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IN REPLY  
REFER TO DLMSO

FEB 14 2008

MEMORANDUM FOR SUPPLY PROCESS REVIEW COMMITTEE (PRC) MEMBERS

SUBJECT: Request for Implementation Date for Approved MILSTRAP Change Letter  
(AMCL) 13, Partial Reversal of Select MILSTRAP Transactions

The attached change to DoD 4000.25-2-M, Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), is forwarded for submission of the earliest coordinated Service/Agency implementation date. A request for implementation date was previously staffed by DLMSO memorandum, May 5, 1998, subject as above. However, all Components did not respond, and an implementation date was not determined. As a minimum, joint implementation with the DLA Distribution depot system is recommended.

Please review the attached change and provide your earliest implementation date to DLMSO no later than 30 days from the date of this memorandum. If your Component has already implemented and currently processes MILSTRAP partial reversals, please advise. Addressees may direct questions to the DLMSO point of contact, Ms. Mary Jane Johnson, at (703) 767-0677; DSN 427-0677; or, e-mail: [Mary.Jane.Johnson@dla.mil](mailto:Mary.Jane.Johnson@dla.mil). Others must contact their Service or Agency's designated Supply PRC representative.

DONALD C. PIPP  
Director  
Defense Logistics Management  
Standards Office

Attachment

cc:  
DUSD(L&MR)SCI



**ATTACHMENT TO REQUEST FOR IMPLEMENTATION DATE  
FOR MILSTRAP AMCL 13  
PARTIAL REVERSAL OF SELECT MILSTRAP TRANSACTIONS**

**1. ORIGINATOR:**

**a. Organization:** Defense Logistics Management Standards Office (DLMSO)

**b. Point of contact:** Mary Jane Johnson, DLMSO, MILSTRAP Administrator,  
703-767-0677; DSN 427; e-mail: Mary.Jane.Johnson@dla.mil

**2. REFERENCES:**

**a.** DoD 4000.25-2-M, September 2001, Military Standard Transaction Reporting and Accounting Procedures, as amended

**b.** DLMSO memorandum May 5, 1998, Request for a Revised Implementation Date for Approved MILSTRAP Change Letter (AMCL) 13, Partial Reversal of Selected MILSTRAP Transactions

**3. BACKGROUND:** AMCL 13 was one of approximately 26 MILSTRIP and MILSTRAP approved MILS change letters (AMCLs) which the Components were unable to implement on schedule in the 1990s as resources were shifted to support the Corporate Information Management (CIM) single standard system effort. With the demise of that effort, DLMSO, in conjunction with the DoD Supply PRC, agreed to establish revised implementation dates for the outstanding AMCLs. AMCL 13 was initially published as an approved change on June 27, 1991, with an implementation date of November 1, 1994. A revised request for implementation date was subsequently released in May 1998 with the following responses, but no implementation date was established:

COMPONENT	IMPLEMENTATION DATE
AIR FORCE	2001
ARMY	Dec 2004

**4. PUBLICATION.** Based on responses to this request for implementation date, DLMSO will publish the AMCL 13 procedures in the reissue to DOD 4000.25-2-M, MILSTRAP, scheduled for 2008, and identify implementation status for each Component. The partial reversal procedures are already incorporated in the DOD 4000.25-M, DLMS, Volume 2 procedures.

**5. CHANGE CONCEPT/RATIONALE:**

**a. Concept.** Allow partial reversal (i.e., reversal of less than the original quantity) of selected MILSTRAP (reference 1a) transactions. The proposed procedures:

(1) Provide for partial reversal of select MILSTRAP transactions.

(2) Require edits be established to assure that:

(a) The document number of the reversal transaction matches the document number of the original transaction.

(b) The cumulative total of all reversal transaction quantities for a given document number do not exceed the original transaction quantity. This provision requires that a record of the original quantity and the quantity of all reversal transactions (total and partial) be maintained.

**b. Rationale:**

(1) Reversals can result from errors on the original transactions. Total reversals (same quantity as the original transaction) are not always required to correct the error. For example:

(a) If a physical inventory dictated that the accountable record be increased by 3 each, but the transaction was input with a quantity of 30 each, current procedures require a total reversal of the original transaction for 30 each, and input of a new transaction for 3 each. If partial reversals were authorized, the error could be corrected by reversing a quantity of 27 each.

(b) During a Logistics Reassignment (LR), the gaining item manager (GIM) balance must be corrected, when the losing item manager (LIM) storage activity has fewer assets available for reidentification to the GIM's ownership, than the LIM actually transferred. Present MILSTRAP procedures require the total reversal of the original transfer transaction (DI Code DEE or DEF) and submission of a new one. If the GIM has issued any assets since the effective transfer date, the total reversal would cause a negative balance, which some systems cannot accept. A partial reversal would correct the GIM's balance using one transaction instead of two, and eliminate the negative balance situation.

(2) Legitimizes the processing of partial physical inventory adjustment reversals, which has existed in the ammunition and general supplies community for years, and expands the concept to other MILSTRAP transactions.

**6. ADVANTAGES/DISADVANTAGES:**

**a. Advantages:** Permits correction of errors with minimum number of transactions, thereby saving resources and reducing the chance for further errors.

**b. Disadvantages:**

(1) Increases the opportunity to circumvent procedures, unless edits/controls are enforced.

(2) Requires revision of Service/Agency systems and procedures to allow for processing of partial reversals, to include establishing the required edits.

## 7. INTERFACE/IMPACT:

**a. Interface:** Requires interface of supply and financial systems to assure compatible adjustment of supply accountability and financial accounting records.

**b. Impact:** Requires revision of Service/Agency systems and procedures to allow for processing of partial reversals, to include establishing the required edits.

**8. PROCEDURES:** Revise DoD 4000.25-2-M (MILSTRAP) as follows (changes are identified by *bold italic* print):

**a. Chapter 7, paragraph C7.5.** Replace the paragraph C7.5 lead-in paragraph with the following:

**"C7.5. REVERSAL OF INVENTORY ADJUSTMENTS.** Reversal (*total or partial*) of inventory adjustments, DI Code D8A and D9A, is a required capability which must be implemented with proper controls and supported by proper documentation. See Appendix *AP3, Introduction, paragraph AP3.3.2., and chapter 9 for transaction reversal processing and control requirements. In addition to the controls required by chapter 9*, procedures for reversing adjustments will contain, as a minimum, the following control features:"

**b. Chapter 9.** Change the title of Chapter 9 to read: ***REJECTION, ROUTING, AND REVERSAL OF TRANSACTIONS***

**c. Chapter 9.** Add the following as a new section:

### **"C9.4. REVERSAL OF TRANSACTIONS**

***C9.4.1. Processing activities may totally or partially reverse selected MILSTRAP transactions. Reversal of a quantity equal to the original transaction quantity is a total reversal. Reversal of a quantity less than the original transaction quantity is a partial reversal. Appendix AP3 indicates which transactions are eligible for reversal. As a minimum, activities shall apply transaction reversal edits and controls to assure that:***

***C9.4.1.1. The original transaction document number is used on all reversal transactions. Activities shall not process a transaction reversal if the document number does not match an established file record document number. If such a transaction is received, reject it back to the originator in accordance with section C9.2, paragraph C9.2.3.***

***C9.4.1.2. The cumulative total of all reversal transaction quantities for the document number does not exceed the original transaction quantity. If the cumulative total of all reversal transaction quantities exceeds the original transaction quantity, reject the transaction(s), causing the total quantity to exceed the original quantity, back to the submitter in accordance with section C9.2, paragraph C9.2.3.***

***C9.4.2. See chapter 7, section C7.5, for additional controls required when reversing physical inventory adjustments, DI Code D8A/D9A. See chapter 7, section C7.8, for quality control requirements.***

**C9.4.3.** See chapter 11, Paragraph C11.6.4, for additional controls required when reversing logistics transfer/decapitalization transactions, DI Codes DEE/DEF."

**d. Chapter 11, Paragraph C11.6.4.** Revise to read as follows:

"C11.6.4. The GIM will accept and process DI Code DEE/DEF *transaction reversals* (see Appendix AP3, Introduction, paragraph AP3.3.2.) and adjust the *inventory and financial* records accordingly [text deleted]. If the DI Code DEE/DEF transaction reversals are received with an incorrect *reversal indicator*, the GIM may elect to contact the LIM to verify that reversal action is appropriate, correct the transaction and continue to process, or reject the transaction using the DI Code DZG Transaction Reject document with Reject Advice Code AE (Rejected - Quantity field invalid)."

**e. Chapter 11, Paragraph C11.6.9.** Revise to read as follows:

"4. Upon receipt of the DI Code DZD (LR Storage Information Reply), the LIM will review the quantity. When the *transfer* quantity in the DI Code DZD is greater than the *transfer* quantity reflected in the DI Code DZC (LR Storage Information transaction), the LIM will take action to transfer/decapitalize the additional quantity to the GIM on a new DI Code DEE/DEF transaction. When the *transfer* quantity in the DI Code DZD is less than the *transfer* quantity in the DI Code DZC, the LIM shall: (1) within 24 hours of receipt of the DI Code DZD transaction, initiate action to reverse the DI Code DEE/DEF [text deleted] transaction, previously submitted for that location and condition, by the difference between the DI Code DZD and DZC transfer quantities (see chapter 9 and appendix AP3, Introduction, paragraph AP3.3.2., for controls required when processing transaction reversals); (2) conduct research and/or request a special inventory when deemed appropriate; and, (3) determine whether the quantity reported by the LIM's storage activity is correct (based on the best data available after research/inventory) [text deleted]. If research reveals that the quantity reported by the LIM storage activity was not correct the LIM will process a partial reversal, or transfer/decapitalization transaction and DI Code DZC, as needed. The LIM shall 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, the LIM shall notify the GIM of the problem and expected date when the problem should be resolved (not to exceed 60 calendar days past the ETD). If the DI Code DZD transaction contains a transferable quantity on an item for which the LIM provided a DI Code DEE/DEF transaction with a zero balance, the LIM shall provide a DI Code DZC to the storage activity and a new DI Code DEE/DEF to the GIM reflecting the appropriate quantity, condition, and location; in this situation, the LIM will not prepare a DI Code DEE/DEF reversal.

**f. Appendix AP3, Formats Introduction, Paragraph AP3.3.2.** Revise to read:

"AP3.3.2. To effect total or partial reversal (or cancellation) of the original transaction, enter a reversal indicator in record position 25. (See chapter 9 for controls required when reversing transactions). In punched-card transactions, the reversal indicator was an eleven-zone overpunch of the quantity digit in record position 25 of the quantity to be reversed. In nonpunched-card MILSTRAP 80 record position transactions, the reversal indicator is the EBCDIC or ASCII equivalent of the punched-card entry, which is also entered in record position 25 of the reversal quantity. The EBCDIC reversal indicators are a minus sign for a blank entry, a } (closing brace) for an entry of zero, or an alphabetic J through R for an entry of 1 through 9 respectively. Since significant digits are to be preceded by zeros, the blank and

*minus sign indicators in record position 25 are actually invalid entries and are mentioned only to cover all possibilities. The punched card and EBCDIC reversal indicators are as follows:*

<i>QUANTITY ENTRY</i>	<i>RECORD POSITION 25 PUNCHED-CARD TRANSACTION ENTRY</i>	<i>RECORD POSITION 25 EBCDIC REVERSAL</i>	<i>EBCDIC REVERSAL QUANTITY ENTRY</i>
<i>1</i>	<i>11-zone and blank</i>	<i>- (MINUS)</i>	<i>- 1</i>
<i>00001</i>	<i>11-zone and 0 (zero)</i>	<i>}</i>	<i>}0001</i>
<i>10001</i>	<i>11-zone and 1</i>	<i>J</i>	<i>J0001</i>
<i>20001</i>	<i>11-zone and 2</i>	<i>K</i>	<i>K0001</i>
<i>39999</i>	<i>11-zone and 3</i>	<i>L</i>	<i>L9999</i>
<i>42180</i>	<i>11-zone and 4</i>	<i>M</i>	<i>M2180</i>
<i>57832</i>	<i>11-zone and 5</i>	<i>N</i>	<i>N7832</i>
<i>60000</i>	<i>11-zone and 6</i>	<i>O</i>	<i>O0000</i>
<i>78364</i>	<i>11-zone and 7</i>	<i>P</i>	<i>P8364</i>
<i>80000</i>	<i>11-zone and 8</i>	<i>Q</i>	<i>Q0000</i>
<i>99999</i>	<i>11-zone and 9</i>	<i>R</i>	<i>R9999</i>

*For ammunition, an M-modifier may be entered in record position 29 of the quantity field to denote thousands. In such cases, the quantity and reversal indicators would appear as shown in the following example for a reversal quantity of 800000:*

<i>QUANTITY ENTRY</i>	<i>RECORD POSITION 25 PUNCHED-CARD TRANSACTION ENTRY</i>	<i>RECORD POSITION 25 EBCDIC REVERSAL CHARACTER</i>	<i>EBCDIC REVERSAL QUANTITY ENTRY</i>
<i>0800M</i>	<i>11-zone and 0 (zero)</i>	<i>}</i>	<i>}800M</i>

**h. Appendix AP2.8.** Revise Ap2.8, Reject Advice Codes, to add new codes:

<b>CODE</b>	<b>DEFINITION</b>
<i>AL</i>	<i>Rejected. Cumulative total of all reversals exceeds the original transaction quantity.</i>
<i>AN</i>	<i>Rejected. No record of original transaction with document number matching the attempted reversal transaction.</i>