

**STUDENT GUIDE**  
**DRMS STUDY PERIOD #13**  
**INTRANSIT CONTROL SYSTEM**



**MARCH 2000**

**SCC:** Employees conducting and attending training should exception their time to Cost Code 919122200.

There is no pre/post test for this Study Period.

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## GENERAL INFORMATION

1. The In-Transit Control System (ICS) is a shipment visibility tracking system, not an accounting system. The system was developed in the early 1980's to track property reported as excess while it was in-transit from the Military Services to the DRMO's.
2. The DoD 4000.25.1-M, chapter 3 provides procedural guidance to the Military Services. Reports of excess (Document Identifier Code (DIC) (FTE)) and follow-on documentation must be routed through Defense Automated Addressing System (DAASC).
3. Exclusions to the ICS include:
  - a. Scrap.
  - b. Waste.
  - c. Nonappropriated Fund Property.
  - d. Lost, Abandoned Unclaimed Privately Owned Personal Property.
  - e. Property with an extended acquisition value below \$800.
  - f. Federal Civil Agency property.
4. Pilferable/Sensitive items must be reported regardless of the dollar value. However, DRMS has been provided a waiver in regards to batchlotting this property.

## BACKGROUND

The In-transit Control System (ICS), previously known as the In-transit Accountability System (IAS), was implemented as the result of an audit conducted in 1975 to evaluate controls over excess materiel reported by the Military Services as being in-transit to disposal offices.

Instructions for reporting excess were incorporated into the DoD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP) Manual. Testing of automating receipt confirmations was conducted between the Navy and the DRMO at Charleston, SC. The actual implementation of the automated system was in 1982.

Since its implementation, the procedures and the automated system have been repeatedly reviewed by the General Accounting Office (GAO) and the DoD Inspector Generals (IG). The audits have all reported the same findings on discrepancies between the reporting process by the Military Services, and the receipt process at the DRMOs. These discrepancies are called "mis-matches".

Mis-Matches occur for a number of reasons. One of the ways that a mis-match occurs is due to erroneous data entry errors on the reports of excess. For example, generating activities must use a valid DoDAAC to turn property into disposal offices. This requirement was incorporated into the DoD 4160.21-M. This was to ensure that return copies of DD Forms 1348-1A got to the correct address for clearing in-transit records.

ICS generated reports of mis-matches to the Military Services, however, DoD downsizing has eliminated resources for researching lengthy ICS discrepancy reports by the Services. Because of this, mailings of discrepancy reports from DRMS to the military services were terminated in 1994. Information is now provided by request through an interrogation process.

## LESSON

### INTRODUCTION

The ICS is to provide visibility for control of specifically defined property reported by the Military Services as being in-transit (being shipped/transferred) to a DRMO on a DD Form 1348-1A. Tracking of the property was intended to be from the time of release by a shipping activity until input of the receipt of the property by the DRMO. Exclusions to the ICS include scrap, waste, non-appropriated fund property, lost, abandoned unclaimed privately owned personal property, property with an extended acquisition value below \$800, and federal civil agency property.

The use of this system is to provide a central capability to show visibility of, and identify shipments of property in-transit to a DRMO.

The ICS also provides a capability for DRMS to furnish information to the military services concerning the transfer of property to DRMOs.

The ICS does not negate DRMO authority to refuse to accept property if the required turn-in procedures are not met, to include special handling requirements.

#### **I. Generating Activities are the Primary Players**

A. Generating activities are required to report shipments of excess to DRMS, through submission of a Document Identifier Code (DIC) AS3. This transaction is required for all unexcluded shipments of usable property, regardless of dollar value.

B. Generating activities are to utilize and document Disposal Release Orders (DROs) assigned a DIC A5J, to direct and control shipment of supply items on their accountable records to disposal. DROs are transmitted to the storage site having custody of the stock and result in the preparation of a DD Form 1348-1A. After internal decisions and actions are completed, in most cases an AS3 is generated simultaneously with the A5J/FTR, directing shipment to disposal.

C. In the event a determination is made that disposal actions should be discontinued, internal decisions and actions are required to generate a DIC FTC to clear the in-transit system.

## II. What Does DRMS Do?

DRMS is responsible for maintaining the system, even though the mainframe is currently located in Columbus, Ohio. DRMS also assists generators if manual inputs are necessary. DRMS provides assistance on how to use the system as needed and interrogates the system for providing data, as requested.

## III. The DRMO's Role

A. When property is received at the DRMO, if proper actions are completed, the ICS is fairly invisible.

- When the AS3 is released it is transmitted through HQ DRMS to the appropriate DRMO's pre-positioned material receipt (PMR) file.
- When the DRMO inputs the receipt into DAISY, a match occurs (the AS3 and the XR1/XR3 agree) and closes the suspense file.
- If the receipt document is rejected by the DRMO a CLR transaction is input to DAISY to close the suspense.

B. Key actions that DRMOs must accomplish are:

- Attempt to input the receipt to DAISY with the same information that is on the DTID, if possible.
- Process receipt inputs as timely as possible to prevent backlogs from generating follow-up notifications to the Military Services.
- Understand the emphasis on batchlotting. Ensure that property that shouldn't be batchlotted is processed as single line items. (If property going in batches is designated as

pilferable/sensitive but the condition doesn't warrant special handling, notify the generating activity, through return of an annotated DD Form 1348-1A, and remind them to clear the in-transit file.)

- Process CLR transactions in DAISY expediently when rejecting property with a DRMS Form 917.
- If there is a need to change an NSN to an LSN, due to an inability to process the NSN in DAISY (e.g., the NSN contains an alpha character in the first two positions of the National Item Identification Number (NIIN) instead of 00 or 01), notify the generating activity to clear the in-transit file.

#### **IV. How Does it Actually Work?**

NSN excess reports meeting ICS reporting criteria are made via a Document Identifier Code (DIC) FTE and forwarded through DAASC to the appropriate (Inventory Control Point/Item Manager) ICP/IMM. DIC FTG is used for part numbered excess and forwarded to DAASC for possible conversion to an NSN.

Cancellations of FTEs can be made via a DIC FTC.

Responses to FTEs are to be made via a DIC FTR by the ICP/IMM.

If the FTR directs the excess to be turned in to disposal, a suspense file is generated and transmitted to HQ DRMS via a DIC AS3.

This suspense file is then transmitted to the appropriate DRMO's Pre-positioned Material Receipt (PMR) file on the DRMO's HP.

Once the PMR has been placed on the DRMO's account, when the DRMO inputs an XR1/XR3/ CLR for the item reported on the AS3, a match of the two documents occurs and closes the suspense file.

When there is no match, the following actions occur:

If a DRMO receives as an XR1/XR3 and no AS3 is received within 21 days, DRMS will automatically forward a follow-up through the Defense Automated Addressing System (DAASC) to the activity that turned in the property.

If a generator initiates an AS3 and DRMO does not receive as an XR1/XR3 within 60 days CONUS and 90 days Overseas, DRMS will automatically forward a follow-up through DAASC to the activity that turned in the property.

If a response to the first follow-up is not received within 20 days, DRMS will forward a second follow-up.

The ICS will also generate follow-ups when there is a quantity variance in the DRMO receipt (XR1/XR3) and the generator documentation (AS3).

ICS follow-ups to generating activities are based on time frames established by DoD 4000.25-1-M, MILSTRIP Manual.

Suspense records are maintained at Battle Creek for one year then is moved to a history file for 2 years.

The ICS processes a quarterly In-transit Report which is available to the service/agency MILSTRIP focal points and the DoD MILSTRIP system administrator.

Special extract reports are available upon request.

#### **V. How Does it Work With Recycling Control Point (RCP)?**

The automation processes utilized with RCP eliminates the movement of property during the disposal cycle, thus in-transit tracking is not required.



## PROBLEM AREAS

There are several problem areas within the ICS. They include, but are not limited to:

a. Some of the Accountable Supply Officer's (ASO's) within the Military Services do not know the ICS procedures contained in the Military Standard Requisitioning and Issue Procedures Manual, DoD 4000.25-1-M. Many are also not familiar with instructions contained in the Defense Materiel Disposition Manual, DoD 4160.21-M.

b. Most reports of excess, also identified as disposal release orders (DROs) are done following a "sample." In many cases, the DRO initiator does not understand what each of the record positions on the excess reports mean; thus they input erroneous data.

c. DTID's are prepared manually, bypassing the ICS.

d. There is a lapse of accountability between the time the Military Service reports the excess and the property is physically turned into the DRMO.

e. Discrepancies between what is reported as excess and what is actually turned in to the DRMO are common.

g. No single standard exists to determine what is to be considered as accountable property.

h. When the Military Services report excess without including a dollar value for non-stock numbered items, this causes the ICS to automatically record a unit price of \$800. This, in turn, places the item into the ICS, however, when the property is physically turned in to a DRMO if the extended acquisition cost recorded on the DTID is less than \$800, these items may be batchlotted and the suspense record will remain open.

i. Pilferable/sensitive item codes are oftentimes not recorded for non-stock numbered items, which causes them to bypass the ICS, or to meet batch-lotting criteria upon receipt at the DRMOs (again creating open suspenses).

j. Some pilferable/sensitive codes were assigned when the NIIN was originally established in the supply system and have become outdated. This causes property to be tracked through the ICS resulting in unnecessary use of administrative time to process this property.

k. Military Services sometimes report excess to the ICS using temporary stock numbers or part numbers. The DAISY is programmed to accept National Codification Bureau Codes (NCBC) of 00 or 01, so when the receipt is processed into DAISY, the NCBC is changed to 00 for local stock numbered items and causes a suspense to be created in the ICS which remains open.

l. Military Services sometimes report excess to the ICS using duplicate DTID numbers which may cause mismatches in the ICS. DoD regulations state that duplicate DTIDs should not be used in the supply chain. Neither DAISY or ICS are programmed to accept duplicate DTID numbers (DAISY controls usable property by DTID, not by NSN or NIIN).

m. Generating activities turn in property with suffixed DTIDs. This is prohibited in DoD 4000.25-1-M and DoD 4160.21-M and causes ICS mis-matches as well as prevents the information from being transferred to the GSA FEDS system to ensure Federal Civil Agencies get complete screening information.

n. Backlogs at DRMOs have a negative impact on the timeliness of closing suspenses created within the ICS. Military Services are required to schedule appointments for all turn-ins to the DRMOs. However, DRMOs do accept property turn-ins without appointments, as a customer service. This and large quantities of property result in processing backlogs at DRMOs.

o. Accounting systems used by the Military Services are not all compatible with the ICS. There is not always a clear interface between the systems. There is no standardized DoD accounting system.

## SOLUTIONS

Because this program receives such high level visibility, its fixes are being accomplished at very high levels.

Actions that have been taken by DoD and DRMS to reduce the concerns include DoD establishing an Interagency Process Action Team (IPT) to look at the overall ICS Program.

DRMS stressed that pilferable/sensitive items may not be placed in batchlots during October and December 1998.

This topic was added as a review on compliance assistance visits.

A waiver was subsequently received, in January 1999, and published in DRMS-I 4160.14, Volume IV, to allow DRMO to make a determination of pilferability based on the condition, age, and cost.

DRMS makes all efforts to provide customer assistance as needed.

Until DRMS reaches its goal of moving information not property, in-transit will remain a very important issue.

ALMC has developed a corresponding training package for generating activities that has been placed on the WWW. It is located at <http://www.almc.army.mil>. Just click on the ICS Study Lesson icon from the menu bar.

The Defense Logistics Support Command (DLSC) is proposing some edit changes to Intransit Control that will reduce the mis-matches. These edits have been identified as "short term fixes." They include rejecting invalid DoDAACs; perhaps have the edits editing on the FSC instead of the NSN; and changing follow-up time frames.

The "long term fix" is to implement electronic transfers across the board and utilize a tracking system similar to UPS/FEDEX for property movement. This initiative is currently being worked by HQ DRMS.

## ACRONYMS

ASO	Accountable Supply Officer
CONUS	Continental United States
DAASC	Defense Automated Addressing System Center
DAISY	Defense Reutilization and Marketing Automated Information System
DIC	Document Identifier Code
AS3	- Shipment Status
A5J	- Disposal Release Order
FTE	- Customer Excess Report
FTG	- Customer Excess Report (Part Numbered Items)
FTR	- Reply to Customer Excess Report
CLR	- Receipt Refusal
XR1	- Receipt of Usable Property
XR3	- Downgrade Receipt
DLA	Defense Logistics Agency
DLSC	Defense Logistics Support Command
DoDAAC	Department of Defense Activity Address Code
DRO	Disposal Release Order
DTID	Disposal Turn-In Document
FCA	Federal Civil Agency
FEDEX	Federal Express
FSC	Federal Supply Class
GAO	General Accounting Office
HP	Hewlet Packard
ICP	Inventory Control Point
ICS	In-transit Control System
IG	Inspector General

IMM	Item Materiel Manager
IPT	Interagency Process Action Team
MILSTRIP	Military Standard Requisitioning and Issue Procedures
NCBC	National Codification Bureau Code
NIIN	National Item Identification Number
NSN	National Stock Number
OCONUS	Outside Continental United States
PMR	Pre-positioned Material Receipt
UCN	Unique Control Number
UPS	United Parcel Service
WWW	World Wide Web

DRMS STUDY PERIOD #13

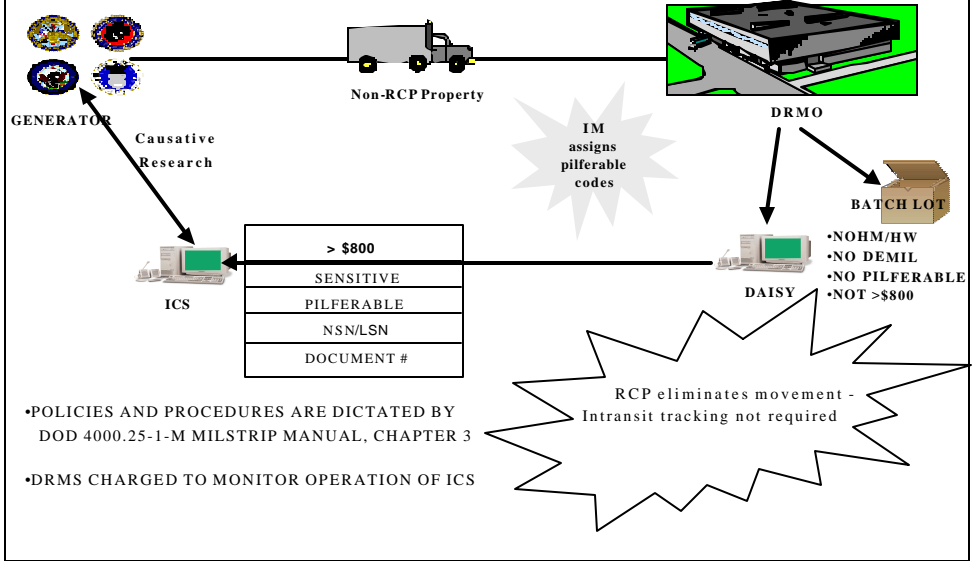
## **INTRANSIT CONTROL SYSTEM**



## OVERVIEW

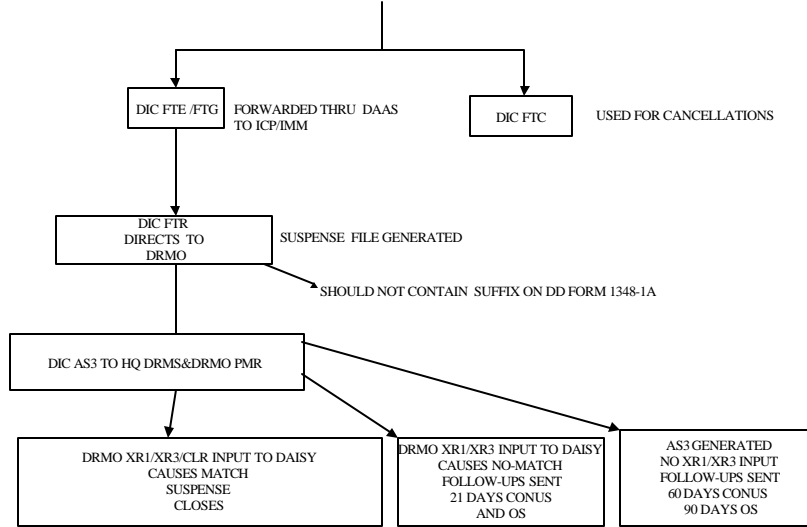
- **INTRANSIT PROCESS**
- **HOW CURRENT SYSTEM WORKS**
- **SIGNIFICANT POINTS**
- **DISCONNECTS**
- **SCOPING THE PROBLEM**
- **CURRENT STATUS**
- **FUTURE INITIATIVES**
- **SUMMARY**

# INTRANSIT PROCESS



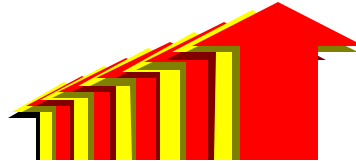


# CURRENT SYSTEM



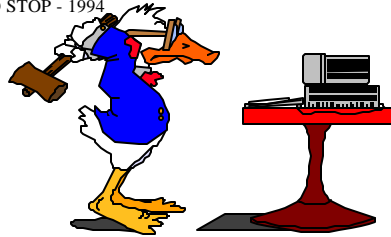
## SIGNIFICANT POINTS

- ICS forwards follow-ups to generating activities based on time frames established by DoD 4000.25-1-M, MILSTRIP Manual
- Suspense records are maintained on a computer located in Columbus, OH for one year then be moved to a history file for 2 years
- The ICS processes a quarterly In-transit Report which is available to the service/agency MILSTRIP focal points and the DoD MILSTRIP system administrator
- Special extract reports are available upon request
- The programming for ICS is separate from DAISY, but the Notice of Receipt Refusal or Clear (CLR) transaction is input through DAISY
- As part of the In-transit program DRMOs are required to input a "CLR" transaction when the turn-in of usable property, excluding Military Assistance Property (MAP), is refused
- DRMOs should prepare a DRMS Form 917, Property Disposal Reject/Advice, in two copies. The first copy of the DRMS Form 917 goes to the generator, the second copy becomes the source document for input of a CLR transaction



# INTRANSIT PROCESS DISCONNECTS

- ICS NOT USED
  - 23% RECEIPTS - NO CORRESPONDING SHIPMENT CONFIRMATIONS
  - 8% SHIPMENT CONFIRMATIONS - NO CORRESPONDING RECEIPTS
- SYSTEM NOT FLEXIBLE
  - RIGID TIMEFRAMES
  - INTRANSIT TRIGGERED BEFORE PROPERTY RELEASED
  - LSNS 40-45%
    - DATA OMITTED
    - SYSTEMS DON'T RECOGNIZE ALL CONFIGURATIONS
- CAUSATIVE RESEARCH NOT PERFORMED/CONSUMES MANPOWER
  - NAVY AND AF SPECIFICALLY REQUESTED NOT TO RECEIVE REPORTS - 1994
  - DLA DIRECTED REPORTING REQUIREMENTS TO STOP - 1994
- DRMS ISSUES
  - BATCHLOT ERRORS
  - DRMO BACKLOGS
- NO AGENCY DESIGNATED AS PROGRAM MANAGER



# SCOPING THE PROBLEM



## GAO FINDINGS

- FY 98 VALUE OF PROPERTY NOT RECEIVED BY DISPOSAL OFFICES
  - \$27B ACQ VALUE
  - 13% ACQ VALUE
- APR 97-MAR 98 REVIEW OF PROPERTY TYPE NOT RECEIVED BY DISPOSAL OFFICES
  - \$18B ACQ VALUE
  - 48% OF SHIPMENTS WERE IDENTIFIED AS  
FILTERABLE MILITARY SENSITIVE (11% OF ITEMS)
- PROCEDURES NOT FOLLOWED
  - FILTERABLE CODED ITEMS WERE BATCH LOTTED
  - CAUSATIVE RESEARCH
- RECEIPT BACKLOG MAY CONTRIBUTE

# CURRENT STATUS

- DOD
  - HAS INTERAGENCY PROCESS ACTION TEAM (IPT) LOOKING AT OVERALL INTRANSIT TRACKING PROGRAM
- DRMS
  - STRESSED THAT PILFERABLE/SENSITIVE ITEMS MAY NOT BE PLACED IN BATCHLOTS - OCT AND DEC 98
    - ADDED AS REVIEW ITEM ON COMPLIANCE ASSISTANCE VISITS
  - SUBSEQUENTLY RECEIVED WAIVER AND PUBLISHED GUIDANCE TO ALLOW DRMO DETERMINATION OF PILFERABILITY BASED ON CONDITION/AGE/COST -JAN 99
  - PROVIDES CUSTOMER ASSISTANCE AS NEEDED

# INITIATIVES

- SHORT TERM FIX - ICS EDITS
  - Change edits so that the comparisons are done on the FSC vs the NSN, thus eliminating the LSN mismatches
  - Change follow-up time frames to allow more processing time for backlogs; i.e. first follow-up after 90 days; second follow-up 30 days
  - Change edit to generate first follow-up with code 36 (receipt with no AS3), closes transaction with no further processing required
  - Edit for quantity discrepancies between receipts and AS3 will be deleted
- SHORT TERM FIX - DAASC EDITS
  - Reject for
    - DoDAAC is invalid
    - Invalid FSCs
    - Quantities of zero or blank
    - Unit price if LSN or blank (get unit price from FLIS for NSN if available)
- LONG TERM FIX
  - Implement electronic transfer across the board
  - Utilize tracking system similar to UPS/FEDEX for property movement

## SUMMARY

- RCP AND FUTURE WWW INTERACTIVE CAPABILITIES REPLACE DISPOSAL PORTION OF INTRANSIT CONTROL
- DOD POLICY CHANGED TO ALLOW DRMOs TO DETERMINE PILFERABILITY OF COMMON USE ITEMS FOR BATCHLOTTING PURPOSES
- PURSUE GENERATING ACTIVITY COMPLIANCE
- CONTINUE DRMS EMPHASIS ON PROCEDURAL COMPLIANCE