

# Logistics

## Management Office

### Maintenance Branch

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#### Frequently Asked Questions

##### INVENTORY MANAGEMENT:

**Q.** What is to be considered as inventory?

**A.** When determining if an item should be inventory, use the following guidelines:

- ✓ Is it critical; will the mission stop or have a failure if this item is not immediately available? **Yes, stock; no do not stock**
- ✓ Can I procure the item within a relatively short time? Can I purchase it locally? **Yes, do not stock; no, stock**
- ✓ Is it a one of a kind, and is it still capable of being manufactured? **Yes, stock; no, do not stock**
- ✓ Is it required by law or in support of environmental or needed to support the public? **Yes stock; no do not stock**
- ✓ If you are still not sure; then why is it needed to be on hand?
- ✓ Is there a local vendor that can provide and deliver the item within 24 or 48 hours? **Yes, use “Just in Time”**

**Q.** What is bench stock/bulk hardware?

**A.** Items that are purchased for future uses, that are repetitive purchases, are kept on hand for anticipated replacements, or anticipated repairs are inventory items. This includes but is not limited to, repair parts, belts, fuses, lights, hoses, construction items (lumber, wire, posts), and hardware that is kept in bulk stock.

An example of bulk hardware would be a box of bolts that is still in the ORIGINAL unit of issue. If the original of issue has been opened (the box unit of measure equals 100) and some used the entire box is dropped from inventory. The remaining bolts are to be considered bench stock.

Bench stocks are those items that are expendable/consumable in nature that are maintained by maintenance personnel and include common hardware, resistors, transistors, capacitors, wire, tubing, hose, rope, webbing, thread, welding rods, sandpaper, gasket material, sheet metal, seals, oil, grease and are normally kept at a 30 days of supply (this is a guide). DA PAM 710-2-2 Para 23-2.

**Q.** What is the routine storage business practice for inventory?

**A.**

- Districts/Projects use CEFMS Inventory Module for purchase and storage of all supplies/repair parts requiring storage.
- Apply stockage criteria prior to purchase to determine need.
- Common items defined as those items that can be used at more than one Project site will be procured using the Revolving fund module.
- District accountable officer will identify common items and disseminate to projects.
- PR&Cs for supplies and materials will be visible to the district accountable officer. They will verify appropriate stockage criteria, and use of Revolving versus Civil Project Fund modules.
- Project managers will be responsible for ensuring that common items are purchased through the revolving fund in coordination with the district accountable officer.
- Project-unique items are purchased for storage by the project fund.
- Management reports will be reviewed periodically (at least monthly) by the accountable officer to identify trends and excess stockage. This is based on established stockage criteria.
- Excess stocks will be identified to the cross-leveling process 120 days prior to processing for disposal.

**Q.** What is the routine consumption business practice for inventory?

**A.**

- Items needed for immediate consumption (within 30 days) will be procured using CEFMS.
- PR&Cs for supplies and material will be reviewed by the PBO to determine expendable vs. non-expendable.
- Items available from current stocks will be issued from storage.
- If the stockage criteria are met, items will be entered into the CEFMS Inventory Module (common items to the Revolving fund, and project unique items to the Project fund).
- Excess stocks will be identified to the cross-leveling process 120 days prior to processing for disposal.

**Q.** What are the responsibilities of Commanders for inventory management?

**A.** Commanders will ensure the proper employees register for and complete the necessary training, and that they are familiar with inventory and financial management procedures and policies.

Commanders will personally approve stockage lists and levels. They are to hold stocks to the minimum. The basic rule is that if an item can be obtained in time to prevent mission failure, it should not be stocked. Only items that must be on hand to ensure mission success should be approved.

In addition, Commanders will:

- Assess baseline inventory and warehouse requirements.
- Conduct physical inventory of on-hand repair parts and materials.
- Appoint an accountable officer. The definition for an accountable officer is a person that has been assigned and obligated by lawful order or regulation to keep an accurate record of property, documents, or funds. Commanders will formally assign accountable officers the responsibility of property in his/her control (not necessarily in their possession) The accountable officer can further assign responsibility to someone else.

- Ensure that the accountable officer appoints ordering and receiving officials.
- Evaluate use of revolving fund for common items after all projects within a district are fully implemented.
- Evaluate policy for common items.
- Commanders will review management reports with their accountable officers annually.

**Q.** What are the responsibilities of Field Activities?

**A.**

- Districts/Projects sites conduct 100 percent inventory annually.
- Determine asset retention criteria. The focus will be on mission essential items with emphasis on high investment items. The local commander will make the final decision. The guidelines for mission critical items that are defined as long lead items (acquisition lead-time greater than 120 days), mission failure, safety, legal and environmental items that would adversely impact the mission or project regardless of dollar value.
- Apply stockage/retention criteria to determine items that exceed mission requirements.
- Determine what items are obsolete and process for disposal.
- Identify excess stocks to cross-leveling process.
- Allow 60 days for other activities to request identified excess items. Requesting activity may be required to pay for the requested item.
- Excess items remaining after 120 days will be processed for disposal.

**Q.** What tools are available for inventory management?

**A.** Inventory Management reports are available at screen 16.000 in CEFMS.