**C2. CHAPTER 2**

**MILSTRAP FEATURES**

C2.1. GENERAL

 C2.1.1. This chapter discusses the relationship of DLM 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures (MILSTRAP), to [DLM 4000.25-1](http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/dlm/milstrip_pubs.asp), Military Standard Requisitioning and Issue Procedures (MILSTRIP), 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 provides standardized transaction formats and coding used for the basic function of requisitioning and related documentation in DoD supply and distribution systems. Though 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 accountability and reporting process. Consequently, its design took into account the eventual development of a complementary system standardizing transaction formats and coding for receipts, issues, inventory 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 accountability and reporting function in the pattern of MILSTRIP. In brief, MILSTRAP is an adaptation of the MILSTRIP method for processing of receipt, issue, and adjustment transactions and related management actions.

C2.3. MILSTRAP PRINCIPLES AND OBJECTIVES

 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 imparts uniformity without limiting the ICP’s internal management options for the items of supply it controls.

 C2.3.2. MILSTRAP establishes standard codes, forms, formats, and procedures for the inventory accountability 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 that conveys the information required for effective inventory management.

 C2.3.2.2. Uniformity in the interchange of inventory accountability information within and between the DoD Components.

 C2.3.2.3. An integrated system of item accountability 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 is not designed 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 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 multiuse data in certain record positions and fields. Multiuse record positions shall 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 shall be defined by each Component. Such data shall be meaningful only within the Component’s distribution system(s). Record positions and fields labeled blank shall be left blank. Components shall not define internal entries in these fields or record positions; they are reserved for future assignment by the Department of Defense.

C2.4. INVENTORY SEGMENTATION CODES

 C2.4.1. Information regarding an item’s stock balance shall 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, supply condition, and location. The coding information 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 (supply condition), and where the materiel is physically stored (location). These basic data elements are required for inventory management, requisition processing, and 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 inventory segmentation codes is designed to accommodate the distribution system as a whole. The full range of codes may not apply to the materiel managed by any one ICP, but use of codes that do apply is mandatory. Codes provided but not required by an ICP shall 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 (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 (Appendix AP2.4).

 C2.4.2.1.2. To preclude unwarranted sophistication in accountability, identification, and reporting of assets, ownership and purpose codes—although separate and distinct elements of data—shall be entered in the inventory control record as a single data element. Accordingly, when one Component is accountable for assets owned by another, the entire balance is maintained by the accountable 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.

 C2.4.2.2. SUPPLY CONDITION CODES. Supply Condition Codes (SCCs) are part of the Federal Condition Code (Appendix AP2.5). SCCs segment and identify, on the inventory control record, the physical state of the materiel or actions underway to change the status of the materiel.

 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 code (RIC) 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 structure, location codes used to identify activities storing materiel correspond to the RICs established by MILSTRIP.

 C2.4.2.3.3. Location codes need not be entered on the inventory control record in their RIC configuration. If an alternate means is used to identify the physical storage site for record purposes, the storage record code shall be directly relatable to the RIC 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, properly aggregated inventory transactions form the essential information required by an ICP for review and for reporting the results of its management effort to higher authority.

 C2.5.2. Standard document identifier codes (DIC) in the A\_ series identify inventory transactions related to the requisitioning and issuing process and are documented in MILSTRIP. For identification of inventory transactions pertinent to the inventory accountability and reporting process, standard DICs in the D\_ series are provided. The D\_ series DICs are listed in Appendix AP2.1.