**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 ease understanding of these procedures, 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 shall 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](https://dla-test.hq.dla.mil/j-6/dlmso/elibrary/manuals/regulations.asp#414026m), “Defense Integrated Materiel Management Manual for Consumable Items”, September 24, 2010.

 C11.2.2. DoD policy for LR of nonconsumable items is contained inn in [AMC-R 700-99/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22](http://www.dla.mil/j-6/dlmso/elibrary/manuals/joint.asp), “Wholesale Inventory Management and Logistics Support of Multi-Service Used Nonconsumable Items”, April 27, 1990.

C11.3. REQUIREMENTS

 C11.3.1. The LIM, GIM, and storage activities shall affect 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 shall 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 shall 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 international logistics program (ILP) shall not be transferred to the GIM nor shall any ongoing procurement action in support of the ILP be terminated.

 C11.3.2.2. Consumable assets in [Supply Condition Codes](http://www.dla.mil/j-6/dlmso/eApplications/LOG.NET/UIL/Log_Qualifiers/lqvqcDetails.aspx?code=83) (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 shall never be decapitalized. (See AMC-R 700-99, et al., for complete criteria.)

 C11.3.3. On an expedited basis the LIM shall decapitalize to the GIM wholesale assets, other than the SCCs shown in C11.3.2.2 and C11.3.2.3., above, generated during the first year subsequent to the ETD. The LIM shall report assets generated after 1 year of ETD under the [DLM 4000.25-1, MILSTRIP](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/milstrip_pubs.asp) (Materiel Returns Program). Except as noted in C11.7, the GIM shall reject assets decapitalized more than 1 year after the ETD using Document Identifier Code (DIC) DZG, Transaction Reject with Reject Advice Code AW.

C11.4. PRE-EFFECTIVE TRANSFER DATE ACTIONS

 C11.4.1. General

 C11.4.1.1. The LIM procurement office shall 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 shall furnish the GIM listings of all purchase requests (procurement actions that have not reached the award stage) throughout the pre-ETD period. The GIM shall, 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 C11.4.5.2.

 C11.4.1.3. The LIM shall 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 [DICs](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/milstrap_AP2_Index.asp) DLS through DLX) prescribed by C11.4.6.3.

 C11.4.1.4. For assets in SCC H, the LIM shall 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 shall perform physical inventories under the MILSTRAP Chapter 7 procedures, as stated in [DoD 4140.26-M](http://www.dla.mil/j-6/dlmso/elibrary/manuals/regulations.asp#414026m), “Defense Integrated Materiel Magement for Consumable Items”, September 24, 2010 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 shall 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 shall furnish the GIM LR supply management data transactions, DICs 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 DIC FTE Excess Report is submitted to the LIM and the LIM stockage position indicates that disposal action is appropriate, the LIM shall furnish the reporting activity with a DIC FTR Reply to Excess Report, using Excess Transaction Status Code SM. This shall 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 shall initiate action to amend existing LR item contracts/purchase orders not reassigned to the GIM to provide for diversion of shipments of stock by quantities into storage activities of the GIM. The GIM shall provide addresses of the shipping destinations to the LIM, as appropriate. The LIM shall retain the due-in.

 C11.4.5.2. For consumable items, the LIM shall 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 shall, 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 shall furnish the GIM a war materiel requirements (WMR) data listing sequenced by national stock number (NSN) and DoD Component (and routing identifier code (RIC)) within the DoD Component when the requirements have been allocated), major to minor, showing the current computed data. Include the quantity and value of the other war materiel requirement (OWMR); other war reserve materiel requirement (OWRMR); other war reserve materiel requirement protectable (OWRMRP); forecasted reparable return data, if applicable; pre-positioned war reserve material requirement (PWRMR); pre-positioned war reserve material requirement protectable (PWRMRP); dollar value subtotals for Federal supply classification (FSC), RIC if allocated, and DoD Component; and grand total dollar value.

 C11.4.6.2. The LIM shall furnish the WMR data listing to the GIM together with WMR transactions, DIC DM\_. The DIC DM\_ transactions (see Appendix AP3.28) shall reflect the original input from which the WMR computed data was generated. Upon receipt of the DIC DM\_ transactions, the GIM shall process them to recompute the WMR data as prescribed in Chapter 15, C15.2.3.

 C11.4.6.3. For consumable items being transferred, the LIM shall furnish the GIM updated LR supply management data transactions, DICs DLS, DLT, DLU, DLV, DLW and DLX (see Appendices AP3.22 through AP3.27).

 C11.4.6.4. The LIM shall furnish the GIM the latest status of assets being held for litigation action.

C11.5. EFFECTIVE TRANSFER DATE PERIOD ACTIONS

 C11.5.1. The LIM shall issue an LR Storage Information transaction, DIC DZC (see Appendix AP3.54), to their storage activities which serves as a notification that wholesale stocks stored are now under GIM ownership.

 C11.5.2. The LIM shall process inventory adjustment transactions to decrease the inventory control record using DIC D9E, Decrease - Logistics Transfer, or DIC D9F, Decrease - Decapitalization as appropriate (see Appendix AP3.5).

 C11.5.3. The LIM shall prepare and transmit to the GIM, DIC 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 shall furnish memorandum due-in information as of the ETD to the GIM using DIC DDX (see Appendix AP3.10) or DIC DFX (see Appendix AP3.12). Quantities shall reflect only that which is available for transfer.

 C11.5.5. The LIM shall furnish the GIM storage activity a PMR, DIC 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 shall 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 funded backorders to the GIM in accordance with DoD 4140.26-M. Transfer the funded backorders using referral/passing orders prepared in accordance with MILSTRIP.

 C11.5.7. For items with SPR, the LIM shall prepare and transmit to the forecasting activity an SPR Status transaction as outlined in Chapter 13.

 C11.5.8. The LIM shall advise the GIM of the latest data available on assets being held for litigation action.

C11.6. POST-EFFECTIVE TRANSFER DATE ACTIONS

 C11.6.1. The GIM shall convert the DIC DEE or DEF transaction received from the LIM to DIC 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 DIC DEE/DEF with a zero quantity.) The GIM may automatically reject invalid DIC DEE or DEF transactions using DIC DZG Transaction Rejects, processed in accordance with Chapter 9. Telephone communication between the GIM and LIM is authorized to resolve DIC DEE or DEF transactions that reject from the validation process.

 C11.6.2. The GIM shall process DIC 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 shall be deleted by the GIM. However, the GIM shall 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, shall 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 shall be in accordance with C11.7.

 C11.6.4. The GIM shall accept and process DIC DEE/DEF reversal (reversal indicator in record position 25) transactions, adjust the GIM records, and discontinue processing any other transactions against the LR assets until new DIC DEE/DEF transactions from the LIM are processed. If the DIC 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 DIC DZG Transaction Reject document with Reject Advice Code AE (Rejected-Quantity field invalid).

 C11.6.5. The LIM shall 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 shall prepare and transmit to the GIM a memorandum due-in transaction, DIC DDX (see Appendix AP3.10), and a PMR, DIC DU\_ (see Appendix AP3.42), to the applicable storage activity.

 C11.6.6. The LIM shall 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 shall 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 shall be notified of the condition transfer. Notification shall be accomplished by preparation and submission of an Inventory Adjustment Transaction, DIC DAC (see Appendix AP3.8).

 C11.6.8. The LIM's storage activity shall prepare an LR Storage Information Reply, DIC DZD (see Appendix AP3.55), 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 DIC DZC, the storage activity shall prepare, and transmit to the LIM, a DIC 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. LIM Processing of a LR Storage Information Reply. Upon receipt of the DIC DZD (LR Storage Information Reply) the LIM shall review the quantity. When the quantity in the DIC DZD is greater than the quantity reflected in the DIC DZC (LR Storage Information transaction) the LIM shall take action to transfer the additional quantity to the GIM on a new DIC DEE/DEF transaction. When the quantity in the DIC DZD is less than the quantity in the DIC DZC the LIM shall:

 C11.6.9.1. Within 24 hours initiate action to reverse the previously submitted DIC DEE/DEF (total quantity) transactions for that location.

 C11.6.9.2. Conduct research and/or request a special inventory when deemed appropriate.

 C11.6.9.3. Determine whether the quantity reported by the LIM's storage activity is correct (based on the best data available after research/inventory). If research shows the quantity reported was not correct the LIM shall process a reversal, or new DIC DEE/DEF transactions which shall contain new document numbers with the revised quantity and a new DZC to the storage activity.

 C11.6.9.3.1. 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).

 C11.6.9.3.2. If the DIC DZD transaction is for an item for which the LIM provided a DIC DEE/DEF transaction with a zero balance, and contains a transferable quantity, the LIM shall provide a new DIC DEE/DEF to the GIM reflecting the appropriate quantity, condition, and location. When this condition exists, the LIM shall not prepare a DIC DEE/DEF reversal.

 C11.6.10. Ninety Days After the ETD. For consumable items being transferred the LIM shall furnish the GIM updated LR Contract History Data Transactions, DIC DLW (see Appendix AP3.26).

 C11.6.11. Two Hundred and Seventy Days After the ETD. For consumable items being transferred the LIM shall furnish the GIM updated LR Contract History Data Transactions, DIC DLW (see Appendix AP3.26).

C11.7. RECEIPT PROCESSING AFTER EFFECTIVE TRANSFER DATE

 C11.7.1. Receipts from Procurement

 C11.7.1.1. Upon receipt of assets from procurement by either the GIM or LIM storage activity, send a Materiel Receipt Transaction (DIC D4S) (see Appendix AP3.1) to the LIM.

 C11.7.1.2. Procurement receipts received after 1 year past the ETD shall 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 shall:

 C11.7.1.3.1. Process the storage activity initiated D4S receipt transaction to reduce the due-in record and record assets on the LIM record for the quantity received.

 C11.7.1.3.2. Decrease the LIM owner record utilizing DIC D9E/D9F, as appropriate.

 C11.7.1.3.3. Transmit a Memorandum Receipt Transaction (DIC D4X) to the GIM.

 C11.7.1.3.4. Prepare and transmit a Logistics Transfer/Decapitalization Transaction (DIC DEE/DEF) to the GIM.

 C11.7.1.4. The GIM shall use the DIC D4X memorandum receipt transaction to reduce the memorandum due-in record and shall use the DEE/DEF transaction to record assets on the GIM record for the quantity received.

 C11.7.1.5. For materiel received for which litigation is required, the LIM shall record assets on the LIM record in SCC L and reduce the due-in record. At this time, no action shall be taken by the LIM to remove or change the GIM's memorandum due-in by producing a DIC D4X transaction. When the litigation proceedings are completed and the materiel is reclassified to an issuable condition, the LIM shall provide the GIM DIC 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 shall 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 shall 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 shall 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 DIC DZG Transaction Reject and Reject Advice Code AB (see appendices AP3.58. 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, shall send a Materiel Receipt Transaction (DIC D6\_) to the LIM.

 C11.7.2.2. The LIM shall:

 C11.7.2.2.1. Process the storage activity initiated DIC D6 series receipt transaction to reduce the due-in record and record assets on the LIM record for the quantity received.

 C11.7.2.2.2. Decrease the inventory control record utilizing DIC D9E/D9F, as appropriate.

 C11.7.2.2.3. Prepare and transmit a Materiel Receipt Transaction, DIC D6X, to GIM.

 C11.7.2.2.4. Prepare and transmit a Logistics Transfer/Decapitalization Transaction (DIC DEE/DEF) to the GIM.

 C11.7.2.3. The GIM shall utilize the DIC D6X transaction to reduce the memorandum due-in record and shall use the DEE/DEF transaction to record assets on the GIMrecord for the quantity received.

 C11.7.2.4. If no PMR is recorded, the storage activity shall report materiel received from nonprocurement sources following the Chapter 4, C4.9.3.3.11 procedures.

C11.8. FOLLOW-UP FOR LOGISTICS REASSIGNMENT ASSET DATA. The GIM shall transmit DIC 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 shall prepare the DIC DLA follow-up (see Appendix AP3.16). For additional follow-up procedures, see C11.10.

C11.9. REPLY TO FOLLOW-UP FOR LOGISTICS REASSIGNMENT ASSET DATA

 C11.9.1. The LIM shall submit DIC DLB Replies to Logistics Transfer/ Decapitalization Follow-Ups (see Appendix AP3.17), to the GIM in response to DIC DLA follow-ups.

 C11.9.2. The DIC DLB replies shall 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 shall transmit a DIC DLC Logistics Reassignment Delinquent Due-In Follow-Up (see Appendix AP3.18).

 C11.10.2. Follow-Up for Dues-In with Expired Estimated Delivery Dates. The GIM shall initiate a due-in follow-up when the estimated delivery date (EDD) for delivery of materiel is delinquent by more than 30 calendar days. The delinquent date shall be computed from the DIC DDX/DFX memorandum due-in which the LIM provided on the ETD. The GIM shall 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 shall initiate a due-in follow-up 30 calendar days after the ETD when the DIC 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 shall initiate a second follow-up 60 calendar days after the ETD for all dues-in with invalid or blank EDDs. The second follow-up shall have code 2 in record position 7. Nonresponse to the second follow-up shall result in off-line intervention by the GIM. All dues-in with invalid or blank EDDs 90 calendar days after the ETD shall be included in the reconciliation (see C11.12). Based on the response, the GIM shall determine if additional reconciliation/reconciliation action is required.

C11.11. REPLY TO FOLLOW-UP FOR DUE-IN DATA

C11.11.1. The LIM shall reply to DIC DLC follow-ups using DIC DLD Logistics Reassignment Delinquent Due-In Responses (see Appendix AP3.19). The DIC DLD response shall 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 shall provide revised due-in dates as changes occur using DIC DLD transactions with Asset Transfer Status Code AF.

C11.12. LOGISTICS REASSIGNMENT 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 shall also insure that all items still pending procurement/contract award on ETD are still valid.

C11.12.2. The GIM shall 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 due-in reconciliation, the GIM shall submit DIC 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 DIC DLE requests may be submitted by magnetic tape in lieu of transactions via DLA Transaction Services when agreed to by the GIM and the LIM.

C11.12.4. The LIM shall 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 shall prepare replies to due-in reconciliation requests using DIC DLF Logistics Reassignment Due-In Reconciliation Responses containing the appropriate asset transfer status code (see Appendix AP2.10).