**C11. CHAPTER 11**

**MATERIEL RETURNS, REDISTRIBUTION OF ASSETS, DIRECTED DISCREPANT/DEFICIENT MATERIEL RETURNS, AND RETROGRADE RETURNS**

C11.1. GENERAL

 C11.1.1. Purpose. This chapter provides procedures for the interchange of information between the owning organization and the integrated materiel manager (IMM) on the reporting and distribution of assets. This chapter provides procedures for inventory control point (ICP)/IMM directed lateral redistribution of retail assets identified by an inter- or intra-Component retail asset visibility system. In addition, this chapter provides special procedures for returns to DLA from selected sites in support of base realignment and closure (BRAC) retail supply, storage and distribution (SS&D)/inventory management and stock positioning (IMSP) and national inventory management strategy (NIMS). These procedures also establish the necessary controls to ensure timely processing of related transactions and provide for the automatic return of materiel under specified conditions.

 C11.1.2. Reporting Policy. Policy regarding the reporting of assets, the transfer of assets, the lateral redistribution of assets, and the use of assets as an alternative to procurement (also known as the procurement offset portion of total asset visibility (TAV)), is contained in [DoD 4140.1-R](http://www.dla.mil/j-6/dlmso/elibrary/manuals/regulations.asp#41401r), "DoD Supply Chain Materiel Management Regulation," May 23, 2003.

 C11.1.3. Customer Asset Reports. Customer Asset Reports (DLMS 180M, Materiel Returns Reporting (Customer Asset Report)) and follow-on documentation sent by Defense data network (DDN) shall always be routed through the Defense Automatic Addressing System.

 C11.1.4. Materiel Return Credit. Credit for materiel returns is granted on the basis of receipt and classification by the consignee. Policy for granting credit is covered under DoD 4140.1-R[[1]](#footnote-1). Procedures for the timeframes and transactions for providing credit for materiel returns, lateral redistributions, and materiel provided for the procurement offset portion of TAV are contained in the MILSBILLS procedures identified in DLM 4000.25, Volume 4, Finance. MILSBILLS covers credit procedures for packing, crating, and handling (PC&H) and transaction formats for DLMS 812R, Adjustment Request (Follow-up for Materiel Returns Program (MRP) Credit), and DLMS 812L, Adjustment Request Reply (Reply to Follow-up for Materiel Returns Program (MRP) Credit).

 C11.1.5. Responsibility for Costs Incurred for Returned Materiel. U.S. Government activities returning materiel are cautioned that the returning activity may be held responsible for costs incurred by the receiving activity when discrepancies are reported and validated in accordance with  [Chapter 17](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/v2.asp). This includes returns made in violation of prescribed materiel returns procedures, returns showing packaging discrepancies, and returns of reparable items unaccompanied by required technical data. Recoupment action by the ICP against the initiator may include all cost reimbursable actions performed by the receiving activity such as repackaging, marking, and disposal.

C11.2. APPLICABILITY AND SCOPE. The provisions of this chapter are applicable as follows:

 C11.2.1. To all activities offering or returning materiel to the DoD Component ICP/ IMM, or the General Services Administration (GSA).

 C11.2.2. To activities receiving and processing lateral redistribution orders of retail assets.

 C11.2.3. To the processing of Grant Aid. Policy regarding utilization and redistribution of Grant Aid materiel is contained in [DoD 5105.38-M](http://www.dla.mil/j-6/dlmso/elibrary/manuals/regulations.asp#510538m), “Security Assistance Management Manual,” Chapter 11, Section II.

 C11.2.4. To the processing of non-consumable items.

 C11.2.5. To Base Realignment and Closure; Supply, Storage and Distribution; Inventory Management and Stock Positioning; and National Inventory Management Strategy

 C11.2.5.1. Background. Under NIMS, DLA's consumable item supply chain management extends from the wholesale level to the point of consumption, replacing the Service-managed retail inventory level. Subsequent to the 2005 BRAC decision, retail SS&D functions and associated infrastructure supporting Military Service selected industrial sites transfers to DLA. As a result, selected industrial and NIMS sites can no longer maintain retail stock balances; once the customer has determined it has no use for the materiel, it is returned to DLA.

 C11.2.5.2. A variation of the MRP is used for processing materiel returns to DLA from selected sites in support of the BRAC SS&D/IMSP and NIMS. Standard MRP transactions (e.g., DLMS 180M, Material Returns Reporting ([MILSTRIP](http://www.dla.mil/j-6/dlmso/elibrary/Manuals/dlm/milstrip_pubs.asp) Customer Asset Reports (Document Identifier Code (DIC) FTE)), DLMS 870M, Material Returns Supply Status (MILSTRIP Reply to Customer Asset Report (DIC FTR) and ICP/IMM Materiel Receipt Status (DIC FTZ)), do not apply; only those logistics transactions specified in the detailed procedures under Paragraph C11.18. are used. Under the NIMS/BRAC returns program, DLA accepts returned DLA-managed materiel back into DLA ownership regardless of the current stock asset position. Based upon specified business rules, DLA provides zero, partial, or full credit for the materiel to the customer. No credit for packaging, crating, handling, or transportation is provided.

 C11.2.5.3. Unlike MRP, under the BRAC SS&D/NIMS return procedures it is the returning DoD Component’s responsibility to provide a Prepositioned Materiel Receipt (PMR) transaction to the applicable storage activity if that activity is a collocated DLA storage activity using the Distribution Standard System (DSS). The only transaction exchange with DLA prior to financial processing is the DLMS receipt transaction (DLMS 527R, Receipt, Inquiry, Response and Materiel Receipt Acknowledgement (MILSTRIP Materiel Receipt – Other Than Procurement Instrument Source (DIC D6B)), which is reported by the storage activity to the DLA ICP.

C11.3. EXCLUSIONS. The following categories are excluded from these procedures:

 C11.3.1. Customer asset reports identified by part numbers exceeding a field length of 15 in the stock or part number field are excluded from DAAS processing of DLMS 180M for customer asset report transactions. Other customer asset reports for items not identified by a national stock number (NSN) (e.g., locally assigned stock numbers) are excluded from these procedures on an inter-DoD Component basis.

 C11.3.2. Perishable subsistence items, with the exception of perishable subsistence returns (other than fresh fruit and vegetables (FF&V)) from Navy mobile logistics support fleet ships in the Pacific area.

 C11.3.3. Industrial plant equipment (IPE) identified only by a plant equipment code/manufacturer’s part number. These items shall be reported to DLA Aviation on [DD Form 1342](http://www.dla.mil/j-6/dlmso/elibrary/manuals/forms.asp#dd1342), “DoD Property Record.”

 C11.3.4. Class V (W) ground (surface) ammunition.

 C11.3.5. Lumber products (with the exception of lumber product items stocked by GSA).

 C11.3.6. Items under Defense Threat Reduction Agency (DTRA) management; such as Federal Supply Group 11 and all Department of Energy (DoE) special design and quality controlled items (identified by contractor and Government entity (CAGE) 87991 in the Federal Logistics Information System (FLIS) master item file) and all DoD items designed specifically for use on or with special weapons (identified by CAGE 57991, 67991, or 77991 in the FLIS master item file). (These items shall be processed under DoE-DNA TP 100-1, et al.)

 C11.3.7. Automatic data processing equipment under [DoD 4160.21-M](http://www.dla.mil/j-6/dlmso/elibrary/manuals/regulations.asp#416021m), “Defense Materiel Disposition Manual.”

C11.4. REPORTING CRITERIA FOR CUSTOMER ASSET REPORTS

 C11.4.1. Determination of Reporting Requirements. Reporting of assets shall be determined by the existing retention and reporting policy under DoD 4140.1-R. This includes the reporting policy for the procurement offset portion of TAV as described in DoD 4140.1-R. In response to the Asset Status/Transaction Reporting Request (DLMS 846I, Asset Status Inquiry/Report), submit Customer Asset Reports (DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM)/Customer Asset Report)) using appropriate project codes identified in Paragraph C11.5.4.

 C11.4.2. Reporting Activity Actions. The reporting activity shall forward customer asset reports to the ICP/IMM. Direct all GSA customer asset reports to routing identifier code (RIC) GG0. Forward all part-numbered Customer Asset Reports (DLMS 180M) directly to DAAS for possible conversion to an NSN using information in the FLIS files. Customer Asset Reports (DLMS 180M) transmitted by electronic means shall always be routed through DAAS.

C11.5. PREPARATION OF CUSTOMER ASSET REPORTS

 C11.5.1. Customer Asset Reports. Use DLMS 180M to offer or report materiel that is no longer needed.

 C11.5.2. Reports of Serviceable Items. Reports of serviceable non-consumable item materiel support code (NIMSC) 5 items from secondary inventory control activity (SICA) reporting activities to the appropriate DoD Component SICA shall be submitted under the DoD Component implementing instructions. Quantities that are not required by the SICA shall be forwarded to the primary inventory control activity (PICA) using DLMS 180M. If appropriate, the SICA shall provide DS 870M, Materiel Returns Supply Status (ICP/IMM Status to Customer) delay status to the materiel holder for the quantity referred to the PICA under section C11.11.5. The expected reply date of the DLMS 870M, if used, shall be 35 calendar days after the date the report was forwarded to the PICA. The PICA shall provide disposition instructions to the SICA. The SICA, in turn, shall provide disposition instructions to the reporting activity under the DoD Component implementing instructions.

 C11.5.3. NIMSC 5 Stocks Exceeding Retention Limit. When the SICA has NIMSC 5 serviceable stocks that exceed the retention limit, the SICA shall prepare DLMS 180M, Materiel Returns Reporting, to report available assets to ICP/IMM using the guidelines above, but with the SICA’s own document number.

 C11.5.4. Use of Project Codes. The DoD Components shall use one of the following project codes for the procurement offset portion of TAV of their Customer Asset Report (DLMS 180M):

 C11.5.4.1. RBB for consumables,

 C11.5.4.2. 3AG for reparables, or

 C11.5.4.3. 3AU for DLA Dispositon Service Field Office assets.

C11.6. CANCELLATION OF CUSTOMER ASSET REPORTS

 C11.6.1. Use of DLMS 180M. Use DLMS 180M to prepare cancellation of asset reports, in total or partial quantities, and submit to the ICP/IMM under the following conditions:

 C11.6.1.1. When a determination is made that materiel is not available in the quantity reported on the asset report.

 C11.6.1.2. Upon determination that materiel directed for return shall not be returned.

 C11.6.2. Timely and Accurate Cancellations. The need for timely and accurate cancellation actions under the above conditions is emphasized to avoid unnecessary follow-up actions and to ensure that ICP/IMM records or expected returns reflect proper quantities.

C11.7. PROCESSING REPLIES TO CUSTOMER ASSET REPORTS

 C11.7.1. Reporting Activity Processing. DLMS 870M is used by the ICP/IMM to respond to all customer asset reports and can be used (intra-Army only) to notify customers of the amount of credit granted and/or reversed for materiel received. The reporting activity shall process the DLMS 870M, reply using the appropriate status code and take the following actions:

 C11.7.1.1. Use Paragraph C11.6. to submit a cancellation, DLMS 180M, when it is determined that the materiel directed for return shall not be returned.

 C11.7.1.2. Use DLMS to 856R, Shipment Status Materiel Returns, to prepare a shipment status and promptly submit to the IMM/ICP after materiel directed for return is released to the carrier. Prepare a separate DLMS 856R for each shipment. Exercise care to ensure that appropriate data content, including suffix of the individual DLMS 870M document, is perpetuated in the DLMS 856R.

 C11.7.2. Response to Transaction Receipt. When DLMS 870M is transmitted to the SICA, the SICA shall forward disposition instructions to the materiel holder under the DoD Component implementing instructions. The materiel holder shall provide advice to the SICA regarding shipment or cancellation as appropriate, under the DoD Component implementing instructions, and the SICA shall provide DLMS 856R, or DLMS 180M cancellation, to the PICA. If the SICA receives DLMS 870M ICP/IMM Follow-Up from the PICA and has no record of shipment, the SICA shall follow up to the materiel holder and submit an interim DLMS 870M supply status to the PICA containing a future estimated shipping date (ESD) to preserve PICA’s due-in record pending a firm reply to the DLMS 870M follow-up.

 C11.7.3. Replies to DLMS 180M Customer Asset Reports. DLMS 870M replies to Customer Asset Reports (DLMS 180M) containing Project Code RBB, 3AG, or 3AU denoting the procurement offset portion of TAV and Status Code TC require reevaluation prior to disposal since these assets may not be above an activity’s retention limit. Assets required and offered using either Project Code RBB or 3AG shall always be directed for return with credit; however, assets required and offered using Project Code 3AU shall only be directed for return without credit.

C11.8. FOLLOW-UPS ON REPORTED ASSETS

 C11.8.1. Reporting Activity Follow-Ups. Reporting activity follow-ups consist of three types:

 C11.8.1.1. Follow-Up for ICP/IMM Reply to Asset Report (DLMS 180M). This type of follow-up shall be used to obtain intelligence regarding status of the original asset report (DLMS 180M (Report of Available Assets to ICP/IMM)). DLMS 180M follow-up to ICP/IMM shall be submitted no earlier than 30 calendar days from date of submission of DLMS 180M (Report of Available Assets to ICP/IMM), and shall contain the same data as shown in the DLMS 180M (Report of Available Assets to ICP/IMM). If DLMS 870M (Disposition Instructions Delay Status) has been received, DLMS 180M Follow-Up shall be submitted at the expiration of the expected reply date and DLMS 870M (From ICP/IMM) has not been received.

 C11.8.1.2. Follow-up for ICP/IMM Materiel Receipt Status (DLMS 180M). This type follow-up shall be used when materiel to be returned has been shipped as directed by a reply to asset report (From ICP/IMM)(DLMS 870M) but an ICP/IMM Materiel Receipt Status (DLMS 870M) has not been received. DLMS 180M, follow-up for ICP/IMM Materiel Receipt Status), shall be submitted no earlier than 70 calendar days for continental U.S. (CONUS) or 130 calendar days for outside-the-continental U.S. (OCONUS) after shipment. The data for the DLMS 180M, follow-up shall be the same as shown in the DLMS 856R (Customer Status to ICP/IMM).

 C11.8.1.3. Follow-Up for Credit (DLMS 812R, Adjustment Request) Follow-Up for Materiel Returns Program Credit. This type of follow-up shall be used when materiel to be returned has been shipped and credit allowance was indicated by ICP/IMM Materiel Receipt Status (DLMS 870M) but no credit billing has been received. This follow-up shall be prepared in accordance with MILSBILLS procedures.

 C11.8.2. Follow-Ups to ICP/IMM. Follow-ups shall be submitted to the ICP/IMM to whom the original asset report (DLMS 180M) was submitted, except when information has been received in DLMS 870M (DAAS Customer Asset Report Information Status) status document that DAAS has rerouted the asset report to the correct ICP/IMM. In this case, the follow-up shall be submitted to the activity identified in the DS 870M DAAS Customer Asset Report Information status document received from DAAS.

 C11.8.3. ICP/IMM Follow-Ups on Directed Returns (DLMS 870M). Upon receipt of DLMS 870M, ICP/IMM Follow-Up, from the ICP/IMM, the reporting activity shall review records to determine whether a DLMS 870M, Reply to Customer Excess Report, had been received. If there is no record of having received DLMS 870M reply to the customer excess report, the 870M ICP/IMM Follow-Up transaction shall be converted to DLMS 870M, Reply to Customer Excess Report, and processed. If shipment has not occurred, DLMS 870M, Materiel Returns Program Supply Status, citing the ESD shall be submitted. If records indicate that shipment has occurred, the transportation activity shall be queried to ensure that the materiel has been shipped. If the materiel has been shipped, a new DLMS 856R, shall be created. If materiel has not been shipped, determine when the shipment will be made and follow the above procedures. When less than the total quantity contained in the original DLMS 870M is to be shipped, the reporting activity shall respond to the DLMS 870M, ICP/IMM Follow-Up, with DLMS 870M, Materiel Returns Supply Status, for the quantity to be shipped and DLMS 180M for the quantity that will not be shipped. If any of the shipment has already occurred, the reporting activity shall respond to DLMS 870M (ICP/IMM Follow-up), with DLMS 856R for the quantity that has been shipped and with DLMS 870M supply status and/or DLMS 180M cancellation for the remaining portions of the originally reported quantity, as appropriate.

C11.9. AUTOMATIC RETURNS

 C11.9.1. Items Designated by a Supply Source for Automatic Return. DLMS 180M Automatic Return Notification is used for items by a source of supply for automatic return. Supply sources shall notify reporting activities of the location to which items so designated are to be shipped.

 C11.9.2. Nonconsumable Item Materiel Support Code (Items Designated for Automatic Return). All NIMSC 5 unserviceable (SCC E or F) items are designated for automatic return on an inter-DoD Component basis. PICAs shall notify SICAs of the NSN and the storage organization to which such items are to be shipped. PICAs shall also notify the receiving storage activity of the NSN of such items to be returned. The SICAs shall perpetuate this information to the SICA activities using the intra-DoD Component procedures. If there is no DoD Component SICA for the items identified for automatic return by a PICA (e.g., Coast Guard), the PICA shall provide the information to the appropriate DoD Component designated activity.

 C11.9.3. Automatic Return of Unserviceable Items. When an unserviceable NIMSC 5 item is automatically returned or a replacement item will be requisitioned, DLMS 180M and later documentation shall include Project Code 3AL. If a replacement for the unserviceable NIMSC 5 automatic return item will not be requisitioned (e.g., the returned item exceeds the returning activity’s authorization or requirement), DLMS 180M Automatic Return Notification and related documentation shall not contain Project Code 3AL. The DLMS 180M to the PICA shall contain the data elements specified for DLMS 180M (Report of Available Assets to ICP/IMM). After generation of the DLMS 180M Automatic Return Notification, processing shall occur as though there has been a DLMS 180M (Report of Available Assets to ICP/IMM) report and a DLMS 870M (From ICP/IMM), reply, along with other provisions of this chapter, excluding DLMS 180M (For Reply to Asset Report) and DLMS 870M (ICP/IMM Status to Customer).

 C11.9.4. Restrictions. No other inter-DoD Component use of DLMS 180M Automatic Return Notification is currently authorized.

 C11.9.5. Internal DoD Component Use. The DoD Components may use DLMS 180M Automatic Return Notification internally for intra-DoD Component programs that do not conflict with other provisions of this manual.

 C11.9.6. Source of Supply Processing of Automatic Return Notification. Upon receipt of DLMS 180M Automatic Return Notification, the SICA shall establish a due-in and generate a PMR transaction to the receiving activity for the quantity in the DLMS 180M Automatic Return Notification transaction. The due-in and the PMR transaction shall be created under Chapter 12 procedures. Note: For unserviceable NIMSC 5 items, the SICA shall send a DLMS 180M Automatic Return Notification, with data elements specified in C11.9.3, to the PICA. The PICA shall establish the due-in and send the PMR transaction to the receiving depot.

C11.10. DEFENSE AUTOMATIC ADDRESSING SYSTEM. DAAS shall do the following:

 C11.10.1. Route Using the RIC To. DLMS 870M, Materiel Returns Supply Status; DLMS 856R, Materiel Returns Shipment Status; DLMS 812R, Adjustment Request (Follow-Up for Materiel Returns Program Credit); DLMS 180M, (Follow-Up for ICP/IMM Materiel Receipt Status); and DLMS 180M, Automatic Return Notification, shall be passed to the activity represented by the RIC To.

 C11.10.2. Route Using the M&S Code. DLMS 812L, Reply to Follow-Up for Credit Status; DLMS 870M, ICP/IMM Status Advising of Delay; DLMS 870M DAAS Customer Asset Report Status; DLMS 870M ICP/IMM Reply to Customer Asset Report; DLMS 870M, ICP/IMM Advice of Receipt or Non-Receipt of Materiel; and DLMS 870M, ICP/IMM Follow-Up, shall be passed using the M&S code.

 C11.10.3. Route Using the RIC To when M&S Code is 9. DLMS 180M, Cancellation; DLMS 180M, Customer Asset Report; and DLMS 180M, Customer Follow-Up to ICP/IMM, shall be passed to the RIC To if the M&S code is 9.

 C11.10.4. Perform NSN/NIIN Validation when M&S Code is not 9. For DLMS 180M, Cancellation; DLMS 180M, Customer Asset Report; and DLMS 180M, Customer Follow-Up to ICP/IMM, DAAS shall perform NSN/national item identification number (NIIN) validation and source of supply edit as follows:

 C11.10.4.1. Correct NSN and Managed by ICP/IMM. If the NSN is correct and managed by the ICP/IMM identified by the RIC To, Advice Code 3T shall be entered in the advice segment and the document shall be transmitted to that ICP/IMM.

 C11.10.4.2. Correct NSN but Not Managed by ICP/IMM. If the NSN is correct, but is not managed by the ICP/IMM identified in the RIC To, the correct ICP/IMM RIC shall be entered, along with Advice Code 3T, and the transaction transmitted to the correct ICP/IMM. DAAS shall send the reporting activity a DLMS 870M, Materiel Returns Supply Status with Status Code TZ.

 C11.10.4.3. Incorrect Federal Supply Classification. If the Federal supply classification (FSC)/NIIN/NSN validation indicates that the FSC is incorrect, the FSC shall be changed and the RIC of the ICP/IMM shall be changed where applicable. Advice Code 3T shall be entered and the transaction transmitted to the managing ICP/IMM. DAAS shall send the reporting activity a DLMS 870M, Materiel Returns Supply Status, with Status Code TZ.

 C11.10.4.4. Routing Cannot be Accomplished. If routing to an ICP/IMM cannot be done by DAAS, the document shall be passed to the activity identified by the RIC To.

 C11.10.5. Validation by Signal Code. DAAS shall validate DLMS180M, Materiel Returns Reporting (Automatic Return Notification From Customer to Supply Source), (Customer Asset Report (Report of Available Assets to ICP/IMM)), and (Customer Follow-Up to ICP/IMM (For Reply to Asset Report)), transactions for valid ship-from and credit-to addresses as designated by the signal code. If DAAS cannot identify the ship-from or credit-to address, the transactions shall be rejected to the originating activity using DLMS 870M, Materiel Return Supply Status, with Status Code SK.

 C11.10.6. Editing Part-Numbered Asset Reports. DLA shall not accept DLMS180M, Materiel Returns Reporting, part-numbered asset reports. DAAS shall reject all such reports with Status Code T9. DAAS shall pass all part-numbered asset reports to the RIC present in the incoming transaction. The DoD Components may reject (Status Code T9) part-numbered assets not acceptable or recognized under internal procedures. Non-mechanical part-numbered transactions shall not be processed by DAAS, but shall be rejected for processing under intra-DoD Component procedures.

 C11.10.7. Edit Rejects Containing Status Code SC. DAAS shall edit DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), rejects containing Status Code SC or SD for correct ICP/IMM and FSC as follows:

 C11.10.7.1. Correct NSN and ICP/IMM. If the NSN is correct and belongs to the rejecting ICP/IMM, the DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), shall be converted to DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), with Advice Code 3T and sent to the ICP/IMM.

 C11.10.7.2. Correct NSN But Wrong ICP/IMM. If the NSN is correct but not managed by the ICP/IMM, the DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), shall be converted to DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), with Advice Code 3T and sent to the correct ICP/IMM. DAAS shall send the reporting activity a DLMS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

 C11.10.7.3. Incorrect Federal Supply Classification. If the FSC is incorrect, DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), shall be converted to DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), with the correct FSC, with Advice Code 3T, and the document returned to the rejecting ICP/IMM or transmitted to the correct ICP/IMM. DAAS shall send the reporting activity a DLMS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

 C11.10.7.4. Inactivated DLA/GSA/Navy Item in DAAS. If a DLA/GSA/Navy IMM has coded the item inactivated in DAAS records and a DLA, GSA, or Navy activity originated the reject document, DAAS shall change the status code to TC and forward the DLMS 870M, Materiel Returns Supply Status from ICP/IMM to the reporting activity.

 C11.10.8. Edit Rejects from the GSA. DAAS shall edit DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), rejects from GSA with Status Code SC as follows:

 C11.10.8.1. Correct NSN Managed by GSA. If the NSN is correct and it is managed by GSA, DAAS shall change the status code to TC and forward the DLMS 870M, Materiel Returns Supply Status from ICP/IMM to the reporting activity.

 C11.10.8.2. Correct NSN, Not Managed by GSA. If the NSN is correct but not managed by GSA, DAAS shall convert the DLMS 870M, Materiel Returns Supply Status from ICP/IMM to DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), enter Advice Code 3T and transmit to the appropriate ICP/IMM. In addition, DAAS shall send the reporting activity DLMS 870M with Status Code TZ.

 C11.10.8.3. Valid NIIN/Incorrect FSC. If the NIIN is valid and the FSC is incorrect, DAAS shall convert the DLMS 870M, Materiel Returns Supply Status (from ICP/IMM), to DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), with the correct FSC; enter Advice Code 3T and transmit the DLMS 180M back to GSA or to the managing ICP/IMM. DAAS shall send the reporting activity DLMS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

 C11.10.8.4. NSN Cannot be Identified. If the NSN cannot be identified, DAAS shall change the Status Code to SD and transmit DLMS 870M, Reply to Customer Asset Report (From ICP/IMM), to the reporting activity.

 C11.10.9. Automatically Route Transactions to GSA. DAAS shall automatically route all DLMS 180M, Customer Asset Report (Report of Available Assets to ICP/IMM) for GSA managed items to RIC GG0.

C11.11. INVENTORY CONTROL POINT/INTEGRATED MATERIEL MANAGER PROCESSING OF CUSTOMER ASSET REPORTS

 C11.11.1. Disposition Determination. ICP/IMM shall process asset reports to determine disposition. Asset reports containing project codes assigned for specific returns program purposes (such as rollbacks and automatic returns) shall be processed under the assigned controls. Assets required and offered using either Project Code RBB or 3AG shall always be directed for return with credit; however, assets required and offered using Project Code 3AU shall only be directed for return without credit.

 C11.11.1.1. Response Timeframe. DLMS 870M, Materiel Returns Supply Status (From ICP/IMM) shall be prepared to respond to asset reports no later than 30 calendar days from date of receipt of the DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM) transaction.

 C11.11.1.2. Response After 30 Calendar Days. If a DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), cannot be provided within 30 calendar days, send DLMS 870M, Delay Status, with Status Code TR and enter an expected reply date when final disposition instructions are expected to be provided.

 C11.11.1.3. Suffix Codes. Suffixes shall be used to identify partial actions.

 C11.11.2. Materiel Required. If it is determined that the materiel is required, forward DLMS 870M, Materiel Returns Supply Status (From ICP/IMM) citing Status Code TA, TB, TH, or TJ to the reporting activity. The ICP/IMM shall establish a due-in for the quantity of materiel to be returned and generate DLMS 527D, PMR, transaction to the receiving depot.

 C11.11.2.1. Shipment Time Allowed. Time allowed for shipment and return of materiel is 120 (CONUS) and 180 (OCONUS) days, and the counting starts with the day of posting of DLMS 856R, or the estimated shipping date cited in DLMS 870M. The due-in estimated delivery date (EDD) shall be updated upon receipt of a DLMS 856R or DLMS 870M Status to equal the time allowed for shipment and return of materiel.

 C11.11.2.2. Materiel Not Received Within 120 or 180 Calendar Days. If the materiel is not received by the due-in EDD, or 30 days have elapsed since the transmission of DLMS 870M, ICP/IMM Follow-Up, without receiving a response, the ICP/IMM shall take action to cancel the due-in and delete DLMS 527D transaction. DLMS 527D shall also be canceled when DLMS 180M, Materiel Returns Reporting, is received from the customer activity. The EDD required for the due-in shall be 120 calendar days (CONUS) and 180 calendar days (OCONUS) from the processing date of DLMS 870M Materiel Returns Supply Status (From ICP/IMM). The due-in estimated delivery date shall be updated upon receipt of DLMS 870M, Materiel Returns Supply Status, or DLMS 856R, Shipment Status Materiel Returns (Customer Status to ICP/IMM).

 C11.11.2.3. Cancellation of Due-In Not Precluding Other Requirements. Action taken to cancel the due-in and delete DLMS 527D, Due-in Advance Receipt, transaction does not preclude requirements prescribed in other DoD manuals and joint regulations to initiate tracer action and file discrepancy reports such as a Transportation Discrepancy Report (TDR) or Supply Discrepancy Report (SDR) on shipments not received, but for which shipment status has been received.

 C11.11.3. Entering Priority Designators in DLMS. Enter priority designators (PD) in DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), documents as follows:

 C11.11.3.1. PD 03. PD 03 shall be used in the return of critical items and approved intensive management items (including serviceable local stocks).

 C11.11.3.2. PD 06. PD 06 shall be used in the return of materiel identified by the materiel manager as qualified for automatic return to the DoD distribution system.

 C11.11.3.3. PD 13. PD 13 shall be used in the routine return of materiel not covered above (except surplus and scrap) such as the return of local stocks to sources of supply.

 C11.11.4. Non-processable Customer Asset Reports. DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), received by the ICP/IMM that cannot be processed shall be rejected to the reporting activity using DLMS 870M, Materiel Return Supply Status (From ICP/IMM), status with the appropriate S\_ series reject status code.

 C11.11.5. Customer Asset Reports for Items Requiring Screening/Review. DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), received for items requiring extended screening/review shall be suspended. The reporting activity shall be sent a DLMS 870M, Materiel Returns Supply Status (ICP/IMM Status to Customer), with Status Code TR containing an estimated date of reply in the ESD field.

 C11.11.6. FSC Change Required. If the determination has been made that an FSC change is required on a customer asset report (DLMS 180M, Materiel Returns Reporting), the correct FSC shall be entered, the RIC To of the ICP/IMM shall be changed, where applicable, and the DLMS 180M, Customer Asset Report, shall be forwarded to the responsible ICP/IMM for processing. The reporting activity shall be sent a DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), containing Status Code T7. The RIC of the forwarding ICP/IMM shall be entered in the RIC field of the ICP/IMM representing the last known holder and shall be entered as the RIC of the activity preparing the document.

C11.12. INVENTORY CONTROL POINT/INTEGRATED MATERIEL MANAGER MATERIEL RECEIPT STATUS

 C11.12.1. Notification of Receipt/Nonreceipt. The ICP/IMM shall prepare DLMS 870M, Materiel Returns Supply Status, to provide reporting activities with notification of materiel receipt or non-receipt on returns. DLMS 870M Materiel Returns Supply Status shall be provided upon processing of the receipt for other than suspended condition materiel, or upon processing of inventory adjustment action moving assets from suspended condition to correct condition, or not less than 30 calendar days after DLMS 870M, Materiel Returns Supply Status (ICP/IMM Follow-Up), when no receipt or DLMS 856R, Shipment Status Materiel Returns, has been processed. Multiple DLMS 870M, Materiel Returns Supply Status, documents shall be provided when a single shipment is received in more than one materiel condition. Use status codes in the DLMS 870M as follows:

 C11.12.1.1. Status Code TN. Enter Status Code TN when credit is granted for the condition and quantity of materiel received.

 C11.12.1.2. Status Code TM. Enter Status Code TM when reduced or no credit is allowed because the condition of materiel received is less than that authorized for return.

 C11.12.1.3. Status Code TL. Enter Status Code TL when the materiel received is other than authorized for return and no credit is allowed.

 C11.12.1.4. Status Code TP. Enter Status Code TP when the materiel is not received within prescribed timeframes, follow-up action has been unsuccessful, and the credit authorization is canceled.

 C11.12.1.5. Status Code TQ. Enter Status Code TQ when the materiel has been received for an authorized non-creditable return.

 C11.12.2. Multiple DLMS 870Ms Required. DLMS 870M, Materiel Returns Supply Status, shall always show the document number, including suffix code, contained in the DLMS 180M, Materiel Returns Reporting, or DLMS 870M, Materiel Returns Supply Status (From ICP/IMM). When multiple DLMS 870M, Materiel Returns Supply Status, transactions are required for materiel received in different conditions, each DLMS 870M produced shall retain the document number and suffix of the DLMS 180M, Materiel Returns Reporting/DLMS 870M, Materiel Returns Supply Status (From ICP/IMM).

C11.13. PROCESSING OF SHIPMENT STATUS

 C11.13.1. Preparation of Documentation. Shipment status provides information and normally requires no subsequent documentation. ICPs/IMMs shall receive shipment status transactions and update appropriate ICP/IMM records. The shipment date indicated in DLMS 856R, Shipment Status Materiel Returns, is available to ICPs/IMMs to verify in-transit status and provide information on expected receipts. DLMS 856R received for items not under control of the ICP/IMM shall be rejected to the reporting activity using DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), with reject Status Code SC. DLMS 856Rs that do not pass data field validity checks shall be rejected to the reporting activity using DLMS 870M, with the appropriated S\_ series status code.

 C11.13.2. Shipment Advice. In the event that the ICP/IMM requires an advice of shipment to support related supply decisions and a DLMS 856R, Shipment Status Materiel Returns, has not been received, an ICP/IMM follow-up (DLMS 870M, Materiel Returns Supply Status) shall be prepared and forwarded to the reporting activity. DLMS 870M shall not be generated until at least five calendar days have elapsed from the transmission of DLMS 870M (from ICP/IMM) for PD 03 or 50 calendar days for PD 13 and no DLMS 856R, Shipment Status Materiel Returns, or receipt has been posted. DLMS 870M with Status Code T3 may be generated upon expiration of the due-in timeframe when DLMS 856R has been received, but receipt has not been posted. The ICP/IMM is authorized to follow up without regard to the established timeframe when the need arises to satisfy PD 01-08 requirements.

C11.14. PROCESSING FOLLOW-UPS FROM REPORTING ACTIVITIES

 C11.14.1. Types. Follow-ups submitted by reporting activities consist of
three types:

 C11.14.1.1. Follow-up for ICP/IMM Reply to Customer Asset Report (DLMS 180M, Materiel Returns Reporting (For Reply to Asset Report)).

 C11.14.1.2. Follow-up for ICP/IMM Materiel Receipt Status (DLMS 180M, Materiel Returns Reporting (Follow-Up for ICP/IMM Materiel Receipt Status)).

 C11.14.1.3. Follow-up for credit (DLMS 812R, Adjustment Request (Follow-Up for Materiel Returns Program Credit)).

 C11.14.2. Determining Whether Original DLMS 180M was Received. On receipt of DLMS 180M, Materiel Returns Reporting (For Reply to Asset Report), the ICP/IMM shall determine whether there is a record indicating that the original DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), was received.

 C11.14.2.1. Record Established. If a record is established and DLMS 870M, Materiel Returns Supply Status (ICP/IMM Status to Customer), indicating delayed response was sent to the customer, a duplicate DLMS 870M shall be provided. If a record is established and a DLMS 870M was not provided, one of the following actions shall be initiated:

 C11.14.2.1.1. In Process. If DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), transaction is in process, DLMS 870M, Materiel Returns Supply Status (ICP/IMM’s Status to Customer), shall be sent to the customer with Status Code TR indicating the DLMS 180M is in process and DLMS 870M shall be provided at a later date.

 C11.14.2.1.2. Rejection. If DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), was rejected by the ICP/IMM as invalid, DLMS 180M shall produce DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), to the reporting activity with the same status code used in the original DLMS 870M.

 C11.14.2.2. No Record of Receipt. If no record of receipt exists for DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), the ICP shall process the DLMS 180M as a new DLMS 180M and provide DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), as appropriate, to the reporting activity.

 C11.14.3. Receipt of DS 180M, Follow-Up for ICP/IMM Materiel Receipt Status. On receipt of a DLMS 180M, Materiel Returns Reporting, ICP/IMM shall review records and take action as follows:

 C11.14.3.1. Received Materiel. If the records indicate that the materiel has been received and classified, transmit a DLMS 870M, Materiel Returns Supply Status, to the customer.

 C11.14.3.2. Received Materiel Not Classified. If records indicate that the materiel has been received but not classified, the ICP/IMM shall provide DLMS 870M, Materiel Returns Supply Status (From ICP/IMM) with Status Code TT to the customer.

 C11.14.3.3. Materiel Not Located. If records indicate that the materiel has not been received, and if the materiel is not located after investigation, the reporting activity shall be sent DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), with Status Code TU.

 C11.14.4. Receipt of DLMS 812R. On receipt of DLMS 812R, Adjustment Request (Follow-Up for Materiel Returns Program Credit), ICP/IMM shall take action under MILSBILLS procedures.

 C11.14.5. Items Not Under Cognizance of the ICP/IMM. DLMS 180M, Materiel Returns Reporting (For Reply to Asset Report), received for items not under awareness of the ICP/IMM shall be rejected to the reporting activity using DLMS 870M, Materiel Returns Supply Status (From ICP/IMM), with Status Code SC. DLMS 180M, Follow-up for ICP/IMM Reply to Customer Asset Report, that does not pass data field validity edits shall be rejected to the reporting activity using DLMS 870M Status with the appropriate reject status code.

C11.15. CANCELLATION OF CUSTOMER ASSET REPORTS

 C11.15.1. Reducing Quantity in All Applicable Cancellation Requests. Upon receipt of a customer cancellation (DLMS 180M, Materiel Returns Reporting), ICP/IMM shall cancel or reduce the quantity in all applicable documents affected by DLMS 180M, including the decision to return, due-in record, PMR, and credit suspense, if applicable.

 C11.15.2. Materiel Not Received by Due-In Estimate. The ICP/IMM shall initiate cancellation (DLMS 870M, Materiel Returns Supply Status) action when materiel is not received by the due-in EDD or when materiel is not received and no response has been received within 30 calendar days after its DLMS 870M, ICP/IMM Follow-Up. ICP/IMM shall also initiate cancellation when DLMS 856R, Shipment Status Materiel Returns, is not received within 120 calendar days (CONUS) or 180 calendar days (OCONUS) after receipt of DLMS 870M, Materiel Returns Supply Status.

 C11.15.3. Cancellations Initiated by ICP/IMM. Cancellations started by the ICP/IMM or in response to DLMS 180M, Materiel Returns Reporting, shall be done as follows:

 C11.15.3.1. Creditable Returns. For creditable returns, notification of cancellation to the reporting activity shall be made using DLMS 870M, Materiel Returns Supply Status, with Status Code TP.

 C11.15.3.2. Non-creditable Returns. For non-creditable returns, notification of cancellation to the reporting activity shall be made using DLMS 870M, Materiel Returns Supply Status, with Status Code TV.

 C11.15.4. Receipt of Shipment Status. When DLMS 856R has been received, but material has not been received within the timeframe allotted under C11.11.2.1., action to cancel the due-in and PMR shall be accomplished under Chapter 12 procedures.

C11.16. INVENTORY CONTROL POINT/INTEGRATED MATERIEL MANAGER PROCESSING OF DLMS 180M CUSTOMER ASSET REPORTS, CANCELLATIONS, AND FOLLOW-UPS WHEN THE SUPPLY SOURCE HAS CHANGED

 C11.16.1. Advice Code 3T. Upon receipt of DLMS 180M, Materiel Returns Reporting, Cancellation of Customer Asset Report, or Customer Follow-Up to ICP/IMM (For Reply to Asset Report), transaction from DAAS with Advice Code 3T when the SOS has been changed, the losing ICP/IMM shall arrange to change the FLIS and DAAS SOS files.

 C11.16.2. Losing Supply Source. The losing ICP/IMM shall prepare and transmit through DAAS DLMS 180M, Materiel Returns Reporting (Report of Available Assets to ICP/IMM), Cancellation of Customer Asset Report, and/or Customer Follow-Up to ICP/IMM (For Reply to Asset Report)), transactions containing Advice Code 3U to the gaining SOS.

 C11.16.3. DAAS Action. DAAS shall pass DLMS 180M transactions, above, to the gaining SOS.

C11.17. INVENTORY CONTROL POINT/INTEGRATED MATERIEL MANAGER LATERAL REDISTRIBUTION OF RETAIL ASSETS

 C11.17.1. Purpose. This paragraph outlines procedures for filling back orders by generating lateral redistribution orders for retail materiel that has been identified through an inter- or intra-DoD Component retail asset visibility system. The DoD Components may elect to exclude government furnished materiel (GFM), security assistance, and contractor furnished materiel (CFM) backorders from these procedures under DoD 4140.1-R procedures.

 C11.17.2. Backorder Supplied by Lateral Redistribution. If a backorder is to be supplied by lateral redistribution of materiel identified by an inter- or intra-DoD Component retail asset visibility system, the lateral redistribution order (LRO) shall contain appropriate data from the requisition, DLMS 940R, (Referral Order (For Domestic Shipment/With NSN/North Atlantic Treaty Organization (NATO) Stock Number)) in the document identifier, the RIC of the reporting activity, Distribution Code 2 for consumable materiel or Distribution Code 3 for reparable materiel, and the RIC of the receiving ICP/IMM. The LRO shall be forwarded through DAAS to the reporting activity. DLMS 945A, Materiel Release Advice (to ICP/IMM From Storage Activity) with Status Code BA shall be provided to eligible status recipients.

 C11.17.3. Reporting Activity Actions. The reporting activity shall:

 C11.17.3.1. Process the Lateral Redistribution Order on a Fill/Kill basis. Provide Status Code BA using DLMS 945A, Materiel Release Advice (to ICP From Storage Activity), for the quantity being filled and/or Status Code CB status for the quantity not being filled (killed) to the receiving activity, and include Distribution Code 2 or 3.

 C11.17.3.2. Supply Substitutions. Substitutions are allowed if the requiring activity/requisitioning activity and the supplying/holding activity are the same DoD Component. Do not substitute if the requiring/requisitioning activity and the supplying/holding activity are different DoD Components.

 C11.17.3.3. Ensure Shipment. Ensure materiel is shipped, using [DD Form 1348-1A](http://www.dla.mil/j-6/dlmso/elibrary/manuals/forms.asp#dd13481a), to the activity identified in the LRO as the “ship-to” addressee. When the materiel is shipped, send DLMS 856S, Shipment Status (To ICP/IMM From Reporting Activities for LRO Shipments of Retail Assets), to the activity identified as the receiving activity in the LRO. The DLMS 856S shall include the DoDAAC and fund code of the activity to which the credit for the materiel and reimbursement for the packing, crating, handling, and transportation (PCH&T) costs is to be provided; and Signal Code B and Distribution Code 2 or 3. Retail activities shall use Uniform Materiel Movement and Issue Priority System (UMMIPS) time standards for processing LROs directed by the ICP/IMM.

 C11.17.3.4. Establish Internal Records. Establish internal records to receive credit for the materiel and reimbursement for PCH&T costs and not generate billing instructions.

 C11.17.4. Inventory Manager Actions. ICP/IMM shall:

 C11.17.4.1. Update Estimated Ship Dates. Use DLMS 945A, Materiel Release Advice (To ICP From Storage Activity), with Status Code BA and Distribution Code 2 or 3 to update ESDs.

 C11.17.4.2. Generate Follow-Ups. Generate DLMS 940R, Materiel Release (From ICP/IMM to Reporting Activity or Storage Activity), follow-ups with Distribution Code 2 or 3 to the reporting activity as follows:

 C11.17.4.2.1. When the initial Status Code BA or CB is not received on LROs within 10 calendar days.

 C11.17.4.2.2. Upon receipt of Supply Status Code BA without an ESD and 10 calendar days have elapsed since the transaction date of the DLMS 945A, Materiel Release Advice (To ICP From Storage Activity), Supply Status Code BA.

 C11.17.4.2.3. Upon Receipt of Supply Status Code BA with an ESD and the ESD has expired.

 C11.17.4.2.4. When no response is received to the previous follow-up and 10 calendar days have elapsed. Continue to follow up until status is received, backorder is re-established, or final disposition.

 C11.17.4.3. Provide Reinstatement and Status Notification. Reinstate the requisition and send appropriate status to eligible status recipients upon receipt of DLMS 945A, Materiel Release Advice (To ICP From Storage Activity)/Status Code CB with Distribution Code 2 or 3.

 C11.17.4.4. Generate Billing. Upon receipt of DLMS 856S, Shipment Status (To ICP/IMM from reporting activities for LRO shipments of retail assets), with Distribution Code 2 or 3, generate billing transactions to the requisitioner and provide crediting transactions for the materiel and PCH&T under the procedures of MILSBILLS procedures, to the credit-to activity identified in DLMS 856S, Shipment Status. In addition, ICP/IMM shall send DLMS 856S, Shipment Status (To DAAS From Service/Agency for Distribution), shipment status transaction to DAAS.

 C11.17.4.5. Create Customer Supply/Status Transactions. When creating customer supply and status transactions as a result of processing DLMS 945A, Materiel Release Advice or DLMS 856S, Shipment Status Materiel Returns, transactions with Distribution Code 2 or 3, always use the distribution code that was in the original requisition.

C11.18. RETURNS TO DLA FROM INDUSTRIAL SITES UNDER BASE REALIGNMENT AND CLOSURE SUPPLY, STORAGE AND DISTRIBUTION AND NATIONAL INVENTORY MANAGEMENT STRATEGY SITE CUSTOMERS

 C11.18.1. Industrial Sites Procedures

 C11.18.1.1. The return of DLA-managed material shall be accomplished without processing the standard MRP program transactions. The individual maintenance customer shall determine when it has no immediate requirement for the materiel and shall initiate the return process. The materiel shall be physically returned to the DLA storage activity with the applicable documentation. The returning activity shall provide a DLMS 527D, Due-In/Advance Receipt/Due Verification ([MILSTRAP](http://www2.dla.mil/j-6/dlmso/elibrary/Manuals/dlm/milstrap_pubs.asp) PMR (DIC DW\_)), transaction to the storage activity identifying the DoD Component activity to which the receipt shall be reported. Upon notification of receipt by the storage activity by a DLMS 527R (MILSTRAP Materiel Receipt - Other Than Procurement Instrument Source (DIC D6A)), the Military Service activity shall determine whether there is a need for the materiel by another maintenance user (backorder). If so, an issue document shall be forwarded to the storage activity for action. If not, a materiel release order (MRO) shall be initiated, directing shipment-in-place (citing the ship-to/supplemental address of the storage activity), authorizing a change of ownership to DLA. The receipt of the returned materiel from the Military Service ownership to DLA shall be accomplished with a DLMS 527R Receipt (MILSTRAP DIC D6B).

 C11.18.1.2. Upon notification of receipt, the DLA ICP shall determine whether a corresponding sale to Service maintenance (identified by DoDAAC series/internal customer group) has occurred for the same materiel and condition code within a 60 day time frame. If there is a matching sale, the customer shall receive credit equal to the original sale. The Service’s financial system shall be notified of a credit via a DLMS 810L, Logistics Bill (MILSBILLS Billing for Issue from Stock (Credit) (DIC FA2)).

 C11.18.1.3. If no sale has occurred or the condition code differs from that on the original sale, DLA shall provide credit based upon stock position. If the return quantity exceeds that of previous sales, credit shall be provided equal to the original sale quantity and credit on the remaining quantity shall be based upon stock position. DLA ICP business rules for determining whether to provide credit/credit amount are equivalent to the MRP program and policy contained in DoD 4140.1-R. The Service’s financial system shall be notified of a credit via a DLMS 810L (MILSBILLS DIC FA2).

 C11.18.2. National Inventory Management Strategy Procedures. Materiel returns from a NIMS site customer shall be processed as per C11.18.1.1. through C11.18.1.3. including use of the PMR, receipt to the Military Service, followed by the MRO directing shipment-in-place triggering receipt to the DLA ICP. The DLA ICP shall process the receipt and determine whether a sale has occurred for the same materiel, condition code, and customer within a 60 day time frame reflecting the exact same document number as the receipt (return) document. If there is an exact matching sale, the customer shall receive credit equal to the original sale. Credit for any quantity returned over the original amount, in a different condition code from the original sale, or unmatched is subject to DLA ICP business rules equivalent to the MRP for determining whether to provide credit/credit amount.

C11.19. DIRECTED DISCREPANT/DEFICIENT MATERIEL RETURNS AND RETROGRADE RETURNS

 C11.19.1. General Requirements. The DoD supply chain may require the return of supply items for a variety of reasons beyond the usual excesses turned in for credit under the materiel returns program (MRP) described earlier in this chapter. These can include the exchange of depot level repairable (DLR) Class IX repair parts as required by Military Services’ Exchange Pricing programs, the retrograde of forward-positioned retail stock back to a home location, and discrepant/deficient materiel returns directed by SDRs, Product Quality Deficiency Reports (PQDRs), or TDRs. In many cases, logistics business rules require that the return shall use the same document number as the related order/sale. The use of a combination of enhanced return transactions and the addition of specific indicators to other transactions allows for the specific reporting of the transactions without confusion about the nature of the return and enable enhanced in-transit visibility (ITV) of these returns. The procedures also support recent process improvement initiatives related to requirements for directed returns.

 C11.19.2. Associated Transactions. There are three DLMS transactions that contain specific content that support the procedures for retrograde and directed discrepant/deficient returns. They are the DLMS 527D, Pre-Positioned Materiel Receipt, DLMS 856R, Materiel Returns Shipment Status, and DLMS 842A/R Standard Supply Discrepancy Report Reply.

 C11.19.2.1. A Pre-Positioned Materiel Receipt, DLMS 527D/MILSTRAP DW\_, is required for all returns to a Defense Distribution Depot/Storage Activity. This requirement is applicable to DLMS-capable applications and legacy MILS applications. Detailed procedures associated with the PMR are listed in paragraph C11.19.3.

 C11.19.2.2. A Materiel Returns Shipment Status, DLMS 856R with enhanced data content, is required from DLMS-capable customers to report directed returns to both the storage activity and the ICP/Integrated Materiel Manager (IMM) (or other Component designated activity). Detailed procedures associated with the materiel returns shipment status are listed in paragraph of C11.19.3.

 C11.19.2.3. Passive Radio Frequency Identification (pRFID) and Item Unique Identification (IUID) shall be included in the DLMS materiel returns shipment status transactions as required by DoD or DoD Component policy.

 C11.19.3. Detailed Procedures. The following paragraphs contain detailed procedures for return of supply items related to discrepant/deficient materiel as directed by an SDR, PQDR, or TDR response. This section also addresses retrograde of forward-positioned retail stock back to a home location.

 C11.19.3.1. Supply Discrepancy Report

 C11.19.3.1.1. When directing return of discrepant materiel, the SDR reply shall include the number of days by which the customer shall return the materiel to the designated location. Expedited time standards under DoD or DoD Component policy shall be applied to wrong item/misdirected/misidentified classified/sensitive item returns. ICP/IMs may also apply expedited time standards to overage returns for backordered materiel not available within another customer’s required delivery date. The return-to location shall be identified by DoDAAC or CAGE. Clear text addresses may be included to facilitate the return since not all customers have ready access to an authoritative source for address information.

 C11.19.3.1.2. The organization responsible for the SDR reply shall take action to establish a due-in and generate a PMR transaction to the receiving activity. The PMR shall include the return quantity and the appropriate supply condition code. Action to establish the due-in and create the PMR transaction shall be accomplished under MILSTRAP/DLMS. The PMR shall perpetuate the document number associated with the SDR, normally the document number of the original shipment. The DLMS PMR shall include a [Return Type Code](http://www2.dla.mil/j-6/dlmso/eApplications/LOG.NET/UIL/Log_Qualifiers/lqvqcDetails.aspx?code=KYL) indicating the reason for return for which the PMR is established and shall perpetuate the DoD WebSDR control number associated with the SDR.

 C11.19.3.1.3. The PMR Due-in EDD indicating the time allowed for shipment and return of discrepant materiel shall be based upon the date of the SDR reply directing the return. The EDD shall be calculated based upon the date of the initial SDR reply directing return. (This may be a reply from the storage activity when action activity responsibility has been delegated by the ICP/IM.) The EDD is a “not to exceed” time standard established for system processing and does not necessarily equal the number of days identified in the SDR reply. The return-by date may be dictated by policy or by need. PMR time standards are shown in Table C11.T1., PMR Due-In Estimated Delivery Date for SDRs.

| Table C11.T1. Pre-Positioned Materiel Receipt Due-In Estimated Delivery Date for Supply Discrepancy Reports |
| --- |
| EDD | USAGE |
| 30 calendar days | Wrong item/misdirected/misidentified classified/sensitive items (U.S.) |
| 45 calendar days | Returns within Combatant Command/geographic areaWrong item/misdirected/misidentified classified/sensitive items (SA) |
| 90 calendar days | Returns between Combatant Commands/geographic areas (e.g., between CONUS and OCONUS locations (U.S.)) |
| 195 calendar days | Returns for other than classified/sensitive (SA) |

 C11.19.3.1.4. The returning activity shall prepare the DLMS 856R, materiel returns shipment status citing the Return Type Code, identifying the reason for return for which the materiel returns shipment status is provided. If the controlling document number for the directed return is the same as the customer’s requisition, a unique transportation control number (TCN) (not derived from the original document number) shall be identified. The shipment status shall perpetuate the DoD WebSDR control number (required where electronic interface is available to facilitate inclusion of this data content). The materiel returns shipment status shall include pRFID and IUID in accordance with DoD/Component policy. The shipment status shall be directed to the ICP/IMM (or other organization that directed the return). The shipment status shall also be directed to the return-to activity when identified by DoDAAC. DAAS shall transmit to DLMS capable activities as identified.

 C11.19.3.1.5. Upon receipt of materiel returns shipment status, the ICP/IMM shall recalculate the EDD to equal the original time allowed for shipment and return of materiel (i.e., reset the EDD using the date of the shipment status as the starting date, comparable to MILSTRIP MRP EDD procedures) and provide a replacement PMR to the receiving location. This action will ensure that both records have the same EDD date.

 C11.19.3.1.6. The ICP/IMM and the International Logistics Control Office (ILCO) shall monitor for directed returns. Follow-up action is required where classified/sensitive materiel has not been returned by the EDD. The ICP/IMM shall use automated research tools to determine status where applicable: query for materiel returns shipment status in WEB Visual Logistics Information Processing System (WEBVLIPS), transportation shipment status in Integrated Data Environment (IDE)-Global Transportation Network (GTN) Convergence (IGC), and Report of Shipment (REPSHIP) in Intelligent Road/Rail Information Server (IRRIS). Offline communication with the shipper may be necessary to determine the status of the materiel. The ICP shall verify that proper discrepancy procedures are followed for materiel reported as in-transit and not received. If shipment was delayed an updated EDD shall be identified and disseminated.

 C11.19.3.1.7. For nonclassified/sensitive returns, in the event that the ICP/IMM requires advice of shipment to support related supply decisions and neither the materiel nor shipment status has been received, the ICP/IMM may follow-up with the customer. Follow-up for nonclassified/sensitive returns is optional except when return shipment status was provided and materiel was not received. If the nonclassified/sensitive returns are not received by the EDD and no transportation shipment status in IGC exists and no materiel returns shipment status was provided or the customer is non-responsive to ICP/IMM follow-up, the ICP/IMM shall initiate cancellation of the due-in/PMR and take appropriate financial action (e.g., reversal of credit previously provided or billing for materiel not returned). If the EDD was reset based upon shipment status and the materiel is not received by the new EDD, the ICP/IMM shall follow-up with the shipper to determine the status of the return. The ICP shall initiate cancellation of the PMR and establishment of a new PMR if the originally planned receiving location is changed. Offline communication with the shipper may be necessary to determine the status of the materiel. The ICP shall verify that proper discrepancy procedures are followed for materiel reported as in-transit and not received.

 C.11.19.3.2. Product Quality Discrepancy Report

 C.11.19.3.2.1. When directing return of deficient materiel/exhibits to storage activities, the PQDR reply shall include the date by which the customer shall return the materiel to the designated location. The responsible activity may apply an expedited time standard to Type I PQDRs or as appropriate. The return-to location shall be identified by DoDAAC or CAGE. Clear text addresses may be included to facilitate the return since not all customers have ready access to an authoritative source for address information.

 C.11.19.3.2.2. When directing return of deficient materiel/PQDR exhibit, the ICP/IMM shall establish a due-in and generate a PMR transaction to the receiving activity for the materiel return/exhibit quantity using SCC Q. Action to establish the due-in and create the PMR transaction shall be accomplished under MILSTRAP/DLMS by the activity directing the return. The PMR shall perpetuate the document number associated with the PQDR, normally the document number of the original shipment. If not available, a constructed document number shall be employed for the PMR, the return shipment, and future financial actions. The DLMS PMR shall include the Return Type Code indicating the reason for the PMR as return of quality deficient materiel and shall perpetuate the PQDR report control number (RCN).

 C.11.19.3.2.3. The PMR due-in EDD indicating the time allowed for shipment and return of deficient materiel shall be based upon the date of the PQDR reply directing the return. The EDD is a “not to exceed” time standard established for system processing and does not necessarily correlate to the PQDR reply return-by date which may be dictated by other criteria. See Table C11.T2., PMR Estimated Delivery Date Days for Product Quality Deficiency Reports, to establish the EDD.

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| --- |
| Table C11.T2. Pre-Positioned Materiel Receipt Estimated Delivery Date Days for Product Quality Deficiency Reports |
| EDD | USAGE |
| 45 calendar days | Returns within Combatant Command/geographic area |
| 90 calendar days | Returns between Combatant Commands/geographic areas (e.g., between CONUS and OCONUS locations) |
| 195 calendar days | Security Assistance returns  |

 C.11.19.3.2.4. The returning activity shall prepare DLMS 856R, materiel returns shipment status citing the Return Type Code indicating the reason for the shipment status as deficient materiel returns. If the controlling document number for the directed return is the same as the customer’s requisition, a unique TCN (not derived from the original document number) shall be identified. The materiel returns shipment status shall perpetuate the PQDR RCN. The materiel returns shipment status shall include pRFID and IUID in accordance with DoD/Component policy. The shipment status shall be directed to the ICP/IMM (or other organization that directed the return). The shipment status shall also be directed to the return-to activity when identified by DoDAAC. DAAS shall transmit to DLMS capable activities as identified.

 C.11.19.3.2.5. Upon receipt of materiel returns shipment status, the ICP/IMM shall recalculate the EDD to equal the original time allowed for shipment and return of materiel (i.e., reset the EDD using the date of the shipment status as the starting date, comparable to MILSTRIP MRP EDD procedures) and provide a replacement PMR to the receiving location. This action ensures that both records have the same EDD.

 C.11.19.3.2.6. The ICP/IMM and the ILCO shall monitor for directed returns. Follow-up with customers is required where materiel/PQDR exhibit has not been returned by the EDD. The ICP/IMM shall use automated research tools to determine status where applicable: query for materiel returns shipment status in WEBVLIPS, transportation shipment status in IGC, and REPSHIP in IRRIS. The ICP shall verify that proper discrepancy procedures are followed for materiel reported as in-transit and not received. The originator of the PMR shall cancel the PMR if circumstances have changed and materiel will not be returned as directed. The PMR shall be cancelled and a new PMR established if the originally planned receiving location is changed.

 C.11.19.3.3. Transportation Discrepancy Report

 C.11.19.3.3.1. When directing return of materiel associated with a TDR, the TDR reply shall include the date by which the reporting activity shall return the materiel to the designated location. The responsible activity may apply an expedited time standard as appropriate. The return-to location shall be identified by DoDAAC or CAGE. Clear text addresses may be included to facilitate the return since not all customers have ready access to an authoritative source for address information.

 C.11.19.3.3.2. When directing return of discrepant materiel, the ICP/IMM responsible for the TDR reply shall take action to establish a due-in and generate a PMR transaction to the receiving activity for the quantity in the TDR reply. Action to establish the due-in and create the PMR transaction shall be accomplished under MILSTRAP/DLMS. The PMR shall perpetuate the return document number associated with the document number of the original shipment or as assigned by the ICP/IMM. The DLMS PMR shall include a Return Type Code indicating the reason for the PMR as return of transportation-related discrepant materiel and shall perpetuate the control number associated with the TDR.

 C.11.19.3.3.3. The PMR due-in EDD indicating the time allowed for shipment and return of deficient materiel shall be based upon the date of the TDR response directing the return. The EDD is a “not to exceed” time standard established for system processing and does not necessarily correlate to the TDR reply return-by date, which may be dictated by other criteria. See Table C11.T3., Due-In Estimated Delivery Date for Transportation Discrepancy Report, to establish the EDD.

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| Table C11.T3. Due-In Estimated Delivery Date for Transportation Discrepancy Report |
| EDD | USAGE |
| 45 calendar days | Returns within Combatant Command/geographic area |
| 90 calendar days | Returns between Combatant Commands/geographic areas (e.g., between CONUS and OCONUS locations) |
| 195 calendar days | Security Assistance returns  |

 C.11.19.3.3.4. The returning activity shall prepare DLMS 856R materiel returns shipment status citing a Return Type Code indicating the reason for the shipment status is applicable to a TDR directed return. If the controlling document number for the directed return is the same as the original shipment, a unique TCN (not derived from the original document number) shall be identified. The materiel returns shipment status shall perpetuate the TDR control number. The materiel returns shipment status shall include pRFID in accordance with DoD/Component policy. The shipment status shall be directed to the ICP/IMM (or other organization that directed the return). The shipment status shall also be directed to the return-to activity. DAAS shall transmit to DLMS capable activities as identified.

 C.11.19.3.3.5. Upon receipt of materiel returns shipment status, the ICP/IMM shall recalculate the EDD to equal the original time allowed for shipment and return of materiel (i.e., reset the EDD using the date of the shipment status as the starting date, comparable to MILSTRIP MRP EDD procedures) and provide a replacement PMR to the receiving location. This action will ensure that both records have the same EDD date.

 C.11.19.3.3.6. The ICP/IMM and ILCO shall monitor for receipt. Follow-up with customers is required where materiel has not been returned by the EDD. The ICP/IMM shall use automated research tools to determine status where applicable: query for materiel returns shipment status in WEBVLIPS, transportation shipment status in IGC, and REPSHIP in IRRIS. The ICP shall verify that proper discrepancy procedures are followed for materiel reported as in-transit and not received. The originator of the PMR shall cancel the PMR if circumstances have changed and materiel will not be returned as directed. The PMR shall be cancelled and a new PMR established if the originally planned receiving location is changed.

 C.11.19.3.4. Retrograde Returns. These procedures apply to returns for which materiel returns shipment status (DLMS 856R/DIC FTM) is not provided under the above MILSTRIP Materiel Returns Program.

 C.11.19.3.4.1. When directing return of materiel (for return, replacement, or other reason), the ICP/IMM shall include the date by which the reporting activity shall return the materiel to the designated location and the applicable PD. The return-to location shall be identified by DoDAAC or CAGE. Clear text addresses may be included to facilitate the return since not all customers have ready access to an authoritative source for address information. Retrograde returns that are not subject to ICP/IMM direction shall be returned in accordance with DoD Component procedures.

 C.11.19.3.4.2. When directing return of materiel the ICP/IMM shall establish a due-in and generate a PMR transaction to the receiving activity for the applicable quantity. Action to establish the due-in and create the PMR transaction shall be accomplished under MILSTRAP/DLMS. Where the returning activity self-initiates the return, the returning activity shall be responsible for preparation of the PMR. The PMR shall perpetuate the return document number. The DLMS PMR shall include a Return Type Code indicating the reason for the PMR as return of materiel for repair (including exchange price returns)/retrograde movement.

 C.11.19.3.4.3. The PMR EDD indicating the time allowed for shipment and return of deficient materiel shall be based upon the date of the directed return or generation of PMR where the return is initiated by the returning activity. The EDD is a “not to exceed” time standard established for system processing and does not necessarily correlate to the reply return-by date when applicable since that date may be dictated by other criteria. See Table C11.T4., PMR EDD Time Standard for Retrograde Returns, to establish the EDD.

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| Table C11.T4. Pre-Positioned Materiel Receipt Estimated Delivery Date Time Standard for Retrograde Returns |
| EDD | USAGE |
| 45 calendar days | Returns within Combatant Command/geographic area |
| 90 calendar days | Returns between Combatant Commands/geographic areas (e.g., between CONUS and OCONUS locations) |
| 195 calendar days | Security Assistance returns  |

 C.11.19.3.4.4. The returning activity shall prepare DLMS 856R materiel returns shipment status citing a Return Type Code indicating the reason for the shipment status is applicable to return/retrograde movement. The materiel returns shipment status shall perpetuate the associated document number. A unique TCN (not derived from the original document number) shall be identified. A customer reference number may be included when applicable to identify the original requisition document number. The materiel returns shipment status shall include pRFID and IUID in accordance with DoD/Component policy. The shipment status shall be directed to the ICP/IMM (or other organization that directed the return). The shipment status shall also be directed to the return-to activity when identified by DoDAAC. DAAS shall transmit to DLMS capable activities as identified.

 C.11.19.3.4.5. Upon receipt of materiel returns shipment status, the ICP/IMM shall recalculate the EDD to equal the original time allowed for shipment and return of materiel (i.e., reset the EDD using the date of the shipment status as the starting date, comparable to MILSTRIP MRP EDD procedures) and provide a replacement PMR to the receiving location. This action ensures that both records have the same EDD date.

 C.11.19.3.4.6. The ICP/IMM shall monitor for receipt. Follow-up with the returning activity is required where materiel has not been returned by the EDD. The ICP/IMM shall use automated research tools to determine status where applicable: query for materiel returns shipment status in WEBVLIPS, transportation shipment status in IGC, and REPSHIP in IRRIS. The ICP shall verify that proper discrepancy procedures are followed for materiel reported as in-transit and not received. The originator of the PMR shall cancel the PMR if circumstances have changed and materiel will not be returned as directed. The PMR shall be cancelled and a new PMR established if the originally planned receiving location is changed.

1. DLA is required to request approval of new procedures supporting BRAC/NIMS allowing full materiel credit for returns regardless of asset position with no credit for packing, crating, handling and transportation (PCH&T). [↑](#footnote-ref-1)