



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
8725 JOHN J. KINGMAN ROAD  
FORT BELVOIR, VIRGINIA 22060-6221

IN REPLY  
REFER TO

DLMSO

OCT 18 2006

MEMORANDUM FOR SUPPLY AND FINANCE PROCESS REVIEW COMMITTEE  
(PRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC)  
215, Material Receipt Status (Material Returns Program (MRP)) Credit Reversal Amount  
(Supply/Finance/MILSTIP) (Staffed as PDC 202)

We are forwarding the attached approved change to DOD 4000.25-M, Defense Logistics Management System (DLMS) and DOD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP). This supports an Army-unique process and does not impact other Components. It is approved for implementation within 30 days. The updated DLMS Supplement will be posted to the Defense Logistics Management Standards Office (DLMSO) Web site <http://www.dla.mil/j-6/dlms/elibrary/Changes/processchanges.asp> within 10 days.

Addressees may direct questions to the Defense Logistics Management Standards Office point of contact, Ms. Ellen Hilert, Chair, Supply Process Review Committee, 703-767-0676, DSN 427-0676, or e-mail: [Ellen.Hilert@dla.mil](mailto:Ellen.Hilert@dla.mil) or Mr Robert Hammond, 703-767-2117, or e-mail: [robert.hammond@dla.mil](mailto:robert.hammond@dla.mil). Others must contact their Component designated representative.

DONALD C. PIPP  
Director  
Defense Logistics Management  
Standards Office

Attachment

cc:  
ADUSD(L&MR)SCI

**ADC 215**  
**Material Receipt Status (MRP) Credit Reversal Amount**

**1. ORIGINATOR:**

**a. Service/Agency:** USAMC Logistics Support Activity (LOGSA)

**b. Originator:** LOGSA, AMXLS-MD, Process Integration Division, Commercial number: 256-955-8017/DSN: 645-8017

**2. FUNCTIONAL AREA: Primary:** Supply/Finance

**3. REQUESTED CHANGE:**

**a. Title:** Material Receipt Status (Material Returns Program (MRP)) Credit Reversal Amount

**b. Summary of Change:** This change documents a current Army-unique capability within MILSTRIP Document Identifier (DI) Code FTZ, ICP/IMM Material Receipt Status (Material Returns Program) transaction, and perpetuates this capability into the DLMS. In addition to the current MILSTRIP purpose to notify customers of the amount of pending credit, it is Army practice to also use this transaction to identify the amount of credit reversals, when applicable, after receipt and inspection.

**c. Background:**

(1) Current Army business practice is to use record position (rp) 80 of the DI FTZ, MRP Status transaction, as a multi-purpose field to express to customers the amount of expected credit for return of reparable and also to notify customers that there will be a credit reversal forthcoming due to receipt of material in an unacceptable condition. Under MILSTRIP, rp 80 is the last position of the Expected Credit field.

(2) This intra-Army process is triggered by notification of asset availability (e.g. excess) by a customer via DI FTA/FTE. DI FTZ to the customer conveys the amount of expected credit; the standard MILSBILLS transactions issue credit (material credit via DI FD2, Material Return Program Credit; credit for packing, crating and handling (PCH) via DI FN2, Accessorial and Other Miscellaneous Billings; and credit for transportation via DI FQ2, Billing for Transportation). Important to note, for depot level reparable managed by the Army, this occurs *prior* to receipt of material.

(3) When the reparable is received and inspected and subsequently found to be in an unacceptable condition, it is the Army's practice to send a second DI FTZ to both the customer, notifying them that their credit will be reversed and to DFAS, which triggers the standard MILSBILLS credit reversal transactions:

(a) DI FD1, Credit Reversal of MRP Credit, used to reverse material credit

(b) DI FN1, Charge for Accessorial and Other Miscellaneous Billings, used to reverse PCH credit

(c) DI FQ1, Charge for Transportation Billing, used to reverse transportation credit

(4) These MILSBILLS transactions process through DFAS. **STAFFING NOTE:** Request DFAS (Army) confirm processing is accurate as defined.

d. **Procedures:** This proposal revises MILSTRIP DI FTZ, ICP/IMM Material Receipt Status (Material Returns Program) transaction to recognize a special character and alpha characters in rp 80 for Army-unique processing. It also requires modification to the DLMS 870M, Material Returns Supply Status, to add DLMS notes and code values which distinguish reversal of material credit, PC&H, and transportation reimbursements. This would also necessitate the following changes:

(1) Revise text in MILSTRIP (DOD 4000.25-1-M, Chapter 9, Material Returns Program (MRP) and Lateral Redistribution of Retail Assets) and the DI FTZ format, Appendix 3.42.

(a) **Text:** Add to paragraph C9.14.1, The ICP/IMM will prepare DI FTZ documents using AP3.42 to provide reporting activities with notification of material receipt or non-receipt ~~on returns~~ and can be used (intra-Army only) to notify customers of the amount of credit granted and/or reversed for material received.

(b) **Format:** To convey amount of credit issued and amount of previously granted credit to be reversed, revise the DI FTZ format, ICP/IMM Material Receipt Status (MRP), AP3.42, to allow the ICP/IMM to enter the following special character and/or numerics into rp 80:

Expected Credit                      72-80                      Enter credit to be granted in dollars and cents. When no credit is granted, zero fill.

80                      *For intra-Army return of reparable only:*

<i>To designate amount of credit granted, enter:</i>		<i>To designate amount of credit reversal, enter:</i>	
<i>Code</i>	<i>Value</i>	<i>Code</i>	<i>Value</i>
<i>{</i>	<i>0</i>	<i>{</i>	<i>0</i>
<i>A</i>	<i>1</i>	<i>J</i>	<i>1</i>
<i>B</i>	<i>2</i>	<i>K</i>	<i>2</i>
<i>C</i>	<i>3</i>	<i>L</i>	<i>3</i>
<i>D</i>	<i>4</i>	<i>M</i>	<i>4</i>
<i>E</i>	<i>5</i>	<i>N</i>	<i>5</i>
<i>F</i>	<i>6</i>	<i>O</i>	<i>6</i>
<i>G</i>	<i>7</i>	<i>P</i>	<i>7</i>
<i>H</i>	<i>8</i>	<i>Q</i>	<i>8</i>

I	9	R	9
---	---	---	---

(2) Text changes to DLMS, (DOD 4000.25-M, Volume 2, Chapter 11, Material Returns and Redistribution of Assets), and to the DLMS Supplement 870M, Material Returns Supply Status transaction.

(a) Add to paragraph C11.7.1. Reporting Activity Processing. DS 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 material received.*

(b) Revise the DLMS Supplement 870M to incorporate new notes and codes in the SAC Segment (Service, Promotion, Allowance, or Charge Information) as shown in Enclosure 1. These revisions to the SAC Segment are recommended by DLMSO as being comparable to the MILSTRIP functionality used by the Army. SAC Segment changes require coordination with the DLMS Finance Committee.

e. **Alternatives:** Although the above practice is currently in use by the Army, the recommended alternative is to discontinue the inclusion of amount reversed in FTZ and use standard MILSBILLS to notify customers of debit actions due to unsatisfactory condition of material received.

**4. REASON FOR CHANGE:** This change was proposed by the Army to officially document current Army business processes and to transition that process from current MILS to XML schemas. Internally, the Army uses record position (rp) 80 of the DI FTZ as a multi-purpose rp to express to customers the amount of expected credit for return of reparable, and also to notify customers that there will be a credit reversal forthcoming. Since this intra-Service practice is not currently documented in DLSS transactions, it was never brought into the new DLMS Supplement 870M, Material Return Supply Status transaction.

#### **5. ADVANTAGES AND DISADVANTAGES:**

a. **Advantage(s):** The USAMC Logistics Support Activity is in the process of converting from MILS processing to World-Wide Web Consortium (W3C) compliant Extensible Markup Language (XML) schemas. The Army systems utilize this coding in the current intra-Army DI FTZ transaction to accurately transmit credit information. DoD acceptance/approval of this business practice could allow for expansion of this practice to other Services and therefore, no systems changes would be required within the Army. With approval from the Defense Logistics Management Standards Office (DLMSO), the X12/XML schemas developed and used by the Army will recognize and transmit this information as described above.

b. **Disadvantage(s):** Accommodates a non-standard business process.

**6. IMPACT:** This change is for documentation purposes and to provide accommodation/conversion under the DLMS. **This change is not authorized for inter-Component use without further coordination.**

**a.** Approval of this change would cause both text and format changes to the MILSTRIP and DLMS manuals as described above.

**b.** DAASC must update conversion mapping to accommodate this process. The unique MILSTRIP “credit granted” codes will be mapped as their numeric equivalent to the “expected credit” as it appears under the standard process. The unique MILSTRIP “credit reversal” codes will be mapped as their numeric equivalent using the new qualifiers per this PDC.

**Enclosure 1 – DLMS 870M Revision**

The following code and note revisions are made to accomplish the Intra-Army requirement and to provide clarification of other data content in this segment.

(1) Add new cover page introductory note

**Data associated with a DLMS enhancement authorized for implementation by modernized systems under DLMS migration. This data (including expanded field sizes) should be adopted during, or subsequent, to modernization when applicable to the Component’s business process. Prior coordination is not required. Components should ensure that inclusion of this data in a DLMS transaction does not cause inappropriate rejection of the transaction.**

(2) Update SAC segment as shown.

**SAC**

*Service, Promotion, Allowance, or Charge Information*

Pos: 310  
Detail - Optional  
Loop: ISR                      Elen

**User Option (Usage):** Used

To request or identify a service, promotion, allowance, or charge; to specify the amount or percentage for the service, promotion, allowance, or charge

**DLMS Note:**

- ICPs/IMMs use to identify the expected value of credit to be provided and the quantity on which the credit is based . Under **For Intra-Army use, this segment may be used to identify the amount of credit reversal and the quantity on which the credit reversal is based.**
- DLMS enhancement; see introductory DLMS note 4a.

**Element Summary:**

<u>Ref</u>	<u>Id</u>	<u>Element Name</u>	<u>Req</u>	<u>Type</u>	<u>Min/Max</u>	<u>Usage</u>
SAC01	248	<b>Allowance or Charge Indicator</b> <b>Description:</b> Code which indicates an allowance or charge for the service specified	M	ID	1/1	Must use
		<b>Code</b> A		<b>Name</b> Allowance		
				<b>DLMS Note:</b> Use to indicate that credit information is provided.		
SAC02	1300	<b>Service, Promotion, Allowance, or Charge Code</b> <b>Description:</b> Code identifying the service, promotion, allowance, or charge	X	ID	4/4	Must use
		<b>Code</b> B800		<b>Name</b> Credit		
				<b>DLMS Note:</b> 1. Use to indicate expected credit. 2. For intra-Army use, this will be the credit granted.		
		D340		Goods and Services Charge		

		<b>DLMS Note:</b> 1. Use to indicate credit for material. 2. DLMS enhancement; see introductory DLMS note 4a.
F650	Preparation	<b>DLMS Note:</b> 1. Use to indicate credit for Packing, Crating, and Handling (PC&H). Code R060 has been approved should be used when the IC is migrated to the next ANSI version. 2. DLMS enhancement; see introductory DLMS note 4a.
I260	Transportation Direct Billing	<b>DLMS Note:</b> 1. Use to indicate credit for transportation. 2. DLMS enhancement; see introductory DLMS note 4a.
<b>A170</b>	<b>Adjustments</b>	<b>DLMS Note:</b> Restricted to Intra-Army use to indicate reversal of previously granted credit.

SAC05	610	<b>Amount</b>	O	N2	1/15	Must use
		<b>Description:</b> Monetary amount <b>Federal Note:</b> 1. Use to identify the expected value of credit, or credit reversal per SAC02 code, provided for the reported material, expressed in dollars and cents format. Cite 0 (zero) when no credit is provided. 2. A field size exceeding 9 positions (7 digits dollars and 2 digits cents) may not be received or understood by the recipient's automated processing system. 3. Under DLMS the dollar value will be expressed as R10.2. DAAS will truncate the price for MILS users. Authorized DLMS migration enhancement; see introductory DLMS 4f.				
SAC09	355	<b>Unit or Basis for Measurement Code</b>	X	ID	2/2	Must use
		<b>Description:</b> Code specifying the units in which a value is being expressed, or manner in which a measurement has been taken <b>Federal Note:</b> Use to identify the correct unit of issue associated with the quantity expressed in SAC10. <b>DLMS Note:</b> DLMS users see the Unit of Issue and Purchase Unit Conversion Table for available codes.				
SAC10	380	<b>Quantity</b>	X	R	1/15	Must use
		<b>Description:</b> Numeric value of quantity <b>Federal Note:</b> Use to identify the quantity of reported material on which the credit or credit reversal per SAC02 code, is based. Express as whole number without decimal.				