**C9. CHAPTER 9**

**LOGISTICS REASSIGNMENT**

C9.1. GENERAL

C9.1.1. Purpose. This chapter provides procedures designed to ensure successful Logistics Reassignment (LR) of both consumable and nonconsumable items, provide adequate management control of items in a transitional situation, and ensure uninterrupted supply support of items during the transition period.

C9.1.2. Transactions. This chapter addresses the procedures to the following Accredited Standards Committee (ASC) X12 transaction functions identified by their beginning segment and report type code. Other DLMS formats, such as XML, are also available. See the DLA Logistics Management Standards Website for available formats: [www.dla.mil/j-6/dlmso/elibrary/TransFormats/140\_997.asp](http://www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp). The corresponding [MILSTRAP](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/milstrap_pubs.asp) legacy 80 record position transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment.

C9.1.2.1. LR Management Data Transaction is identified by the DLMS 536L ASC X12 beginning segment (1/BR02/020) Transaction Type Code LR – Logistics Reassignment. This transaction provides the functionality of MILSTRAP legacy document identifier codes (DIC) DLS, DLT, DLU, DLV, DLW, and DLX.

C9.1.2.2. LR Transfer/Decapitalization Transaction is identified by the DLMS 846D ASC X12 beginning segment (1/BIA/020) Report Type Code TL – Logistics Transfer Advice. This transaction provides MILSTRAP legacy DIC DEE/DEF functionality.

C9.1.2.3. LR Transfer/Decapitalization Inquiry Transaction identified by the DLMS 846D ASC X12 beginning segment (1/BIA/020) Report Type Code TK – Logistics Transfer Inquiry. This transaction provides MILSTRAP legacy DIC DLA functionality.

C9.1.2.4. LR Storage Information Order Transaction is identified by the DLMS 846S ASC X12 beginning segment (1/BIA/020) Report Type Code PK – Storage Information Inquiry. This transaction provides MILSTRAP legacy DIC DZC functionality.

C9.1.2.5. LR Storage Information Reply Transaction is identified by the DLMS 846S ASC X12 beginning segment (1/BIA/020) Report Type Code TQ – Storage Information Advice. This transaction provides MILSTRAP legacy 8 DIC DZD functionality.

C9.1.3. LR Process. To ease understanding of these procedures, the LR process has been divided into three periods of time based upon the effective transfer date (ETD). These periods are identified as pre-ETD, ETD, and post-ETD. The pre-ETD period commences on the date the GIM assignment/ETD is sent to the GIM/LIM and terminates at ETD. ETD is the date of the LR. Although ETD is a specific point in time, for the purpose of these procedures, any actions involving data requirements that show conditions as of the ETD shall be discussed as if such actions took place on the ETD, even though they may have been taken immediately before or after the actual ETD. The post-ETD period begins immediately following the ETD and includes all actions that do not specifically involve data requirements that show conditions as of the ETD. Specific events required to take place during the LR are set forth under the appropriate period.

C9.1.3.1. The LIM shall use an LR Management Data Transaction to provide the GIM with general management information, backorder and demand data, on hand data, due-in data, contract history data, and product quality deficiency report (PQDR) history data for consumable assets being logistically reassigned.

C9.1.3.2. The LIM shall use an LR Transfer/Decapitalization Transaction to notify the GIM of the transfer and decapitalization quantities for the item being logistically reassigned. The GIM shall use an LR Transfer/Decapitalization Inquiry Transaction to inquire about LR transfer/decapitalization quantities when none was received.

C9.1.3.3. The LIM shall send an LR Storage Information Order Transaction to the storage activity to notify them to transfer ownership of wholesale stocks to the GIM and of the quantity which the LIM is retaining. Storage activities shall send an LR Storage Information Reply Transaction to the LIM to notify the LIM of the quantities the storage activity actually transferred to GIM ownership and those retained in LIM ownership.

C9.2. POLICY. DoD policy for LR of consumable items is contained in  
 [DoD 4140.26-M](http://www.dla.mil/j-6/dlmso/elibrary/manuals/regulations.asp#414026m), “Defense Integrated Materiel Management Manual for Consumable Items.” DoD policy for LR of nonconsumable items is contained in  
[AMC-R 700-99/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22](http://www.dla.mil/j-6/dlmso/elibrary/manuals/joint.asp), “Logistics Wholesale Inventory Management and Logistics Support of Multi-Service Used Nonconsumable Items,”.

C9.3. REQUIREMENTS

C9.3.1. General. The LIM, GIM, and storage activities shall accomplish the actions required by this manual to reassign asset accountability to the GIM in a timely manner to ensure uninterrupted supply support. Resolution of problems affecting supply operation requires direct communication, coordination, and assistance.

C9.3.2. GIM. The GIM shall accept, as of the ETD, those items and book balances submitted by the LIM. (The following policy covering transfer of assets for LR is implemented from DoD 4140.26-M and AMC-R 700-99 et al., respectively.) The LIM shall transfer all on-hand wholesale balances, in place, except:

C9.3.2.1. Assets committed to the support of special projects, programs, and/or plans including the International Logistics Program (ILP), e.g., staged shipments, packaged shipments. On hand wholesale assets in support of the ILP shall not be transferred to the GIM nor shall any ongoing procurement action in support of the ILP be terminated.

C9.3.2.2. Consumable assets in SCCs F, H, J, K, L, M, P, Q, R, and S. (See DoD 4140.26-M for complete criteria.)

C9.3.2.3. Nonconsumable assets in SCCs G, H, J, K, L, M, P, and Q. SCCs H and P materiel shall never be decapitalized. (See AMC-R 700-99 et al., for complete criteria.)

C9.3.3. LIM. On an expedited basis the LIM shall decapitalize to the GIM wholesale assets, other than the SCCs shown above, generated during the first year following ETD. The LIM shall report assets generated after 1 year of ETD under Chapter 11, (Materiel Returns Program Procedures). Except for decapitalization of procurement receipts, the GIM shall reject assets decapitalized more than 1 year after the ETD using Reject Advice Code AW.

C9.4. PRE-EFFECTIVE TRANSFER DATE ACTIONS

C9.4.1. General

C9.4.1.1. The LIM procurement office shall provide the GIM with contractual status on contracts either retained by the LIM or assigned to the Defense Contract Management Agency (DCMA) for contract administration. Contract status includes, but is not limited to, delivery status, acceleration of delivery, follow-up status requests, contract warranty provisions, and executing appropriate modifications to basic contracts.

C9.4.1.2. For nonconsumable items, the LIM shall give the GIM listings of all purchase requests (procurement actions that have not reached the award stage) throughout the pre-ETD period. The GIM shall, within 15 calendar days following receipt of the purchase request listing from the LIM, annotate required changes, and return one copy to the LIM. For consumable items, the LIM shall send listings of all purchase requests to the GIM 45 calendar days prior to the ETD in the format established by DoD 4140.26-M.

C9.4.1.3. The LIM shall reclassify consumable assets, in SCCs Q and R, to the appropriate SCC before the LIM sends the GIM an updated LR Management Data Transaction.

C9.4.1.4. For assets in SCC H, the LIM shall either forward the assets to DRMO or reclassify the item to its true condition as authorized by Chapter 7.

C9.4.2. One hundred and fifty calendar days prior to ETD, or upon notification if less than 150 calendar days, the LIM shall take the following actions:

C9.4.2.1. Advise the GIM of assets being held for litigation.

C9.4.2.2. Perform physical inventories under Chapter 6 procedures, as stated in DoD 4140.26-M for consumable items, and AMC-R 700-99 et al., for nonconsumable items, as follows:

C9.4.2.2.1. For consumables, inventory stock on hand for wholesale assets designated as classified or sensitive.

C9.4.2.2.2. For nonconsumables, inventory on-hand wholesale assets.

C9.4.3. One hundred and twenty calendar days prior to ETD, or upon notification if less than 120 calendar days, for consumable items being transferred, the LIM shall send the GIM an LR Management Data Transaction containing backorder and demand data, on-hand data, due-in data, and contract history data. Do not provide PQDR history data at this time.

C9.4.4. Sixty calendar days prior to ETD the LIM shall process excess reports received for LR items for which disposition action is appropriate, in accordance with Chapter 11 procedures.

C9.4.5. Forty-Five Calendar Days Prior to ETD

C9.4.5.1. By mutual agreement between the GIM and the LIM, the LIM shall initiate action to amend existing LR item contracts/purchase orders not reassigned to the GIM to provide for diversion of stock by quantities into storage activities of the GIM. The GIM shall send addresses of the shipping destinations to the LIM, as appropriate. The LIM shall retain the due-in.

C9.4.5.2. For consumable items, the LIM shall send listings of all purchase requests in accordance with DoD 4140.26-M. The GIM will, within 15 calendar days following receipt of the purchase request listing from the LIM, annotate required changes and return one copy to the LIM.

C9.4.6. Thirty Calendar Days Prior to ETD. The LIM shall take the following actions:

C9.4.6.1. Furnish the GIM a war materiel requirement (WMR) data listing sorted by NSN and the DoD Component (and routing identifier code (RIC)) within the DoD Component when the requirements have been allocated), major to minor, showing the current computed data.

C.9.4.6.1.1. Include the quantity and value of the forecasted reparable return data, if applicable; quantity and value of Balance War Reserves (Other War Materiel Requirement (OWMR); Other War Reserve Materiel Requirement (OWRMR); OWRMR, Protectable (OWRMRP); Pre-Positioned War Reserve Materiel Requirement (PWRMR); PWRMR, Protectable (PWRMRP)); dollar value subtotals for FSC, RIC if allocated, and the DoD Component; and grand total dollar value.

C9.4.6.1.2. Additionally, send the DLMS 830W, War Materiel Requirements, to the GIM to show original input from which the WMR computed data was generated. The GIM shall process the DLMS 830W to recompute the WMR data as described in Chapter 3.

C9.4.6.2. For consumable items, send the GIM an updated LR Management Data Transaction containing backorder and demand data, on-hand data, due-in data, and contract history data. Do not provide PQDR history data at this time. Send the GIM the latest status of assets being held for litigation action.

C9.5. EFFECTIVE TRANSFER DATE PERIOD ACTIONS. The LIM shall do the following at ETD:

C9.5.1. Send an LR Storage Information Order Transaction to the storage activities as a notification that wholesale stocks stored are now under GIM ownership.

C9.5.2. Process inventory adjustments to decrease the inventory control record using DLMS 947I.

C9.5.3. Prepare and send to the GIM LR Transfer/Decapitalization Transaction by SCC and location. Telephone communication between the GIM and LIM is authorized to resolve transactions that reject from the validation process. To preclude inquiries when there are no on-hand assets available for transfer, the LIM shall send a LR Transfer/Decapitalization Transaction to the GIM for a zero quantity as either a transfer or a decapitalization, based on the following:

C9.5.3.1. LR transfers are used for permanent transfers, without reimbursement of cost, of inventory within the same fund division (the LIM has a transfer-out and the GIM has a corresponding transfer-in).

C9.5.3.2. LR decapitalization transactions are used for permanent transfers, without reimbursement of cost, of inventory between different fund divisions, or chartered subdivisions within the fund (the LIM has a decapitalization and the GIM has a corresponding capitalization).

C9.5.4. Give memorandum due-in information to the GIM and advance receipt information (ARI) to the storage activity in accordance with Chapter 12.

C9.5.5. Send the GIM storage activity a DLMS 527D ARI for each due-in from procurement on which the destination has changed to the GIM. In addition, send the LIM storage activity a reversal DLMS 527D ARI to delete the ARI.

C9.5.6. Transfer funded backorders to the GIM in accordance with DoD 4140.26-M. Transfer the funded backorders using referral/passing orders in accordance with MILSTRIP.

C9.5.7. For consumable items, send the LR Management Data Transaction containing PQDR history data. Send data for completed PQDRs only and include all PQDRs completed up to 3 years prior to the ETD. Do not provide backorder and demand data, on-hand data, due-in data, or contract history data at this time.

C9.5.8. For items with SPR, prepare and send a DLMS 870L, Order Status Report (SPR Status), to the forecasting activity as outlined in [Chapter 2](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/v2.asp).

C9.5.9. Advise the GIM of the latest data available on assets being held for litigation action.

C9.6. POST-EFFECTIVE TRANSFER DATE ACTIONS

C9.6.1. Storage Activity Action. The storage activity shall prepare an LR Storage Information Reply Transaction within 5 working days of receipt of an LR Storage Information Order Transaction advising the LIM of the quantity transferred to GIM ownership. If the storage activity does not receive an LR Storage Information Order Transaction, the storage activity shall prepare and send the LIM an LR Storage Information Reply Transaction showing each balance by SCC.

C9.6.2. GIM Actions

C9.6.2.1. Inventory Adjustment. Convert valid LR Transfer/Decapitalization Transactions received from the LIM to inventory adjustments using DLMS 947I, to establish or increase inventory balances. (This action is not required upon receipt of an LR transfer/decapitalization with a zero quantity.) The GIM may automatically reject invalid LR transfer/decapitalization transactions. Telephone communication between the GIM and LIM is authorized to resolve LR transfer/decapitalization transactions that reject from the validation process.

C9.6.2.2. Memorandum Due-In Transactions. Process valid DLMS 527D memorandum due-in transactions, received from the LIM in accordance with Chapter 12.

C9.6.2.3. Transaction Rejections. If in receipt of an LR Transfer/ Decapitalization Transaction or DLMS 527D memorandum due-in for an item not involved in an LR, reject the incorrectly reported transactions back to the initiator using DLMS 824R, Reject Advice, citing Reject Advice Code AY.

C9.6.2.4. Reconsignment Instructions. When appropriate, give reconsignment instructions to the LIM for items due-in from undelivered contracts of the LIM. Report receipts from these contracts following the ETD in accordance with Chapter 13.

C9.6.2.5. LR Transfer/Decapitalization Reversals. Accept and process reversals of LR Transfer/Decapitalization Transactions, adjust their management and financial records, and discontinue processing any other transactions against the LR assets until the GIM processes new LR Transfer/Decapitalization Transactions from the LIM.

C9.6.3. LIM Actions

C9.6.3.1. Updating Due-Ins. The LIM shall update the memorandum due-in and ARI in accordance with Chapter 13, as necessary, to include the following actions:

C9.6.3.1.1. Changing the destination of undelivered purchases upon request of the GIM.

C9.6.3.1.2. Awarding an unawarded purchase request.

C9.6.3.2. Litigation Procedures. The LIM shall enter litigation proceedings on all items in SCC L which are either on hand at ETD or later received by either the GIM or LIM on LIM negotiated contracts. The LIM shall notify the GIM of actions being taken to resolve the litigation actions.

C9.6.3.3. Condition Change. When an item previously transferred to the GIM is restored to an issuable condition, or when inspection of stock on hand reveals a change in condition of the materiel, the GIM shall be notified of the condition transfer using a DLMS 947I.

C9.6.3.4. Preparation of Storage Information. The LIM’s storage activity shall send a LR Storage Information Reply Transaction within 5 working days of the ETD advising the LIM of the quantity transferred to GIM ownership. If the LIM’s storage activity does not receive a LR Storage Information Order Transaction, the storage activity shall send the LIM a LR Storage Information Reply Transaction showing each balance by SCC.

C9.6.3.5. LIM Processing of a LR Storage Information Reply. Upon receipt of the LR Storage Information Reply Transaction, the LIM will review the quantity. When the transfer quantity in the reply is greater than the transfer quantity shown in the order, the LIM shall transfer/decapitalize the additional quantity to the GIM on a new LR Transfer/Decapitalization Transaction. When the transfer quantity in the reply is less than the transfer quantity in the order, the LIM shall:

C9.6.3.5.1. Within 24 hours of receipt of the reply, initiate action to reverse the LR Transfer/Decapitalization Transaction, previously submitted for that location and SCC.

C9.6.3.5.2. Conduct research, and/or request a special inventory when deemed appropriate.

C9.6.3.5.3. Determine whether the quantity reported by the storage activity is correct (based on the best data available after research/inventory). If research shows the quantity reported was not correct the LIM shall process a reversal, or LR Transfer/Decapitalization Transaction and a LR Storage Information Order Transaction containing new document numbers with the revised quantity.

C9.6.3.5.3.1. Complete these actions within 30 calendar days after the ETD to prevent a long time lag between the ETD and corrective action. If extenuating circumstances prevent a LIM from accomplishing this task within 30 calendar days, notify the GIM of the problem and expected date when the problem should be resolved (not to exceed 60 calendar days past the ETD).

C9.6.3.5.3.2. If a LR Storage Information Reply Transaction contains a transferable quantity on an item the LIM provided a LR Transfer/Decapitalization Transaction with a zero balance, the LIM shall send a new LR Storage Information Order Transaction to the storage activity, and a new LR Transfer/Decapitalization Transaction to the GIM showing the appropriate quantity, SCC, and location; in this situation, the LIM shall not prepare a LR Transfer/Decapitalization Transaction reversal.

C9.6.3.6. Ninety Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated LR Management Data Transaction containing contract history and PQDR history data. Give data for PQDRs completed between the ETD and the ETD plus 90 calendar days only. Do not give backorder and demand, on hand, or due-in data at this time.

C9.6.3.7. One Hundred and Eighty Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated LR Management Data Transaction with PQDR history data. Give data for PQDRs completed between the ETD plus 90 calendar days and the ETD plus 180 calendar days only. Do not give backorder and demand, on hand, due-in, or contract history data at this time.

C9.6.3.8. Two-Hundred and Seventy Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated LR Management Data Transaction containing contract history and PQDR history data. Give data for PQDRs completed between the ETD plus180 calendar days and the ETD plus 270 calendar days only. Do not give backorder and demand, on-hand, or due-in data at this time.

C9.7. RECEIPT PROCESSING AFTER EFFECTIVE TRANSFER DATE. Storage activities shall process receipts after the ETD in accordance with [Chapter 13](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/v2.asp).

C9.7.1. Receipts from Procurement

C9.7.1.1. Upon receipt of assets from procurement by either the GIM or LIM storage activity, send a DLMS 527R Receipt Transaction to the LIM.

C9.7.1.2. Procurement receipts received after 1 year past the ETD shall be processed by the LIM and GIM in the same manner that procurement receipts would be processed when received during the ETD to 1 year period.

C9.7.1.3. When the LIM receives a receipt transaction from the storage activity for an item that was logistically reassigned, the LIM shall:

C9.7.1.3.1. Process the receipt to reduce the due-in record, record the assets on the LIM owner record.

C9.7.1.3.2. Decrease the LIM owner record using a DLMS 947I, Inventory Adjustment Transaction, in accordance with [Chapter 7](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/v2.asp).

C9.7.1.3.3. Send a DLMS 527R, Memorandum Receipt Transaction, to the GIM.

C9.7.1.3.4. Send a LR Transfer/Decapitalization Transaction, in accordance with C9.5, and include transaction number or contract number (and related data: Contract line item number (CLIN), exhibit line item number (ELIN), and call or order number) from the associated receipt transaction to establish an audit trail between the receipt and its following transfer/decapitalization.

C9.7.1.3.5. Send a LR Storage Information Order Transaction to the storage activity in accordance with C9.5.

C9.7.1.3.6. Process receipts for which litigation is required in accordance with Chapter 13.

C9.7.1.4. If no DLMS 527D ARI is recorded, the storage activity shall report materiel received from procurement sources in accordance with Chapter 13.

C9.7.1.5. The GIM will:

C9.7.1.5.1. Use a LR Transfer/Decapitalization Transaction to record the assets on the GIM owner record and to reduce the memorandum due-in record in accordance with Chapter 13.

C9.7.1.5.2. If a LR Transfer/Decapitalization Transaction is received for an item not involved in an LR, the GIM shall reject the transaction back to the initiator using DLMS 824R citing Reject Advice Code AY.

C9.7.1.5.3. If assets from procurement are received for which there are no ARIs at the receiving storage activity, the receiving activity shall report the receipt to the cognizant IMM. If the GIM does not have a recorded due-in and the item was recently involved in an LR, the GIM should research/contact the LIM to determine proper reporting of the receipt to maintain accountability accuracy. If the procurement receipt is incorrectly reported to the LIM (and the LIM did not initiate the procurement action), the LIM should reject the receipt back to the originator with a DLMS 824R citing Reject Advice Code AB.

C9.7.2. Receipts From Other Than Procurement

C9.7.2.1. The LIM’s storage activity, upon receipt of assets from other than procurement, shall send DLMS 527R receipt to the LIM.

C9.7.2.2. The LIM shall:

C9.7.2.2.1. Process the storage activity initiated receipt to reduce the due-in record and record assets on the LIM inventory record for the quantity received.

C9.7.2.2.2. Decrease the inventory control record using DLMS 947I.

C9.7.2.2.3. Send DLMS 527R, Memorandum Receipt Transaction, to the GIM.

C9.7.2.2.4. Send a LR Transfer/Decapitalization Transaction to the GIM.

C9.7.2.3. The GIM shall process the D527R, Memorandum Receipt Transaction, to reduce the memorandum due-in record and shall use the LR Transfer/Decapitalization Transaction to record assets on their inventory record for the quantity received.

C9.7.2.4. If no ARI is recorded, the storage activity will report materiel received from nonprocurement sources following Chapter 13.

C9.8. INQUIRY FOR LOGISTICS REASSIGNMENT ASSET DATA AND RESPONSE

C9.8.1. LR Transfer/Decapitalization Inquiry. The GIM shall send an inquiry to the LIM, using a LR Transfer/Decapitalization Inquiry Transaction, for all assets logistically reassigned for which they received no LR Transfer/Decapitalization Transaction.

C9.8.2. LIM Response. The LIM shall send the necessary LR Transfer/ Decapitalization Transaction or a duplicate thereof.

C9.9. LOGISTICS REASSIGNMENT DUE-IN VALIDATION. See [Chapter 12](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/v2.asp), Due-In Inquiry and Reconciliation procedures.