLMS), Vol. 2, Chapter 6

4. REQUESTED CHANGE(S):

a. **Brief Overview of Change:** The purpose of this change is to clarify end of day processing and authorize up to seven work days for the completion of the programmatic research portion of the end of day reconciliation process. This change does not affect the transactional flow or data elements required to complete end of day processing. It restates procedures to include: closing balance comparisons at end of day; and, for imbalances, the programmed researches (elements) for consideration of in-float, suspended, and duplicate transactions prior to adjusting the Total Item Property Record (TIPR).

b. **Background:**

(1) References 3.a and 3.b require an end of day reconciliation between owners/managers and storage activities for all active records to compare on-hand balances daily. Historically, DLA runs an end of day reconciliation with 50+ sites in different time zones with an average of 53,000 active line items matched on a daily basis. A typical week's worth of daily matches results in identification 5,000 – 6,000 line items with unmatched balances.

(2) For records with imbalances, owners/managers will send a Transaction History Request transaction (DLMS 846P with Report Type Code TF (MILSTRAP legacy DIC DZJ)) to the storage activity. The storage activity responds using the appropriate DLMS

historical submission transactions to provide transaction history details. Under DLMS, the storage activity will send transaction history data by submitting the affected transactions that are identified by beginning segment Action Code W1, as a historical submission. DLMS transactions subject to historical submission are: Receipt, Issue, Materiel Release Order, Materiel Release Advice, and Inventory Adjustment (DLMS 527R, 867I, 940R, 945A, and 947I, respectively). A Response to Transaction History Request (No History Available) (DLMS 846P with Report Type Code AD) is used when no history is available for the selected timeframe. Storage activities still operating under MILSTRAP legacy transactions send legacy DIC DZK Transaction History Transmittal for transactions affecting the balance for the requested timeframe.

(3) The historical transaction submission data is critical to DLA's Inventory Records Management processes because it was designed to programmatically use the storage activity's transaction history detail to assure consideration of in-float, suspended, failed and missing transactions. This allows DLA to systematically resolve *potential* imbalances and programmatically accept the unresolved mismatched quantities. However, DLA has found that the total cycle time inclusive of DLA, as well as, the storage activities system processing between submission of a Location Reconciliation Request transaction (DLMS 846R with Report Type Code LC (legacy DIC DZH)) and handling of historical transaction submission data is not feasible within the same day/ 24 hour timeframe. For this reason DLA runs a weekly cycle rather than end of day, using the most recent Location Reconciliation Request transaction (DLMS 846R/legacy DZH), to give the storage activities a chance to respond to the Transaction History Requests (DLMS 846P/legacy DIC DZJ). Weekly management reports and resources are then focused on the actual adjustments and causative research conducted in accordance with the value of the adjustment and type of item.

c. **Describe Requested Change in Detail:** Refer to paragraph 4.d., below

d. **Revisions to DLM 4000.25 Manuals:**

(1) Revision to DLM 4000.25-2, Defense Logistics Management System (DLMS), Chapter 7, as follows: (Note administrative change of "shall" to "will")

C7.2.6.3. Owner shall match the storage activity location reconciliation request transactions to affected records. Imbalances ~~shall~~*will* be programmatically researched to assure consideration of in-float documents, delayed/~~suspended~~ transactions, and duplicate transactions. *For owners who compare storage activity transaction history detail to owner transaction data when performing programmed research the owner will send a DIC DZJ request (see C7.2.6.5 below) for all imbalances. The storage activity will send transaction history data (see C7.4.4.2) for requested timeframe. Programmed research will be completed within 7 work days from receipt of the initial DIC DZH.* For unresolved mismatched quantities, the owner/~~manager shall~~*will* update the affected record on-hand balance with the storage activity's closing on-hand balance. The mismatched quantity (gains and losses) ~~shall~~*will* be adjusted with a DIC D8B/D9B, Inventory Adjustment Increase/Decrease (Accounting Error) transaction.

(2) Revision to DLM 4000.25, Volume 2, Chapter 6 as follows: (Note administrative change of “shall” to “will”)

C6.2.6.3. Owner *shallwill* match the storage activity location reconciliation request transactions (*DLMS 846R BIA06 Action Code Z; in MILSTRAP legacy DIC DZH by Type Code 1 in record position 7.*) to affected records. Imbalances shall be programmatically researched to assure consideration of in-float documents, delayed/*suspended* transactions, and duplicate transactions. *For owners who compare storage activity transaction history detail to owner transaction data when performing programmed research the owner will send a* Transaction History Request transaction (*see C6.2.6.5 below*) *for all imbalances. The storage activity will send transaction history data (see C6.4.4.2) for requested timeframe. Programmed research will be completed within 7 work days from receipt of the initial* Location Reconciliation Request transaction. For unresolved mismatched quantities, the owner/*manager shallwill* update the affected record on-hand balance with the storage activity's closing on-hand balance. The mismatched quantity (gains and losses) *shallwill* be adjusted with Inventory Adjustment Increase/Decrease (Accounting Error) (DLMS 947I with Quantity or Status Adjustment Reason Code AB; MILSTRAP legacy DIC D8B/D9B).

e. **Proposed Transaction Flow:** No change required in transaction flow.

f. **Alternatives:** No alternatives, except to discontinue programmed research. However, if manual research was required to determine in-float, missing, and duplicate transactions, this would have a significant impact on resources.

5. REASON FOR CHANGE: This change recognizes the total cycle time in End of Day Processing, to include: Comparison of storage activity closing balance; determining potential imbalances; and, requesting, obtaining and using detail Transactional History data to mechanically research imbalances to assure consideration of in-float, delayed, suspended, and duplicate transactions. It further recognizes that storage activity systems, such as the Distribution Standard System (DSS) with high daily volumes of balance affecting transactions require more than a day to complete programmatic research.

6. ADVANTAGES AND DISADVANTAGES:

a. **Advantages:** Implementation of this change will clarify programmatic research requirements for the End of Day processing and authorize its completion within 7 work days.

b. **Disadvantages:** None available at this time.

7. ASSUMPTIONS USED OR WILL BE USED IN THE CHANGE OR NEW DEVELOPMENT: N/A

8. ADDITIONAL COMMENTS TO CONSIDER: This change authorizes the current programmatic research practice programmed with in DSS for the reasons described in the background, paragraph 4.b.

9. ADDITIONAL FUNCTIONAL REQUIREMENTS: N/A

10. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: This PDC documents and authorizes the existing practice and program logic; therefore, it is already implemented.

11. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: N/A --- Implements total cycle time processing requirements to assure End of Day imbalances are programmatically researched to consider in-float documents, delayed transactions, and duplicate transactions prior to adjusting the Total Item Property Record (TIPR).

12. IMPACT:

a. **New DLMS Data Elements:** N/A

b. **Changes to DLMS Data Elements:** N/A

c. **Automated Information Systems (AIS):** N/A

d. **DLA Transaction Services:** N/A

e. **Non-DLA Logistics Management Standards Publications:** Any Component level procedures documenting the applicable programmatic research requirements contained herein should be updated as necessary.